



EUROPEAN COMMISSION

Internal Market and Services DG

FREE MOVEMENT OF CAPITAL, COMPANY LAW AND CORPORATE GOVERNANCE
Company law, corporate governance and financial crime

**SYNTHESIS OF THE COMMENTS ON THE CONSULTATION
DOCUMENT OF THE INTERNAL MARKET AND SERVICES
DIRECTORATE-GENERAL**

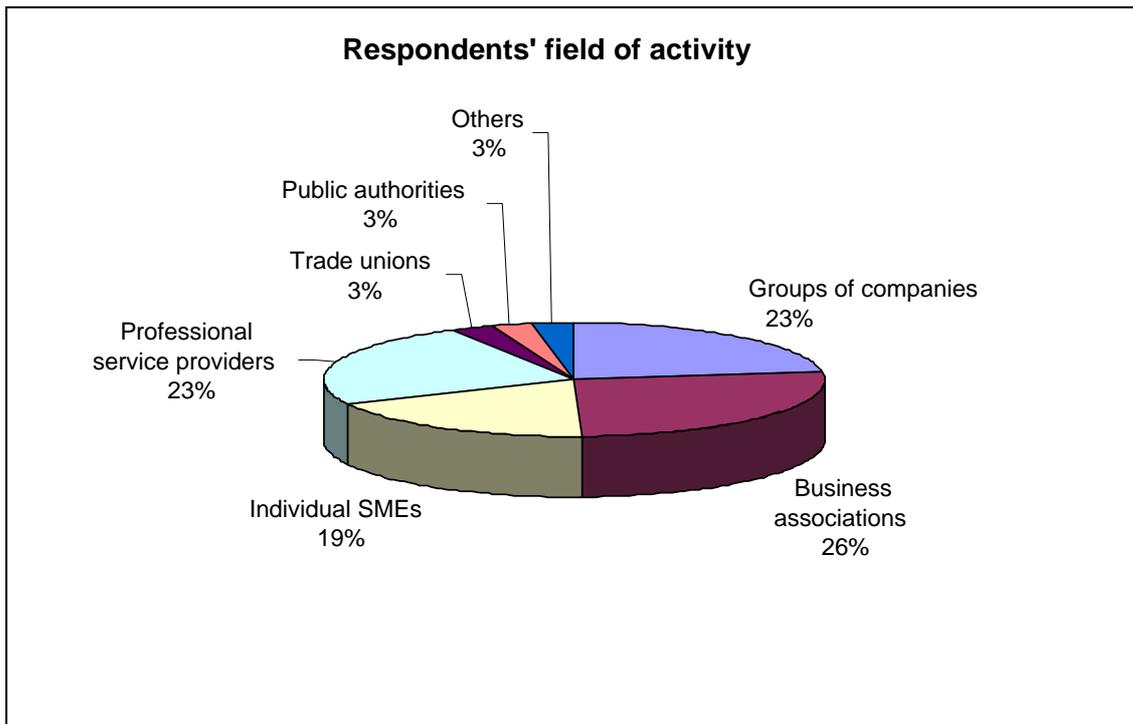
ON

A POSSIBLE STATUTE FOR A EUROPEAN PRIVATE COMPANY

DECEMBER 2007

In order to assess the need for a statute for a European Private Company, the Services of DG Internal Market & Services launched a public consultation in July 2007 on a questionnaire developed for this purpose with the involvement of the Advisory Group on Corporate Governance and Company Law.

