

A strong European policy to support Small and Medium-sized enterprises (SMEs) and entrepreneurs 2015-2020

Public consultation on the Small Business Act (SBA)

Fields marked with * are mandatory.

Introduction & background

Since its adoption in 2008, the Small Business Act (SBA) has proven its worth as a policy tool in support of the small and medium enterprises (SMEs). Various initiatives have been taken at both EU and national level to improve the environment in which these businesses operate and help them grow.

It is now time to reflect on what can be done in the years that lie ahead to make life easier for SMEs.

The Commission has drafted a consultation document including the on-going measures and the new proposals (see the link below).

This consultation is designed to collect feedback on the new initiatives set out in the consultation document.

Please read it before you complete the questionnaire.

[Consultation document](#)

1 - About you

1.1 - Are you replying as/on behalf of:*

- ☐ An EU citizen
- ☐ An individual company
- ☐ A national business organization
- ☒ A European business organization
- ☐ A national authority
- ☐ A regional authority
- ☐ Other

1.1b Are you registered on the Transparency Register?*

- ☒ Yes
☐ No

1.2 - Please give your name/ the name of the company/organization/authority*

European Family Businesses

1.3 - Please give your e-mail address

dmovaghar@europeanfamilybusinesses.eu

1.4 - Your country*

- ☐ Austria
☒ Belgium
☐ Bulgaria
☐ Cyprus
☐ Czech Republic
☐ Denmark
☐ Estonia
☐ Finland
☐ France
☐ Germany
☐ Greece
☐ Hungary
☐ Ireland
☐ Italy
☐ Croatia
☐ Latvia
☐ Lithuania
☐ Luxembourg
☐ Malta
☐ Netherlands
☐ Poland
☐ Portugal
☐ Romania
☐ Slovakia
☐ Slovenia
☐ Spain
☐ Sweden
☐ United Kingdom
☐ Other

1.5 - How do you want your contribution to appear on the Commission's website?*

- ☒ **Under the name supplied** (I consent to the publication of all information in my contribution, and I declare that none of it is subject to any copyright restrictions that would prevent publication.)
- ☐ **Anonymously** (I consent to the publication of all information in my contribution except my name/the name of my organisation, and I declare that none of it is subject to any copyright restrictions that would prevent publication.)
- ☐ **I do not want my contribution to appear - please keep it confidential** (It will not be published, but used internally within the Commission.)

2 - Reducing the administrative burden

2.1 How important is a new EU regulation on regulatory simplification, designed to ensure the following in all EU countries?

	Very important	Important	Less important	Not important at all
Setting up a company at a maximum cost of €100 & within 3 days*	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Obtaining the licenses needed within 1 month*	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Making the application of the "SME Test" or an equivalent system mandatory in all EU countries*	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Ensuring that national laws provide for a discharge within 3 years at most for entrepreneurs who have gone bankrupt*	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

2.2 - An EU-wide campaign to cut red tape for SMEs is*

- ☒ Very useful
- ☐ Useful
- ☐ Not very useful
- ☐ Not useful at all

2.3 - Explore the possibility of lowering the transaction costs/fees for SMEs to facilitate their access to industrial and intellectual property is*

- ☒ Very useful
- ☐ Useful
- ☐ Not very useful
- ☐ Not useful at all

2.4 - Improving consultation at an early stage of SMEs (and the organizations representing them) about burdensome legislation, focusing on implementation procedures at EU and national level, is*

- ☒ Very useful
- ☐ Useful
- ☐ Not very useful
- ☐ Not useful at all

2.5 - Encouraging EU countries to simplify tax procedures for new companies in their start-up phase to reduce administrative burdens and help them develop faster is*

- ☐ Very useful
- ☒ Useful
- ☐ Not very useful
- ☐ Not useful at all

2.6 - Identifying and addressing bottlenecks in national legislation which impede SMEs to grow is*

- ☒ Very useful
- ☐ Useful
- ☐ Not very useful
- ☐ Not useful at all

2.7 Any further suggestions or comments?

1,500 character(s) maximum

Point 2.6 – is by far the most crucial point in this section. In the context of how a company's size affects the fiscal, legal and administrative impact on the company. There must be an in depth study of how the regulatory environment impacts the growth development of a firm. Perverse outcomes can be created by layered complexity in the regulatory environment. If jobs and growth are the priority, then a study and survey must be completed urgently. Feedback from our national members have showed that the application of an SME definition, can sometimes hinder the growth of companies as their fiscal and administrative situation changes dramatically once it leaves the confines of the definition. In other words, when a company is no longer considered an SME, it loses regulatory benefits to which it was eligible as an SME. The application of the SME definition is per se contradictory with the objectives of the SBA. That is why we believe that a dedicated strategy for mid-sized businesses, completing the one for SMEs, would be helpful. In addition, as Family Businesses, we encourage the Commission to recognise and explore the importance of ownership. Growth and jobs must be the priority for the European Commission, and hence, a thorough review of the 'bottlenecks in national legislation is urgently needed.

