

S&Ds back innovative instrument to help start-ups and SMEs access finance more easily

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Communiqué de presse du groupe S&D

The Socialists and Democrats voted today in favour of crowdfunding - an innovative funding instrument- to enable start-ups and small and medium enterprises (SMEs) in the EU acquire necessary capital for projects. The S&Ds strongly support innovative business and funding ideas, especially for projects based on new technologies.

Crowdfunding provides an alternative to bank lending for enterprises that face difficulties when trying to collect financial support for a business project. The collection of financial support is managed via internet-based platforms.

S&D Group negotiator on the crowdfunding file, Eva Kaili MEP said:

“Today’s vote on crowdfunding for businesses is great news for SMEs and start-ups striving to mobilise financial support for their business projects. Crowdfunding is the main source of external finance, especially for young entrepreneurs who cannot easily find funding from banks and the venture capital industry. In addition to helping projects, crowdfunding will also help smaller member states that ‘lack the crowd’ to mobilise capital. It is also instrumental for member states that were hit the most by the financial crisis, as it will enable them to boost their national economies and bridge the investment gap in EU.

“By placing the limit for crowdfunding operations up to €8 million per year, crowdfunding will facilitate not only the gathering of early stage seed capital, but also the critical needs for the scaling-up of the innovative firms. The EU must support innovative business ideas, even when they seem risky by conservative standards. Thanks to today’s vote, innovation will no longer be discouraged or postponed.

“For us Socialists and Democrats it is important that the opportunities and risks of the Initial Coin Offerings be explored as well. We call on the European Commission to propose a special regulatory initiative without delay.”

S&D Group spokesperson on economic and monetary affairs, Pervenche Berès MEP, said:

“Crowdfunding is an important tool for future growth across the EU. Yet, growth must be achieved in a legally certain and regulatory responsible environment. Good governance, accountability and transparency rules should be in place to safeguard small investors, increase their access to material information and protect them from fraud and hidden risks.”

“We S&Ds strongly believe that only a responsible regulatory environment, harmonised and scrutinised at the EU level, can build trust and increase crowdfunding operations so that

everyone benefits from the opportunities it offers. To this end, we want investor protection and certainty for every crowdfunding instrument, both analogue and digital, across the EU.”