



HEADLINE

Small and big business join forces on the Digital Single Market

On 13 October 2015, the European Small Business Alliance (ESBA), eBay and Choice in eCommerce co-hosted a series of events focusing on the Digital Single Market. These events included a conference, a roundtable discussion, individual meetings with MEPs and members of the European Commission, and a reception in the European Parliament. The conference began with a short welcome speech by ESBA President David Caro. In his speech, President Caro emphasised the importance of the Digital Single Market for SMEs and highlighted some of the particular issues facing SMEs, such as complex VAT rules and the rural-urban digital economy gap. He also acknowledged the role that platforms such as Ebay can play in helping small businesses get online.

Following President Caro's speech, Georges Friden, Luxembourg ambassador to the EU, gave a keynote speech and Jasmin Battista, a member of Andrus Ansip's Cabinet, gave a detailed presentation on the Digital Single Market. Both speakers stressed the importance of harmonisation in their speech, with Friden stating that there should be mutual recognition clauses for those areas not harmonised. Battista also stressed that nearly all of the proposals in the Commission's Digital Single Market Strategy will have something in them for SMEs. This was shortly followed by a speech by Paul Todd, Senior Vice President of eBay Europe, who stressed the importance of digitisation and described how it has levelled the playing field for SMEs. He also urged the EU to take advantage of the 500 million consumers it has.

After the individual speeches, a panel discussion commenced, comprising of Ursula Patchl (BEUC), Alessia Mosca (MEP), Oliver Prothmann (Choice in eCommerce), Andrea Gönner (Garnwelt) and Claire Bury (European Commission), on a wide range of topics: from VAT and parcel delivery to Geo-blocking and data protection. All of the panellists emphasised the importance of the Digital Single Market. Claire Bury reaffirmed the Commission's commitment to resolving the VAT issues and called on SMEs to respond to the latest public consultation. She also claimed that the Digital Single Market was not about forcing SMEs to trade in countries in which they do not want to trade provided legitimate reasons exist. Paul Todd then concluded the conference with a call for SMEs and the EU to embrace the opportunities provided by the Digital Single Market.

David Caro, ESBA President said:

"ESBA welcomes the beginning of this ongoing dialogue with eBay and Choice in e-Commerce to open up and unburden online markets for small businesses, whether trading globally or in the EU. It is crucial to give small businesses this platform to tell their story to the EU to ensure the "think small first" principle is listened to."

IN BRIEF

EU/UK: Consumer Rights Act 2015 makes it easier for SMEs to sue large companies

On 1 October 2015, the United Kingdom's Department for Business, Innovation and Skills introduced the new Consumer Rights Act, which aims to help consumers understand their rights and generate

ESBA Bulletin of 14 October 2015 – Volume 17 – Issue 14

more consumer confidence. The act gives consumers the right to get a refund on faulty goods within 30 days of purchase and clarifies what should happen if a service is not executed with reasonable care and skills. Additionally, it allows customers and small businesses to jointly seek compensation from large firms that manipulate prices. The new act introduces an opt out to legal action, so that every consumer that is affected by the fixed prices is included and has the possibility to gain compensation. This will allow for an easier dispute settlement. One requirement is that all claims have to be approved by the Competition Appeal Tribunal.

For more on the Consumer Rights Act 2015, please click [here](#).

EU/Finance: The Capital Markets Union will help improve SMEs access to finance

On 30 September 2015, the European Commission released their Action Plan on Building a Capital Markets Union (CMU). The main objectives of the action plan are to improve access to finance by providing more diversified forms of funding across Europe and to enhance investment projects, especially for SMEs and start-ups. Furthermore, they want to create a better link between investors and those that need funding. The London Stock Exchange will work together with policy makers to enhance SMEs access to finance and to promote cross-border investment. They fully support the idea to better connect SMEs to investors because it will stimulate growth in the European economy and create more jobs, as well as make SMEs less dependent on bank loans. This is why they decided to extend ELITE, a business support programme designed to help firms prepare for the next stages of growth, across Europe this year. It will provide SMEs and start-ups with access to knowledge and sources of funding to help them grow.

For more on the Capital Markets Union, please click [here](#).

EU/Trade: Leaked Commission status report reveals that the negotiations on the TTIP are not even halfway done

On 30 September 2015, a leaked Commission status report revealed that the negotiations on the Transatlantic Trade and Investment Partnership (TTIP) are not even halfway done. The leaked report shows that the EU and U.S. have yet to exchange their positions, let alone started to negotiate on 10 of the total 24 chapters foreseen in the TTIP agreement. Even in those areas where the EU and U.S. have started to negotiate, the precise legal wording of the textual proposals is still under discussion, such as the chapter on public procurement, technical barriers to trade, and competition. This total lack of progression, of the EU-US negotiations, has largely been attributed to Washington's focus on completing the Trans-Pacific Partnership (TPP), a trade agreement between the U.S. and several Asian countries. As a result, sensitive topics, such as raw materials, common rules for energy, and intellectual property are not even at the negotiating stage. However, with the recent completion of the TPP and calls from the G7 to intensify the negotiations, there is a hope that talks between the two sides will be re-invigorated.

