

Reducing EU regulatory burdens on SMEs

<u>Seminar</u>

of the European Committee of the Regions' ECON commission

30 March 2023, 14h00-16h45

Rue Belliard 99/101, Brussels Room JDE 51 & online

European SMEs are struggling with their post-pandemic economic recovery, amidst soaring inflation, a severe energy crisis and rising labour market concerns. At the same time, new EU legislation as part of the EU Green Deal imposes, be it directly or indirectly, unprecedented regulatory burdens on SMEs.

As businesses tend to be increasingly vulnerable to regulations conceived and adopted at supranational level, this seminar will discuss the better regulation principles and instruments (e.g. impact assessments and SME tests) and how they should be applied to ensure a SME-proof regulatory regime at the EU level.

This seminar will also explore the proposed Corporate Sustainability Due Diligence Directive (CS3D), which is entering a crucial stage of negotiations ahead of the trilogues, with a particular focus on its expected impact on SMEs.

Draft agenda

14h00	Welcome and introduction
	 [online] Jaroslava Pokorna Jermanova, Chair of the ECON commission of the European Committee of the Regions
	 Eddy Van Hijum, Regional Minister of the Overijssel Province, ECON member and rapporteur for the SME Strategy
14h15	Session 1 – SME competitiveness in the context of rising regulatory burdens in EU legislation (moderated by: Eddy Van Hijum)

	As announced by Commission President Von der Leyen in her last State of the Union address, the European Commission intends to put forward a SME Relief Package to give Europe's SMEs "a lifeline in troubled waters". Meanwhile, new legislation as part of the EU Green Deal is imposing rising regulatory burdens on SMEs. This session will explore how to bring greater regulatory relief to SMEs at EU level, in the context of the upcoming SME Relief Package, as well as through the work of the Fit for Future platform. The panellists will also discuss the extent to which these rising regulatory burdens are posing a threat to SMEs' competitiveness. Are existing principles (e.g. "one in, one out") and tools (e.g. impact assessments, SME filters and tests) fit for purpose? How can their application be improved?
	 Panel speakers Prof. Tadeusz Truskolaski, Member of the ECON Commission, President of the city of Bialystok Veronique Willems, Secretary General, SME United Artur Romanek, Policy officer for SME Policy, DG GROW, European Commission Dieter Frizberg, Policy Analyst for ex-ante impact assessment, European Parliament Lina Konstantinopoulou, Policy Director, Eurochambres Q&A session
15h15	Coffee break
15h30	Session 2 – Corporate Sustainability Due Diligence Directive (CS3D) and its impact on SMEs: state of play (moderated by: Eddy van Hijum)
	This session will zoom in on the Corporate Sustainability Due Diligence Directive (CSDDD), which seeks to contribute to the EU Green Deal ambitions. The proposed rules aim to foster responsible corporate behaviour across value chains in order to mitigate the impact of businesses' activities on human rights and the environment.
	Despite the Directive's important objectives, more clarity is needed on its impact on European businesses, particularly SMEs. Although not directly in scope, SMEs risk being subject to onerous requirements through the back door, namely via their contractual relationships with larger companies.
	Ahead of trilogue negotiations, this session will look at the direction of travel the EU co- legislators are taking, particularly regarding scope, proportionality and contractual requirements. In this context, panellists will discuss the possible impact of the rules on SMEs and their potential unintended consequences. How can businesses be supported in conducting sustainable and responsible business? And how can the EU ensure its continued competitiveness in global supply chains?
	 Panel speakers: [recorded] Deirdre Clune, Member of the European Parliament (EPP/IE), Rapporteur in IMCO on the opinion on CSDDD proposal Lara Wolters, Member of the European Parliament (S&D, NL), JURI rapporteur on the opinion on CSDDD proposal

	 Zsofia Kerecsen, Team Leader for Company Law, DG JUST, European Commission Lucie Slavíková, Chair of the Working Party on Company Law of the Council during the Czech Presidency Laura Stam, Policy Advisor VNO NCW and SME Netherlands Q&A session
16h30	Wrap-up and closing