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Pilot EU Inc. in Estonia, where it is already working

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The European Commission's [EU Inc.](#) proposal will give entrepreneurs a single company that works across the Union. Estonia has run most of the programme since 2014. The fastest way to prove that the new regime works is to pilot it in Estonia, where the digital systems already work, then take the results to Brussels as evidence.

START WHERE IT IS ALREADY WORKING

Europe has a competitiveness problem, and the figures now prove it. [Mario Draghi's report](#) on European competitiveness records productivity at roughly three quarters of that of the United States, down from near parity at the turn of the century. It counts 147 unicorns founded in Europe between 2008 and 2021, most of which raised funds from US investors and expanded into the US market. Draghi puts the yearly investment Europe needs to close the gap at around €800 billion. He traces much of the problem back to fragmentation. Financing, company law and public registers follow 27 national systems. That multiplies the cost of building a company that can function properly across Europe.

EU Inc. answers that problem; the Commission's proposal of 18 March 2026 gives entrepreneurs a single, optional, digital company that all 27 Member States recognise (28th regime). It promises fast, low-cost setup, no minimum capital, one-time filing, a digital company life, and a common approach to employee share options. Any entrepreneur who has tried to build a company and a cap table across three countries will read this as a long overdue fix.

In the United States, an entrepreneur can set up in Delaware in a day, raise funds legally, and give equity to the whole team according to one rulebook. European entrepreneurs who work across borders from day one face legal uncertainty, different rules governing capital, and

different tax on equity in almost every market. EU Inc. is the first serious attempt to give them the same kind of base inside the single market. The standard to match or even exceed is the one entrepreneur already get in Delaware.

EU Inc. deserves support. The harder question is how to prove it works before 27 capitals spend two years on the detail. The best way is to test it with real entrepreneurs first, then take real numbers to Brussels. Estonia can serve as the Union's working pilot. To see why, start with the product Estonia already offers entrepreneurs.

E-RESIDENCY, THE WORKING MODEL

[E-Residency](#) allows anyone anywhere to start and run an EU company fully online. This was the first national programme in the world to give a non-resident a government-issued digital identity, and with it access to a country's public business services. More than a decade on, it is still an original product. Built and run by the state, it is the rare government service that people talk about as a startup – a public-sector unicorn even. No other country offers the same complete cross-border business package, from secure identity to digital signature to a fully online company.

E-Residency separated company creation from physical presence, local lawyers and weeks of paperwork. An entrepreneur in Lagos, São Paulo or Lyon can hold a verified EU identity, sign legal documents, open a company in hours, and run

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it from anywhere at low cost. Capital can start at just one cent. The whole process takes place in English through an online business register. This is a fast, cheap, global way into the single market.

The Estonian authorities run a thorough background check before issuing anyone an identity. That one check gives the e-resident a secure digital identity, valid for five years and also renewable, it is used to log into the company register, sign documents and approve filings. A company can be set up in a few hours. Banking, accounting and tax reporting operate through the same digital channels, often from private providers in the e-Residency marketplace. The entrepreneur never has to come to Estonia to keep the company going.

By letting anyone found and run an EU company online from anywhere, e-Residency has opened the single market to entrepreneurs far beyond Europe. Estonia expected entrepreneurs in non-EU countries to be its main market, but in practice, about half of e-residents come from inside the EU. Europeans use an Estonian digital identity to get past friction in their own countries. That says a lot about how hard it still is to start a business across the continent. The appetite for a digital, borderless way to run a European company is already here. And that appetite keeps growing as more teams build remote-first and location-independent companies. EU Inc. is the chance to fulfil this demand across the Union.

E-Residency has issued digital identities to more than 140,000 people from 187 countries. E-residents have set up tens of thousands of Estonian companies. Close to half of the Estonian startup founded in 2024 and 2025 are linked to an e-resident. The programme has also developed a marketplace of private providers: accountants, agents and fintechs who build on the state's digital services and serve entrepreneurs. The state supplies the trusted identity and the register. Private companies supply the experience surrounding this. EU Inc. needs this public-private structure to serve entrepreneurs in practice.

