

UEAPME Newsflash

SMEs say no to Commission approach for definitive VAT system

In a [position paper](#), UEAPME [presented](#) quite a negative assessment of the European Commission's proposal for the first steps towards a Single EU VAT system. Forcing companies to apply up to 28 different VAT rates for B2B deliveries within the European Union will create unjustified additional costs and risks for SMEs. In such cases, SMEs rely on easy accessible and updated information about applicable VAT rates and should not be made responsible if such information is not correct. UEAPME also doubts whether SMEs will benefit from the suggested status of a 'Certified Taxable Person (CTP)' and asked for easy and inexpensive access to such a status. This status would allow companies to receive deliveries VAT free and SMEs will suffer from significant economic disadvantage if only larger companies can afford a CTP.

Contact: [Gerhard Huemer](#)

BREXIT: SMEs need clarity about the future

Economic Policy Director Gerhard Huemer participated in an informal round table with other business organisations to exchange views on state of play of Brexit. Following the European Commission's [withdrawal agreement](#) draft and the European Council's [negotiation guidelines](#) for a future relationship, the upcoming European Summit may be a decisive moment. Surveys show that [60% of British companies](#) and a growing number of companies (including SMEs in Member States) say that, if there is no clarity about a transition period or the further relationship after March 2018, they will start their contingency measures for a hard Brexit. Mr Huemer explained that the UEAPME [SME Barometer](#) confirms this increasing uncertainty and he argued that politicians on both sides have to be aware that businesses need legal certainty and that they cannot wait any longer without creating serious damage to the British and the European economy as a whole.

Contact: [Gerhard Huemer](#)

Promoting partnerships for integration of refugees in SMEs

At the [4th European Migration Forum](#), Social Affairs Adviser Arnold de Boer [promoted](#) the multi-stakeholder approach needed for the integration of migrants and refugees. As signatory party of the Partnership for Integration at EU level, UEAPME is committed to promoting migrants' integration in SMEs, as well as through entrepreneurship. Their integration in the labour market is a complex process, requiring lots of efforts from many actors such as public authorities, business organisations, social partners, training institutions and civil society at different levels. To help SMEs at local level fulfil their skills and labour needs, support and direct outreach is needed (e.g. in terms of information on legal and other procedures, awareness of incentives, support for skills assessment, and help with administrative paperwork). Tailored approaches are essential to take into account the needs of refugees and businesses.

Contact: [Arnold de Boer](#)

More proportionate banking regulations are crucial for SME finance

At a European Banking Institute [conference](#) about proportionality in banking regulations, Economic Policy Director Gerhard Huemer [explained](#) why banking regulations are decisive in the banks' capacity to provide finance to SMEs. Mr Huemer focused on three topics. (i) UEAPME fully supports the extension and prolongation of the SME Supporting Factor, which renders capital requirements for banks better in line with the real risk of SME loans. (ii) UEAPME welcomes first improvements as regards proportionality in the Commission proposal for the review of the Capital Requirement Regulation, but simplified reporting and disclosure requirements should not only depend on the size of a bank, but also on their business model, i.e. retail banks versus investment banks. (iii) A "small banking box" in the regulation should provide a legal framework for the creation of new local Credit Unions and Cooperative Banks at local level, especially in the countries where the lending market is dominated by a few large commercial banks.

Contact: [Gerhard Huemer](#)

EVENTS AHEAD:

- [AECM & UEAPME event on SME financing: EU financial instruments post 2020 \(19.04, contact \[Gerhard Huemer\]\(#\)\)](#)

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