Follow-up to the European Parliament non-legislative resolution on access to finance for SMEs and scale-ups

1. **Resolution tabled pursuant to Rule 55 of the European Parliament's Rules of procedure**

2. **Reference numbers:** 2025/2072(INI) / A10-0185/2025 / P10_TA(2025)0300

3. **Date of adoption of the resolution:** 26 November 2025

4. **Competent Parliamentary Committee:** Committee on Economic and Monetary Affairs (ECON)

5. **Brief analysis/ assessment of the resolution and requests made in it:**

The resolution argues that improving access to finance for Small and Medium Entreprises (SMEs) and scale-ups is central to restoring EU’s competitiveness, as they are the backbone of the economy but face slow growth, fragmentation, uneven financing conditions and heavy administrative burdens, compounded by regulatory obstacles.

It calls for creating more favourable market conditions and a less bureaucratic Single Market, including clearer definitions for start-ups and scale-ups and support tailored to regional and sectoral specificities, while recognising bank lending as the main funding source and the ongoing importance of local and regional banks. In parallel, unlocking private capital and savings is also recognised as very relevant.

It urges a major reduction of regulatory and reporting burdens (including those linked to sustainable finance and certain Green Deal obligations), stronger proportionality thresholds and SME exemptions where justified, avoidance of duplicate reporting, an assessment of how regulation affects SME lending, and a more ambitious simplification strategy with measurable targets, timelines and Key Performance Indicators (KPIs), going beyond omnibus packages and also reviewing level 2 and 3 legislation.

It supports completing the Savings and Investments Union (SIU) whilst respecting subsidiarity, to unlock private capital and household savings. It calls on the Commission to improve investor access to information and protection, reinforce the role of institutional investors, revise the European Venture Capital Funds (EuVECA) framework, improve financial and entrepreneurial literacy, and public funding used primarily as a catalyst to crowd in private investment rather than as subsidy.

The text calls for strengthening venture capital and angel financing, encouraging stable tax and regulatory frameworks and considering equity tax incentives, leveraging the European Investment Bank (EIB) Group and cohesion funds to mobilise private capital, and making securitisation rules more flexible without weakening transparency or credit quality.

To bridge the scale-up funding gap, it promotes mobilising institutional investors, developing supplementary pension pillars where underdeveloped, supporting co-investment platforms and business-angel networks, adequately capitalising Tech-Champions Initiative 2.0 and widening access to the EIB's TechEU platform via streamlined procedures, while also encouraging crowdfunding and innovation-friendly approaches to new technologies.

Finally, it calls for a competitive EU ecosystem built on strong national markets and a stronger internal market based on healthy competition and without barriers that hinder the efficient cross-border allocation of capital, asks for more details on the 28th regime, and practical one-stop-shops, guidance, indicators and dashboards to help SMEs navigate cross-border rules without creating new reporting obligations.

6. Response to the requests and overview of the action taken, or intended to be taken, by the Commission:

General considerations

With regard to the call for the Commission to consider the recommendations of the Draghi and Letta reports (**paragraph 2**), the Commission notes that many of these recommendations have been incorporated into the new Commission agenda. To name just a few of the key actions included in the Letta Report, the Commission has put forward a new agenda for the SIU, building on its Capital Markets Union (CMU), which through a comprehensive set of actions seeks to tackle many of the issues identified in the report, and is also delivering on the 28th regime for European companies.

The Commission also stresses that its policy agenda, embedded in the Competitiveness Compass, builds on the Draghi report and contains many of the relevant recommendations, particularly in the EU Startup and Scaleup Strategy's actions which include, inter alia, a proposal for harmonised definition of startups, scaleups, and innovative companies. As set out in the Competitiveness Compass, the European Competitiveness Fund (ECF) will address investment needs in strategic sectors.

