

# **Economic Interest Groups in Macedonia – A Step Towards European Economic Interest Groupings and Business Cooperation in Europe**

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The Parliament will soon adopt a company law compatible to the EU<sup>2</sup>. This new company law is based on a draft, which is overall modern and adequate to company needs in the future.

Whenever EU Company law will be valid also for Macedonia, it will include also the EEIG (European Economic Interest Grouping) and the EU Regulation 2137/85. The EEIG has been since 1.7.1989, for 15 years the only EU company form under direct EU influence, as a regulation leaves no space for Member States for interpretation (in contrast to a EU directive, which first must be transposed by the Member States in their own national law).

This legal form will then come in addition to the existing EIG (Economic Interest Grouping) to Macedonia. European business practice and experience shows that where there exist both groupings – on EU and on national level – there is a good understanding of cooperation between – above all – small and medium enterprises. So far, Macedonia will, from its legal framework, be well equipped.<sup>3</sup>

## **Legal criteria for EEIG**

The European Economic Interest Grouping (EEIG) has been conceived after the example from the French company form called G.i.e. (groupement d'intérêt économique). Well known examples of G.i.e. in France are or were the aircraft producer Airbus Industries in Toulouse, the space company Arianespace and the credit card organisation „Carte bleue“. There are about 15.000 G.i.e. in France, making this company formula a common legal instrument in France.

Long before the institution of a European Single Market, both the European Commission in Brussels and the European Parliament realised the need of a

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<sup>2</sup> The law was adopted as this book was printed on April 30<sup>th</sup> 2004. The EIG part of the Draft Law on Companies has been discussed with the author in mid-January 2004 by the Ohrid Drafting Session of the Working Group on Company Law (mixed initiative of EU project “Draft Trade Laws” and USAID project “Corporate Governance and Company Law” in Macedonia)

<sup>3</sup> There are also some more publications in other languages of the former Yugoslavia: in Slovene by Janja Bedrac: “Evropsko gospodarsko interesno združenje (EGIZ)”, and from a Bosnian author, Zinka Grbo: “Evropska Ekonomska Interesna Grupacija i njen odnos sa Statusnim Formama u Pravnom Sistemu Bosne i Hercegovine”. Both can be downloaded (free) at the site of the European EEIG Information Centre ([www.libertas-institut.com](http://www.libertas-institut.com)).

specific legal instrument to help transnational and interprofessional co-operation between economic operators, particularly small and medium-sized enterprises (SMEs). The first proposals dealing with this subject came from the European Parliament at the beginning of the 70s, but an EU-wide agreement was reached only in the middle of the 80s.

Legal basis for the EEIG is the European Regulation No. 2137/85, which has been published in the Official Journal of the European Communities L 199, 31<sup>st</sup> July, 1985. The implementation of some provisions was deferred to the EU member states: each state passed implementation laws which rule certain matters relating groupings (registration, liquidation).

The exact estimate of the amount of EEIG founded in the EU represents a challenging task. In despite of the compulsory entry in national company registers, groupings are often registered with a delay of some months, even if they already have been working for quite a long time. There might be even groupings, which have not been registered at all, because of the high registration taxes foreseen by certain national legislation (this is the case e. g. in Italy).

Groupings have to be formed upon the terms laid down in the European regulation, but they have been thought as a very flexible legal instrument which can adapt to different economic conditions: the regulation guarantees a considerable freedom for its members in the internal organisation and in their contractual relations.

### ***Members***

A grouping must be formed by, at least, two members coming from two different European states: two companies or legal bodies having a central administration in different member states or two natural persons who carry on their activities in different member states. No other limit to the amount of members is foreseen. These companies can be in Chinese hands or the individuals can be Macedonian citizens; the main condition is only their activity within the EU. Their national provenance does not count, neither does the character of the members: two companies or two freelancers, or one company or one freelancer etc.

Members of a grouping can be closed companies, stock companies, free lancers, self-employed persons, associations, public law corporate bodies (for example, universities, chambers of commerce, airports, towns, cities, regions ...) and other legal bodies.

Different subjects can be members of a grouping: a grouping can be formed e. g. by a Danish free lancer, an Italian joint-stock company, a German registered association and a French limited partnership. The opportunity of a mixed composition offers a useful and innovative instrument and can have a very positive impact on the activities of the grouping.

### ***Foundation***

A written contract is foreseen by the European regulation. A contract for the formation of a grouping shall include at least: the name of the grouping preceded or followed either by the initials EEIG or the words European Economic Interest Grouping, the official address of the grouping, the object of the grouping, information about each member (name, business name, legal form, permanent address, number and place of registration if any), duration of the grouping, except where it is indefinite.

