

Directive (EU) 2017/1132 of the European Parliament and
of the Council of 14 June 2017 relating to certain aspects
of company law (codification) (Text with EEA relevance)

TITLE II

[^{F1}CONVERSIONS, MERGERS AND DIVISIONS
OF LIMITED LIABILITY COMPANIES]

CHAPTER II

Cross-border mergers of limited liability companies

Article 120

Further provisions concerning scope

1 Notwithstanding Article 119(2), this Chapter shall also apply to cross-border mergers where the law of at least one of the Member States concerned allows the cash payment referred to in Article 119(2)(a) and (b) to exceed 10 % of the nominal value, or, in the absence of a nominal value, of the accounting par value of the securities or shares representing the capital of the company resulting from the cross-border merger.

2 Member States may decide not to apply this Chapter to cross-border mergers involving a cooperative society even in the cases where the latter would fall within the definition of a limited liability company as laid down in Article 119(1).

3 This Chapter shall not apply to cross-border mergers involving a company the object of which is the collective investment of capital provided by the public, which operates on the principle of risk-spreading and the units of which are, at the holders' request, repurchased or redeemed, directly or indirectly, out of the assets of that company. Action taken by such a company to ensure that the stock exchange value of its units does not vary significantly from its net asset value shall be regarded as equivalent to such repurchase or redemption.

[^{F14} Member States shall ensure that this Chapter does not apply to companies in either of the following circumstances:

- a the company is in liquidation and has begun to distribute assets to its members;
- b the company is subject to resolution tools, powers and mechanisms provided for in Title IV of Directive 2014/59/EU.]

[^{F25} Member States may decide not to apply this Chapter to companies which are:

- a the subject of insolvency proceedings or subject to preventive restructuring frameworks;
- b the subject of liquidation proceedings other than those referred to in point (a) of paragraph 4, or
- c the subject of crisis prevention measures as defined in point (101) of Article 2(1) of Directive 2014/59/EU.]

Status: EU Directives are being published on this site to aid cross referencing from UK legislation. After IP completion day (31 December 2020 11pm) no further amendments will be applied to this version.

Textual Amendments

- F1** Substituted by [Directive \(EU\) 2019/2121 of the European Parliament and of the Council of 27 November 2019 amending Directive \(EU\) 2017/1132 as regards cross-border conversions, mergers and divisions \(Text with EEA relevance\)](#).
- F2** Inserted by [Directive \(EU\) 2019/2121 of the European Parliament and of the Council of 27 November 2019 amending Directive \(EU\) 2017/1132 as regards cross-border conversions, mergers and divisions \(Text with EEA relevance\)](#).