



Malta-EU Steering & Action Committee

COMPETITIVENESS AND CONSUMER AFFAIRS



30.04.09

[COM\(2009\) 206](#) – Communication from the Commission to the European Parliament and the Council Report on the functioning of Regulation 1/2003

Council Regulation 1/2003 has contributed to stronger enforcement of antitrust rules within the EU since it came into force on 1 May 2004, modernising the enforcement of EC Treaty rules on restrictive business practices (Article 81) and abuse of dominant market positions (Article 82). This is the main conclusion of a report adopted by the European Commission on the first five years of the application of Regulation 1/2003. The Regulation put an end to the previous notification system, under which companies notified agreements to the Commission for approval under the antitrust rules. This has eliminated unnecessary bureaucracy and has allowed the Commission to focus its resources on serious competition problems. The Regulation also created the European Network of Competition Authorities (ECN), within which the Commission and national competition authorities coordinate the application of EC Treaty antitrust rules. This has proved to be a successful model of cooperation, with the Commission being informed about more than 300 decisions planned across the EU based on EC Treaty antitrust rules.

The report highlights a limited number of areas which merit further evaluation, such as the impact of divergences in national procedures and fining powers on the effective enforcement of the EC antitrust rules and the divergence of national laws in the area of unilateral conduct.

The report leaves open the question of whether any amendment to the existing rules or practice is required. It will serve as a basis for the Commission to assess, in a further stage, whether it is appropriate to take further policy initiatives.



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The first European SME Week, taking place from 6 to 14 May 2009, is a campaign to promote entrepreneurship across Europe and to inform entrepreneurs about support available for them at European, national and local level. It allows SMEs to discover an array of information, advice, support and ideas to help them develop their activities.

The SME Week is one of the measures implementing the Small Business Act, the first comprehensive SME policy framework for the EU and its Member States.

The SME Week seeks to:

- **Inform:** provide and disseminate information on what the EU and the national authorities are offering by way of support to small businesses
- **Support:** create an EU-SME partnership, underlining how Europe is stronger with more competitive SMEs and also the fact that the EU is ready to offer them support and advice
- **Inspire:** motivate existing SMEs to broaden their outlook and further develop and grow their business
- **Share:** float ideas and share the experiences of entrepreneurship and entrepreneurs
- **Encourage:** convince young people that entrepreneurship is an attractive career option

For more info [click here](#)

Innovation and SMEs: Changing Challenges into Opportunities – Briefing session

As part of the activities being organised for SME Week, MEUSAC and the Malta Council for Science and Technology are organizing a seminar entitled: Innovation and SMEs: Changing Challenges into Opportunities. This seminar should be of particular interest to Members of the business community, SMEs



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interested in innovation and research, Professional and constituted bodies, as well as Academics.

The session is being held on the 6th May 2009 between 9.30 am and 12.30 pm at the Old Opera House Ruins, Valletta.

Further details can be found in the circular which has already been sent to you via email.



Erasmus for Young Entrepreneurs is a pilot project initiated by the EU for both aspiring entrepreneurs and experienced young entrepreneurs (who have not been in business for more than 3 years). Entrepreneurs will be paid up to €1,100 per month to move to other EU countries to learn from experienced business owners as part of a pilot project designed to encourage young business owners to make more of the internal market. The scheme will help several new entrepreneurs to spend between one and six months in another EU member state in 2010, thereby acquiring relevant skills for managing a small or medium-sized enterprise by spending time in an enterprise in another EU country. This will contribute to improving their know-how and foster cross-border transfers of knowledge and experience between entrepreneurs.

Briefing session

As part of the activities being organised for SME Week, MEUSAC and *Koperattivi Malta* are organising a briefing session for stakeholders. The session is being held on the 7th May 2009 between 1000 and 1130 hrs at the Old Opera House Ruins, Valletta.

Further details can be found in the circular which has already been sent to



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you via email.



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Proposals on e-money and cross-border payments

The European Parliament has adopted two legislative proposals revising the current rules governing cross-border payments and the conditions for issuing electronic money in the EU. Both legal texts will now be forwarded to the EU Council for final adoption.

The new e-money directive

The new E-Money Directive aims at providing the market with a clear and balanced prudential and legal framework thereby removing unnecessary or disproportionate barriers to market entry, ensuring greater consistency with the Payment Services Directive. A fundamental change in the new Directive concerns the introduction of proportionate prudential requirements facilitating market access to newcomers. This includes a reduction of initial capital from the current EUR 1 million to EUR 350.000 and new rules on the calculation of own-funds. In combination with the abolition of the exclusivity principle, the new rules will make it easier for electronic money institutions engaged in other business activities, such as telecommunications, to develop innovative services into the payments market. The Directive sets high standards of consumer protection, both in terms of protection and redemption of consumer funds.

The new rules will offer a second chance to the e-money market to take off.

The revised cross-border payments regulation

The new Regulation on cross-border payments in the Community extends the principle of equal charges for national and cross-border payments to direct debits, in addition to credit transfers, electronic payments (including card transactions) and ATM cash withdrawals, which are already covered by the current version of the Regulation. It strengthens the supervisory and complaint-solving role of the competent national authorities and provides for the establishment of out-of-court redress procedures. It also removes, up to EUR 50.000, the payments-based statistical reporting obligations that hinder the smooth flow of cross-border transactions.

In order to facilitate the launch of the SEPA direct debit scheme on 1st November 2009, the Regulation introduces temporary rules on multilateral interchange fees and reachability for direct debit transactions. These temporary rules will give to the payments industry enough time to come forward with a long-term business model for direct debits in full respect of the competition rules.



