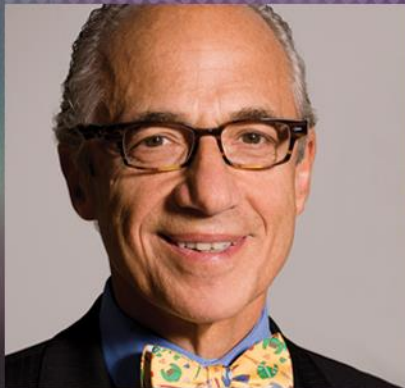


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**THE VOICE OF  
PRIVATE CAPITAL**

VENTURE CAPITAL  
PRIVATE EQUITY  
INFRASTRUCTURE  
LONG TERM INVESTORS

**1983**  
formed

**EVCA**

**25**  
team members  
in Brussels

- 👤 PUBLIC AFFAIRS
- 👤 COMMUNICATIONS
- 👤 RESEARCH
- 👤 EVENTS
- 👤 SUPPORT MEMBERSHIP

**600**  
members

**500**  
affiliates



- 📌 VENTURE CAPITAL
- 📌 PRIVATE EQUITY
- 📌 INFRASTRUCTURE
- 📌 LONG TERM INVESTORS

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# A new EU agenda...

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## Capital Markets Union



*“Venture capital has a key part to play in supporting growth and offering entrepreneurs an option to raise funding in Europe as well as from overseas”*

EC Action Plan, Nov 15

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**Increasing and diversifying** sources of funding (including private equity)

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**Removing barriers** to cross-border investment within the EU

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**Improving access to financing** for businesses across Europe (in particular SMEs)

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**Fostering stronger connections** with global capital markets

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**Making markets work more effectively** and efficiently across borders

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# ...with impact on existing legislation

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**13 July 2016**

New EuVECA proposal

**2017**

Expected AIFMD Review



# AIFMD

## Current challenges



**2013:** Entry into force

**2014:** Transposition deadline

**2017:** planned review

**Remuneration:** link with UCITS and CRD “proportionality” rules

**Third Country Passport:** introduction of a marketing passport for third country fund managers

**Passport fees & charges:** imposition of additional fees and other requirements by host regulators on fund managers looking to use the passport

**Access to EU LPs:** third country manager access to Europe (national private placement regimes)

**Leverage:** concerns around the definition/limitations of leverage

# AIFMD

## Third country passport



**June 2015:**  
ESMA 1<sup>st</sup> advice

6 countries assessed

Only Switzerland, Jersey and Guernsey deemed equivalent (not US)

Suggested that the Commission delay formal decision until “critical mass” is achieved

**July 2016:**  
ESMA 2<sup>nd</sup> advice

12 countries assessed

Japan and Canada also deemed equivalent

Envisages passport for United States, although issue with funds undertaking public offerings to investors

“Critical mass” is achieved for ESMA (9 countries in total)

**H 2 2016:**  
Commission decision

Commission decision on next steps in coming months

Will US passport be granted? And under what conditions?

Politics remain complex (strained EU-US FS relationship; Brexit; AIFMD II proximity)

# EuVECA

## Extending the light passport regime



January 16: Consultation

July 16: Commission proposal

H1 2017: Adoption ?

**Scope:** allowing above AIFMD threshold fund managers to market EuVECAs

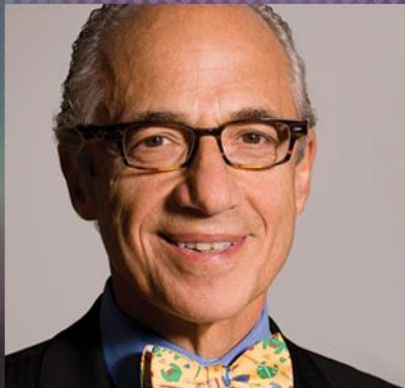
**Qualifying requirements:** Lower the threshold below 70% and/or enlarge the definition of qualifying portfolio companies (250 to 500 employees) ; broader range of eligible instruments

**Passport fees & charges:** prevent any additional fees and other requirements by host regulators on fund managers looking to use the EuVECA passport



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**THANK YOU!**  
**QUESTIONS?**