



### HEADLINE

#### **ESBA Calls for a Stronger, Standardised SME Test**

On 5 October 2016, the European Commission, national governments and European business representatives met in Brussels to discuss the current state of the SME test, the test that should determine the effects of legislative proposals on small businesses. A presentation by the Belgian SME Envoy of a comprehensive study conducted across Europe showed that the implementation of the test is still lacking significantly in key areas. A lack of resources often leads to a superficial application of the test, whilst some Member States choose to only do an SME test for proposals that are likely to have a high impact on SMEs or on an 'ad-hoc' basis - a vague term that leaves too much discretion as to whether to apply the test or not. The test is not standardised across Member States, or even across services within one Member State. The report furthermore attempts to assess the added value of the SME-test in each Member State. Perhaps the most worrying finding is that, in certain cases, where an SME test was properly applied, it is not taken into consideration when actually drafting the corresponding legislative proposal.

ESBA Secretary General Patrick Gibbels said: "We welcome the opportunity for today's dialogue as the SME test lies at the heart of the Better Regulation agenda. However, since the introduction of the test in the Small Business Act of 2008, we have not been satisfied with its overall implementation. It is also difficult to accept an assessment of the added value of the SME test when it is not yet fully implemented. ESBA calls for a stronger, standardised test across Member States and an independent body to check the proper implementation and application of the SME-test. ESBA suggests for the European Commission to develop a toolkit that can be used by the Member States to improve the application of the SME test. Lastly, we urge national governments to fully take the results of the SME-test into consideration as ignoring them will lead to bad legislation for our small businesses."

### IN BRIEF

#### **EU/Trade: ESBA Calls for the European Council to Support CETA**

On 18 October 2016, the European Council will take a decision regarding the Comprehensive Economic and Trade Agreement (CETA). The provisional application of CETA will open the Canadian market to EU companies and enable European SMEs to bid on Canadian public procurement contracts issued on all levels of government (Federal, Provincial and Municipal). Moreover, the removal of tariff and non-tariff barriers will allow SMEs to bring their products on the Canadian market at competitive prices. In addition, CETA aims at stepping-up regulatory cooperation between Canada and the EU which will reduce significantly the administrative and financial burdens for SMEs wanting to export goods to Canada. Trade deals with third countries are important and inevitable in a globalizing economy. It is however vital that they are balanced as well as accessible to SMEs. CETA is a good example of this and has the potential to serve as a best practice example for future trade deals between the EU and third countries. ESBA calls for the European Council to support CETA and allow for a swift provisional implementation.

#### **EU/SME policy: ESBA President Speaks at Katowice SME Congress**

On 10 October 2016, at the VI European Congress of SMEs in Katowice, ESBA President David Caro spoke as small business expert on the panel "Small and Medium Entrepreneurship in a New International Environment". ESBA's Polish member SBICO was a key partner of the congress. The panel, led by former European Parliament President Jerzy Buzek, consisted of Commissioner Elzbieta Bienkowska, Jacek Krawczyk, President of the EESC employers' group and Chandrakant

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Salunkhe, President of the SME Chamber of India. Current matters were discussed such as TTIP, post-Brexit scenarios in Europe and the future of free trade as a whole. During a second session, Mr. Caro joined a panel to discuss "Chances and Challenges for SMEs in the European Single Market", with a particular focus on how micro companies will cope with the challenges of the Digital Single Market. Other panelists included Cyprian Marcisz, President of the Polish company SANT-TECH Ltd., Ewa Kubel, Director at SIBCO, Member of the Board of European Small Business Alliance, and Dariusz Pitatowicz, Chairman of the Editorial Board, SIBCO.

### **EU/Copyright: Copyright reform should reflect the increased digital lifestyle**

On 29 September 2016 at the Digital Assembly, held in Bratislava, Slovakia, MEP Comodini Cachia (spokesperson on copyright for the EPP Group) stressed the importance for both creators' and consumers' rights to be assured in the digital single market. According to her, the reform could increase availability of culture across borders, facilitating access to new digital opportunities for sectors such as research and education. She claims that the copyright reform is not a barrier for cultural and creative content to prosper online. Instead, the reform constitutes an important factor for the convergence of analogue and digital opportunities for these contents and should provide better access for consumers to more cultural content.

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

### **EU/Trade: TTIP negotiations to extend in 2017**

On 7 October 2016, after four days of negotiations in New-York on the free-trade deal between the US and Europe (TTIP), chief negotiators from both sides held a press conference during which they admitted the agreement was not close to being concluded and that the negotiations would pursue well into 2017. Previously anticipated to be concluded before the end of Barack Obama's mandate, important points of divergence between both partners are still to be solved. EU Trade Ministers decided in Bratislava to pursue the negotiations until January 2017 after which a natural pause would occur until the new US president is into office. The negotiations have been going on for three years now whereas the free-trade deal with Canada, CETA, took almost five years to conclude.

