



# Euro News

The UK Network of Euro Info Centres  
Issue 13 : April 2007

# In this issue

Questions and Answers

Cutting the admin for small businesses

Europe's 50th birthday

The Accession of Bulgaria and  
Romania: The Business Opportunities  
for Scotland

Europe's Research Funding

Grants in April

Consultations

Information roundup

# Questions and Answers

## Question:

I am looking to employ Bulgarian and Romanian workers in the near future. Will there be any restrictions on their employment in the UK after 1 January 2007?

## Answer:

Contrary to the Worker Registration Scheme introduced following the 2004 EU-enlargement, Romanian and Bulgarian workers will face stricter rules when wishing to work in the UK. The total number of low-skilled Romanian and Bulgarian workers who will be authorised to work in the UK will be limited to 19,750 per annum and they can only be employed in the food processing and agricultural sectors. Skilled workers will be able to apply for regular work permits or the Highly Skilled Migrant Programme (HSMP), which is a points-based immigration scheme. Points are scored in four main areas: qualifications, past earnings, age assessment and UK experience as well as a good level of the English language. Currently, less than 100 Romanians and Bulgarians apply under this scheme a year. Finally, Bulgarian and Romanian students will be allowed to study and work part-time in the UK. However, a random number of people will be free to work in the UK if they are self-employed as no restrictions are set up in this area.

If Bulgarians and Romanians are found to be working illegally in the UK, they can be fined up to £1,000 as can their employer. It is expected that over 30,000 people will come to the UK from the two new Member States. The inclusion of Romania and Bulgaria will bring a further 30 million people into the EU, thereby completing the EU's historic fifth round of enlargement and creating a union of almost half a billion citizens. Further information on HSMP, work permits and other immigration matters is available on the Home Office's website, [www.homeoffice.gov.uk](http://www.homeoffice.gov.uk)

# Cutting the admin for small businesses



Image: © European Community, 2007

The Commission has laid out a first set of proposals to cut administrative burdens for companies, primarily SMEs. The total package of ten actions aims at saving companies €1.3 billion a year by removing unnecessary administrative burdens on businesses through minor legislative changes.

The first three proposals, aimed at transport companies, small bakers, butchers and grocery shops are part of a package of fast-track actions (i.e. simplified approval for the new legislation by the European Institutions), which the Commission announced in January 2007. The package would lead to the following benefits for businesses:

- Companies will no longer have to commission costly expert reports, concerning the draft terms of mergers or divisions, if there is no demand for these reports among shareholders. This simplification applies to more than 600,000 public limited liability companies across Europe, although it is expected that SMEs will mainly make use of the exemption. It is estimated that the average cost of such reports amounts to roughly €3,500 for every merger or division.
- Freight carriers will not have to carry separate transport documents, explaining, for example, frontier crossing points, routes to be taken, etc. This action removes unnecessary reporting requirements dating from 1960 and aligns the remaining requirements with provisions in existing international conventions, while facilitating freight carriers' opportunities for using simpler means of documentation. The simplification applies to more than 300,000 freight carriers across Europe, a majority of which is the SME sector.
- Micro-enterprises in the food area, such as butchers, bakers and grocery shops, will no longer face the same demanding requirements for keeping records on hygiene procedures and practices as large supermarkets. The micro-enterprises will

## Cutting the admin for small businesses

still have to abide by high sanitary standards but they will no longer have to spend time writing down and keeping detailed records of the procedures. Analysis has shown that these businesses can, in fact, keep the same level of sanitary protection without facing enormous administrative burdens.

For further information about the content of the proposals, visit DG Enterprise website  
[http://ec.europa.eu/enterprise/regulation/better\\_regulation/index\\_en.htm](http://ec.europa.eu/enterprise/regulation/better_regulation/index_en.htm)

# Europe's 50th birthday



Image: © European Community, 2007


The European Union (EU) is celebrating the Treaty of Rome signed 50 years ago by six countries to form a union that is now a global player in trade, aid and politics. The six - France, Germany, Italy, Holland, Belgium and Luxembourg - have now added another 21 members to their community making it one of the biggest trading blocks in the world. It is beginning to be comparable in size and growth with America, with a population of 500 million and huge economic resources. The EU is beginning to make itself felt in international terms as a counterweight to the power of the emerging economies of China and India and even that of America.

