"The voice of crafts and SMEs in Europe"

Actions for start-ups and scale-ups should be applied to all SMEs

All SMEs need to be treated equally; actions need to go much further in tackling barriers

Brussels, 23rd November 2016 – UEAPME(1) welcomes today's European Commission's communication on the start-up and scale-up initiative and its willingness to tackle and respond to this specific issue. UEAPME agrees that access to finance and regulatory barriers are the main problems SMEs encounter when they want to grow in Europe. Indeed, complex national tax systems, insolvency procedures and difficulties to access information about national markets are some of the barriers that create costly and time consuming procedures for businesses within the incomplete single market. UEAPME fully supports the Commission's willingness to deal with these barriers and expects concrete proposals to tackle them. Furthermore, scale-ups struggle to grow fast also due to underdeveloped capital markets. Although the Capital Markets Union can and should improve the situation, additional support measures to increase the supply of risk finance for such companies are necessary and should be supported by the European Fund for Strategic Investments. In general, UEAPME insists that policies for scale-ups have to target and apply to all SMEs. There is no valid reason to create unfair competition for other smaller companies that do not want nor are not able to grow fast. Finally, UEAPME expects the new proposal of the European Commission regarding the Capital Requirement Regulation to include the prolongation and extension of the SME Supporting Factor and simplification measures for smaller local banks, which are crucial for SMEs' access to finance.

Commenting on the EC's communication on the start-up and scale-up initiative, **President Ulrike Rabmer-Koller** said:

"SMEs in Europe have significant problems if they want to grow fast within the internal market. This communication pinpoints the regulatory barriers and problems encountered such as taxation, access to information, and access to finance."

"We do welcome the Commission's efforts to tackle these issues and fully support the EC's willingness to work on it. We expect concrete proposals and want that this be done for all SMEs, be it for traditional firms, start-ups or scale-ups. Therefore, we need more concrete measures, like the support for SMEs to use intellectual property rights! In contrast to this initiative, the already presented proposal to ban geo-blocking is definitely counterproductive when it comes to easing SMEs' access to the internal market."

"Taxation and financing are the main issues to be dealt with, even if a full harmonisation across Europe is unfeasible. However, any measure to tackle these barriers has to address all SMEs in order to avoid unfair competition with existing companies."

"Although scale-ups are rightly in the political focus due to their ability to create many new jobs, other SMEs should not be discriminated nor disadvantaged in these new rules. The rules should be the same for all SMEs across Europe!"

On the review of the Capital Requirement Regulation, also expected this week by the European Commission, Ulrike Rabmer-Koller stated that: "For two years UEAPME has been asking to apply more proportionate rules for smaller local banks with significant lower systemic risks compared to large international actors. Therefore, we expect the European Commission to propose simplification measures for smaller banks and to fully support the prolongation and extension of the SME Supporting Factor. Both aspects are crucial to allow banks to better serve the real economy."

(1) the European Employers Association for SMEs

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EDITORS' NOTES: UEAPME is the employers' organisation representing Crafts and SMEs from the EU and accession countries at European level. UEAPME has 64 member organisations covering about 12 million enterprises with 55 million employees. UEAPME is a European Social Partner. For further information please visit http://www.ueapme.com/ or follow @UEAPME on Twitter.

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