



HEADLINE

EU/Administrative and Regulatory Burden: Can the Commission deliver on its commitment to make legislation fit for purpose?

On 12 December 2012, the European Commission published a Communication and two working papers, taking stock of its administrative burden reduction programme and announcing its strategy to further reduce red tape. The Communication, dubbed “EU Regulatory Fitness”, focuses on the Impact Assessment procedure, on the evaluation of legislation and its policy on stakeholder consultation. Furthermore, the European Commission makes a commitment to simplifying its legislation so as to ensure swift implementation by the Member States. Other key elements of the Communication include ex-ante assessment of costs and benefits of upcoming legislation, a revision of the current Impact Assessment guidelines and the principle of “evaluate first” when legislation is proposed or revised. These elements should come together in a single Regulatory Fitness and Performance Programme (REFIT), to be well on track before the end of the European Commission’s mandate on 31 October 2014.

ESBA Opinion

ESBA welcomes the new strategy of the European Commission and supports the simplification efforts. The EU rightly signals that SMEs are Europe’s engines for growth and job creation. Boasting already achieved reduction targets however is not entirely correct, as new burdensome legislation is being produced at least at the same pace as reductions are made. It is the cumulative effect of legislation combined with constant revisions, poor information provision and slow implementation by the Member States, that is killing for small businesses. For a micro-company, ensuring full compliance is becoming a fulltime job, stifling its potential growth and job creation. ESBA is fully committed to working with the European Institutions towards a better regulatory environment. To this end, ESBA has contributed to the recent Consultation on Smart Regulation, as well as the Consultation on the Top 10 Most Burdensome Legislative Acts for SMEs, which ended today. ESBA has advocated the removal of obsolete legislation, by means of a one-in, one-out rule, as well as exemptions or lighter regimes for micro-businesses. Lastly a reversed burden of proof should be implemented, where the Commission needs to demonstrate the necessity for new legislation for micro businesses, prior to tabling a proposal. ESBA supports the Commissions efforts towards simplification but cautions for over-enthusiasm on regarding results.

To access ESBA’s response to consultation on the Top 10 Most Burdensome Legislative Acts, please click [here](#).

To access ESBA’s Annex to the consultation on the Top 10 Most Burdensome Legislative Acts, please click [here](#).

To access ESBA’s contribution to the Consultation on Smart Regulation, please click [here](#).

IN BRIEF

EU/Litigation: Agreement reached on out-of-court settlement of disputes

On 18 December 2012, the European Parliament Committee on the Internal Market and Consumer Protection adopted a text resulting from the negotiations in a trilogue on Alternative Dispute Resolution schemes and Online Dispute Resolution. The new rules aim at providing consumers and traders with faster and more cost-effective procedures to solve cross-border and online disputes, avoiding lengthy court proceedings. Member States will be required to supervise the creation of ADR schemes for all segments of business. The possibility for traders to file complaints against consumers under the scheme, a key element of the proposal, was deleted from the text.

To read the outcome of the trilogue on ADR, please click [here](#).

To read the outcome of the trilogue on ODR, please click [here](#).

EU/Taxation: Simplified VAT framework for e-commerce sector

On 18 December 2012, the European Commission released a proposal to harmonise both VAT collection and calculation for e-commerce and electronic services. After implementation on 1 January 2015, VAT will be levied in the Member State where the consumer is established. The main goals of the new provisions are to ensure a more consistent and certain stream of revenue and to ultimately foster and promote the growth and development of the e-commerce sector throughout the Single Market. Member States are required to establish effective systems allowing, facilitating ease of compliance for suppliers.

To read the new Commission proposal on e-commerce VAT Regulation, please click [here](#).

To know more about the current legislative framework in the sector, please click [here](#).

EU/Data protection: Report highlights problems concerning the data protection officer

On 17 December 2012, the European Data Protection Supervisor (EDPS) published a report on the status of data protection officers (DPOs). According to Regulation (EC) 45/2001, every EU institution or body must have at least one DPO to ensure the protection of data submitted by citizens. While the EDPS notes that all EU bodies comply with the requirement of appointing a DPO, it signals problems regarding the duration of the mandate, the independence and the resources of the DPOs. The report comes at a time when the co-legislators are discussing the proposed new General Data Protection Regulation, which would require many public and private organisations to appoint a DPO as well.

