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Lord Jonathan Hill  
European Commissioner  
Financial Stability, Financial Services  
and Capital Markets Union  
Berlaymont Building  
Rue de la Loi 200  
B-1049 Brussels

Brussels, 24 February 2016

Dear Commissioner Lord Hill,

Over the past decade, the European Institutions have demonstrated increasing commitment to policies targeted at fostering the competitiveness of small and medium enterprises (SMEs), in the firm belief that SMEs represent the backbone of European economy.

In that respect, available data show that SMEs currently amount to more than 20 million in the euro area and are responsible for the employment of more than 80 million people. In percentage terms, this means that 2 out of 3 employed persons currently work in a small or medium enterprise.

Overall, SMEs currently account for 99.8% of European enterprises (microenterprises represent the 91.2%) and provide a vital contribution to growth and employment: this business sector generates 55% of the overall European GDP and is responsible for the employment of around 75 million European citizens.

In that respect, the measure on the capital requirements for credit risk for SME exposures - the so-called ‘SME Supporting Factor’ – is certainly one tool that can help SMEs play their role in driving economic growth. As established by that Regulation and for the exclusive purpose of ensuring an adequate credit flow to SMEs, credit institutions and investments firms benefit from lower capital requirements in order to boost growth in the credit flow to the SME sector.

In view of the periodic revision, we call on the European Commission to extend the application of the SMEs supporting factor. In fact, we firmly believe that, in a context of economic recovery, this measure can prove particularly effective for helping SMEs play their role in reducing the unemployment rate and boosting growth in the EU.

Yours sincerely,



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