



UNIVERSITÀ DEGLI STUDI
DI TRENTO

The European Initiatives for Facilitating SMEs Financing (and their implications for National Company Law)

Corrado Malberti

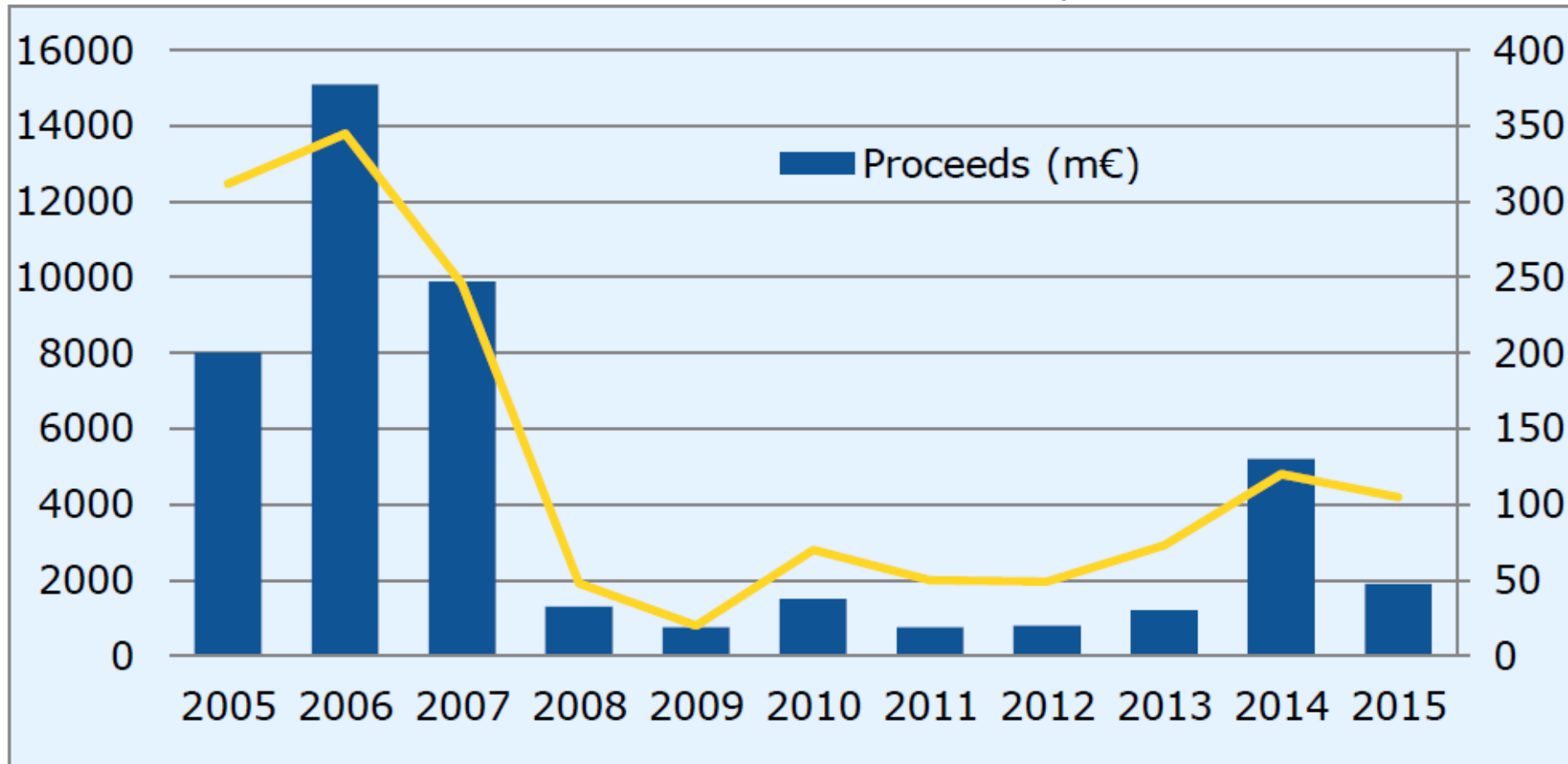
EU Initiatives for SMEs

- SME listing on public markets
- Venture capital
- Crowdfunding



SME Listing on Markets

IPO proceeds and No. of deals on European junior markets



Source: Dealogic

SME Listing on Markets

- **Capital Markets Union action plan**
- **Consultation on the regulatory framework to support SME listing**
- **Capital Markets Union mid-term review**
- **Technical workshops**



Commission's Proposals

- **Market Abuse Regulation**
- **Prospectus Regulation**
- **MiFID II level 2 (Reg. 2017/565)**



Commission's Proposals

- **Market Abuse Regulation**
 - **Disclosure of managers' transactions**
 - **List of 'permanent insiders'**
 - **Delayed inside information**
 - **Market sounding for bond placement**
 - **Liquidity provision contracts**



Commission's Proposals

- **Prospectus Regulation**
 - Transfer prospectus
- **MiFID II level 2 (Reg. 2017/565)**
 - SME definition for debt issuances



SMEs Definitions

- **MiFID II Framework**
 - **Average market capitalisation below EUR 200,000,000 or**
 - **250 employees**
 - **50 million turnover**
 - **43 million annual balance**
 - **Two of three requirement**
 - **Stand-alone evaluation**



Proposed Amendment



Reg. 2017/565 Art. 77 - 2. An issuer that has no equity instrument traded on any trading venue shall be deemed an SME for the purposes of Article 4(1)(13) of Directive 2014/65/EU if the **total size of its debt issuances does not exceed EUR 50 million** over a period of 12 months starting on 1 January each year on all trading venues across the Union.



SMEs Definitions

- **MiFID II framework**
- **Recommendation 2003/361/EC**
 - Under revision
- **Dir. 2013/34 (Accounts)**
- **Reg. 2017/1129 (Prospectus)**



SMEs Definitions

- **Recommendation 2003/361/EC**
 - **250 employees** *and either*
 - **50 million turnover** *or*
 - **43 million annual balance**
 - **Partner and linked enterprises are included**



SMEs Definitions

- **Dir. 2013/34 (Accounts)**
 - **250 employees**
 - **40 million turnover**
 - **20 million annual balance**
 - **Two of three requirements**
 - **Stand-alone evaluation**



SMEs Definitions

- **Reg. 2017/1129 (Prospectus)**
 - **250 employees**
 - **50 million turnover**
 - **43 million annual balance**
 - **Two of three requirement**
 - **Stand-alone evaluation** *or*
- **MiFID II**



SMEs and Company Law

- Digitalisation of company law
- Cross-border mobility
- National company law
- Uncitral initiative on MSMEs



SMEs and Company Law

- SMEs and Small and Mid-Cap companies?
- Combination of requirements
- Stand-alone evaluation
- Toward a broader definition of SME or just a new general framework in disguise?

