

**Proposal for a Regulation amending Regulation (EU) No. 345/2013 on European venture capital funds and Regulation (EU) No. 346/2013 on European social entrepreneurship funds  
(COM (2016) 461 final)**

**FINAL DOCUMENT APPROVED BY THE COMMITTEE**

The Finance Committee of Italy's Chamber of Deputies,

Having examined, in accordance with Rule of Procedure 127, the Proposal for a Regulation amending Regulation (EU) No. 345/2013 on European venture capital funds and Regulation (EU) No. 346/2013 on European social entrepreneurship funds (COM (2016) 461 final);

whereas:

The Proposal for a Regulation forms part of the Capital Markets Union Action Plan, an ambitious project aimed at countering the fragmentation of capital markets in Europe and increasing the availability of financial resources for productive activities;

In particular, the Proposal for a Regulation seeks to encourage the development of venture capital and social entrepreneurship funds that, in the experiences of some countries, particularly the United States, have decisively contributed to the launch and development of new economic initiatives and encouraged innovation and technological progress;

Europe as a whole lags behind the United States in this respect, although, on a country-by-country level, considerable disparities also exist within the EU;

The continued existence of different regulatory frameworks among Member States and the high economic and administrative costs associated with

the creation of venture capital and social entrepreneurship funds, along with some of the restrictions imposed by EU rules, have prejudiced the growth prospects of these activities to the detriment of the European economy as a whole;

Despite the positive trend of recent years in the expansion of venture capital activities in Italy, this country still ranks as one of the least dynamic and least developed in Europe;

For this reason, the Committee fully approves of the goals that the European Commission is seeking to achieve with this Proposal for a Regulation and with the proposed amendments to the current EU rules regulating the sector;

In particular, the Committee is fully supportive of the proposal to allow large investment funds with portfolios that exceed €500 million to use the EuVECA (European Venture Capital Funds) and EuSEF (European Social Entrepreneurship Funds) labels, as this will make more capital available to innovative and start-up companies;

The Committee also welcomes the proposal to expand EuVECA eligible assets beyond the current SME definition by adding small mid-caps - not listed on regulated markets - with up to 499 employees and SMEs listed on SME growth markets, as defined in Directive 2014/65/ EU;

Also commendable is the proposal to prevent the relevant authorities of Member States from imposing fees or any other charges on local companies for the cross-border marketing of EuVECA and EuSEF funds, since the intention of the proposal seems to be to give potentially interested parties more opportunities to avail themselves of capital resources;

The Government has indicated its intention to introduce a number of measures in the next budget law to encourage the development of the venture capital market in Italy;

Mindful that the present final document needs to be transmitted promptly to the European Commission as part of the political dialogue, as well as to the European Parliament and the Council;

expresses its

### FAVOURABLE OPINION

*with the following remarks:*

- a) The provisions of the Proposal for a Regulation should be accompanied by a number of changes in Italian law that would streamline procedures, reduce the costs associated with the launch of venture-capital activities, and align Italian legislation with that of the countries that are farthest advanced in this sector, but without any weakening of the principles of transparency or of the laws in place for the protection of savers and investors;
- b) It might be useful to consider making a number of simplifications to the Italian legislation governing the sector at the same time as the new Regulation takes force, with a view to, in particular, avoiding the duplication of bureaucratic requirements with the various different national authorities.