



COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMISSION STAFF WORKING DOCUMENT

ANNEX I to the

**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE
EUROPEAN PARLIAMENT, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

Implementing the Community Lisbon Programme:

Financing SME Growth – Adding European Value

{COM(2006) 349 final}

LIST OF ACTIONS

Commission actions in access to finance		
Area	Action	Timetable
Goal: More growth through risk capital investments		
(1) Working towards a single market for venture capital funds (key action)	<ul style="list-style-type: none"> • Expert group (industry representatives) to identify obstacles to the efficient and competitive development of the EU private equity industry and to contribute to the Commission's White Paper on investment funds (to be published in autumn 2006). • Expert group (Member State representatives) to identify ways to overcome obstacles to cross-border investment and to make recommendations. Follow-up reporting of actions. • Expert group (Member State representatives) to identify cases of double taxation encountered by cross-border venture capital investments and to reflect ways to overcome them. Follow-up reporting of actions. 	<p>To June 2006</p> <p>Oct 2006 – Dec 2008</p> <p>March 2007- Dec 2008</p>
(2) Enhancing investor cooperation in seed investment (key action)	<ul style="list-style-type: none"> • Workshop identifying the key problems and solutions in pre-seed and seed investments feeding the discussions of the expert group. • Expert group on enhancing the availability of seed finance, focusing in particular in the role of business angels and on investor and support provider cooperation. Publishing a report on good practices, follow-up of implementation of recommendations. 	<p>September 2006</p> <p>May 2007 – December 2009</p>
(3) Favouring the emergence of more professional venture	<ul style="list-style-type: none"> • Implement the risk capital instruments of the Competitiveness and Innovation Framework Programme (CIP) favouring the emergence 	<p>January 2007- December 2013</p>

<p>capital funds. (key action)</p>	<p>of a professional industry in cooperation with the European Investment Fund (EIF).</p> <ul style="list-style-type: none"> • Implement the JEREMIE scheme of the regional funds so that it favours the emergence of a professional and efficient industry in cooperation with the European Investment Fund (EIF). 	<p>January 2007- December 2013</p>
<p>(4) Modernising state aid rules (key action)</p>	<ul style="list-style-type: none"> • New Community Guidelines on State aid to promote risk capital investments in SMEs. 	<p>By August 2006</p>
<p><i>Clearing and settlement</i> <i>(supporting action)</i></p>	<ul style="list-style-type: none"> • <i>The Commission is carrying out a consultation and impact assessment to determine the road to an efficient, safe and cheap cross-border clearing and settlement industry. Based on this the Commission will decide on the course to take.</i> 	<p><i>By December 2006</i></p>
<p>Goal: More bank finance for innovation</p>		
<p>(5) Improving SME-bank relationships (key action)</p>	<ul style="list-style-type: none"> • Round Table to improve the understanding between banks and SMEs through identifying good practices. Follow-up of development of bank lending and SME-bank relationships. • Study on current issues in SME-bank relationships. Follow-up of further developments. 	<p>To December 2008</p> <p>September 2006 - December 2008</p>

<p>(6) Leveraging lending programmes (key action)</p>	<ul style="list-style-type: none"> • Use efficiently the guarantee instruments of the Competitiveness and Innovation Framework Programme (CIP) in cooperation with the European Investment Fund (EIF). • Use efficiently the guarantee instruments, in particular benefiting from the flexibility, sustainability and leveraging possibilities offered under the JEREMIE initiative of the Structural Funds with the EIF and EIB. 	<p>January 2007- December 2013</p> <p>January 2007- December 2013</p>
<p>(7) Evaluating tax relief systems for young companies (key action)</p>	<ul style="list-style-type: none"> • Round Table with investor networks to identify and spread good practices on tax relief systems for young innovative companies. • Workshop on the problems of financing high growth companies in the context of <i>Europe Innova</i>. Publishing the conclusions and further follow-up of results. 	<p>May 2006 – December 2008</p> <p>May 2006 – December 2008</p>
Goal: Improving governance		
<p>(8) Using good practices in venture capital finance (key action)</p>	<ul style="list-style-type: none"> • Expert group to identify and make recommendations on global good practices in using risk capital, including both the CIP instruments and regional finance in the context of JEREMIE. Follow-up of implementation. 	<p>May 2007 – December 2009</p>
<p>(9) Evaluating policies (key action)</p>	<ul style="list-style-type: none"> • Commission to develop indicators on the effects of policies on SME finance. Implementation of evaluation tools and monitoring of Member State performance. 	<p>September 2006 – December 2013</p>

<p>(10) Using good practices in investment readiness</p> <p>(key action)</p>	<ul style="list-style-type: none"> • Identify and spread global good practice in increasing investment readiness, in particular at local and regional levels. 	<p>September 2006 – December 2008</p>
<p><i>Stimulating hybrid instruments</i></p> <p>(supporting action)</p>	<ul style="list-style-type: none"> • <i>Workshop on hybrid instruments as part of the Round Table between banks and SMEs to identify good practice. Publication of a report and follow-up of results.</i> 	<p><i>October 2006-December 2008</i></p>
<p><i>Improving data</i></p> <p>(supporting action)</p>	<ul style="list-style-type: none"> • <i>Develop indicators and data sources on risk capital and on bank lending, including global comparability. Establish data collection routines.</i> 	<p><i>May 2006 – December 2013</i></p>

The Commission invites the Member States to:

- Learn from established good practices and implement investment readiness programmes for entrepreneurs.
- Promote cooperation and synergies among fragmented local organizations supporting SMEs.
- Use good practices in implementing policies on access to finance, in particular when investing in risk capital at national or regional levels.
- Evaluate the effectiveness of their policies and instruments on access to finance and adjust them accordingly.
- Aspire to stability and long-term view in public policies on risk capital.
- Study the advantages of introducing a Young Innovative Company Scheme that would provide fiscal benefits for investors and firms.
- Consider the advantages of using innovative products, like hybrid debt-equity instruments more widely in SME finance.
- Efficiently use the expertise and funding available through the Joint European Resources for Micro to Medium Enterprises (JEREMIE) in regional funding.
- Consider the possibilities for a more neutral taxation of the different forms of enterprise financing.
- Convene round tables between banks and SMEs if these do not yet exist.