The structure of its administration is complex, as you might expect from an organisation serving 27 Member States that are all protective of their own sovereignty. Decisions are taken through a three-part organisation, the first of which is the European Council consisting of the heads of government of each Member State along with the Council of Ministers, which brings together the national ministers of finance, transport, environment, etc. to create and decide the main laws and budget of the EU. Their political direction is given to the European Commission who then acts as the administrator in carrying out the EU's policy.

The European Commission consists of 27 Commissioners appointed by the member states for a five-year term. Each of them is given a portfolio of responsibility such as environment, agriculture, international affairs, etc. This 'college' of administrators is supported by a staff of 20,000 to administer the policies of the EU. The formulation of legislation is in the hands of the Commission but its work must have the approval of the Council of Ministers and the European Parliament.

The Parliament's 785 European Members of Parliament (MEPs) have been democratically elected by the EU citizens since 1979 to serve for a five-year period, like the Commission. The

## Europe's 50th birthday

A decorative graphic on the left side of the page consisting of several yellow and grey stars of varying sizes, arranged in a pattern that suggests the European Union flag. The stars are set against a light blue background that also features a faint map of Europe.

Parliament meets regularly in Strasbourg or Brussels and is able to dismiss the Commission if this does not fulfil its obligations. It did so in 1999 when the Commission was seen to be acting in a corrupt manner. The legislation that the Commission proposes and which the Council of Ministers and the Parliament pass becomes legally binding in each Member State and is implemented or directly transposed into the national legislation of the 27 Member States.

Legal disputes concerning European law are referred to the European Court of Justice in Luxembourg. This is the EU's supreme court that deals mainly with rights granted under the Community's legislation but excludes criminal matters, which are dealt with by the national courts. It consists of one judge from each Member State and the case load is lightened by the use of the Court of First Instance. In addition there are a considerable number of agencies including banks such as the European Investment Bank and the European Bank for Reconstruction and Development that support major projects that the Commission wishes to establish in the world and particularly in Eastern Europe.

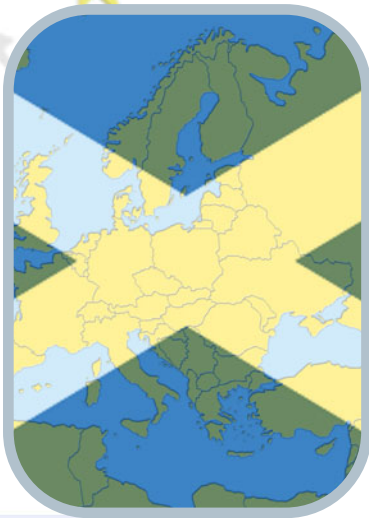
The EU has gone through a number of major upheavals in its 50 years of growth and development. The main one was the collapse of Communism and the tearing down of the wall that divided Eastern Europe from the West. This led to the reunification of Germany, which had a pivotal effect on Europe's relationship with the various European countries that had been dominated by the Soviet Union since World War II. In 2004 many of these ex-Communist countries, i.e. Poland, Hungary, the Czech Republic, Slovakia, and Slovenia along with Estonia, Latvia and Lithuania, and Cyprus and Malta, all became members of the EU. This almost doubled the land mass of the EU and the economic opportunities of this expansion have been immense and are still growing with the addition of Romania and Bulgaria on 1 January 2007.

## Europe's 50th birthday

### Special euro coin issue

To commemorate the 50th anniversary of the European Union, euro-area countries will all issue a €2 coin showing the Piazza del Campidoglio in Rome where the Treaty of Rome was signed on 25 March 1957. This is the first time a coin will be issued by all euro-area members to commemorate the same event. It is thus the first time that a €2 coin with a common design on both sides will circulate throughout the euro area.

# The Accession of Bulgaria and Romania: The Business Opportunities for Scotland



Map: © European Community, 2007

On 1 January 2007, the European Union welcomed two new Member States, Bulgaria and Romania, bringing the total membership to 27. Therefore, on 8 and 9 March, the Euro Info Centre Glasgow, in partnership with the Scottish Executive, organised two events to mark the accession of Bulgaria and Romania to the European Union. The events had a dual purpose - not only to mark the accession, but also to highlight the business opportunities available to Scottish SMEs in the new Member States. Here Louise Fisher gives us a conference report.