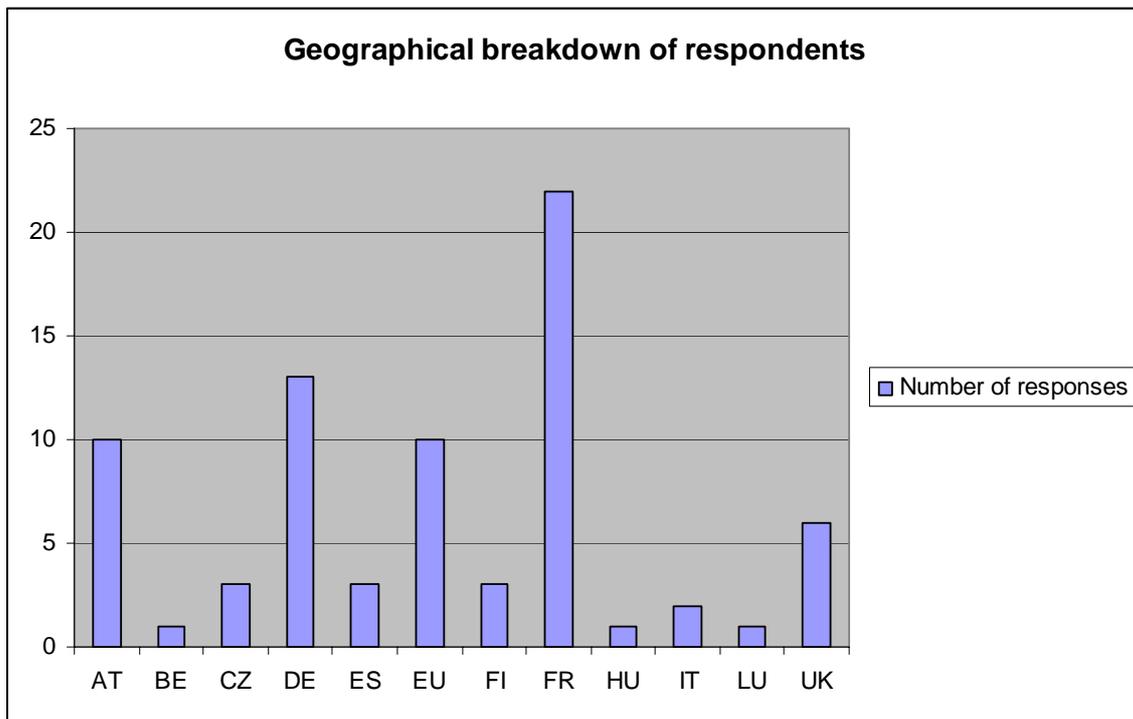
The objective of the consultation was to prompt comments on specific potential measures directly focused on the question whether, and if so by what means, the SPE concept should translate into reality. The consultation forms part of the impact assessment which will entail a cost-benefit analysis of any possible future measure on the issues in question.



75 contributions were received from 11 Member States. More than half of the responses to the consultation stem from companies, ranging from individual companies to business associations representing thousands of companies. A number of contributions were also submitted by European bodies and associations.

The majority of individual companies which have replied to the questionnaire are independent SMEs, though a few replies come from large groups or companies belonging to large groups.

Other respondents to the consultation include, for the most, professional advisors (e.g. lawyers, notaries and accountants).



DG MARKT would like to thank the interested parties who responded to the consultation for their contributions.

This report summarises the results of the consultation undertaken by DG MARKT to assess the need for a legislative proposal. The report seeks to provide a survey of the main comments received by DG MARKT. It does not provide detailed statistical data, but rather seeks to present a qualitative assessment of the contributions received. It does not give any indication of potential initiatives, if any, which the Commission may undertake in the future.

In this report, the European Private Company is referred to by its Latin name, *Societas Privata Europaea* or, in abbreviation, *SPE*.

EXECUTIVE SUMMARY

Do SMEs need a European private company statute?

A majority of respondents consider that they face obstacles related to the legal form of companies when doing business in other Member States. The diversity of company law forms and regimes in the EU is perceived as a significant source of costs and legal uncertainty. Respondents also consider the existing legal framework as insufficient for cross-border activity and would welcome a statute for a European private company (SPE). In addition to providing a European label which many respondents would find helpful as a marketing tool in a global environment, the SPE would allow significant cost savings by enabling the use of the same legal form in several Member States. As a matter of fact, a majority of respondents would prefer setting up a new business as a SPE rather than use a national company legal form. Numerous respondents, however, insist that the SPE will only be useful and provide added-value if its statute is uniform throughout the European Union.

