



### HEADLINES

#### **EU / TAXATION Strasbourg 13/06/2001: EP agrees with proposal on VAT invoicing rules**

The EP plenary adopted a report (under the consultation procedure) approving generally the EC proposal to amend the Sixth VAT Directive with a view to simplifying, modernising and harmonising the provisions concerning the obligation to issue invoices (see ESBA Monthly - Vol 2 - N 9). In practice it would mean that a trader in Europe would have to comply with only one set of rules for all invoices issued to customers in the EU. The Council should still adopt the proposal during the Belgian Presidency before it can enter into force in 2002. The EC has sought to balance the need to simplify the obligations on traders with the administrations legitimate needs in terms of tax control. For this reason the EP insisted to include an amendment to ensure that SMEs will not face any extra administrative burdens in order to comply with the directive. The proposal aims to harmonise the rules determining which statements must be included on invoices, and secondly, to establish a Community legal framework for electronic invoicing and self-billing. The proposal should lead to a substantial simplification of the obligations and therefore a lightening of the administrative burden for traders operating across the EU (currently there are 15 different set of rules, and in total 25 different requirements across the EU). In addition, it should facilitate the development of electronic commerce and should reduce costs as the cost of sending/handling an electronic invoice is far lower. However, the proposal would require (one-time) changes in companies accounting and invoicing systems and software.

#### **EU / TRANSPORT Strasbourg 14/06/2001: EP wants self-employed drivers to be included**

In its second reading under the codecision procedure, the EP plenary adopted a report amending the Council's common position concerning the working hours of road drivers. The EP presented a number of amendments from its first reading which had not been taken up by the Council, especially the reintroduction of self-employed drivers (automatic inclusion after 3 years and not excluding them 5 years followed by an assessment) and working hours (night work, weekly working hours and definition of working hours). The EP and the Council are now expected to open a conciliation procedure on the matter. This debate is likely to become a complex trade-off between issues such as competition, road safety, regulations on workers availability and other social regulations. The EC initial proposal dates from November 1998 following failed negotiations among the social partners in the transport sector, seeking both to protect the health and safety of workers and to prevent distortions in competition and improve road safety.

#### **EU / HEALTH & SAFETY Strasbourg 14/06/2001: EU agrees on minimum conditions for work at height**

The EU has agreed on the minimum safety and health requirements for the use of work equipment by workers at work (mainly at height) following the EP plenary adoption of a report (second reading under the codecision procedure) approving the Council's common position without amendment. The legislation aims to contribute to the prevention of accidents at work involving falls from height, which currently account for some 10% of all industrial accidents. The legislation will cover all sectors of activity, all persons concerned (including self-employed), and includes a clear obligation to select equipment which offers adequate protection against the risks of falls from a height, and also where

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appropriate, for the specific and appropriate training of workers. Ladders, scaffolding and ropes are the equipment most commonly used to carry out temporary works at a height, and the legislation sets out the way in which this equipment may be used by workers under the safest conditions. The legislation allows Member States a transitional period to take account of practical problems of implementation which may be encountered by SMEs in particular (in total 5 years). The Council recently agreed also on other minimum health and safety requirements regarding the protection of workers from risks arising from noise.

### **EU / GOTHENBURG SUMMIT Gothenburg 16/06/2001: Relevant EU summit conclusions for ESBA**

The main results relevant for ESBA of the European Council Meeting in Gothenburg concern enlargement, sustainable development and trade: - Enlargement: Confirmation of the progress made in the negotiations and agreement on the framework for the successful completion of the enlargement by the end of 2002 earliest for those countries that are ready, provided that progress continues at current pace (entering the EU by 2004). The negotiations concerning the free movement of workers of the candidate countries (see ESBA Weekly - Vol 3 - N 19) have started as well, following the adoption of a common position by the EU Member States (a maximum ban of 7 years on workers coming from CEECs, but Member States are free to decide individually not to apply a transition period at all or opt for a limited period of 2 or 5 years). Hungary recently already has concluded this chapter. - Sustainable Development: Agreement on a strategy for sustainable development, thereby adding an environmental dimension to the Lisbon process for employment, economic reform and social cohesion. Although the EC preparatory document (see ESBA Weekly - Vol 3 - N 24) contained concrete objectives, measures and targets, and although the Environment Council went even further in its propositions for a 6th Environmental Action Programme (see ESBA Weekly - Vol 3 - N 27), the summit conclusions lack concrete targets and commitments. Operational measures, indicators, goals and targets will have to be defined more clearly during the Belgium Presidency. - Trade: The EU affirmed their commitment to a new round of WTO negotiations, and urged all WTO partner to work constructively and flexibly to forge a consensus. Furthermore, the US was urged to join the EU in promoting the launch of a new inclusive round of multilateral trade negotiations as a sign of a strong EU/US partnership in the WTO for maintaining an open, fair and strong system of multilateral trade rules. Just before the Summit, the EU and the US together declared that they are committed to launching an ambitious new round of multilateral trade negotiations at the WTO Ministerial Meeting in Doha, seeking further liberalisation of world trade and to clarify, strengthen and extend WTO rules. They also stressed their support for technical assistance to build capacity in developing countries, as to help implementing WTO agreements and to integrate them fully into the trading system. A few days after the summit the EU announced it had finalised bilateral negotiations with China (following the US-China agreement earlier this year), thereby probably clearing the way for China's accession to the WTO later this year.

