

26 Mar 2020, Brussels

To the President of the European Council

Charles Michel

To the President of the European Commission

Ursula von der Leyen

Open Letter to Charles Michel and Ursula von der Leyen on new regulatory burdens for SMEs during the COVID-19 crisis

Dear President Michel,

Dear President Von der Leyen,

SME Europe is the largest political business organisation of the European People's Party that operates for the rights of small and medium sized enterprises, creating and developing a common European SME friendly policy. It is established and chaired by the Members of the European Parliament of the EPP Group.

As often stated, SMEs are a vital motor of the European economy, playing a key role in Europe's industrial fabric. Full attention must be paid to SME needs while designing regulatory initiatives, especially in times of crisis.

It has come to our attention that a number of new regulatory requirements imposed on European companies are scheduled to take effect in the coming days and weeks. A non-comprehensive list of EU acts imposing such new requirements is attached to this letter for reference.

We understand that some of those requirements entail logistical and technical adaption of companies' production and supply chains, which present a challenge for companies and SMEs in particular, given the extraordinary circumstances that they are facing during the COVID-19 crisis.

The coronavirus pandemic is putting European companies under tremendous pressure and many of them are forced to temporarily close their activities, reduce their staff, introduce safety measures, face broken supply chains, deal with suppliers' or customers' bankruptcies, liquidity, vastly reduced demands, or are simply engaged in a fight for their own survival.

Once Europe comes out of the crisis, it will be companies, small and big, that we will rely on to get the economy back on track. **We call the European Council as well as the European Commission to do everything in their power to shield companies and in particular SMEs from unnecessary constraints, and to support them throughout this difficult time.**

For this reason, **we urge you that an instrument be established which will allow the Commission to postpone the deadline for new regulatory obligations which would otherwise take effect during the crisis.** It should be up to the Commission to decide upon the length of the extension of the deadline, but it should take into account the period of time that the crisis is expected to affect companies' labour force, production and supply chains, knowing that the disturbance may continue beyond the duration of the sanitary emergency.

Would you need additional information or perspective, please do not hesitate to contact us at office@smeeurope.eu / 0032 2 808 62 81

Yours faithfully,



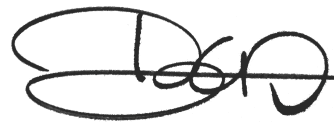
Ivan Stefanec MEP
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Vice-President SME Europe of the EPP



Pernille Weiss MEP
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Domagoj Ivan Milosevic MP
Member of the Croatian Parliament
Vice-President SME Europe of the EPP

ANNEX- List of EU acts with imminent implementation date

Commission Regulation (EU) 2019/1782 of 1 October 2019 laying down ecodesign requirements for external power supplies pursuant to Directive 2009/125/EC of the European Parliament and of the Council and repealing Commission Regulation (EC) No 278/2009, which will enter into force on 1 April 2020. This Regulation establishes ecodesign requirements for the placing on the market or putting into service of external power supplies. The ecodesign requirements are set out in the Regulation's Annex II. The new requirements apply to both the active efficiency and the no-load power consumption. The Regulation is expected to achieve additional energy savings of over 4 TWh/year by 2030. This corresponds to avoided greenhouse gases emission of 1.45 million tonnes per year.

Regulation (EU) 2019/518 of the European Parliament and of the Council of 19 March 2019 amending Regulation (EC) No 924/2009 as regards certain charges on **cross-border payments in the Union and currency conversion charges**. The Regulation sets different application dates in order for the industry to adapt to the new transparency requirements. In respect to transparency requirements, the requirements for pre-transaction disclosures for card-based transactions and credit transfers will be applicable from 19 April 2020 while requirements for card-issuers will apply from 19 April 2021. The Regulation introduces new transparency rules in respect of charges for currency conversion for card-based transactions and credit transfers.

Regulation (EU) 2017/745 of the European Parliament and of the Council of 5 April 2017 on **medical devices** amending Directive 2001/83/EC, Regulation (EC) No 178/2002 and Regulation (EC) No 1223/2009 and repealing Council Directives 90/385/EEC and 93/42/EEC (MDR). From 26 May 2020, all medical devices will need to be assigned a unique device identification (UDI) code. Devices, which fall under Class III and Class IIa/b, will need to have their UDI recorded, indexed, and registered on a central EU database called EUDAMED – the European Database for Medical Devices.