

## COUNCIL RECOMMENDATION

of 28 May 1990

relating to the implementation of a policy of administrative simplification in favour of small and medium-sized enterprises in the Member States

(90/246/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof,

Having regard to the proposal from the Commission <sup>(1)</sup>,

Having regard to the opinion of the European Parliament <sup>(2)</sup>,

Having regard to the opinion of the Economic and Social Committee <sup>(3)</sup>,

Having regard to the following resolutions adopted by the Council :

- resolution of 3 November 1986 concerning the action programme for small and medium-sized enterprises (SMEs) <sup>(4)</sup> and the declaration on administrative burdens on business,
- resolution of 22 December 1986 on an action programme on employment growth <sup>(5)</sup>,
- resolution of 30 June 1988 on the improvement of the business environment and action to promote the development of enterprises, especially small and medium-sized enterprises in the Community <sup>(6)</sup>,

Having regard to the following communications adopted by the Commission :

- communication on an enterprise policy for the Community,
- communication on administrative simplification in the Community,
- third report on the realization of the objectives of the Community action programme for small and medium-sized enterprises,
- communication on the administrative simplification measures taken by the Member States on behalf of enterprises in the Community,

Whereas measures are taken at Community level to assure a favourable environment for business and, notably, to simplify legislation and to lighten the administrative burden on business, in particular small and medium-sized enterprises ;

Whereas such action must likewise be assured by national, regional and local administrations ;

Whereas exchange of information and comparison of experience between the Member States, in particular as organized in the Community context, facilitate the establishment of a global view of the measures implemented in each Member State ;

Whereas such an approach leads to a strengthening of this policy and, as a result, to the stimulation of the spirit of enterprise ;

Whereas the objective of administrative simplification may not, however, adversely affect freedoms, jeopardize the existence of consultative bodies set up for the purpose of contributing to democracy within the economy or bring about a decrease in the legal security of users of the administration ;

Whereas major efforts have already been made to simplify laws and regulations, modernize administrations, train staff and improve the quality of services, but this effort needs to be intensified,

HEREBY RECOMMENDS MEMBER STATES :

1. to implement programmes of administrative simplification in favour of businesses, involving all competent public bodies ;
2. to ensure that the above arrangements relate to both new legislative proposals and existing legislation, the removal of redundant legislation and the adaptation of legislation which no longer reflects economic and social reality ;
3. to strive to ensure that, for all draft laws and regulations, an examination is also made, at an initial stage, of their necessity, effectiveness and intelligibility where such drafts are likely to increase the administrative burden on enterprises ; this should be similar to the examination undertaken by the Commission on the impact of Community legislation, in particular, on small to medium-sized enterprises (impact assessment) ;
4. to pay particular attention to the following points :
  - (a) modernization of the organization of administrative departments, in particular of services in contact with enterprises, with a view to improving the coordination of the various departments, their efficiency and speed of response ;

<sup>(1)</sup> OJ No C 189, 26. 7. 1989, p. 17 and OJ No C 101, 21. 4. 1990, p. 8.

<sup>(2)</sup> OJ No C 15, 22. 1. 1990, p. 363.

<sup>(3)</sup> OJ No C 298, 27. 11. 1989, p. 53.

<sup>(4)</sup> OJ No C 287, 14. 11. 1986, p. 1.

<sup>(5)</sup> OJ No C 340, 31. 12. 1986, p. 2.

<sup>(6)</sup> OJ No C 197, 27. 7. 1988, p. 6.

- (b) improvement of procedures by the standardization and reduction in numbers of forms and returns used in the fields of accountancy, taxation, social affairs and statistics ;
  - (c) establishment, where appropriate, of one-stop shops providing guidance on the overall formalities to be observed on the creation of an enterprise ;
  - (d) replacement of as many formal decisions as possible by procedures involving non-opposition, according to which, at the end of a certain time limit from the receipt of the application, the absence of a reaction on the part of the competent authorities is taken as a decision ;
  - (e) improvement of the information to small and medium-sized enterprises, for example by the publication of vademecums, brochures and administrative organization charts ;
  - (f) consolidation or compilation of national legislation, to make it more easily understandable for enterprises ;
  - (g) where necessary, the development of special simplified administrative implementing measures for SMEs ;
5. to create or maintain an appropriate body for consultation between the representatives of business, including small and medium-sized enterprises, and the administration, with a view to promoting the simplification of administrative procedures and of legislation ;
6. in implementing the above, not to prejudice the legal rights of workers and third parties ;
7. to inform the Commission of major achievements in the field of administrative simplification, problems encountered and initiatives proposed, so that the Commission can ensure that all Member States are

fully aware of developments and possibilities in this matter,

HEREBY INVITES THE COMMISSION :

- (a) to put into practice within its own institution the points contained in this recommendation and to inform the Member States of the main achievements ;
- (b) to bring forward a plan for examining the impact of existing Community legislation and to identify areas where this legislation is particularly burdensome ;
- (c) to simplify access for SMEs to the Structural Funds and to Community research and development programmes as well as to other Community programmes ;
- (d) to set up arrangements for consulting the representatives of businesses on the various aspects of the programme for administrative simplification ;
- (e) to continue improving the impact assessments in the Commission framework and to publish them ;
- (f) to examine the scope for reducing overlap between the administrative formalities to be completed by enterprises when they carry on their activities in another country ;
- (g) to submit a regular report on Community and national measures relating to administrative simplification.

Done at Brussels, 28 May 1990.

*For the Council*

*The President*

D. J. O'MALLEY