Speakers for the events included Robert Eros, the First Secretary of the Trade Section of the Embassy of Romania; Wavell Magor MBE, the International Trade Missions Manager working with Business Gateway International Lothians; Jane Gotts, Trade Missions Manager from the Scottish Council for Development and Industry; Tim Steward from Language Network Scotland; and Colin McLauchlin from Xchange Business Foreign Currency Specialists. There was also a case study by David Telford, Managing Director of Factorten, a Scottish SME successfully operating in Bulgaria.

## Starting off

The events were chaired by Neil Mitchison, Head of the European Commission Office in Scotland. By way of introduction, Neil welcomed both delegates and speakers to the events. In his opening remarks he highlighted the significance of the latest European Union enlargement, and extended a welcome to Bulgaria and Romania.

The first speaker of the day, Robert Eros, representing the Embassy of Romania, provided the audience with a country profile of Romania, detailing the growth of the economy and investment incentives. He discussed the reasons why Scottish businesses should consider Romania as an economic partner, including the skilled labour pool, increased purchasing power of

## The Accession of Bulgaria and Romania: The Business Opportunities for Scotland

the Romanian population and its geographical location. Not only does Romania offer potential investors a new market only three hours flying time from the UK, it also allows access to both the Danube/North Sea and Black Sea ports. Finally, he highlighted the main sectors in Romania for both importing and exporting, and the leading industries for investment.

### **Trade missions and problems**

Both Wavell Magor and Jane Gotts discussed visiting overseas markets, and stressed the importance of trade missions. While Wavell Magor highlighted the main opportunities in both Bulgaria and Romania, Jane Gotts discussed Scotland's relationship with the new Member States, and the help available to access the market.

Recognising the difficulties encountered when trading in different currencies, Colin McLauchlin, from Xchange Business, spoke to participants about the economy in each of the new Member States, drawing a comparison with the progress of the Polish zloty since the 2004 enlargement. He also talked of the need to take safeguards when dealing with different currencies, and demonstrated to companies the necessary steps which they should take to protect themselves.

### **Language issues**

The role of Language Network Scotland is to promote language skills across all sectors. Tim Steward gave an interesting presentation, highlighting the need for language skills for business. He noted that Scottish companies engage in significantly less trade with countries where English is not widely spoken. In fact he showed figures to suggest that the UK currently has the same level of trade in Denmark, with a population of 5 million, where English is widely spoken, and the whole of South America, with a population of 390 million and where Spanish and Portuguese

## The Accession of Bulgaria and Romania: The Business Opportunities for Scotland

are the dominant languages. Each accounts for 1.2 per cent of UK trade.

His presentation ended with case studies showing a number of products intended for the UK market with wholly unsuitable labelling. This highlighted to participants the importance of understanding the cultural background to their intended market.

### To end

The final presentation was delivered by David Telford of Factorten. The company, based in Renfrewshire, are currently involved in delivering their services in Bulgaria, and are involved with a Bulgarian partner agency, Bullbrokers Ltd. David described how Factorten were able to successfully access the Bulgarian market, by taking part in trade missions, by taking advantage of the support offered by the British Embassy in Bulgaria, and by finding a partner with highly qualified staff, a base in Sofia, and well-established links with municipalities, government departments and neighbouring countries. This allowed participants to recognise the importance of the information provided during the day and understand how it can be put into practice.

There was also a short presentation by Euro Info Centre staff, informing those in attendance of the ways in which the EIC network can assist in providing information on both Bulgaria and Romania. Staff detailed the locations of Euro Info Centres in Bulgaria and Romania, and demonstrated the market information and business cooperation support available.

Participants were therefore provided with:

- Knowledge of the key sectors in Bulgaria and Romania
- Understanding of the value of a trade mission to a target market

## The Accession of Bulgaria and Romania: The Business Opportunities for Scotland

- An indication of the support networks which exist for Scottish companies trying to access the market
- An understanding of the importance of cultural knowledge and language skills when targeting overseas markets
- Key facts regarding the economy in both Bulgaria and Romania
- An example of how a Scottish SME can successfully access and operate in the Bulgarian market.

The audience also chose to raise a number of questions with the panel at the end of the event. Participating in the question and answer session was Linda Hanna, Director of Enterprise Services from Scottish Enterprise. A number of different issues were raised including the continuing concern of corruption in Bulgaria and Romania and the steps being taken to rectify this problem, and the support offered to businesses in Scotland looking to take the first steps into overseas markets.