Which model for the SPE?

Most respondents consider that the SPE should be as open as possible and offer maximum flexibility. Even though a majority would still support a single shareholder SPE, most consider that the SPE should be open to single and multiple shareholders, legal and natural persons alike, and should be allowed to have its headquarters and registered office in different Member States. However, several respondents consider a single shareholder SPE to be more feasible than a multiple shareholder SPE, because its statute would be simpler. As a result, the single SPE statute is more likely to be uniform throughout the EU. The majority clearly favours a SPE statute exempt from references to national law. They consider that the added value of the SPE will lie in the uniformity of its statute throughout the European Union. References to national law are likely to lead to as many kinds of SPEs as there are Member States, thus depriving the SPE of much of its attractiveness.

Structure and core elements of the SPE

Respondents consider that more matters could be left to the Articles of Association in the single shareholder SPE (simple SPE) than in the multiple shareholder SPE (full SPE). In general, in either kind of SPE, many matters pertaining to the management of the company should be left to contractual freedom. In addition, respondents consider that many matters pertaining to the share capital of the simple SPE could also be left to the Articles of Association.

Social aspects – employee participation

Respondents' views are evenly split on the employee participation regime. While some respondents favour a uniform employee participation regime throughout the EU, others believe that opting for the rules applicable in the Member State in which the SPE has its seat is the only feasible solution.

1. DO SMES NEED A EUROPEAN PRIVATE COMPANY STATUTE?

Question 1

1.1 Do you face barriers related to the legal form of your company when you are conducting cross-border activity?

1.2 If so, please explain which of these barriers are the most burdensome:

- difficulty in dealing with a number of different company law systems (legal and other counsel's fees),
- lack of trust in foreign legal forms in business relations with business partners from other Member States,
- different national rules for the operation of a company which makes day-to-day management more expensive,
- other barriers related to the legal form of your company (which ones?).

A majority of respondents indicate that they face company law obstacles when conducting business cross-border. The obstacles described as most burdensome stem from the diversity of national company law legislations in the European Union. Respondents mention the diversity of company law systems, which generates legal and other advisory fees, as the main obstacle, followed by the different national rules affecting the operation of companies, which increase the cost of day-to-day operations. Some respondents also mention the registration authorities' practices, notably the notarisation of documents which is compulsory in some Member States. The lack of trust in foreign legal forms is not considered as a major barrier to cross-border activity.

Diverging national company law provisions, however, should not be considered as the only obstacle companies face when operating cross-border. About a third of respondents also mention the diversity of tax, social and commercial provisions as a significant obstacle. Inconsistent VAT systems and fragmented IP protection are also cited. Lastly, cultural differences and language barrier are also perceived as making cross-border activity difficult.

Question 2

Do you consider that the current legal framework is sufficient for your company's current or future cross-border business?

- yes, in particular because:
 - companies may operate under a foreign legal form, following the recent case law on corporate mobility;
 - companies have the possibility to merge with businesses from other Member States; other reasons;
- no (please give reasons).

About three quarters of the respondents to this question consider the current legal framework to be insufficient for current or future cross-border business. The reasons given are often those stated in response to Question 1, notably the diversity of existing national legislations. Some of these respondents consider that the cross-border mergers directive fails to adequately address the problems faced by SMEs operating cross-border.

Some others mention that the existing European Company form (SE) is ill-suited to SMEs.

The minority of respondents who consider that the existing framework is sufficient rarely explain their position. One such respondent takes the view that national law provides for adequate corporate standards for company business, such as certain minimum capital, legal requirements or minimum data for the entry into the commercial registry.

Question 3

Q 3.1. Do you think there is a need for a European Private Company (SPE)? Please give reasons to your answer.

