EUROPEAN BUSINESS LAW

Building Legal Astuteness A Guide for Business Professionals

TINA COEN

PREFACE

In 2018, I was given the chance to teach business law at the Vrije Universiteit Brussel (Brussels, Belgium) in a brand-new Business Economics programme. My students were first-year international undergraduates: a mix of nationalities, almost none of them lawyers, all of them heading into business rather than legal practice.

That raised the question of which law to teach them. Teaching a translated version of Belgian law to students with no particular connection to Belgium made little sense, nor did teaching any other single national system. What they shared was not a national legal system but a European one. I was teaching in Brussels, at the heart of the European Union, to people who would go on to trade, hire, sell, and invest across it. European business law was the common ground, and so it became the subject of the course.

Finding suitable course material, however, proved difficult. The available books were written either for law students, in a register and at a depth that assumed a future lawyer; around a single national legal system – usually US or UK law, given the language; or without enough focus on business law. None of them fitted the classroom in front of me, so I decided to build the course from scratch.

The teaching material grew from there. It began as slides on the topics that matter most to businesses – at first little more than the underlying principles of EU and national (Belgian) business law, stretched to fit a more international audience, then something broader and deeper as the course matured year on year. What had started as a set of slides and lecture notes had, in evenings and weekends of my own, effectively grown into the raw material for a book.

Around the same period, Owl Press – the academic and professional imprint of the publisher Borgerhoff & Lamberigts – approached me about publishing, and the result lies before you.

In preparing the transition from raw course material to a full textbook, I used several AI tools to help develop explanations, to test how concepts land for a reader who is not a specialist, and to find illustrative examples. This was not a shortcut; if anything it was the longer road, since many passages went through several rounds before they earned their place. The selection, the structure, and the law itself remain my own, and I have verified the legal content throughout.

Tina Coen
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At Owl Press, Nancy De Braekeleer, Paulien Vandenberghe and Heather Rawlin – together with others whose names I do not know – turned my manuscript into a textbook with such care, professionalism and patience, for all of which I am grateful.

My greatest debt is to my students, who – often unknowingly – have shaped what this book explains and how it explains it. Their questions, and the moments when my first answers fell short, are written into every chapter. What they brought from their own legal cultures broadened my own understanding of the law I set out to teach them.

And, above all, my deepest thanks go to my husband Christophe Tassin and our children Amélie and Thibaut, for their courage and self-sacrifice through the evenings and weekends this book took from them. The words are his own – he had me add them to my PhD, and I gladly repeat them here.

This edition reflects the law as it stood on 1 July 2026.

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INTRODUCTION

WHY BUSINESS LAW SHOULD MATTER TO YOU

It is easy to assume that business law, and law in general, is a specialist subject, best left to lawyers and not really your concern. After all, you do not need to be a lawyer to run a business. What you need is a product or a service to offer. You need customers, terms on which to deal with them, and a way to get paid. You need to reach those customers and stand out from your competitors. And you also might need to take on staff, rely on suppliers, combine forces with other businesses and look for money to expand.

None of this looks like law. Yet every one of these needs is surrounded by legal rules. What you sell has to meet basic safety and quality standards, and what you claim about it has to be true. Your dealings with customers, suppliers and employees are legal relationships of one kind or another. Legal rules decide who owes what, who bears the loss when something goes wrong and when either party can walk away. Sell to ordinary consumers rather than to other businesses, and an extra layer of protective rules applies. The way you reach customers (your advertising, your promotions, the emails you send) is regulated, and so is the customer data you rely on to do so. And the list goes on.

Most of these rules stay in the background until something goes wrong. By then the cost (a fine, a dispute, a contract you cannot enforce, a product you have to pull) is a good deal harder to avoid. So while leaving the law to the lawyers is tempting, it is also a mistake and often an expensive one.

