



HEADLINE

EU/Digital Single Market: The DSM Report paves the path towards innovation in the digital world -The ban on geo-blocking one of the main concerns for European Parliament

The Digital Single Market Strategy, adopted by the European Commission in May last year, is slowly and steadily being implemented. Some of the 16 actions included in the Strategy have already been addressed via a series of legislative proposals; others have yet to be discussed and presented. In the meanwhile, the European Parliament has launched an Own-Initiative and asked several Committees to express their concerns and advices on the Commission's communication. What emerged from this widened debate was a comprehensive report that was approved by 551 to 88 in Plenary on 19 January 2016.

Amongst the various recommendations contained in this parliamentary effort, MEPs asked the Commission for new measures to end unjustified geo-blocking practices, so as to improve EU consumers' access to goods and services. Geo-blocking consumers' online access to goods and services on the basis of their IP address, postal address or the country of issue of credit cards is unjustified and it must stop. The report also addressed some of the most controversial issues that the ban of geo-blocking might introduce. Article 35 stresses threat a ban on geo-blocking should never oblige retailers to deliver goods from their web shops to certain Member States when they have no interest in selling their products everywhere in Europe.

As Kaja Kallas, co-rapporteur, stated in an interview to Euractiv published on 19 January 2016, the report comes at the right time. The need for regulation in the fields covered by the Digital Single Market Initiatives require legal certainty to allow for companies to invest and help Europe achieve global leadership in the digital realm.

ESBA welcomes the Parliament's report and supports the views of Ms. Kallas. ESBA Secretary General Patrick Gibbels said: "Most micro and small businesses, when venturing into export, start by trading with one or two additional countries, mostly neighboring Member States. The company may then organically grow and incorporate further Member States which, eventually, may lead to trading across the EU. If, however, venturing into exports means having to trade within *all* 28 Member States, many small businesses will be dissuaded from exporting altogether, significantly hampering the development of the Single Market. We understand that the Commission is trying to forge a true and working Single Market and it wants traders to commit to this, but the conditions must be set first, before expecting traders them open up for all 28 Member States. The truth is that there are still many barriers to doing so; language, different legal systems, 28 different VAT regimes, and so on. Once these barriers are lifted, businesses will naturally start trading across the EU. Not because the Commission tells them to, but because it makes good business sense".

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IN BRIEF

EU/Entrepreneurship: More focus on ‘solopreneurs’ in EU legislation

On 20 January 2016, the European Forum of Independent Professionals stated, in an article, that solo-entrepreneurs are the fastest growing segment of the EU labour market and cover a wide range of sectors which makes them extremely diverse. Not only are they a driving force behind growth and innovation, but this group is also associated with an improved work-life balance, job quality and professional satisfaction. This development requires European legislation to put more focus of these solopreneurs, for example by applying the SMEs Test and the “Think Small First” approach in impact assessments. The upcoming EU Directive on the Single-Member Companies might be the right time to address the issue of solopreneurs and create a better environment for them in the EU.

EU/Presidency: Dutch MEPs hope for more unified European approach and more enforcement

On 20 January 2016, the Dutch Prime Minister Mark Rutte and the European Commission President Jean-Claude Juncker discussed the Dutch Presidency of the Council priorities with the MEPs. Ahead of the discussion, several Dutch MEPs shared their expectations. MEP Esther de Lange (EPP) hopes for more European unity, decisiveness and concrete results in the next six months. Paul Tang (S&D) called for European approaches and a focus on shared interests and common values. Peter van Dalen (ECR) praises the Dutch focus on enforcement of existing legislation. He furthermore emphasised that efforts should be made to keep the UK in the EU. Hans van Baalen (ALDE) highlighted the Dutch focus on the internal market and international trade, given that economic growth could help solve Europe’s problems. Anja Hazekamp (GUE/NGL) stated that the Netherlands should focus on values of tolerance, compassion and sustainability. Bas Eickhout (GREENS/EFA) expects the Netherlands to be a guiding country that improves the European approach. Lastly, Marcel de Graaff (ENF) assumes that nothing will happen during the Dutch Presidency and criticized the Dutch government and how it ‘follows orders’ from Brussels.

To read the ESBA Guide to the Dutch Presidency of the Council, please click [here](#).