The event was attended by over 110 companies and organisations over both days. Feedback from participants suggested that there had been an overall increase in understanding of the two new Member States. Furthermore, 87 per cent of those questioned rated both the programme and content of presentations as 'Above average' to 'Excellent'.

### **Future opportunities**

The event also allowed companies interested in the Bulgarian and Romanian markets to meet representatives from business support organisations in Scotland with the knowledge and experience to help them successfully target the market. Early indications suggest that many of the companies in attendance have now taken steps to learn more about the markets, and take advantage of the opportunities available to them.

## The Accession of Bulgaria and Romania: The Business Opportunities for Scotland

Louise Fisher, European Information Executive can be contacted at:

Euro Info Centre, Enterprise House, 3 Greenmarket, Dundee,  
DD1 4QB

Tel: +44 (0)1382 305516; +44 (0)1382 201319

Email: [louise.fisher@scotent.co.uk](mailto:louise.fisher@scotent.co.uk)

Visit our website: [www.scottish-enterprise.com/euroinfocentre](http://www.scottish-enterprise.com/euroinfocentre)

Would you like to be kept up to date with the latest European news, events, campaigns and business opportunities?

Subscribe to our FREE monthly newsletter by contacting  
[louise.fisher@scotent.co.uk](mailto:louise.fisher@scotent.co.uk)

# Europe's Research Funding

Peter Matthews looks at FP7 and how SMEs can benefit.



Image: © European Community, 2007.

Research and technological development enhancement is a prime objective of the European Commission. Its most active grant programme is therefore aimed at the innovative development of new products and services that come out of technical research and development. Innovation is a major generator of Europe's economic growth and job creation in the global market. Europe spends almost 30 per cent of the world's research investment and the European Commission has earmarked over €50 billion to help promote and establish Europe's leadership in key scientific and technology areas. Funding is available to companies as well as universities based in the EU Member States and a large slice of the money has been set aside to help smaller companies to participate in this huge international research and development programme.

The Commission's research budget is organised in framework programmes (or FPs) and the 6th Framework or FP6 as it is known came to an end last year. FP7 was started on 1 January this year with a budget of over €50 billion spread over a seven-year period from 2007 to 2013. The various research actions that this money supports fall under four specific headings.

## **Cooperation between cross border research projects (64 per cent of the budget)**

These funds are aimed at transnational research projects and there are ten priority sectors, each of which has a cooperation budget allocated to it:

1. Health (19 per cent of budget)
2. Food, agriculture and fisheries, biotechnology (6 per cent of budget)
3. Information and communication technologies (28 per cent of budget)

## Europe's Research Funding

budget)

4. Nanoscience, materials and production technology (11 per cent of budget)
5. Energy (7 per cent of budget)
6. Environment and climate change (6 per cent of budget)
7. Transport and aeronautics (13 per cent of budget)
8. Socio-economics science (budget not set)
9. Security (budget not set)
10. Space (budget not set).

This budget can also include cooperation between the EU and African, Caribbean or Pacific (ACP) partners as well as other third countries. These programmes are available to any organisation but there must be at least two (preferably more) partners per project and they must come from two or more countries of the EU. One difference in the new FP7 is that Small and Medium Sized Enterprises (SMEs) will be offered 75 per cent of the cost of a project compared with 50 per cent under FP6.

### **Ideas and leading edge technology (15 per cent of the budget)**

This sector is for social science and the humanities and is managed by the national research councils of the EU Member States. It will focus on the frontier of knowledge and is mainly for academics.

### **People training and mobility (9 per cent of the budget)**


The development of European researchers and their forums are funded through this budget line and this too is mainly for academic researchers.

### **Capacity of research infrastructure (9 per cent of the budget)**

This fund promotes infrastructure, communication and policy development of research bodies throughout Europe.

## Europe's Research Funding

### Budget structure

A decorative graphic on the left side of the page consisting of several yellow and grey stars of varying sizes, arranged in a pattern that suggests the European Union flag, set against a light blue background with a large upward-pointing arrow shape.