THE NEED FOR LEGAL ASTUTENESS

Fortunately, many professionals already have a degree of legal awareness. They know that laws affect business and that legal risks exist. But that awareness is only a starting point. It does not tell you which rules apply, what they require or what to do when a decision depends on them. Turning that awareness into something useful is what we call **legal astuteness**. It is the practical ability to spot legal risks and opportunities as they arise, and to understand how the rules shape each business decision.

Legal considerations are a critical part of any business strategy. Whether you are running a small startup or working for or alongside a multinational, you weigh legal considerations alongside financial, market, operational and reputational factors. And it is not only about

avoiding risk. Using the right legal tools, you can protect the products, names and ideas you create, structure deals so that any loss falls where you want it, set the business up to attract investment, and settle disputes on terms you have agreed in advance. All of this happens within the confines of the law, of course, and much of this book is about where those boundaries fall. But used well, law is as much a tool as a constraint.

Naturally, you will not handle all of the legal thinking yourself, and you should not try to. For anything significant you will rely on a lawyer, and a larger organisation may have an in-house legal team that sits close to the business and gets involved early. That helps, and you should use it. But it does not move the problem off your desk. You still need to understand enough to brief your lawyers, make sense of what they tell you, and judge when a matter is serious enough to involve them at all.

In other words, developing legal astuteness is not about becoming a lawyer. It means gaining enough insight to make the law work for your business rather than against it.

That is what this book is for.

A Note on Artificial Intelligence (AI)
In an age when AI assistants can generate instant answers to legal questions, it is reasonable to ask whether a textbook like this still has value. It does, perhaps more than ever.

The generic AI tools in common use are good at retrieving information and drafting text, but they do have limits. They blur rules from different jurisdictions, miss recent legislative developments, and can present confidently stated answers that are simply wrong. They do not know your business, and they rarely probe. They answer the question you asked, not the one you should have asked, and they cannot judge when a simple-looking question in fact needs a lawyer.

Without enough legal knowledge of your own, you cannot tell a sound answer from a wrong one. That judgment requires more than legal awareness. It requires legal astuteness, the skill around which this book is built.

WHAT THIS BOOK COVERS

This book is a practical introduction to European business law, written for business professionals rather than for lawyers. It concentrates on the topics that shape everyday business decisions and that apply, for the most part, right across the EU internal market, whatever a company's size, sector or country of origin.

Why focus on EU Law?
The European Union is one of the world's largest integrated markets in terms of purchasing power, economic integration and regulatory cohesion. Its internal market allows goods, services, capital and people to move almost seamlessly across 27 Member States, creating a market of roughly half a billion customers. For businesses located in or targeting European customers, that internal market is the backdrop to almost every decision.

But the EU's internal market is a layered one. EU law harmonises, and sometimes fully unifies, the rules in many business-relevant fields, while in others the law still differs from one Member State to the next.

Knowing which rules fall into which category is a practical skill in itself, and one that few books set out to teach to business professionals. Most treatments of EU business law are academic works for lawyers, while others focus on the national law of one Member State at a time, rather than giving business professionals a practical, EU-wide perspective.

This book sets out to fill that gap.

We begin with the foundations:

- **Chapter 1 – Understanding Law: The Business Basics** introduces the building blocks of legal thinking: what law is, where it comes from, whom it binds, and how to read and apply a rule.

- **Chapter 2 – The European Union** introduces the European Union and its internal market, explains how EU law is made and shows how it interacts with national law across the Union.

From there, we turn to substantive areas of European business law that directly affect commercial activities:

- **Chapter 3 – Business Structures** compares the main ways to organise a business and follows a company through its whole life cycle, from formation to dissolution.
- **Chapter 4 – Business Contracts** covers how commercial contracts are formed, interpreted and enforced, with a closer look at cross-border sales of goods and commercial agency.
- **Chapter 5 – Consumer Rights** sets out the extra rules that apply when you sell to consumers rather than to other businesses.
- **Chapter 6 – Intellectual Property** explains how to protect the intellectual creations a business depends on through trade marks, copyright and patents. It also covers trade secrets as an alternative protection mechanism.
- **Chapter 7 – Personal Data Protection** sets out rules governing how businesses collect, process and protect personal data.

