

Mr Michael Damianos
Minister of Energy, Commerce and Industry
Chair of the EU Competitiveness Council

Sent by email

20 May 2026

Subject: Eurochambres input for the 28-29 May Competitiveness Council policy debate

Dear Minister Damianos,

In less than a month, EU leaders will convey again after the March European Council meeting to review progress on the 'One Europe, One Market' agenda and take stock of developments on energy markets and simplification. From a business perspective, it is encouraging that single market and competitiveness initiatives such as the 28th regime for company law and the Industrial Accelerator Act are being prioritised, with the ambition to conclude negotiations by the end of 2026.

The 28-29 May Competitiveness Council meeting is an opportunity to move these agendas forward. Eurochambres invites you and the competitiveness ministers to consider the perspective of the European network of chambers of commerce and industry on the two items to be debated during the meeting.

Industrial Accelerator Act: how best to leverage access to the single market through European preferences and low-carbon requirements

Competitiveness is increasingly interlinked with resilience, innovation capacity, and strategic coordination in the face of other major economic regions' assertive industrial policies. At a time when businesses are already under immense pressure, a predictable and enabling environment – both domestically and internationally – remains a key precondition for investment and value creation.

The Industrial Accelerator Act has the potential to provide European industry with much-needed demand-side support. However, it cannot be ignored that European preference and low-carbon requirements will also generate additional costs for businesses such as higher prices, administrative burdens, risks of retaliatory measures and supply constraints. These effects must be weighed against the IAA's core objectives of reducing strategic dependencies and strengthening European value creation. European preferential rules must be designed to maximise benefits while minimising side effects. In this context, Eurochambres welcomes the inclusion of trusted partners in the scope but calls for clearer recognition of the strong economic ties built over the years via the EU Customs Union and free trade agreements.

Union origin and low-carbon criteria must remain practical, proportionate, time-limited, and accessible to SMEs. Complex documentation risks excluding smaller businesses from public procurement and support schemes, undermining the very industrial base that the Act seeks to strengthen. Eurochambres therefore calls on member states to champion standardised

self-declaration approaches, digital compliance tools, and specific SME safeguard clauses, while ensuring coherence with existing or planned legislation, such as the proposed Environmental Omnibus, the Battery Regulation, the Circular Economy Act, the Ecodesign Regulation, the Construction Products Regulation, Public Procurement Act, the European Business Wallet, the regulation of foreign direct investment, the Cybersecurity Act, and the Net Zero Industry Act.

Regulation on the 28th Regime Corporate Legal Framework – EU Inc.

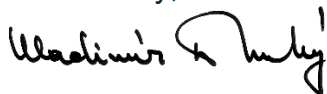
Eurochambres believes that the proposed EU Inc. can strengthen the single market and boost investment attractiveness by offering a harmonised, digital company law framework that. Overcoming implementation challenges requires keeping the regime strictly optional and narrow in scope, limited only to a company's lifecycle.

We also note key risks concerning regulatory coherence. Member states must retain exclusive competence over complex areas like insolvency to prevent unnecessary overlap. Furthermore, relying solely on national courts for legal interpretation in the absence of established case law could undermine legal predictability. Ensuring EU-wide consistency may ultimately require a centralised mechanism, such as a specialised chamber within the Court of Justice of the EU. While the scope of harmonisation remains essentially limited to company law, businesses will continue to be subject to 27 distinct tax and social security regimes. Member states must thus adopt appropriate safeguards to avoid forum-shopping strategies.

Crucial elements for success include full digital incorporation and seamless interoperability between national business registers via BRIS, while allowing analogue formation in certain, well-established cases. To ensure long-term effectiveness, member states must consider the importance of dedicated EU funding for national registry upgrades, aligning the legal framework with existing SME and startup definitions, and maintaining national registers as the sole authentic data source.

Political momentum is a pre-requisite for the delivery of potentially impactful measures for Europe's businesses and the single market. This must be coupled with appropriate reflections, checks and balances to guarantee that the benefits deriving from such measures outweigh the costs and that their implementation does not conflict with the ongoing efforts to reduce the cumulative regulatory burden on businesses.

Yours sincerely,



Vladimír Dlouhý
Eurochambres President