



**COUNCIL OF
THE EUROPEAN UNION**



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PRESSE 122

New EU label for venture capital and social entrepreneurship funds

The Council today¹ adopted regulations concerning European venture capital funds ([PE-CONS 73/12](#)) and European social entrepreneurship funds ([PE-CONS 74/12](#)).

The overall objective is to foster the growth of small and medium-sized enterprises (SMEs) by improving their access to finance through the establishment of an EU-wide passport for managers of venture capital funds (EuVECA) and social entrepreneurship funds (EuSEF) relating to the marketing of their funds.

The regulations introduce uniform requirements for the managers of collective investment undertakings that want to operate under the EU-wide passport. They introduce requirements concerning the investment portfolio, investment techniques and eligible undertakings that a qualifying fund may target. They also introduce uniform rules on which categories of investors a European fund may target and on the internal organisation deployed by managers that market such funds. Identical rules across the EU will help create a level playing field for all market participants.

The Commission submitted separate proposals for EuVECA and EuSEF, as these two types of funds differ in nature. EuVECA normally focus on providing equity finance for SMEs in the start-up phase of business, whereas EuSEF often have a larger range of relevant investment tools available, such as combined public and private sector finance, debt instruments or small loans.

¹ The decisions were taken without discussion at the Environment Council meeting. They follow an agreement with the European Parliament at first reading.

P R E S S

Venture capital funds mainly provide equity finance to companies that are generally very small, in the initial stages of their corporate development. In the EU, venture capital funding has high, but largely unexploited, potential. SMEs backed by venture capital can create high-quality jobs, as venture capital supports the creation of innovative businesses.

The regulations are part of the Single Market Act to stimulate growth and job creation ([9283/11](#)) and of the action plan to improve access to finance for SMEs ([18619/11](#)).
