



UNION EUROPEENNE DE L'ARTISANAT ET DES PETITES ET MOYENNES ENTREPRISES  
EUROPÄISCHE UNION DES HANDWERKS UND DER KLEIN- UND MITTELBETRIEBE  
EUROPEAN ASSOCIATION OF CRAFT, SMALL AND MEDIUM-SIZED ENTERPRISES  
UNIONE EUROPEA DELL' ARTIGIANATO E DELLE PICCOLE E MEDIE IMPRESE

## UEAPME PROPOSALS FOR SIMPLIFICATION

UEAPME highly welcomed the intention, expressed by the Commission, to simplify the *acquis communautaire* and to make 'better regulation' a priority.

For many years now, simplification has been high on the agenda of the representative business organisations and of the national and European authorities. Substantial and immediate progress and action is necessary in order to remain credible. Indeed, the European Charter for Small Enterprises, endorsed in 2000 already stated, **“Small enterprises are the first to suffer if weighed down with excessive bureaucracy. And they are the first to flourish from initiatives to cut red tape”** and that **“New regulations at national and Community level should be screened to assess their impact on small enterprises and entrepreneurs. Wherever possible, national and EC rules should be simplified. Governments should adopt user-friendly administrative documents”** (Action line 3).

UEAPME recalls that the average cost of administrative burdens is 6 to 30 times higher for SMEs than for larger businesses.

In this position paper we make some proposals for better regulations in the environmental sector, the social sector, foodstuff, consumer protection, among others. The list of proposals we received from our member organisations was much longer. However, after an analysis, it was clear that the administrative burden had been added at national level. Here it has to be highlighted that although the European legislation did not contain, in these cases, any concrete administrative burden for SMEs, most of the time they encouraged the development of such at national level.

In prioritising, the first and main indicator should be the impact on SMEs, especially small enterprises.

It is of utmost importance that careful preparation, including appropriate consultation, is taken. Appropriate consultation should mean a real consultation and involvement of the European representative business organisations.

UEAPME does not, in principle, advocate exemptions for SMEs, as this can give the wrong impression that employees, consumers, clients, society as a whole, are less protected in these enterprises. The **impact of legislation** on small businesses must be an important

consideration in determining its form and content. Therefore, **the ‘think small first’ approach** should be the guiding principle when reviewing the existing legislation and conceiving new legislation. This means that legislation should take into account the particularities of SMEs.

In addition, the following accompanying measures are necessary:

- Further consultation and involvement of the representative business organisations;
- Development of regulatory impact analysis and instruments for evaluating compliance costs and administrative burdens especially for small enterprises, such as impact index cards, which indicate the cumulative effect of regulations;
- Allowing reasonable timeframes for the implementation of legislation, especially for small businesses;
- Conducting effective information campaigns regarding changes required by the new legislation;
- Consulting businesses before introducing new administrative practices, including new forms and questionnaires, to ensure that enterprises can provide the information, and that it is not already available elsewhere. For instance, information required for statistical or other similar administrative reasons should be limited and separately identified;
- In the case of directives being transposed into national legislation, care should be taken to avoid adding undue complications and ‘gold plating’ should be resisted and eventually eliminated. Meanwhile, it should be made clear when additional provisions are being made. These should be identified and evaluated separately.

UEAPME supports the idea of creating “**Better Regulation Units**” (as already suggested in the BEST report in 1998) within the European Commission, the Council and the European Parliament in order to co-ordinate regulatory review, to assist in improving the clarity and effectiveness of each of their contributions to EU legislation, in deciding whether legislation is actually necessary or whether there are alternative courses of action and to ensure that the consequences of any legislative proposals for SMEs have been assessed and fully taken into account.

## Social

- **Regulation (EC) 530/1999 Statistical survey on the cost of labour, on the structures of workers in enterprises.**

Should only be carried out in enterprises with more than 20 workers or simplify the number and the content of the questions.

