



## EUROPEAN COMMISSION

*Brussels, 08.10.2018  
C(2018) 6345 final*

*Dear Chair,*

*The Commission would like to thank the Assembleia da República for its Opinion on the proposal for a Directive of the European Parliament and of the Council amending Directive (EU) 2017/1132 as regards cross-border conversions, mergers and divisions {COM(2018) 241 final}, in particular focusing on the proposal's conformity with the principles of subsidiarity and proportionality.*

*The Commission welcomes the Assembleia da República's general support to the Commission initiative and specifically the confirmation of the legal basis put forward by the Commission and of the compliance with the principles of subsidiarity and proportionality.*

*The proposal forms part of a broader package of ambitious measures designed to facilitate freedom of establishment within the internal market while putting in place the necessary safeguards against fraud and abuse. The proposal aims at creating opportunities for businesses to operate in the internal market. Businesses should be able to benefit from the freedom of establishment, based on new rules for clear and harmonised procedures for cross-border conversions and divisions and streamlined rules for cross-border mergers.*

*The Commission, when designing the procedures, carefully sought for the right balance between the freedom of establishment and the protection of the companies' stakeholders: employees, creditors and minority shareholders. In order to mitigate risks that could be involved in cross-border operations, the proposal introduces effective safeguards against the use of artificial arrangements to circumvent tax rules, undermine workers' rights or jeopardising creditors' or minority shareholders' interests. It empowers national authorities not to authorise a cross-border conversion or division, if companies intend to use the cross-border procedures for such abusive purposes.*

*Ms Regina BASTOS  
Chair of the European Affairs  
Committee of the Assembleia da  
República  
Palácio de S. Bento  
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*cc. Mr Eduardo FERRO RODRIGUES  
President of the Assembleia da  
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*The proposal presented by the Commission is currently in the legislative process involving both the European Parliament and the Council.*

*The Commission looks forward to continuing the political dialogue in the future.*

*Yours faithfully,*

*Frans Timmermans  
First Vice-President*

*Věra Jourová  
Member of the Commission*