



# Draft Risk Finance Guidelines

## Measuring the impacts of the new proposed approach

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*Competition*



# The implementation of the current regime and origins of the reform

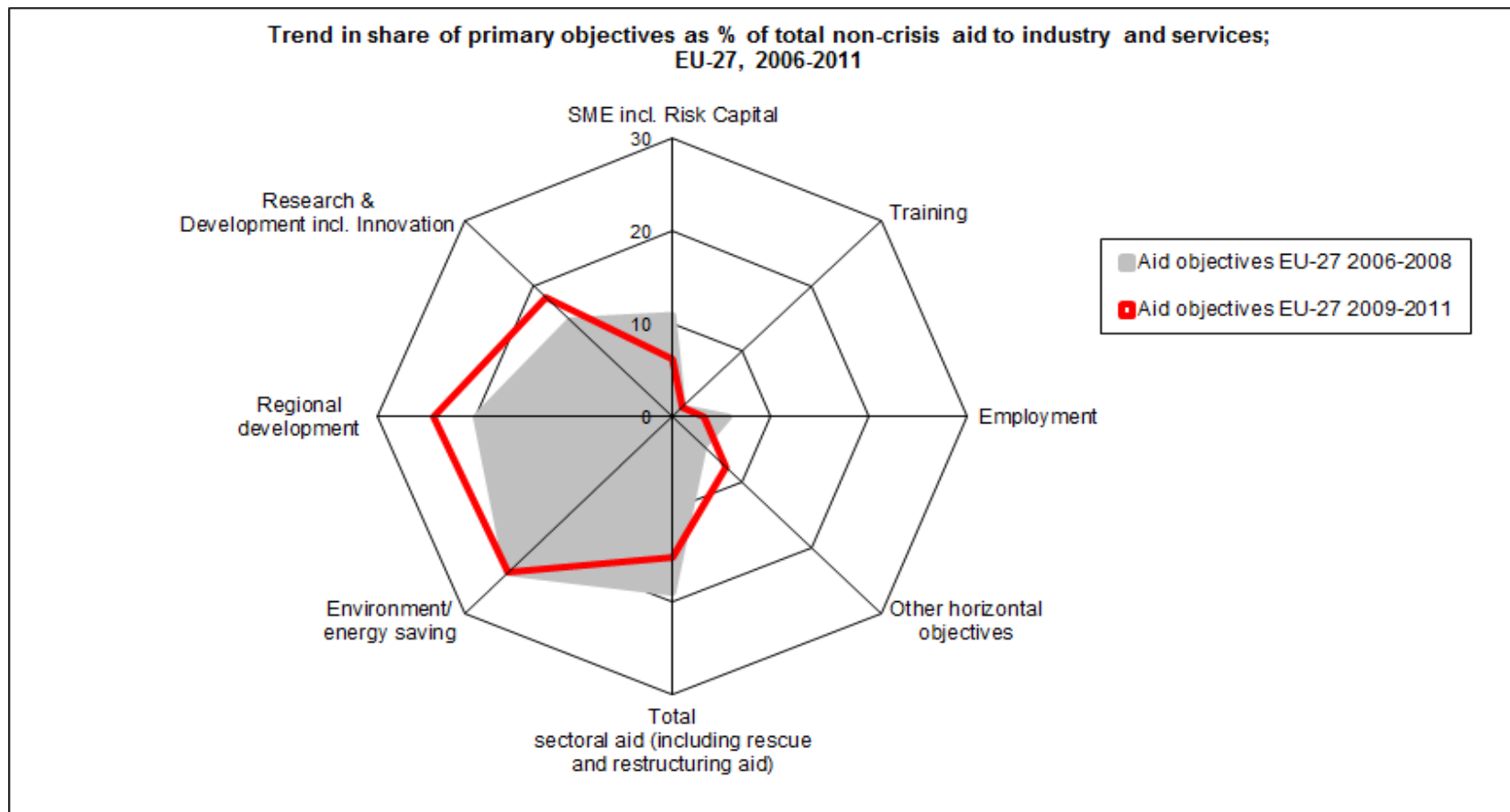
## Problems

- Market failure for SMEs' access to finance
- Structural weaknesses of the European Venture capital market : Size and fragmentation
- Problems exacerbated by the economic and financial crisis

