

(7) Financial products supported by the InvestEU Fund may involve funds controlled by Member States, including EU shared management funds, in order to increase leverage and support additional investments in Europe. For instance, Member States have the possibility to contribute a part of Union shared management funds or their own funds to the Member States compartment of the EU guarantee under the InvestEU Fund. Moreover, Member States could finance the financial products backed by the InvestEU Fund through their own funds or national promotional banks. Such financing may qualify as 'State resources' and may be imputable to the State if the Member States have discretion as to the use of those resources. Conversely, when Member the use of those funds is not imputable to the State. In respect of such cases, the Commission intends to provide further guidance on the typical scenarios supported by InvestEU Fund.

Comment-Further guidance is required

(8) Where national funds, including EU shared management funds, constitute State aid within the meaning of Article 107(1) of the Treaty, a set of conditions should be set out on which basis the aid should be considered compatible with the internal market and exempted from the notification requirement in order to facilitate the implementation of the InvestEU Fund

Comment-Further guidance is required

(9) The design of the InvestEU Fund by the Commission incorporates a number of important competition safeguards, such as supporting investments which deliver Union policy objectives and EU added value and the requirement for the InvestEU Fund to be additional and address market failures and sub-optimal investment situations. Moreover, the governance system and decision-making process will ensure before issuing the EU guarantee that the InvestEU supported operations meet the above requirements. Finally, the support provided by the InvestEU Fund will be transparent and its effects will be evaluated. Therefore State aid involved in the financial products supported by the InvestEU Fund should be considered compatible with the internal market and exempted from the notification requirement based on a limited set of conditions

Comment-Further guidance is required

(2) Article 2 is amended as follows: (a) points 63, 64 and 65 are deleted;

Comment-The rationale for these deletions is unclear

(183) "innovative SME" means an SME whose R&D and innovation costs represent at least 15% of its total operating costs in at least one of the preceding 3 years or at least 10% of its total operating costs in each of the preceding 3 years. A special purpose vehicle which can be considered an "autonomous enterprise" as defined in Annex I, for which no historic data is available may be considered an innovative SME if its R&D and innovation costs included in a credible business plan meet one of the above criteria.

Comment- This definition is too restrictive

4. The maximum thresholds laid down in Articles 56e and 56f shall apply to the total outstanding financing provided to the final beneficiary under any financial product supported by the InvestEU Fund.

Comment-The Thresholds are too restrictive

Conditions for aid involved in financial products supported by the InvestEU Fund

1. The financing provided to the final beneficiaries under the financial product supported by the InvestEU Fund shall fulfil one of the following requirements:

(a) for loans with fixed interest rate, the interest rate shall be at least the generic mid-swap rate for the corresponding maturity and currency in which the loan is denominated. If this rate is not available, the interest rate shall be at least the interest rate of government bonds issued by the country which issues the currency in which the loan is denominated in;

Comment-The drafting is ambiguous, drafting should change to “should be no lower than” if the wish is to express a minimum.

2. Aid to the final beneficiary must, in addition, comply with the conditions set out in one of the paragraphs 3 to 11.

Comment-This is very restrictive, particularly point 56 e point 11(b) in particular

(b) the nominal amount of total financing provided per final beneficiary under the support of the InvestEU Fund does not exceed:

- (i) EUR 1 million for 5-year loans;
- (ii) EUR 500 000 for 10-year loans;
- (iii) EUR 1.5 million for loan guarantees up to 5-years;
- (iv) EUR 750 000 for loan guarantees up to 10-years;
- (v) EUR 200 000 for equity.”.

Comment-These nominal amounts are not large enough and are simply the De Minimis thresholds.