For more information on TTIP, please click [here](#).

### **EU/Trade: INTA Committee debates CETA with stakeholders**

On 12 October 2016, the INTA committee discussed the Comprehensive Economic and Trade Agreement (CETA). Representatives from EU Businesses and from agriculture were mostly supportive of the agreement, seeing the removal of trade barriers as an opportunity for boosting growth, employment and competitiveness. On the other side, trade union and public health officials denounced the agreement, which they claim would have a negative impact on public services, lower the level of protection for workers and the environment and State's abilities to regulate. Many MEP expressed their support and claimed the agreement was a fair, transparent and geopolitically important, while some MEP expressed concern about the environmental impact CETA could have. The agreement will need support from the EU parliament in order to enter into force.

For more information on CETA, please click [here](#).

### **EU/EU Investment Plan: Commissioner Thyssen says investment plan on right track**

On 29 September 2016, the European Commission released a statement on the status so far of the Commission President Jean-Claude Juncker's innovative investment plan. The plan seeks to bring €315 billion of investment into the European Union. Launched two years ago, the plan has already seen major successes, already expected to trigger €217 billion worth of investments into 27 EU Member states. As Marianne Thyssen, the EU's Employment Commissioner said, "Nearly 290,000 small firms and start-ups across Europe will benefit from new low-cost loans." There are major

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benefits for small and medium-sized businesses within what is known as the ‘Juncker Plan’, which brings together a large number of key legislative initiatives to stimulate investment, decrease unemployment and spark growth in Europe following years of financial crisis across the EU.

For more information about the Commission’s investment plan, please click [here](#)

### **EU/CMU: Member States hesitate on Capital Markets Union**

On 14 September 2016, the Commission called for the swift implementation of the first measures of the Capital Markets Union (CMU) as a key component of its Action Plan to create a Capital Markets Union, released a year prior. Its objective is to address the barriers to capital markets and investment that exist between Member states. Provisions of the CMU, such as the EuVECA and the EuSEF, will make it easier for SMEs to access the funding that would otherwise have traditionally come from domestic banks. These above regulations still await approval by the Parliament and the Council. However, the favour of the Member states towards CMU is far less certain. Invest Europe has documented unprecedented fees and obstacles to investors seeking to invest across borders within the Single Market. Invest Europe’s recorded data shows that from the €47 billion of private equity and venture capital investments in Europe last year, €31 billion remained within the Member states of origin, used to invest in domestic start-ups and domestic companies. This dilution in cross-border investment is not due to the companies investing, but rather the reticence of the Member states themselves.

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

## **PUBLICATIONS**

### **EPRS: European Venture Capital and Social Enterprise Funds**

On 12 October 2016, the European Parliamentary Research Service published an implementation appraisal on the EuVECA and EuSEF funds. The research highlights several points as being potential causes for the lack of take-up for these two funds. Firstly, the inconsistent implementation of the various regulations in this sector, and secondly the lack of quantitative data both seem to hamper the development of these funds. To address those two obstacles, the research proposes to improve the implementation of the regulations but also to make a greater effort in order to capture stakeholder feedbacks, especially from potential investees such as SMEs and start-ups.

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

### **CEPS: Combatting Consumer Discrimination in the Digital Single Market: Preventing Geo-Blocking and other Forms of Geo-Discrimination**

On 27 September 2016, the Center for European Policy Studies conducted a study to analyse the current state of play of the Digital Single Market and analyses the different forms of discrimination still present in the European Union. While the DSM has a potential efficiency gain of more than 415 billion euros, it is still mostly untapped. The research shows that a large portion of potential cross border demand faces is diminished due to companies discriminating against customers on the basis of nationality or place of residency. To remove this obstacle, the paper calls for a reform of the EU copyright framework, for an extension of the non-discrimination provisions to online services providing copyright works and to extend the scope of the Geo-Blocking Proposal.

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

### **EIB: Evaluation of the Functioning of the European Fund for Strategic Investments (EFSI)**

On 5 October 2016, the European Investment Bank released its evaluation of the EFSI. Aimed at increasing investments and access to finance for SMEs, the EFSI is expected to bring an increase of

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315 billion euros of additional investment in European companies. The EIB's evaluation confirms that the EFSI is on the right track to reach this objective by 2018. However, it seems that EFSI's portfolio is highly concentrated in the EU 15 while one of its goals is to help strengthen the Union's economic, social and territorial cohesion. Therefore, expanding the EFSI activities in the EU 13 would help achieving these objectives and thus fully accomplish its mission.

