



Call for EU legislation to encourage microcredit schemes

The Economics Committee is calling for the Commission to propose legislation on microcredit schemes in Europe, aiming to remove problems caused by competition and money-laundering rules, to allow for more EU co-funding, to introduce a harmonised regulatory framework for microcredit providers and to raise their profile.

Microcredit – the provision of small loans to very small businesses and other borrowers who might not approach the mainstream financial system – originally emerged in the developing world, but it also has a useful role to play in stimulating grass-roots economic activity in Europe. It can also help in integrating marginal groups into the mainstream economy.

In a report drawn up by Zsolt László Becsey (EPP-ED, HU), the Economic and Monetary Affairs Committee makes a formal call for the Commission to present a legislative proposal to bring together different measures in a framework to encourage microcredit's development in Europe.

Competition and money laundering rules

MEPs want to ensure that neither money laundering nor competition rules inhibit the development of microcredit provision. They add that it should be possible for public procurement procedures to give preferential treatment to goods and services provided by microcredit borrowers.

EU co-financing opportunities

MEPs in the committee want to see EU co-financing for microcredit schemes for those without access to ordinary credit, notably including disadvantaged groups as defined by Member States, such as women, immigrants or the Roma community. There should be research into best-practices and an EU-wide database on the credit data of microcredit borrowers. All EU financing activities for microcredit should be coordinated by a single entity.

The committee is calling for a communication strategy to promote self employment and for Member States to introduce tax incentives for private involvement in microcredit schemes.

EU-wide framework on supervision and regulation

There also needs to be an EU-wide regulatory framework for non-bank providers of microcredit (banks are already covered by existing rules), defining them as non-deposit takers, with the ability to conduct credit only activities and to on-lend. There should be harmonised, risk-based rules on authorisation and supervision.

Legislative initiative

The report was approved by the committee under Rule 39 of the Rules of Procedure, by which Parliament can exercise its right, set out in Article 192 of the EC Treaty, formally to call on the Commission to present a legislative proposal. To be adopted at the plenary session, the request will need the support of an absolute majority of MEPs (i.e. at least 393 votes in favour).

N.B. :

Procedure: Legislative initiative (Rule 39) -- Plenary vote: February II (Brussels)

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