

30 May 2008

## **MEETING WITH MR HOLMQUIST (DG INTERNAL MARKET) ON CURRENT ISSUES IN THE FIELD OF INTERNAL MARKET 6 JUNE 2008**

### **Company law**

#### **1. EPC**

- BUSINESSEUROPE strongly believe that this optional tool will provide SMEs with a legal form suited to their specific needs and size, contributing more effectively to the development of the Internal Market. A simplified common European legal form will help these companies to reduce the costs they currently incur when going cross-border, while gaining from increased legal certainty. This should also motivate SMEs to expand their businesses beyond national borders.
- BUSINESSEUROPE has adopted its response to the Commission consultation on 5 November and keeps permanent contact with the Commission Services.
- We now look forward for the Commission proposal foreseen on 2 July.

#### **2. Simplification**

- BUSINESSEUROPE is happy that the Commission is pursuing this exercise on a case-by-case approach through the revision of the obsolete rules in force in order to eliminate requirements that overlapped and proved extremely burdensome for companies;
- We welcome in particular the simplification proposals published by the Commission in April concerning the 1<sup>st</sup>, 11<sup>th</sup>, 4<sup>th</sup> and 7<sup>th</sup> company law directives which fall under the Commission proposals for fast-track administrative burdens reduction in 2008.;
- We now look forward to further proposals presented on the Commission Communication of last Summer mainly regarding:
  - the reporting requirements under the Third and Sixth Company Law Directives on the merger and division of public limited liability companies;
  - the revision of SE regulation whereby the registered office of an SE shall be located in the same Member State as its head office, and which should aim at increasing corporate mobility of SEs;
  - the introduction of micro-entities and their exemption from publication requirements.

- The discussion on instruments that would improve the development of business in the Internal Market should also be part of the simplification exercise such as the 14<sup>th</sup> Company Law directive on the transfer of registered seat which should allow a real degree of corporate mobility in the EU;

### **Intellectual Property: Reform of Patent System in Europe**

It is imperative that the patent reform debate in Europe focuses on quality, cost-effectiveness and legal certainty.

- The upcoming French presidency should continue the efforts of the Slovenian and the previous EU presidencies to reach an agreement on the principles of a European integrated patent court system as well as the Community Patent.
- Any solution on a European common patent litigation system must bring real improvements for companies compared with the current situation. Any new European patent litigation system must deliver the highest quality, cost-effectiveness, efficiency, legal certainty and reliability.
- A truly unitary Community Patent fully meeting users' needs in terms of costs, quality and legal certainty is also necessary in order to boost Europe's innovation capacity.

### **National Transposition of Services Directive**

- In time and correct national transposition and implementation of the Services Directive must continue to be a top priority.
- Only a high quality transposition of the directive will contribute to the better functioning of the single market and deliver its proposed benefits.
- Only a year and half is left (till December 2009), priority should focus on:
  - Creation of fully operational points of single contact which provide information and facilitate completion of necessary formalities.
  - Comprehensive screening of national regulations resulting in genuine administrative simplification. We are concerned about pro forma national screenings that seek to preserve the status quo.
  - Provision of efficient and interoperational electronic procedures.
  - Close cooperation with the private sector which copes on a daily basis with regulations.
  - Better administrative cooperation and mutual assistance among national authorities.
- BUSINESSEUROPE is preparing a report on the national transposition of the services directive and will present it in an event under the French Presidency in November.

## **Accounting**

### **1. EFRAG**

- There are developments to provide for some sort of Community funding for EFRAG. This funding will be complementary to the existing funding from the founding fathers and national funding mechanisms.
- For Community funding to be approved by the European Parliament and Members States, the governance and transparency of EFRAG must be improved. In this context, discussions with national standard setters are ongoing. A consultation document from EFRAG about a new structure and working arrangements may be available by mid-July (EFRAG Plus Enhancement Proposal).
- The Commission aims at making concrete proposals before or just after the summer (in time for the Parliament to deal with it before their elections). However, even if this timing would be respected it will not be before 2010 before there will be any Community funding.

### **2. IASB**

- The IASCF has also started discussions about their governance. The Trustees have launched the second five-yearly Constitution Review and completed proposals for consultation on the creation of a Monitoring Group and the size and composition of the IASB. The IASCF has also taken decisions to strengthen the IASB's due process by carrying out ex ante impact assessments and ex post reviews of new standards and interpretations, as well as by publishing feedback statements.
- The US decision to abandon the US GAAP reconciliation for foreign private issuers with IFRS financial statements also puts pressure on the IASB to take better account of European interest because the SEC only accepts IFRS as adopted by the IASB and not the changes (carve-outs) that have been approved by the European legislator (IFRS as adopted by the EU).

## **Consumer Policy**

### **1. Collective Redress**

- This debate is developing at EU level with action being taken by both DG Comp and DG Sanco; The possible adoption of a collective redress instrument at EU level is being discussed;
- Although we favour adequate means of redress for consumers, we do not believe that there is a justification for an EU judicial instrument. It could conflict with existing national judicial systems and prompt substantial changes to them;

- Moreover it could encourage a litigation culture which we do not want in Europe. It would be extremely damaging for European companies' competitiveness if, even progressively and indirectly, some features of the US system were progressively imported into Europe. This is why we are worried about eventual EU action.

## **2. Future Directive on Consumer Contracts**

- For BUSINESSEUROPE, any action in this field should respect the better regulation principles and ensure legal certainty for companies. To this end, targeted full harmonisation is the way forward to provide a level playing-field and reduce national fragmentation. Any proposals should be backed up by impact assessments based on a competitiveness test and, finally, the process must be open and transparent with full consultation of stakeholders;
- The Commission is currently preparing the impact assessment on the future directive. It will be assessed by the Impact Assessment Board in June. Subsequently a proposal for a directive would be prepared for adoption by the College of Commissioners and presented officially before the end of the year.

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