



## HEADLINES

### **EU/Maternity leave: Member States to put Maternity Leave Directive on hold.**

On 17 June 2011 the Council of Ministers voted on the right to a minimum of 20 weeks of paid maternity leave. It is expected that up to eleven Member States will attempt to freeze the amendments of the European Parliament, who added two weeks to the proposed minimum of 18 weeks by the European Commission. The Member States, led by the United Kingdom and Germany, argued that the document on the table would impose overly excessive costs for the states and employers and criticised that the European Parliament imposed an extremely narrow social model, turning maximum standards into the minimum. However, as the proposed directive is subject to qualified majority voting, the Council will only be able to postpone the directive instead of abandoning it permanently, as some would have preferred. The spokesperson of Commissioner Viviane Reding, responsible for the directive on a Commission level, said that all possible means would be employed to still come to an agreement.

#### **ESBA opinion:**

**ESBA follows the logic of the consortium of Member States against this proposal. For small businesses, maternity and paternity leave in their current form are perceived as barriers to employment. For businesses without employees, these two pieces of legislation attract the highest levels of concern when they are thinking of taking on an employee and young women in particular. We all want adequate, flexible maternity and paternity leave but it should be for elected governments in dialogue with parents and their employers to decide how much their economy can afford to give and how it is to be delivered. These proposals should be about setting minimum EU standards for the health and safety of pregnant workers - not adding new payroll costs for overburdened companies and national social security systems. This is yet another example of how well-intentioned EU employment law is actually exacerbating our unemployment crisis. In the present economic climate we should be making it easier for people to gain employment, not placing obstacles in their way.**

To read the text adopted in parliament, please click [here](#)

### **EU/Red Tape: Council decisions on cutting red tape provoke various reactions**

On 30 and 31 May 2011, the Council of the European Union adopted a compromise agreement regarding the exemption of micro-entities from certain EU accounting burdens. The compromise lay mainly in the scope of what constitutes a micro-business in relation to the proposal. Whereas the original Commission proposal sets thresholds of 10 employees maximum plus either a maximum turnover of €1.000.000 or a maximum balance sheet total of €500.000, the compromise slashed the threshold in half to €500.000 and €250.000 respectively. Rapporteur Klaus-Heiner Lehne (EPP), who is responsible for the dossier in Parliament, as well as SME representatives are critical, pointing out that the attempt to reduce bureaucracy has been severely diluted.

#### **ESBA opinion:**

**Although ESBA is pleased that the deadlock in Council has now been broken and that Council is generally supportive of member states being able to exempt their micro-businesses, we deeply**

## ESBA Bulletin of 17 June 2011 – Volume 13 – Number 11

regret the Council's decision to accept a severely watered down version of what should have been the EU's flagship action towards cutting red tape for small businesses. Many small businesses (some 25%) on which administrative burden weighs disproportionately heavy, now fall outside the scope of the directive, leaving them vulnerable as before.

To read ESBA's position paper, please click [here](#)

### IN BRIEFS

#### **EU/Contract law: European Parliament backs plans for EU contract law.**

On 8 June 2011, the European Parliament adopted a report on the proposal to create a form of EU wide contract law with 521 votes in favour, 154 against and 8 abstentions. With the adoption, the European Parliament acknowledged Commissioner Reding's belief that a European contract would facilitate cross-border trade by eliminating the transaction costs and by offering legal certainty as opposed to 27 different systems of contract law. The Parliament refuted critique from consumer groups by stressing the optional nature of the contract, commonly referred to as the 28<sup>th</sup> regime. The next step Commissioner Reding's agenda is to formulate a proposal by autumn 2011.

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

#### **EU/Access to finance: European Court of Auditors examines effectiveness of SME Guarantee Facility.**

On 8 June 2011, the European Court of Auditors published a special report evaluating the SME Guarantee Facility (SMEG). The facility is a financial instrument through which the European Commission provides (counter-) guarantees to financial institutions, which in turn use the money to grant loans to SMEs. The report strongly advises the European Commission to set more specific and quantifiable targets for the programme. Moreover, more effort should be put into ensuring that the loans with public support reach SMEs that would not be eligible for commercial loans.

The report of the Court of Auditors can be found [here](#)

#### **EU/Eurovignette: Lorries to pay for external costs on Environment**

On 7 June 2011, the European parliament voted in second reading on the review of the so-called Eurovignette directive, enabling Member States to put a charge on the external cost of air and noise pollution created by heavy goods vehicles. The vote was the result of a compromise, finalised on 24 May. An exemption is possible for vehicles below 12 tones if Member states notify the European Commission. Many voices have spoken against the revision of the Eurovignette directive as it creates an additional burden to transport and logistics companies. Moreover, it is not clear exactly how the revenues will be used except that they will not be fully invested in making road transport greener.