A grouping has to be registered in most of the EU countries with the help of a notary. Names of the members, business name of the grouping, official address, foundation contract, name of the executives (including the decision of the members) have to be declared in the commercial register.

### ***Object***

The object for which the grouping is formed represents an important element of the founding agreement. The object has to be declared with the register as a guarantee of publicity. The purpose of the grouping shall be to facilitate or to develop the co-operation among the members: its activities have an ancillary nature to the activities run by the members and can not replace the members' own activities. According to art. 3 of the European regulation the purpose of the grouping shall be „to improve and increase the results“ of the members' activities. Besides the grouping cannot make profits for itself and profits resulting from the activities are taxable only in the hands of its members. This element represents one of the various advantages offered by the foundation of a grouping.

### ***What an EEIG must not do***

Consequent with its object, a grouping must not:

- be a member of another European Economic Interest Grouping;
- employ more than 500 persons (this limit has been introduced on the basis of a request of the German government aiming to avoid the application of the Employees' Representation Act, which foresees a form of joint-management or codetermination);
- directly or indirectly hold shares in a member enterprise (so called holding prohibition: exemptions are foreseen);
- exercise a power of management or of control over its members' own activities;
- make loans (loans prohibition: some exceptions are foreseen).

In business life these limits do not represent any problem.

### ***Legal status***

The grouping is endowed with legal status. The recognition of a legal status facilitates the attainment of the grouping's objects (development of the members' own activities). There are some EU legislations, e.g. the Austrian, German or Italian who do not give a legal status to an EEIG. But in practice this has turned out to be a mere academic question: the grouping, according to the EU regulation 2137/85, which breaks any contradicting national law, has the capacity, in its own name, to have obligations and rights of any kind: it can

conclude a contract or accomplish any legal act, it can sue and be sued. However, its members are still autonomous and look after their relevant businesses.

### ***Financial questions***

An EEIG can be formed with or without a cash or material contribution, or e.g. know how investment. The members can decide freely to contribute or not to: a grouping represents from this point of view a much more convenient legal instrument than a private limited company. In European business practise, 95% of EEIG are founded without start-up\capital. This legal form does not bind any money, unlike a capital-based company.

### ***Liability***

The members of a grouping shall have unlimited joint and several liability for its debt, in the form of subsidiary liability too (art. 24): at first the EEIG will be responsible, if this is not possible it is the matter of the members. The regulation provided by art. 24 does not represent a prejudice for the members: EEIG usually exercise ancillary activities and the main business activities are still run and controlled by the members. The introduction of an unlimited joint liability is also a consequence of the basic differences existing among national company laws dealing with this subject in Europe. A German private limited company answers for at least 25.000 Euro, a private limited company in UK in case of doubt is not liable.

Whereas a grouping is a legal instrument, which can be used in each European country, it has to be reliable. The unlimited joint liability is parallel to the EU-wide product liability regulated in a EU directive and national implementation laws. It is based on similar needs, which carried to the kind of product liability (independent from the recognition of a fault) of the producers.

The European regulation guarantees considerable freedom for the grouping's members; they also can agree that some of them answer for different amounts, and there are a lot of contractual possibilities to minimize liability. In general, there has never been a liability case since 1989, the first date from which on EEIG could be formed, in the European Union. The liability provisions for EEIG make it also very interesting for banks to finance or pre-finance activities.

### ***Legal persons can be Managing Directors***

The executive of a grouping with its official address in Germany shall be an individual person; executives coming from non-EU countries are allowed to run the business besides a (or more than one) EU executive.

An executive is usually one of the founders: they are generally endowed with initiative, communication capabilities and with an „European approach“ to business life, which are required to run successfully this kind of activity.

In most of the EU countries (but not e.g. in Germany) legal bodies, such as a private limited company or a joint-stock company, are allowed to be nominated

executive. An individual person has to be appointed as representative in this case.

A German private limited company, or a Swiss or Macedonian joint-stock company could manage a grouping with an official address in Luxembourg.

### ***Taxation***

A grouping does not pay company taxes, such as corporation tax or, e. g. in Germany, taxes on trade earnings. Therefore a grouping with an official address in Germany can offer various advantages:

- there is no publicity duty;
- a balance is usually not required;
- no company taxes;
- operating expenditures still can be deducted in Germany in a larger scale than in other European countries;
- accountancy can be arranged in a simple way (two columns: revenues and losses)

The purpose of the grouping is not to make profits for itself: according to article 40 profits and losses resulting from the activities of a grouping shall be taxable only in the hands of its members.