Concerning the importance of bank lending stressed in **paragraph 3**, the Commission acknowledges its vital role in SMEs financing. The Commission recognises that preserving banks' ability to ensure sufficient credit provision to the EU economy, and in particular to SMEs, is of strategic importance for the EU. At the same time, the Commission recalls that EU businesses, in particular SMEs, would also benefit from increased equity financing underlining that this is particularly true for innovative companies which are not readily financed by banks. In the context of the SIU the Commission is therefore continuing its efforts to increase the opportunities for SMEs to diversify their funding sources.

The Commission shares the European Parliament's concerns regarding the challenges that European scaleups face in obtaining late-stage growth financing (**paragraph 5**), as mentioned in the EU Startup and Scaleup Strategy. The Commission considers the European innovative startups and scaleups to be essential engines of growth and competitiveness of the EU’s economy and notes that they face persistent barriers to access necessary financing in the Union. In this regard, the EU Startup and Scaleup Strategy acknowledges that a wide funding gap persists when it comes to the scaleup financing of high-risk, capital-intensive technologies.

Moreover, the Commission underlines the proposed Scaleup Europe Fund as part of the European Innovation Council (EIC) Fund (set up under Horizon Europe under the current Multiannual Financial Framework (MFF)) a new, multi-billion late-stage and growth fund aimed at investing in the most promising European companies in strategic tech areas, and across all parts of Europe.

Finally, the Commission underlines that in the next MFF proposal the ECF is designed to support any type of companies, including startups and scaleups. In particular, the ECF InvestEU Instrument would provide repayable funding to growing and scaling up companies in the Union at all stages with a view to attract private investors. A Scaleup facility would provide a comprehensive set of financing tools that will be used by the implementing partners and tailored to the unique needs of scaleups. Moreover, in the next MFF proposal, the EIC is conceived to continue supporting innovative startups and SMEs, with a focus on promoting disruptive innovation and entrepreneurship. The ECF InvestEU Instrument and the EIC Fund would work in complementarity.

With regard to the call for the proposed EU Startup and Scaleup Strategy's measures to be more ambitious, with an emphasis on repealing all EU regulations that impose unnecessary bureaucratic burdens hindering the creation and expansion of businesses (**paragraph 6**), the Commission is committed to continuing to monitor the impact and ambition of the actions proposed in the EU Startup and Scaleup Strategy. The Commission also stresses that it will work with the EIC Forum to track progress in the Member States and turn ambition into action, as well as with the European Startup and Scaleup Forum to receive direct feedback from the stakeholder community. The Commission also emphasises that political support from both the Member States and the Parliament will be crucial to ensuring the timely, ambitious and effective delivery of the Strategy's goals, particularly in the context of the next MFF.

In order to improve access to finance for SMEs and scaleups by complementing traditional bank lending with alternative sources of financing, the Commission stresses that the establishment of the SIU is crucial. This will improve the way in which the EU’s financial system channels savings into productive investment and provides citizens and businesses with a wider range of efficient investment and financing opportunities respectively (**paragraph 7**). In this regard, the Commission recalls the utmost ambition and urgency shown in delivering the SIU and the delivery of most of the major initiatives by the end of 2025 as it had committed to.

Reducing bureaucratic and regulatory burdens

In response to concerns raised by the Parliament about the many promising European startups and scaleups relocating to non-EU countries due to the EU's regulatory landscape being burdensome, slow, fragmented and unpredictable (**paragraph 8**), the Commission has confirmed its commitment to making Europe the best place in the world to launch and grow technology-driven companies, including those specialising in deep technology. To this end, the Commission emphasises that the proposed European Startup and Scaleup Scoreboard will monitor the following three factors: 1) the increase in the number of start-ups in the EU, 2) the increase in the number of 'centaurs' in the EU, and 3) the increase in the number of 'unicorns' in the EU. It will also show how these compare with global competitors.

With regard to the call for further simplification efforts (**paragraph 9**), the Commission would like to emphasise a number of initiatives, recently put forward, going in this direction.