Conclusions: <http://www.eu2001.se/static/eng/eusummit/conclusions.asp>

### **EU / EDUCATION Brussels 18/06/2001: Report on education and training in the EES**

Only since the Lisbon European Council, where the essential role of education and training was underlined, education and training guidelines are incorporated in the European Employment Strategy (EES). For the first time now, the EC issued a document analysing the role of education and training policies in the EES (the 2000 National Action Plans for Employment overall and in each Member State).

More info: [http://www.europa.eu.int/comm/education/employment/employ\\_vol1\\_en.pdf](http://www.europa.eu.int/comm/education/employment/employ_vol1_en.pdf)  
[http://www.europa.eu.int/comm/education/employment/employ\\_vol2\\_en.pdf](http://www.europa.eu.int/comm/education/employment/employ_vol2_en.pdf)

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### EU / AGRICULTURE Brussels 19/06/2001: Council accepts Small Farmers Scheme

The Agriculture Council agreed on a simplified aid scheme for small farmers, receiving up to 1250 EUR per year in direct payments, over a trial period from 2002-2005 (voluntary basis). The scheme aims to reduce the administrative burden of small farmers, especially form-filling (ESBA Weekly - Vol 3 - N 9). The EP (consultation procedure) last week requested a ceiling of 1500 EUR (33% of the EU's farmers) whereas the EC proposed initially 1000 EUR (23%) for the trial period due to fears of possible fraud and abuse. The EC will assess the effects of the scheme during the trial period and may make appropriate proposals.

More info

(copy/paste full link): [http://europa.eu.int/rapid/start/cgi/guesten.ksh?p\\_action.gettxt=gt&doc=IP/01/882|0|RAPID&lg=EN](http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/01/882|0|RAPID&lg=EN)

### EU / TRADE Brussels 19/06/2001: ESBA issues position paper on trade facilitation

The SME-Union of the European People's Party in the European Parliament held an event, gathering over 100 participants, on the issue of WTO and the SMEs. Mr. Defraigne, head of cabinet of Pascal Lamy, commissioner for trade and EU chief negotiator, stressed the importance of the future negotiations for SMEs. Other guest speakers included Nancy Adams, senior trade representative of the US-mission to the EU, Hubert van Houtte, ambassador and member of the Article 113 committee for Belgium, Christoph Leitl, president of the Austrian chamber of commerce, and Konrad Schwaiger, rapporteur of the EP on the WTO.

**ESBA REGRETS THAT GUEST SPEAKERS WERE NOT ABLE TO CLEARLY INDICATE WHAT THE FUTURE WTO NEGOTIATIONS WOULD BRING FOR SMEs OR HOW THEY WOULD ADDRESS THE SPECIFIC SMALL BUSINESS ISSUES IN TRADE. IN A FINAL STATEMENT, MR. F. SOUDAIN, THE ESBA BRUSSELS REPRESENTATIVE, STRESSED ON THE IMPORTANCE OF DEVELOPING AN AMBITIOUS AGENDA FOR TRADE FACILITATION MEASURES TO REDUCE RED TAPE IN INTERNATIONAL TRADE. AN ESBA POSITION PAPER WAS CIRCULATED DURING THIS EVENT.**

Trade facilitation is also a key issue in transforming the "everything but arms" initiative of the EU into a tangible progress for the Least-Developed Countries (LDCs). Almost 100% of the enterprises in the LDCs are SMEs who simply cannot cope with all the burdens and barriers to international trade. Cutting the tariffs for LDCs is the first step, but simplifying trade will also be necessary to help SMEs in LDCs to succeed in trade", according Mr. Soudain. For the past 2 years, the European Small Business Alliance has been active in promoting the inclusion of small businesses in international trade debates. ESBA participated in the Ministerial Conference in Seattle and met with the Director General of WTO, Mike Moore, in late 2000 to discuss the concerns of SMEs regarding the trade negotiations. ESBA also became part of most of the consultation processes organised by DG TRADE in Brussels, notably on trade facilitation measures.

A press release and the position paper on trade facilitation can be found on the ESBA website: <http://www.esba-europe.org>

**UPCOMING EVENTS** Brussels (B) 26/06/2001: Public Hearing on the future Chemicals Policy of the EU in the European Parliament. Theme: Chemicals, Environment, SMEs. Brussels (B) 27/06/2001: Public Hearing on the Tobin Tax in the European Parliament. Theme: Taxation, Globalisation Brussels (B) 27/06/2001: EUMC Award 2001. Theme: SMEs