

## European commission cuts red tape for contracting

The [European Commission has confirmed](#) regulatory reforms that help cut down on red tape for small business like those in contracting. And the UK Government is supporting the move.

### EU Mulls The 'Micro-Enterprise'

Even more important: the Commission is actively considering the creation of a special category of business-- the so-called 'micro-enterprise' with less than 10 employees. These businesses would be exempt from a whole slew of accounting and reporting requirements: running a small business could become a much simpler affair if these proposals are adopted.

As European Commissioner for Internal Markets Charlie McCreevy says: "The EU is delivering on the promises we have made to simplify the environment for small business."

### How The Microenterprise Concept Improves Contracting

The microenterprise concept is one that could make a big difference to contracting if it were to incorporate the proposals that have been made for it at the European level. Running a small business would become transparent and logical, and contractors, like other small businesses, would have a different status which would keep it all simple.

### Simplified Reporting

The demands on contractors for reporting in annual accounts to Companies House could be drastically simplified if the European proposals are adopted. This would cut accounting costs for contractors and make it easier for us to collect data for our accountants. The rather complex rules that apply to larger companies will no longer apply to companies that we contractors typically run.

Further, the corporate tax return would cease to involve a series of complex calculations, and would become much easier to handle. Much of the onus here falls on the accountant you work with, but that work would become less difficult and costly.

“ The EU is delivering on the promises we have made to simplify the environment for small business ”

Charlie McCreevy-EC Internal Affairs Commissioner

### More Reforms To Follow

McCreevy has promised even greater reforms to be announced this summer. There is unfortunately still controversy over the microenterprise concept within the Internal Market and Enterprise Directorate-Generals-- these are the European Commission departments that handle business administration affairs. But for once the debate is to see some result within a short period, and is not expected to last years as it has in some cases.

### Labour Government Working With EC

It is refreshing to find that the same Labour Government which has repeatedly burdened our industry with increased regulation, not to mention confusing and ill-drafted legislation, is supporting this European Commission effort. John Hutton, secretary of state for the Department for Business, Enterprise and Regulatory Reform ([BERR](#)) has been actively lobbying in Brussels to create a better climate for small business.

### Hutton: Consider Impact Before Making A Law

Says Hutton: "It is critical, now more than ever, that the EU considers the impacts of new laws on small business before they are agreed – identifying at an early stage potential impacts and unintended consequences."

This is a laudable statement of policy and one which we sincerely hope Hutton will apply to legislation like our terrible [IR35](#) and [managed service company](#) laws which have done so much to disrupt contracting in the UK.

“ It is critical, now more than ever, that the EU considers the impacts of new laws on small business before they are agreed; identifying at an early stage potential impacts and unintended consequences ”

John Hutton-BERR

Published: Wednesday, April 23, 2008

[Tweet](#)

want to use any content you have seen on this site then please [request our media pack](#) and ask for details of our Content Licencing Service.

## Readers Comments...



Be the first to comment on this article

## Also of interest...

### Related Guides:

- [Setting up a limited company for contracting](#)
- [Limited company or umbrella – deciding on a payment structure](#)
- [Choosing an Accountant for Your Limited Company](#)
- [Running Your Limited Company - A Contractors Guide](#)
- [Choosing a Company Name](#)
- [A Contractors Legal Obligations as a Company Director](#)

### Related Calculators:

- [Limited Company Calculator](#)
- [Contractor Calculator](#)

### Related Internet Links:

- [European Commission Announcement](#)
- [BERR](#)



ABCe verified website - last audit confirmed **130,682 monthly unique visitors**

© Copyright 2011 Byte-Vision Limited UK. All rights reserved [Copyright notice](#)