

Insights from the AECM Workshop on IP and SME Competitiveness

On **Thursday, 25 September 2025**, the **AECM Intellectual Property Task Force** convened a high-level workshop on **Intellectual Property and SME Competitiveness** at the **European Union Intellectual Property Office (EUIPO) in Alicante, Spain**. The event brought together policymakers, financial institutions, and industry experts to explore how **intellectual property (IP) can leverage financing opportunities** for European SMEs, examining what incentives are needed to encourage the financial sector to engage in IP-backed financing. Against the backdrop of the **EU's competitiveness imperative** and the upcoming **Multiannual Financial Framework (MFF) for 2028-2034**, the workshop aimed to align **AECM's strategic priorities with the EU's evolving policy and funding agenda**, focusing on practical solutions to integrate IP into financing mechanisms and foster a more dynamic, innovation-led economy.

Grasping the bigger picture

IP rights and intangible assets are now central to Europe's economic future. The Draghi and Letta reports have underscored the EU's pressing need to close the productivity gap with the US, a challenge rooted in insufficient private-sector R&D investment and limited financing for innovative enterprises. According to WIPO, intangible assets – such as patents, technology rights, trademarks, etc. – now represent the majority of overall corporate value, with their share in top global enterprises rising from just 6% in 1996 to nearly 80% in 2024. EUIPO research confirms that enterprises leveraging IP rights are not only **more likely to grow and to become high-growth enterprises** but also generate **more revenue per employee** than their counterparts without registered IP. Startups with IP rights are **far more likely to secure seed funding** and attract significantly higher venture capital investments, demonstrating the pivotal role of IP in driving innovation and economic performance.

Despite their key role in the economy, start-ups and SMEs with an important IP asset portfolio face persistent challenges in accessing external finance.

Traditional financial institutions often struggle to evaluate intangible assets due to their unique nature, uncertain valuation, and the absence of robust secondary markets despite motivated attempts in certain jurisdictions. This financing gap represents a market failure, necessitating targeted public intervention to build confidence among lenders, address regulatory barriers, and reduce the costs associated with using IP as collateral. **Credit guarantee schemes have emerged as a proven solution**, with successful initiatives in Korea, Malaysia, and China demonstrating how IP valuation and high guarantee coverage can unlock billions in financing for innovative enterprises. The experience of the European Investment Fund (EIF) with the **COSME Loan Guarantee Facility** further validates this approach, showing that SMEs supported by COSME achieved **significant growth in intangible assets**, alongside higher survival rates and overall business expansion.

EU financial programmes offer promising frameworks to further integrate IP into financing mechanisms. Grants, financial instruments, and blended finance can support innovation across the entire investment lifecycle. In the current programming period, the **EIF Innovation and Digitalisation Portfolio Guarantee** under InvestEU provides a model for targeting enterprises with registered IP and technology rights, and investing in new technologies, digital transformation, and R&D – areas critical for Europe’s future competitiveness. In the next programming period, the **European Competitiveness Fund has the ambition to strengthen this approach** by offering a comprehensive financial toolbox that could be used to further leverage IP rights. However, to fully harness these opportunities, **financial institutions and the IP ecosystem must further collaborate** to ensure that proposed measures are evidence-based, scalable, and aligned with market needs. By doing so, Europe can bridge the financing gap for intangible assets, foster a more competitive and resilient economy, and secure its position as a global leader in innovation.

Building bridges with the guarantee sector

The survey conducted among AECM members highlights a critical gap between the strategic value of IP and its integration into SME financing. While most members acknowledge the importance of IP, **only 46% strongly agree** that SMEs effectively leverage it in their business strategies. The primary obstacles include **the lack of reliable IP valuation methods (79%), limited awareness among financial institutions (58%),** and **low market acceptance (50%).** Notably,

54% of organisations lack a formal IP valuation process, and 79% do not use financial instruments tied to IP. Despite these hurdles, **96% of respondents agree** that the absence of IP-based financing stifles innovation and growth, with **75% supporting the creation of a dedicated EU guarantee scheme** for IP-backed loans. Members prioritise **standardised valuation tools (83%), training for financial institutions (54%),** and **targeted financial instruments (38%)** as key solutions. While interest in pilot initiatives with EUIPO remains cautious, the survey underscores a **strong consensus on the need for collaborative action** to unlock IP's potential as a driver of SME competitiveness.

As such, guarantee institutions are increasingly recognising the strategic role of IP in enhancing SME competitiveness and fostering innovation. While IP is increasingly acknowledged as a critical driver of value – particularly by technological enterprises and large groups – its integration into financing frameworks remains **uneven and often indirect.** Guarantee institutions are beginning to develop **specialised expertise and advisory services** to help SMEs leverage their intangible assets, such as offering IP audits, valuation support, and strategic guidance on monetising IP portfolios. These efforts are reinforced through **collaboration with external IP providers (lawyers, tax specialists, patent and trademark attorneys, IP advisors, consultants, etc.),** to strengthen risk assessment and ensure that IP considerations are embedded in project evaluations and funding decisions.

