Resolution on the ‘top ten' consultation process and lightening the burden of EU regulation on SMEs

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The European Parliament adopted a resolution on the ‘top ten’ consultation process and lightening the burden of EU regulation on SMEs.

Members recalled that **20.7 million SMEs employ over 65% of the existing private-sector workforce** and whereas SMEs are among the most innovatory enterprises, with the best performance in terms of job creation and economic growth.

According to a Eurobarometer survey, **74% of Europeans believe that the EU generates too much red tape**. Almost one third of the administrative burden deriving from EU legislation stems primarily from disproportionate and inefficient national implementation, meaning that up to EUR 40 billion could be saved if the Member States transposed EU legislation more efficiently.

The Commission is pursuing regulatory and administrative effectiveness via its Regulatory Fitness and Performance (REFIT) programme, impact assessments, competitiveness proofing, fitness checks, the ‘top ten’ consultation process, the SME scoreboard and the SME test.

Parliament welcomed the ‘top ten’ initiative as part of the REFIT exercise. However, it stressed that the Commission should **accelerate its efforts** to address the concerns about regulatory burden raised by SMEs during the consultation process. It stressed that the ’top ten’ approach **must not replace a systematic, horizontal policy approach** to minimising the administrative burden stemming from EU regulation.

Members underlined the need for the ‘**think small first’ principle** to better inform Union policies. The Commission and the Member States are called upon to:

- step up its efforts to ensure that SMEs, especially innovative ones, are encouraged to flourish through administrative simplification and the provision of targeted support in all policy areas;
- conduct **SME tests** transparently and properly when developing legislation;
- simplify excessive administrative formalities, while at the same time retaining necessary provisions that ensure safety, health and protection at work or require companies to provide their staff with a suitable working environment;
- ensure **easy access to funding and markets** and to reduce the regulatory burden, which constitutes one of the greatest obstacles to the creation and development of small and medium-sized enterprises;
- develop a **web-based application** enabling the administration concerned to indicate whether, and to what extent, SMEs are affected by upcoming legislation.

The resolution recalled the **importance for the Member States to implement Directive 2011/7/EU on combating late payment in commercial transactions**.

Parliament stated that the **impact assessment culture of all the European institutions** should be improved. It recommended that Parliament make greater use of its impact assessment and SME testing facilities, e.g. before introducing substantial changes to Commission proposals.

Members called on the Commission to simplify excessive administrative formalities, while at the same time retaining necessary provisions that ensure safety, health and protection at work or require companies to provide their staff with a suitable working environment.

They asked the Commission to accelerate all processing of **REACH applications** and, in particular, to fast-track applications from SMEs and micro-enterprises.

In this respect, Parliament recalled its position on general exemptions of **micro-enterprises** from EU legislation, as laid down in its aforementioned resolution of 23 October 2012, according to which exemptions should only be applied where a proper SME test is able to demonstrate, on a case-by-case basis, that the specific needs of micro-enterprises cannot be addressed by means of adapted solutions or lighter regimes.

Parliament encouraged the Member States to mirror the REFIT and 'top ten' exercises being undertaken at EU level and to ensure that the **administrative and regulatory burden is also eased for SMEs at national level**.

Parliament expected the next Commission to maintain responsibility for 'smart regulation' as one of the competences of the President's office, and encouraged it to **enhance the role of the SME envoys**.

Lastly, it insisted that the next Commission should establish a European objective of a **30% reduction** in the costs to SMEs generated by administrative and regulatory burdens **by 2020**.