



### HEADLINES

#### **EU/Administrative Burden: Red tape uncut!**

In the beginning of 2010, the European Parliament adopted by a large majority a Commission proposal to exempt micro-entities from certain EU accounting burdens (4th Company Law Directive). The proposal originated in the High Level Group on the Reduction of Administrative Burdens, headed by Dr. Edmund Stoiber. The raison d'etre of the group is to advise the European Commission on ways to cut red tape. The exemption has been a flagship idea of the group and was applauded by both Commission and Parliament. However, since Parliamentary adoption, the proposal had been stuck in Council where a minority of Countries blocked its adoption. Both the Spanish and Belgian Presidencies were part of this minority and refused to place it on the Council agenda. Hungary, which is a supporter of the exemption has made the exemption one of its agenda priorities. Rumours of French President Sarkozy lifting the blocking minority have been dispelled by a Franco-German compromise text which has recently surfaced, severely watering down the proposal. Most notably, the scope for micro-businesses to fall under the exemption has been cut in half. Where originally micro-businesses with a turnover of € 1,000,000 Euro and a balance sheet total of € 500,000 were eligible for exemption, the threshold is now reduced to only €500 Thousand and € 250 respectively. The reduced version of the proposal, which has been cut in additional ways as well, has the support of the UK government, which has been a supporter of the original Commission proposal from day one. The motto seems to be "something is better than nothing". European Parliament rapporteur Klaus-Heiner Lehne, who is responsible for the proposal in Parliament, calls the changes by the Council unacceptable and described the responsible countries as "dog in the manger".

#### **ESBA Opinion:**

**The compromise agreement as it stands now is a disappointment to micro-businesses throughout the EU. What should have been the flagship proposal from the High Level Group on Administrative Burdens and the first real tangible burden reduction for micro-businesses specifically, has been watered down severely. Particularly in light of recent commitments by a number of member states, led by the UK and the Netherlands, to significantly reduce administrative burdens on micro-enterprises, we hope that the Council will reconsider their current compromise position and return to the original proposal as approved overwhelmingly by the European Parliament.**

To read the Commission's proposal, please click [here](#)

To read the text adopted by the European Parliament, please click [here](#)

#### **EU/Unitary patent: Commission proposes draft regulations for a European Unitary Patent**

On 13 April 2011, the Commission, under the scope of the Single Market Act put forward a package of two legislative proposals, which are going to be the legal basis for the creation of a European unitary patent. This single patent will boost research and innovation under enhanced cooperation. It will be granted by the European Patent Office (EPO), safeguarding inventions in all 25 of the participating Member States. In addition, a high quality machine for translation will become available. During the transitional period, costs for translation of patent applications submitted in a language other than the official languages of EPO (English, French and German), will be reimbursed. Due to disagreements, mainly regarding languages, Spain and Italy do not yet participate but hopes are expressed that they will do so in the future.

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### ESBA Opinion:

**ESBA Welcomes the European Commission's proposals on unitary patent protection, as tabled on 13 April 2011.** In a European Union where innovation is on the top of the agenda, well protected intellectual property is of the essence. The current legal environment makes filing for patents an extremely costly and burdensome exercise for the EU's smallest businesses, which are often forced to hire external experts and struggle with issues of translation. The proposal by the European Commission is a definite step in the right direction. ESBA trusts the Council and Parliament to adopt the proposals as they have shown their support in earlier stages. ESBA expresses hope that the remaining 2 Member States will in time join the Enhanced Cooperation Agreement to make the EU patent as inclusive as possible. ESBA strongly advises the Commission to insure an effective information campaign to go hand in hand with the new developments to ensure that European SMEs are aware of the changes and how to use them to their advantage.

To read the Commission's proposals, please click [here](#)

Press release: [here](#)

EPO website: [here](#)

### IN BRIEF

#### **EU/Budget: Three prominent MEPs unveil plans to revise the EU budget structure**

On 6 April 2011, a report entitled 'Europe for growth: for a radical change in financing the EU' initiated by three prominent MEPs in co-authorship with scholars from the Centre of European Policy Studies (CEPS) and the think-tank Notre Europe, was published. In light of the Multiannual Financial Framework for 2014-2020, Alain Lamassoure (EPP), Guy Verhofstadt (ALDE) and Jutta Haug (S&D), proposed to change the structure of the EU budget. The MEPs stated that a move away from national contributions from the Member States to new EU own resources would solve the everlasting debate on 'return on investment'. The proposed solutions contain a Carbon Tax, EU VAT on imported products and possibly a financial transaction tax. The MEPs recognise that the proposal is likely to receive criticism but anticipate that there will be no increase of the budget and that a public debate and a feasibility study will be held.

To read the report, please click [here](#)

#### **EU/Finance: European Central Bank increases interest rate**

On 7 April 2011, Jean-Claude Trichet, president of the European Central bank (ECB), announced that the Governing Council decided to raise by 25 basis points its interest rate. It is the first time since 2008 that the ECB increases its interest rates. Moreover, Trichet stated that, if necessary, the ECB was ready to tighten policy further. According to ABN Amro economist Nick Kounis, interest rates are likely to be increased again in July even though Mr Trichet stated during the conference that the ECB has not yet made a decision in this respect.