The Commission proposal for European Business Wallets, adopted in November 2025, is a key initiative to reduce bureaucratic and regulatory burdens, providing a secure and trusted digital identity solution for businesses to operate in the EU. Moreover, still in November 2025, the Commission proposed a revised and simplified text of the Sustainable Finance Disclosure Regulation which reduces the burden on financial market participants, including SMEs.

With regard to the near future, the Commission stresses that additional focus will be on implementing the Corporate Sustainability Reporting Directive (CSRD) amendments agreed by the co-legislators and adopting the various delegated acts mandated by the CSRD. Furthermore, implementation will require guidance and support instruments to facilitate compliance with the sustainability reporting framework and ensure the new rules are effective. Therefore, any new simplification proposals will focus on providing implementation support in the form of guidance, either from the Commission or from the European Financial Reporting Advisory Group (EFRAG) with a Commission mandate.

The Commission continues to implement further measures from the proposed EU Startup and Scaleup Strategy, which will make it easier for startups to operate and grow in the EU. In particular, the upcoming European Innovation Act will create a cross-sectoral legal framework to remove barriers to bringing innovative ideas to market across all sectors and will address issues related to the commercialisation of research results, collaboration between industry and academia, and access to markets, finance, talent, and infrastructure. Similarly, the 28^{th} regime will establish a new corporate legal framework covering a wide range of key issues for companies and building on online procedures and digital tools in EU company law that would be recognised in all Member States.

Finally, further measures will bring simplification for startups in specific strategic sectors, such as the Biotech Act I, which the Commission proposed in December 2025. It will make it easier, faster and less costly to bring new biotech products to the market while supporting the funding of investments in, and access to capital for biotechnology companies and projects.

With regard to calls for systematic screening of the EU acquis to identify and eliminate regulatory obstacles for SMEs (**see paragraph 9**), the proposed European Startup and Scaleup Scoreboard and the annual Startup and Scaleup Survey announced in the EU Startup and Scaleup Strategy will help to improve the understanding of the innovation ecosystem. The survey is designed to assess how innovative company founders perceive the improvement in the EU’s regulatory environment over time.

With regard to the call for the Commission, with the support of the European Banking Authority (EBA) and the Single Supervisory Mechanism (SSM), to evaluate the impact of current regulatory rules on lending to SMEs (**paragraph 11**), the Commission emphasises that in 2026 it will publish a report on the single market in banking (and the competitiveness thereof). Moreover, the Commission recalls that taking into account prudential and financial stability considerations, the current EU prudential rules already encourage banks to finance SMEs by granting preferential capital requirements relative to those needed for financing large corporations (so-called SME supporting factor).

With regard to the call on the Commission to assess existing regulatory obligations burdening companies and develop proportionality thresholds exempting SMEs from excessive obligations (**paragraph 12**), the Commission recalls that the Omnibus I agreement reduced the scope of mandatory sustainability and Taxonomy reporting, simplifying it for SMEs through voluntary standards, among other things, to improve the effectiveness and usability of the sustainable finance framework. The Commission is developing options to facilitate SMEs' access to green and transition finance that are proportionate and fit-for-purpose.

With regard to the call for the Commission to ensure that any sustainability reporting standards are simple and voluntary, and to review banking disclosure requirements that may indirectly impose disproportionate data demands on SME clients (**paragraph 12**), the Commission notes the ongoing work of the EBA to ensure such harmonisation. On sustainability reporting standards, the planned delegated act on voluntary sustainability reporting for SMEs and large companies, which will be excluded from the scope of the amended CSRD, will be based on the Commission Recommendation on the EFRAG Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME). Therefore, a simple standard will be provided, complemented by existing or forthcoming EFRAG guidance material. The delegated act will also set the reference level for the 'value-chain cap', which aims to protect SMEs and large companies that are excluded from the CSRD from being overwhelmed by sustainability information requests from large companies. This cap on the maximum number and quality of disclosures must be adhered to by large companies requesting information from their value chain business partners, by banks requesting sustainability information from their clients, and by auditors and assurance service providers when auditing the sustainability statements of large companies.

