



### IN BRIEF

#### **ESBA Member KTTO Celebrates 10 Years of Brussels Office**

On 9 December, the Brussels office of ESBA member the Turkish Cypriot Chamber of Commerce (KTTO), celebrated its 10<sup>th</sup> anniversary in the beautiful royal museum of arts and history. The event was attended by officials from the EU institutions, Ambassadors and diplomats from permanent representations. KTTO President Fikri Toros emphasized the need to strengthen commercial ties domestically as well as amongst nations. Michaela di Bucci, head of the Turkish Cypriot Task force at the European Commission stressed the Chamber's important role in the implementation of the Green line trade and praised the Chamber's efforts in preparing the Turkish Cypriot business community for EU integration. HE Ms. Emine Colak, Turkish Cypriot Minister of foreign affairs praised the role of the Chamber as the leading business organisation in North Cyprus in promoting the interests of the Turkish Cypriot business community in the EU. She appreciated the continued efforts put forward by the Chamber in contributing to the development of the Turkish Cypriot economy, the enhancement of the intra island trade, the adoption of the direct trade regulation and the PDO registration of Hellim.

#### **EU/Taxation: Council realises more transparency on corporate taxation**

On 8 December 2015, the Council of the European Union adopted a Directive aimed at preventing corporate tax avoidance by improving transparency on tax rulings. The Directive requires that Member States communicate to companies how to deal with taxation in specific cases. Moreover, Member States will be required to automatically exchange information on cross-border tax rulings and pricing arrangements, which will be stored in a secured central directory provided by the European Commission. The main purpose of these actions is to combat base erosion and profit shifting, to ensure that taxes are being payed where value is created and to consequently create a level playing field for SMEs. The Directive is in line with the Organisation for Economic Co-operation and Development's work on this subject and rules will be applied from 1 January 2017.

To read more about cross-border tax rulings, please click [here](#).

#### **EU/Finance: Half of the Irish SMEs are denied credit by their bank**

On 7 December 2015, the Irish Small and Medium Enterprises Association (ISME) published the results of their quarterly Bank Watch Survey. The results show that in the past quarter 48 percent of Irish SMEs had their credit applications rejected by their bank, this is three percent higher than in the third quarter of 2015. Additionally, the demand for bank credit decreased from 41 to 35 percent. As a result, SMEs cannot benefit from the economic recovery and expand their business. Furthermore, innovative start-ups and SMEs have trouble accessing finance, which hampers innovation. An explanation for the high bank refusal rate is that risk-averse banks do not properly train their staff to analyse funding proposals. A positive development in the past quarter is that there was an increase in the number of SMEs that made a formal application to their bank and that SMEs are increasingly aware of state assistance.

To read more about the ISME Bank Watch Survey, please click [here](#).

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### **EU/Trade: Big step forward on more transparency in trade negotiations**

On 2 December 2015, the INTA Committee revealed that the College of Commissioners approved an agreement by the European Parliament and the European Commission about access to the documents on the Transatlantic Trade and Investment Partnership (TTIP) negotiations. All Members of the Parliament will receive access to all confidential documents related to TTIP; this will include the consolidated texts on the US position. Up until now, only the proposal from the European side on Rules and Regulatory Cooperation were available to the public. The agreement does ensure the confidential nature of the information and only allows MEPs to read the consolidated texts in a secure reading room at the Parliament. This progress on transparency will set a precedent for the transparency of future negotiations.

To read more about TTIP, please click [here](#).

### **EU/ Finance: Improved access to finance for SMEs according to SAFE results**

On 2 December 2015, the European Central Bank (ECB) published its results of the survey on the Access to Finance of Enterprises (SAFE) in the Eurozone between April and September 2015. The data shows that SMEs were less concerned about access to finance to make their business grow, and were mostly concerned about finding customers. The survey furthermore indicated that there was a decrease in the need for bank loans and external finance. Additionally, the SME net turnover across the Eurozone improved by 17 percent and only 1 percent of SMEs indicated that their profits had declined. Overall, SMEs reported that there was an improvement in the availability of bank loans as well as in the available size and maturity of loans and overdrafts.

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

### **EU/Environment: The impact of the new Circular Economy Package**

On 2 December 2015, the First Vice-President of the European Commission Frans Timmermans and Vice-President Jyrki Katainen unveiled the new Circular Economy Package that addresses all phases of a product's life cycle. The Package has been divided in two parts - a legislative one focusing on the revision and amendment of waste legislation and an action plan on the production and consumption phases. The Commission's efforts have been heavily criticised after its release. Various political realities have considered the Package a step back for Europe given the weaker targets proposed and the lower number of jobs that will be created. Nevertheless, this new Package is more complete and now addresses not only waste and the end-of-life phase but rather proposes actions that will end up promoting the circularity from the very beginning of a product's life cycle.

