

**THE COUNCIL'S ACTION PLAN FOR
A SMALL BUSINESS ACT FOR EUROPE****"TRANSLATING INTENTIONS INTO ACTIONS"**

Small and medium-sized enterprises (SMEs), which form the backbone of Europe's economy, are increasingly hit by the current economic and financial crisis as demand falls off, investment diminishes and liquidity dries up with, as a consequence, of less credits being granted to SMEs.

In light of the broad commitment to implementing the SBA and while endorsing its ten principles, the Council, having arrived at conclusions on the above subject, stresses the need to respond to the situation with short and medium term measures, as part of an strengthened policy in support of SMEs. With due respect to the principle of subsidiarity, at this stage the Council gives particular attention to the following three priorities:

I. IMPROVING SME ACCESS TO FINANCE

- Encourage credit institutions and banks not to restrict the availability of credit to SMEs with viable propositions and also to participate in the coming efforts to re-launch the economy.
- Where the market is unable to fully meet the needs of SMEs CALLS ON Member States to consider how best to support them, including in the form of access to credit, guarantees, equity and mezzanine financing, in compliance with the rules, and making full use of the flexibilities permitted by the existing EU State Aid rules.
- Monitor effective rollout of the measures announced by the EIB group for the 2008-2011 period, particularly the following:
 - A raise in the volume of lending to SME's to a total of €30 bn by 2011, of which €15bn will be made available for the period 2008-2009 (an increase of 50 %).
- Modernisation and simplification of procedures to access EIB lending for SMEs.
 - A better coverage of the financial needs of SME's, in particular for the financing of intangible investments.
 - Introduction of a mechanism for sharing risk with commercial banks (specifically via mezzanine loans).

- Enhance the efficiency of rules on late payment between businesses and between public administrations and businesses in order to improve the financial situation of SMEs by initiating negotiations on an amended version of the Late Payment Directive during the first half of 2009.
- Examine options for a Community-wide private placement regime by the end of 2009 to facilitate cross-border investment in order to strengthen Europe's venture capital market.
- Simplify administrative and technical procedures for access to Community funding.
- Support the Commission's efforts to help Member States develop investment readiness programmes for SMEs.

II. A REGULATORY ENVIRONMENT SUPPORTIVE OF SMEs' NEEDS

- Apply consistently and efficiently the "Think Small First" principle in formulating and implementing Community and Member State policies and initiatives.
- Proceed accordingly to gauge the impact of all prospective laws and other measures likely to affect SME's by rigorously including an "SME test" in all impact studies conducted by the Commission and where appropriate by the Member States as of 2009.
- Consider special measures for small and micro-enterprises such as transition periods and exemptions in relation to regulatory compliance, without compromising, inter alia, on safety standards for goods and services marketed.
- Allow Member States to adopt less burdensome accounting requirements for small businesses operating below specific thresholds.
- Encourage the application of the "Only once" principle, both to avoid having administrations request information from SMEs that is already available to them and to strive to endeavour, where feasible, that no micro-enterprise is called on to take part more than once every three years in statistical surveys conducted by national, regional or local statistics offices, if possible as of 2009.
- Increase efforts to achieve a 25-percent reduction in administrative burdens on businesses by 2012 through rapid adoption of the relevant proposals at Community level and Member State commitment to make comparable efforts at the national level.
- Set common commencement dates for Community and, where appropriate, national legislation and other measures with repercussions on businesses to come into force.

- Achieve the goal of progressively bringing company set-up time down to three working days in most cases, and make sure that the corresponding preliminary expenses are limited to the minimum cost.
- Consider how best to facilitate the transfer of businesses, in particular by providing adequate financial and economic conditions, by organising transparent markets for business transfers and by other appropriate measures.
- Promote second chances for entrepreneurs for example by ensuring that all legal procedures to wind up a non-fraudulent business can be completed within one year as far as possible.

III. ENHANCE MARKET ACCESS FOR SMEs

- Promote a better functioning of the internal market by, amongst others, a greater use of market and sector monitoring, and by tackling the remaining barriers within the internal market, inter alia by improving the coherence of consumer protection rules and ensuring for all SMEs access to the SOLVIT network while reinforcing it.
- Ensure a timely implementation of the Services Directive.
- Develop, in the two years to come, solutions for SMEs to access electronic services in other Member States, including through cross border interoperable electronic signature and authentication applications as well as facilitate the use of electronic procedures for tendering in public procurement contracts.
- Promote the implementation of the European Code of Best Practices Facilitating Access by SMEs to Public Procurement Contracts, for example by encouraging public contracting authorities to subdivide contracts into lots where appropriate.
- Continue existing efforts to help Europe's SMEs gain effective access to public procurement contracts outside the EU and strengthen policies in support of the international development of SMEs.
- Intensify efforts to create a Community patent and an integrated jurisdictional system for these patents and existing European patents ; better take the interests of SMEs into account when setting standards and facilitate SMEs access to intellectual property rights.
- Adopt and implement the thoroughly prepared European Private Company statute, as soon as possible, in order to simplify the procedures for establishing and operating companies and thereby to encourage SME's to venture beyond their national borders.
- Create European business centres in high-growth countries, provided that the result brings added value without duplicating what the Member States already have to offer."