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

### CONSULTATIONS

#### **Public consultation on setting CO<sub>2</sub> emission performance standards for light duty vehicles**

**DEADLINE: 28/10/2016**

The European Commission launched this consultation to collect the views of stakeholders and citizens with regard to the revision of the EU regulations setting CO<sub>2</sub> emission performance standards for new cars and vans (together referred to as light duty vehicles (LDVs)).

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

#### **Public consultation on the Internal Market for goods - enforcement and compliance**

**DEADLINE: 31/10/2016.**

The European Commission published a public consultation on the evaluation of the market surveillance provisions of Regulation (EC) No 765/2008 and on actions to enhance enforcement and compliance in the Single Market for goods.

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

#### **Public consultation on Single Market Information Tool**

**DEADLINE: 7/11/2016**

The Single Market Information Tool would allow the Commission to request such information in cases of serious Single Market malfunctioning. The goal is to improve the enforcement of existing Single Market rules and to prepare proposals for effective policy intervention. To achieve this, the tool would be used to request information from firms such as cost structure, pricing policy, profits or employment contracts.

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

#### **Public consultation on the Single Digital Gateway**

**DEADLINE: 21/11/2016**

The idea behind the Single Digital Gateway is to provide all the information people need to do business cross-border, travel to another EU country, live, study or work in another EU country. It would improve and better connect existing portals, contact points and networks, and help people to complete the most frequently-used national procedures fully online. The aim of this consultation is to seek the views of stakeholders on the identified problems and different policy options that can be pursued to address them.

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

#### **Public consultation on the enhancement of the social legislation in road transport**

**DEADLINE: 11/12/2016**

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The consultation can particularly be of interest for citizens or undertakings using road transport services in their activity, road transport workers and companies engaged in the transport chain. It can also be of particular interest for regional, national or international public authorities and other organisations directly involved in the road transport sector.

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

### **Public consultation on the European Pillar of Social Rights**

**DEADLINE: 31/12/2016**

The objective of the consultation is to make an assessment of the present EU social "acquis", determining the extent to which existing rights are practiced and remain relevant or whether and where new ways to deliver on these rights should be considered; to reflect on new trends in work patterns and societies due to the impact of new technologies, demographic trends or other factors of importance for working life and social conditions.

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

### **Public consultation for the mid-term evaluation of the European Union Programme for Employment and Social Innovation (EaSI)**

**DEADLINE: 11/01/2017**

This public consultation is designed to support the mid-term evaluation of the European Programme for Employment and Social Innovation (EaSI) carried out in accordance with the Article 13(1) of the EaSI Regulation No. 1296/2013 of 11 December 2013. The mid-term evaluation covers the activities undertaken under the three axes of the EaSI programme (PROGRESS, EURES, Microfinance and Social Entrepreneurship) during the period 2014 - 2016.

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

## **COMING-UP**

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

16-18 October 2016: Interparliamentary conference on stability, economic coordination and governance in the EU

18 October 2016: General Affairs Council

19 October 2016: Coreper I

19 October 2016: European Economic and Social Committee, Plenary Session

20 October 2016: European Parliament Committee Meetings

20-21 October 2016: European Council

24-27 October 2016: European Parliament Plenary Session

24-27 October 2016: European Parliament Committee Meetings

26 October 2016: Coreper I

26 October 2016: Coreper II

27 October 2016: Council of the EU and European Council

27 October 2016: Environment Council

27 October 2016: European Economic and Social Committee

28 October 2016: Coreper I

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### Other SME-related events

#### **The Citizens' CETA Summit**

**20/10/2016, Brussels**

On 20 October 2016, the Greens/EFA group of parliament are hosting a public summit.

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

#### **Seminar: Posting of workers: What future for the free movement of services?**

**20/10/2016, Brussels**

On 20 October 2016, the ALDE political group in parliament is hosting a seminar on the posting of workers. Legal perspectives as well as opinions of employer and employee organisations will be shared in the view of provoking genuine discussion in advance of negotiations on the Commission proposal 96/71/EC.

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

#### **Value-Added Tax Challenges for Cross-Border Commerce and SMEs**

**25/10/2016, Brussels**

On 25 October 2016, Bruegel is hosting an event on challenges caused by VAT differences between EU Member states on cross-border commerce and growth and investment in SMEs. The discussion will focus on addressing these challenges, specifically ways in which tax rules on goods and services can be simplified to boost growth and investment in SMEs.

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