



Direction générale du Trésor

**MINISTÈRE
DE L'ÉCONOMIE
DES FINANCES
ET DE LA RELANCE**

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FINANCING FOR SMES

POSSIBLE IMPACT OF THE FRENCH PRESIDENCY PRIORITIES

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1. French Presidency priorities regarding the EU's financial services agenda

- Ensuring the **financing of a more competitive and innovative economy**
 - Basel 3: the Presidency intends to work towards a compromise. It hopes to take into account European specificities and the political mandate of “no significant capital increase”
 - CMU: France will start working on the proposals published last week. It might be possible to reach a general approach on AIFMD and ELTIF, while the timing is less sure for MiFIR and ESAP
- Putting the **sustainable finance agenda at the heart of our Presidency**
 - Taxonomy: we want to accelerate work on its transition components
 - CSRD: we want to reach a general approach, and depending on EP's agenda, conclude dialogues
- **Advancing with the autonomy agenda**, to ensure the EU is able to cover the massive financing needs for the green and digital transitions, without being dependent for critical services

2. Financing a more competitive and innovative economy (1/2)

- **SMEs are fundamental** in creating economic growth and job creation, are at the forefront of innovation
- The review of CRR/CRD is the opportunity to better support SMEs financing by:
 - Maintaining the **SME supporting factor**
 - Addressing the issue of the **treatment of unrated corporates**
- **According to Banque de France, SME supporting factor resulted in +4,5% to +10% more credit** for eligible exposures after the implementation of the SME supporting factor
- **Preferential treatment for unrated corporates** alleviates the impact of Basel 3 on exposures to SMEs, which are usually not rated. The treatment is only temporary in the COM proposal

2. Financing a more competitive and innovative economy (2/2)

- **The CMU project remains at the top of EU's priorities, and is necessary to diversify funding sources for SMEs.**
- **Better access to information** is key to improve the visibility of European SMEs to investors:
 - ESAP proposal will simplify access to information
 - Discussions at Council level could likely focus on the **role of the private sector in the governance of the platform**
- **Making it possible for European SMEs to scale-up in the EU:**
 - In the EU, once passed the early growth stage, start-ups and SMEs **tend to move outside the EU due to growth opportunities**
 - The Presidency will support the initiatives for funding scale-ups, as well as the preparatory work for a **new listing act**

3. Increasing access to SMEs' non-financial information (CSRD)

- **CSRD ambition fully takes SMEs on board:**
 - It will help them seize the opportunities of the green transition, and will ensure the general resilience of our economic models
 - SMEs are increasingly faced with ESG information requirements coming from regulatory obligations or for decision-making purposes (investment decision; granting a loan)
- **The Presidency will strive to adopt a proportionate approach in the upcoming mandatory European standard:**
 - it would be disproportionate to ask a small or medium-sized company to publish the same information as a large international group
 - We have to strike a balance between the increasing needs for ESG information, and the associated costs and administrative burden



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