With regard to the call on the Commission to propose a more ambitious simplification strategy than the 'one-in, one-out' approach, and to review level 2 and 3 legislation (**paragraph 13**), the Commission recalls its ambitious simplification policy established in the first year of its mandate. This unprecedented effort for simplification, going hand in hand with implementation and enforcement, reaches far beyond the 'one-in, one-out'.

In this regard, the Commission stresses that the flagship of its actions for simplification is cutting red tape. The Commission recalls the very ambitious target of reducing administrative burdens by at least 25%, and by at least 35% for SMEs, equating to cost savings of EUR 37.5 billion over the course of this Commission's mandate. To this end, the Commission tabled in 2025 ten omnibus proposals and other simplification initiatives proposals estimated to cut EUR 15 billion administrative costs. The progress is part of a comprehensive effort, which is based on a thorough stress-testing of the EU acquis, which includes stakeholders in implementation dialogues, at political level, and reality checks, at technical level, to identify concrete opportunities for simplification and facilitate implementation.

As part of stress-testing the Commission also addresses the implementing rules. It has deprioritised approximately 30% of the relevant delegated and implementing acts originally expected for 2026, while prioritising those acts that are legally required, necessary for the achievement of the EU policy objectives and that provide tangible benefits for citizen, businesses and administrations. The Commission recalls that, with the new SME and competitiveness check, it is putting competitiveness and SMEs at the core of its policymaking. This will ensure that future legislation is as simple as possible and designed with small businesses in mind to avoid unnecessary administrative burdens, all while maintaining high standards.

Unlocking private capital and savings

The Commission recognises that the implementation of the SIU requires action not only at EU level but also in Member States (**paragraph 14**). For this reason, the Commission is engaging closely with Member States and supports them in various ways, including by the adoption of recommendations to Member States based on best practices and the facilitation of mutual learning. Also, the Commission will accompany certain concerted initiatives by groups of Member States where such initiatives go further and faster to achieve SIU objectives.

Concerning the call to improve investors' access to information and protection while leveraging the potential of simplified retail products to channel household savings into the capital markets (**paragraph 15**), the Commission notes that the Retail Investment Strategy, which was agreed by the co-legislators on 18 December 2025, will provide investors with clearer, more comparable and more timely information. This will enable retail investors to better understand products, costs and risks and make more informed investment decisions. Technical work to finalise the legal texts will continue in early 2026.

Furthermore, the Commission wishes to recall the recently published Recommendation on increasing the availability of Savings and Investment Accounts (SIAs) with simplified and advantageous tax treatment. This Recommendation provides for simple, accessible SIAs, offered by authorised providers, enabling retail investors to invest in a wide portfolio of financial assets. SIAs should be accompanied by facilitated tax compliance and beneficial tax treatment. The SIAs Recommendation aims to help citizens to grow their savings while supporting broader financing for businesses and capital markets.

The Commission also highlights the Recommendation issued on 20 November 2025 for Member States to implement pension tracking systems, which would give citizens a comprehensive overview of their pension entitlements across all pillars, thus facilitating retirement planning. The Commission emphasises that pension tracking systems must cover supplementary pensions to channel pension savings into capital markets, offering better long-term returns and enhancing retirement income.

Finally, the Commission reminds Member States to regularly report on the measures they have taken to implement the above-mentioned recommendations through the SIU-related monitoring processes in the context of the mid-term review of the SIU Strategy, due to be published in 2027.

Regarding the Parliament’s comments on EuVECA, as well as calls for the Commission to consider removing the EUR 100,000 minimum investment and encouraging Member States to provide attractive, stable tax and regulatory frameworks for venture capital funds investing in SMEs (**paragraph 16**), the Commission acknowledges the limited uptake of the EuVECA framework stressing that uptake of the framework has been undermined by some restrictions and limitations as well as national measures and discretions. These are being examined through public and targeted consultations between January/March 2026.

