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Smart Regulation - Responding to the needs of small and medium-sized
enterprises

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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

Smart regulation - Responding to the needs of small and medium - sized enterprises

{SWD(2013) 60 final}

Smart Regulation – Responding to the needs of small and medium-sized enterprises

1. Introduction

Small and medium-sized enterprises form the backbone of the European economy, contributing significantly to innovation, growth and job creation. In the EU, some 20,7 million SMEs employ 67% of the private sector workforce. A recent study has shown that 85% of net new jobs in the EU between 2002 and 2010 were created by SMEs. This clearly indicates their importance for economic growth and job creation in Europe.¹

SMEs can thrive best in a business environment in which regulation respects the specific needs of SME while pursuing its policy objectives. Regulation is necessary for the Single Market, creating a level playing field by ensuring fair competition, contributing to human health and safety and protecting the environment, workers and consumers. It is a vehicle through which EU public policy aims are achieved bringing benefits to Europe's citizens. It needs to be designed with SMEs in mind.

Since the adoption of the Small Business Act for Europe (SBA), cutting red tape and listening to the voice of SMEs have been firmly embedded in the Commission's work. The Commission Communication on 'Minimising regulatory burden for SMEs – Adapting EU regulation to the needs of micro-enterprises' from 2011 takes this work a step further. It builds on the “Think Small First” principle set out in the SBA which requires that impacts on SMEs be taken into account when designing legislation and that the existing regulatory environment be simplified.² It established the possibility for the exemption of micro-enterprises from regulation when justified and for lighter regulatory regimes for SMEs.³ More recently, the Industrial Policy Communication⁴ recommended simplification of the regulatory and administrative environment, especially for SMEs and highlighted the importance of a simple, stable and predictable long term regulatory framework for investment in new technologies and innovation. Finally, the new Regulatory Fitness and Performance Programme (REFIT), makes the identification of simplification possibilities, unnecessary regulatory costs and areas for performance improvement an integral and stable part of policy making and programming.⁵

This Communication reviews progress in:

- applying the micro-enterprise exemption;
- introducing lighter regulatory regimes for SMEs;
- introducing the SME scoreboard;
- ensuring regulatory fitness.

¹ http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/files/supporting-documents/2012/do-smes-create-more-and-better-jobs_en.pdf

² COM(2008) 394 final, page 7

³ Commission Report "Minimizing regulatory burden for SMEs - Adapting EU regulation to the needs of micro-enterprises", COM(2011)803

⁴ COM(2012) 582 final – Communication from the European Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - A Stronger European Industry for Growth and Economic Recovery

⁵ COM(2012) 746 final http://ec.europa.eu/governance/better_regulation/documents/com_2013_en.pdf

It also identifies the next steps that will be taken for SMEs in policy making and programming.

2. Exempting micro-enterprises from EU legislation

Before the European Commission proposes new initiatives or revisions of existing EU legislation, comprehensive preparatory work takes place. This starts with the publication of roadmaps which inform stakeholders about possible Commission initiatives, available evidence and planned preparatory and consultative work. These roadmaps contain information on the initial problem definition, objectives, options and preliminary assessment of impacts and the envisaged timetable. They are public documents and a range of stakeholders – from SMEs to the social partners – can and do provide their views on them. The roadmaps also indicate when and how stakeholders will be consulted.⁶ The Commission assesses the potential economic, social and environmental consequences of all its proposals with significant impacts through impact assessments (IA). They contain different options of how to address the problems, one of which has always to be the "do-nothing" option. The IAs undergo an independent quality control, before the Commission adopts its proposal.

Through the impact assessment process, the Commission aims to avoid unnecessary regulatory burden. It analyses whether micro-enterprises can be exempted from the coverage of the initiative without undermining the objective of the potential proposal.

