

## Entrepreneurs discuss Capital Markets Union with Commissioner Hill

Led by EUROCHAMBRES President Richard Weber, a group of Belgian, Finnish, German, Italian and Swedish entrepreneurs met EU Commissioner Jonathan Hill on Monday evening to discuss policy measures to address the main challenges encountered by businesses at different stages in trying to secure equity investment.

Europe's business community remains heavily reliant on debt-based financing, despite the increasingly incompatible expectations of the main lending source, banks. Meanwhile, alternative, equity-based sources of financing are evolving and new ones emerging across Europe, but at a slow pace in an uninviting policy environment.

President Weber said: *"Entrepreneurs want the Commission to oversee an ambitious new policy approach that will stimulate and scale up under-exploited and emerging new forms of equity financing. This should range from promoting responsible crowd-funding schemes to stimulating cross-border venture capital markets and attracting major global institutional investors. Overall, it is clear that a pan-European policy approach is critical in increasing our businesses' investment opportunities."*

Commissioner Hill stated: *"Enabling SMEs to get better access to more diverse sources of funding would contribute to creating new jobs in the EU. That's why Capital Markets Union aims to improve the investment environment for SMEs and provide them with new options for funding beyond bank finance, from alternative finance to venture capital. I found the discussions with CEOs last night extremely valuable – we discussed the funding challenges they currently face to grow, and how they think Capital Markets Union can help them. I was particularly keen to hear from them how we can tailor European legislation to the needs of SMEs most effectively."*

Ideas discussed included:

- Investigate how to accelerate equity investor decisions so more in line with growing businesses' rapid development needs
- Explore mechanisms to enhance the financial acumen and investment readiness of young, innovative businesses
- Address the tax bias against equity financing in much of the EU
- Encourage European business angels to collaborate in funds especially focused on the pre-revenue stage of young and innovative companies
- Apply the SME test consistently to both existing EU financial regulations (Capital Requirements, Prospectus Directive etc) and potential new ones

**A picture of the meeting between EU Commissioner Hill and European entrepreneurs is available on [bit.ly/1IZnQQW](http://bit.ly/1IZnQQW)**

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