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

EU/Company law: Commission lays down plans for second chance for entrepreneurs

On 12 December 2012, the European Commission published its proposal for an amended Regulation on insolvency law. The intention is to make insolvency proceedings more conducive to business restructuring, rather than dismantling a company's operations. On the same day, the Commission released its Communication 'A new European approach to business failure and insolvency', which calls for a clearer jurisdictional framework in transnational proceedings and a harmonisation of the insolvency law provisions in the Member States. Both the revised Regulation and the Communication

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should work towards a framework where entrepreneurs who were unsuccessful the first time around, will be given the possibility to start over.

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

To know more on the latest developments on insolvency proceedings in the European Commission, please click [here](#).

EU/FTT: European Parliament green lights FTT

On 12 December 2012, with 533 votes in favour and 91 against, the European Parliament adopted a resolution authorising enhanced cooperation on the Financial Transaction Tax. During the debate, Commissioner for Taxation Algirdas Šemeta reaffirmed that the new proposal will contain similar provisions as the original draft. The new proposal by the European Commission is expected to follow shortly.

To read more on the Financial Transaction Tax, please click [here](#).

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

EU/Company Law: Commission unveils initiatives to improve company law and corporate governance

On 12 December 2012, after two years of preparation, the European Commission adopted an Action Plan of 16 initiatives for the coming years aiming at reforming the key sectors of company law and corporate governance. The initiatives set out to make companies more effective and sustainable.

To read the provisional version of the European Commission's Action Plan, please click [here](#).

EU/Access to Finance: Easier to attract capital for innovative and social investment funds

On 12 December 2012, agreement was reached on the establishment of a European Venture Capital Fund and a European Social Entrepreneurship Fund. After a period of fierce negotiation with the European Parliament, the new rules were formally endorsed by the Deputy Permanent Representatives of the Member States. Raising capital for these funds should become easier as managers can market their funds under a single set of rules in the EU. This should improve access to finance for highly innovative entrepreneurs and social businesses.

To read the Commission's proposal for the European Venture Capital Fund, please click [here](#).

To read the Commission's proposal for the European Social Entrepreneurship Fund, please click [here](#).

EU/Access to Finance: Gloomy prospects for 2013 as financial position of SMEs further worsens

On 12 December 2012, the European Investment Fund released its Small Business Finance Outlook, providing an analysis of the current state of play of the financial position of SMEs and giving a forecast for the next few years. After aggregating and interpreting various recent studies, the EIF reports that companies experienced a further decrease of successful loan applications. Small businesses remain largely dependent on bank loans. These loans however matured faster and were granted at higher interest rates compared to larger businesses. A particularly worrying finding is the increase in cases of insolvency. As a result of austerity, low demand and limited possibilities to get credit, the EIF expects a further 11% rise in bankruptcies in 2013.

To access the EIF's European Small Business Finance Outlook, please click [here](#).

To know more about the EIF and its activities, please click [here](#).

EU/Patent: Parliament approves unitary patent package

On 11 December 2012, the European Parliament approved two reports and a resolution, forming the legislative package creating a unitary European patent. The patent has been a hot topic for years, mainly because of arguments regarding the seat of the patent court and the language in which patents could be submitted. For these reasons, Spain and Italy will not take part in the enhanced cooperation. The European Commission welcomed the agreement in the Parliament and emphasised the significant cost saving potential of the unitary patent, especially for SMEs.

To read more about the unitary patent, please click [here](#).

PUBLICATIONS

EU/Eurostat: EU27 real agricultural income per worker increases by 1.0%

On 12 December 2012, Eurostat released estimates of the increase of real agricultural income per worker in 2012 in the EU which are based on data supplied by the Member States. This 1% increase is the result of a rise in real agricultural income and a reduction in agricultural labour input.

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

EU/Eurostat: 1.4% industrial production decrease in euro area

On 12 December 2012, Eurostat published a seasonally adjusted comparison on industrial production in September and October 2012. According to Eurostat's estimates, in October industrial production was down by 1.4% in the euro area compared to the previous month. In the EU27, industrial production decreased by 1.0%.

