



Small Business Act for
Europe -

- SBA for Malta

Enterprise Policy Directorate - MFEI



Why a Small Business Act?

- **Modern SME policy since 2005 to implement the Lisbon Strategy for Growth and Jobs**
- **2007 Mid-Term Review**
- **Good progress registered but measures to release the full potential of SMEs still needed.**



Main objectives

- Putting entrepreneurship at the forefront of society
- Anchoring the 'Think Small First' principle in policy-making at all levels within the EU
- Promote SMEs' competitiveness and growth



What is the SBA composed of?

- A set of 10 politically binding principles
- A package of concrete measures (legislative and non-legislative)
- An implementation mechanism embedded in the Lisbon strategy – reporting is expected through the Lisbon reporting process



1. Create an environment in which entrepreneurs and family businesses can thrive and entrepreneurship is rewarded

Member States:

- Introducing entrepreneurship in school curricula and teacher training
- Cooperation with the business community to develop systematic strategies for entrepreneurship education at all levels
- Ensure that taxation does not unduly hamper the transfer of business
- Mentoring and support for:
 - business transfer
 - female entrepreneurs
 - Immigrants

1. Proposed Measures:

- National entrepreneurship policy must be backed by a package of fiscal incentives for business start-ups, youth entrepreneurs and female entrepreneurs.
- Consider the inclusion of entrepreneurial skills in revised curriculum for education.
- On Campus entrepreneurship must be adopted through a collaboration agreement between UOM, KBIC and private research institutes.
- Mentoring Business Transfer courses and tax relief for transfers of business between direct family members.
- Independent institution to investigate and resolve SMEs' grievances re public departments and institutions.



2. Ensure that honest entrepreneurs who have faced bankruptcy quickly get a second chance

Member States:

- Promote a positive attitude in society towards giving entrepreneurs a fresh start, e.g. through public information campaigns
- Aim to complete all legal procedures to wind up the business in the case of non-fraudulent bankruptcy within a year
- Ensure that restarters are treated on equal footing with new start-ups

Proposed Measures:

- Conduct an information campaign regarding bankruptcy
- Take appropriate measures to prevent bankruptcy (e.g. intensive mentoring for companies facing financial constraints)

3. Design rules according to the “Think Small First” principle

Member States:

- Introduce the Common Commencement Dates
- Make use of flexibility provisions when implementing legislation, avoiding gold-plating
- Cut administrative burdens by 25% by 2012
- Adopt the Commission proposal which would permit Member States to increase the threshold for VAT registration to €100 000.

Commission & Member States

- Use the SME test when implementing new legislation
- Consult stakeholders for at least a minimum period of 8 weeks
- Use specific measures:
 - Derogations
 - Transition periods and exemptions e.g. from information or reporting requirements

3. Proposed Measures:

- Introduction of the SME test in the drafting of new legislation
- Extending exemptions for smaller companies from certain financial reporting requirements
- Explanatory documents and implementation guidelines to be published along with new legislation regulating the business sector.
- Enhance channels of consultation with stakeholders through formal institutions such as an Enterprise Council or SME Forum.


4. Make public administrations responsive to SMEs' needs

Member States:

- Reduction of fees for registering a business
- Set up a business in less than one week
- Reducing and simplifying business licences & permits
- Refrain from asking SMEs for information which is readily available within the administration
- Micro-businesses are exempt from participating from statistical surveys more than once every 3 years
- Establish a contact point where stakeholders can put forward their lamentations
- Ensure a full and timely implementation of the Services Directive including the Points of Single Contact.

4. Proposed Measures:

- Facilitate the process of registering a business
- Introduction of a business register – Business ID
- One-stop shop for business start-ups – Business Support Centre
- A quality services charter for entities dealing with SMEs
- Business Regulators' Forum to streamline regulation and interaction with business.
- Reduce burden of reporting (incl. surveys) on micro enterprises
- Flexible opening hours within Ministries and Departments – adapt summer working time.



5. Adapt public policy tools to SME needs: facilitate SMEs' participation in public procurement and better use State Aid possibilities for SMEs

Member States:

- Set-up electronic portals to widen access to information
- Contracting authorities to subdivide contracts into lots; make sub-contracting opportunities more visible
- Interaction between SMEs and large companies
- Re-focus State Aid policy to better address SMEs' needs.

Proposed Measures:

- Guidebook on Public Procurement to encourage & facilitate SMEs' participation in this sector.
- Code of Best Practices for contracting Authorities



6. Facilitate SMEs' access to finance and develop a legal and business environment supportive to timely payments in commercial transactions

Member States:

- Develop financing programmes that address the funding gap between the €100 000 and €1 million
- Tackle obstacles that prevent venture capital funds from taking off
- Make full use of funding available through the Cohesion policy programmes

Proposed Measures:

- Government to adhere to revised Late Payments Directive
- Promotion and sustainability of a Business Angels network
- Conclude negotiations with EIF regarding JEREMIE
- Creation of a viable venture capital fund


7. Help SMEs to benefit more from the opportunities offered by the Single Market

Member States:

- Ensure correct application of the mutual recognition principle
- Reinforce SOLVIT
- Encourage National Standards Bodies to reduce cost of access to standards
- Provide SMEs with advisory services including support to defend themselves against unfair commercial practices

Proposed Measures:

- Further promote ME actions such as the 'Business Network' and 'Business Development Schemes'
- Promote clustering mechanism
- Appropriate training and awareness raising to encourage entrepreneurs to operate in other markets



8. Promote the upgrading of skills in SMEs and all forms of innovation

Member States:

- Encourage the growth of HGIEs
- Promote the development of SMEs' competences in R&D
- Open up national research programmes
- Ensure the implementation of the Cohesion Policy
- Support the development of an e-identity for businesses; e-invoicing and e-government

Proposed Measures:

- Schemes to incentivise training of employees
- Promoting inter-industry employability through re-training opportunities
- Allocate appropriate funds for the 7 sectors identified in the Vision 2015
- Provide SMEs with more information regarding Intellectual Property Rights

9. Enable SMEs to turn environmental challenges into opportunities

Member States:

- Provide incentives for eco-efficient businesses and products
- Cohesion policy programmes

Proposed Measures:

- Encourage further green support such as the Photovoltaic Panel and roof thermal insulation
- Enhance schemes providing businesses with advice on improving their environmental performance
- Develop more tools such as Environmental Legislation Guidebooks as well as awareness raising and training Activities



10. Encourage and support SMEs to benefit from the growth of markets

Member States:

- Encourage coaching of SMEs by large companies in order to bring them to international markets

Proposed Measures:

- Aid to overcome non-EU legal and regulatory barriers
- Internationalisation requires further government support in the areas of:
 - HR development
 - Financial support
 - Promotion of business networks

Conclusions

- Consultations – still ongoing - open to all suggestions
- MFEI considering the possibility of having an Act through which to implement some of the proposals.
- Ultimate objective of Ministry – ongoing endeavour to enhance the entrepreneurial environment.