These topics were chosen because they recur across sectors and they apply, to a large extent, consistently across the internal market. Whatever your business sells and wherever in the EU it operates, these are the rules you are most likely to meet.

WHAT LIES BEYOND OUR SCOPE

Some areas of business law are left out. We do not treat in depth sector-specific regulations (financial services, healthcare, energy, telecommunications), employment law, taxation or criminal law. Insolvency appears only where it touches a company in financial distress.

We also do not systematically examine national law, except where it serves to illustrate broader principles or how EU rules interact with the laws of Member States. Nor do we venture into legal systems outside the EU, though we occasionally reference international conventions that matter for business in the EU.



A Note on Competition Law

You may notice that competition law has no chapter of its own. This is a deliberate choice. Although competition law touches almost every commercial decision, from how you price products and structure distribution agreements to how you collaborate with competitors or approach mergers, it is a large and highly technical field. What this book does offer is a brief introduction in Chapter 2, as part of the EU framework, and competition law alerts throughout the book to indicate where competition issues commonly arise in practice. These flag the moments when a decision calls for specialist advice.

A GUIDE TO THIS BOOK

CHAPTER STRUCTURE

Every chapter opens with a real-world business case that raises the questions the chapter sets out to answer, followed by a short introduction to the key themes and how the chapter unfolds. From there the case runs through the chapter as a thread, grounding each point in a concrete situation. The chapter closes with a set of key insights that draw the main lessons together, followed by a QR code linking to further reading on the topics covered.

Wherever 'Member States' appears with capital letters, it means the Member States of the European Union. Through the EEA Agreement, however, much of the EU business law discussed in this book also (indirectly) applies in Iceland, Liechtenstein, and Norway. How to know whether a particular EU law does so, is explained in Chapter 2, Section 3.5.2.

Throughout this book, legislation is referred to either by its commonly-used short name or by an abbreviation, never by its full official title. EU legal instruments carry long and formal names, and reproducing them in the text would quickly become distracting. The measure everyone knows as the *Unfair Commercial Practices Directive*, for example, appears here either under that short name or simply as the *UCPD*. The complete formal title (with its unique identifier, date, and enacting institutions) is recorded once, in the table of legislation at the end of the book, for every instrument discussed. Whenever you meet a short name or abbreviation you do not recognise, that table at the end is where you will find the instrument's title in full.

There you will also find a full list of the abbreviations used throughout.

WORKING WITH THE SOURCES

You will notice that this book points you to the sources of the rules it discusses (the specific articles, regulations and cases) far more than books written for non-lawyers usually do. That is with good reason. Knowing where a rule comes from, and being able to read it for yourself, is part of legal astuteness. Laws change, and a rule described here may have moved on by the time you need it. If you know where to find the current text, and how to make sense of it, you are never wholly dependent on someone else's account of what the law says.

This book shows you where to find a legal rule and how to read it, while the European Business Law Codex, a separate volume, brings together the key legislative texts behind the topics discussed here. The table of legislation indicates which texts are reproduced in the Codex, so you can see at a glance whether an instrument is already to hand or whether you will need to retrieve it using the reference recorded there.

The European Business Law Codex
As Chapter 2 explains, up-to-date versions of EU laws are always available online through EUR-Lex; the Codex simply gives you a reliable offline reference for when internet access is limited or inconvenient. It also reproduces certain international treaties relevant to the topics in this book.

→ Scan this QR code to find tips for using the Codex alongside this book, including purchasing options.

SIDE BOXES AND QR CODES

As you will already have seen from the examples above, the book uses several kinds of side box to help you engage more deeply with the material:

Toolkit Boxes
Practical guidance you can act on (e.g., do's and don'ts, takeaways, short checklists)

Context Boxes
Background and context that situate the rules within their wider legal and commercial setting, including contemporary developments such as ongoing or anticipated reforms, and competition law alerts.