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

EU/Finance: The EU will create a single capital market to boost growth and investment

On 30 September 2015, the European Commission presented its plan to create a Capital Markets Union (CMU) to provide enterprises with alternative forms of funding and to make Europe more resilient to financial shocks and bank failures. The capital markets in the EU are still underdeveloped compared to the US, their venture capital market is five times bigger and the equity markets are two times bigger than the European ones. Businesses, especially SMEs, in Europe are highly dependent on bank lending. Because of the financial crisis, financial institutions have become more cautious about granting credit and investment has slowed down. The CMU will boost investment by providing companies with alternative forms of finance, by reviving the securitisation

ESBA Bulletin of 14 October 2015 – Volume 17 – Issue 14

market and by taking measures to stimulate long-term investment projects. The CMU is one of the key pillars of the Commission's investment plan which encourages growth and jobs.

For more on the Capital Markets Union, please click [here](#).

EU/Finance: The growth of peer-to-peer lending

On 29 September 2015, it was announced that the European Investment Bank (EIB) is planning to lend £100m through Funding Circle. Funding Circle is a peer-to-peer lender which borrows money through the capital markets and then invests it in projects that deal with infrastructure and regional development. The bank is owned by the Member States of the EU. The success of banks like Funding Circle is seen as an interesting development and one that provides new and efficient ways of lending to Small Businesses. Following the success of Funding Circle, The European Investment Bank is now considering setting up more peer-to-peer lending schemes in the Netherlands and elsewhere across Europe.

For more on peer-to-peer lending, please click [here](#).

PUBLICATIONS

EPC: Strengthening the beating heart of the European economy

On 29 September 2015, the European Policy Centre (EPC) published a report into how to strengthen the European economy. The report accuses the EU of lacking both ambition and a concrete plan to strengthen the European economy. It urges the EU to regain their focus on economic integration and the completion of the single market. In particular, the report states the EU should focus on replacing 28 differing regimes with a "single, fully functional one". The report claims that progress in the single market can increase overall economic benefits for Europe.

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

CEPS: Detailed CMU Action Plan, but more (ambition) is required

On 2 October 2015, the Centre for European Policy Studies (CEPS) launched a report on the Capital Markets Union. In particular, the report examined the European Commission's recently released Action plan. The report is critical of the Action Plan, claiming that it does not do enough to tackle the main problem in Europe's capital markets, namely that European household savings are not finding their way into more rewarding investments, which is caused by a variety of factors that cannot be easily changed.

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

OECD: Addressing the Tax Challenges of the Digital Economy

On 5 October 2015, the Organisation for Economic Cooperation and Development (OECD) published a report dealing with the tax challenges posed by the digital economy. The report attempts to present an analysis of these challenges. A central message of the report is that it is becoming harder to make a distinction between the economy and the digital economy. This publication also examines how VAT can be efficiently collected in cross-border digital transactions and finally it examines some of the broader tax challenges raised by the digital economy.

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

ESBA Bulletin of 14 October 2015 – Volume 17 – Issue 14

CONSULTATIONS

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 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](#).

Call for evidence: EU regulatory framework for financial services

DEADLINE: 06/01/2016

The Commission is looking for empirical evidence and concrete feedback on: rules affecting the ability of the economy to finance itself and growth; unnecessary regulatory burdens; interactions, inconsistencies and gaps; rules giving rise to unintended consequences.

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

Public consultation on covered bonds in the European Union

DEADLINE: 06/01/2016

The Consultation Paper falls under the scope of the Capital Markets Union project and evaluates signs of weaknesses and vulnerabilities in national covered bond markets as a result of the crisis,

ESBA Bulletin of 14 October 2015 – Volume 17 – Issue 14

with a view to assessing the convenience of a possible future integrated European covered bond framework that could help improve funding conditions throughout the Union and facilitate cross-border investment and issuance in Member States currently facing practical or legal challenges in the development of their covered bond markets.

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

Public consultation on the review of the European Venture Capital Funds (EuVECA) and European Social Entrepreneurship Fund (EuSEF) regulations

DEADLINE: 06/01/2016

The Commission is launching a consultation on the review of the European Venture Capital Funds (EuVECA) regulation (No 345/2013) and European Social Entrepreneurship Funds (EuSEF) regulation (No 346/2013) with a view to improve the take-up of these funds as part of the Action Plan package.

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

COMING-UP

EU Institutions: important dates

| | |
|-----------------|--|
| 12 October 2015 | European Parliament Committee Meetings |
| 12 October 2015 | Foreign Affairs Council |
| 13 October 2015 | European Parliament Committee Meetings |
| 13 October 2015 | General Affairs Council |
| 14 October 2015 | European Parliament Plenary Session |
| 14 October 2015 | Coreper I |
| 15 October 2015 | European Council |
| 15 October 2015 | European Parliament Committee Meetings |
| 16 October 2015 | European Council |
| 19 October 2015 | European Parliament Committee Meetings |
| 21 October 2015 | Coreper I and II |
| 22 October 2015 | Coreper II |
| 22 October 2015 | European Parliament Committee Meetings |
| 22 October 2015 | Agriculture and Fisheries Council |
| 23 October 2015 | Agriculture and Fisheries Council |
| 28 October 2015 | Coreper I and II |
| 29 October 2015 | Coreper II |

Other SME-related events

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](#).

ESBA Bulletin of 14 October 2015 – Volume 17 – Issue 14

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](#).

Public Hearing on Better Regulation

17/11/2015

Brussels

On 17 November 2015, the Committee on Legal Affairs will hold a public hearing on Better Regulation. The purpose of the hearing is to discuss the Commission's proposal for a new Interinstitutional Agreement. The First Vice-President of the Commission, Frans Timmermans, is scheduled to present the Commission proposal.

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