This is the way the overall structure of the budget is divided up and the overall purposes for which the sectors are intended. The method of dispersing the money to the researchers in universities, companies and in particular SMEs comes into play in the detailed projects. Using the framework described above, an SME decides which of the activities outlined are of interest. The breakdown enables the SME to select a thematic priority so that if it were researching agricultural matters, it would be interested in item 2 of the priority list. Potential applicants will then have to consult the work programme that the Commission is about to issue. This covers a three-year period and details the dates for each call for proposals to apply for funding under each priority. The papers will carry details of its budget which could be about €2 billion for agricultural and fisheries research. The fact that biotechnology is mentioned is a hint that research pushing the boundaries of DNA and isotopic technology is a strong flavour of this grant round.

Applicants will need to apply for the documents when the call is announced but even before the papers drop through the letterbox, they should have thought about their research projects and objectives. They stand a better chance of success if they are well prepared. Projects should already be formulated along with the cross-border partners that are needed to be in place so that a team is ready to complete the application. If an SME makes a successful bid, it could result in a grant of anything from tens of thousands to a few million euro. Grant money does not come without effort. Preparation is all important for making a successful application and getting the right information in time is the key.

## Grants in April 2007



GRANTfinder

This monthly listing of grant opportunities includes an increased number of early warnings of calls for proposals for funding which have yet to be announced to give you time to prepare your grant text and documentation. Your chances for success certainly improve with good preparation and planning.

This month's new grants are mainly concerned with Interreg and developing organisations across national borders. The grant opportunities for the smaller company that wishes to develop a cross-border project are very good.

The DAPHNE2 programme will have calls for proposals published in May for transnational actions to prevent violence or abuse of young people or women. It is open to partnerships for two or more organisations in EU Member States.

The prevention of violent radicalisation programme is aimed at disrupting the activities that draw people to terrorism. Bids are invited from media bodies, university bodies and think tanks for projects that fall within one of the following themes:

- Competence building for spiritual leaders and youth organisations
- Enhancing knowledge on the nature of violent radicalisation particularly among the young
- Effective channelling of addressing grievances
- Improving engagement with spiritual or political leaders
- Facilitating cross-cultural dialogue between media professionals
- Empowering voices that counter terrorist rhetoric
- Monitoring recruitment and grooming of terrorists over the Internet.

## Grants in April 2007

The deadline for this call, which has already been issued, is 16 April 2007 and it has a budget of €750,000 (maximum funding is 85 per cent of costs).

Energy globe awards have an award of €10,000 for individuals or organisations in the field of sustainable development for achievement in one of the following categories:

- Earth - for projects such as energy crops and building materials
- Fire - for energy production in renewable energy production
- Water - for water saving methods, crop watering, protection of rivers, etc.
- Air - for climate protection or better combustion processes
- Youth - to encourage environmental awareness.

The deadline for applications is 31 July 2007.

**Interreg 4a** Northern Ireland, Ireland and Western Scotland is an advanced notice of a cooperation programme with a budget of €192 million and responses to the consultation should be made by 30 April 2007.

**Interreg 4b** Atlantic area covers the coastal regions of the UK, France, Portugal, Spain and Ireland. It offers the cost of 65 per cent of the total costs of projects out of a budget of €104 million.

**Interreg 4b** Northwest Europe is an advance notice of the programme covering the whole of the UK, Belgium, Ireland, Luxembourg and parts of Germany, France and the Netherlands, and by special arrangement Switzerland. Funding of 50 per cent of projects is available for projects between these countries.

**Interreg 4b** Northern Periphery is designed to fund co-operative projects that cover the UK in cooperation with the Faroe Islands,

## Grants in April 2007

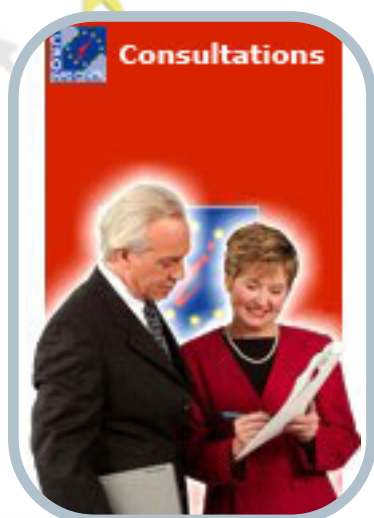
Iceland, Norway and Greenland as well as Finland, Ireland and Sweden. This aspect of Interreg has a budget of €25 million and can cover up to 75 per cent of the cost of a project.

Peter Matthews worked for the European Commission and now advises on how to complete applications for Grantfinder projects. He also specialises in global trade and investment funding support and soft loans from the EU to Eastern Europe, Northern and Sub-Saharan Africa and South East Asia.