To read Jean-Claude Trichet's speech, please click [here](#)

#### **EU/Digital Agenda: ".eu" internet domain name ranks in fourth place in Europe**

On 7 April, the ".eu" internet domain name reached its fifth year of existence. It is the 9<sup>th</sup> biggest top-level domain (TLD) on the internet and now ranks in fourth place in Europe. European Commission Vice-President Neelie Kroes, responsible for the Digital Agenda, highlighted the fact that having a ".eu" domain name gives to companies a "European identity" and a presence recognised by any European customer. ".eu" domain names have some advantages to help small businesses to

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enter the Single Market as it is easy to register and works with the 23 official languages of the European Union.

For more information concerning the ".eu" domain, please click [here](#)

To learn more about the Digital Agenda, please click [here](#)

### **EU/Single Market: Michel Barnier re-launches the Single Market Act.**

On 13 April 2011, Michel Barnier presented his paper on the future of the Single Market. The document follows a Commission Communication outlining 50 priority measures for the Single Market, based on the outcome of a four-month public consultation which was launched in January 2011. Moreover, the European Parliament had tabled a resolution on the Single Market. The Single Market Act is now narrowed down to 12 key actions to boost European competitiveness and unlock economic growth and jobs. The re-launch of the Act is a response to the lack of progress that has been long indicated by EU businesses. New ideas are merged with existing proposals. The most prominent proposals include access to venture capital across the EU, a Carbon Tax, the simplification of public procurement and a new system of standardisation. Each of the actions is accompanied by a flagship initiative for which the Commission will come up with concrete proposals in the next months. The EU executive aims for adoption by the European Parliament and the EU Council on the legislative proposals by the end of 2012.

To read the press release on Michel Barnier's speech, please click [here](#)

## **PUBLICATIONS**

### **EU/OECD: Economic Policy Reforms 2011 - Going for growth**

On 7 April 2011, the Organisation for Economic Co-operation and Development issued an analysis report highlighting five reform priorities that could help countries to achieve sustainable growth. This text provides an analysis of these reforms and international indicators.

To access this publication, please click [here](#)

### **EU/Enterprise: The Economic Recovery in Industry**

On 8<sup>th</sup> April 2011, the European Commission published a study on the Economic recovery in Industry for the period of March 2011. The document contains data on the economic recovery in industry and manufacturing and outlines the construction industry's continued decline.

To access this publication, please click [here](#)

## **CONSULTATIONS**

### **ONGOING:**

#### **Consultation on the modernisation of EU public procurement policy**

*Closes: 18 April 2011*

The European Commission has launched a consultation with the aim of updating the European public procurement legislation. The purpose of the consultation is to find ways to make the process of public procurement more effective, less bureaucratic and easier for small and medium sized companies to access. Another major target is to link the environmental and innovation objectives with obtaining a public contract.

To access the online consultation, please click [here](#)

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### **Towards a coherent European approach to Collective Redress**

*Closes: 30 April 2011*

The European Commission has launched a consultation aimed at identifying common legal principles and examining different forms of collective redress in the EU. It also strives to evaluate the potential added value that common principles on collective redress could bring to the improvement of EU legislation enforcement.

To access the consultation, please click [here](#)

### **Green Paper on a Common Strategic Framework for future EU Research and Innovation Funding**

*Closes: 20 May 2011*

The European Commission issued a Green paper which aims at simplifying the complexity of EU research funding. The intention is to link the Seventh Framework Programme for research, Competitiveness and Innovation Framework Programme, and the European Institute for Innovation and Technology. The outcome of the consultation will serve as a basis for proposals to be adopted in June.

To access the consultation, please click [here](#)

### **Consultation on the 'Green Paper on the future of VAT- Towards a simpler, more robust and efficient VAT system'**

*Closes: 31 May 2011*

The European Commission has launched a consultation which aims to assess the current VAT system at the European and national level. The intention is to transform it into a more efficient and transparent system that would respond to the needs of the European single market.

To access the online consultation, please click [here](#)

### **Online consultation on administrative burdens reduction**

*Ongoing*

The European Commission has launched an online consultation on the reduction of administrative burdens. Inspired by examples of Best Practice in Belgium and the Netherlands, the consultation invites entrepreneurs to identify unnecessary red tape in order to help the EU improve the quality of its legislation. The consultation is part of the Action Programme to reduce admin burdens on businesses in the EU by 25% in 2012.

To access this consultation, please click [here](#)

## **COMING UP**

### **EU Institutions: Important dates**

18 to 20 April 2011 - European Parliament committee meetings (Brussels)

20 April 2011 - Weekly meeting of the College of Commissioners

20 April 2011 - Governing Council of the European Central Bank

27 April 2011 - Weekly meeting of the College of Commissioners

### **Other SME-related events**

#### **European Info Day 2011 - Eco-Innovation Funding**

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**28 April 2011, 9.00 am**

**Brussels, Belgium**

The European Info Day 2011 will provide essential information and advice about applying to Eco-Innovation Funding. This event is open to anyone interested about information for the application procedure or for setting up a project.

To learn more about this event, please click [here](#)

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