

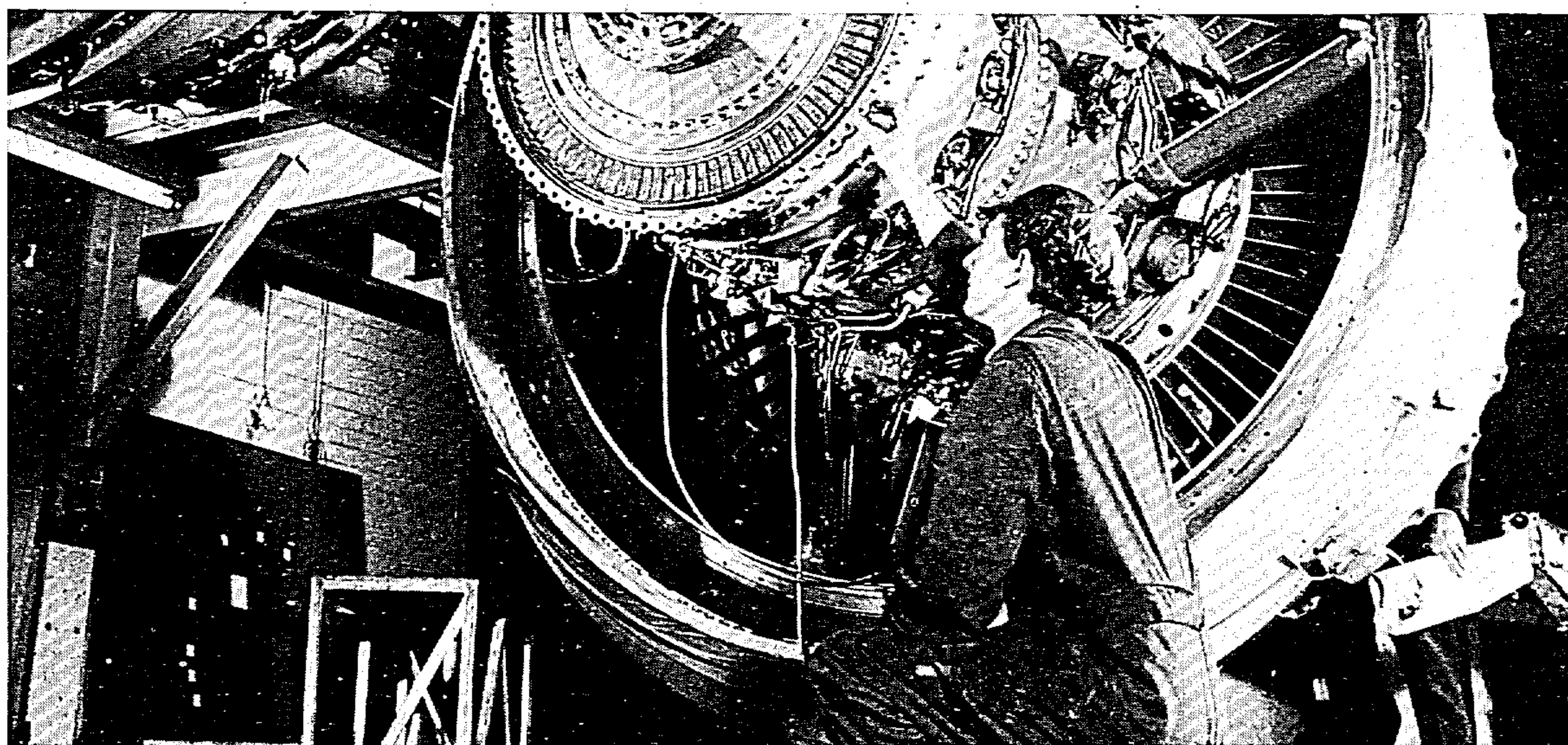
Member states plan to iron out differences in their company laws discouraging transnational links between companies. Common rules are planned for company formation, accounting methods, increases in capital and mergers.

In addition to "European companies", the Community is working on legal forms to encourage business regroupings under EC, not national, law. These forms include:

- A European co-operation group, a non-profit association of companies with common interests working together towards specific goals. This arrangement would help small and medium-sized companies by providing joint services, such as sales offices, centralized accounting services and research.

- A joint undertaking. This status, conferring tax and other advantages, is now reserved for companies in the nuclear industry that provide a public service or do major technological projects of Community interest.

The industrial policy program also calls for alignment of national systems for taxing parent companies and subsidiaries in different member countries and joint capital in mergers between companies in different member states.



*A British mechanic works on a jet engine. The Community's industrial policy seeks to promote the joint development of the aeronautical and other advanced technology sectors.*