



Mr José Manuel Barroso
President of the European Commission
European Commission
200 Rue de la Loi
1049 Bruxelles

21 February 2012

Dear President,

I write to you regarding the Commission report "Minimising regulatory burden for SMEs – Adapting EU regulation to the needs of micro-enterprises". As the report rightly points out, small and medium-sized enterprises (SMEs) play a key role in Europe's economic growth and we are pleased to see that the Commission intends to step up its support for their development. Continuing efforts to minimise regulatory burdens are crucial in this respect.

We welcome the Commission initiative to further emphasise the need to "Think Small First" and to strengthen the application of the SME test in the impact assessment in order to identify possible exemptions or burden reductions for SMEs and in particular micro-entities. We trust that this approach will constitute an additional step towards a structural and cultural change in thinking about the need for certain legislation. Experience with reducing regulatory burdens shows that the necessary change in thinking can only be achieved through concrete objectives. We note that it is set out in the report that for a number of public policy reasons (linked to areas such as health and safety) there are obligations that should be fulfilled by all companies. We thus understand that the objective is to promote a standard impact assessment methodology rather than an automatic exemption concept.

We therefore support the policy outlined in the report but would like to emphasise that exemptions and lighter regimes should at all times be considered, regardless of the size of a company. In the appendix to this letter, we set out some key elements of such an approach. We are convinced that the Commission report will provide a valuable contribution to the on-going debate on how to devise smarter legislation in the EU and we look forward to continue taking part in these discussions.

Yours sincerely,

Philippe de Buck



APPENDIX

Commission report “Minimising regulatory burdens for SMEs – Adapting EU regulation to the needs of micro-enterprises”.

- *Exemptions and lighter regimes*

BUSINESSEUROPE supports the Commission preparing future legislative proposals on the premise that in particular micro-entities should be excluded from the scope of the proposed legislation unless the proportionality of them being covered can be demonstrated.

Comprehensive impact assessments should always consider the costs and benefits of different options including a ‘do-nothing’ option. Exemptions and lighter regimes should thus at all times be considered, regardless of the size of a company.

Similarly, impacts on the functioning of the single market, competition, global competitiveness, trade flows, production costs, value chains, and impediments to growth of (exempted) businesses should always be assessed and considered when concrete legislative proposals are made. Moreover, it is essential to also consider the risk level linked to the company’s activity along with the dimensional criterion.

These assessments will then facilitate the subsequent appraisal of the legislative proposal in question by the legislator and stakeholders.

- *Consultation and stakeholder involvement*

BUSINESSEUROPE supports strengthening the involvement and consultation of small businesses in better law-making but better involvement and consultation should be the aim with respect to all companies, large and small.

Comprehensive stakeholder consultation in the impact assessment process is crucial to preparing high-quality assessments and it is thus vital that all relevant stakeholders can provide input and that there is sufficient publicity or time afforded to the process.

Similarly, close cooperation with relevant stakeholders and consideration of their input is also of utmost importance in the context of simplification and burden reduction. Businesses can provide and have been providing the Commission with concrete suggestions for simplification and administrative burden reduction but often no, or limited, feedback was given on how the Commission intended to deal with the suggestions. Businesses should be more closely involved than before with respect to the identification of smart regulation proposals and their subsequent progress throughout the legislative process.

Consultations which seek direct input from SMEs such as within the Enterprise Europe Network (EEN) must take place in full respect of the important role of representative business organisations and the social partners, in particular in the framework of the Social Dialogue.

- *Scoreboard*

BUSINESSEUROPE supports establishing a scoreboard which will show all exemptions and lighter regimes for SMEs and micro-entities proposed by the Commission as well as other proposals where the impact on smaller operators has been identified as a major factor.

Information about the progress throughout the legislative process and subsequent national implementation of these proposals is very useful but such information would also be very useful for other legislative proposals.

BUSINESSEUROPE thus suggests that scoreboards also shows progress and implementation information of other burden reduction proposals. Often insufficient feedback is given about the progress of these measures.

Additionally, scoreboards should also show relevant national developments with respect to burden reduction and impact assessments in order to monitor progress on smart regulation in general at national level.

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