Q 3.2. Do you think that the company form of an SPE itself ('European label') would give an added value to your business? Would it be helpful in cross-border activities?

Q 3.3. Do you consider that a Statute for an SPE would address the problems identified by you in Q 1? Would it be the most appropriate means? Please explain why.

About three quarters of the respondents to Question 3.1 consider that there is a need for a SPE. The reason most often given is that a SPE would make cross-border business simpler and cheaper. SMEs would no longer have to familiarise themselves with potentially 27 national company law systems. This would increase legal certainty and reduce regulatory burdens. The SPE would also reduce advisory costs incurred as part of setting up and running companies in other Member States. For those SMEs active in several Member States, the SPE would also generate organisational advantages by enabling the same structure to be put in place in different Member States. The SPE would also be an interesting legal form for joint ventures. Some respondents also consider that the SPE should give SMEs the flexibility required to do business in the Internal Market.

Some of the respondents who do not think that a SPE is needed consider that existing company law forms are very reliable and offer full legal certainty, notably because of the existing case law of national courts. They add that obstacles to cross-border activity are not so much linked to the variety of legal forms but rather to the lack of harmonisation of national company, social and tax legislations.

Three quarters of the respondents to Question 3.2 view the European label afforded by the SPE as an added-value. In their view, such a label would make cross-border business easier and help companies compete in the global environment, by enhancing their image, visibility, competitiveness and dynamism. This may be true, in particular, for the companies of the new Member States whose national company forms are less well-known throughout the EU than the company forms of the EU 15. Some of the minority respondents consider that there no evidence that a European label would have any added-value.

An overwhelming majority of the respondents to Question 3 consider that a Statute for a SPE would be the most appropriate means of addressing the problems identified in Question 1. The main reason given is that dealing with one single form is both simpler and cheaper for companies than managing subsidiaries organised as different legal forms in potentially 27 Member States. It would also enable companies to opt for the same

internal organisation no matter where they conduct business. Some respondents, however, qualify their response and indicate that the SPE statute will address the problems linked to cross-border activity only if it is set up as a single, uniform statute throughout the EU.

Question 4

Q 4.1. If your company conducts or intends to conduct cross-border activities, do you/would you prefer to:

- set up an establishment in another EU Member State,
- provide cross-border services while keeping the permanent establishment in your own Member State,

Q 4.2. If you have/would like to have an establishment in another EU Member State, do you/would you prefer to set it up:

- as a company (subsidiary),
- as a branch, or
- without any formal organisation (*de facto* branch)?

Q 4.3. If you prefer to set it up as a company (subsidiary), would you prefer to register it in the other Member State:

- in a legal form of that Member State,
- in a legal form of your own Member State, if it were allowed and recognised by the other Member State automatically
- if certain minimum requirements were fulfilled (this procedure may be described as a *single company passport*) in the legal form of an SPE having multiple shareholders (Model A), or
- in the legal form of an SPE having a single shareholder (Model B)?

Please give reasons and, if you choose more than one alternative, please rank in order.

Q 4.4. Do you think it would be useful for groups of companies to set up subsidiaries in the form of an SPE?

The respondents to Question 4.1 indicate in equal numbers that cross-border activity is conducted either by setting up an establishment in other Member States or by providing services from an establishment based in the home Member State. Some respondents mention that it is impossible to give a precise answer and indicate that both methods are commonly used. The choice will depend on the company's needs, business strategy and the circumstances. Some of the respondents who indicate that they choose to set up an establishment in another EU Member State explain that this strategy makes most sense where it is necessary to develop close relationships with customers and set up co-investment with local partners. Setting up establishments in other Member States also allows for risk spreading over different entities, reduces tax exposure and facilitates relationships with banks and suppliers.