Profits shall be reinvested (or put in a reserve) or divided up among the members (according to the agreements of the members). The profits paid out to the members shall be taxed on the basis of the national law of each member

The financing of a grouping depends on a members' decision when it has not been already ruled in the foundation contract. The distribution of profits and losses, the kind of operating expenditures of the grouping, advances and subsequent payments have to be clearly ruled in advance in the foundation agreement or, even better, through members' decisions (for they can be changed easier than an agreement which would have to be submitted to the company register.

A grouping can own real estates, which are taxable in the hands of the grouping. If the grouping has its own turnover: it has to pay V.A.T., even if it does not intend to make profits for itself. If it has no turnover, V.A.T. on the expenses, if applicable, can be deducted. There do exist EEIG who live from the reimbursed V.A.T. Furthermore, the taxes on the salaries of employees have to be paid, if there are employees.

### ***Commercial register and EU-wide publication***

After having been incorporated into the national company registers of each country of the EU, where there is the seat of the grouping, the groupings founded in each European country are published in the Official Journal of the European Communities, which is available in the Internet: <http://ted.publications.eu.int>. References to the national official journals are

there published in order to facilitate obtaining more detailed information and to guarantee transparency and a widespread publicity.

### **Problems which may arise**

The EEIG represents a recent innovation and many implementation laws came into power only in 1992. This is one of the reasons why at the moment there is still almost no jurisprudence dealing with this new legal instrument. After all, the most common problems, which might arise, are described as follows.

- internal communication and its costs; language problems;
- doubts on accountancy and taxation;
- distribution of profits and losses where the members did not find an agreement in advance;

Both entrepreneurs who made use of groupings and the European Commission, whose Direction General for Enterprise Policy constantly monitors the development of EEIG are satisfied with the results reached. An empiric research carried out within a diploma thesis at the University of Ulm/Germany had a positive result: about 70% of the interviewees declared that they reached the aims expected and only 9 % denied it. This must be considered as an excellent result.

#### **Experience with and examples for EEIG**

About 1700 groupings have been founded in the EU member states until May 2004 (groupings which have been founded and already winded up not included), and many of them would be worth of mention in order to confirm the considerable flexibility offered by this new legal instrument and the freedom guaranteed to the members, in connection with the positive transnational, Europe-wide aspect of cooperation. This number of EEIG includes about 15.000 professions, companies and other (public) institutions in the existing member states.

Groupings have been founded to exercise a common sales-office in non-EU countries, such as Japan, United States, Canada, Eastern European countries, to organise personnel exchanges and specialisation courses, to carry on researches and to develop their members' activities. Consultants, lawyers and tax-consultants made use of EEIG to collaborate in many sectors: specialisation courses, personnel exchanges, research and authorship of specialist literature, co-operation. Advertising experts from almost every country in Europe founded a grouping called European Advertising Lawyers Association (EALA EWIV), which has its official address in Munich. EALA, among others, publishes books and developed a „First Advice System“ for legal evaluation of advertising campaigns all around Europe.

Groupings have been founded by entrepreneurs (dealing, for example, in office articles) to carry on common activities, forwarders made use of groupings to organise transports, paper producers could carry out researches to improve their product quality. The French-German cultural TV-channel „ARTE“ is also a grouping. Belgian Trappist monks (beer producers) and French Trappists (cheese producers) founded a grouping in order to market their products. Belgian and French chambers of commerce, movie makers, and seeds and seeds-machines producers from Germany, Portugal and Greece, together with a research centre, established EEIG to carry out joint activities.

The university for public administration in Kehl/Germany collaborates with a university in Strasbourg/France within an EEIG, which carries out its activities in mainly training civil servants on both sides of the Rhine. A grouping has been established in the same area to run a scheduled bus service, which operates both in France and in Germany. The TÜV Rheinland (technical inspection service) together with the French Bureau Véritas established a grouping called VERITÜV, which accomplishes environmental impact studies and deals with quality management. The Nassauische Sparkasse Wiesbaden together with other financial institutions from seven European countries established in the early nineties the EGFI-European Group of Financial Institutions EEIG for transnational credit projects and mortgages for private citizens.