Example of SME exemptions that have been adopted by the EU legislator and are in the process of being implemented by Member States:

- Small shops selling electrical and electronic devices do not need to reserve extra space to meet take-back obligations under the new *Directive on Electric and Electronic Waste*⁷. The take-back obligation only applies to retail shops larger than 400m².

Examples of SME exemptions that have been proposed by the Commission and are now in the EU legislative procedure:

- Manufacturers responsible for less than 500 registrations of *new passenger cars* per year are excluded from the obligation of having a CO₂ target according to the Commission proposal for a regulation amending Regulation (EC) No 443/2009 on car emissions.⁸

⁶ In the social policy field, for example, the Treaty makes the consultation of the social partners mandatory before the Commission can submit proposals.

⁷ Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (WEEE), OJ L 197/38, 24.7.2012

⁸ Commission proposal for a Regulation amending Regulation (EC) No 443/2009 to define the modalities for reaching the 2020 target to reduce CO₂ emissions from new passenger cars, COM(2012) 393

- Certain categories of vehicles driven within a radius of less than 100 km from the base of their undertaking are proposed to be exempted from Regulation (EC) N° 561/2006 and therefore from the tachograph requirements.⁹
- It is proposed in a new general Data Protection Regulation.¹⁰ that companies with less than 250 workers need not have a Data Protection Officer and that specific measures must be considered for SMEs in the context of Commission delegated acts aimed at further specifying the criteria for assessing whether a Data Protection Impact Assessment is necessary..
- SMEs with less than 250 persons would not need to comply with the requirement of the Commission proposal on women in company boards¹¹, requiring companies that have less than 40 % of non-executive directors to apply transparent selection procedures based on neutral selection criteria in order to attain 40 % by 1 January 2020.

Impact assessments have also shown that it is not always possible to exempt micro-enterprises. For instance, they cannot be excluded when there is clear evidence that excluding them would mean that the regulation would not be able to achieve its goals as e.g. to protect workers or consumers. They cannot be exempted from EU Treaty requirements protecting for example fundamental rights. Finally, they cannot be exempted where legislation specifically targets small firms such as 'letter box companies'¹² which circumvent the law e.g. on services and competition. For such cases where micro companies cannot be excluded from legislative proposals, the analysis and reasons need to be explained in the IA.

Limits to possible exemptions:

- When addressing the problem that EU minimum standards for worker protection are circumvented through 'letter box companies'¹³ in the context of the *Posting of Workers Directive*, it was clear that micro-enterprises could not be excluded. This was because such letter box companies are, almost by definition, micro-enterprises and excluding them would have undermined the main objective of the measure: stopping unfair commercial practices and unfair treatment of employees.
- In the Commission proposal for a new *Regulation on drug precursors*, a general exclusion of micro-enterprises was impossible because this would have created an easy route to undermine the objectives of the legislation. Traffickers could have established themselves

⁹ Commission proposal for a regulation amending Council Regulation (EEC) No 3821/85 on recording equipment in road transport and amending Regulation (EC) No 561/2006 of the European Parliament and the Council, COM(2011)451

¹⁰ COM(2012) 11

¹¹ Proposal for a Directive of the European Parliament and the Council on improving the gender balance among non-executive directors of companies listed on stock exchanges and related measures of 14.11 2012 COM (2012) 614 final.

¹² Letter box companies' are companies which have been set up with the purpose of benefitting from legislative loopholes while not themselves providing any service to clients, but rather provide a front for services provided by their owners. Such companies are normally very small and often only operate a letter box, hence the name.

¹³ Companies that are formally established in a particular Member State not linked to their operations as a means to avoid the regulation of another Member State.

as micro-entities in order to evade controls by the authorities. At the same time, the existing regulatory framework already accommodates the particular needs of micro-enterprises as the existing thresholds allow companies with sales or purchases of drug precursors below certain quantities to be excluded from most of the obligations.