More than two thirds of the respondents who responded to Question 4.2 indicate a subsidiary as their favourite form of establishment, while the last third opt for a branch. Some respondents indicated both forms of establishment in their response, stating that the choice will depend on the specific circumstances. Decisive factors include the size of

the company, the company's activity (notably the size of the activity) and needs, and the applicable taxation rules.

More than 80% of the respondents to Question 4.3 would prefer to register a company in another Member State as a SPE or, to a lesser extent, under a national legal form recognised in that other Member State (single European passport). Only few respondents would prefer using a national form of the Member State concerned. As regards the kind of SPE – single or multiple shareholders –, the single shareholder SPE (Model B) is cited more often, although many respondents indicate that both structures should be possible to allow for maximum flexibility and a wide freedom of choice essential to SMEs. Some respondents express preference for Model A (multiple shareholder SPE) but see it as more difficult to achieve in practice than Model B (a single shareholder SPE).

More than 80% of the respondents to Question 4.4 consider that the SPE would be an attractive form of subsidiary for groups of companies. Some respondents, however, qualify their response and indicate that the attractiveness of the SPE will greatly depend on the uniformity and the flexibility of the SPE statute. One respondent argues that the SPE should be set up primarily to help SMEs and should not be devised for large groups as this risks depriving the statute of flexibility which is essential to SMEs.

Question 5

Q 5.1. Do you know an existing legal form of a private limited liability company, except for the limited liability company of your own jurisdiction, which you would consider suitable for an EU-wide activity of your business? If so, please indicate which one and explain why.

Q 5.2. Provided that you identified a preferred foreign national legal form, if you had the choice between such national form and the SPE, which of them would you choose for your business? Please give reasons for your answer.

About 60% of the respondents to Question 5.1 consider that there is no existing legal company form which is suitable to conduct business throughout the European Union. The few respondents who comment on their response indicate that no national legal form can offer business the added-value of the SPE, notably the European label. The remaining 40% of the respondents to Question 5.1 mention most often the SE, the S.A.R.L., the Limited and the GmbH as appropriate legal forms to conduct business on an EU-wide basis. The Italian SRL, the Dutch BV and NV and the UK plc are also cited. A respondent refers to the Delaware LLC, which leaves much space to contractual freedom and is very popular in the United States.

Of the few respondents who responded to Question 5.2, an overwhelming majority expressed preference for the SPE, noting that it would be the easiest instrument for SMEs. A comment frequently made is that to bring real added-value, the SPE statute should be simple and clear and, most importantly, as autonomous and as free as possible from national rules.

Question 6

Should the SPE be allowed to have its registered office and its headquarters in different Member States? Please give reasons.

Almost three quarters of the respondents to this question consider that the SPE should be allowed to have its registered office and its headquarters in different Member States. The reason most often given is that this would give SMEs much needed flexibility, in particular in a cross-border context. Several respondents, however, qualify their response. While not rejecting the idea of different locations for registered office and headquarters, some respondents consider that upon creation of the SPE, for practical reasons, the registered office should be located in the same Member State as the SPE's headquarters, but the SPE should be able, sometime after its creation, to transfer its registered office to another Member State. Other respondents consider that SPEs should be allowed to opt for registered office and headquarters in different Member States only if the SPE statute is entirely autonomous and does not in anyway rely on national law. If the SPE statute relies on national law, the choice of location for headquarters will lead to forum shopping, with the risk that companies choose the legal framework which is the least protective of workers or creditors. Another difficulty mentioned by a respondent is that locations in different Member States of headquarters and registered office could make it more difficult to determine which company, insolvency or tax legislation is applicable to the company. One respondent adds that in any event, re-registration requirements, if any, should be kept to a minimum.

Some of the respondents in the minority, which considers that registered office and headquarters should be located in the same Member State, consider that it is an essential condition of transparency and protection of creditors and that it is necessary to avoid abuses.

Question 7

Q. 7.1. Do you think that the access to an SPE should:

- be open to any person (natural or legal)
- be somehow limited? If so, which should be the limitations and why?