The systematic use of IP as collateral or a core component of financing instruments is nonetheless still nascent and fragmented. Some institutions have introduced **targeted advisory programmes** to assess IP maturity and provide recommendations for value creation, while others support IP development indirectly through broader innovation and R&D funding schemes. The challenge lies in **standardising IP valuation methodologies,** ensuring consistent integration across banking, guarantee, and investment activities, and addressing regulatory uncertainties that hinder the use of IP as collateral. Additionally, while guarantee institutions are well-positioned to foster innovation ecosystems, they often lack **dedicated financial products** that explicitly recognise IP's role in securing financing.

The path ahead

To translate the workshop's insights into action, **AECM members and relevant stakeholders are encouraged to engage in a series of strategic initiatives**, building on the momentum created by EUIPO's ongoing efforts and the collective commitment to strengthening IP-backed finance in Europe.

First, capacity building and awareness-raising will be critical for closing the knowledge gap between IP and finance. AECM members are invited to promote EUIPO's tools and services already available (IP scan, SME Fund, etc.) towards their SME clients. Subsequently, members should **collaborate with EUIPO to develop tailored training programmes** for their staff and SME clients, focusing on IP valuation, risk assessment, and the practical use of IP in financing strategies. These programmes should be designed to address the specific needs of guarantee institutions, ensuring that advisors and decision-makers are equipped to evaluate and support IP-backed transactions. Expressing interest in these initiatives will help EUIPO and AECM co-develop **targeted, actionable training** that aligns with real-world challenges.

Second, the range of financial instruments could adapt and expand to more effectively integrate IP, ensuring better alignment with the needs of IP-intensive SMEs. As a first step, it might be useful to leverage on the experience of the Innovation and Digitalisation Portfolio Guarantee deployed by EIF under InvestEU **by broadening eligibility criteria to better reach IP-intensive enterprises**, allowing for market testing and support delivery through a framework already known to financial intermediaries. In a second step, **AECM members could help design dedicated EU/national schemes** – in close cooperation with partner banks – that explicitly support IP-intensive SMEs. Particularly, they could advocate for pilot programmes under new EU funding frameworks like **the European Competitiveness Fund**, to finance investments in intangible assets, and that recognise IP rights both as eligible collateral and as strategic assets to be exploited, valorised, and leveraged for business growth.

Third, AECM members shall engage in EUIPO's new IP-Backed Finance Steering Group and Technical Working Group on IP Valuation, both set to launch in December. The **Steering Group** will provide high-level strategic direction, bringing together financial sector leaders to advise on the development of an **EU-wide IP valuation framework** and explore dedicated financial schemes for IP assets. The **Technical Working Group**, meanwhile, will focus on refining **practical**



valuation methodologies, documentation standards, and expert training programmes, ensuring that IP can be consistently and reliably assessed as collateral. AECM's involvement in these groups will be instrumental in shaping policies and tools that reflect the realities of guarantee institutions and their clients.

About us

The **European Association of Guarantee Institutions (AECM)** represents 48 members operating in 32 countries in Europe, and 6 international partners. They are national promotional banks and institutions or private/mutual sector guarantee schemes. Their mission is to support SMEs in getting access to finance. They provide guarantees to SMEs that have an economically sound project but do not dispose of sufficient bankable collateral. This so-called SME financing gap is recognised as market failure. By guaranteeing for these enterprises, guarantee institutions address effectively this market failure and facilitate SMEs' access to finance. The broader social and economic impact of this activity includes the following:

- Job creation and preservation of jobs by guaranteed companies
- Innovation and competition: crowding-in of new ideas leading to healthy competition with established market participants
- Structure and risk diversification of the European economy
- Regional development since many rural projects are supported
- Counter-cyclical role during crises

SME guarantees generally pursue a long-term objective and our members, if public, private, mutual or with mixed ownership structure, have a promotional mission.

AECM's members operate with counter-guarantees from regional, national, and European level. At the end of the year 2023, AECM's members had about EUR 207 billion of guarantee volume in portfolio, thereby granting guarantees to around 4.7 million SMEs. AECM's members are by far the most important counterparts of the EIF concerning EU counter-guarantees, handling EU (counter-)guarantees from the very beginning in 1998.

Have a look at our [AECM Brochure](#) and at our most recent publications:

[Statistical Yearbook 2024](#)

[Annual Activity Report 2024](#)

[Position papers](#)

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