



IN BRIEF

EU/Trade: European business associations backing TTIP negotiations

On 6 September 2016, 17 leading European business associations issued a statement to back the negotiation on TTIP. The trans-Atlantic trade agreement should be seen as a great opportunity for European businesses from all sizes to access the important US market. The associations recognize that such an ambitious and comprehensive trade agreement is not an easy thing to accomplish and that this process is likely to take more time than initially expected. This statement comes as an answer to the wave of protests toward the trade agreement. Critics denounce the lack of transparency in the negotiation process as well as the potential increased influence multinational businesses would have on governments after the treaty comes into force and therefore threaten democracy as a whole. Amid this ongoing debate, on the 16th September, Cecilia Malmstroem announced that negotiation on TTIP between the EU and the US would start again for a 15th round on the 3rd October 2016.

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

EU/Capital Markets Union: New Venture Capital Regulation essential for SMEs

On 6 September 2016, Michael Collins, deputy chief executive at Invest Europe, shared his views on the need for venture capital regulation. The executive recently published a proposal to review the EuVECA regime. Despite the European Venture Capital Funds (EuVECA) Regulation entering into force in 2013, only 25% of the venture capital funds were raised outside its country of origin between 2013-2015. This is due to limitations such as the type of companies an EuVECA is permitted to invest in, and national requirements such as additional fees to markets of the jurisdictions the EuVECA is seeking to invest within. While businesses from larger Member states benefit from large pools of investment sources, smaller Member states have fewer domestic investors, and barriers to cross-border funding will ensure SMEs in these states remain small and stifled for funding opportunities. The knock-on effect is that SMEs and start-ups struggle for funding and therefore struggle to remain afloat. EuVECA's current rules ensure that 70% of a fund's investment goes into SMEs, defined by the Commission as a company with fewer than 250 employees and an annual turnover of less than €50 million. Thus, due to the rigidity of these rules, funds continue to have difficulties accessing EuVECA passport status, and face obstacles investing across borders in SMEs. Therefore, for SMEs, the liberalisation of EuVECA passport rules concerning cross-border investment is crucial for the diversification of sourcing of funding.

For more information on regulation of European Venture Capital Funds, please click [here](#)

EU/Financial Transaction Tax: Commission seeks to push for a deal on FTT

On 12 September 2016, it became known that the Commission will seek to restart talks on implementing a Financial Transaction Tax (FTT). The installation of a plan for an FTT will be revisited by EU finance ministers on 11 October 2016. EU Financial Transaction Tax proposals have now been given a shot in the arm, after the European Commission affirmed that it wants the FTT concluded before the end of the year (10 September 2016). Initially destined for 2015, it has seen constant set-backs through breakdowns between the ten participating countries. However, ministers

ESBA Bulletin of 23 September 2016 – Volume 18 – Issue 11

will seek to revive talks on the 9 October 2016. Austrian finance minister, Hans Schelling, reaffirmed the need for clear results arising from the 9 October meeting. As taxation remains delicate in nature, failure to receive unanimity among the EU28 will see Member states adopt it through enhanced cooperation. Failing this mechanism, the FTT will simply become an intergovernmental agreement. The defeat of a European project such as that of the FTT could be costly to French François Hollande, who has been a key backer of the plan. Additionally, Belgium remains a key barrier, which among other issues fears being held responsible for the failure of such a broadly-supported European project. That said, with the departure of the UK, a staunch opponent of the FTT, London's apprehensions will no longer be of concern.

For more information on the proposed Financial Transaction Tax, please click [here](#)

EU/Social Dumping: The European Parliament begins discussions on the hotly debated revision of the Posted Workers Directive

On 14 September 2016, the European Parliament (EP) voted in plenary adopting the report by Guillaume Balas on the topic of social dumping. This adoption marks a significant step for the EP in respect to the phenomenon of social dumping, keeping in mind that a portion of MEPs refused to acknowledge the existence of this phenomenon, claiming that the market regulates itself well enough without regulators' intervention. This report is claimed by the rapporteur on the posted workers file to pave the way for discussion on the revision of the Posted Workers Directive. The Commission decided to uphold its proposal with a Communication in July overruling the subsidiarity concerns expressed by 14 Chambers of National Parliaments' reasoned opinions. The triggering of this procedure demonstrates the division still existing between Eastern and Western members of the EU, with Denmark being the only non-Eastern country to publish a reasoned opinion. It also points to long and difficult discussions to follow in the Council.