Illustration Boxes
Concrete scenarios, analogies, and real cases that show an abstract concept at work, usually tied to the chapter's running business story.

Looking Ahead, Back or Beyond Boxes
Short cross-references pointing forward to a later chapter, back to an earlier one, or beyond the book to further reading and resources.

Throughout the book you will also find QR codes giving quick access to the cases discussed in the chapters, supplementary materials and updates on recent legal developments. These digital features complement the printed text.

CHAPTER 1

UNDERSTANDING LAW: THE BUSINESS BASICS

SETTING THE SCENE: A BROKEN PROMISE AND A BROKEN RULE

Daphne manages a mid-sized logistics company based in Rotterdam. Over coffee one morning, two issues land on her desk, and she struggles to understand why her team treats each one so differently.

First, the company's sustainability officer reports that the company has fallen short of its commitment to reduce carbon emissions by 15% this year. The officer seems disappointed but notes that, while this could damage the company's reputation with its environmentally conscious clients, there is nothing anyone could do about it legally. These are voluntary targets the company has set, based on guidelines from a private industry association.

Second, the operations manager has flagged a problem with the labelling of certain shipments. For years the company has treated them as standard; only recently did he realise that they were in fact hazardous, and so subject to the stricter labelling and transport requirements of the Dutch rules on dangerous goods. Unwittingly, the company has been in breach all along. The operations manager is visibly worried and insists that the issue be fixed at once: if transport inspectors discover the violation, the company faces significant administrative fines and the potential loss of its transport licences.

Daphne is puzzled. Both situations involve failing to meet a clearly defined standard. The carbon emissions target was explicitly documented in the company's annual sustainability report and has been widely publicised. The dangerous goods transport requirements were part of the legal framework governing the industry. Yet the consequences are entirely different. The emissions failure could damage the company's reputation but apparently trigger no legal action. The labelling violation, on the other hand, could result in government fines and licence revocation.

Why does breaking a publicly announced commitment carry no legal weight, while violating legal requirements triggers regulatory enforcement? Where can Daphne even find these different types of rules? And how can she assess these risks before making business decisions? Daphne's confusion is understandable and common. Many people struggle to distinguish the different kinds of obligation that shape their decisions.

This chapter provides the conceptual framework to understand that distinction. It explores what makes **law** different from other normative systems, where legal rules come from, and how to analyse them systematically. Through Daphne's case, you will see why some violations trigger state-backed sanctions, while others carry only reputational or commercial consequences. More importantly, you will learn to identify which sources of law create binding obligations, determine which rules apply to specific business situations, and work through their building blocks to assess compliance requirements and risks.

I.
LAW AS A DISTINCTIVE NORMATIVE SYSTEM

Returning to Daphne's puzzlement about why breaking a publicly announced commitment carries no legal weight while breaching the dangerous-goods labelling rules triggers government enforcement, we must ask ourselves what law is and how it works as a distinct normative system in society.



Legal Terminology Ahead
As we examine the foundations of law, you will encounter some legal concepts that may be unfamiliar. Do not worry if these terms seem unclear at first. They will be explained in more detail in the coming sections, and you can find concise definitions in the glossary at the end of the book. For now, focus on understanding the broader framework.

1.1 A PURPOSIVE DEFINITION OF LAW

Defining **law** may seem simple, but it is one of the more debated questions in philosophy and legal theory. It raises fundamental questions about authority, justice, and societal order. For example, is law based on morality, reason, or power? Is law created by humans or derived from nature or a divine authority? Is law universal or relative?

These debates lie beyond the scope of this book. Instead, we can work with a simpler, practical definition that captures law's influence on business. We take a **purposive approach**, focusing on what law is designed to accomplish.