- **Directive 91/533/EC relating to the obligation of the employer to inform the worker of the conditions applicable to the contract or employment relationship**

The information obligations contained in the directive do not take account of the functioning of SMEs.

SMEs should be excluded from the field of application of the directive because of too heavy obligations for SMEs

- **Directive 2002/73/EC modifying directive 76/207/EC relating to the implementation of the principle of equal treatment between men and women**

The obligation to regularly inform workers and/or their representatives on the policy of the enterprise in the area of gender equality (Art 8 b4) is difficult to implement and constitutes significant administrative burden

- **Directive 2002/14/EC on the information and consultation of workers**

The thresholds in terms of members of enterprises (50) or establishment (20) are too low and pose problems for SMEs

The obligation to create workers representation structures in enterprises with more than 50 workers to cope with the new information and consultation obligation of workers creates new burdens and difficulties for SMEs

## Environment

- **Council Directive 91/156/EEC of 18 March 1991 amending Directive 75/442/EEC on waste**

The definition of waste needs to be clarified. For instance, the directive does not sufficiently encourage recycling.

Setting minimum thresholds for the delivery of permits for businesses carrying out activities in the field of recovery and final disposal of waste.

- **Council Directive 96/61/EC of 24 September 1996 concerning Integrated Pollution Prevention and Control**

The standards set are too strict and difficult to respect (concept of Best Available Technologies) in the fields of air, water, and waste.

Constraints linked to the EPER (European Pollutants Emission Register), which require carrying out measurements etc. in order for the emissions of businesses related to this central register to be published.

- **Directive 2002/96/EC of 27 January on waste electrical and electronic equipment (WEEE)**

The principle of the “producer responsibility” is leading to an increase in red tape for businesses. It is requiring the setting up of very complicated structures and most of the financial burden relating to the recycling and recovery of WEEE will fall on the importers, most of whom are SMEs.

Setting minimum threshold values for the “producer responsibility”. Small electrical or electronic equipment with low prices (such as PC-mouses, electrical toothbrushes, alarm clocks, etc.....) should be excluded from producer responsibility or should be exonerated from contribution to the local organisation.

- **Regulation (EC) N° 761/2001 of 19 March 2001 allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS)**

Further simplification is necessary in the Regulation in particular with regard to SMEs and environmental statement. The obligation for an external verifier to validate the modifications of the environmental statement every year must be removed.

The possibility for businesses to implement EMAS in a staged or gradual approach must also be inserted.

- **Directive 94/62/EC of 20/12/94 on packaging and packaging waste**

Small shops, which are only “responsible” for a small amount of “service-packaging” (such as bags they give to customers, package to make a parcel...), should be excluded from the scope of the directive.

### **European waste lists**

At present at EU level different nomenclatures of waste exist. Those nomenclatures are implemented by 3 different legal acts:

- Council Regulation (EEC) No 259/93 of 1 February 1993 on the supervision and control of shipments of waste within, into and out of the European Community
- 2000/532/EC: Commission Decision of 3 May 2000 replacing Decision 94/3/EC establishing a list of wastes pursuant to Article 1(a) of Council Directive 75/442/EEC on waste and Council Decision 94/904/EC establishing a list of hazardous waste pursuant to Article 1(4) of Council Directive 91/689/EEC on hazardous waste (EWC)

- Regulation (EC) No 2150/2002 of the European Parliament and of the Council of 25 November 2002 on waste statistics

These legal acts are, in part, based on different systematic approaches. This causes an extensive administrative effort for companies and complicates the classification of waste within different predetermined codes of waste.

***Possible improvement: harmonisation of European waste lists.***

Only that way EU- wide homogeneity of waste data can be assured.