3. Emphasis on lighter regimes for SMEs

When exemptions are not possible, efforts are made to tailor regulatory proposals to SMEs, for example; through the introduction of a lighter set of requirements for smaller businesses, reduced fees, etc.¹⁴

Examples of lighter regimes for SMEs that have recently been adopted by the EU legislator and have recently entered into force or are in the process of being implemented by Member States:

- SMEs are encouraged, but not obliged, to carry out an energy audit according to the new Energy Efficiency Directive 2012/27/EU. Member States may set up support schemes for SMEs, including if they have concluded voluntary agreements, to cover costs both of an energy audit and of the implementation of the highly cost-effective audit recommendations.
- Micro-enterprises can now choose simpler ways of showing that any one-off *construction products* they put on the market meet applicable product standards according to Regulation 305/2011.

Examples of lighter regimes for SMEs that have been proposed by the Commission and are now in the EU legislative procedure:

- The Commission has made proposals to make it easier for SMEs to participate in public procurement. Bidders for public tenders can provide self-declarations, rather than original documents or certificates, showing that they meet eligibility criteria. Only the winning bidder would be asked to provide the original documents. Breaking tenders down into smaller lots will be encouraged. Together with a greater use of e-procurement, these modernised rules in the proposed *Public Procurement Directive*¹⁵ would facilitate the participation of SMEs in contracts worth about 18% of EU GDP.

In addition, some EU legislation leaves it up to each Member State to decide whether it wants to introduce lighter regimes for SMEs (for example, in the areas of information and consultation of workers¹⁶, food hygiene¹⁷, waste¹⁸ and annual accounts¹⁹).

¹⁴ COM (2011) 803, page 6

¹⁵ COM (2011) 896

¹⁶ Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees.

¹⁷ Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety; Regulation (EC) No 852/2004 of the European Parliament and of the Council of 29 April 2004 on the hygiene of foodstuffs; Regulation (EC) No 853/2004 of the European Parliament and of the Council of 29 April 2004 laying down specific hygiene rules for food of animal origin; Regulation (EC) No 854/2004 of the European Parliament and of the Council of 29 April 2004

4. The SME Scoreboard

The Commission is issuing an annual scoreboard²⁰ covering regulatory initiatives expected to have a significant impact on SMEs. This scoreboard allows all interested parties, including the network of national SME Envoys, to identify where and how progress on SME relevant legislation is being made at EU level. It allows the progress of the legislative cycle from Commission proposal through to implementation in Member States to be tracked. It identifies the main issues involved and indicates the positions taken on them throughout the legislative cycle, flagging if regulatory burden has been added or reduced at the various stages from Commission adoption to implementation. Tracking implementation in Member States will allow the outcome at the level that directly affects business to be assessed in the light of best practice²¹. It will point to how different approaches to implementation affect overall results.

The main legal acts and legislative proposals that the scoreboard monitors closely were set out in the Report 'Minimising regulatory burden for SMEs – Adapting EU regulation to the needs of micro-enterprises' of November 2011²². Of the 13 initiatives listed, the Commission has adopted 3 proposals²³ which figure in this year's scoreboard. The scoreboard also reports on other initiatives which were identified in 2012 as having a significant impact on SMEs.

5. Supporting and consulting SMEs

5.1 SME Consultation – General Aspects

SMEs and organisations representing their interests are interested to know what new regulatory initiatives are under consideration in the Commission, what impact they may have and when they can make their views known in the preparatory process. They have welcomed the publication of roadmaps and many SMEs have asked to be informed earlier about upcoming consultations. The Commission is updating its consultation standards and envisages the publication of a rolling calendar of planned consultations on the 'Your Voice in Europe' website. It has also set up an alert mechanism under the Transparency Register to inform stakeholders about roadmaps and upcoming consultations.

The Small Business Act has also established strong governance mechanisms based on the close cooperation with Member States and SME stakeholders. The implementation of the SBA is now supported by the SME Envoys, a network of high level representatives from Member States. The nomination of a single point of contact for all issues related to the SBA in the Member States has reinforced the application of its principles and allows Member States to exchange best practices. To involve stakeholders directly, representative SME

laying down specific rules for the organisation of official controls on products of animal origin intended for human consumption.

