

IMPLEMENTING ENVIRONMENTAL BALANCE SHEET WITHIN EUROPEAN PRIVATE COMPANIES (SPE)

ALIN EMANUEL ARTENE, AURA EMANUELA DOMIL, IONEL BOSTAN, COSTICA
ROMAN

TIBISCUS UNIVERSITY OF TIMISOARA, WEST UNIVERSITY OF TIMISOARA, STEFAN CEL
MARE UNIVERSITY OF SUCEAVA, STEFAN CEL MARE UNIVERSITY OF SUCEAVA
artene_alin@yahoo.com, auraemanuela@yahoo.com, ionel_bostan@yahoo.com, romanc@seap.usv.ro

Abstract:

For encouraging the entrepreneur spirit within the European Community a new form of economical entity was established in 2004 called European Private Company. European private companies need to be aware of the impact that their activities have on the environment. The policies regarding sustainable development are clear but how well equipped are EPC to meet these challenge. How can implementing environmental management systems, keeping count of environmental costs and reporting environmental information help companies become more and more competitive mostly in this current economic climate?

Key words: *environment balance sheet, EPC, SPE, EMS,*

JEL classification: M41

1. INTRODUCTION

In this paper we focus our attention at the new form of limited liability Company that is introduced all across the European Union, the European Private Company, and its potential to bring up front environmental matters trough implementing environmental balance sheet.

European private companies (SPE) are being introduced in the European Union area since 2010 and they are similar to the Romanian SRL Company but whit a simpler purpose of reducing their need to reorganize themselves in the required legal form in all the European Union member countries. EU came in the aid of those firms who wanted to trade within the borders of the EU, an action which in our days represents a heavy administrative burden for small and medium enterprises. However seeing the impact that any type of economical entity has on the environment, we suggest that along wit this new type of limited liability company EU should consider, trough a series of regulations, the implementation of environmental balance sheet within this particular type of economical entities.

2. EUROPEAN PRIVATE COMPANIES AND THE ENVIRONMENT

Since 2001 European Commission worked on a series of regulations regarding European companies (SE), which have been enforced starting with the beginning of 2004. However the EPC were being introduced across European Union only from the beginning of 2010 due to a series of problems that encountered.

The European Private Company witch in official terms is called “*Societas Privata Europaea*” in short SPE represents a limited liability company similar to other limited companies across Europe (the SRL from Romania, the LTD from England, the SARL from France, etc.)

An EPC company can be formed within the borders of the European Union in a form of an limited company which must have at the end of the firm’s name the extension SPE (*Societas Privata Europaea*).

Forming an EPC is accomplished according to the regulations, concerning the limited liability companies, of the state in which the SPE has its headquarters. The

minimum capital specified should be at least 120.000 euro. An EPC has the possibility of transferring its headquarters in another member state of the European Union

The similarities between EPC and every other type of limited companies, which usually are largely represented by small and medium sized enterprises, must be extended in the area of environmental awareness and protection. Like all other economic entities EPC firms must be aware of the impact that their activities has on the environment.

EPC's must consider all the aspects of their activities, its products and services, which have a significant impact on the environment as a basis for establishing environmental objectives and targets within shis tipe of firm. EPC's should consider direct environmental aspects as well as inderect environmental aspects of the activities, products or services.

