



### HEADLINES

#### **EU / CONSUMER PROTECTION Brussels 07/12/2001: ESBA took part in Public Hearing**

More than 300 stakeholders from the industry, the business organisations and the consumer organisations in Europe took part in the Public Hearing on the Green Paper on Consumer Protection, organised by the European Commission. It led to more than 60 public interventions including the one by F. Soudain on behalf of ESBA. The main outcomes of this public hearing can be summarised as follows: - Most organisations requested a follow-up to the Green Paper in the form of a White Paper. The present consultation reviews various options available to reinforce the consumer protection in Europe, but is unclear regarding the road the European Commission would like to follow-up. - Stakeholders' views were shared regarding the overall strategy to be followed. Business organisations were generally more in favour of the specific approach: i.e. specific directives to deal with specific problems when they occur. Consumer organisations were in favour of the mixed approach: i.e. the implementation of a framework directive to harmonise commercial practices at EU level and to give space for co-regulation on more specific issues. A lot of questions raised during this hearing could not be answered straight away by the representatives of the European Commission. Follow-up activities to this hearing will be organised on the website of the Commission (see below). Reacting on the Green Paper itself can be done until 15 January 2002. ESBA namely stressed the fact that unfair commercial practices affect exactly in the same manner final consumers and intermediate consumers within the EU, and it is less and less necessary to make a virtual distinction between both categories. ESBA called for a precise and simple definition of a consumer in the context of the current work undertaken by the European Commission to review consumer protection (non-existent currently). Finally, ESBA called for a greater coherence between initiatives undertaken by the various Commission services in order to design a coherent framework of what are fair and unfair commercial practices in Europe.

More info:

[http://www.europa.eu.int/comm/consumers/policy/developments/fair\\_comm\\_pract/fair\\_comm\\_pract\\_index\\_en.html](http://www.europa.eu.int/comm/consumers/policy/developments/fair_comm_pract/fair_comm_pract_index_en.html)

#### **EU / E-COMMERCE Brussels 10/12/2001: Agreement on good online business practice**

European consumer (BEUC) and business representatives (UNICE) have agreed upon a common European standard for good online business practices when dealing with consumers online. The agreement includes setting standards for data protection, pre-contractual information, commercial communications and payment and security. The agreement should make standardisation of a website classification easier, possibly cheaper and boost consumer confidence in e-commerce.

#### **EU / IPRs Brussels 12/12/2001: Council approves Community design**

The Council of Ministers approved a Regulation introducing a single Community system for the protection of designs. The Regulation should set up a simple and inexpensive procedure for registering new designs with the EU's Office for Harmonisation in the Internal Market in Alicante, Spain (the fees to register a design will be fixed next year only). Registered designs will be granted exclusive rights to use the design concerned and to prevent any third party from using it anywhere.

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within the European Union for up to 25 years. Unregistered designs will also be protected. This protection will be applicable from the date of disclosure of designs to the public within the European Union. That disclosure may occur through designs going on sale or through prior marketing or publicity. The relevant designs will be protected for three years. The only significant difference in the level of protection afforded will be that a Registered Community Design will be protected against both deliberate copying and the independent development of a similar design. An unregistered design will be protected only against deliberate copying. It will be possible to register Community designs at the Office from 2003. The rules concerning unregistered Community designs will enter into force two months after publication of the Regulation in the Official Journal, expected early 2002. Companies will still be able to choose to register designs under national law if desired.

### **EU / FINANCE Strasbourg 13/12/2001: First reading on financial collateral arrangements**

The European Parliament dealt for the first time with the proposal for a Directive on financial collateral arrangements, following the EC proposition in March 2001 (see ESBA Weekly - Vol 3 - N 19). The plenary generally welcomed the proposal, which aims to establish common EU rules for financial collateral arrangements, thereby increasing legal certainty and promoting cross-border collateral arrangements. Collateral is the property provided by a borrower to a lender to minimise the risk of financial loss to the lender in the event of the borrower failing to meet in full their financial obligations to the lender. However, the main difference between the EC and the EP position is the scope of application of the proposal. It believes that also small companies should benefit from the protection of the directive, whereas the original proposal establishes that both collateral taker and provider must be a public authority or a central bank, a financial institution under prudential supervision or a legal person with a capital base exceeding 100m or with gross assets of more than 1,000m. The EP believes that this threshold is arbitrary and leaves out many companies that should also be able to benefit from the directive. Therefore, it has introduced an amendment designed to eliminate this threshold, so that any small company may be covered as long as the counterpart is a public authority, a central bank or a financial institution.

