



**COUNCIL OF  
THE EUROPEAN UNION**



10547/11

**PROVISIONAL VERSION**  
**Internal market and industry items**  
**only**

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## **PRESS RELEASE**

3094th Council meeting

### **Competitiveness (Internal Market, Industry, Research and Space)**

Brussels, 30 May 2011

President      **Mr Zoltán Cséfalvay**  
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# **P R E S S**

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## **Main results of the Council**

*The Council session focused on a number of files related to support to **small and medium sized enterprises (SMEs)**.*

*The Council reached a political agreement on a draft directive aimed at exempting small companies with less than 10 workers (also known as "**micro-entities**") from certain **reporting obligations**, with a view to relieving their administrative burdens.*

*The Council also discussed a proposal for establishing the statute of a **European private company**, which didn't gathered the required unanimity.*

*Ministers exchanged views on draft regulations implementing the enhanced cooperation in the area of the creation of **unitary patent protection**, and held an orientation debate on a future unified patent litigation system, being the other fundamental pillar of the patent reform.*

*Ministers approved conclusions on the "**Single Market Act**", on the review of the **Small Business Act for Europe** and on "**smart regulation**".*

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**PROVISIONAL VERSION**  
**Internal market and industry items only**

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Vice-President

Member

Member

Member

Member

Member

**Single Market Act: *Council conclusions***

The Council held a debate on the implementation of the "Single Market Act" (SMA), which is a two-year plan (2011-2012) of 50 initiatives aimed at ensuring continuous optimisation of the internal market and contributing to the successful implementation of the Europe 2020 objectives on stimulating employment and economic growth ([13977/1/10](#)).

In the light of the outcome of a public consultation, the Commission submitted on 13 April 2011, a communication identifying the 12 levers that can best contribute to economic recovery. Moreover, the communication sets out a timetable for the adoption of each lever ([9283/11](#)).

The 12 drivers for growth and social progress include actions in the areas of workers mobility, financing for small and medium-sized enterprises, consumer protection, digital content, taxation and trans-European networks.

Among other things, the conclusions invite the Commission to put forward all these key actions before the end of 2011 so as to facilitate their full consideration by the Council and the Parliament within the deadlines proposed.

[Conclusions](#)

**Review of the Small Business Act - *Council conclusions***

The Council assessed the progress made in the first two years of implementation of the Small Business Act for Europe (SBA) and adopted conclusions.

The conclusions set out new actions to respond to challenges resulting from the economic crisis and ways to improve the uptake of the implementation of the SBA along the following main axes to be addressed as a matter of priority: smart regulation, access to finance, better access to the internal and international markets, entrepreneurship and enhanced governance.

[Conclusions](#)

## **European Private Company**

The Council held a public debate on the creation of a European Private Company on the basis of a Presidency compromise proposal ([10611/11](#)).

The Council verified that the compromise text did not gather the required unanimity to approve the proposal.

The proposal would establish the legal form of a future European private company (also called "Societas Privata Europaea" or "SPE").

The SPE would be a limited-liability company, i.e. its shareholders may not be liable for more than the amount they have subscribed for. As the SPE is a private company, the shares of the SPE may not be offered to the public or be publicly traded.

The draft regulation was presented by the Commission in 2008 ([11252/08](#)) as part of a series of measures in the Small Business Act for Europe, and a first ministerial discussion took place in December 2009.

## **Simplification of reporting rules for micro-enterprises**

In public deliberation, the Council reached a political agreement on a directive allowing member states to exempt very small enterprises (also known as "micro-entities") from accounting and financial reporting obligations.

The draft directive is intended to facilitate the business environment by reducing administrative burdens. It will be forwarded to the European Parliament for a second reading under the ordinary legislative procedure.

The debate focused on key elements of the draft directive ([10642/11](#)), including :

- *The definition of micro-entities to which a lighter accounting regime would apply.*

The directive provides that, in order to qualify as a "micro-entity" a company must not exceed the limits of two of the following three criteria on their balance sheet date: a balance sheet total of EUR 250,000, a net turnover of EUR 500,000 and an average number of 10 employees during the financial year in question.



– *The exemption from publication of annual accounts.*

The directive will allow member states to exempt micro-entities from the publication of annual accounts in accordance with the 4th company law directive. This optional exemption will be compatible with national obligations to keep records showing the company's business transactions and financial position.

\* \* \*

The European Parliament voted a first reading opinion on 10 March 2010 ([7424/10](#)) introducing 5 amendments to the Commission proposal ([7229/1/09](#)).

The new directive amends directive 78/660/EEC on the annual accounts of certain types of companies ("the 4<sup>th</sup> company law directive").