For more information on the Posting of Workers Directive, please click [here](#).

EU/Antitrust & Digital Single Market: Commission's warning to businesses e-commerce misuse.

On 15 September 2016, the European Commission released its preliminary report on the inquiry into the e-commerce sector. The Digital Single Market Strategy (May 2015) paved the way for the inquiry, as it sought to ensure better consumer access to goods and services. Overall, the findings confirm the rapidly growing significance of e-commerce, but also point to business practices "that may raise competition concerns." For instance, "over two in five retailers face some form of price recommendation or price restriction from manufacturers". The report then directly asks companies to bring themselves in line with EU competition rules. In other words, the Commission is holding out a carrot for e-commerce businesses to bring their practices in line. If that fails, the Commission will use the stick in form of the antitrust probe. The Commission has opened the public consultation on the report and a final report is expected in 2017 (Q1).

For the press release of the European Commission, please click [here](#).

EU/Trade: CETA's adoption as essential for the EU's reputation as a credible trading partner

On 16 September 2016 during the EU 27 leaders meeting, Artis Pabriks, rapporteur for the CETA agreement at the European Parliament made clear that the adoption of CETA was essential in order to position the European as a credible trade partner. Moreover, he reiterates that CETA was a good agreement that was not threatening to the European Union but rather an economical opportunity to deepen the trade relationship with Canada. The CETA agreement should not be a collateral victim of the anti-TTIP movement as it is an entirely different agreement and European politician should not give into populism by closing the door for trade agreements. CETA holds the potential of increasing by more than 12 billion trade and would open the Canadian market for European SMEs. In

ESBA Bulletin of 23 September 2016 – Volume 18 – Issue 11

the face of the increasing globalisation of the world, turning its back on free-trade agreements is not a viable solution for the European Union and therefore political will is now more than ever needed to make sure the European Union places itself as a good trade partner.

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

PUBLICATIONS

Eurofound: Changes in remuneration and reward systems

On 1 September 2016, Eurofound published a report that examines the different types of supplementary pay schemes, their prevalence in different countries and sectors across the EU and Norway, and their relevance to different groups of employees. Employers may see supplementary employee reward systems as an attractive alternative to fixed monetary pay systems, as it represents a source of flexibility and a tool to attract and retain personnel. Linking employee rewards to business objectives could furthermore foster business performance significantly.\

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

FTI Consulting: Rules of Engagement - The long awaited telecom reform package

On 15 September 2016, FTI Consulting published an overview of the telecom reform package that seeks to explain the challenges, the priorities and the pathway forward. The Commission's objective is to strike a balance between business and consumers to ensure that Europe remains innovative, competitive and connected. In his annual State of the Union speech, president Juncker claimed that adapting the framework to attract investments in connectivity to provide universal wireless access and 5G coverage could help creating 3 million jobs. However, due to the Brexit, immigration and security concerns, the feasibility of a final political agreement by 2018 is questionable.

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

Centre for European Reform: Why a hard Brexit looks likely

On 19 September 2016, the Centre for European Reform published an article that says that, based on recent data, the Brexit vote will not cause a recession. Coupled with the fact that British voters rejected two important principles of the EU (the free movement of low-skilled labour and the supremacy of the EU over British law), this makes a single market exit all but certain. A bilateral trade agreement instead of single market membership would be costly for British services firms, as free movement is the only way that most services can be traded.

