

Capital increase of the European Investment Fund (EIF)

2014/0034(COD) - 15/05/2014 - Final act

PURPOSE: EU participation in a capital increase of the European Investment Fund (EIF).

LEGISLATIVE ACT: Decision No 562/2014/EU of the European Parliament and of the Council on the participation of the European Union in the capital increase of the European Investment Fund.

CONTENT: the European Investment Fund (EIF) was founded in 1994 to stimulate sustained and balanced growth within the Community. Following the capital increase of the EIF in 2007, the subscribed capital amounts to EUR 3 billion divided into 3 000 shares each with a nominal value of EUR 1 million with a ratio of 20 % of the capital paid-in.

The Union, represented by the Commission, participated in the previous increase of the Fund's subscribed capital. Consequently, the Union, represented by the Commission, is currently subscribed to 900 shares of the Fund in total for a nominal value of EUR 900 million, of which EUR 180 million are paid-in.

In order to further promote investment and access to credit, the European Council of 27-28 June 2013 launched a 'New Investment Plan for Europe' to support small and medium-sized enterprises (SMEs) and boost the financing of the economy. In that context, it asked the Commission and the European Investment Bank (EIB) to implement an increase in the Fund's credit enhancement capacity as a matter of priority.

This Decision aims to **increase the European Investment Fund support of actions which complement Member States' actions** in favour of enterprises, particularly small and medium-sized enterprises. In addition to its current shareholding in the Fund, the Union shall **subscribe for up to 450 shares** each of a nominal value of EUR 1 million in the Fund.

The new shares in the Fund will be **purchased over a four-year period starting in 2014**. During the 2014-2017 period, a total amount of up to EUR 178 million shall be available within the general budget of the Union to cover the cost of the subscription.

The Commission shall monitor how the objective of the Decision has been achieved and present two reports to the European Parliament and to the Council, an interim report by 31 December 2016 and a final report by 31 December 2018.

ENTRY INTO FORCE: 25.05.2014.