

# EUROPEAN PARLIAMENT

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*Committee on Economic and Monetary Affairs*

**2008/2237(INI)**

15.12.2008

## **OPINION**

of the Committee on Economic and Monetary Affairs

for the Committee on Industry, Research and Energy

on Small Business Act  
(2008/2237(INI))

Rapporteur (\*): Gunnar Hökmark

(\*): Associated committee - Rule 47 of the Rules of Procedure

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## SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Underlines that the application of the "Think Small First" principle at Community, national and local level requires the consistent implementation of the internal market rules and the Services Directive<sup>1</sup> and an efficient and specific follow-up by the Commission and the Member States as part of the annual reports on the Lisbon Strategy in order to ensure that all obstacles are eliminated in accordance with those rules and in keeping with the needs of small enterprises; and calls for a horizontal inquiry regarding the conditions for small and medium-sized enterprises (SMEs), corresponding to the sector enquiries made by the Commission in regard to various business sectors, to be conducted with a view to facilitating fair and open competition for small and medium-sized enterprises (SMEs) all over Europe, in close cooperation with their representative organisations; in that connection, emphasises that the Small Business Act introduces guidelines, which are designed to act as practical benchmarks, rather than binding rules;
2. Stresses the key role of SMEs in Europe's economic and social fabric and the vital need for them to benefit from the opportunities offered by the internal market, demographic and technological change, and the challenges of the environment and globalisation, with a view to meeting the goals of the Lisbon Strategy;
3. Stresses that a suitable policy of legislative simplification, reduction of overheads, elimination of administrative costs, introduction of new technology and operational facilitation should help boost the efficiency of SMEs and micro-enterprises, as well as promoting fairer competition on the internal market;
4. Believes that the information to be supplied by SMEs and micro-enterprises to administrations, the public and the market should be in line with criteria of general interest and strict proportionality;
5. Stresses the need to promote enterprise culture and a favourable business climate with a view to unleashing the full potential of SMEs;
6. Calls for increased efforts to be made in implementing mutual recognition in order to facilitate the cross-border activities of SMEs; believes that there should be a common consolidated basis for company taxation; calls for the establishment of a 'one-stop-shop' for VAT in order to make it possible for entrepreneurs to fulfil their responsibilities in the business country of origin;
7. Believes that SMEs, and in particular micro-enterprises, should be taxed in a way that reduces administrative efforts as far as possible, in such a way as to facilitate the start-up phase and encourage innovation and investment throughout their lives;

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<sup>1</sup> Directive 2006/123/EC of 12 December 2006 on services in the internal market (OJ L 376, 27.12.2006, p. 36).

8. Believes that the transfer of SMEs should be made easier, especially in cases of retirement or illness of the owner and transfer to relatives or heirs;
9. Calls for better access for SMEs to public procurement through tenders designed in a way to make the utmost use of small companies as well as the opening up, where possible, of services to public tenders while preserving general interest and the principle of subsidiarity;
10. Stresses the need for the following in order to facilitate SME participation in public procurement: relevant and proportionate qualification criteria in the specific tender, the division of tenders into smaller lots, and access to tender information in order to enhance the transparency of tender procedures;
11. Acknowledges that the widespread use of late payments, also from publicly funded bodies, creates a large-scale problem for SMEs since they are vulnerable to variations in cash flow;
12. Welcomes the ongoing review of Directive 2000/35/EC of the European Parliament and of the Council of 29 June 2000 on combating late payment in commercial transactions<sup>1</sup> and insists that the SME perspective is taken fully into account, reducing the occurrence and the abuse of late payments would facilitate for SMEs to use the full potential of the internal market to greater effect;
13. Underlines the importance of a Statute for a European Private Company as a new, additional legal form; provided that it is focused on SMEs that intend to engage in cross-border activities and cannot be misused by larger companies, to undermine and circumvent legal provisions in the Member States that foster a system of corporate governance that takes into account the interests of all stakeholders;
14. Calls for an increase in funding for innovation within the scope of the Competitiveness and Innovation Framework Programme and for better access for SMEs to such funding to be ensured via the European Institute of Innovation and Technology; calls on the Commission, furthermore, significantly to reduce red tape within the 7th Framework Programme in order to ensure better access for SMEs;
15. Urges Member States to direct more regional funds to research and development and to include SMEs to a greater extent in the respective programmes;
16. Stresses that dynamic financial markets are essential for the financing of SMEs and underlines the need to open up European risk capital markets by improving the availability of and access to venture capital, mezzanine finance and micro-credit; for this reason considers that, in normal circumstances, SMEs should have access to credit provided by actors on the capital markets that can assess their prospects and cover their needs more effectively;
17. Notes that no analyses have been carried out at Community level to measure the impact of the various forms of Community funding of SMEs and the benefits that SMEs have

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<sup>1</sup> OJ L 200, 8.8.2000, p. 35.

derived from that funding; reiterates its call that the Commission carry out such analyses; regards it as fundamental that the rules and procedures governing access of the various categories of SME to such forms of funding and the relevant programmes should be simplified to the greatest extent possible; to that end, calls on the Commission to hold talks with the organisations representing SMEs in an effort to eliminate the obstacles encountered;

