



HEADLINE

EU/Brexit FSB members have their say on the UK's membership of the European Union

On 17 September 2015, the Federation of Small Businesses published its first comprehensive research into its member's views on the UK's membership of the European Union. According to the survey, almost half (47%) of British small business owners would vote "yes" to stay in the European Union, 40.9% would vote "No" to leave, and 10.7%, of the total 6,263 small businesses polled, remain undecided. There were, however, fairly large geographical variations in opinion on which would be the best way to vote. For instance, almost 60% of firms in Scotland would vote "yes", and firms in Wales and Northern Ireland were more likely to agree that there is a benefit from EU membership than those in England. The survey also showed significant regional variations in England. For example, firms in London and the North East would be more likely to vote "yes" than firms in the East Midlands. In addition to this, the survey revealed there was "a need for clear unbiased information" from the media for small business owners to fully grasp the possible effects on business, and the UK economy, if the UK voted to leave the EU.

For more on the Federation of Small Businesses Survey, please click [here](#).

IN BRIEF

EU/Finance: Improving data quality can help SMEs access finance

On 22 September 2015, Moody's published a report that argues that access to finance for SMEs can be improved by better quality data. If lenders are able to assess SMEs' creditworthiness more accurately, this would boost their willingness to lend and also decrease refinancing risk in asset-backed security deals backed by SME loans. Furthermore, if SME data is made widely available, bad behaviour among borrowers would be discouraged. Additionally, this would diversify the SMEs' source of financing by encouraging alternative, non-bank, lenders. Because non-bank lenders often do not have data on the SME's past payment behaviour, access to better quality data is crucial for origination and servicing. The European Central Bank (ECB) already aims to improve data quality with its project to establish a European credit register (AnaCredit).

For more on Moody's report, please click [here](#).

EU/Digital: Over-regulation means more and more EU start-ups leaving for US

On 21 September 2015, Dita Charanzová (ALDE, CZ), Member of the European Parliament's Internal Market and Consumer Protection Committee (IMCO), argued that in order to establish fairer competition in the Digital Single Market for start-ups, regulators should focus on creating international standards instead of more European regulations and restrictions. The fast-moving digital marketplace in the US is a lot more flexible for start-ups and allows them the freedom to try out new ideas compared to the European market where start-ups have to go through costly and long procedures. Digital platforms offer a lot of potential for smaller companies and industries which is why it is important to make the market more accessible and limit the amount of red tape. Preferably, the US and Europe should create common rules and principles on data protection, cybersecurity, the internet of things and on the terms and conditions for platforms and afterwards let start-ups develop their ideas.

For more on the Digital Single Market, please click [here](#).

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EU/Late Payments: The growing problems of late payments

On 21 September, a report was released by the Asset Based Finance Association that detailed the extent to which SMEs are affected by late invoices. According to the research contained in this paper, British SMEs are now owed £67.4bn in unpaid invoices. This figure has also risen significantly in recent years, a 36 percent increase from £49.5bn in 2011. Likewise, SMEs are now being forced to wait longer for the payment of invoices. During the height of the recession in 2009, SMEs had to wait on average up to 61 days for payment, whereas now they are waiting on average 71 days. However, the ABFA have claimed that the situation is not as bleak as it initially appears for many SMEs. Jeff Longhurst, CEO of the AFBA, stated that “Businesses need to recognise that their unpaid invoices are an asset. In many cases, they are the most valuable asset an SME has, and they can be the key to unlocking critical and affordable funding.

EU/Trade: European Commission proposes new Investment Court System

On 16 September 2015, the European Commission presented its draft proposal for a new Investment Court System to replace the old Investor-State Dispute Settlement system (ISDS) in all on-going and future EU investment negotiations, including the EU-US talks on a Transatlantic Trade and Investment Partnership (TTIP). The new Investment Court will be composed of fully qualified judges, proceedings will be transparent, and cases will be decided on the basis of clear rules. In addition, this new system protects the government’s right to regulate, includes an appellate system, and ensures that investment disputes will be adjudicated in full accordance with the rule of law. The Commission also took an unprecedented step by making the draft proposal public at the same time it was sent to the European Parliament and the Member States.