Q 7.2. Should it be possible to establish a single-shareholder SPE?

Q 7.3. Would you support an SPE Statute if it were restricted to a single shareholder (**Model B** outlined in chapter III)?

The respondents to Question 7.1 almost unanimously consider that the SPE should be open to any legal or natural person and that there should be no limitation in this regard. The SPE should be available to all, whether single or multiple shareholders.

In response to Question 7.2, respondents also almost unanimously consider that the SPE should be open to single shareholders.

By a short majority, respondents to Question 7.3 would support an SPE statute restricted to a single shareholder, though many indicate that it would be a second-best option and that the SPE statute should also be open to multiple shareholders, to give companies a maximum of flexibility. Respondents who would withdraw their support for the SPE if it

were limited to a single shareholder consider that such limitation would deprive the SPE of much of its interest. It would result in the SPE being mainly relevant for large groups of companies while its objective should be to make the Single Market accessible to SMEs.

Question 8

Q 8.1. If the question of taxation in relation to the SPE Statute would not be addressed at the EU level, would you nevertheless find the SPE useful?

Q 8.2. If so, what would be in your view the added value of this legal form?

The overwhelming majority of respondents to this question would still find the SPE useful even if the question of taxation were not addressed in the SPE statute, although several respondents consider that a taxation regime would increase the attractiveness of the SPE. Even without taxation provisions, the SPE would simplify the regulatory environment of companies through the creation of a single, standardized, legal form available and recognised in all Member States. This would facilitate cross-border activity by reducing the existing difficulty of running companies in different Member States. It would also lead to a reduction of the costs incurred as a result of setting up and running businesses incorporated under different legal forms and would simplify corporate housekeeping. It would give companies more flexibility and increase legal certainty. Some respondents add, however, that to deliver such added-value, the SPE would have to be uniform throughout the European Union.

The dissenting minority of respondents consider that different national tax legislations hamper cross-border business, so that the SPE would make little sense without an ad hoc taxation regime.

Question 9

Which SPE model presented in section 3.1 do you find the most feasible:

- Model A (SPE having multiple shareholders)
- Model B (SPE having a single shareholder)
- other model (please describe its characteristics)?

Please explain why you prefer this model.

In their responses to this question, many respondents indicate their preferred model without mentioning whether they consider it more or less feasible than another. Preference clearly goes to a SPE which would be accessible to multiple and single shareholders alike. Yet, several respondents note that the most feasible model is the single shareholder SPE (Model B) because it would necessarily be simpler than a multiple shareholder SPE (Model A). As a result, it is also more likely to be uniform throughout the European Union than a more complex Model A.

2. WHICH MODEL FOR THE SPE?

Question 10

Which of the regulatory options presented in section 3.2 do you find best for the SPE Statute:

- Option 1 (comprehensive and complete Statute)
- Option 2a (flexible statute with references to the general principles of EU law)
- Option 2b (flexible statute with references to national law)
- other option (please describe its characteristics)?

Please explain why you prefer this model.

About 80% of the respondents to this question express support for a SPE statute exempt from references to national law, i.e., Options 1 and 2a, with a slight preference for Option 2a. These respondents consider that much of the added-value of the SPE will lie in the uniformity of its statute throughout the European Union. This, in their view, would not be achieved if the SPE statute refers to national law as such reference would inevitably lead to the creation of a different kind of SPE in each Member State. Some of these respondents add that, to ensure real flexibility, much freedom should be left to shareholders to decide about the main operational rules of the company and that sample articles of association would be helpful.

The respondents who favour Option 2b, i.e., a SPE statute containing references to national law, see it as the only feasible option. Some note that reference to national legislation is unavoidable, e.g., rules on legal capacity and representation. One respondent takes the view that the SPE statute should not exceed 40 articles covering the essential features of the company and determining which aspects are regulated by the national law of the Member State where the seat is located.

