



HEADLINES

EU / Commission: Work Programme for 2004

Romano Prodi, President of the European Commission presented its Work Programme last week in Strasbourg on Tuesday 18th November. It includes 73 legislative and non-legislative proposals. The main priorities outlined by Mr Prodi for 2004 are Enlargement, the completion of the Single Market, and further investment in trans-European networks.

Given the political agenda of the year 2004, the Work Programme is shorter. Indeed, 2004 will see fundamental changes with the Enlargement (1 May 2004), the adoption by the 25 of a new constitutional Treaty, the European Parliament elections (June 2004), and a new European Commission (1 November 2004). This Work programme is based on the Commission's Annual Policy Strategy 2004 (published in February 2003), which stresses three main themes to be addressed, including the accession of the new member States, Stability, and Sustainable Growth.

Expected non legislative proposals in the field of Enterprise Policy include a Communication on the implementation of the strategy for Industrial Policy in an Enlarged Europe, an Action Plan for Innovation, a Framework for Better Business Environment and a Communication on normalisation. Also, a recommendation on "home state taxation" for SMEs is foreseen (Sept 2004). Among legislative proposals affecting SMEs, you will find a Programme for the Competitiveness of enterprises and a Communication aimed at bringing consensus among the various interpretation of the "New Approach" concept.

MEPs welcomed the Work Programme cautiously. In particular, Nick Clegg MEP (Liberals, UK) raised concerns over the lack of explanation on the choice of legislative instrument and the choice of legal base for each proposal. According to inter-institutional agreement signed in summer, the Commission is committed to provide clarification on these two aspects its annual legislative programme.

ESBA is concerned over the fairly limited number of proposals aimed at improving business environment for SMEs, particularly in the areas of access to finance and diminution of regulatory and tax burden for SMEs.

Also, ESBA would have appreciated to see more clarification on how impact assessment will be conducted. According to the Impact Assessment Communication of June 2002, all new proposed legislation and non legislative measures will have to be assessed for their economic, social and environmental impact from 2004. This impact assessment will include consultation with interest parties. However the Impact Assessment Communication does not specify at which stage of the impact assessment consultation will take place, nor does it clearly state who should be consulted. ESBA hopes that the interests of SMEs will be taken into account, to avoid situations where SMEs would have to bear the cost of "one-size-fits-all" legislation.

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More info:

http://europa.eu.int/rapid/start/cgi/guesten.ksh? p_action.gettxt=gt& doc=SPEECH/03/551|0|RAPID&lg=EN& display=

EU / Business: Cross-border mergers to be boosted by new EU proposal

A new proposal aimed at facilitating cross-border mergers across the EU has been presented by the European Commission last week. The new directive would particularly help SMEs who want to operate in more than one EU State but not throughout Europe, to overcome barriers caused by different national laws without having to form SAs ("European Company", under the European Company Statute of 2001).

Under the new law, applicable to any company with share capital (including limited liability companies) a specific cross-border merger procedure would be set up, whereby mergers would be governed by the rules applicable to "domestic mergers". Protection, usually afforded under national law would be maintained so by the proposed Directive for creditors, debenture holders, holders of securities other than share, minority shareholders and employees.

Regarding workers' rights, the general principle is that the national law of the newly created company would apply. However, a negotiation procedure is foreseen in the case where a company is governed by rules on employee participation in its home member State, and where the new merger company is created in a Member State where a less stringent employee participation scheme (under the same way as the European Company Statute). The rationale behind this provision is that Commission tries to avoid that companies in States with stringent employee participation rules use cross-border mergers to circumvent national rules.

The proposal will now be submitted to the European Parliament and the Council (co-decision procedure).

ESBA welcomes this new proposal but shares the fears already expressed by several business organisations, in that the new procedure could lead to employee participation provisions as onerous as under the European Company Statute. The benefits of the new directive should not be overshadowed by rules that would make cross border mergers more complicated when the legal differences are high between the Member States.

IN BRIEF

EU / Irish presidency: Ireland will focus on improving competitiveness and transatlantic ties

Ahead of the start of Ireland's Presidency (1 January 2004), Prime Minister Bertie Ahern recently outlined the Irish Presidency's priorities. First, Ireland will focus on competitiveness. Renewed impetus to advancing economic reform, enhancing competitiveness and stimulating employment in Europe will be the focus of the Spring European Council on 25-26 March 2004.

Second, Ireland will seek to restore Euro/US ties, which have been overshadowed by divergences over Iraq, EU defense plans, US steel tariffs, corporate export subsidies and Washington's rejection of the Kyoto Climate change treaty. Not least, Ireland will ensure that everything goes well with the enlargement. Also, Mrs Ahern said that Ireland would be ready to take over the task of the Constitution in case the Italian Presidency fails to get EU leaders to sign the EU constitutional treaty at the December Summit.

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More info: <http://www.gov.ie/iveagh/>

EU / Corporate Governance and Company Law: Results of Consultation available

The results of the consultation on the Commission's Communication "Modernising Company Law and Enhancing Corporate Governance in the European Union - A Plan to Move Forward" have been made available on the Commission's web pages. The Action Plan, adopted on 21 May 2003, proposes a set of initiatives aimed at reinforcing shareholders' rights, protection for employees and creditors.

More Info:

http://europa.eu.int/rapid/start/cgi/guesten.ksh? p_action.gettxt=gt& doc=IP/03/1581|0|RAPID& lg=EN&display=

EU / eBusiness: Call for contribution on electronic invoicing standards

In order to help implement Directive 2001/115/EC on e-invoicing rules and common standards (to enhance the interoperability of e-invoicing systems), electronic invoicing stakeholders (i.e. Industry fora, consortia) have been invited to participate in a standardisation work by DG Enterprise. The European Standardisation Organisations CEN, CENELEC et ETSI will prepare a work programme within 6 months, to be implemented as a matter of priority.

More info:

<http://www.cenorm.be/cenorm/ businessdomains/ businessdomains/ informationsocietystandardizationsystem/ ebusiness+and+ecommerce/ einvoicing+focus+group/ einvoicing.asp>

EU / Counterfeiting: EU research helps tackle falsification and illegal trafficking

The Commission's Joint Research Centre (JRC) has developed technical devices that support the fight against falsification and illegal trafficking. Using sophisticated technologies, originally developed for nuclear safeguards, the Commission has tested prototypes and applications for the identification of watches and for the sealing of cargo containers. Counterfeiting, piracy and illegal trafficking affect between 5% and 7% of world trade. The forgery business accounts for a €450 million turnover per year worldwide, 60% of which occurs in EU countries. With a 5% share, forged watches represent one of the most affected sectors

More info:

http://europa.eu.int/rapid/start/cgi/guesten.ksh? p_action.gettxt=gt& doc=IP/03/1569|0|RAPID& lg=EN& display