EU/Security: SMEs often lack ‘physical’ security systems

On 19 January 2016, the access control and smart card specialist Digital ID published the results of its study on SME security. The study shows that a large part of UK SMEs lack ‘physical’ security: 59 percent of SMEs only use locks and security lights for their business. Additionally, SMEs have very little or no visitor security. Of the businesses, 41 percent have complex security measures in place in the form of ID cards and restrictive access gates. However, more than 66 percent of the SMEs claimed they were willing to invest up to £10,000 in security measures. Digital ID argues that small businesses, at the very least, need cyber security and control in areas where goods are stored. If not, SMEs face serious security breaches where goods, equipment and important data, such as intellectual property and payment details, can be stolen. This could seriously harm a business’ reputation.

EU/Taxation: Steps are being taken towards corporate taxation reform

On 11 January 2016, the Special Committee on Tax Rulings and the Economic and Monetary Affairs Committee discussed the future of corporate taxation reform. While internationally steps have been taken in the OECD and G20 against base erosion and profit shifting (BEPS), MEPs urged Commissioner Pierre Moscovici to go beyond these measures. Already initiatives are under way for the Action Plan on Corporate Taxation, Consolidated Common Corporate Tax Base’ (CCCTB) and an anti-tax avoidance package will be published by the end of January. Moreover, the Commission will start

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with an anti-BEPS Directive at the same time and has proposals planned for country-by-country reporting of profits by Member States in the spring of 2016.

To read more about developments in corporate taxation reform, please click [here](#).

EU/Digital: SMEs can benefit from secure online payment technology as part of PAYPLUG LABS

On 13 January 2016, the European Commission reported on the EU-funded project PAYPLUG LABS, which was launched in June 2015 and is coordinated by the French start-up PayPlug. The project aims to provide simple and secure online payment methods so that SMEs can fully benefit from the e-commerce market. PayPlug addresses the barriers to e-commerce that it observed, for example the complexity of setting up online payments and concerns about credit card fraud. Since its launch, PayPlug has made online payments easier and more accessible for SMEs by reducing the costs and by providing fraud protection. The technology it uses detects risky vendors and registers legitimate businesses. Since the project launch, PayPlug has been able to introduce a number of trial online payment systems.

For more on the PayPlug project, please click [here](#).

EU/Finance: UK SMEs suffer from hidden bank charges on international transfers

On 13 January 2016, Money Mover, an online currency exchange and international payment service, published the results of a study into bank charges on international transfers. The study shows that the major UK banks fail to provide their SME customers with knowledge, transparency and visibility in their international transfers. Transparency is the key problem, because most SMEs are not aware of the bank charges until after the transfer. For example, when an SME makes a European transaction of £75,000, 96 percent of the bank's revenue is hidden in costs added to the exchange rate. This is known as 'spread' and is additional to the upfront fees banks claim on transfers. This spread costs UK SMEs almost £4 billion a year.

To read the report by Money Mover, please click [here](#).

EU/Finance: SMEs will increasingly benefit from diverse funding options in 2016

On 9 January 2016, Moody's Investors Service reported that in 2016 SMEs and mid-cap companies will have more diverse funding options at their disposal. Moody's predicts that bank lending will improve while alternative marketplace lending platforms will also expand in Europe. As a result, SMEs will benefit from a wider range of financing options at different costs. This development is made possible by low interest rates, which allows marketplace lenders to bring in capital to expand. However, a stagnant economy could harm the credit quality of marketplace loans. Another forecast made by Moody's is that especially German SMEs will continue to favour bank lending, because terms and conditions for new loans have become more favourable.

For more on SME access to finance, please click [here](#).

PUBLICATIONS

Friends of Europe: Scotland and Brexit: shockwaves will spread across EU

On 7 January 2016, Friends of Europe published a paper which elaborates on what would happen in Scotland if the UK as a whole votes for Brexit while Scotland votes strongly to stay in the EU. Scotland will find itself on the horns of a dilemma - there will be major political and economic costs to leaving the EU, but also significant costs if the rest of the UK is outside the EU while an

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independent Scotland remains inside, with the EU's external border then running between England and Scotland.

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

ECIPE: The EU and China: Redressing: An Unbalanced Relationship

On 11 January 2016, the European Centre for International Political Economy (ECIPE) published a paper on the relationship between China and Europe is unbalanced, with the scales weighted mostly, though not entirely, in China's favour. It argues that that imbalance owes less to Chinese strength, which is often over-rated abroad, than to European weaknesses - mostly self-inflicted.

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

CER: The Brexit equation: EU minus UK = ?

