

European venture capital funds

2011/0417(COD) - 17/04/2013 - Final act

PURPOSE: improve access to finance for SMEs through the establishment of a valid EU-wide passport for managers of European venture capital funds relating to the marketing of their funds.

LEGISLATIVE ACT: Regulation (EU) No 345/2013 of the European Parliament and of the Council on European venture capital funds.

CONTENT: this Regulation lays down **uniform requirements and conditions** for managers of collective investment undertakings that wish to use the designation "EuVECA" in relation to the marketing of qualifying venture capital funds in the Union.

It also lays down uniform rules for:

- the **marketing** of qualifying venture capital funds to eligible investors across the Union,
- for the **portfolio composition** of qualifying venture capital funds,
- for the **eligible investment instruments and techniques to be used by qualifying venture capital funds** as well as for the organisation,
- **conduct and transparency** of managers that market qualifying venture capital funds across the Union.

This Regulation applies to managers of collective investment undertakings whose assets under management in total do not exceed the threshold referred to in [Directive 2011/61/EU](#) on Alternative Investment Fund Managers.

Qualifying venture capital fund shall mean a collective investment undertaking that:

- intends to invest **at least 70%** of its aggregate capital contributions and uncalled committed capital in assets that are qualifying investments;
- does **not use more than 30%** of its aggregate capital contributions and uncalled committed capital for the acquisition of assets other than qualifying investments;
- is established within the territory of a Member State.

Qualifying portfolio undertaking shall mean an undertaking that is established within the territory of a Member State, or in a third country provided that the third country is not listed as a Non-Cooperative Country and Territory by the Financial Action Task Force on Anti-Money Laundering and Terrorist Financing.

Where a manager of a qualifying venture capital fund intends to delegate functions to third parties, the manager's liability towards the venture capital fund and the investors therein should not be affected by such delegation of functions. Moreover, the manager should not delegate functions to the extent that, in essence, it can no longer be considered to be a manager of a qualifying venture capital fund and has become a **letter-box entity**.

In order to ensure effective supervision of the uniform requirements contained in this Regulation, the competent authority of the home Member State should supervise compliance of managers of qualifying venture capital funds with the uniform requirements set out in this Regulation. To that end, the managers that intend to market their qualifying funds under the designation "EuVECA" should **inform the competent authority** of their home Member State of that intention. The competent authority should

register the manager if all necessary information has been provided and if suitable arrangements to comply with the requirements of this Regulation are in place. Such registration should be **valid across the entire Union**.

By **22 July 2015 and 22 July 2017** depending on the case, the Commission shall start a **review** including an assessment, inter alia, on: (i) the extent to which the designation "EuVECA" has been used; (ii) the geographical and sectoral distribution of investments undertaken by qualifying venture capital funds; (iii) the possibility of extending the marketing of qualifying venture capital funds to retail investors.

It should be noted that this Regulation – adopted in parallel with the [Regulation on European social entrepreneurship funds](#) – forms part of [Single Market Act](#) to stimulate growth and job creation and of the [action plan to improve access to finance for SMEs](#).

ENTRY INTO FORCE: 15/05/2013. The Regulation shall apply from 22/07/2013.

DELEGATED ACTS: the Commission may adopt delegated acts in order to specify the requirements provided by this Regulation. The power to adopt these acts is conferred on the Commission for a period of **four years from 15 May 2013**. A delegated act shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of **three months** of notification of that act (this delay may be extended by two months). If the European Parliament or the Council object, the delegated act shall not enter into force.