



“The voice of SMEs in Europe”

Press Statement

FOR IMMEDIATE RELEASE

Decision on Capital Requirements Directive an important step forward

Brussels, 13 July 2005 UEAPME, the European small and medium business organisation, has welcomed the timely decision on the Capital Requirements Directive in the European Parliament Economic and Monetary Affairs Committee today (Wednesday), which makes the new credit-rating rules more favourable for small businesses.

“The Parliament has to be praised for reaching such a coherent agreement on these complex proposals on schedule. MEPs have succeeded in their aim to limit the negative effects of the new risk assessment rules on SMEs,” said **Gerhard Huemer**, UEAPME Director of Economic and Fiscal Policy.

It is crucial that the new capital requirements system is not made too onerous for small businesses, which already face seriously difficulties in accessing finance. A number of important changes to the original draft, which make the directive more workable for small firms, were approved by the committee, including:

- Increasing the transparency of the rating process by obliging banks to disclose information on credit rating results;
- Improving the conditions concerning the use of both private and commercial properties for collateral; and
- Ensuring that the procedure for dealing with small-scale retail loans is simplified.

UEAPME welcomed the solution on the treatment of inter-bank lending within bank groups, which adopts a rational approach to credit requirements. “Reducing the costs of lending between banks, particularly savings and cooperative banks, will ultimately contribute to reducing the borrowing costs for SMEs,” continued Mr Huemer.

“Poor access to finance is one of the main obstacles faced by small businesses in Europe in fulfilling their role as growth generators. Every possible step should be taken to ensure this Directive does as little damage as possible to small businesses, which already have enough difficulty in finding finance for innovation,” concluded Mr Huemer.

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EDITORS’ NOTE: UEAPME is the employer’s organisation representing the interests of crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 78 member organisations, which represent crafts and SMEs across the whole of Europe, covering over 11 million enterprises with nearly 50 million employees. UEAPME is a European Social Partner.

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