



Brussels, 15 May 2015

Dear Commissioner Lord Hill,

### **Building a Capital Markets Union**

UEAPME, EFAA, Leaseurope and the European Crowdfunding Network are together a significant voice of SMEs in Europe, representing the SMEs themselves (UEAPME), key business and financial advisers to SMEs (EFAA), and key providers of finance in the sector (Leaseurope and ECN). In addition to submitting responses separately to the EC's CMU Green Paper, we believe that, together, we are able to bring evidence from the SMEs we work with directly to the Commission. In support of your determination to improve SME's access to finance, we are eager to engage in dialogue with you to drive forward this important agenda.

We welcome the Green Paper and the invitation to respond on this topic. The issue of access to finance for SMEs is complex, not least because SMEs as represented by our organisations range from the smallest of one-person enterprises up to entities with 249 employees. Within this size range SMEs have very different financing needs – the smallest will generally rely on debt including bank loans, leasing and may use alternative funding such as crowdfunding; whereas the latter may access the more traditional 'capital markets' by listing debt or even equity. The Paper addresses the differing needs of this range of entities and we have developed our responses to the Paper in the context of all SMEs, from the largest to the smallest.

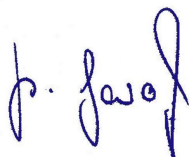
We have discussed and, where appropriate, coordinated our responses and have identified common themes from the responses, including:

- Channelling funding to SMEs that need it – it is key to achieve the right incentives and to support institutions that are best placed to provide SME access to finance. An example would be to encourage appropriate tax incentives, providing adjusted regulation or implement loan guarantee schemes to facilitate SME financing.
- Making EU SME financing programmes (EC, EIB/EIF, ECB's TLTRO) more user-friendly to non-bank intermediaries.
- Raising awareness as regards alternatives to bank loans, such as leasing and alternative financing including crowdfunding, and to facilitate their operation across borders.
- Provide a simple and transparent legislative framework to facilitate pan-European alternatives to conventional loan financing for SMEs, such as crowdfunding.
- The crucial need to enhance the availability of credit and financial information provided by and on SMEs. Such information is key in improving SMEs' ability to obtain financing through extending trade credit terms, accessing bank loans, and supporting other financing, including access to capital markets and the securitisation of SME loans and leases.
- Reducing potential barriers to SMEs obtaining finance through applying the proportionality principle to new and existing regulation, such as the impending application of capital

requirements in Basel III (for bank loans and leases to SMEs) and Solvency II (insurance and pension funding providers of SME financing).

- A need to address and improve the financial literacy of providers and users of SME financial and credit information to facilitate SME financing.

We look forward to the opportunity to continue the dialogue with the Commission and other key stakeholders of SME financing on this crucial issue which is important to the future prosperity of Europe.



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Secretary General  
UEAPME



Bodo Richardt  
President, EFAA



Enrico Duranti  
President, Leaseurope



Oliver Gajda  
Chairman, ECN

#### Notes:

The European Union of Crafts Small and Medium-sized Enterprises (UEAPME) is the employers' organisation representing Crafts and SMEs from the EU and accession countries at European level. UEAPME has 80 member organisations covering over 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](https://twitter.com/UEAPME) on Twitter. Contact: Gerhard Huemer, [g.huemer@ueapme.com](mailto:g.huemer@ueapme.com), Tel: +32 2 230 7599

The European Federation of Accountants and Auditors for small and medium-sized enterprises (EFAA) is an umbrella organisation for national accountants and auditors' organisations whose individual members provide professional services primarily to SMEs within the European Union and Europe as a whole. It was founded in 1994. EFAA has 14 members throughout Europe representing over 320,000 accountants and auditors. Contact [info@efaa.com](mailto:info@efaa.com).

Leaseurope is the voice of the European leasing industry. Leaseurope has 46 member associations covering an estimated 92% of the total European leasing market. Leaseurope has recently commissioned an important research study showing the importance of leasing for European SMEs as well as the low risk profile of leasing. For further information, please visit [www.leaseurope.org](http://www.leaseurope.org). Contacts: [j.bucyte@leaseurope.org](mailto:j.bucyte@leaseurope.org) and [h.mcewen@leaseurope.org](mailto:h.mcewen@leaseurope.org), Tel: +32 2 778 0560

The European Crowdfunding Network AISBL, based in Brussels, is a professional network promoting adequate transparency, (self) regulation and governance while offering a combined voice in policy discussion and public opinion building. We support our members in carrying initiatives aimed at innovating, representing, promoting and protecting the European crowdfunding industry. Our aim is to increase the understanding of the key roles that crowdfunding can play in supporting entrepreneurship of all types. Contact: [www.eurocrowd.org](http://www.eurocrowd.org) and [info@eurocrowd.org](mailto:info@eurocrowd.org)