To read more about the Circular Economy Package, please click [here](#).

### **UK/Digital: UK SMEs affected by lack of access to superfast broadband**

On 1 December 2015, Ofcom, the Independent Regulator and Competition Authority for the UK Communications Industries, published a report which revealed that while superfast broadband is available to 83 percent of the UK households, only a small percentage of SMEs benefit from superfast broadband. Only 68 percent of UK SMEs receive high quality broadband and 400,000 SMEs did not have access to superfast broadband at all. Several factors provide an explanation for the lack of availability, which directly impacts SMEs activities and competitiveness in the domestic and European markets. First of all, there is a lack of national infrastructure to enable access to fast broadband. Secondly, the absence of investment is problematic because high quality broadband requires high expenditures. Another explanation emphasizes the geographic discrimination of SMEs: SMEs located in rural areas have more difficulties accessing superfast broadband. Overall, the

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Ofcom report argues that the low availability of broadband leads to missed opportunities for SMEs and the UK economy.

To read more about the Ofcom report, please click [here](#).

### **EU/Taxation: The Commission attempts to modernise the VAT system**

The European Commission is committed to modernise the current Value Added Tax (VAT) system by reforming the VAT Directive (2006/112/EC) to simplify the process, to decrease administrative burdens and to reduce cross-border barriers for businesses. To achieve this goal, the Commission proposed to extend the VAT One Stop Shop web-portal to online sales of tangible goods both within and outside the EU. The Commission has highlighted the importance of extending this system which will provide companies with the possibility to make a single, online VAT declaration. Instead of having to declare their VAT in each Member State separately, they will only have to register in their own Member State, which will reduce administrative burdens greatly. Furthermore, The Commission will make legislative proposals in 2016 about introducing a common EU-wide VAT threshold, allowing home countries to conduct controls and abolishing the VAT exemption on the importation of small consignments from third countries. Creating a harmonized VAT threshold, which exempts small businesses from VAT up until that threshold, will probably be very challenging since all Member States have their own threshold at the moment. For example, SMEs can sell up until £82,000 without having to pay VAT, while in the Netherlands all SMEs must register for VAT before they can start selling. The Commission aims to create business-friendly legislation and according to the ECON Committee, discussions between stakeholders and policy-makers are essential to find a solution that will simplify VAT.

To read more about cross-border tax rulings, please click [here](#).

To reply to the public consultation on cross-border VAT, please click [here](#).

### **PUBLICATIONS**

#### **Ellen MacArthur Foundation: Towards a Circular Economy: Business Rationale for an Accelerated Transition**

On 2 December 2015, the Ellen MacArthur Foundation published a report on the Circular Economy, which sets out the Foundation's latest insights and analysis on the subject. The report examines the need for transition and the impact of the Circular Economy on the economy, society and the environment.

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

#### **Bruegel: Financial regulatory transparency: new data and implications for EU policy**

On 10 December 2015, Bruegel published a paper which introduces a new international financial regulatory data transparency index - the Financial Regulatory Transparency (FRT) Index - in order to address the existing gap in measuring regulatory transparency. The report measures how countries report to international financial institutions on basic macro-prudential data about their financial systems. The conclusions that this study show that financial regulatory transparency enhances market stability and increases democratic legitimacy.

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

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## CONSULTATIONS

### **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](#).

### **Public Consultation on Geo-blocking and other geographically-based restrictions when shopping and accessing information in the EU**

**DEADLINE 28/12/2015**

This consultation aims at gathering views and opinions on the different restrictions faced by users, consumers and businesses when they access or provide information, shop or sell across the borders in the European Union. This will inform the Commission for its ongoing work in preparing legislative proposals on geo-blocking under the Digital Single Market Strategy as well as the follow up to the forthcoming Internal Market Strategy for Goods and Services planned for October 2015. Questions apply regardless of whether the action takes place online or offline, unless the context makes it clear otherwise.

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

### **Public Consultation on regulatory environment for platforms, online intermediaries, data and cloud computing and the collaborative economy**

**DEADLINE 30/12/2015**

The open public consultation will seek views on online platforms; tackling illegal content online and the liability of online intermediaries; data and cloud in digital ecosystems and the collaborative economy.

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**

This 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, 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](#).

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### **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](#).