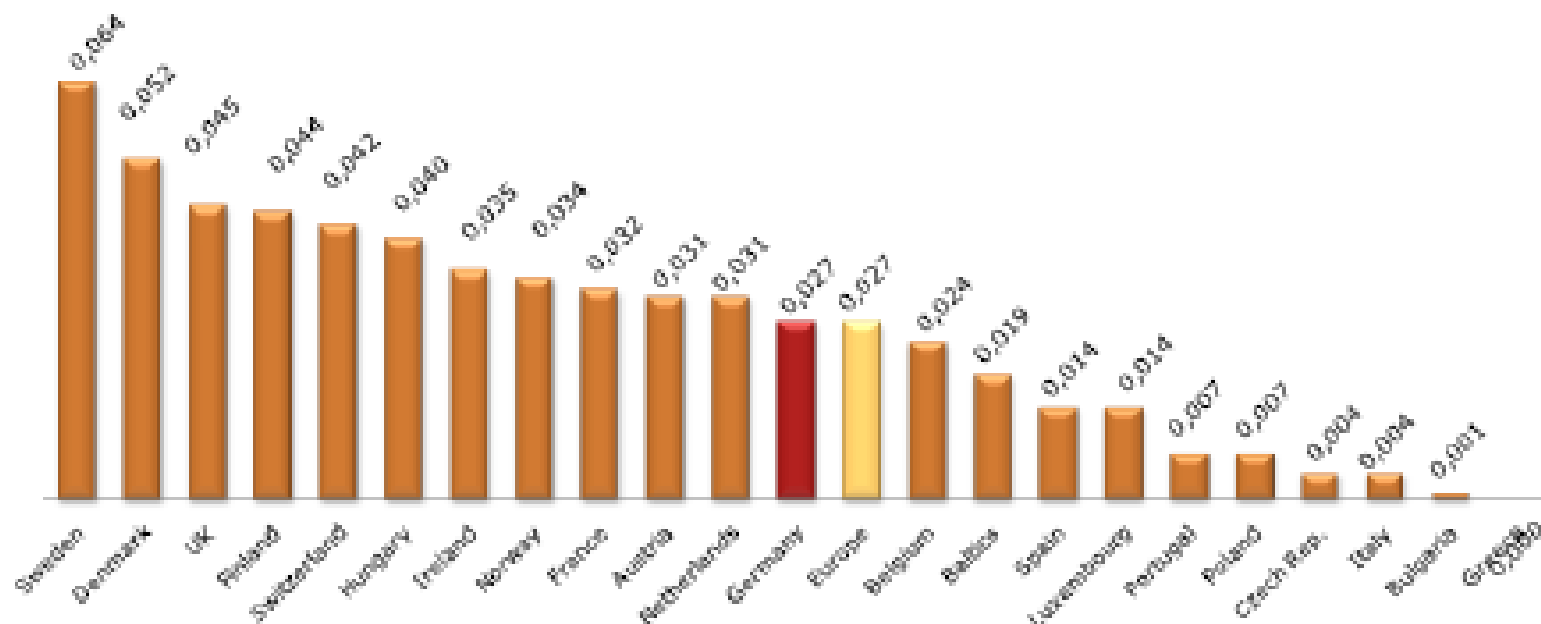
## Shortcomings in implementing the current regime

- As regards the identified problems, the current regime has been considered to be both too restrictive and too permissive

## Basic facts and figures



## Venture capital investments as % of national GDP (2011)



Source: EVCA



## Basic facts and figures: Risk Capital aid

- More than 42 aid schemes implemented under the GBER
- More than 90 aid schemes approved under the Risk Capital Guidelines
  - Standard assessment: 66% v. detailed assessment: 34%
  - Main types of measures subject to notification
    - Public funds: 44 decisions
    - Funds of funds structures: 9 decisions
    - Guarantees: 13 decisions
    - Fiscal incentives: 17 decisions
    - 7 No-aid decisions
  - 1 negative and 1 conditional decision



## Scope of the revision

### The role of the impact assessment : considering different options

- Option 1 : Baseline scenario, prolonging the existing Guidelines and GBER
- Option 2 : Revising the Guidelines in order to refine the rules on the assessment of compatibility
- Option 3 : Build up a new architecture for the SME access to risk finance
- Option 4 : Blanket exemption and no more guidelines



## Impacts of the revision

### How to measure the impacts?

- Positive impact on competition in the internal market
- Consistency with market practices
- Leverage of private investment into SMEs
- Positive impact on employment and SMEs' growth
- Positive impact on VC industry's capitalization
- Sectorial impacts in function of industry's capital requirements
- Legal certainty
- Administrative costs



## **Conclusion**

**Looking for the most balanced solution**