In line with the 2026 Commission Work Programme, Commission services are working on a venture and growth capital funds reform scheduled for Q3 2026. This reform will be informed by the results of the consultations and the available evidence. The Commission stresses that various policy measures to facilitate the scaling up of venture and growth capital fund managers will be considered. However, it considers it premature to conclude on any particular measure, including the removal of the minimum investment threshold under the EuVECA Regulation.

With regard to the call for the Commission to include entrepreneurship in the scope of the incoming financial literacy strategy and in a toolkit for Member States to enhance coordination in this regard (**paragraph 17**), the Commission wishes to reiterate that its first Financial Literacy Strategy, published on 30 September 2025, does not cover financial literacy for entrepreneurs and SMEs. This is because the scope of the financial competency frameworks does not extend to this area, which is covered in other Commission workstreams. At the same time, the Commission recalls that it promotes entrepreneurship education for underrepresented groups, such as women and young people, through the EntreComp framework. It also recalls that practical experience and networking are promoted through the Erasmus for Young Entrepreneurs (EYE) programme and the Enterprise Europe Network (EEN). Finally, the Commission recalls the Blue Carpet Initiative of the EU Startup and Scaleup Strategy, which among other actions, aims to strengthen entrepreneurial education and upskilling by making dedicated efforts under Erasmus+ and the European Institute of Innovation and Technology (EIT), as well as by developing a competence framework for academic staff.

Regarding the call for public funding to be used as a catalyst to mobilise private investments and make more private funding available to Micro, Small, and Medium Enterprises (MSMEs) (**paragraph 18**), the Commission recognises the importance of leveraging private investments in order to achieve EU objectives and regain competitiveness. In this sense, the March 2025 SIU strategy recognises the need for public funding instruments to be more closely aligned with SIU objectives by helping to address market failures and promoting private market activity. The Commission is committed to encouraging private co-investments via its budget. In this sense, within the current MFF, InvestEU provides budgetary guarantees to implementing partners that, in turn, provide a wide range of financing support for companies, including loans, guarantees, quasi-equity and equity investments. According to the ECF Impact Assessment, thanks to its leverage effect, "*The InvestEU budgetary guarantee mobilised so far around EUR 200 billion of private investments (multiplier of 14,8), supporting so far over 55,000 SMEs and small midcaps, as well as a significant number of midsized companies, larger corporates and stand-alone projects*". Furthermore, in the SIU Strategy of 19 March 2025, the Commission committed to finding ways to better align EU public funding instruments with the objectives of the Single Market Strategy.

Finally, in the upcoming MFF, the new ECF will include an ECF InvestEU Instrument, building on the success of InvestEU and continuing to mobilise public and private investment for the Fund's objectives. It will de-risk and leverage private capital in order to address the significant investment requirements outlined in the Draghi report. Based on the ongoing work of the EIC, also the Scaleup Europe Fund, announced in the EU Startup and Scaleup Strategy, will efficiently and effectively use public funds to attract and mobilise private investment in the current MFF.

With regard to the call for public instruments to be designed efficiently and with competitive neutrality, focusing on impact and maximising their crowding-in effect on private investment (**paragraph 19**), the Commission is, as previously mentioned, fully committed to encouraging private co-investments via its budget, particularly through its InvestEU Programme and the future ECF. Furthermore, the Commission notes that the EIC Fund's track record and the proposed features of the Scaleup Europe Fund, as set out in the EU Startup and Scaleup Strategy, also aim at these objectives.

Finally, on 29 October 2025, the Commission adopted a

Communication to clarify the conditions under which banks' equity investments incurred under legislative programmes can benefit from favourable risk weighting, including when such investments are in SMEs/start-ups and companies operating in the most innovative sectors.