- **Directive on environmental liability 2004/35/EC**

The directive on environmental liability with regard to the prevention and remedying of environmental damage has to be considered as a burden for national economy. Exemptions concerning “permit defence” and “state of the art” might have been more effective if applicable community wide rather than at national level. The scope of the directive, which is still considered to be too broad, could be limited to cases where activities go along with a significant risk. This limitation should be based on threshold values related to chemistries related to directives listed in Annex III paragraph 7 of directive 2004/35/EC.

## **Foodstuffs**

UEAPME is calling for proper and coherent structuring of the large amount of European Regulations and Directives on labeling:

- Regulation on food additives (WGA/004/03)
- Directive 94/35/EC Sweeteners for use in Foodstuffs
- Directive 95/2/EG on food additives other than colors and sweeteners
- Regulation on flavorings and food ingredients with flavorings properties for use in and on foods (WGF/002/02)
- Labeling Directive 2000/13 including Declaration of Allergens
- Addition of Vitamins and Minerals (COM (2003) 0671)
- Directive 89/108/EEG on food additives
- Directive 90/496/EEC on nutrition labeling
- Directive 1829/2003 on GMO definitions
- Directive 1830/2003 on GMO labeling
- Regulation 258/197 concerning novel foods and novel food ingredients

For the owner of a small enterprise it is not clear arranged, which requirements he has to fulfill according to which Directive or Regulation.

Concerning the guidelines for the implementation of the **Hygiene regulations 852/2004, 853/2004 en 854/2004**, we fully support the actual approach of the European Commission, issuing guidance documents for SMEs. However, the definition of the small food producing enterprises must not be limited to only micro- enterprises and enterprises in remote areas.

## **Data protection**

- **Directive 95/46 Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data.**

Without questioning the objectives of this directive, a simplification is necessary. Clearer definitions, review of the notifications and simpler procedures are a priority.

## **New Approach Directives**

The new approach directives (23 at the last count) map the procedures for CE marking (referring to harmonised standards) to facilitate the free movement of goods that comply with minimum requirements of health and safety. Depending on the type of product Modules from A to H (increasingly complex and costly) are used to satisfy the requirements of safe design and production methods.

For small enterprises that mainly work on **custom made** and **non-series production**, Module A (Initial Type Declaration) should be sufficient for CE marking, while the higher modules are better suited for large companies involved in high volume production.

Furthermore for the purposes of **custom made and unique application products small companies should be allowed to opt out of CE marking.**

## **Consumer Protection**

**Directive 98/6/EC of the European Parliament and the Council of 16 February 1998 on consumer protection in the indication of the prices of products offered to consumers.**

This directive should be simplified to reduce the administrative burden and workload for small shops.

## **Unfair competition law**

In the area of unfair competition law, it is important to align existing and future European legislation in order to create a coherent body of rules, which can be enforced in a consistent manner. Therefore, it is particularly important to align horizontal legal instruments with vertical instruments for specific sectors, in order to prevent conflicting regulation. Furthermore it is extremely regrettable that the European legislator did not attempt to harmonise fair trading law in a coherent and systematic way but restricted the directive on unfair commercial practices to the B2C area and even introduced such a splitting in the area of misleading advertising which has offered a consistent and homogeneous set of rules up to now.

## **Postal law**

In order to assure fast an effective liberalisation of the postal market within the European Union, it is proposed to establish a detailed road map for liberalisation of the European postal market as soon as possible. Such road map is necessary to enable companies and national legislators to effectively prepare for liberalisation on a European scale.

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|  The logo for UEAPME features the acronym 'UEAPME' in a bold, blue, sans-serif font. Above the letters 'E', 'A', and 'P' are three white stars of varying sizes, set against a dark blue rectangular background. | <p><b>UEAPME is the employer's organisation representing the interests of crafts, trades and SMEs from the EU and accession countries at European level.</b></p> <p><b>UEAPME has 78 member organisations, which represent crafts and SMEs across the whole of Europe, covering over 11 million enterprises with nearly 50 million employees.</b></p> <p><b>UEAPME is a European Social Partner.</b></p> |
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