3. THE STRUCTURE AND THE CORE ELEMENTS OF A EUROPEAN PRIVATE COMPANY

Question 11

About 60% of the respondents to the consultation responded to this Question. The majority views are reported in the table below.

Generally, respondents consider that many matters pertaining to company management should be left to the Articles of Association, no matter the kind of SPE - simple or full. Respondents also consider that more matters can be left to the Articles of Association in the simple SPE compared to the full SPE. This is true in particular of matters pertaining to the company's share capital. Lastly, there is no majority in favour of leaving any particular matter to national law.

MAIN ELEMENTS OF COMPANY LAW	Full SPE: multiple shareholders			Simple SPE: single shareholder		
	EU	AoA	MS	EU	AoA	MS
FORMATION						
Formation	✖			✖		
Registration	✖			✖		
Name of company	✖			✖		
Public disclosures	✖			✖		
SHAREHOLDERS						
Keeping records	✖			✖		
Information rights	✖	X		✖		
General meeting (convocation)	✖	✖			✖	
Resolutions, voting	✖			X	✖	
Minority rights	✖			✖		
Mergers	✖			✖		
SHARE CAPITAL						
Minimum legal capital	✖			✖		
Share classes, rights	✖			✖		
Offers, issues	✖			✖		
Pre-emption rights	✖	✖		X	✖	
Minimum capital	✖			✖		
Capital increase	✖			✖	✖	
Capital reduction	✖			✖		
Distribution limits	✖				✖	
Redemptions	✖			✖	✖	
Public disclosures	✖			✖		
Creditor protection	✖			✖		
MANAGEMENT						
Nomination of directors	X	✖			✖	
Powers of directors	✖	X			✖	
Duties of directors	✖	✖			✖	
Eligibility		✖			✖	
Liability	✖			✖		
Public disclosures	✖			✖		
Board structure	✖	X			X	
Conflicts of interest	✖			✖		

"✖" indicates the majority view.

When two responses receive exactly the same number of supports, "✖" appears in each relevant cell.

Where there number of supports is very close to the majority view, the second best option is marked with "X".

Question 12

12.1. Do you agree that the possible elements of company law listed in the table are exhaustive for the SPE?

12.2. If your answer is no, do you think that:

- other elements should be added to the list? If so, which ones?

- some elements should be removed from the list? If so, which ones and why?

About two thirds of the respondents to this question consider the elements listed in the table as exhaustive.

Respondents, who consider that the list is insufficient, consider that matters such as insolvency, winding up, applicable social legislation, requirements with regard to audit, and the format and publication of accounts should also be addressed in the SPE statute.

4. SOCIAL ASPECTS – EMPLOYEES' INVOLVEMENT (INFORMATION, CONSULTATION AND PARTICIPATION) IN THE COMPANY'S DECISION-MAKING PROCESS

Question 13

What would be, in your opinion, the best solution for the SPE:

- should there be a uniform or a minimum EU standard on employees' involvement and participation for the SPE,
- should the SPE Statute follow the same solution as regards the employees' involvement and participation as the one applicable for the European Company (SE)¹,
- should rules on employees' participation be determined by the law of the Member State in which the SPE's seat is located,
- should existing employees' rights be maintained when a national company is converted into an SPE or an SPE into a national company (if their level is higher than in the national law applicable after the conversion)?

Please give reasons for your answer.

Respondents to this question support in equal numbers a uniform EU standard on employee participation and a reference to the national legislation of the law of the Member State in which the SPE has its seat.

Respondents who support a uniform EU standard see in it the advantage of homogeneous rules throughout the European Union. Respondents who favour a reference to the national law of the Member State in which the SPE has its seat consider it often as the only feasible solution. In their view, seeking a uniform EU standard for employee participation risks blocking progress towards the creation of a SPE statute altogether.

Many respondents consider the participation rules in the SE statute as being too complex for SMEs.

5. OTHER COMMENTS

Few respondents added further comments to their responses to the questionnaire.

