Risk capital markets and job creation: implementation of the action plan RCAP

1999/2208(COS) - 20/10/1999 - Non-legislative basic document

OBJECTIVE : Commission Communication on Risk Capital: implementation of the Action Plan and proposals for moving forward. CONTENT : The communication analyses how the Action Plan proposed in April 1998 is being implemented and suggests ways forward. - Risk capital is developing in Europe, but not sufficiently quickly and its allocation remains sub-optimal. The communication describes the various actions taken by the Commission to promote risk capital in Europe. The first assessment of the implementation of the Action Plan by Member States shows positive progress in some areas. - Also described are financial programs implemented by the Community and Member States to stimulate the mobilisation of capital for innovative companies in fields where private investment is lacking. - The document proposes measures to be taken in 2000 to accelerate risk capital development. Both at Community and at national level, the measures already launched should be further enhanced. Core regulatory actions to be taken at Community level are suggested. These include the adoption of prudential rules to allow institutional investors to invest in venture capital and reform of the European Patent System. Core actions to be taken at national level include an examination of the taxation of new firms and investment in venture capital; possible reform of legislation on insolvency and bankruptcy and promotion of innovative employee ownership schemes, including stock options. - The Commission requests the Council to invite it and the Member States to accelerate implementation of the Plan in 2000; to acknowledge that the Commission will review progress via a benchmarking process; and to promote risk capital in the Cardiff report as well as the Broad Economic Guidelines and the Employment Guidelines whenever relevant.