Contact the London Euro Info Centre if you are interested in any of the above or if you are interested in the Euro Info Centre carrying out a special search for funding entitlement for your organisation. See [www.londonchamber.co.uk](http://www.londonchamber.co.uk)

# Consultations

Here we provide a selection of current consultations that are of interest to SMEs.



## **Enforcement of REACH in the UK**

The Department for Environment, Food and Rural Affairs (DEFRA) is carrying out a consultation regarding proposals for the UK enforcement of the new EU Regulation on chemicals - REACH (Registration, Evaluation and Authorisation of Chemicals). The European Union recently adopted a new system to control the risks which chemicals may pose to human health and the environment. The REACH Regulation was agreed by the European Parliament and the Council of Ministers on 18 December 2006, and published in the Official Journal on 30 December. REACH will enter into force on 1 June 2007, however the requirements of REACH are phased, and will be introduced progressively up until 2018. REACH establishes a central European Chemicals Agency that will oversee the operation of REACH throughout the EU. Member States are responsible for a degree of the work and enforcement. The UK is required to have an enforcement and penalties regime in place no later than 1 December 2008.

The closing date for comments on this consultation is 4 June 2007. The consultation document may be found on Defra's website at: [www.defra.gov.uk/corporate/consult/reach-enforce/index.htm](http://www.defra.gov.uk/corporate/consult/reach-enforce/index.htm).

## **Mutual recognition: proposal for an EU Regulation on application of national rules to products lawfully marketed in another Member State**

The DTI has launched a consultation on the European Commission's proposal on Mutual Recognition to gather views both on the proposal itself and on the experience of UK companies wishing to take advantage of the Mutual Recognition

## Consultations

principle in trading across the EU. The consultation opened on 28 February and will close on 23 May 2007. You can access the documents on the DTI website: <http://www.dti.gov.uk/consultations/page38029.html>

On 14 February 2007, the Commission adopted a Regulation intended to make the Mutual Recognition of goods work better in the EU. The proposed Regulation only applies to the 'non-harmonised' field of goods, and does not apply to goods that are already subject to EU harmonising legislation (such as the EU Directives on Toy Safety, Machinery, Medical Devices, Pharmaceuticals, etc.). Broadly speaking, the proposal:

- sets out a procedure that market surveillance authorities will have to follow if they want to use national technical rules in order to prevent goods being marketed in their territory; and
- obliges Member States to set up Product Contact Points to provide information to businesses on their national technical rules.

It is expected that negotiations will move very swiftly on this proposal. For more details, contact:

Angela Pearce, Europe and World Trade Directorate, Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET.

Tel: 020 7215 2748; Fax: 020 7215 2234

Email: [angela.pearce@dti.gsi.gov.uk](mailto:angela.pearce@dti.gsi.gov.uk)

### **VAT: possible introduction of a mechanism for eliminating double taxation in individual cases**

The European Commission has launched an online consultation to ascertain the views of the public and businesses on the possible introduction of a mechanism for eliminating double taxation in individual cases.

## Consultations

The consultation is based on a consultation document whose aim is to describe the problems identified by the Commission and to propose possible solutions.

In order to improve the current situation, the document examines two possible approaches:

- Removal of the obligation to pay the amount of VAT demanded a second time until the dispute giving rise to the double taxation has been resolved between the Member States concerned.
- Elimination of the double taxation itself by introducing a procedure for mutual agreement between the tax administrations of the various Member States concerned; if this procedure failed, the matter could be resolved by arbitration.

The consultation document will be of particular interest to taxable persons who have already been confronted with VAT double taxation problems, businesses whose customers have been confronted with double taxation situations, and consumers who have themselves been charged VAT twice for the same product or service.

Comments may be sent by letter, fax or electronic mail for the attention of Ms Maryse Volvert or Mr Jean Claude Pilat., European Commission, Directorate General for Taxation and Customs Union; Office MO 59 5/77, B-1049 Brussels, Belgium, Fax: + 32-2-299-36-48

Email: [taxud-vat-double-tax@ec.europa.eu](mailto:taxud-vat-double-tax@ec.europa.eu)

The consultation is based on the following consultation document and is open until 31 May 2007:

[http://ec.europa.eu/taxation\\_customs/resources/documents/common/consultations/tax/double\\_taxation\\_en.pdf](http://ec.europa.eu/taxation_customs/resources/documents/common/consultations/tax/double_taxation_en.pdf)

# Information Roundup

## **Online survey about the European Commission's export helpdesk database**

Through the Export Helpdesk, the EU Commission aims to promote exports from developing countries to EU markets. The database is also a useful tool for UK importers as it contains information about customs, duties, tariffs, EU legislation affecting specific products and trade statistics.

