


Annex I - SME definition and venture capital fund

1. **Page title:** Please insert the full Article reference (e.g. "Art. 1(4) a") and a short title (e.g. "Deggendorf principle")
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3. **Questions:** Please create 1 question page per question
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Article	Annex I - SME definition
Key words	SME definition, venture capital fund, dominant influence, linked undertakings
Member State	LV
Question	<p>Polish authorities on 14 November of 2015 published the question in the European Competition's Network – Electronic Transmission system about interpretation of Article 2 and 3 of Annex I of GBER, where the EC's answer was, that if the investors stake participation exceeds 50%, it is assumed that the investor holds a dominant influence and the companies shall be considered linked undertakings in the sense of Art.3(3)a of Annex I of GBER.</p> <p>Taking into account above mentioned, in case an investor (venture capital fund - large enterprise) holds a dominant influence in the undertaking and the undertaking is considered as linked undertaking with the venture capital fund in the sense of Art. 3(3)a, could the undertaking be defined as micro, small and medium-sized enterprise ('SMEs') in the sense of Art.2 after receiving the aid of venture capital investor?</p>
Creation Date	2016.04.20
COMP Reply	<p>A participation of a venture capital fund that results in the venture capital fund and the company being considered linked enterprises does not exclude the company from being an SME per se as long as the company together with the venture capital fund comply with the applicable thresholds for SMEs.</p> <p>Once the participation of a venture capital fund in a company exceeds 50%, the venture capital fund and the company are always considered linked undertakings in the sense of Article 3(3) (a) of Annex I to the GBER.</p> <p><i>Disclaimer: This reply does not represent a formal and definite position of the European Commission but is only an informal guidance provided by the services of DG Competition to facilitate the application of the GBER. It is therefore not binding and cannot create legal certainty or legitimate expectations.</i></p>
COMP Reply date	2016.07.12
COMP Responsible	<input checked="" type="checkbox"/> COMPsupport ESTATE-AID-WIKI

¹ Article numbers & names

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