

By PwC Deutschland | 05. September 2023

EU Commission to facilitate the activities of cross-border associations in the EU

The European Commission adopted a proposal to facilitate cross-border activities of non-profit associations in the EU. It will improve the functioning of the Internal Market by removing legal and administrative barriers for non-profit associations that operate or wish to operate in more than one Member State, thus promoting the role non-profit associations play in generating economic and societal values in the EU and allow a level playing field between them.

Currently, when non-profit associations engage in activities in another Member State than the one they are established in, they do not receive uniform acknowledgment of their legal personality and capacity and often need to register for a second time or even form a new legal entity in that Member State.

The Commission's proposal introduces an additional legal form of a European cross-border association (ECBA) in Member States' national legal systems, which is specifically designed for cross-border purposes and will reduce legal and administrative burden when it comes to the recognition and establishment of non-profit associations engaging in activities in another Member State. Once established in one Member State, an ECBA will be recognized automatically and will be able to engage in activities in all Member States, including economic activities, thereby allowing non-profit associations to unleash their full societal and economic potential in the EU.

The new rules will establish in each Member State a new legal form of non-profit associations specifically designed for cross-border purposes (the ECBA), next to existing national legal forms, allow automatic recognition of this new legal form across the Union, provide for harmonized rules on transfer of registered office and ensure the ECBA fully enjoys the benefits of the Internal Market.

Next steps: The proposal will be presented to the European Parliament and the Council for approval. Once adopted, Member States will have two years to transpose the Directive into national law.

Source:

EU Commission, [**press release of 5 September 2023**](#).

Schlagwörter

non-business, non-profit associations