



Risk finance rules in the GBER

Main issues raised in the public consultation

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Eligible undertakings: SME status

- **How to deal with undertakings losing their SME status following the first risk finance investment round?**
- **Should they be eligible under the GBER or fall under the Guidelines?**
- **Should distinction be made between:**
 - **Endogenous growth**
 - **Investment by a bigger undertaking acquiring control?**
 - **Investment by a financial intermediary?**



Eligible undertakings: safe harbour criteria

- 1. Should the [5] year from first commercial sale be extended?**
 - Are there valid justifications to extend the eligibility criteria?
 - How to define first commercial sale?

- 2. Is the proxy of annual turnover not exceeding 10% of the total risk finance valid?**
 - What other proxy would capture companies seeking finance for a quantum leap in their development?

- 3. Transition businesses: Should previous commercial activities be terminated in order to be eligible to receive aid?**
 - What is the market failure?



Financial parameters: total financing

- **Should the overall investment of maximum €[10] M per company be increased?**
- **Should a relevant time period be introduced?**



Financial parameters: private participation ratios

- **Should the required level of private participation be decreased?**
- **How to treat multi-stage financial intermediaries?**
- **Should 0% private participation be allowed in specific circumstances (e.g. proof of concept)?**



Financial parameters: requirement of pass-on

- **Does the requirement to have made investments in the past 3 years to be eligible financial intermediary discriminate against new entrant intermediaries?**
- **How to demonstrate that a "significant number of SMEs" would be supported as a result of the measure?**



Selection of intermediaries, managers, investors

- **Should private investors be selected via an open and competitive selection?**
- **How to better reflect commercial practices?**
- **Which safeguards/ processes could ensure that aid to investors remain limited to the minimum, i.e. up to a Fair Rate of Return?**



Start-up aid

- **Can the different forms of aid be mixed?**
- **Can equity be provided as start-up aid?**
- **Should the duration of the loans & guarantees be increased from [5] to [10] years?**
- **Should the amounts be increased?**



Thank you!