



European Federation  
of Building  
and Woodworkers



Brussels, 3 November 2015

2015/SH/123/TM

To the members of the JURI Committee of the  
European Parliament

Dear Member of the European Parliament,

**Proposal for an EU Directive on single-member private limited liability companies (COM(2014) 212 final) – SUP Directive**

With this message we would like to reiterate our strong concerns with regard to the proposed SUP Directive, which will be discussed within your Committee in the coming weeks.

The proposed Directive contains so many lacunae and highly problematic issues that we strongly recommend to reject the current legislative proposal. After all, the European Commission can always reintroduce a modified proposal, which will hopefully take into consideration the social concerns, which are completely absent in the current proposal.

In times when the President of the European Commission has clearly stated his commitment to abolish social dumping and all forms of social and fiscal fraud, which are currently undermining the credibility of the European project, there is no place for a legislative proposal which contradicts this aim and, in fact, promotes social and fiscal dumping.

Creating an obligation for all Member States to set up a legal framework for “single-member private liability companies” would:

- directly interfere with the national competences of each Member State to set up and recognize company structures;
- not create additional employment or in any way “boost the Internal Market”, which has been an imaginary theoretical assumption;
- create legal loopholes to evade EU and national obligations to involve workers in the company participation mechanisms;

- facilitate the work of criminal organisations to set up a non-transparent network of phantom companies;
- not be used by SMEs to extend their commercial activities abroad, as envisaged by the European Commission;
- promote the creation of “letterbox companies” and “false self-employment”;
- pave the way for new forms of social and fiscal fraud, like tax avoidance which the Commission and the Member States are trying to prevent.

These concerns were not taken up by the European Commission in the preparatory phase of the proposed Directive. Neither are recent proposals of the Commission regarding the common fight against social and fiscal dumping considered. Since these are substantial concerns, we believe that amending the directive will leave us with a botched framework and will not achieve its purpose, but instead contribute to increased social dumping and fiscal fraud. Moreover, we do not see that the draft Directive meets the Commission’s own requirements as laid down in the Better Regulation agenda.

We therefore ask you to reject the current proposal. This will allow the European Commission to go back to the drawing-table and possibly submit a new proposal with genuine added value for the Internal Market. A new proposal should take into account the EU Charter of Fundamental Rights and the fight against social and fiscal dumping.

We are ready to discuss our concerns with you. We will closely monitor the discussions within your Committee and inform our members.

We look forward to your position and your support for our proposal.

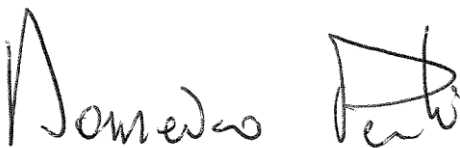
Sincerely yours,



Rudy de Leeuw  
ETUC President



Luca Visentini  
ETUC General Secretary



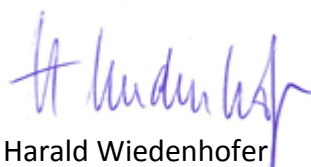
Domenico Pesenti  
EFBWW President



Sam Hägglund  
EFBWW General Secretary



Therese Guovelin  
EFFAT President



Harald Wiedenhofer  
EFFAT General Secretary



Lars Lindgren  
ETF President

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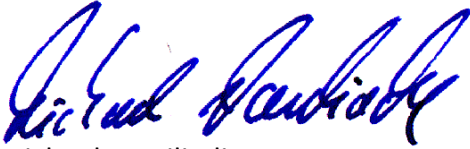
Eduardo Chagas  
ETF General Secretary



Annelie Nordström  
EPSU President



Jan Willem Goudriaan  
EPSU General Secretary



Michael Vassiliadis  
IndustriAll Europe President



Ulrich Eckelmann  
IndustriAll Europe General Secretary



Frank Bsirske  
UNI Europa President



Oliver Roethig  
UNI Europa Regional Secretary