The 4<sup>th</sup> company law directive was adopted in 1978 in order to create a harmonised set of requirements for the external reporting of all limited liability companies in the EU. In 1983, the 7<sup>th</sup> company law directive added a common set of requirements for consolidated financial statements. The 4<sup>th</sup> and 7<sup>th</sup> company law directives (the "accounting directives") create together the core of the accounting acquis.

Accounting and auditing have been identified as key areas for reducing administrative burden for European companies.

## **Unitary patent protection: enhanced cooperation**

The Council exchanged views at a public session on the creation of unitary patent protection.

The outcome of the debate provides with a political orientation for the implementation of the enhanced cooperation among 25 member states towards the creation of a unitary patent title.

It paves the way for continuing further work with a view to reaching a general approach<sup>1</sup> at the extraordinary Competitiveness Council meeting devoted to unitary patent protection in Luxembourg on 27 June.

The debate was conducted on the basis of a Presidency compromise text ([10629/11](#)), following the two proposals submitted by the Commission on 13 April with the provisions to implement the enhanced cooperation in the area of the creation of unitary patent protection.

The first proposal prescribes how patent holders can obtain European patents with unitary effect that ensures uniform protection for their invention ([9224/11](#)) and the second one contains the translation arrangements ([9226/11](#)).

The Council also discussed the main elements for the creation of a unified patent litigation system on the basis of a document presented by the Commission ([10630/11](#)) and in the light of the Opinion delivered by the Court of Justice of the EU on 8 March 2011, on the compatibility of the envisaged system with EU law<sup>2</sup>.

The Council authorised the launch of enhanced cooperation in the field of the creation of unitary patent protection on 10 March and the European Parliament gave its consent for using this procedure on 15 February.

The use of enhanced cooperation was requested by 25 out of 27 EU member states with the aim of establishing a unitary patent that will be valid across the territory of the participating Member States. All EU Member States except Italy and Spain were in favour of the use of enhanced cooperation. The main obstacle to unanimity on the creation of a unitary patent is the number of languages in which the future unitary patent will be valid, hence the recourse to the enhanced cooperation.

Enhanced cooperation is open to non-participating countries, and access to the unitary patent on the territory of participating member states will also be available to businesses from non-participating member states.

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<sup>1</sup> A general approach is an agreement on the essential elements of a legal act, pending the opinion of the European Parliament.

<sup>2</sup> <http://curia.europa.eu/jcms/upload/docs/application/pdf/2011-03/cp110017en.pdf>

The Council adopted conclusions on "smart regulation", underlining, among other elements, the continuous need of reducing administrative burdens for businesses to what is strictly necessary, in order to allow them to work and compete more effectively.

Ministers also put emphasis on the need to establish mechanisms which would allow the Council to conduct impact assessments.

In particular, the conclusions provide with orientations, addressed to the national governments, the European Parliament and the European Commission, for:

- improving the implementation and enforcement of existing EU legislation;
- ensuring high quality of new legislation through impact assessments, simplification and reduction of unnecessary administrative burdens, in particular for SMEs; and
- making EU law more clear, easily understandable and accessible to all citizens.

[Conclusions](#)

## **ANY OTHER BUSINESS**

### **Gambling and betting: cooperation between member states**

The Council took note of a Presidency report dealing with the regulatory cooperation between EU member states in the field of gambling ([9853/11](#)).

Building on the results of precedent debates in the Council, especially on the conclusions adopted in December 2010 ([16884/10](#)), the Hungarian Presidency conducted a more detailed discussion during the first months of 2011 on the topic of cooperation between national gambling regulatory authorities.

Last March, the Commission launched a public consultation on its "Green paper" on on-line gambling in the internal market, that runs until 31 July 2011:  
[http://ec.europa.eu/internal\\_market/services/gambling\\_en.htm](http://ec.europa.eu/internal_market/services/gambling_en.htm)

### **Euro-Mediterranean conference on industrial cooperation**

The Council took note of the outcome of the 8th Conference of the Ministers for Industry of the Union for the Mediterranean, held on 11 and 12 May in Malta.

The Conference showed the great interest of the EU and its Mediterranean partners in further developing their industrial cooperation. It adopted the work programme for 2012-2013.

The Conference followed those held under the Union for the Mediterranean in Nice (2008) and under the Barcelona Process in Rhodes (2006), Caserta (2004), Malaga (2002), Limassol (2000), Klagenfurt (1998) and Brussels (1996).

### **Smokeless tobacco products**

The Swedish delegation expressed interest on the possibility of creating common rules for smokeless tobacco products, with a view to addressing both health and internal market issues for these products at EU level.