¹⁸ Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste

¹⁹ Directive 2012/6/EU of the European Parliament and of the Council of 14 March 2012 amending Council Directive 78/660/EEC on the annual accounts of certain types of companies as regards micro-entities

²⁰ See Commission Staff Working Document annexed to this Communication

²¹ http://ec.europa.eu/dgs/secretariat_general/admin_burden/best_practice_report/best_practice_report_en.htm

²² See Annex II of the Commission Communication COM (2011)803.

²³ Proposal for a revised Directive on the protection of individuals with regard to the processing of personal data (COM (2012) 11) and Proposal for a revised Directive of the European Parliament and of the Council on public procurement (COM (2011) 896). The proposal for a revised Directive on waste electrical and electronic equipment has already led to a revised Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (WEEE).

business organisations at European level participate as observers in the meetings of the network. These activities aim to ensure that regulatory burden reduction becomes a priority in the Member States through an enhanced sharing of best practices. For example, the Network has been instrumental in reducing the time to start-up a business in Europe²⁴. Furthermore, the Commission has proposed that the appointment of an SME Envoy and the implementation of the SME Test by Member States are introduced as criteria for Member States to receive SME-related support from the European Regional Development Fund²⁵.

Regular annual meetings between SME associations and the Commission are also now held to identify and monitor SME relevant priority initiatives in the Commission Work Programme (see Annex II in Staff Working Document annexed to this Communication) for SME impacts. The Commission is using the Enterprise Europe Network (EEN) to consult SMEs, including micro enterprises, directly on forthcoming legislation ('SME Panel' consultation) and to collect their feed-back on the existing EU legislation ('SME feed-back' database). Business organisations and Member States have welcomed such developments as important for SME policy.

In addition, the Commission organised conferences with SMEs from Germany, the Netherlands, Sweden, the UK, Poland and Italy in 2012. These conferences allowed entrepreneurs from SMEs to raise their concerns, in different areas like labour law, the regulation of the marketing of products and the related process of the setting of European product standards confirming the compliance of products with regulatory requirements, health and safety, environment, VAT and food hygiene and labelling. The conferences also allowed face-to-face discussion and the exchange of detailed information and positions. The information collected is also being fed into the REFIT mapping and programming exercise.

The Commission is also consulting SME employers organisations regularly through EU social partner consultations and through the work of European social dialogue committees. SME associations have been contributing actively to the definition and implementation of the work programme of the European social partners 2012-2014.²⁶

Finally, the SME dimension has become a focus of the High Level Group on Administrative Burdens (HLGAB), an expert group created in 2007 to advise the Commission on reducing administrative burdens resulting from EU legislation. The Commission recently extended the mandate of the Group until October 2014.²⁷ The Group will advise on EU regulatory measures adopted by Parliament and Council under the Administrative Burden Reduction Programme and look into how the 27 Member States have implemented these measures. SMEs will be consulted on the extent to which the measures taken have made a real difference for them. This work will facilitate the exchange of information between Member States on different ways of implementing EU legislation and it will contribute to better understanding of the final impact of measures adopted.

²⁴ http://ec.europa.eu/enterprise/policies/sme/business-environment/start-up-procedures/progress-2011/index_en.htm

²⁵ COM(2011) 615 final/2

²⁶ http://www.ueapme.com/IMG/pdf/EUSD_work_prog_2012-2014.pdf

²⁷ http://ec.europa.eu/dgs/secretariat_general/admin_burden/ind_stakeholders/ind_stakeholders_en.htm

5.2 "TOP10" Consultation

In an EU-wide open internet-based consultation from October through to December 2012, the Commission invited SMEs and organisations representing their interests to identify ten areas or pieces or pieces of EU legislation that they considered to be the most burdensome. They could choose from a non-exhaustive list or freely enter other items. They were not asked to justify or explain their choice, although some chose to do so. Nor were they asked to identify precisely if the burden derived from EU or national law. The consultation allowed SMEs to voice their concerns directly to the Commission.

