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Cooperation forms between higher education organizations – The Case of the EEIG

Alessio Bartolacelli – University of Trento, Faculty of Law

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Cooperation and consortia

What's a consortium?

Well… you know it!

An agreement…
… between two or more subjects …
… in order to increase or maximize the results of their existing activities …
… and/or develop new ones.

Not always, but usually members are all from the same Country

Because LAW IS (still) A NATIONAL MATTER

Problem # 1: no common framework

What about a transnational cooperation?

Available cooperation forms depend on purpose, flexibility and related costs

Cooperation forms	Purposes	Flexibility	Costs
Unstructured partnership (e.g.: Joint venture, Association, …)	Economic and non economic	Maximum	Financial: very low - Liability: quite high
Foundation	Economic and non economic	Medium	Quite high: FUND, notarization, …
Consortium (and national variations: GIE, ACE, …)	Essentially economic	Medium	Depending on national laws
«Personal companies» - Structured partnerships	Economic	High	Depending on national laws, but liability related costs
Companies «stricto sensu»	Ecomonic	Low	Depending on national law

A common disadvantage…

All the above mentioned cooperation forms bear…

… a common disadvantage:
NATIONAL RULES are essential

This means that each partner should have a particular interest in choosing a «domestic» form of cooperation:

- Lawyers
- Better known rules
- «domestic» language
- Jurisdiction (mainly courts) choice
- …

A European form of cooperation could be a solution

That's why a EEIG!!!

Great!!! But…

«WHAT'S A EEIG????»

EEIG: main features (1)

«EEIG (European Economic Interest Grouping), est. 1985»

«Since 1989 improving YOUR economic activities throughout EU!»

More technically: EEIG is a cooperation form, similar to national «consortia», but ruled mainly by European law.

Mainly = core rules are common throughout the whole EU; national rules are required as well, for a few matters (nullity, dissolution, some profiles of grouping's administration)

It can be established by both private and public bodies (and even natural persons: e.g. professionals or individual firms) having their **administrative seat** in **at least two different European Countries**.

Subjects establishing an EEIG must carry on an economic activity.

Economic activity = offering goods and/or services on a market.

EEIG: main features (2)

Can a consortium be a member of an EEIG?

Offer of goods/services on a market does not mean on a OPEN market

Consortia are supposed to offer their goods/services directly to their members -> economic activity according to EEIG Regulation 2137/1985.

OK, but… what's a EEIG for?

EEIG's purpose is properly to enhance its members' economic activity, without producing profits for itself.

It can be done with regard to existing activities, or even by developing new streams of business; it is NOT required business, or economic activity, to be the member's MAIN activity -> State run companies or consortia and public law bodies can be full partners of an EEIG.

EEIG: main features (3)

Examples in IT sector?

- Cooperation in the development/customization of existing programs;
- Spread of selling area of existing software with the cooperation of foreign peer organizations;
- Joint development of new software solutions to be offered to consortia's members and/or third parties;
- …

EEIG can sell to third parties and/or sell/offer to its members

It's not a company, nor a partnership, so:

- NO contribution,
- NO need of Board of Directors,
- NO need of a formal members' general meeting,
- NO need of a supervisory/control body (but may be different in some Countries).

EEIG: financial profiles

Una tantum, *per annum* or no contributions?

1. No member's mandatory contribution is required
2. In order to allow Grouping to work contribution is recommended, but not compulsory
3. No formality in any case: temporary goods or personnel disposals, know how, buildings or machines can be qualified as contribution
4. If contributions are «cash», Grouping will be able by itself to pay to third parties (e.g. suppliers)

ON THE OTHER HAND, members **bear always an unlimited and joint responsibility for ALL grouping's obligations**

This may be the cause of the low number of established EEIGs, but it is very often over-estimated -> insurances are almost always possible

EEIG: internal structure

Extreme flexibility:

- Just 2 mandatory «bodies»: 1 or more directors and members' meeting
- All remaining structure can be freely draft by members in the agreement
- Unanimous agreement needed just for some basic decisions, and more often as a default rule
- Members can decide also regarding the ways their meeting must be held (e.g. Skype, or physical meeting, or conference call…)
- Members can decide, when there are more directors, whether they prefer they to act as a Board, or individually, or…

Each member holds the right to check administrative documents, but members' decision in order to appoint a supervisory and check board is allowed.

Some Countries decided that not natural person directors (e.g. a company by means of an agent) can be appointed as well

EEIG: to the borders of the participation

And what about third Countries?

Full members -> just EU related subjects

In practice associated members can exist as well, but without a voting right in members' meeting

A third Country representative could always be one of Grouping's directors

If a third Country body is interested in being full member of an EEIG… nowadays there are solutions for the creation of one-euro-companies almost in every European Country… -> even to limit unlimited liability for full members

EEIG: the bill, please!

Costs for constitution

- No need of a public notary
- Just agreement's draft is required
- Filing data in public Registry

Costs for maintenance

- NO DIRECT TAXES!!! -> every tax is directly to be paid by members according to their profit percentage
- Low costs for grouping's data filing maintenance in public Registry
- Consultancy costs

To sum up…

EEIG is…

- Cheap,
- Quite easy,
- Direct and transparent,
- Main disadvantages can be easily bypassed,
- Almost fully customizable

Thanks for your attention!!!

Questions & suggestions?

alessio.bartolacelli@unitn.it