

Transfers of Businesses in the European Union

**Business Transfer Colloquium
Brussels, 6 October 2011**

**Marko Curavić,
Head of Unit
Unit E1 - Entrepreneurship**

The European Dimension of Business Transfers

- **1/3 of all enterprises in the EU will have to transfer ownership in the next 10 years.**
- **Risk of losing some 150,000 companies each year.**
- **600.000 jobs at stake every year.**

Commission Recommendation 1994

- 1. Awareness for the need of timely preparation**
- 2. Conducive financial environment**
- 3. Allow simple restructuring to prepare transfer / Simplify rules for small PLCs / Ensure continuity of partnerships**
- 4. Inheritance and gift taxes must not endanger business**
- 5. Special tax rules for retirement, reinvestment, sale to third parties**

Implementation Progress

By 2006
181

By 2010
239

	1	2	3	4	5	6	7	8	9	10	11	12	13	
Belgium	+	+	+	+	+	+	+	x	+	+	+	+	+	12
Bulgaria	+	+	+	+	+	x	+	-	x	x	-	x	x	6
Czech Republic	+	-	+	+	+	+	+	x	+	+	+	+	x	10
Denmark	+	+	+	+	+	+	+	-	+	+	+	+	+	12
Germany	+	+	+	+	+	+	+	x	+	+	+	+	x	11
Estonia	x	x	+	+	+	+	+	-	+	+	x	+	x	8
Greece	+	-	x	+	-	-	+	-	+	+	-	-	+	6
Spain	+	+	+	+	+	+	+	-	+	+	-	+	+	11
France	+	+	+	+	+	+	+	-	+	+	+	+	+	12
Ireland	+	+	+	+	+	x	+	-	+	+	+	x	+	10
Italy	+	+	+	+	+	+	+	+	+	+	x	x	x	10
Cyprus	+	+	+	+	+	-	+	-	+	+	x	x	x	8
Latvia	-	x	+	+	x	-	+	+	-	+	-	-	-	5
Lithuania	+	+	+	+	+	+	+	x	+	+	x	x	x	9
Luxembourg	+	+	+	-	+	+	+	x	-	+	x	x	x	7
Hungary	x	x	+	+	+	+	+	+	+	-	+	x	+	9
Malta	+	-	+	+	+	x	+	x	+	+	x	x	x	6
Netherlands	+	+	+	+	+	+	+	-	+	+	x	+	+	11
Austria	+	+	+	+	+	+	+	+	+	+	+	x	+	12
Poland	+	+	+	+	+	+	+	x	+	+	x	x	x	9
Portugal	+	+	+	+	+	+	+	-	x	x	x	x	x	7
Romania	+	-	+	x	+	+	+	-	x	x	-	x	x	5
Slovenia	x	+	+	+	+	+	+	-	+	+	x	+	+	10
Slovakia	x	+	+	+	+	+	+	x	+	+	x	x	-	8
Finland	+	+	+	+	+	+	+	x	+	+	x	x	x	9
Sweden	+	-	+	+	+	+	x	x	+	+	-	-	x	7
United Kingdom	+	+	+	+	+	+	+	x	x	+	x	+	+	10
European Union	22	19	26	25	25	20	26	4	21	22	8	10	11	239

2007 Conclusions (1)

1. Business transfers should receive the same attention as do start-ups.

On average, business transfers have a higher success rate than start-ups. They also preserve more jobs (5) than are created by start-ups (2).

2. Transfers require more finance than start-ups.

2007 Conclusions (2)

3. More needs to be done to ensure the timely preparation of transfers.

Example: in the Netherlands and Austria business owners approaching retirement ages get personalised letters from chambers.

4. Transfers to third parties gain importance.

Databases and electronic services matching buyers and sellers which are organised by disinterested parties can help to create a market for business transfers.

2007 Conclusions (3)

5. Taxation systems have to be transfer friendly

This concerns inheritance taxes as well as income taxes.

6. Most business people transfer only one business and have no possibility to gain experience

Good example: Italy has started a broad initiative to ensure that support reaches the numerous SMEs in all areas.

Commission Plan for 2012

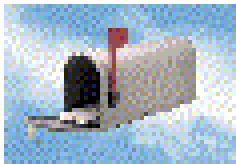
- **Commissioning and production of a study on business transfers in Europe** to identify
 - **Main obstacles still existing**
 - **Good practices**
 - **Levers that the EC and Member States can pull to foster business transfers**
- **Outputs/Outcomes**
 - **Comprehensive study**
 - **Good practice handbook / “How to do it” –guide**
 - **Dissemination conference**
 - **Proposals for actions by the EC**

Possible Future Focus Areas

- **Timely preparation to overcome transferor passivity**
- **Broadening the external support institutions and mechanisms**
- **Improving & deepening market places**
- **Taxation issues**

Information and Contacts

- SME Portal
http://ec.europa.eu/enterprise/sme/index_en.htm
- SBA
http://ec.europa.eu/enterprise/entrepreneurship/sba_en.htm
- European SME Week
<http://ec.europa.eu/enterprise/policies/entrepreneurship/sme-week/>
- Business Transfer
http://ec.europa.eu/enterprise/policies/sme/business-environment/smooth-transfer/index_en.htm
- Entrepreneurship
http://ec.europa.eu/enterprise/sme/promoting_en.htm
- Competitiveness and Innovation Framework Programme (CIP)
<http://ec.europa.eu.cip>
- Directorate-General for Enterprise and Industry
http://ec.europa.eu/enterprise/index_en.htm



Marko.Curavic@ec.europa.eu
Fax : +32 2 2998006