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1. French EU Presidency

France has now taken over the EU presidency for the second half of 2008 and has announced an ambitious programme. The four key priorities are energy and climate, migration issues, agriculture and security and defence. More information on the programme of the French presidency is available on its website.

<http://www.ue2008.fr/PFUE/lang/fr> .

2. Discriminatory Tax Provisions Relating to the Purchase of Residential Property

The European Commission has asked Hungary to change discriminatory tax provisions relating to the purchase of residential property. Hungarian law requires that when someone buys a house in Hungary they must pay a tax which is calculated as a percentage of the value of the property. If the property is the home of the taxpayer and he sells a previous home in Hungary the tax is payable only if the value of the new property is more than that of the one sold, on the basis of the difference in values. However, if a taxpayer buys a house in Hungary, and sells a previous home in another Member State the value of the previous home is not taken into account in calculating the tax payable.

This means that people who sell homes in other Member States and move to Hungary are treated less favourably than Hungarian residents. Therefore the Commission regards the Hungarian rules as posing a restriction on the right of European citizens to exercise their right of free movement and infringing the rights of free movement of workers and freedom of establishment.

The request made by the Commission takes the form of a reasoned opinion (which is the second step of the infringement procedure). If it does not receive a satisfactory response within two months the Commission may decide to refer the matter to the European Court of Justice (ECJ).

3. Free Movement of Services

The Commission has issued a reasoned opinion to Portugal concerning its rules on estate agent services and real estate brokerage firms. The rules in Portugal require providers of such services from other Member States to meet all the requirements for establishment even if the services are only of a temporary nature. This makes no distinction between establishment and temporary provision which infringes Article 49 of the EC Treaty. Also, the obligation to provide exclusively estate agent and real estate brokerage services is disproportionate to Articles 43 and 49 of the EC Treaty.

Portugal is also being referred to the ECJ over its rules on the provision of construction services. Construction service providers who wish to provide temporary services in Portugal have to fulfil the same requirements as for

establishment. These obligations are seen as being incompatible with the freedom to provide services guaranteed in Article 49 of the EC Treaty.

General information about infringement measures against Member States is available at http://ec.europa.eu/community_law/infringements/infringements_en.htm.

4. Small Business Act

The Small Business Act for Europe was adopted on 25 June. The Act has been adopted as a communication which triggers legislative initiatives but is formed mainly of 10 principles which are not binding but serve as guidelines at EU and Member State level. The legislative proposals are:

1. Regulation on the Statute for a European Private Company;
2. General Block Exemption Regulation on State Aids;
3. Directive on reduced VAT rates;
4. Amendment to Directive 2000/35/EC on late payments.

The 10 principles are to:

1. Create an environment within which entrepreneurs can thrive and entrepreneurship is rewarded;
2. Ensure that honest entrepreneurs who have faced bankruptcy get a second chance;
3. Design rules according to the "Think Small First" principle;
4. Make public administrations responsive to SMEs' needs;
5. Adapt public policy tools to SME needs;
6. Facilitate SMEs' access to finance and develop a legal and business environment supportive to timely payments in commercial transactions;
7. Help SMEs to benefit more from the opportunities offered by the Single Market;
8. Promote the upgrading of skills in SMEs and all forms of innovation;
9. Enable SMEs to turn environmental challenges into opportunities;
10. Encourage and support SMEs to benefit from the growth of markets.

The first legislative proposal, a Regulation on the Statute for a European Private Company (SPE), was also adopted on 25 June. According to this Regulation, which contains a set of uniform company law rules that would apply to any SPE across Member States, entrepreneurs will no longer have to set up subsidiaries in each Member State in which they want to do business. Also a minimum capital investment of only €1 will be required.

More information is available at http://ec.europa.eu/enterprise/entrepreneurship/sba_en.htm.

5. Waste and Water Directives

Two new directives deal with waste and water respectively. The first is a directive on waste management and processing which was adopted on 17 June and will now enter into force immediately after it has been published in the Official Journal after which Member States will have two years to transpose it into their national law. It sets out rules on recycling and requires Member States to draw up binding national programmes for waste prevention.

The second is a directive on environmental quality standards for water. It lays down environmental quality standards for 33 priority substances (pesticides, heavy metals and other pollutants). This directive will be adopted in 2008 and will enter into force in 2010 at the earliest.

More information is available at <http://ec.europa.eu/environment/waste/index.htm> and <http://ec.europa.eu/environment/water/index.htm>.

6. Lobbyist Register

The European Commission launched a voluntary register for lobbyists on 23 June. The register features three main categories of lobbyists, "professional consultancies and law firms", "corporate lobbyists and trade associations" and "NGOs and think tanks". Different disclosure requirements apply to each category.

Lobbyists who register must either sign up to the Commission's "Code of Conduct for Interest Representatives" or have their own equivalent code with identical or more stringent requirements. Registered lobbyists will receive alerts from the EU executive giving details of upcoming public consultations on policy areas of interest to them.

The register is available at www.ec.europa.eu/transparency/regrin.

7. Solvit

For information, a service exists, at www.ec.europa.eu/solvit, which aims to help EU citizens and businesses find answers to their problems concerning the internal market. It has a network of 30 centres (in all EU countries and in Iceland, Liechtenstein and Norway) which work to solve problems of a cross-border nature caused by the incorrect application of EU rules involving a public authority at national, regional or local level.