On 22 January 2016, the Centre for European Reform (CER) published an article on how Brexit would change the EU as well as the UK. Most discussions of the UK's possible exit from the EU focus on what Britain would be like afterwards: whether it could trade more freely with the world, escape EU regulations and reduce immigration. Equally important, however, is what the EU would be like afterwards; and how in turn this might affect post-Brexit relations between the UK and the EU.

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

CONSULTATIONS

Streamlining monitoring and reporting obligations in environment policy

DEADLINE 10/02/2016

The objective of this consultation is to help the Commission to validate the principles such as proportionality, accessibility and relevance that it should use for assessing environmental reporting requirements; gather views regarding whether reporting requirements are in line with those principles; and gather evidence on current shortcomings, overlaps and potential improvements that should be examined during the process.

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

Public consultation on empowering the national competition authorities to be more effective enforcers

DEADLINE 12/02/2016

The European Commission is consulting stakeholders on how to empower the national competition authorities (NCAs) to be more effective enforcers. The Commission would like to gather views on how to ensure that NCAs: (i) can act independently when enforcing EU competition rules and have the resources and staff needed to do their work; (ii) have an adequate competition toolbox to detect and tackle infringements; (iii) can impose effective fines on companies which break the rules; (iv) and have leniency programmes, which encourage companies to come forward with evidence of illegal cartels, that work effectively across Europe.

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

Public consultation on possible action addressing the challenges of work-life balance faced by working parents and caregivers

DEADLINE 17/02/2016

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In August 2015, the Commission published a Roadmap for the initiative ‘A new start to address the challenges of work-life balance faced by working families’ to replace the 2008 Commission proposal to revise the 1992 Maternity Leave Directive. The purpose of this consultation is to gather views on the development and implementation of a range of possible tools at EU-level to support work-life balance.

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

Green Paper on retail financial services: better products, more choice, and greater opportunities for consumers and businesses

DEADLINE: 18/03/2016

The Green Paper seeks the views on how to improve choice, transparency and competition in retail financial services to the benefit of European consumers. It also inquires on how to facilitate cross-border supply of these services, so that financial firms can make the most of the economies of scale in a truly integrated EU market. Finally, it is discussing the impact of digitalisation on retail financial services with a view to allow for growth of innovative solutions in this area in the EU.

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

Public consultation on the evaluation and modernisation of the legal framework for the enforcement of intellectual property rights

DEADLINE: 01/04/2016

With this consultation the Commission seeks views from all interested parties, in particular rightholders, the judiciary and legal profession, intermediaries, public authorities, consumers and civil society, on the question if the legal enforcement framework is still fit for purpose.

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

COMING-UP

EU Institutions: important dates

27 January 2016	COREPER I
27 January 2016	COREPER II
27-28 January 2016	Informal Meeting of Competitiveness Ministers
28 January 2016	European Parliament Committee Meetings
01-04 February 2016	European Parliament Committee Meetings
01-04 February 2016	European Parliament Plenary Session
03 February 2016	COREPER I
03 February 2016	COREPER II
04 February 2016	COREPER II
05-06 February 2016	Informal Meeting of Foreign Affairs Ministers

Other SME-related events

Building Bridges between Finance and SMEs

27/01/2016, Brussels

On 27 January 2016, the EU Federation for Factoring & Commercial Finance is organizing an event with the intent of bringing together members of the European Parliament, European Commission, Financial industry and SME's representatives to exchange views on the financial issues that SMEs face when seeking access to finance.

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

Business Challenges in China, E-Commerce and IPR 28/01/2016, Brussels

On 28 January 2016, the Inter-Chamber SME working group will be holding an event to encourage an exchange of views between SMEs and SME organizations on the challenges and the benefits of conducting business in China. Representatives from Eurochambers, EU-China Business Association and European Chamber will be present at the meeting.

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

Capital Markets Union: The key to unlocking financing in Europe? 02/02/2016, Brussels

On 02 February 2016, Politico and L'AGELFI will organized an event in which they will host an in-depth debate on the practical and political implications of the CMU in Europe. The various financing options available for SMEs will be at the centre of the debate.

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

The Sharing/Collaborative Economy 10/02/2016, Brussels

On 10 February 2016, Bruegel is organizing an event on the collaborative economy model. During the course of the event various themes will be debated such as: What is the value-added to the economy by the operation of collaborative economy platforms? How companies can raise the necessary safeguards related to privacy concerns.

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