The Commission wishes to find out if it is achieving its aim or what needs to be done to improve services, and invites visitors to complete an online survey on its website:

<http://exporthelp.europa.eu/>

## **Companies Act 2006**

The Companies Act 2006 legislation came into force in January 2007 and requires all companies in the UK to list their company registration number, place of registration and registered office address on their website. The information, which must be in legible characters, should also appear on order forms and in emails. Such information is already required on 'business letters' but the duty is being extended to websites, order forms and electronic documents.

Further information is available from the DTI website:

<http://www.dti.gov.uk/bbf/co-act-2006/index.html>

## **Does your business have trouble complying with complicated European directives?**

If so, then the Euro Info Centre wants to hear about it! Through the EIC, Scottish businesses can have direct access to Brussels and take the opportunity to tell the European Commission about problems that have arisen in their experience of EU legislation.

## Information Roundup

For example:

- Has your business suffered economic losses as a result of implementation of a new Directive such as the WEEE directive?
- Do you feel certain European regulations have been wrongly interpreted in domestic legislation?
- Are there legislative procedures, such as EU Customs or VAT rules, which are getting in the way of your business trading effectively in Europe?

Any company encountering problems in the European market can contact the Euro Info Centre, who will feed back details to the Commission. This feedback may not solve the problem overnight, but it will help the Commission identify problems and try to simplify EU legislation in the future.

Company details will be kept completely confidential.

Contact us on 0141 228 2797 or [euroinfocentre@scotent.co.uk](mailto:euroinfocentre@scotent.co.uk)

### **The Unfair Commercial Practices Directive**

The Unfair Commercial Practices Directive (UCPD) harmonises trading laws across the EU and prohibits traders to treat consumers unfairly. It was adopted in 2005 and must come into force on 12 December 2007. The directive bans unfair advertising, marketing and other commercial practices. It is particularly aimed at businesses that mislead consumers through acts or omissions and aggressive pressure-selling techniques. In an annex it contains a 'blacklist' of practices that will be banned in all Member States. This legislation is expected to fill the gaps of the existing European and UK consumer protection legislation. Once entered into force, businesses will be

## Information Roundup

able to trade throughout the EU under the same consumer protection legislation. At the same time all 380 million European consumers will benefit from the same protection.

### **European public procurement procedures are problematic for SMEs**

Research commissioned by the Tenon Forum shows that SMEs struggle when trying to apply for public sector contracts. Over 76 per cent of UK's SME business leaders consider the process of application unfair. 85 per cent of the businesses that have participated in a procurement process find the process cumbersome and have gained the impression that some decisions have already been taken, complaining about the lack of experience of the civil servants dealing with the process.

The UK legislation is governed by the European directives on public procurement. The coordinating directive on public procurement is 2004/18/EC for contracts over a certain value. All contracts over a certain threshold have to be published so all European companies can apply for them. Only about 21 per cent of European SMEs currently win above threshold contracts.

### **Final report on competition in retail banking**

The European Commission has published its final report on competition in the retail banking sector. It has found that the present widespread barriers may increase the costs of banking for SMEs and consumers unnecessarily and keep new competitors of the market.

The Commission inquiry looked into two areas of retail banking: payment cards and systems, and retail banking product markets.

In relation to payment cards and systems, the Commission is particularly concerned about the highly concentrated markets,

## Information Roundup

the large variations in merchant and interchange fees, high and sustained profitability, rules and practices that weaken competition of retailers and divergent technical standards. All of which result in unnecessary burdens on businesses and consumers.

The concerns the Commission has in relation to the retail banking products market cover the influence that the banking sector in some Member States has on the level of prices caused by the high costs the sector generates. It is also concerned about some credit registers that could use its confidential information to exclude new players in the banking sector. Some types of cooperation between banks could also have the same effect. Product-typing could reduce customer choice and enhance the power of the bank in a particular market. Finally, the Commission found that banks are also able to create obstacles to the mobility of their customers.