Taking this approach, law can be defined as a set of standards, rules, or principles that guide human behaviour by prescribing what actions are required, permitted, or forbidden, with the primary objective of bringing order and structure to society through enforcement by public authorities.

Let us break down this definition into three essential elements.

The Three Essential Elements of Law
1. A normative system
2. Society-dependent
3. Enforced through collective means

1.1.1 A Normative System

First, the law prescribes behaviour. It tells us what we can and cannot do, sometimes making us do things we might not otherwise choose, or refrain from actions we might prefer to take. This makes law a **normative system**: one that sets standards for how we ought to behave, rather than merely describing how we do. This prescriptive, norm-setting nature differentiates law from other forces that guide human behaviour, such as market forces.

However, this first element alone does not suffice to define law, as there are plenty of other normative systems that also prescribe human behaviour, such as moral principles, religious doctrines, and professional standards.

Law vs. Market Forces
Market forces are economic pressures that shape behaviour through supply, demand, and competition. They are among the most powerful influences on how a business acts, but work in a fundamentally different way from law. Unlike the law (or other normative systems), market forces are not prescriptive: they do not tell businesses what they must or should do. Instead, they emerge from the choices and preferences expressed across the marketplace, organising behaviour through economic incentives rather than commands. They are shaped by choices, not imposed by authority. For instance, if consumers prefer eco-friendly products, businesses shift toward sustainability – not necessarily because it is right or required by law, but because it sells. Similarly, a business might raise wages to attract or retain talent in a competitive context, even if they are already well above minimum wages. In each case the firm is responding to an incentive, not obeying a rule: nothing compels the choice, and a firm that ignores the signal breaks no law – it simply bears the cost.

1.1.2 Law is Society-Dependent

Second, law necessarily functions within a society. Consider someone alone on a desert island: they would have no need for property laws, as there are no competing claims to resolve; no need for contract law, as there are no agreements to enforce. There would be no disputes over resources, no need to coordinate the behaviour of multiple people through traffic laws or zoning regulations, and no vulnerable parties to protect from exploitation or abuse by others. In other words, laws only become necessary when people interact with one another. In isolation, one does not need formal laws.

This **society-dependent nature** differentiates law from other normative systems that can function even when a person is alone.

Normative Systems in Isolation
Normative systems that can function in isolation include personal ethics ('I will not lie'), religious norms ('I will pray daily'), or aspirational standards ('I will exercise regularly'). These systems regulate behaviour through internal sanctions (guilt, spiritual consequences, pride).

However, these two elements (prescribing behaviour and functioning within society) still do not suffice to uniquely identify law, as other normative systems such as social norms (unwritten expectations about appropriate behaviour in groups), business ethics (moral principles governing commercial conduct and decision-making), and professional standards also depend on human interaction.

1.1.3 Law is Enforced through Collective Means

Third, and most distinctively, law is enforced through collective means. Whereas other normative systems have their own forms of sanctions, including social disapproval, loss of reputation or personal guilt, only the law can impose formally binding sanctions enforced by public authorities. This coercive power makes law uniquely authoritative among normative systems.

What makes **enforcement through collective means** fundamentally different from other normative systems is its institutionalised, systematic, and authoritative nature. When a legal rule is violated, the response is not merely social disapproval, loss of reputation or personal guilt, but rather a (more or less) predictable, structured reaction from designated public authorities. The state, through its various institutions (courts, police, regulatory agencies) can deploy force if necessary to ensure compliance. It can compel individuals to pay fines, appear in court, surrender property, modify business practices, or even lose their liberty through imprisonment.

While collective enforcement is the most distinctive feature of law, this element alone does not suffice to define law fully. All three elements must be present. If we defined law solely by its enforcement mechanism, we would miss the essential normative character of law. Pure coercion without clearly prescribed rules would be arbitrary power rather than law. Similarly, law's enforcement mechanisms exist to serve societal needs: resolving conflicts, protecting rights, and coordinating behaviours within a society. Without this social dimension, enforcement would lack its fundamental purpose.