

Press release

High Level Group wants to drastically reduce bureaucracy for small enterprises / micro-enterprises should be exempted from European rules regarding accounting and auditing / Stoiber: „Businesses and their personnel should concentrate on their products and not be forced to do superfluous work for the state“ / Enormous reduction potential of 5.7 billion Euro for 86 % of enterprises / Commission President Barroso participates in the meeting of the Stoiber-group

In the presence of the President of the Commission José Manuel Barroso and Vice-President Günter Verheugen the High Level Group of Independent Stakeholders on Administrative Burden adopted a first landmark decision during its discussions about the reduction of bureaucracy in the area of company law. The High Level Group, directed by its chairman Edmund Stoiber decided that micro-enterprises should be exempted from European accounting and auditing rules. Annual accounts and reports for Enterprises with less than 10 employees, balance sheet total below EUR 500,000 and turnover below 1 million Euro should be freed from having to do annual accounts and reports. Auditing should be waived, too. This would drastically reduce the bureaucratic burden for 86 per cent of European enterprises. The Europe-wide reduction potential is 5.7 billion Euro. Stoiber was satisfied with the work of the High Level Group and confident that businesses can be liberated from excessive European bureaucracy. Stoiber: „Over 90 per cent of small enterprises in Europe are only active in their home country. It is unnecessary and impossible to justify that Europe asks for annual accounts and reports and an audit. Businesses and their personnel should concentrate on their products and be forced to do superfluous work for Europe. The exemption from European rules on accounting and auditing will give our enterprises the air to breathe for ideas and innovation.“ Regarding the implementation of this far-reaching measure the expert group suggests to the Commission to propose repealing the so far compulsory application of the Fourth Directive on Company Law for so-called micro-enterprises. Member States can then free enterprises from the European obligations on accounting and auditing. The group proposes furthermore to examine even higher thresholds regarding the number

of employees, the balance sheet total and the turnover. Higher thresholds would further increase the number of undertakings benefitting from this exemption.

The initiative of the Stoiber group in favour of small enterprises was taken in the presence of Commission President Barroso. During the meeting he underlined the importance of the reduction of administrative burden for the European Union and made clear that the proposals of the High Level Group should give the decisive impetus. Vice-President Verheugen announced his full support for the goals of the High Level Group.

Stoiber was optimistic after a meeting with the 27 Ministers of the Competitiveness Council. The chairman of the High Level Group informed Ministers about the work of the group and canvassed support for the reduction of the administrative burden. Stoiber: „More and more Member States want to be among the best when it comes to the reduction of bureaucracy. The concept of reducing bureaucracy gains momentum in Europe. It is a positive sign that the number of countries increases that want to examine bureaucratic burden and advance against homemade bureaucracy together with national groups of experts.“