The Commission promises to use its powers together with the national competition authorities to intervene where necessary.

The report can be found on

[http://ec.europa.eu/comm/competition/antitrust/others/sector\\_inquiries/financial\\_services/sec\\_2007\\_106.pdf](http://ec.europa.eu/comm/competition/antitrust/others/sector_inquiries/financial_services/sec_2007_106.pdf)

### **The JEREMIE programme**

The JEREMIE programme (Joint European Resources for Micro to Medium Enterprises) is an initiative to promote SME access to finance and financial engineering products in the EU from 2007 to 2013. It is a joint initiative of the European Commission, the European Investment Fund and the European Investment Bank. In this context national and regional authorities can use part of their structural funds (ERDF) to acquire a set of financial instruments specifically designed to support micro, medium and small enterprises.

## Information Roundup

The programme foresees three main financial instruments: advisory and technical assistance, equity and venture capital, and guarantees. As opposed to other programmes, under JEREMIE, it will be possible to transform parts of grants into financial products.

For further information please visit [www.eif.org/jeremie](http://www.eif.org/jeremie) or e-mail [jeremie@eif.org](mailto:jeremie@eif.org).

### Events

#### *Tourism Masterclass*

14 May 2007, 10am, Gleneagles Hotel

This tourism masterclass will focus on the changes in leisure and lifestyle, and opportunities presented for your business.

For further information please contact Katharine at Stark Events, 0141 357 2235 / [katharine@starkeventsuk.com](mailto:katharine@starkeventsuk.com)

#### *Trading Online Internationally*

19 June 2007, 10am-12 noon

This session will highlight some of the things you need to think about when considering international trade.

For further information, please contact Adele Coyle on 0141 5721600 / [acoyle@targetinginnovation.com](mailto:acoyle@targetinginnovation.com)

#### *The 'R' in REACH: Pre-Registration and Registration of Substances*

21 June 2007, Wissenschaftszentrum Bonn, Germany

The 'R' in REACH workshop aims to explain and discuss key aspects of pre-registration and registration of chemical substances.

## Information Roundup

It will provide up-to-date information on the REACH guidance documents and tools to support companies who are preparing to register their substances.

For further information see [www.baua.de](http://www.baua.de)

### *Cross Bo II: Food Event 2007*

24-25 May, Gdansk, Poland

The Euro Info Centre is involved in a pan-European project to assist companies in finding business partners in other Member States. As part of the Cross-Bo II project, the Euro Info Centre will take Scottish companies to the Food Event 2007, in Gdansk, Poland, running parallel to the DELIKATESY Fairs.

The Food Event 2007 is a match-making event dedicated to SMEs ready for development and international cooperation. Over 200 companies from 15 countries in Europe will participate. Companies can book up to 20 meetings in advance and throughout the event.


For further information, or to register for this match-making event, please contact Gabriella Kelemen on 01382 305525, or email [gabriella.kelemen@scotent.co.uk](mailto:gabriella.kelemen@scotent.co.uk)

### **SME retailers take to e-commerce but it's strictly national**

E-commerce seems to be the key to further opening the retail internal market, as 57 per cent of retailers say they now sell via the internet. But more than two thirds of them sell exclusively domestically. And of the 29 per cent who do sell cross-border most do to only one or two other Member States. More would like to sell cross-border (48 per cent of EU retailers are prepared to do so).

These are among the main findings of a Eurobarometer survey

## Information Roundup

A decorative graphic on the left side of the page consisting of several yellow and grey stars of varying sizes, arranged in a pattern that suggests the European Union flag. The stars are set against a light blue background that also features a faint map of Europe.

on business attitudes towards cross-border sales, released on 8 February 2007 by the European Commission to coincide with a major consultation exercise on consumer rules. However, there are still significant barriers to an EU-wide business-to-consumer market, with perceived insecurity of transactions, differences in national fiscal regulations and consumer rules being the main concerns. Forty three per cent of retailers believed that their cross-border sales would increase if laws regulating consumer transactions were the same throughout the EU.

### **SMEs and standardisation in Europe**

Common European standards are an important factor in creating an effective single market. But SMEs are insufficiently involved directly in the standards-setting process, putting them at a disadvantage. The European Commission is seeking to put this right in order to better serve the needs of the 'backbone of the European economy'. This study presents good practices at national level across Europe for the involvement of SMEs in standardisation.