The Commission staff working document attached to this Communication summarises the results of this consultation. The full set of responses is being assessed and follow up actions will be spelled out as part of the Commission's Regulatory Fitness Programme (see section 6 below)²⁸.

The TOP 10 Consultation produced a total of 1000 responses²⁹ including from individual SMEs (over 600 responses from SMEs based in the EU, 40% of which were micro-enterprises) and organisations representing SMEs interests at different levels in the EU (nearly 150 responses). Reactions were received from almost all EU Member States (with more than half of the replies from individual SMEs in 3 Member States - BE, DE and IT), and also from some non-EU countries, mainly Turkey.

Both the policy areas and the pieces of EU legislation which were raised by the highest number of individual SMEs and SME representative organisations are listed in annex III (see Staff Working Document annexed to this Communication).

REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals - Regulation (EC) No 1907/2006) was the EU measure most often cited by both individual SMEs and the organisations representing their interests. Both types of respondents also identified: VAT legislation³⁰, the General Product Safety Directive (Directive 2001/95/EC), the Directive on Recognition of Professional Qualifications (Directive 2005/36/EC) and the Directive on Data Protection (Directive 95/46/EC). Even though they identify different specific legislative measures, both categories of respondent identified waste-related legislation³¹ and labour market-related legislation³². Legislation on equipment in road transport for driving and rest periods (Regulation (EEC) No 3821/85); procedures for the award of public works contracts,

²⁸ COM (2012) 746 final http://ec.europa.eu/governance/better_regulation/documents/com_2013_en.pdf

²⁹ The full results of the consultation have been published on the website Your Voice in Europe.

³⁰ Common system of value added tax - Council Directive 2006/112/EC, Refund of value added tax to taxable persons not established in the Member State of refund but established in another Member State - Council Directive 2008/9/EC

³¹ Shipments of waste - Regulation (EC) No 1013/2006, Waste framework Directive - Directive 2008/98, and List of waste – Commission Decision 2000/532/EC.

³² Measures to encourage improvements in the safety and health of workers at work – Directive 89/391/EEC; the directive on Posting of Workers - Directive 96/71/EC; and the Working time directive - Directive 2003/88/EC were all referred to in the responses to the consultation. In terms of ranking by individual SMEs and SME representative organisations, Directive 89/381/EC was ranked 6th and 3rd respectively; Directive 96/71 was ranked 19th and 8th respectively and Directive 2003/88/EC was ranked respectively 5th and 7th respectively.

public supply contracts and public service contracts (Directive 2004/18/EC), and the Modernised Customs Code (Regulation (EC) No 450/2008) were also flagged in the TOP 10.

6. Responding to SME Consultations

The Commission considers the results of consultation, to be important signals of SME concern. It will follow up on these consultations in various ways.

First, work is already in progress on several pieces of legislation identified in the TOP 10 consultation:

