



HEADLINES

EU/ Enterprise : “Enterprise Government Plan” to boost transparency and modernise corporate law

The European Commission presented on 21 May its action plan to modernise corporate law and enhance enterprise government. The plan tackles a wide range of issues including the annual declaration, which should mention how the general shareholder’s assembly works; the exercise of shareholder rights and the reform of the management board. The creation of a Forum of Company Law Governance is proposed with the aim of developing convergence and the coordination of practice. The Commission also announced the initiative to analyse the legal, fiscal and social effects of a European Company Statute for SMEs operating in several Member States. The Commission launched a consultation on the issue, which is open until 31 August.

More info:

http://www.europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/716|0|RAPID&lg=EN&display=

FAQ on the Action Plan :

http://www.europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=MEMO/03/112|0|RAPID&lg=EN&display=

EU/ Financial Services & statutory audit : New Action Plan on audit should prevent future scandals

In an Action Plan unveiled on 21 May, the Commission proposed a directive on audits and the creation of an Audit Regulatory Committee. The directive will cover audit norms, training, public oversight, external quality assurance, disciplinary sanctions (obligation to cooperate in cross-border affairs).

The Communication also mentions that the Commission will propose a modification of the 8th Company Law directive (which dates back to 1984) during the first half of 2004 to include principles applicable to all statutory audits, clarify the role and status of legal auditor. The Audit Regulatory Committee will assist the Commission for the adoption of future measures for implementing the directive.

More info:

http://www.europa.eu.int/comm/internal_market/en/company/audit/official/index.htm

EU/ Environment: Environment Liability vote raises serious fears for businesses

On 14th May the European Parliament voted in first reading on the environmental liability proposal. Several amendments that had been rejected by the Legal Affairs Committee’s vote on 29 April were adopted, raising serious concerns for businesses. Indeed, the scope of the proposal was extended to cover all activities and dangerous substances within 5 years, including marine and nuclear activities. The Parliament also endorsed a system of mandatory insurance, which workability is more than

ESBA Bulletin of 28 May 2003 – Volume 5 – Number 14

doubtful, given the unavailability of methods of financial security other than insurance for small businesses and the lack of experience of insurance markets in assessing environmental risks. Not least, the permit and “state of the art” defences were rejected. The Greek Presidency is seeking to reach a compromise on the proposal before the end of June and will discuss the matter at the next Environmental Council on 13th June.

Comment: ESBA is strongly opposed to the proposal as amended by the vote in Plenary. ESBA is deeply concerned about the provisions on mandatory insurance, on the scope of the proposal and the rejection of permit defences. ESBA is lobbying for a fair and workable scheme for SMEs. A position paper will be sent to all Ministries responsible and permanent representations in Brussels.

More info:

<http://www2.europarl.eu.int/omk/sipade2?PUBREF=-//EP//TEXT+PRESS+DN-20030514-1+0+DOC+XML+V0//EN&LEVEL=2&NAV=S - SECTION5>

EU/ Social Affairs: On the way to pan-European pensions funds

In a meeting on 13 May, the EU Finance Ministers adopted the Directive on the activities and supervision of institutions for occupational retirement provision (IORPs), which had been adopted on 12 March at second reading by the European Parliament (the Commission’s proposal dates back from October 2000). The Directive will guarantee that occupational pension transactions attain a high level of security and efficiency. The institutions involved (such as pension funds and superannuation schemes) cover about 25% of the Union's labour force and manage assets worth €2 500 billion (29% of EU GDP). This is a major step towards the creation of an Internal Market for occupational retirement provision, and the Directive is a key element of the Commission's Financial Services Action Plan. A report published last year warned that the number of working-age people for each person over 62 in the EU would halve from four today to just two in 2050.

More info:

http://www.europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=MEMO/03/108|0|R APID&lg=EN

EU/ Consumers: No deal reached on sales promotions regulations

The Competitiveness Council on 19 May substantially discussed the draft Sales Promotions Regulation but did not reach any compromise on the draft. The proposal tabled by the Commission in October 2001 (co-decision procedure) aims to remove barriers to cross border sales promotion such as discounts, free gifts and games.

A majority of Member States backed the idea of changing the proposal from a Regulation to a Directive, an option that is also favoured by Commissioner Bolkestein. Other changes discussed are aimed to improve the consumer-protection orientation of the draft (i.e. the exclusion of alcoholic drinks from the scope of the proposal or an exemption clause on public health grounds). Also, the introduction of a threshold on lottery games has been discussed.

A lot of work still needs to be done on the technical side and the draft proposal will be passed on to the Italian Presidency. Marketing companies and publishers expressed disappointment at the perceptible lack of commitment by Member States to go ahead with the proposal.

More info:

<http://ue.eu.int/pressData/en/intm/75836.pdf>

IN BRIEF

EU / Social Affairs: Temporary workers directive on the agenda of Employment Council

The Proposal for a temporary worker Directive will be discussed at the next Employment Council of June 3rd. A political agreement is expected to be reached for a proposal of 2002 that is aimed to provide a minimum EU-wide level of protection and ensure equal treatment to temporary agency workers. The issues where a compromise still needs to be reached include: the review of restrictions and prohibitions on temporary work; the application of the principle of equal treatment (delegations oppose or require a longer period for the 6- week exemption for temporary workers on assignments); and temporary work as a labour market instrument. Small Businesses fear that the current proposal would make the use of interim work more difficult and impose disproportionate burden on small user enterprises and temporary agencies.

More info:

http://wwwdb.euoparl.eu.int/oeil/oeil_ViewDNL.ProcViewCTX?lang=2&procid=6040&HighlighType=1&Highlight_Text=temporary{ SPACE }workers

EU/ VAT : Public consultation launched on how to facilitate VAT compliance

The European Commission has launched on 26th May an open consultation on VAT compliance, which should clarify whether Member States' VAT compliance requirements should be harmonised and whether traders doing business across frontiers should be allowed a single place of compliance for VAT purposes.

The consultation is based on a study that presents a comprehensive overview of VAT compliance obligations (registration, declarations, payment and refunds) in each Member State. The Commission intends to launch a proposal in this field in 2004. The consultation is open for comments until the end of August.

More info:

http://europa.eu.int/comm/taxation_customs/taxation/consultations_en.htm