



HEADLINES

EU Finance Ministers discuss proposal on reduced VAT rates

On 4 November, EU finance ministers discussed the Commission proposal to revise the common system of value added tax in the European Union. During their meeting, taking place in Brussels, ministers examined the proposal and invited the Committee of Permanent Representatives (COREPER) to carry out an assessment of the proposed legislation until the end of 2008. Under the new system Member States would be given the possibility to apply reduced VAT rates of not less than 5% in a large number of labour-intensive sectors on a permanent basis. The proposal on VAT reduced rates, presented this July, is one of the actions proposed in the Small Business Act for Europe.

The new legislation aims to introduce changes to the current tax system, enabling all Member States to apply reduced VAT rates to local and labour-intensive businesses (e.g. restaurants). Other categories would include cleaning and maintenance services, care services and personal-care services, such as hairdressing and gardening. The proposal contains also important changes for the construction sector, in which the reduced VAT would no longer be limited to social housing but could also be applied to the supply and construction of all housing and related services.

ESBA OPINION

ESBA supports the Commission's initiative as a good step towards the normalisation of the currently distorted tax regime. In light of the current economic turmoil ESBA calls on Member States to pull together on this very important issue. All sectors concerned are dominated by small and medium size enterprises. ESBA believes that the proposed revision would have a major impact on the SME sector, enabling local businesses to improve their economic performance significantly. ESBA also considers that VAT on 'green' goods and services could be cut to promote their production and consumption. ESBA urges the European Commission and the Member States to give back autonomy to the national level to apply reduced VAT rates.

To access ESBA's press release on the proposal on reduced VAT rates, please click [here](#)

To read more about the Commission's proposal for a Council Directive amending Directive 2006/112/EC as regards reduced rates of value added tax please click [here](#)

To read more about the Small Business Act for Europe, please click [here](#)

IN BRIEF

EU / Employment: European Parliament adopts Directive on temporary agency work

On 22 October, the European Parliament adopted a Directive on temporary agency work after six years of intense debate between EU institutions. Under the new regulation, temporary workers will be treated equally as company employees from day one of their employment with regards to remuneration and working conditions. However, the Directive foresees derogations by means of agreements between social partners at national level. Following agreement reached between the

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social partners in the UK, agency workers will be granted equal pay and conditions as permanent staff after being employed for 12 weeks. Member States have to transpose the Directive into national law within the next three years after entry into force, or must ensure the introduction of necessary provisions by way of agreement by the social partners.

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

EU/ Better Regulation: HLG calls for reduction of red tape in VAT invoicing

On 22 October, the High Level Group of Independent Stakeholders on Administrative Burdens (HLG) adopted its Opinion on the reform of the rules on invoicing in the VAT Directive. The HLG advises the Commission to reduce administrative burden stemming from the current VAT rules on invoicing. It calls on the Commission to remove unnecessary obligation in this area, to support the use of e-invoicing and e-archiving in Community legislation and to examine further possibilities to encourage e-invoicing. The adoption of the HLG's Opinion on the reform of the VAT invoicing rules is scheduled for adoption before the end of this year.

To read more about the HLG's Opinion on invoicing and e-invoicing, please click [here](#)

PUBLICATIONS

WES: Promotion of Women Innovators and Entrepreneurship Evaluation Report

The report on the "Promotion of Women Innovators and Entrepreneurship", published by the European Network to Promote Women's Entrepreneurship (WES) presents the activities carried out by national governments in order to promote women's entrepreneurship.

To download this report, please click [here](#)

Eurostat: Labour Market Latest Trends- 2nd quarter 2008

The Eurostat publication "Labour Market Latest Trends" presents the main results of the EU Labour Force Survey for all member States. Indicators presented in this publication are: activity rates, employment rates, part-time employment as share of total employment, average actual hours worked in all jobs per week, share of employees with temporary contracts and share of persons whose jobs started within past 3 months.

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

OECD: Enhancing the Role of SMEs in Global Value Chains

The OECD report identifies the ways in which governments, the business community, and international organisations can facilitate SMEs' gainful participation in global value chains through policies, practices and targeted support programmes. It presents the findings of case studies carried out in five industries (the automotive sector, scientific and precision instruments, software, film production, distribution and tourism).

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

CONSULTATIONS

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

COMING UP

EU Institutions: Important dates

07 November	Informal meeting of Heads of State and Government of the EU, Brussels
16 November	Employment, Social Policy, Health and Consumer Affairs Council
17-20 November	Plenary Session of EP in Strasbourg
21 November	ECOFIN Budget Council
01 December	Competitiveness Council
03 December	Additional Plenary Session of EP, Brussels
11-12 December	European Council
15 December	Plenary Session of EP, Strasbourg

Other SME related events

- 10 November** Public Hearing on “The impact of the latest economic turmoil on European industry”, organised by the Committee on Industry, Research and Energy (ITRE), taking place in Brussels, European Parliament; Fred Soudain, ESBA Senior Representative, will deliver a speech during the event.
- 13 November** Multiplier conference on the Intellectual Capital Statement under the patronage of Günter Verheugen, EU Commissioner for Enterprise and Industry; taking place in Brussels. The conference will be composed of presentations, debates and information sessions on Intellectual Capital and its potential for the success of small and medium companies across the EU. For more information about InCaS please go to: <http://www.psych.lse.ac.uk/incas/index.html>
- 10 December** Working lunch on “A New European Software Strategy: Opportunity for SMEs”, organised by the SME Union in cooperation with the Computing Technology Industry Association (CompTIA), taking place in the European Parliament, Brussels. For more information, please go to: <http://www.sme-union.org/>