Belgian and Irish horsebreeders also established a grouping, and Belgian and British osteopathy experts founded the „European Federation for Classical Osteopathy EEIG“. Other examples are, just to name some of them, the filling station credit card system for lorries „TEPAR“ formed by five oil companies in Southern Europe, the co-operation of regional airports in Belgium, France and Spain, a grouping established by seven nuclear power companies for the improvement of the security standards and practice of nuclear power plants in Eastern European countries.

### *Members from non-EU countries<sup>4</sup>*

Members of a grouping are usually legal bodies having their official address in EU countries or private persons running their activities within the European union. But both entrepreneurs and privates often carry out activities involving subjects coming from outside the EU, from Switzerland, from Russia, United States or Canada - or from Macedonia, and therefore want to include them into the EEIG.

Legal bodies and natural persons which have their official seats (or run their business mostly) within the EFTA states of the European Economic Area, i. e. in Norway, Iceland or Liechtenstein, can be members of a grouping. These countries have adopted regulations which allow to found groupings there. Entrepreneurs and personal persons of these countries seldom expressed interest for the grouping; the main reason for this is in the scarce information available though everything is public. There is until May 2004 just one EEIG with its seat in Liechtenstein in these countries.

Some problems can arise particularly in relation to countries which are often involved in business transactions or activities of any kind carried on by EU companies. Macedonia can be taken as example: there are in the EU many entrepreneurs who have excellent business links, like diaspora members. Macedonian entrepreneurs who are based in Macedonia are not yet allowed to establish a grouping within the European Common Market. This is the reason why they are looking for other legal instruments to develop and facilitate any European business collaboration.

The solution of an association of an EEIG with non-EU partners still remains an interesting legal instrument to go around the limits foreseen by the European regulation. In this case the Macedonian member can himself call to be an "associated member of ... EEIG". Whereas the establishment of an association with non-EU members could delay the registration of an EEIG, the members should establish it through a resolution adopted by the partners rather than in the foundation agreement. Experiences show that associated members are not treated as second-class members, they take part in business activities, management and decisions. But in this case the question of responsibility should be well regulated between the partners.

Finally a non-EU member of an EEIG can be appointed as executive as there is no regulation, which prohibits it. There are some EEIG having managers from third countries who in this way integrate their partners from these countries.

A grouping can also open an establishment in non-EU countries. In this case the grouping shall be subject to the local legislation.

Entrepreneurs from third countries can of course decide to found an establishment within the European Union, too, in order to answer to the

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<sup>4</sup> The participation of third countries enterprises in EEIG has been discussed in: Hans-Juergen Zahorka, Die Teilnahme von Drittlandsunternehmen an einer EWIV, EuZW 1994, 201 et al., and the same, Die EWIV und ihre Mitglieder aus Drittlaendern, EWIV/EEIG/Geie eJOURNAL 1/01, 13 et al.

prerequisites foreseen in the European regulation for European Economic Interest Groupings. A Macedonian company with limited liability could think about opening a branch office in the EU; it then would be registered – as original Macedonian company – in the EU country's company register.

### **Reasons which speak in favour of an EEIG**

To wind up, some of the advantages offered by a grouping are as follows:

1. it is a legal framework which aims to develop and facilitate the collaboration between entrepreneurs and can represent a proper profit centre for its members;
2. it is a very flexible and not at all bureaucratic legal instrument, whose regulation can be decided by the members in observance of a few rules fixed in the European regulation;
3. a grouping can be founded with or without a cash contribution, investments or know-how transfer;
4. a grouping can be established by subjects with a different legal status: self-employed persons, private limited company, chambers of commerce etc.;
5. the members of a grouping go on carrying out their own activities autonomously. They maintain the activities they run before and besides obtain new business opportunities;
6. a grouping can guarantee a high level liability: members have unlimited and several liability for its debts;
7. profit resulting from its activities is taxable only in the hands of the members; it must be divided up among the members, if not reinvested or transferred to reserves;
8. a grouping pays neither company taxes nor taxes on earnings;
9. a grouping can run its own business, can have a trade mark, can sign contracts etc.;
10. the official address of a grouping can be easily transferred within the Community. Other – nationally regulated - companies require a previous winding up of the enterprise, which involves costs, expenses and loss of corporate image;
11. the European regulation no. 2137/85 constituting the legal basis of EEIG and being drafted in each European official language, entrepreneurs do not feel discriminated because of the use of a foreign language (as it would be e. g. for an Italian partner in a German limited private company);
12. the members of a grouping are not required to show previously their knowledge in EU Single Market; the establishment of a grouping could be very useful for consortiums which apply for EU programmes;



13. their members can improve their knowledge of the European Single Market; entrepreneurs meet regularly and facilitate a process of globalisation.