The wider record backs this up. Estonia has ranked first on the [International Tax Competitiveness Index](#)

for twelve years running among OECD countries, helped by a zero percent rate on reinvested profits. It has the highest startup density in Europe, above 1,100 startup per million people. It is the leading producer of unicorns per head in the EU, with ten unicorns out of a population of 1.3 million, and venture funding per head among the highest in Europe. It ranks twelfth in the world in the [2026 StartupBlink](#) Global Startup Ecosystem Index, and Tallinn has entered the EU's top ten startup cities. These figures show that companies can thrive in Estonia and not simply start there: reinvested profits compound into expansion, options taxed at sale rather than at vesting help scaling teams keep their engineers, and the private marketplace supports a company as it hires and scales. Almost every citizen holds and uses a digital ID, and all public services are available online. Tallinn hosts NATO's cooperative cyber defence centre, a sign that the same digital systems are built for security as well as speed.

Two points matter for a policy reader. First, e-Residency is a digital identity for a private person, intended for business. It gives no residency, citizenship or right of entry. Second, e-Residency is not tax residency. An e-resident does not become an Estonian taxpayer by default, while an Estonian company is taxed in Estonia. A country can open its business environment to the world and still keep tax and sovereignty clearly defined. EU Inc. draws the same line by leaving tax and labour law with the Member States.

As demand for secure, fully digital company creation grows, Estonia continues to develop the programme. It is moving to a fully cardless model, with biometric sign-up through a mobile app that allows applicants to confirm their identity by phone, adding a technological security layer to the process. This will cut the time from application to a functioning company to as little as two weeks and widen access, with a full cardless launch planned for 2028. A pilot of EU Inc. in Estonia would run on systems that continue to get easier and more accessible. Soon, an e-resident will be able to found a company in Estonia using only a smartphone – without ever even leaving home.

WHAT ESTONIA'S DIGITAL STATE SHOWS

Behind e-Residency sits the digital state that makes it work. The hardest promises in EU Inc. are also technical. A 48-hour setup, one-time filing, a digital company life, and a register that acts as one system all need a State that can share data securely between its own bodies and across borders. Estonia solved this years ago.

Estonia's digital State runs on X-Road, a secure data-exchange system that connects public and private databases. Information is asked for once and reused securely where it is needed. The once-only principle is live in Estonia today. An entrepreneur's data sits with the body that owns it. The company register; the tax authority and the owner can access it through secure connections. Estonia has long estimated that digital signatures save about two percent of GDP a year in working time. Estonians file almost all tax declarations online.

EU Inc. raises two questions that are easy to blur: who can identify themselves to the system, and how the company register works. They need separate answers.

Firstly, there is identity. EU citizens and residents already log in with national eIDs, and the Union is rolling out personal European Digital Identity Wallets under the [new eIDAS rules](#). The open gap is non-EU entrepreneurs, who hold no EU eID. However, e-Residency already covers this, with a state-backed eIDAS identity that works across borders. So, EU Inc. can secure identity with the tools Europe already has: national eID wallets for EU citizens, and e-Residency as the entry point for entrepreneurs from the rest of the world. A separate European Business Wallet adds little here.

The register is the harder question, and the three main camps differ. The Commission proposes an EU-level interface that links the 27 national registers, so an entrepreneur files once, with a central EU register to follow later. [The EU-INC](#) platform wants one central EU register from the start. Estonia

maintains a strong national register, [the API-native e-Äriregister](#), running since 2007. An entrepreneur or investor looking a company up cares about one thing: a single, reliable, real-time view, with a fallback when the link fails. Estonia delivers that today. A deeper EU register earns an entrepreneur's trust once it matches the legal certainty and transparency that good national registers already provide. The test is the entrepreneur's experience of one system, whatever lies behind this.

Estonia's value lies in the way it runs digital services: secure identity, a data-exchange system, an API-native register, and one-time filing that let a company start and operate online. The lesson for EU Inc. is simple: The more it reuses what works today, the faster it delivers.

WHAT EU INC. GETS RIGHT, AND THE STANDARD TO HOLD

An honest look at the proposal's limits strengthens the case for an Estonian pilot. The grassroots [EU-INC position paper](#), backed by entrepreneurs and investors across Europe, pushed this onto the Commission's agenda. Now that the proposal is out, the same community is candid about its shortfalls. Groups including the [European Startup Network](#) and [Allied for Startups](#) say the draft is only a start, and still lacks a true 28th regime. It stops short of a single legal backstop, so it cannot match the certainty a Delaware company gives an American entrepreneur. That criticism is fair and useful. It sets the standard that the final regulation has to reach.

