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**NOTE**

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From: Presidency  
To: Permanent Representatives Committee/Council

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Subject: *Preparation of the Competitiveness Council on 29 May 2017*  
Business transfer  
- Outcome of the Business Transfer Conference (Malta, 17 March 2017)

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1. For many years the European Commission has been strongly supporting measures to create a more entrepreneurship-friendly business environment to promote economic growth and jobs. This issue currently lies at the very heart of the Europe 2020 Strategy, the flagship framework policy of the Commission for the present decade.
2. Buying an existing company is an alternative way of starting a business. It is often more advantageous than starting from scratch. Every year, around 450 000 firms and over 2 million employees are transferred to new owners.
3. However, up to one-third of these transfers may not be successful. The Commission believes that it is just as important to support transfers as start-ups because they matter equally to the EU economy. However, despite considerable efforts by Member States over the last 20 years to facilitate business transfers, a substantial number of viable businesses come to an end in Europe every year due to failed business transfers.

4. The aim of the Business Transfer Conference held in Malta on 17 March 2017 was to discuss, debate and exchange best practices concerning the following thematic areas with the aim of presenting the outcomes to the Competitiveness Council in May 2017 under Maltese Presidency:
- What are the main obstacles for a successful transfer of ownership of businesses from one owner to the next - be it to members of the business owner's family or to third parties (e.g. employees)?
  - What are the reasons for failed business transfers?
  - Which businesses (by size, occupation, sector, legal form/ownership structure, etc.) are most vulnerable to transfer failure?
  - And which business support and policy solutions could be proposed to respond to the obstacles?
5. During the meeting of the Competitiveness Council, the Presidency will present the main outcomes of the Business Transfer Conference, notably as regards actions needed, communication and educational needs, upgrading of skills, and improving access to finance.
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