Comments made include the following:

- The SPE statute should be created primarily for SMEs. Large groups may use the SPE legal form for their subsidiaries, but the Commission should concentrate on making sure that the SPE addresses the needs of SMEs.

¹ For more information see footnote 8.

- The SPE statute should be kept as simple and flexible as possible, but there should be one single uniform statute to ensure legal certainty. The lack of uniformity, according to some respondents, is the main weakness of the SE and should be avoided.
- The option should be given to form a company as a SPE, or to transform an existing company into a SPE or to create a SPE by merger.
- Minimum capital should be kept low. One respondent considers that €10,000 is too high, another that it should be a minimum.
- Administrative requirements should be kept to a minimum. There should be no need for the notarisation of documents, to save costs. Registration should be able to be done electronically. Model SPE articles of association should be drafted, which would also contribute to cost reduction.
- SPE associates should be severally, rather than jointly, liable, because all associates do not play the same role in a company.
- The Commission should also work to adapt public procurement rules to SMEs, promote the transfer of businesses and improve SME access to finance.
- The Commission should offer relevant training to explain to potential candidates the specific scenarios which could arise when setting up a new company or becoming active in a new environment.
- An EU database on SMEs should be set up including the name, sector of activity, company revenue and some kind of trust rating. The database could be maintained by Chambers of Commerce. It could also contain annual and half yearly reports.
- Steps to make it quicker and cheaper to register a company in other Member States without any obligation to have documents notarised or provide certified translations would contribute to facilitating cross-border business. The SPE is not the right solution to the problems companies face.
- It is premature to seek a new EU legal form before the review of the SE has been carried out.

ANNEX - ADDITIONAL QUESTIONS ON THE POSSIBLE EPC STATUTE

Question A1

If you have experience in conducting your cross-border business by means of branches and/or subsidiaries in different Member States, please indicate which are the costs related to the company law aspects of:

- establishing a separate company/branch in another Member State (including the time costs and the costs of notary fees and translation);
- running such business.

Very few respondents replied to this question. The only respondent who provides a cost estimate considers the cost of establishing a separate company/branch in another Member State (including the time costs and the costs of notary fees and translation) to be in the range of €20,000 to €60,000.

Question A2

Q A2.1. If you consider that there is a need for an EPC Statute, please explain what would be the advantages of such a company form compared to the present situation. In particular, please indicate approximately how big would be a cost saving for your company (in Euro):

- up to 1.000
- 1.000-5.000
- 5.000-10.000
- more than 10.000.

Q A2.2. If possible please indicate which types of costs these savings relate to (e.g. formation, running the business) and whether they are one-off costs or annual costs.

About a quarter of respondents replied to this question. The majority of these respondents consider that the SPE could help save more than € 10,000. The SPE, in particular, would allow for a reduction of the costs of formation of a business abroad, i.e. management time and professional advisors' fees, e.g., legal and notaries' fees. It would also reduce the legal and administration fees connected to the running of businesses. One respondent estimates such fees between €15,000 and €30,000. Another respondent adds that the use of a single SPE legal form throughout the EU could generate significant economies of scale for groups with subsidiaries in several Member States.

Question A3

Q A3.1. If your company is part of a group of companies, would you consider setting up your subsidiaries in the form of the EPC? Please explain the reasons. In particular, please indicate approximately how big would be a cost saving for your company (in Euro):

- up to 1.000

- 1.000-5.000

- 5.000-10.000

- more than 10.000

Q A3.2. If possible please indicate which types of costs these savings relate to (e.g. formation, running the business) and whether they are one-off costs or annual costs.

The respondents to the consultation who form part of groups consider for the most that the SPE would make it possible to save more than € 10,000, though a few consider savings to be rather between € 1,000 and € 5,000. The types of costs which would be saved are similar to those cited in response to Question A2, i.e., management time, professional advisors' fees and the legal and administration fees connected to the running of businesses.

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