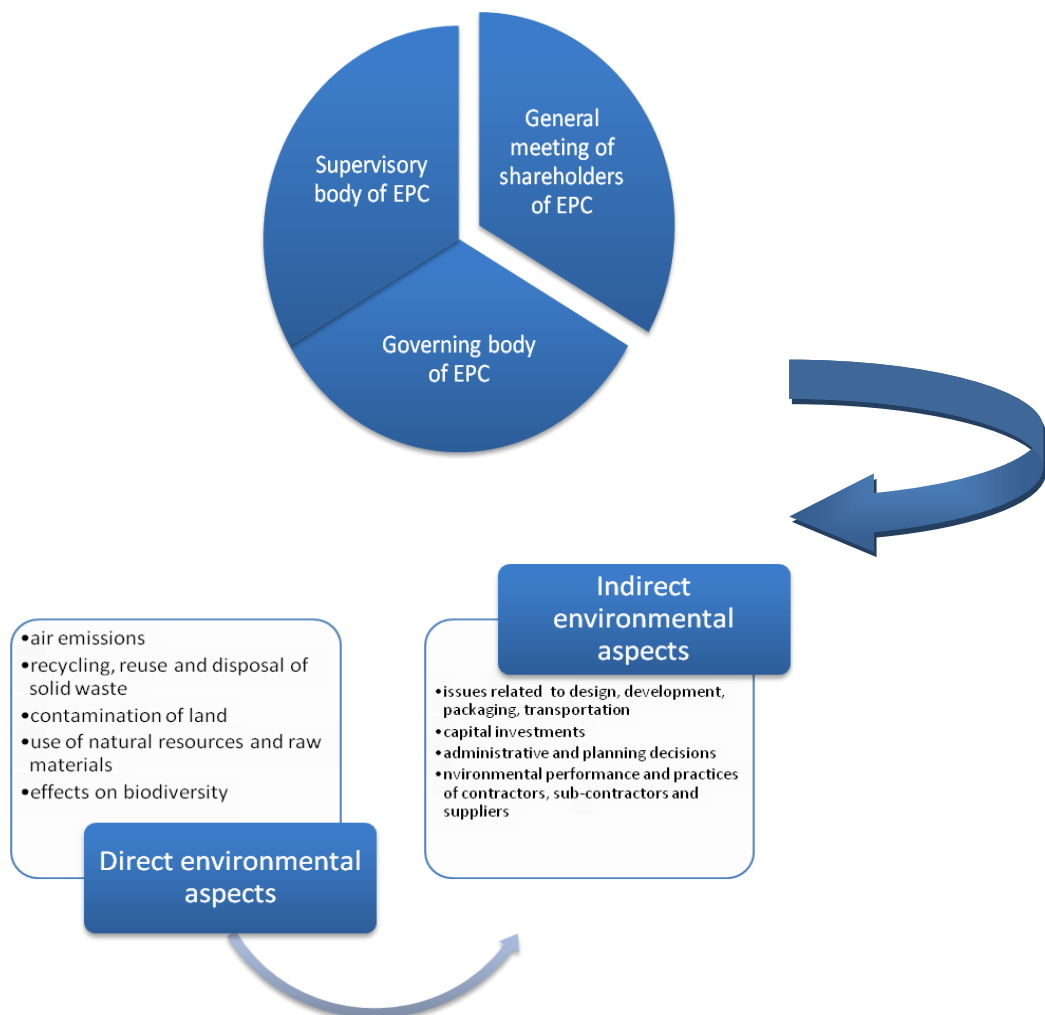


Figure 1. Environmental aspects outline by EPC Management
Source: projection made by author

3. ENVIRONMENTAL BALACE SHEET WITHIN EUROPEAN PRIVAT COMPANIES

Environmental balance sheet represents the discovery of a EPC of environmental information, data that can reveal environmental impacts and risks, environmental costs, liabilities or the performance of EPC's to all the third parties interested such information as an aid to enabling their relationship with the reporting entity:

- the annual report and accounts package

- a stand-alone corporate environmental performance report
- a site-centered environmental statement
- some other medium (newsletter, video, internet pages).

The objective of the environmental balance sheet represents the piling of information about the environmental impact of the EPC's operations and operational performance of an entity that is useful to relevant stakeholders in assessing their relationship with the reporting EPC".

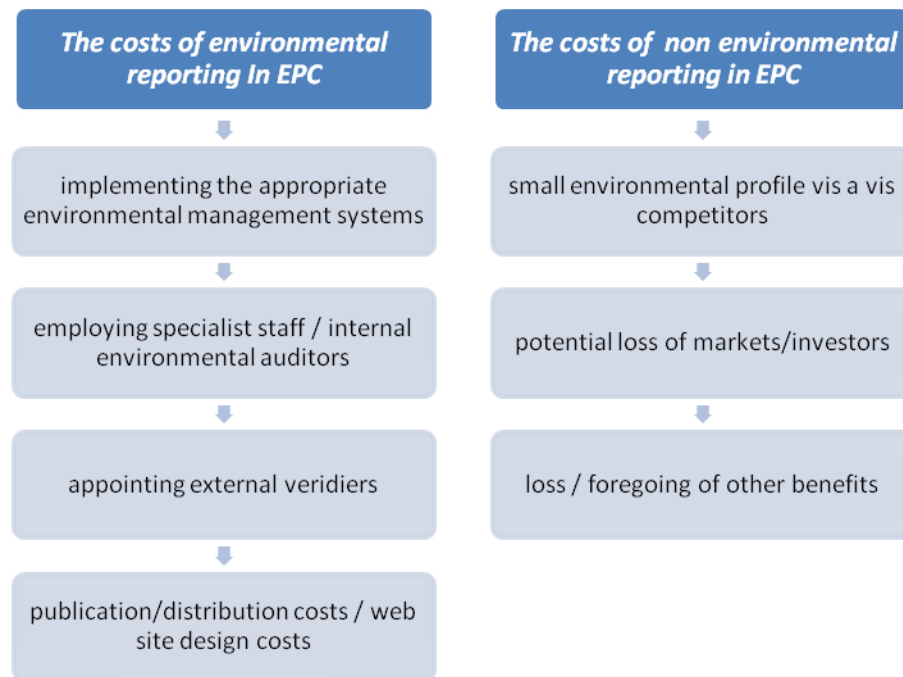


Figure 2. Benefits and disadvantages of implementing environmental balance sheet within EPC

Source: projection made by author

We can say that an EPC can be even more competitive if it decides to implement and publish an environmental balance sheet due to the reduction of costs that this type of reporting carries out.

4. CONCLUSIONS

We can conclude that implementing environmental balance sheet within European Private Companies offers a competent base for implementing an internal environmental management system such as ISO 14001 and also has a strong benefic impact on all employees

Environmental reporting can improve environmental standards within any EPC witch leads to a continuous improvement of the EPC performances regarding the environment and more, regarding its entire activity.

This new concept of company can benefit from good environmental performances in order to depart themselves from all other type of companies operating in the same market sector.

We consider that implementing this particular type of reporting within EPC can minimize the risks of outside regulatory interventions.

Because European Public Companies are operating inside the borders of the European Union implementing environmental balance sheet in these companies can

provide quality relations and can create local opportunities for the communities in which EPC's are operating.

BIBLIOGRAPHY

1. A. Artene, *Auditul de mediu*, Editura Eurostampa, Timisoara 2011;
2. A.Domil, A.Artene, C.Sabau, *Developments in Green Accounting*, in *Problems and Ways for Improvement of Economic Mechanism of Entrepreneurship*;
3. Epstein B.J., *IFRS 2007. Interpretarea și aplicarea Standardelor Internaționale de Contabilitate și Raportare Financiară*, Editura BMT Publishing house, București, 2007;
4. KPMG, *International Survey of Corporate Responsibility Reporting*, Amsterdam, 2008;
5. N .Seitz, M. Ellison, *Capital Budgeting and Long-Term Financial Decisions*, Thomson, U.S., 2008
6. UNCTAD/ISAR, *Accounting for Financial Reporting for Environmental Costs and Liabilities*, Geneva, 2002;
7. *** www.eurostat.com