

Brussels, 15 July 2021

AECM comments to the revision of the Guidelines on State aid to promote risk finance investments

The European Association of Guarantee Institutions (AECM) very much welcomes the opportunity to provide feedback on the revision of the Guidelines on the State aid to promote risk finance investments.

Following the evaluation of the Risk Finance Guidelines as part of the State aid Fitness Check, we are pleased to note that several simplifications and clarifications of the rules are proposed in the targeted revision of the Risk Finance Guidelines. In particular, we very much welcome the unification in the new subsection 4.1 of existing requirements for the ex-ante assessment as well as the alignment of the ‘innovative mid-caps’ definition with the one foreseen in the General Block Exemption Regulation (GBER). Further, we welcome that the requirement to quantify the funding gap will only apply to aid schemes providing the largest aid amounts to individual companies (more than EUR 15 million). We trust that these changes represent a significant step forward towards simplification of deployment of State aid schemes in support of risk finance.

However, we would like to direct your attention to one concern of AECM members on the changes envisaged by the European Commission, and call for improvement of the provisions, namely:

- Replacing the “first commercial sale” date by “registration” date as starting date for the period during which enterprises can generally receive risk finance aid.

While we very much welcome the Commission's proposal to extend the eligibility period during which the companies can receive risk finance aid (from 7 to 10 years) and fully agree that considering registration date as a baseline would avoid uncertainties regarding the identification of the "first commercial sale", we consider that such provision may negatively impact the highly innovative companies with long investment cycles (more than 10 years for example in the biotech and micro-electronics sectors).

To this end, and in order to take into account the long investment cycle of innovative enterprises, (more than 10 years in some sectors such as biotechnologies and microelectronics) we propose to exclusively allow highly innovative companies to continue using the date of the "first commercial sale" as a baseline. Alternatively, the date of "first commercial sale" could be replaced for all highly innovative companies by the first year where the company had a turnover above a defined threshold.

About us

The 48 members of the **European Association of Guarantee Institutions (AECM)** are operating in 31 countries in Europe. They are either private / mutual guarantee institutions or public promotional institutions or banks. Their mission is to support SMEs in getting access to finance. They provide guarantees to SMEs that have an economically sound project but do not dispose of sufficient bankable collateral. AECM's members operate with counter-guarantees from regional, national, and European level. At the end of 2020, AECM's members had about EUR 330 billion of guarantee volume in portfolio, thereby granting guarantees to around 5.2 million SMEs. AECM's members are by far the most important counterparts of the EIF concerning EU counter-guarantees, having been handling EU guarantees from the very beginning in 1998.

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