- *Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)* - Regulation (EC) No 1907/2006: A review was completed in 2012 and adopted early 2013. It was supported by numerous thematic studies with an input from more than 1600 companies. The review concludes that REACH functions well and delivers on all objectives that at present can be assessed³³. However, it also points out that the share of burden in achieving the result has been disproportionate for SMEs and that this issue has to be addressed as in the next phase of registration of substances until 2018 will involve many more SMEs. In this context, the Commission concludes that changes to the enacting terms of REACH will not be proposed but it makes specific recommendations to reduce the impact of the Regulation on SMEs. It should however be noted that a proposal to modulate levels of fees to be paid to the European Chemicals Agency (ECHA) according to the size of the company is being considered in the context of an amendment to regulation (EC) N° 340/2008.
- *Common system of value added tax (VAT) – Council Directive 2006/112/EC*: The Commission has launched a Communication³⁴ towards a simpler, more robust and efficient VAT system tailored to the single market. A package of measures has been proposed by the Commission in 2012 to smooth the introduction of a mini-One Stop Shop in 2015 so that the taxation of telecommunications, broadcasting and electronic services are more SME-friendly by allowing service suppliers to comply with their obligations in the whole of the EU by submitting a single VAT return and payment in the Member State in which they are established. The Commission will push for a broadening of this One Stop Shop. A recent improvement is that since January 2013, legislation³⁵ allows Member States to implement an optional scheme whereby businesses with an annual turnover below EUR 2 000 000 can delay payment of VAT to the relevant tax authority until they have actually received payment from their customers ("cash accounting"). The Commission has also driven forward improvements to the Refund Directive to ensure it works as intended and allows easier electronic submission of VAT refund claims.
- *Directive 2001/95/EC on general product safety (GPSD)*: As part of the "Product Safety and Market Surveillance Package" adopted on 13 February 2013, the Commission is proposing to repeal Directive 2001/95/EC and Directive 87/357/EEC concerning food-imitating products and replace them by a Consumer Product Safety Regulation. Due to the

³³ COM (2013) 49

³⁴ COM (2011) 851

³⁵ Directive 2010/45/EC

subject-matter and objective of the proposed regulation, SMEs cannot be exempted from its requirements because rules aiming at protecting the health and safety of persons must apply regardless of the size of the economic operator. However, the package contains clear indications of the importance the Commission attaches to the needs of small businesses and provides the guidance and assistance they need to be able to comply with the rules.

- *Procedures for the award of public works contracts, public supply contracts and public service contracts - Directive 2004/18/EC*: The Commission has proposed a new Public Procurement Directive³⁶ in 2011 which is still under discussion in the EU legislative procedure in Parliament and Council. It would facilitate the participation of SMEs in contracts because significant simplification introduced into the procedures, including self-declarations and encouraging smaller lots.
- *Measures to encourage improvements in the safety and health of workers at work – Council Directive 89/391/EEC*: The Commission has launched a comprehensive policy evaluation in 2012 to assess the relevance, effectiveness and coherence of the main Directive and more than 20 daughter Directives. The results are expected in 2015.
- *EU Waste legislation*: In 2013, the Commission will start a comprehensive review of EU waste policy and legislation covering key targets in the Waste Framework Directive, the Landfill Directive and the Packaging and Packaging Waste Directive, an ex-post evaluation ("fitness check") of five Directives dealing with separate waste streams and an assessment of how the problem of plastic waste can be better tackled.
- *Working time directive – Directive 2003/88*: The Commission has carried out a comprehensive review of this Directive in 2010, on the basis of which it concluded that a revision was necessary. The European social partners responded to the consultation by agreeing to negotiate on the terms of such a revision. However, the social partners have recently communicated that such negotiations have been suspended without agreement. The Commission is currently examining how to proceed.
- *Recording equipment in road transport for driving and rest periods – Council Regulation (EEC) No 3821/85*: In 2011, the Commission proposed a new *Regulation*³⁷ which is still under discussion in Parliament and Council. SMEs would benefit because certain types of vehicles driven within a radius of less than 100 km from the base of their undertaking would not need to have a tachograph installed.
- *Recognition of professional qualifications – Directive 2005/36/EC*: In 2011 the Commission proposed a new Directive³⁸ modernising the current directive. It is still under discussion in Parliament and Council. It would help SMEs because it would facilitate mobility of workers by, among other measures, introducing a European professional card. The card would make it easier and quicker for the authorities of Member States which regulate those activities to complete the formal processes for the recognition of the qualifications of professionals obtained in other Member States. The success and timing of individual recruitments can have a proportionately greater impact for smaller operators.