Three aspects deserve attention. First, 27 local versions of one company. If Member States add national conditions and their own workflows, one company turns into 27 handbooks and the entrepreneur gains little. Maximum harmonisation prevents this, and the EU-INC campaign presses for it. Second, the gap between starting a company and developing one. Real single market life begins when a company hires, raises and settles disputes across borders, and much of that stays national. The Commission itself points to the need for special chambers or courts for EU

Inc. disputes. That shows the harmonisation work continues after the regulation comes into force. Third, the register link. The EU interface has to act as one real-time system, and it needs a clear fallback so that an entrepreneur can always finish the registration when the link cannot complete it.

An entrepreneur facing a share transfer senses these shortfalls. In several large Member States, a single share transfer might still take weeks and cost thousands of euros. The proposal already moves to bar a mandatory notarial form for such steps. For a cap table that changes with every hire and every round, that slows growth. Employee options carry their own trap. In some countries staff are taxed when options vest, before they own a share or hold any cash. This is a leading reason European startup lose engineers to American rivals. Taxing options only when they are sold is the right goal, and Estonia already does this. The change lies in a dedicated tax instrument agreed among the Member States. This company-law regulation should leave tax timing out. Clean legal bases protect the regime from later challenges and keep its focus on fast, digital formation.

Estonia shows what fast, fully automatable company creation looks like, built on the identity tools Europe already has. Its experience also shows how to set entry costs low while low cost keeps trust in the register and keeps the new company in step with credible national forms. These conditions keep the regime legally durable and worth an entrepreneur's trust.

It all comes down to one test that every entrepreneur and investor will apply on day one. Does EU Inc. simply match Delaware, or does it offer more? In several ways, Estonia already does. Digital setup, a secure eID, e-Residency and a government that ships products entrepreneurs use exist now, in one Member State. The lesson for the talks follows on from this. Raise the floor for every entrepreneur in Europe, and keep the final text close to the standard that already works.

RUN THE PILOT IN ESTONIA

The Council and the Commission should make Estonia the live pilot for EU Inc.

Estonia already runs every system the regulation describes, in daily use and at national scale. Running it here first would show, in months and with real entrepreneurs, where the single interface holds, where dispute resolution strains, and where the register acts as one system. It would produce the one thing the talks lack – evidence. Ministers handling the file could set up a company online and see the experience for themselves before they vote.

A pilot would answer the questions Member States keep asking. How long does a real cross-border setup take, how quickly can a single interface find a company across registers, or a board change happen online, and at what cost. These numbers turn a political argument into an evidence-based one. Estonia is the one place that can produce them quickly and cheaply. A pilot could start with a set group of entrepreneurs and a fixed review date, so the results are ready before the vote.

The Commission has asked the co-legislators to agree on the file by the end of 2026, with the first EU Inc. registrations possible in early 2027. A pilot fits inside that window. The Council has tied the initiative to its One Europe, One Market agenda and to the wider push for strategic autonomy and a stronger single market. A pilot would lower the risk in that schedule. It would turn a contested text into a tested one. It would give cautious Member States a working example to study.

This is also the moment to change old habits. Much of Europe's company law was written for paper, notaries and physical presence. The needs of the digital economy have moved the entrepreneur's demands well past that. A company today is a team spread across cities, a product sold over the internet, and a cap table that changes every month. The rules should match that reality, as the EU's second company-law digitization directive already requires, with fully digital company creation due across the Union by mid-2027.

EU Inc. is a chance to write company law for how entrepreneurs actually build, and Estonia shows it can be done while maintaining the controls that protect trust and the public.

Europe has talent, capital and ideas in plenty. It loses ground to fragmentation and friction, and it loses entrepreneurs to places that make building easy. EU

Inc. is a serious attempt to cut that friction across the Union. A new era of digital, borderless business gives Europe every reason to act now. Estonia is the proof it can work, because it has worked here for more than a decade. The Union should build on that proof, pilot the regime in Estonia, and bring real numbers back to Brussels.

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