I

(Legislative acts)

DECISIONS

DECISION No 562/2014/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 15 May 2014

on the participation of the European Union in the capital increase of the European Investment Fund

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 173(3) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee ([1]),

Acting in accordance with the ordinary legislative procedure ([2]),

Whereas:

(1) Pursuant to Council Decision 94/375/EC ([3]), the European Investment Fund (the 'Fund') was founded in 1994 to 'stimulate sustained and balanced growth within the Community'.

(2) Following an increase in the Fund's subscribed capital in 2007, the authorised capital of the Fund is EUR 3 billion, divided into 3 000 shares of EUR 1 million each 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 in accordance with Council Decision 2007/247/EC ([4]).

(3) 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.

(4) The European Council of 28-29 June 2012 adopted the 'Compact for Growth and Jobs' to stimulate smart, sustainable, inclusive, resource-efficient and job-creating growth. In that context, the European Council in its conclusions emphasized that, among the further urgent actions needed at Union level to boost growth and jobs, to enhance the financing of the economy and make Europe more competitive as a location for production and investment, the activity of the Fund should be developed, particularly as regards its venture activity, in liaison with existing national structures such as national promotional banks and institutions.

(5) 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, the European Council in its conclusions 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.

([1]) Opinion of 25 March 2014 (not yet published in the Official Journal).
([2]) Position of the European Parliament of 16 April 2014 (not yet published in the Official Journal) and decision of the Council of 6 May 2014.
([3]) Council Decision 94/375/EC of 6 June 1994 on Community membership of the European Investment Fund (OJ L 173, 7.7.1994, p. 12).
([4]) Council Decision 2007/247/EC of 19 April 2007 on the Community participation in the capital increase of the European Investment Fund (OJ L 107, 25.4.2007, p. 5).

(6) Recalling that restoring normal lending to the economy, in particular to SMEs, remains a priority, the European Council of 19-20 December 2013 called on the Commission and the EIB to further enhance the capacity of the Fund through an increase in its capital with a view to reaching final agreement by May 2014.

(7) The current size of the Fund's own funds does not allow for a substantial increase in the Fund's activity, as called for by the European Council, since the guarantee and venture capital operations of the Fund may not exceed the ceiling on the overall commitments of the Fund established by the Statutes of the Fund or by the General Meeting of the Fund. Furthermore, the credit enhancement capacity of the Fund is limited by the size of its available own funds.

(8) On 26 November 2013, the Fund's Board of Directors thus gave its approval as to the rationale for an increase in the Fund's subscribed capital by up to EUR 1 500 million, allowing for the necessary increase of the own funds. The technical arrangements and detailed procedure for the increase will be submitted to the Board of Directors in due course in order to request authorisation to submit a proposal to the 2014 General Meeting of the Fund for approval.

(9) New shares should be subscribed by the Fund's shareholders at their discretion over a four-year period, starting in 2014 and ending in 2017. The price of the new shares should be set annually and be based on the net asset value formula agreed between the Fund's shareholders.

(10) The agreement on the funding of the Union contribution to the Fund's capital increase should be without prejudice to the possible treatment of dividends.

(11) It is appropriate for the Union to participate in the capital increase of the Fund in order to achieve the Union's objectives of encouraging an environment favourable to initiative and to the development of undertakings throughout the Union, particularly SMEs, and of fostering better exploitation of the industrial potential of the Union's policies of innovation, research and technological development, as articulated in the conclusions of the European Council of 28-29 June 2012, 27-28 June 2013 and 19-20 December 2013 and detailed in the 'Compact for Growth and Jobs' and the 'New Investment Plan for Europe'.

(12) With regard to the specific objectives pursued by the Union's participation in the increase of the Fund's capital, in particular the Fund's support for actions which complement Member States' actions in favour of enterprises, particularly SMEs, Article 173(3) of the Treaty on the Functioning of the European Union provides the necessary powers for the adoption of this Decision.

(13) In order to allow the Union representative in the Fund's General Meeting to vote on the capital increase as soon as possible, this Decision should enter into force on the day following that of its publication,

HAVE ADOPTED THIS DECISION:

Article 1

This Decision aims to increase the European Investment Fund (the 'Fund') support of actions which complement Member States' actions in favour of enterprises, particularly small and medium-sized enterprises.

Article 2

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 subscription of shares and the annual payments shall be carried out in accordance with the terms and conditions that shall be approved by the General Meeting of the Fund.

Article 3

The Union shall purchase the new shares in the Fund 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, making use of appropriations already programmed within Heading 1a of the Multiannual Financial Framework for the period 2014-2020 in order to leave unchanged the total expenditure allocated. The budgetary commitment may be broken down into annual instalments over four years in accordance with Article 85(4) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([1]).

Article 4

The Commission shall monitor how the objective set out in Article 1 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.

Article 5

This Decision shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

Done at Brussels, 15 May 2014.

For the European Parliament	*For the Council*
The President	*The President*
M. SCHULZ	D. KOURKOULAS

([1]) Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

Statement by the European Parliament and the Council

The European Parliament and the Council agree to address the issue of the treatment of the Fund's dividends in the framework of the next revision of the financial rules applicable to the general budget of the Union or, at the latest, in the context of the interim report on the achievement provided for in Article 4.