### **Consultation on the Re-launch of the Common Consolidated Corporate Tax Base (CCCTB)**

**DEADLINE 08/01/2016**

The Commission expects to gather views for instance on: To what extent the CCCTB could function as an effective tool against aggressive tax planning, without compromising its initial objective of making the Single Market a more business-friendly environment; Which criteria should determine the companies that will be subject to the rules of a mandatory CCTB/CCCTB; Whether non-qualifying companies should still be given the possibility to opt for applying the common rules.

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

### **Streamlining monitoring and reporting obligations in environment policy**

**DEADLINE 10/02/2016**

The objective of this consultation is to help the Commission to validate the principles such as proportionality, accessibility and relevance that it should use for assessing environmental reporting requirements; gather views regarding whether reporting requirements are in line with those principles; and gather evidence on current shortcomings, overlaps and potential improvements that should be examined during the process.

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

### **Public consultation on empowering the national competition authorities to be more effective enforcers**

**DEADLINE 12/02/2016**

The European Commission is consulting stakeholders on how to empower the national competition authorities (NCAs) to be more effective enforcers. The Commission would like to gather views on how to ensure that NCAs: (i) can act independently when enforcing EU competition rules and have the resources and staff needed to do their work; (ii) have an adequate competition toolbox to detect and tackle infringements; (iii) can impose effective fines on companies which break the rules; (iv) and have leniency programmes, which encourage companies to come forward with evidence of illegal cartels, that work effectively across Europe.

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

### **Public consultation on possible action addressing the challenges of work-life balance faced by working parents and caregivers**

**DEADLINE 17/02/2016**

In August 2015, the Commission published a Roadmap for the initiative 'A new start to address the challenges of work-life balance faced by working families' to replace the 2008 Commission proposal to revise the 1992 Maternity Leave Directive. The purpose of this consultation is to gather views on

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the development and implementation of a range of possible tools at EU-level to support work-life balance.

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

### **Green Paper on retail financial services: better products, more choice, and greater opportunities for consumers and businesses**

**DEADLINE: 18/03/2016**

The Green Paper seeks the views on how to improve choice, transparency and competition in retail financial services to the benefit of European consumers. It also inquires on how to facilitate cross-border supply of these services, so that financial firms can make the most of the economies of scale in a truly integrated EU market. Finally, it is discussing the impact of digitalisation on retail financial services with a view to allow for growth of innovative solutions in this area in the EU.

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

### **Public consultation on the evaluation and modernisation of the legal framework for the enforcement of intellectual property rights**

**DEADLINE: 01/04/2016**

With this consultation the Commission seeks views from all interested parties, in particular rightholders, the judiciary and legal profession, intermediaries, public authorities, consumers and civil society, on the question if the legal enforcement framework is still fit for purpose.

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

## COMING-UP

### **EU Institutions: important dates**

15 December 2015	Agriculture and Fisheries Council
15 December 2015	Foreign Affairs Council
15 December 2015	European Parliament Plenary Session
15 December 2015	European Parliament Committee Meetings
15 December 2015	General Affairs Council
16 December 2015	European Parliament Plenary Session
16 December 2015	European Parliament Committee Meetings
16 December 2015	Environment Council
17 December 2015	European Parliament Plenary Session
17 December 2015	European Parliament Committee Meetings
17 December 2015	European Council
18 December 2015	European Council
18 December 2015	Coreper I
21 December 2015	Coreper II
21 December 2015	European Parliament Committee Meetings
22 December 2015	European Parliament Committee Meetings
23 December 2015	European Parliament Committee Meetings

### **Other SME-related events**

#### **The Future of Investment Dispute Resolution – The Role of Courts**

**15/12/2015, Brussels**

On 15 December 2015, the European Centre for International Political Economy is organising a seminar on what role courts should play in international dispute resolution. Three experts from the

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University of Leiden, the European Commission and the U.S. Chamber of Commerce will discuss their views on the involvement of courts in investment dispute resolution.

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

### **Hearing on the implementation of the EU Energy Efficiency Directive**

**13/01/2016, Brussels**

On 13 January 2016, the European People's Party in the European Parliament is organising a hearing on the implementation of the EU Energy Efficiency Directive. The hearing is divided into two panels: one on the implementation progress and challenges, and one of sector-specific perspectives. Among the speakers will be representatives from the European institutions and stakeholders.

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

### **Capital Markets Union: The Key to Unlocking Financing in Europe?**

**02/02/2016, Paris**

On 2 February 2015, POLITICO and L'AGEFI are organising a conference on the Capital Markets Union (CMU). During the conference, investors, regulators, ministers, commissioners, bankers and business leaders will discuss the practical and political implications of the CMU. One of the questions asked during the conference is whether SMEs will think it will be enough to attract investment to Europe.

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