The costs for a foundation agreement – registration by a notary and the commercial register included - are usually lower than costs foreseen by the foundation of a private limited company (in the EU).

### **Why Macedonia will have advantages with this legal structure**

The art. 565-580 of the future Law on Companies should comply as far as possible with the EEIG Regulation 2137/85<sup>5</sup>, for the following reasons:

- Smaller countries are more likely to have a higher quota of EEIG than bigger ones, as the needs for cooperation usually are faster recognized.
- Smaller countries with a high diaspora quota are more likely to work in EEIG, as building partnerships is easier for them
- Within the EU, EEIG are relatively little known, but they are very attractive as they are extremely flexible, do not require any assets and are income tax free
- Macedonia should adapt its EIG as parallel as possible to the EEIG, so to enable a smooth transition when joining the EU.

### **The EIG in Macedonia**

The Draft Law on Companies (version as of 9.1.2004) contains in its art. 565-580<sup>6</sup> provisions about Economic Interest Groupings in Macedonia. This law has been strongly influenced by the French legislation on *groupements d'intérêt économique* (Economic Interest Groupings). However, any comparative analysis makes more sense with the EU regulations on EEIG, not on the French national legislation on G.i.e., as Macedonian business wants to beam out in the EU, and intends to prepare itself for the Single Market. In this context, the recent decision of Macedonia to join the Central European Free Trade Agreement (CEFTA) can only be welcomed<sup>7</sup>.

### ***Participation in EEIG abroad***

As a whole, the draft has been made much more practical and flexible. In art. 547, besides some precisions, it had been proposed that Macedonian EIG are set up for a limited period only. EEIG for example are usually set up for an unlimited period, and this experience has been woven into the Macedonian draft. In art. 547 para. 2 it is also proposed that natural or legal persons may act as associative members in a corresponding Economic Interest Group established abroad. This will open the door to a co-operation between EIG from Macedonia and EEIG from the EU already years before the Macedonian accession.

### ***Distribution of profit***

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<sup>5</sup> can be downloaded in any EU language, including Slovene and Bosnian, under [www.libertas-institut.com](http://www.libertas-institut.com) (then e.g. go to DEUTSCH, then EWIV-INFORMATIONSZENTRUM)

<sup>6</sup> It is possible that the final numbering will be different.

<sup>7</sup> see "Osteuropa-Ticker", 30.4.2004

In art. 549 (Terms and Conditions for Founding) there was written: “An EIG shall not generate and distribute profit”. As an EEIG within the EU however can create profit, after all it is an enterprise, these profits must be paid out to the members (in linear or asymmetric way, as determined in the founding agreement or decided in a members’ decision) or put into a reserve. Therefore the EEIG in the EU does not pay any income taxes. Art. 549 para. 1 says now, that the objective of an EIG shall not be the generation of profit for the EIG, and that the profit generated as a result of the EIG’s operations shall be considered as profit of the members and shall be distributed among them in accordance with the founding agreement. If e.g. there would not be such a provision, the profit shall be distributed among the members equally. That induces the necessity that there should be a clause in every EIG agreement to distribute the profits (and losses) according to a members’ decision. In the EU there has been made extraordinary experience with asymmetrical division of profits, according to the level of participation in e.g. projects.

However, there is a risk that the creation of reserves may not be recognized. This can be solved by mentioning already in the founding agreement that reserves must be created, in order to assure next current year’s operations.

### ***Legal personality***

Art. 550 of the draft law brings Macedonia into the EU mainstream of legislation stipulating that the status of a legal person is acquired by an EIG as of the day of its entry into the Commercial Register.

### ***Liability clause***

In its liability clause, the Macedonian EIG is slightly better than the very strict EU rule: it implies that an agreement with a third party (e.g. a contractor) can be concluded with another distribution of liability. Draft art. 551 para. 2 is equal to the EU regulation; both concern the subsidiary liability of an EIG respectively EEIG (liability of members after the EIG/EEIG itself).

### ***Content of the founding agreement***

In the article on the contents of the founding agreement a certain over-regulation had been detected, namely the “manner of decision-making and management” was discussed in the drafting group, as “manner of management” cannot be fixed in an agreement, as this is too much personalized, as well the former number 7 (“admission, resignation and expulsion from the EIG”). It was clear that new members should be admitted only unanimously, and as to leaving or being excluded from an EIG there is in case of doubt a court sentence - so it can’t even be named here what provisions will be valid.]. Also the former no. 8 (“the supervision of operation of the EIG”), as the supervision of any EIG is only the matter of the members’ assembly, and number 9 requiring “other issues of relevance to the Economic Interest Group” seemed to be too detailed, in particular the latter no. 9 as it was much too undetermined.