More info: [http://www.europa.eu.int/comm/internal\\_market/en/finances/banks/collateralfaq.htm](http://www.europa.eu.int/comm/internal_market/en/finances/banks/collateralfaq.htm)

### **EU / EMPLOYMENT Strasbourg 13/12/2001: Resolution on Growth and Employment Initiative**

The EC writes a yearly progress report on the Growth and Employment Initiative, which was set up in 1998 with a funding of 450 million euro. This years report monitors progress until December 2000. The initiative concerns measures on financial assistance for innovative and job creating SMEs (the Start-up Facility, the SME Guarantee Facility and the Joint European Venture Programme) and is mainly implemented by the European Investment Fund. As on 31 December 2000, the Start-up Facility invested in total 128,5 million euro in 141 SMEs, employing almost 5.000 persons, indicating an annual increase of 41% in terms of employment. The JEV programme did not show much progress in 2000, mainly due to bureaucratic procedures involved. The new JEV programme will be simplified. From the start in 1998 until 31 December 2000, 186 projects have been received and 129 have been approved by the Commission services. By the end of 2000, about 10 new joint ventures had been created only (the average duration between the preparatory phase and the effective creation of the joint venture is between 18 months and two years, according the EC report). The employment effect could not be measured yet, although the foreseen impact on job creation is approximately 14 jobs per project on average. SME Guarantee Facility: almost 41.000 SMEs have benefited from the Facility so far, employing currently over 175.000 employees. They expect an increase of 19,084 employees within one year and a further increase of 33,934 within a second year. Final beneficiaries with up to 10 employees made up 91% of the total number of SMEs. Like last year (see ESBA Weekly - Vol 3 - N 7), the EP resolution reviews the progress report of the EC. It asked again those Member States whose enterprises have not yet made use of the three programmes should encourage financial

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institutions and SMEs to use them. Parliament asked also for re-confirmation that funds will be available not only for those SMEs involved in high technology and knowledge-based industries but also for small craft, trade, tourism and other service enterprises. Except for the SME Guarantee Facility, the total impact of the initiative on job creation seems to be limited.

More info: [http://europa.eu.int/eur-lex/en/com/rpt/2001/com2001\\_0399en01.pdf](http://europa.eu.int/eur-lex/en/com/rpt/2001/com2001_0399en01.pdf)

### **EU / SINGLE MARKET Strasbourg 13/12/2001: Cross-border payments Regulation approved**

In its second reading, the European Parliament approved the Council common position on the cross-border payment Regulation unamended (see ESBA Weekly - Vol 3 - N 47 & 48). The legislation will therefore now enter into force (directly applicable in the Member States without national implementing measures), obliging banks to charge similar costs for cross-border transfers as for domestic transfers in the eurozone as from 1 July 2003. The same principle will apply to withdrawals from cash machines as from 1 July 2002 and there are provisions for EU countries outside the eurozone i.e. Sweden, Denmark and the UK to opt into the legislation. The legislation will apply to transfers up to 12.500 euro with the threshold to be increased to 50.000 euro in 2006.

### **UPCOMING EVENTS**

Brussels (B) 17/12/2001: E-Business and Collaborative Commerce in European SMEs; Theme: SMEs, networking, ICT. More info: <http://www.europa.eu.int/comm/enterprise/events/events.htm>

Brussels (B) 18/12/2001: Basel II and the working of the Enterprise Policy Group; Theme: SME, Finance. More info: [kpeijs@europarl.eu.int](mailto:kpeijs@europarl.eu.int)