With regard to the call for the Commission to conduct a more flexible review of the securitisation framework (**paragraph 20**), the Commission wishes to reiterate that its proposals to revitalise the securitisation framework in the EU are intended to establish a stronger, simpler framework that can facilitate the allocation of greater investment to the real economy, including SMEs, in line with the SIU's objectives, while preserving the fundamental safeguards of the existing framework, including stringent market transparency. More specifically, targeted changes to the securitisation regulation will simplify reporting requirements, due diligence rules, and transparency requirements. Targeted changes to the Simple, Transparent, and Standardised securitisation label will facilitate the packaging of SME loans in high-quality securitisation vehicles.

The Commission also stresses that these changes will facilitate compliance with obligations in a timely and efficient manner, while maintaining adequate transparency, investor protection and supervisory standards. Furthermore, targeted changes to the prudential framework for banks and insurers will better account for the actual risks posed by securitisation and remove unnecessary prudential costs, all the while safeguarding financial stability.

In the long term, these reforms will unlock additional investment opportunities for institutional investors, deepen EU capital markets and contribute to the development of the SIU. Additionally, by freeing up banks' balance sheets and enhancing their lending capacity, the proposed measures will enable them to extend credit to a broader segment of the population, including those typically underserved by the financial system, thereby promoting financial inclusion.

Finally, the Commission emphasises that businesses, including SMEs, will benefit from the increased lending capacity generated by more dynamic EU securitisation activity or more favourable, cheaper access to funding. The simplification of prudential treatment and its greater risk sensitivity will incentivise greater securitisation across a wider scope of portfolios, including SME loans.

With regard to the call to enhance the robustness of the significant risk framework (**paragraph 20**), the Commission notes that the proposed changes to the significant risk transfer framework for banks represent an important pillar of the Commission’s proposals. As a complement to the changes to the banks’ capital framework, the Commission proposed amendments aim to make the significant risk transfer framework for banks clearer and more robust, enhancing the related tests and streamlining the associated supervisory processes.

With regard to the Commission intention to develop a blueprint for an EU investment savings account (**paragraph 21**), the Commission stresses that the proposal encourages Member States to create national SIA frameworks, drawing on best practices, and to use tax incentives to motivate retail participation while fully respecting national competences, without investments restrictions

With regard to the call to further develop the Markets in Financial Instruments Directive (MiFID II) by providing a more flexible regulatory regime to meet the needs of small and mid-cap companies (**paragraph 24**), the Commission notes that, on 21 May 2025, it adopted a fourth omnibus package to simplify legislation, including a Commission Recommendation on a new definition of Small and Mid-Cap companies (SMCs). This Recommendation is accompanied by an omnibus amending several pieces of EU legislation, including MiFID II and the Prospectus Regulation. For MiFID II in particular, the Commission proposed a bespoke definition of SMCs based on market capitalisation of up to EUR 1 billion. The Commission stresses that the aim is to encourage the growth of SMEs markets by including SMCs in the minimum threshold required for an MTF to obtain an SMEs growth market label, which is currently based solely on SMEs. This means at least 50% of the listed companies on these platforms must be SMEs or SMCs.

Bridging the funding gap for scaleups

With regard to the call on the Commission to encourage Member States with underdeveloped pension systems to develop supplementary (Pillar 2) pension sectors, that stronger and more efficient supplementary pension schemes can mobilise long-term savings for productive investment, thereby contributing to Europe's economic growth and competitiveness (**paragraph 26**), the Commission highlights the Recommendation issued on 20 November 2025 for Member States to implement pension tracking systems that also cover supplementary pensions to give citizens a comprehensive overview of their pension entitlements across all pillars, thus facilitating retirement planning. This could channel pension savings into capital markets, offering better long-term returns and enhancing retirement income.

