

Brief note for consultation purposes to accompany draft new regulations implementing EU Directive on Cross-Border Mergers of Limited Liability Companies (Directive 2005 / 56 / EC)

The Directive which these new regulations are intended to transpose seeks to allow, facilitate and regulate the merger of limited liability companies incorporated in different member states. For this purpose, it aims to achieve legal certainty in such mergers and to reduce administrative difficulties and costs.

It provides for the possibility for member states to apply provisions and formalities applying to domestic mergers to transnational mergers in a manner which takes into account the cross-border nature of such mergers. The Directive further promotes in a practical manner the principles of freedom of establishment and of free movement of capital, while also safeguarding certain rights of employees affected by the merger. The regulations explain the new responsibilities that the Registrar of Companies will have to carry in the future in a cross-border merger in which a Maltese-registered company is participating.

This initiative forms part of the Lisbon strategy.

This Directive needs to be transposed by the 15 December 2007.

While apologizing for the strict deadline, we kindly ask that representations and suggestions regarding the draft new regulations should reach the MFSA by noon of Monday, 10 December 2007.

MFSA
29 November 2007