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THE IMPORTANCE OF THE EUROPEAN COMPANY FOR ACCOUNTING HARMONISATION AND THE MARKET IN THE EUROPEAN UNION

***Abstract:** Legal form of a European company (SE) is a significant contribution to the unified European market. This legal form enables companies from various EU member countries to operate under common rules, uniform management and reporting system. Nowadays, the accounting harmonisation in the European Union is of a great importance for providing information from the European company. SE can transfer its registered office within EU member states without ceasing to exist, which creates a pressure on the member states to improve their market environment. Council Regulation No 2157/2001 on the Statute for an SE sets the ways of formation of an SE and also unifies different approaches to companies' management structures and involvement of employees in the SE. SE can be created in several ways: by means of a merger of two or more public limited-liability companies; formation of a holding SE by public and private limited-liability companies; formation of a subsidiary SE; and transformation of a public limited-liability company into the SE. Formalities not laid down in the council regulation on SE, e.g. accounting and financial reporting, are conducted in accordance with national laws of EU member countries.*

***Key words:** European Company, Societas Europea, one-tier and two-tier management system, special negotiating body, representative body of employees, mergers, goodwill, holding, subsidiary, IFRS 3.*

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Introduction

The legal form of the European Company (Societas Europea – SE) was created on the 8th of October 2001, when the European Council issued a regulation No. 2157/2001/ES (further as “the regulation”) on the statute for a European Company (further as “SE”) which was consequently supplemented with a council directive no. 2001/86/EC regarding the involvement of employees (further as “the directive”).