

To whom it may concern:

Please find below Luxembourg feedback on the amendments to the Risk Finance Guidelines:

Overall, Luxembourg welcomes the revision of the Risk Finance Guidelines. In view of the twin transition objectives and the recovery of the economy, it sees it as important to have a comprehensive framework in place that enables MS to provide risk finance to SMEs and other companies that are in a similar situation with regard to access to risk finance.

➤ Complementarity of the Risk Finance Guidelines and the corresponding GBER provisions

It is essential that the new Risk Finance Guidelines and the new provisions of the GBER complement each other. To ensure coherence, in the future, Luxembourg pleads for a parallel examination of the guidelines and the corresponding provision of the GBER. As regard the new draft text, Luxembourg sees in a positive light the harmonisation effort made by the Commission with regard to the definition of innovative mid-caps in section 2.2.

➤ MEOP in the context of risk finance

Luxembourg is in favour of a reintroduction of a section detailing when a risk finance investment can be considered in line with the market economy operator principle. Due, on the one hand, to the general scope of application of the Communication on the notion of State aid, and, on the other hand, to the specificity and complexity of the market economy operator test in the context of risk finance, this would help to provide more legal certainty to Member States.

➤ Undertakings in difficulty criterion

Luxembourg supports the exclusion foreseen in point 27 in favour of SMEs that have been in operation for less than 10 years following their registration and are not subject to insolvency proceedings and advocates for its generalisation in other guidelines and the GBER.

➤ Transparency threshold

Luxembourg strongly opposes to the lowering of the transparency threshold from 500.000 to 100.000 euros in point 178 of the new guidelines, as it represents an additional administrative burden on Member States. Given that Member States can award *de minimis* aid of up to 200.000 euros in three years, Luxembourg believes that there is no justification to opt for such a low transparency threshold.

Best regards,

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THE GOVERNEMENT OF THE GRAND DUCHY LUXEMBOURG
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