³⁶ COM (2011) 896

³⁷ COM (2011) 451

³⁸ COM (2011) 883 final

Second, the results will be taken into account in the mapping of EU legislation that is being conducted under the recently announced Regulatory Fitness and Performance Programme (REFIT)³⁹. REFIT entails as a first step the mapping of legislative and policy areas to identify any excessive burdens, inconsistencies, gaps, ineffective measures and cumulative effects so as to allow benefits to be attained in the most effective way. Attention will be paid to possible regulatory burden resulting from the way that EU legislation is implemented at the national and sub-national level. It will take into account the specificities of SMEs and the importance of regulatory stability as voiced in many of the SME consultations.

In some cases, the results of the mapping will make it possible to announce that a proposal to revise legislation can be quickly launched because there is clear evidence of the need for regulatory cost reduction/simplification. In other cases, a detailed evaluation may be needed because there is a general potential for simplifying rules and reducing regulatory burden, but further assessment is necessary. In yet others, no immediate follow-up action may be needed, e.g. where legislation/areas of legislation are considered to be cost effective or where it is too early to assess their results/cost effectiveness.

REFIT will also ensure the coordination and prioritisation of the screening of the EU legislative acquis started in 2011 to reinforce the application of the "Think Small First" principle and to identify possible further exemptions or burden reductions for SMEs, in particular micro-enterprises.

REFIT multi-annual plans will be published and stakeholders and other interested parties will be able to comment. This will thus allow stakeholders, including SMEs and micro-enterprises to understand better and contribute more to the work of the Commission.

The REFIT mapping and multi-annual planning will take account of work to which the Commission is already committed, either due to legal requirements in existing EU legislation for studies, evaluations or reports, or as a result of its existing evaluation programming. The Commission is committed more broadly to evaluating regularly whether EU legislation has achieved its objectives, and if there are simpler and cheaper ways to get the same benefits, reaching the same results.⁴⁰ It will also examine whether SMEs find a piece of legislation easy to understand and implement and what might need to be improved. Where potential for lighter regimes is detected in such evaluations, this could trigger revision towards more SME-friendly legislation, while respecting Treaty-based consultation obligations in specific policy areas and taking due account of the views of other relevant stakeholders.

7. Next steps

The Commission will continue to pay close attention to SMEs in its policy development and review. The REFIT programme will be implemented progressively with results, including the SME scoreboard published annually and open for stakeholder comment. Consultations and dialogue between SMEs and the Commission will be further improved through the SME Envoys, increased use of the Enterprise Europe Network and SME conferences, as well as in the context of social partner consultations. The Commission will further strengthen the ways it obtains data and opinions from SMEs when it revises its guidelines on evaluation and

⁴⁰ COM (2012)746. See further Section 7

impact assessment in 2013 and 2014 respectively. This analytical work requires a good evidence base and statistical data to fully account for impacts on SMEs.

The governance and consultation mechanisms under the Small Business Act for Europe will play a key role in the work to minimise regulatory burden for SMEs and to ensure a broad-based consultation and involvement of SME stakeholders, including the Member States. The network of national SME Envoys will continue to contribute in a significant manner to the monitoring of the Commission Work Programme for impact on SMEs and to ensuring that the regulatory burden reduction becomes a priority in the Member States through an enhanced sharing of best practices. . Regular meetings with SME associations to closely monitor the application of the 'Think Small First' principle in the forthcoming Commission initiatives identified as priorities will continue. The Commission will continue to strengthen the Enterprise Europe Network (EEN) to enhance their capacity to provide explanations of EU legislation, obtain SMEs opinion on EU legislation via SME Panels.

Taking the SME dimension into account is a shared mission. The European Parliament and Council are invited to ensure not only that SMEs receive the benefit of EU legislation but also that no unnecessary burdens on SMEs are added in the EU legislative process. Member States are invited to use existing opportunities in EU legislation to lighten any burden on SMEs.

Commission Staff Working Document

SME Scoreboard

SME priority files in the Commission Work Programme 2013

Results of the Top-10 consultation