

**Question for written answer E-004271/2016  
to the Commission**

Rule 130

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Subject: Increasing the flow of capital for start-ups

The supply of capital for early-stage investment is not sufficient and needs to be increased. Owing to this problem, innovative small businesses created in universities, colleges and incubators are unable to grow and reach their full potential.

Europe needs a radical new approach to financing innovation in order to transform governments' short-term approach, private finance and banking capital.

We also need to open our digital market to new types of finance: instead of having only traditional bank loans available to them start-ups should be able to raise finance through venture capital, business angels or crowd funding instruments. Start-ups prefer to give equity in exchange for financing rather than taking on bank loans.

These new companies should also be able to compete for Horizon 2020 finance that is usually not available to small projects. This does not include COSME and SME instruments because that financing is for other types of companies.

Taking into the consideration the abovementioned:

Which measures has the Commission taken to increase the flow of capital for start-ups?

When does the Commission intend to solve this European problem that start-ups and SMEs face in accessing capital?