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For more info [click here](#)

State aid: Commission adopts Simplification Package to accelerate state aid decisions

The European Commission has adopted a Simplification Package for state aid with a Best Practice Code and a Simplified Procedure Notice. Both aim at improving the effectiveness, transparency and predictability of state aid procedures at each step of an investigation, thereby fostering voluntary co-operation between the Commission and Member States. In particular, both texts propose that Member States increase their contacts prior to notification of aid measures, so as to eliminate potential difficulties early in the process, and include a set of improved planning tools to tackle both difficult and straightforward cases. Adoption of the Simplification Package constitutes an important step of the reform programme announced by the Commission in its 2005 State Aid Action Plan.

The Simplified Procedure aims at improving the Commission's treatment of straightforward cases, like those clearly in line with existing horizontal instruments or established Commission decision-making practice. The Commission wants to ensure that clearly compatible aid gets approved within one month when Member States provide a complete notification. To this effect, the Notice also includes an illustrative list of aid measures, including certain aids for SMEs, environmental aid, innovation aid and rescue and restructuring aid, which are in principle suitable for simplified treatment.

This new procedure should not only be quicker, but also more transparent: interested stakeholders will gain a new opportunity to comment on the envisaged state aid measure, as a summary of the measures notified by the Member State under the Simplified Procedure will be published in advance on the Commission's website.

The Best Practices Code details how state aids procedures should be carried out in practice, in particular as regards their duration, transparency and predictability. The Code includes a certain number of voluntary arrangements



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between the Commission and Member States to achieve more streamlined and predictable procedures, at each step of a state aid investigation. It will apply to all cases not covered by the General Block Exemption Regulation nor subject to the Notice on the Simplified Procedure.

Neither of these initiatives is intended to apply to the measures notified by Member States in the context of the current financial and economic crisis, for which specific *ad hoc* internal procedures have been established in order to allow the Commission to treat notified measures with extreme urgency.

For more info [click here](#)



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EU budget 2010 targets recovery

On Wednesday the Commission adopted a €139bn preliminary draft budget for 2010. Economic recovery is at the heart of next year's spending and the proposal channels the biggest share of funds (45%) into growth and employment measures – a 3.2% rise on 2009 – to help restore competitiveness across the Union. Funds for major programmes linked to research and energy will increase by more than 12% and cash for cohesion policy will grow too, with the EU-12 set to receive 52% of cohesion and Structural Funds. All headings in the budget will see an increase, reaching a total of €138.6bn in commitments (1.18% of GNI) and €122.3bn in payments (1.04% of GNI).

Channelling funds into projects to save and create jobs, help companies and restore competitiveness will be the EU's top priority. The Competitiveness and Innovation programme (CIP) will grow by 3.3% (€0.5bn).

The final adoption of the EU budget will take place during the European Parliament plenary in December.

For more info [click here](#)

Consumers: EU bans dimethylfumarate (DMF) in consumer products, such as sofas, shoes and soft toys

On 1st May, a European Commission Decision comes into force to ensure that no consumer product containing the strongly sensitising DMF is placed on the market in the EU. If already on the market, these products will have to be recalled and withdrawn without delay, and consumers will have to be informed about the serious risk. The Commission Decision is an EU wide emergency measure, pending the adoption of a more permanent regulatory solution.

Dimethylfumarate (DMF) is used by producers as a biocide to kill moulds that may cause products such as furniture or shoes to deteriorate during storage or transportation in a humid climate. Placed in "Desiccant" sachets inside the furniture or footwear boxes, DMF evaporates and impregnates the product, protecting it from moulds. However, it has been found to seriously affect consumers who were in contact with the products. It has caused severe allergic reactions, including skin itching, irritation, redness, burns and, in some cases, acute respiratory difficulties, in hundreds of consumers in the EU because of its use in imported every day consumer products. There has even been one case of a soft toy for small children. DMF penetrated through the clothes onto the skin



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of consumers, where it caused painful dermatitis. The fact that in serious cases the dermatitis is particularly difficult to treat adds to the damage. The presence of DMF is thus a serious risk.

For more info [click here](#)

COMMISSION CONSULTATION

Call for evidence on Market Abuse Directive (Directive 2003/6/EC)

The aim of this call for evidence is to gather contributions by stakeholders and public authorities on the functioning of the Market Abuse Directive, in particular under the current financial turmoil, in order to assess whether it is necessary to review some aspects of the Directive or of its implementing Directives and Regulation.

All citizens and organisations are welcome to contribute to this consultation. Contributions are particularly sought from SMEs, investors, consumers, financial institutions and public authorities

The questionnaire is available at:

http://ec.europa.eu/internal_market/consultations/2009/market_abuse_en.htm

Responses should be sent at the latest on **10 June 2009** to Directorate General Internal Market and Services, Unit G3 – Securities Markets, SPA 2 03/079, B-1049 Brussels, Belgium or to [**Markt-g3@ec.europa.eu**](mailto:Markt-g3@ec.europa.eu)

JUDGEMENT OF THE EUROPEAN COURT OF JUSTICE

CASE C-531/07 – *Fachverband der Buch- und Medienwirtschaft v. LIBRO Handelsgesellschaft mbH*

In this judgement the Court held that the prohibition (in Austria) on importers of German-language books from fixing a price below the retail price fixed or recommended by the publisher in the State of publication constitutes a restriction on the free movement of goods which cannot be justified

[More info](#)



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