3 - Access to finance

3.1 - Strengthening the venture capital market in Europe (through legislation and by other means), so as to attract private institutional investors back to the markets, is*

- ☐ Very useful
- ☒ Useful
- ☐ Not very useful
- ☐ Not useful at all

3.2 - Mobilising all the funds allocated to the financial instruments under COSME so that at least 220 000 SMEs in the EU benefit from improved access to finance (EU-supported venture capital funds, guarantees and counter-guarantees) is*

- ☐ Very useful
- ☐ Useful
- ☒ Not very useful
- ☐ Not useful at all

3.3 How important are the following initiatives in developing alternative sources of finance?

	Very important	Important	Less important	Not important at all
Removing obstacles to crowd-funding & raising awareness about its risks and benefits and how SMEs can access it (through information, events, forums for those potentially interested, etc.)*	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Further developing & spreading mezzanine financing (hybrid, i.e. debt/equity, form of financing) by sharing best practices & setting up discussion forums on the subject*	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Disseminating good practices in the field of supply chain finance through awareness-raising activities*	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

3.4 - Helping to revive EU securitisation markets through appropriate legislation is*

- ☐ Very useful
- ☐ Useful
- ☐ Not very useful
- ☒ Not useful at all

3.5 - Increase cooperation with financial institutions to raise awareness of EU financial instruments for SMEs by signing agreements with relevant EU and national associations is*

- ☐ Very useful
- ☐ Useful
- ☒ Not very useful
- ☐ Not useful at all

3.6 Any further suggestions or comments?

1,500 character(s) maximum

In this section, EFB would like to see a mention on the importance of supporting equity financing. EFB would like to note that in the Commission's Long-term financing of the European Economy communication COM(2014) 168, states that 'a large majority of corporate tax systems in Europe (and internationally) favour financing by debt against equity by allowing deduction of interest costs, while there is no similar treatment for the costs incurred in raising equity. This tax bias towards debt financing may incentivise companies to take on more debt and may penalise innovative companies and start-ups financed through equity. EFB would like to see this issue addressed in the new SBA, as family SMEs, tend to favour the use of own equity. By promoting the use of equity, businesses would be encouraged to re-invest their retained earnings in the business, but also importantly improve the equity position of the Europe's businesses. This would contribute to stable long-term economic growth and employment in Europe.

4 - Promoting market access for SMEs

4.1 How important are the following initiatives in improving access to the EU single market for SMEs?

	Very important	Important	Less important	Not important at all
Upgrading the Enterprise Europe Network by developing local cooperation with SMEs stakeholders & providing new services*	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Setting up a European Resource Efficiency Excellence Centre to inform & advise SMEs & provide support on this field*	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Helping some 100 less-advanced cluster organizations to develop customised support services for SMEs through twinning schemes with advanced cluster organizations - by 2020*	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

4.2 Developing an integrated Commission strategy to help SMEs do business outside the EU (to increase the percentage of such firms up to 20% by 2020)*

- ☐ Very useful
- ☒ Useful
- ☐ Not very useful
- ☐ Not useful at all

4.2a How important are the following proposals, which could be included in the Commission's strategy to help SMEs do business outside the EU?

	Very important	Important	Less important	Not important at all
Providing added value & complementing the national & regional assistance provided by defining the geographic scope of measures clearly*	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Strengthening links between various EU support programmes & initiatives (EEN, IPR Helpdesk, EU SME Centres, etc.)*	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Showcasing successful EU SMEs operating on global markets & increasing awareness among SMEs of EU-financed initiatives in this field*	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Encouraging SMEs to expand business outside the EU through Missions for Growth & cooperation within international clusters*	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Supporting an international environment that is more conducive to doing business for SMEs by establishing & following up SME dialogues with key EU trade partners*	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

4.3 Exploring the option of targeting policy measures on mid-range companies (firms with over 249 employees) to help them expand their international business is*

- ☒ Very useful
- ☐ Useful
- ☐ Not very useful
- ☐ Not useful at all

4.4 Any further suggestions or comments?

1,500 character(s) maximum

Regarding point 4.3, it is encouraging to see that the mid-range companies are being taken under consideration. However, policy measures for these businesses should not be limited to just an internationalisation stand point, but also from an innovation perspective. In order for a company to retain a global market share, it must be continuously innovative. Therefore, the promotion of innovation in this category of business must be included within the strategy. Various studies estimate that mid-caps provide a third of GDP and a third of private employment. EFB is of the belief that a dedicated mid-cap strategy could broaden the SBA approach and should be integrated into DG Enterprise and Industry. In addition to EFB's major/main approach to encourage policy makers to recognise and support family business, we believe that the application of an EU definition of mid-sized businesses could be useful. A definition would assist with the formation and implementation of a dedicated strategy for mid-sized companies. In addition, a definition would assist in the collection of data which would bring insight into the number of midcaps across Europe, and crucially, their contribution to GDP and employment. For example, in France, mid-range companies are an official statistical category, called "entreprises de taille intermédiaire" (ETI), which gather companies from 250 to 5000 employees, with revenues of 50 million€ to 2 billion€ or a balance sheet total of 43 million€ to 1,5billion€.