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

EU/Eurostat: In 2011 GDP per capita of Member States differed by a ratio of 1:6

On 12 December 2012, Eurostat released estimates on the Gross Domestic Product (GDP) per capita across Europe, expressed in purchasing power standards (PPS). The results show that in the EU27 there are significant differences among Member States in terms of GDP per capita.

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

EU/Eurostat: Unemployment increased in euro area and EU27 during third quarter of 2012

On 14 December 2012, Eurostat released seasonally adjusted estimates of the number of persons employed, based on data provided by Member States. In the third quarter of 2012 unemployment increased by 0.2% in both the euro area and the EU27.

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

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EU/Eurostat: Euro area inflation at 2.2%

On 14 December 2012, Eurostat published estimates of annual inflation in November 2012. In the euro area inflation was 2.2% (3% in November 2011), in the EU27 inflation was 2.4% (3.3% in November 2011).

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

EU/Eurostat: 10.2 billion euro surplus in international trade in goods in euro area

On 17 December 2012, Eurostat released estimates of euro area's trade in goods balance with the rest of the world in October 2012. The euro area registered a 10.2 billion euros surplus in October after a 0.8 billion euros surplus in September.

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

EU/Eurostat: Hourly labour costs up by 2.0% in euro area and by 1.9% in EU27 on annual basis

On 17 December 2012, Eurostat published estimates of hourly labour costs increase in the third quarter of 2012. Hourly labour costs rose by 2.0% in the euro area (+1.9% in Q2 2012) and by 1.9% in the EU27 (+1.9% in Q2 2012).

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

CONSULTATIONS

NEW:

Consultation on the protection of business and research know-how

Closes: 8 March 2012

With a view to offering the optimal legal protection for European businesses' confidential information and boosting innovation, the European Commission is gathering and analysing detailed opinions and experience related to the misappropriation of corporate data in cross-border exchanges. Indeed, considering the differences in the laws of Member States and the fact that not all data can be patented, it appears that the legal framework on the protection of intellectual property could be improved.

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

Consultation on the State aid instruments in the agricultural sector

Closes: 20 March 2013

Three state aid instruments in the agricultural sector will expire at the end of the year 2013. As a result, the European Commission is launching a consultation to determine what new rules on state aid should be implemented for the development of this sector. These new rules should lead to reduced procedural burdens and allow for faster decisions, while at the same time ensuring that competition within the Internal Market is not hampered.

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

ONGOING:

Consultation on a possible framework for the recovery and resolution of non-bank financial institutions

Closes: 28 December 2012

This consultation looks to ascertain how and when the failure of a financial institution other than a bank can threaten financial stability. The main institutions considered in this respect are financial market infrastructures, such as central counterparties and central securities depositories, and systemic insurance companies. Second, it considers what arrangements could be needed to prevent their failure from compromising financial stability.

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

Consultation on the future of transnational company agreements

Closes: 31 December 2012

With its new staff working document "Transnational company agreements: realising the potential of social dialogue", the European Commission takes stock of the TCA expert group's work and outlines options for further steps. The European Commission now invites all interested parties to share their views on the challenges and opportunities faced by TCAs and on the specific options put forward.

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

Consultation: review of existing legislation on VAT reduced rates

Closes: 4 January 2013

The European Commission invites all interested parties to submit their contributions in response to the questions raised in the consultation document 'Review of existing legislation on VAT reduced rates'. The European Commission services have made a first evaluation of the current VAT rates structure and the goods and services mentioned hereafter are the ones which require to be examined further in the light of the above three guiding principles. With this public consultation, the European Commission is now seeking the opinion of stakeholders.

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

Consultation on e-invoicing in public procurement

Closes: 14 January 2013

The European Commission seeks contributions from public authorities and enterprises directly involved in e-invoicing in public procurement. Among the points taken into consideration in the consultation, in view of the decision of several Member States to make e-invoicing mandatory for their public procurement, the extension of this requirement to all public procurement in the EU is one of the options under consideration.