The present draft is a compromise which does not require anything which is part of a current company policy, only some regulation like the manner of decision-making, the managing bodies and their authorities, the detailed rules for joining,

separation and exclusion from the EIG, and the control of its operation. Thus, the Macedonian EIG is a bit away from the minimalist EU approach, but one often has good reasons not to follow this approach, as the EU minimum content for founding agreements clearly lacks legal security (which may not be necessary in all groupings).

### ***Meeting of EIG members***

In this article 668 reference was made in the first drafts to the composition of the Meeting which shall be defined by the EIG Agreement. The annual meetings should not be physical ones alone, also the option to hold virtual meetings (by chat, by e-mail votes) or in writing, by fax or by phone should be made possible. Thus an EIG should be made more capable to deal with international partners, and this has been fulfilled. With this, the Macedonian EIG law contains now the most modern clauses, explicitly quoting votes by e-mail etc.

In para.6 of the first draft of art. 668 it was furthermore written that a compulsory meeting should be called upon the request of at least 20% of the EIG's members. In the EEIG regulation in the EU this is not regulated, and very many EEIGs have in their agreement that one member's request (or 2, or 10%...) would be sufficient. 20% - and then "at least" - were a quite high quorum, which would be contrary to the protection of minorities intended by this chapter. The 10% of the total number of members of the EIG is a very good compromise figure.

The proposal made by the EU side, to add a chapter as follows: "The decisions of a meeting should be taken in minutes and forwarded by the management to the members." would have served legal security within the company, but it has been left out, evidently because taking minutes is deeply rooted in Macedonian companies.

### ***Supervision of the operations***

Normally an EIG should be supervised only by the Members Assembly, if no auditor would be necessary. The members should supervise it also outside of the framework of the Economic Interest Group Agreement. The new draft art. 558 para. 2 is welcome, as now the members have an outspoken right to obtain information from the managing body and can review business records and documents. Without this precision, the otherwise unchanged para. 1 would have been a bit hollow.

### ***Transformation of a company or an EIG***

An article in the first draft proposed that a company, the scope of operations of which corresponds to the definition of an EIG can be transformed into an EIG, without being dissolved or without incorporating a new legal entity. But as an EIG (and EEIG) member is also active as member alone, the EIG (or EEIG) can cover only the synergy. In this light, it is very difficult to "transform" companies into an EIG. As this article said nothing which can't be derived from normal life, i.e. it is self-evident that an EIG could be founded and this according to the law; the drafting team agreed to delete it.

### ***Termination of EIG due to the status of members***

There was another proposal that if a member of an EIG loses his legal capacity, becomes bankrupt or is forbidden from managing the operations of a trade company, the EIG should be terminated, unless its continuation has been provided for in the EIG Agreement or unless unanimously decided upon by the other members (draft art. 674/December 2003). Also here the drafting team members agreed that this might “hit the innocent” too much. This draft article has therefore been deleted.

### **Perspective**

By creating a modern, EU compatible and above all EEIG compatible part of the company law concerning Economic Interest Groupings, the Macedonian legislative experts, together with their EU colleagues, showed that they can think into small and medium enterprises and into their possible interfaces with other businesses.

The Macedonian EIG will be an extraordinary instrument for foreign investors who work together with Macedonian enterprises, but also for the diaspora who would like to be involved into Macedonian business but cannot be present all the time, and it will also be a relative light-weight “preparation field” for European Economic Interest Groupings – in which, by the way, no other EEIG can be a member. The EU Regulation 2137/85 does not say anything on third countries’ EIG, enabling an EIG to be a member of an EEIG within the EU.

All this is a challenge for Macedonian small and medium enterprises, and their positioning towards European and international markets. The author of these lines could imagine several Macedonian enterprises being bundled together in an EIG, which itself is an associated member of an EEIG, for instance for selling marble stones or vegetables – or computer programming - in and outside the European Union. For every SME it should be clear, that fighting alone the European or world markets this means “mission impossible”. But together with others, in a light structure, which is now being enabled by Macedonian legislation, it is easier. And in an exponentially forward-striving economy which without doubt Macedonia will become, if present developments continue in a linear way, the only step has to be the acquisition of knowledge by the entrepreneurs.