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

CONSULTATIONS

Public consultation on the possible revision of the Mutual Recognition Regulation (EC) No 764/2008

DEADLINE: 30/09/2016

With this consultation the Commission seeks the views of all interested parties on: the mutual recognition principle and its possible shortcomings; the functioning of the Mutual Recognition Regulation; potential options to be explored for the revision of the Mutual Recognition Regulation.

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

Main barriers to the cross-borders distribution of investment funds across the EU

DEADLINE: 02/10/2016

ESBA Bulletin of 23 September 2016 – Volume 18 – Issue 11

This consultation supports the creation of a Capital Markets Union, of which a key aim is to foster retail and institutional investment of investment funds. This consultation is part of the Action Plan package and builds upon the replies received to both the CMU consultation and the Commission's recent Call for Evidence on the EU regulatory framework for financial services. The Commission will use this information as a basis for taking action to address the cross-border barriers to distribution.

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

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

DEADLINE: 31/10/2016.

Today 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](#).

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](#).

Consultation on the enhancement of the social legislation in road transport

DEADLINE: 11/12/2016

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

ESBA Bulletin of 23 September 2016 – Volume 18 – Issue 11

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](#).

COMING-UP

26 September - 7 October

26 September	Ordinary meeting of the Committee on Economic and Monetary Affairs (ECON)
26 September	Ordinary meeting of the Committee on International Trade
26 September	Ordinary meeting of the Committee on Employment and Social Affairs
26 September	Ordinary meeting of the Committee on the Internal Market and Consumers Protection (IMCO)
26 September	Committee on Industry, Research and Energy (ITRE)
28 September	Coreper I
28 September	Coreper II
28 September	Digital Assembly 2016: Putting the Digital Single Market at the heart of Europe
29 September	Digital Assembly 2016: Putting the Digital Single Market at the heart of Europe
29 September	Competitiveness Council
29 September	Ordinary meeting of the Committee on the Environment, Public Health and Food Safety
29 September	Ordinary meeting of the Committee on the Internal Market and Consumers Protection (IMCO)
30 September	Environment Council
30 September	Trade Policy Committee (TPC) - Deputies
3/4/5/6 October	RED WEEK - PLENARY
3 October	Informal meeting of employment, social policy and health ministers
4 October	Informal meeting of employment, social policy and health ministers
4 October	Trade Policy Committee (TPC) - Experts (Services and Investment)
5 October	Coreper I
5 October	Coreper II

Other SME-related events

#EUdialogues: CETA? TTIP? Let's have a fact-based discussion

26/09/2016, On-line

On 26 September a debate about TTIP and CETA will take place on-line. The dialogue will be held by Cecilia Malmström, Commissioner for Trade and her stage partner and István Mikola, Minister of State for Security Policy and International Cooperation.

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

Politico Morning Exchange Live with Pierre Moscovici

27/09/2016, Brussels

On 27 September, POLITICO will hold a morning exchange live with Pierre Moscovici, European Commissioner for Economic and Financial Affairs, Taxation and Customs.

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

ESBA Bulletin of 23 September 2016 – Volume 18 – Issue 11

Promoting a Circular Economy on Waste Material: The Way Forward

29/09/2016, Brussels

On 29 September Public Policy Exchange is organising a seminar on the Circular Economy Package in order to discuss about practical solutions to our planet's emerging resource problems. The event represents an opportunity for experts, policy makers, industries, NGOs and other key stakeholders to discuss the latest European regulatory policies on the Circular Economy Package.

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

Opportunities and Threats of the Digital Economy

3/10/2016, Brussels

On 3 October the Egmont Institute in cooperation with the UN Association-Belgium (APNU) is organising an event which focuses on the digitalization of the economy and the development of various forms of collaborative economy.

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

E-commerce with Claire Bury, Deputy Director-General, DG Connect

4/10/2016, Brussels

On 4 October, in conjunction with the 2nd DSM package and the upcoming changes on E-commerce, the British Chamber of Commerce in Belgium will welcome Claire Bury, Deputy Director-General in DG Connect, to discuss E-Commerce.

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