



Brussels, March 2010

**SME UNION President Peter Jungen urges the European governments to support the amending the 4th Company Law Directive to simplify and reduce the financial reporting requirements for small-business**

SME UNION President urges the European governments to support amending Law Directive: “Simplify and reduce the financial reporting requirements for small firms.”

The 4th Company Law Directive (78/660/EEC) on the annual accounts of certain types of companies, coordinates Member States' provisions concerning the presentation and content of annual accounts and annual reports, the valuation methods used and their publication in respect of all companies with limited liability.

SME UNION President Peter Jungen welcomes the European Parliament and European Commission initiative to simplify the business environment and particularly the financial reporting requirements for small firms in order to enhance their competitiveness and release their growth potential thus by amending the 4th Company Law Directive (78/660/EEC). Peter Jungen stated: “Reducing administrative burdens is important for boosting the European economy, especially considering the potential benefits this can bring for SMEs. Accounting and auditing are key areas for reducing administrative burden for European companies.”

The rapporteur Klaus-Heiner Lehne and acknowledged: “The reach of micro-entities’ business is generally confined to the regional and local markets. To that extent they have no cross-border impact on the single European market therefore they need not be bound by EU-wide internal market regulations. Rather than being decided upon by individual Member States, exemption for micro-entities ought preferably to apply automatically in the Member States as a whole. “

Peter Jungen supported Klaus-Heiner Lehne’s observations and added: “The amendments will have a large impact on SMEs and should result in reduced administrative burden, safeguards information for stakeholders and systemized reporting requirements that meet the real needs of users and those preparing accounts. The review will benefit small business and reduce administrative burdens on micro-entities. “

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**SME UNION** (Small and Medium Entrepreneurs Union) of the EPP (European People’s Party) is the network of pro-business Christian-Democrat, Conservative and Liberal politicians and political organizations. Its main objective is to help in shaping EU policy in a more SME friendly way. [www.sme-union.org](http://www.sme-union.org)