

Seldia Contribution to the Open Public Consultation on the 28th Regime, an EU Corporate Legal Framework

Seldia welcomes the European Commission's initiative to create an optional 28th regime, a single, harmonised set of EU-wide rules that companies can opt into to overcome legal fragmentation when setting up and operating across borders. Properly designed, the regime can reduce red tape and legal uncertainty for businesses of all sizes. To deliver on its promise, however, it is important that it has a broad scope, not only restricted to innovative start-ups and scale-ups companies. Such an approach would be consistent with the Commission's priority of promoting EU economic growth.

Why Inclusivity Matters

Europe's economy is powered by small players. **One-person companies (OPCs) represent around 60% of all SMEs, and over 32 million Europeans, around 14% of the EU workforce, are self-employed.** This group forms the power cells of Europe's entrepreneurial fabric. Despite their essential role in providing services, creating income opportunities, and driving local economies, these businesses are the largest yet least recognised group in EU policymaking.

Direct selling alone engages millions of independent entrepreneurs, often as a first step toward self-employment. For many, this is the gateway to economic independence and personal development.

Focusing exclusively on unicorns and venture-backed firms would overlook the majority of Europe's entrepreneurs, those who start small, often part-time, some of which would like to grow, others not necessarily.

The Opportunity of the 28th Regime

The 28th regime should be designed to **remove barriers across cross-cutting areas such as company, insolvency, labour and tax**, creating a coherent legal environment for businesses operating across borders. For micro-entrepreneurs and OPCs, this could mean:

- **Faster and more digital procedures throughout the company life cycle**, reducing administrative burdens and costs.
- **A harmonised, simplified, and flexible set of rules**, facilitating cross-border activities in the Single Market.
- **An incentive to start a business** by eliminating complexity and costs, thereby encouraging entrepreneurs to take those first steps.

Recommendations for the European Commission

To make the regime a practical solution for millions of Europeans who want to start or grow a business but are discouraged by complexity and cost, Seldia calls on the Commission to:

- Ensure the regime's scope **covers micro-entrepreneurs and OPC explicitly**.
- Deliver a **quick and fully digital incorporation process** that is affordable and user-friendly.
- Incorporate **simplified accounting and reporting standards** that include and give consideration to micro-businesses.
- Guarantee **legal certainty** across all Member States, eliminating the need for multiple registrations and reducing costs.

Conclusion

The 28th regime **can become a true enabler of entrepreneurship for all, not just for a select few**. It is an excellent opportunity to make entrepreneurship in Europe **simpler, fairer, and more accessible**. By embracing inclusivity and designing with micro-entrepreneurs and OPC in mind, **the EU can empower millions of individuals to start and grow businesses, strengthen the Single Market, and foster economic resilience**.

About Seldia

Seldia advocates for a responsible and ethical consumer-driven Direct Selling industry in the EU, representing almost 200 European companies that are members of our National Direct Selling Association network. We have been the leading association representing the European Direct Selling sector towards EU institutions since 1968, encompassing **13 leading companies, 25 National Direct Selling Associations, 10 service providers, and 5.3 million independent entrepreneurs across Europe**.