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

Consultation on the European Union e-Freight Initiative

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Closes: 17 January 2013

The EU aims at establishing the adequate structural conditions for fostering growth of the EU economy. A main element needed to support growth is the facilitation of the transport of goods. E-Freight will help improving the efficiency of freight transport and thus contribute to growth and competitiveness.

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

Consultation: generation adequacy, capacity mechanisms and the internal market in electricity

Closes: 7 February 2013

The Commission invites all interested parties to submit their contributions in response to the questions raised in the consultation document 'Generation adequacy, capacity mechanisms and the internal market in electricity, with the goal of ensuring a more coordinated approach to assessing generation adequacy and security in the internal electricity market.

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

Consultation on an integrated delivery market to boost e-commerce in the EU

Closes: 22 February 2013

Three priority areas have been identified to address the problems and challenges faced by e-retailers and consumers in the EU: improving convenience of delivery services for consumers and SMEs across the EU; ensuring more cost effective delivery solutions and better prices for consumers and SMEs; promoting improved interoperability of delivery services between operators, and between operators and e-retailers, notably SMEs.

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

Consultation on civil enforcement of intellectual property rights: the efficiency of proceedings and accessibility of measures

Closes: 30 March 2013

This technical survey aims at gathering specific information on the efficiency of proceedings and accessibility of measures used in the context of civil enforcement of intellectual property rights. These data should enable the European Commission to conduct a comprehensive assessment of the functionality of civil enforcement systems put in place in the Member States in order to improve the situation of all the actors active in the innovative sectors of European economy.

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

COMING UP

EU Institutions: Important dates

7 January 2013 – European Parliament committee meetings

8 January 2013 – COREPER II

9 January 2013 – COREPER I

10 January 2013 – Official launch of the Irish presidency of the Council of the EU

European Small Business Alliance – Brussels Office

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10 January 2013 – European Parliament committee meetings
11 January 2013 – COREPER I
14-17 January – European Parliament Plenary Session
15 January 2013 – Commission presents European action plan for entrepreneurs
16 January 2013 – COREPER I
16-17 January 2013 – European Economic and Social Committee plenary session
17 January 2013 – COREPER II
18 January 2013 – COREPER I
21-24 January 2013 – European Parliament committee meetings
22 January 2013 – Economic and Financial Affairs Council
23 January 2013 – COREPER I, II
24 January 2013 – COREPER II
25 January 2013 – COREPER I
28 January 2013 – European Parliament committee meetings
28-29 January 2013 – Agriculture and Fisheries Council
29 January 2013 – COREPER II
30 January 2013 – COREPER I, II
31 January 2013 – European Parliament committee meetings
31 January 2013 – Foreign Affairs Council
31 January 2013 – COREPER II
1 February 2013 – COREPER I

Other SME-related events

Ensuring SMEs' access to public procurement: Toward trilogue

Thursday 10 January 2013

Brussels, Belgium

Rapporteur Marc Tarabella MEP (S&D, BE) and the European Builders Confederation will organise a breakfast meeting on the state of play of the modernisation of public procurement. In addition to Mr Tarabella and EBC Secretary-General Riccardo Viaggi, speakers include His Excellency Ambassador Thomas Hanney, Deputy Permanent Representative of Ireland to the EU, and Klaus Wiedner, the responsible Head of Unit at DG Internal Market.

For more information about this event, please click [here](#).

The Priorities of the Irish Presidency of the EU Council

Monday 21 January 2013

Brussels, Belgium

During this event, organised by the Centre for European Policy Studies (CEPS), His Excellency Ambassador Rory Montgomery, Permanent Representative of Ireland to the EU, will discuss the main priorities that the Irish presidency will pursue during the first six months of 2013.

For more information about this event, please click [here](#).

Remittances: fostering mobility in the EU Single Market

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Thursday 24 January 2013

Brussels, Belgium

During this seminar, organised by the Centre for European Policy Studies (CEPS), panellists will discuss the phenomenon of remittances: the money that people working outside their home country send back to their family. EU remittances reportedly amounted to a total of 31.2 billion euros in 2010.

For more information about this event, please click [here](#).