For more on the Transatlantic Trade and Investment Partnership, please click [here](#).

EU/Working Time: What would the rejection of WTD mean for SMEs?

On 14 September 2015, experts suggest that the obvious point of the UK’s potential rejection of the Working Time Directive is to enable potential employers to take on as much staff as possible. According to Business Writer Hazel Davis, legislation which will impose a maximum allocation of working hours may prove to be a “burden” for SMEs. Neil Buck, MD of the Personnel Department, a HR management and employment law services firm based in the UK believes that a widespread change in employment law may cause disruption to the employment market as it may result in many terminations due to new requirements. Overall, Neil believes that there will be no widespread over-hall in legislation, and that if any changes are made, it will be mostly minor improvements made to current legislation, as opposed to new legislation.

To read more of what these experts feel about the WTD in the UK, click [here](#).

EU/VAT: The problem with one stop shop?

On 14 September, an EU summit in Dublin discussed the complex issue of VAT regulations. In January 2015, new VAT regulations were introduced applying to the telecommunications and digital industries. This new legislation changed the way in which sellers of digital services, such as ebooks, apps and online courses deal with VAT when selling to other European countries. Instead of being charged in the country in which the seller is located, VAT is now paid in the country in which the products are purchased. In order to simplify this process, the VAT Mini One Stop Shop was brought in, which allows a business to file VAT payments in their Member State. However, this has proven to be problematic for many SMEs. For example, many basic e-commerce platforms are not designed to distinguish between varying levels of VAT in different states. Likewise, many SMEs have found it is hard to display an accurate price, when there are so many varying levels of VAT across the 28 Member States. Therefore, there have been calls for the Commission to make small improvements to address some of the problems SMEs face. This comes in advance of the likely extension of the one stop shop system to all goods and services in the future.

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For more on the VAT reform, please click [here](#).

EU/Working Time: Travelling to work 'is work', European court rules

On 10 September 2015, the European Court of Justice made a ruling which considers travelling to work for certain types of employees to be working time. The main logic behind the ruling is concern for 'health and safety' of employees who are required to travel quite a lot during their working day. Employers may be required to organise schedules and rosters to ensure that the last place of work for their employees is as close to their homes as possible. The ruling is expected to mostly effect workers such as care workers, trades people, and travelling sales representatives. The ruling may have quite a knock-on effect on SME's as many SMEs employ staff in mobile roles. The ruling itself was borne out of a case involving a Spanish firm that installs security systems shutting down regional offices. This caused staff to travel much farther distances from home in order to meet their appointments.

For more on the ECJ ruling, please click [here](#).

PUBLICATIONS

EUROSTAT: Sustainable Development in the European Union

EUROSTAT published their Sustainable Development in the European Union - Key Messages 2015 edition on September 10th. The Report discusses the latest performance indicators for sustainable development in the EU that they call SDIs (Sustainable Development Indicators). The report discusses the gradual economic recovery in Europe and the effects of the economic crisis and its recovery on commerce, and thus, development of a sustainable nature. More pertinent to SMEs, the report discusses the recent occurrences and trends in the labour market.

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

European Investment Bank: Support for Turkish SMEs

On September 11th the European Investment Bank published a report on its support SMEs in Turkey. The report breaks down financial support details and figures in an interesting document that sheds some light on SME financial challenges in Turkey. In 2014 the EIB accounted for €1.1Bn in SME financing in Turkey, and SMEs accounted for 53% of total EIB financing in the same year.

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

CONSULTATIONS

Consultation on a new Energy Market Design

DEADLINE: 08/10/2015

The objective of this consultation is to seek stakeholder's views on the issues that may need to be addressed in such a redesign of the European electricity market. These issues include: (i) improvements to market functioning and investment signals; (ii) market integration of renewables; (iii) linking retail and wholesale markets (iv); reinforcing regional coordination of policy making, between system operators and of infrastructure investments; (v) the governance of the internal electricity market; and (vi) a European dimension to security of supply.