18. Supports the decision taken by the Council and the European Investment Bank to adopt a series of reforms to broaden SME finance products by the EIB group as well as offer a substantial development of its global loans to its banking partners, both in quantitative and qualitative terms;
19. Calls on the Commission to find suitable ways of monitoring more effectively the use made by intermediary financial, banking or administrative bodies of Community funding intended for small enterprises and micro-enterprises, and to ensure that all the funding in question reaches those undertakings, within a reasonable time-frame;
20. Is of the opinion that any new legislation, for example to avoid delays in the field of payments, copyright, company law or competition law (such as the rules adopted to facilitate obtaining data in private suits taken out over anti-competitive behaviour or those arising from the State aid General block exemption Regulation<sup>1</sup>), should be formulated in such a way so as not to discriminate against SMEs but, rather, to support them and the provision of their services across the internal market;
21. Considers that the Commission's proposals lack a clear strategy for self-employed persons to improve their legal status and rights, particularly if their position is comparable with salaried employees; calls on the Commission to guarantee self-employed persons the right to agree standard tariffs, to organise themselves, and to conclude collective agreements, if their counterpart is a large principal with a dominant position, provided that this does not harm less powerful potential clients and does not cause market distortions;
22. Stresses the importance of progress in trade negotiations which would further reduce regulatory barriers to trade, which affect SMEs disproportionately;
23. Takes the view that all legislation concerning SMEs must be supportive of their growth and must not create artificial limits for their ability to take the lead in the development of European economy; in that context, stresses the need to take account of their diversity, in particular the diversity of the craft and small enterprises which make up 98 % of the economy of the European Union, drawing on assistance from their representative organisations and providing responses tailored to their specific needs; calls, therefore, for the 'SME test' to incorporate procedures such as cost-benefit analyses or the regular consultation of interest groups;
24. Calls on the Commission to stimulate simplification and harmonisation of company law

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<sup>1</sup> Commission Regulation (EC) No 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General block exemption Regulation (OJ L 214, 9.8.2008, p. 3).

and, in particular, accounting rules within the internal market in order to reduce the administrative burden for SMEs and increase the transparency for all relevant stakeholders; urges the Commission to promote strongly the use of new technology such as XBRL by presenting a roadmap for introducing XBRL reporting in the European Union with a view to making it mandatory within a reasonable time frame and to promote and support wide use of this open standard;

25. Stresses that the Small Business Act must aim to reduce hindrances for start-ups as well as for self-employed entrepreneurs while at the same time facilitating growth and the emergence of new businesses, providing means and opportunities for innovative processes and competitiveness in European industries;
26. Stresses that the planned introduction of a directive on reduced VAT rates for labour-intensive and locally supplied services must not lead to a distortion of competition and must not be ambiguous regarding which services are concerned;
27. Calls on the public administrations in the Member States to create, on a coordinated basis, offices to serve as 'one-stop shops' offering support services and exchange of best practices for SMEs;
28. Calls, to that end, for Community legislation to be drafted in such a way as to reflect the needs of the majority of enterprises and that this principle should be established as a binding rule, in a form to be determined, but one which would require Parliament, the Council and the Commission to ensure that the priorities inherent in the "Think Small First" principle are properly applied at Community level; calls for the intermediate representative organisations concerned to be directly involved in legislative processes at all levels; urges the Member States to implement this principle in national and regional legislation;
29. Calls for the Small Business Act to take account of cooperative arrangements among SMEs (buying and marketing groups), since such groups have been shown to be less at risk of insolvency than individual enterprises;
30. Deplores Member States' practice of 'gold plating', which is particularly harmful for SMEs, and calls upon the Commission to investigate what further measures might be taken to prevent it, including the introduction of a right of direct action for citizens; calls for follow-up impact assessments, analysing how decisions are in fact implemented in Member States and at local level;
31. Calls for the creation, on a structured basis, of mechanisms for dialogue, consultation and participation between SMEs and their representatives and the public authorities;
32. Calls on the Commission to draw up an annual report on SMEs, systematically presenting and commenting on the main data for the sector, with a view to establishing SMEs' situation, following their evolution and determining how far they are meeting the objectives set for the sector;
33. Calls on the Commission to add indicative timetables to the large number of actions proposed in the Small Business Act, in order to report annually on the achievements

made and thereby ensure that progress is properly monitored.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	11.12.2008
<b>Result of final vote</b>	+: 28 -: 0 0: 1
<b>Members present for the final vote</b>	Zsolt László Becsey, Pervenche Berès, Sharon Bowles, Udo Bullmann, Manuel António dos Santos, José Manuel García-Margallo y Marfil, Robert Goebbels, Donata Gottardi, Louis Grech, Benoît Hamon, Wolf Klinz, Christoph Konrad, Sirpa Pietikäinen, John Purvis, Bernhard Rapkay, Heide Rühle, Antolín Sánchez Presedo, Olle Schmidt, Margarita Starkevičiūtė, Ieke van den Burg, Sahra Wagenknecht
<b>Substitute(s) present for the final vote</b>	Mia De Vits, Janusz Onyszkiewicz, Bilyana Ilieva Raeva, Theodor Dumitru Stolojan, Kristian Vigenin
<b>Substitute(s) under Rule 178(2) present for the final vote</b>	Michael Gahler, Monica Giuntini, Catuscia Marini