### **Professional qualifications directive**

The Council took note of information by the Commission on the outcome of a public consultation concerning the modernisation of the Professional Qualifications Directive. The consultation, ended on 15 March, has collected stakeholders' views on major challenges for the reform of the system of recognition of professional qualifications, including: (i) simplifying the existing rules to the benefit of individual citizens; (ii) integrating professions into the single market and (iii) injecting more confidence into the system.

The German delegation expressed interest on discussing the issue at a forthcoming Council session, highlighting the potential for removing barriers to mobility.

The reform of the system of recognition of professional qualifications as a means to facilitate mobility is one of the priority actions proposed by the Commission in the Single Market Act. A proposal from the Commission to prepare this reform is expected in the course of 2011.

The Professional Qualifications Directive (2005/36/EC), adopted in 2005, sets out the rules for mutual recognition of professional qualifications between EU member states. Beyond a few innovations, it mainly consolidated and simplified 15 previous directives, some of which dated back to the 1960s.

### **Informal ministerial session of the Competitiveness Council (April 2011)**

The Council took note of the outcome of the informal ministerial meeting that took place in Gödöllő, Hungary, from 11 to 13 April.

The meeting had a strong focus on innovation, support for SMEs and the current and future research framework programmes ([9318/11](#)).

### **Work programme of the upcoming Polish Presidency**

The Polish delegation informed ministers about the work programme of the Polish Presidency for the second half of 2011 in the field of internal market and industry. One of the priorities will be the development of the initiatives contained in the Single Market Act.

The Polish Presidency will organise a "Single Market Forum" in Krakow on 3 and 4 October.

**DEVELOPMENT COOPERATION**

**Madagascar**

The Council prolonged for a year the appropriate measures in place for the Republic of Madagascar ([10028/11](#)). They will now apply until 6 June 2012 and be reviewed regularly until then.

The measures suspend all budgetary aid to Madagascar as well as the implementation of the national indicative programme under the 10<sup>th</sup> European development fund. They do not affect humanitarian and emergency aid and certain projects that directly benefit the population. They were first imposed in the wake of the forcible transfer of power in Madagascar on 17 March 2009, which the EU considered a serious violation of democracy and the rule of law, essential elements of the Cotonou Agreement between the EU and ACP states.

**TAXATION**

**VAT exemption for small enterprises - Lithuania**

The Council adopted a decision authorising Lithuania to exempt from value added tax small enterprises whose annual turnover is below the equivalent of national currency of EUR 45000. Previously the maximum threshold for Lithuania was fixed at EUR 29000.

The decision authorises Lithuania to apply a measure derogating from Article 287 of Directive 2006/112/EC on the common system of value added tax.

**EMPLOYMENT**

**Mobilisation of the European Globalisation Adjustment Fund - Belgium**

The Council adopted a decision mobilising an amount of EUR 9.59 million under the European Globalisation Adjustment Fund (EGF), providing support for dismissed workers in the enterprise General Motors Belgium and four of its suppliers, arising from a decrease in demand for passenger cars and commercial vehicles as a consequence of the global financial and economic crisis.

**TRADE POLICY**

**Anti-dumping - Polyester staple fibres - China**

The Council repealed the anti-dumping duties on imports of polyester staple fibres from China, ranging between 4,9 % and 49,7 % depending on the manufacturer of the product, imposed by regulation 428/2005 ([10076/11](#)).

**CUSTOMS UNION**

**Andorra - Customs security measures**

The Council adopted the position to be taken by the EU within the joint committee established by the EU-Andorra agreement concerning the list of customs security provisions.

The agreement signed in 1990 between the European Economic Community and Andorra, provides that the Principality of Andorra is to adopt the customs security measures applied by the EU and that a detailed list of the provisions in question is to be drawn up by the joint committee set up under the agreement.

**JUSTICE AND HOME AFFAIRS**

**Update of statements of reasons**

The Council adopted the updated statements of reasons concerning persons groups and entities subject to the restrictive measures provided for under Council regulation 2580/2001 (*OJ L 344, 28.12.2001*) with a view to combating terrorism. It also approved a letter of notification to be sent to the persons and groups concerned. The notice will be published in the Official Journal.

**TRANSPARENCY**

**Public access to documents**

The Council adopted:

- the reply to confirmatory application made by Mr Ronny Patz (No 11/c/01/11), the Bulgarian, Czech, Danish, Estonian, Finnish and Swedish delegations voting against (*doc. [9704/11](#)*); and
  - the reply to confirmatory application made by Mr Peter Harris (No 12/c/01/11) (*doc. [9712/11](#)*).
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