5 - Releasing entrepreneurial & innovation potential for growth

5.1 - Scaling up the "Erasmus for Young Entrepreneurs Programme" from 800 to 10 000 exchanges a year by 2020 is*

- ☐ Very useful
- ☒ Useful
- ☐ Not very useful
- ☐ Not useful at all

5.2 - An EU-wide Early Warning Platform for stakeholders and experts to provide counselling to business in difficulties and help viable companies surmount the crisis, save jobs and avoid bankruptcy is*

- ☐ Very useful
- ☐ Useful
- ☒ Not very useful
- ☐ Not useful at all

5.3 - Setting targets for all EU countries to integrate entrepreneurship into secondary school curricula as a key subject by 2018 is*

- ☒ Very useful
- ☐ Useful
- ☐ Not very useful
- ☐ Not useful at all

5.4 - Ensuring that the on-line platform for women entrepreneurs (to be launched in 2015) becomes a recognised and used one-stop shop involving local, national & EU stakeholders is*

- ☐ Very useful
- ☐ Useful
- ☒ Not very useful
- ☐ Not useful at all

5.5 - Consulting entrepreneurs throughout Europe to collect ideas for new initiatives to promote entrepreneurship and youth start-ups is*

- ☐ Very useful
- ☒ Useful
- ☐ Not very useful
- ☐ Not useful at all

5.6 - Supporting EU countries and regions to develop models for start-up and growth centres and promoting these models is*

- ☐ Very useful
- ☒ Useful
- ☐ Not very useful
- ☐ Not useful at all

5.7 How important are the following initiatives in facilitating the transfer of business?

	Very important	Important	Less important	Not important at all
Urging EU countries to put in place national action plans on business transfers and have a one-stop shop on transfer or a transfer of business element in existing one-stop shops by 2017*	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Developing and spreading "Quality Standards" for online markets for business transfers & encouraging the linkages between already existing cross-border matching platforms*	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Facilitating EU-wide networking to encourage exchanges between researchers & practitioners; setting up a European Mentors Network for Transfers*	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Supporting an EU-wide matching platform for universities/business schools focusing on business transfer*	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5.8 How important are the following measures in supporting the Commission's new clusters strategy?

	Very important	Important	Less important	Not important at all
Promoting and supporting business management innovative models, also through initiatives aimed at developing new managerial skills for SMEs*	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bringing together cluster policy-makers in a European Cluster Growth Policy Platform, to share policy experience & develop a shared methodology for cluster policy*	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Setting up a regular dialogue on emerging industries with SME communities and business support & clusters practitioners	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

5.9 Any further suggestions or comments?

1,500 character(s) maximum

Regarding point 5.7, there must be a systematic identification of bottlenecks in national legislation which impede businesses to be transferred. With regards to family businesses, EFB has shown in its recent 'European Tax Monitor' that severe fiscal implications can put serious constraints on family businesses who wish to transfer to the next generation. The monitor shows that potential exemptions and reliefs are very often available to family businesses, however, if a company is not sufficiently prepared, the tax implication can force entrepreneurs to sell or close shop. As a result, it is crucial that at the moment of transfer, fiscal levies do not impede the owners and the company to continue investing in growth and innovation by removing equity from the company. Moreover, administrative procedures must be adapted so as to facilitate the transfer on retirement as opposed to only upon inheritance.

Therefore, encouraging member states to set-up national action plans and appropriate communication strategies is crucial to ensure that viable family businesses are not needlessly lost due to complicated administrative and fiscal procedures. Promoting best practices in tax exemptions regarding business transfers could also be very useful to increase the number of successful transfers within families, since the cost of business transfers is still significantly high in certain Member States.

6 - Boosting skills development

6.1 How important is to launch a Commission initiative, comprising employment, education & enterprise dimensions, to overcome the shortage of skilled labour by promoting the following measures?

	Very important	Important	Less important	Not important at all
Training schemes for skilled workers directly involving SMEs from the concerned sector*	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A dual system in vocational training*	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A better image of skilled crafts & technical jobs in SMEs*	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6.2 Any further suggestions or comments?

1,500 character(s) maximum

Contact

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