To learn more about the text voted in parliament, please click [here](#)

#### **EU/Consumer Rights: Negotiations breakthrough in trialogue**

On 6 June 2011, the European Council, Commission and Parliament have reached a provisional agreement on the new EU Consumer Rights' Directive. MEPs have decided to adjourn the adoption of a final position on 24 March 2011 with a view of reaching agreement with the Council. An EU-wide 14 day withdrawal period for distance and off-premises sales will be adopted as well as the right to be informed of the identity and address of the seller. SMEs making small day-to-day transactions will be exempted from this information rule.

## ESBA Bulletin of 17 June 2011 – Volume 13 – Number 11

To see the consolidated text, please click [here](#)

To learn more about the Consumer Rights directive, please click [here](#)

### **EU/Standardisation: Commission presents standardisation measures**

On 1 June 2011, the European Commission presented 6 levers of action in the field of standardisation. Standards aim to boost research and innovation, to involve people with disabilities and the elderly, to encourage SME participation and to develop the Single Market for Services. In addition, their purpose is to facilitate ICT and Interoperability and to contribute to the growth of competitiveness.

For more information on standards, please click [here](#)

## **PUBLICATIONS**

### **European Commission: Industrial Relations in Europe 2010**

On 31 May 2011, the European Commission issued a report about industrial relations in Europe in 2010. This publication gives an overview of trends in industrial relations in Europe and how social partners are responding to the economic crisis.

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

## **CONSULTATIONS**

### **NEW:**

#### **Consultation on a new European regime for venture capital**

DEADLINE: 10/08/2011

The Commission services launched a consultation on a new European regime for venture capital. The new rules aim at facilitating the cross-border fundraising and investments by venture capital funds. This initiative is one of the key actions to improve access to finance for innovative SMEs, as spelled out in the recently adopted Single Market Act.

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

### **CURRENT:**

#### **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](#)

#### **Public Consultation: Small Business, Big World-A new partnership to help SMEs seize global opportunities**

*Closes: 12 July 2011*

**European Small Business Alliance – Brussels Office**

rue d'Idalie 9-13, B - 1050 Bruxelles

Tel. : +32 (2) 639 62 30 – Fax. : +32 (2) 644 90 17 – email : [secretariat@esba-europe.org](mailto:secretariat@esba-europe.org)

## ESBA Bulletin of 17 June 2011 – Volume 13 – Number 11

The European Commission has launched an online consultation which aims to support SMEs that are willing to have trade relations with non EU countries. In particular, the Commission plans to offer guidance to entrepreneurs during the process of making their business operate at an international level.

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

### **Consultation on the EU corporate governance framework**

*Closes: 22 July 2011*

The European Commission, following the adoption of a Green Paper has launched a consultation on relevant areas to corporate governance. These areas are the boards of directors, shareholders engagement and the “comply or explain” approach.

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

### **Public Consultation on Cloud Computing**

*Closes: 31 August 2011*

The European Commission launched a public consultation aiming at gathering opinions and recommendations from interested stakeholders, regarding the use of cloud computing. The feedback will be used for the shaping a European Cloud Computing Strategy under the scope of the Digital Agenda.

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

### **ONGOING:**

#### **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**

20, 21 and 23 June 2011 - European Parliament committee meetings (Brussels)

22 June 2011 - Weekly meeting of the College of Commissioners

22 June 2011 - Governing Council of the European Central Bank

22 and 23 June 2011 - European Parliament plenary session (Brussels)

23 and 24 June 2011 – European Council

27 and 30 June 2011 - European Parliament committee meetings (Brussels)

29 June 2011 - Weekly meeting of the College of Commissioners

# ESBA Bulletin of 17 June 2011 – Volume 13 – Number 11

## Other SME-related events

### **ESBA Annual Event**

**23 June 2011, 9.30 am – 16.30 pm**

**Brussels, Belgium**

The ESBA annual event will take place at the Radisson Blu Hotel in Brussels on the 23<sup>rd</sup> of June. This event will take place in two parts. The morning session will deal with the question, should all SMEs take their business online? The second half will consist of a panel debate involving Commission, Parliament, business representatives and other stakeholders and will tackle the issue of 'how to improve communication from EU to the actual small business'.

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

### **Public Procurement of Innovation**

**27 / 28 June 2011, 10.00 am**

**Turin, Italy**

This event will focus on "Public Procurement of Innovation: Facing societal challenges, delivering better public services and supporting SMEs to innovate". It will be an opportunity to exchange best practices regarding innovation procurement and to learn more about the future of European R&D&I funding programmes.

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