Furthermore, the Commission emphasises that Member States are encouraged to regularly report on the measures they have taken to implement this Recommendation through the monitoring processes related to the CMU, the Eurogroup's framework for monitoring national reforms and the exchange of best practices, the European Semester, and the European Pillar of Social Rights. Furthermore, the Commission emphasises that pension tracking systems enable individuals to view all their pension entitlements and projected benefits in one place, helping them to plan and prepare for retirement more effectively.

Finally, the Commission highlights that targeted amendments have been proposed to the Institutions for Occupational Retirement Provision II (IORP II) Directive and the Pan-European Personal Pension Products (PEPP) Regulation. In particular, the IORP II amendments aim to strengthen and modernise the framework to better support the efficiency, scale, and trustworthiness of supplementary pensions. These measures would enable IORPs to operate more efficiently, reduce costs and further diversify their investment portfolios, including into equities and, where sufficient scale is achieved, venture capital.

With regard to the call for the forthcoming European Tech Champions Initiative 2.0 to be adequately capitalised (**paragraph 27**), the Commission emphasises that, building on the success of the European Tech Champions Initiative (ETCI 1), the EIB Group is preparing for the second initiative (ETCI 2.0), which forms part of the TechEU platform - a financing programme supporting Europe's leading technology companies in their journey of innovation and growth. In December 2025, the boards of the European Investment Fund (EIF) and EIB committed a total of EUR 1.25 billion of their own funds to ETCI 2.0, with further fundraising and investments expected to launch in early 2026. The ETCI 2.0 initiative will complement the Scaleup Europe Fund, which was announced as part of the EU Startup and Scaleup Strategy.

With regard to the importance of creating the right conditions for citizens’ savings to be channelled into productive investment instruments **(paragraph 28),** the Commission stresses that the SIU measures on “citizens and savings” aim at incentivising EU citizens to invest in the EU and at making investing in the EU more beneficial for them. To this end, the Commission has implemented the SIU actions on the European blueprint for SIAs and with an EU financial literacy strategy. In addition, the SIU strategy includes an action where, by 2026, the Commission together with the EIB Group, the European Stability Mechanism (ESM) and national promotional banks among others, will explore how to increase opportunities for retail investors to access suitable financial products that allow them to contribute to the funding of EU priorities.

With regard to the Report's emphasis on the importance of an integrated innovation ecosystem in helping businesses to scale up (**paragraph 29**), the Commission stresses that the EU Startup and Scaleup Strategy will enhance the innovation ecosystem through a Lab to Unicorn Initiative. This will accelerate the commercialisation of research results by reinforcing hubs and venture builder practices, as well as spin-off activities and licensing rules of universities. Furthermore, the Strategy proposes changes to pro-innovation procurement through the European Innovation Act to promote the access of innovative companies to research and technology infrastructures. Building on EIC initiatives to date, the Strategy proposes working proactively with European corporations. This will encourage the private sector to purchase from startups, collaborate with them to develop and implement innovative solutions, and invest in their future growth.

Reinforcement of a competitive ecosystem in the EU

With regard to the call for the Commission to clarify the content of the 28th regime (**paragraph 32**), the Commission stresses that the proposal will include an EU corporate legal framework which will help companies overcome barriers when setting up and operating across the Single Market, as well as when attracting investment. The 28th regime will be an optional framework for businesses. As announced in the Commission's 2026 Work Programme, the legislative initiative on the 28th regime for is planned for Q1 2026.

With regard to the calls on the Commission to develop simplified guidance tools and one-stop shops for SMEs and scaleups (**paragraph 33**), the proposal for a ECF puts forward an 'EU for Business' network which will be established to help Union businesses become more competitive, innovative, and able to grow and expand in the Single Market and beyond. Particular emphasis will be placed on SMEs, startups, scaleups, and small and mid-cap companies. Furthermore, as indicated in the Startup and Scaleup Strategy, the Commission will streamline existing EU IT hubs to create a single digital entry point where European innovators, investors and service providers can find, compare and access funding programmes, services and infrastructure.