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

Public online consultation on the export control policy review (Regulation (EC) No 428/2009)

DEADLINE: 15/10/2015

The aim of the consultation is to collect stakeholder and public input regarding the review objectives and options, as outlined in Communication (2014)244, and their likely impact on the EU's export control policy. The Commission will utilise the results of the consultation to help it identify

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the most suitable regulatory and non-regulatory actions to put into effect and decide whether, and how, in a sensible, effective and efficient manner, to propose amendments to Regulation (EC) N° 428/2009.

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

Consultation on the review of the Intergovernmental Agreement Decision

DEADLINE: 22/10/2015

This consultation document serves as a basis for getting stakeholders' assessment of the IGA Decision and to identify what could be improved in the mechanism it establishes in order to increase transparency of such agreements and compatibility with EU energy security provisions.

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

Public consultation on the Priority ICT Standards Plan

DEADLINE: 16/12/2015

With this consultation, the Commission seeks input from stakeholders to achieve broad convergence around a set of priority standards in key technology areas sufficiently mature and critical to achieving the Digital Single Market (DSM).

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

Public Consultation on Modernising VAT for cross-border e-commerce

DEADLINE: 18/12/2015

The open public consultation will seek the views of business, the public and representative organisations on current VAT rules for business to consumer cross-border supplies of goods and services; the implementation of the 2015 changes to the VAT place of supply rules and the Mini One Stops Shop; and the commitment by the Commission in 'A Digital Single Market Strategy for Europe'.

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

COMING-UP

EU Institutions: important dates

28 September 2015	European Parliament Committee Meetings
30 September 2015	Coreper I and II
1 October 2015	Competitiveness Council
1 October 2015	European Parliament Committee Meetings
1 October 2015	Coreper II
2 October 2015	Competitiveness Council
5 October 2015	Employment, Social Policy, Health and Consumer Affairs Council
5 October 2015	Eurogroup
5-8 October 2015	European Parliament Committee Meetings
5-8 October 2015	European Parliament Plenary Session
6 October 2015	Economic and Financial Affairs Council
7 October 2015	Coreper I and II
8 October 2015	Justice and Home Affairs Council
8 October 2015	Transport, Telecommunications and Energy Council
9 October 2015	Justice and Home Affairs Council
9 October 2015	Coreper I

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Other SME-related events

Capital Markets Union Breakfast

01/10/2015

Brussels

On 1 October 2015, POLITICO is organising a breakfast on the Capital Markets Union (CMU) with Commissioner Jonathan Hill. The CMU would break down the remaining barriers to the free flow of capital in the EU, and would make it easier for pension funds and insurance companies to invest in businesses.

To find out more about this event, please click [here](#).

Company Law in the Digital Age: Adapting company law and corporate governance to the digital world

02/10/2015

Brussels

On 2 October 2015, DG JUST is hosting a conference on company law in the digital age. It aims to bring together relevant stakeholders to discuss recent developments, remaining problems and necessary changes regarding the digitalisation of company law and corporate governance.

To find out more about this event, please click [here](#).

Smart standardisation for SMEs - From national to European standardisation in a global context

15/10/2015

Brussels

On 15 October 2015, Small Business Standards (SBS) is organising a conference on smart standardisation for SMEs. The event aims to bring together high-level speakers from European Institutions and relevant stakeholders to discuss how standardisation processes impact SMEs.

To find out more about this event, please click [here](#).

Regulations and laws for microfinance in the EU: Current situation and opportunities for improvement

20/10/2015

Brussels

On 20 October 2015, the European Microfinance Network (EMN), the Microfinance Centre (MFC) and the European Investment Bank Institute (EIBI) are organising a workshop on microfinance in the EU. During the workshop, the impact of the EU legislation on the development of the microfinance sector will be discussed.

To find out more about this event, please click [here](#).

Dynamic Platform Competition in Digital Markets

21/10/2015

Brussels

On 21 October 2015, the Centre for European Policy Studies (CEPS) and NERA Economic Consulting are hosting a conference on the competitive dynamics of digital markets. The speakers will also examine the Digital Single Market consultation and the review of the Telecommunications Regulatory Framework.

To find out more about this event, please click [here](#).