



Policy Café at the European Parliament

Small Business Act for Europe: What is next?

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Objective:

- Influence EU policies to foster entrepreneurship and SME growth

Priorities:

- Raise BUSINESSEUROPE profile on entrepreneurship and SME issues
- Follow closely entrepreneurs' needs and expectations in Europe
- Advocate an SME-friendly dimension for all relevant community policies and coherent implementation of the “Think Small First” principle
- Cooperate with other European organisations



Small Business Act

Background:

- Commission Communication on 25 June 2008
 - 10 principles
 - 4 legislative proposals: European Private Company statute / reduced VAT / late payment / block exemptions

BUSINESSEUROPE's position:

- We strongly supported the SBA proposal since its inception
- We called on the EU Council to give it the highest political backing
- We stressed two issues:
 - Effective **implementation** at national and EU level will be key
 - The SBA should be integrated in the **Lisbon reporting**



Small Business Act

Latest developments at EU level:

- Competitiveness Council on 1-2 December asked for the highest political commitment and proposed a specific action plan
- EU Council on 11-12 December endorsed the action plan

BUSINESSEUROPE's activities:

- SBA event on 18 September
- Letters to the Competitiveness Council

Next steps:

- Maintain pressure for rapid adoption of the 4 legislative proposals
- Monitor and assess on a regular basis the implementation of the SBA



Existing barriers in the Single Market

- Regulatory obstacles:
 - Legal uncertainty (e.g. late/incorrect national transposition, inconsistency among EU laws)
 - National fragmentation (e.g. tax, consumer law)
- Incorrect enforcement:
 - Lack of cooperation between national authorities
 - Divergent application of mutual recognition
 - Inadequate customs policy
 - Insufficient market surveillance
- Labour-market costs and rigidities (e.g. insufficient mobility of workers, lack of skilled workforce)
- Lack of information and awareness on the Single Market (e.g. on SOLVIT problem-solving tool)
- Difficult access to finance and procurement opportunities



Concrete proposals to deliver tangible benefits for SMEs

- Correct transposition of the services directive
 - Member States have until 28 December 2009
- Adoption of the European Private Company statute
- Creation of a more SME-friendly environment:
 - better regulation
 - more entrepreneurial mindset / education
 - implement flexicurity principles
- Better taxation to reduce compliance costs and double taxation
 - Creation of uniform invoicing and reporting requirements across the EU, facilitation of electronic invoicing for VAT purposes
 - Creation of a one-stop shop allowing companies to file VAT obligations for all their EU operations in a single access point



European Private Company Statute (EPC)

The Commission proposes an optional instrument tailored to SMEs' needs:

- Accessible to natural and legal persons
- Based on contractual freedom
- Possible to set up from scratch with minimum capital of €1
- Absence of cross-border requirement to motivate SMEs to go cross-border

Impact on SMEs:

- A genuine European company – European label will reinforce SMEs' presence on international markets;
- The statute will simplify cross-border mergers and transfers of seat, facilitating mobility within the Internal Market;
- The statute will reduce administrative and financial burdens in particular to go cross-border (legal and advisory fees € 10,000-30,000 or more).



Background and state of play

- **Commission:** proposal part of the SBA
 - **European Parliament:** Lehne report (consultation procedure)
 - Adopted by JURI Committee on 20 January 2009
 - Vote in plenary foreseen in March 2009
 - **Council:** on-going technical discussions, but difficulties to reach a political agreement on:
 - a “cross-border requirement”
 - minimum capital requirement
 - rules concerning the information and consultation of employees
- **BUSINESSEUROPE supports the initial EPC proposal**



Reform of the patent system in Europe

Benefits for SMEs

- Common patent court system
 - end divergent national systems that produce conflicting decisions
 - reduce costs
 - increase legal certainty
- Community Patent
 - unitary patent protection in the EU
 - reduced protection costs for companies
 - easier enforcement
 - enhanced legal certainty



Reform of the patent system in Europe

State of play:

- No political agreement reached among Member States so far
- Spain and Italy oppose current proposals mainly on languages
- Czech presidency will continue technical work with the Commission

BUSINESSEUROPE supports:

- a common patent court system, that brings considerable improvements for companies;
- a Community Patent that fully meets users' needs in terms of quality, legal certainty and cost-effectiveness.

