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## **Ernst & Young's/EuropaBio report - Opportunity for discussion with Stephan Kuhn, EMEIA Tax Leader**

Zürich (ots) -

Swiss and European governments to ensure that R&D is converted into new businesses, new products and additional jobs

Switzerland quite well positioned / However, no R&D grants available to innovative companies / Tax loss carry forward limitation period should be abolished / Harmonization of IP box regime throughout Switzerland would be advisable.

ZURICH, 29 MARCH 2012 - National governments in Europe need to do more to ensure that R&D innovation in the biotech industry is translated into new businesses, new products and additional jobs according to a new report launched by Ernst & Young and EuropaBio, "What Europe has to offer biotechnology companies: unraveling the tax, financial and regulatory framework". The report found significant variation in the regulatory and policy environment for biotechnology companies across Europe, which has a significant impact on success and policies across the region. The differences range from basic policies and regulations which encourage financing for start-ups, to the ability to encourage entrepreneurs and attract competent managers.

The report was launched by EU Commissioner for Research, Innovation and Science, Máire Geoghegan-Quinn, at the European Parliament during the EuropaBio Benefits of Biotechnology event hosted by Member of the European Parliament Françoise Grossetete. Attended by more than 120 people, and opened by Commissioner for Health and Consumer Policy John Dalli, the event focused on the contribution of biotechnology to society's challenges such as feeding and healing an ageing population, environmental sustainability, economic growth and maintaining Europe as a center of scientific excellence.

Stephan Kuhn, Ernst & Young EMEIA Tax Leader, said: "A consistent tax and regulatory environment for biotech SMEs across Europe is essential if the industry is to have sustainable growth and remain competitive compared with other regions. This report shows some governments have recognized the importance of policies and programs that foster a strong community of SMEs in biotechnology, such as R&D tax credits or low corporation tax for example, whereas others have not. National governments, together with the EU, need to make sure that the policies are in place to make funding more accessible to SMEs involved in biotechnology".

The report surveyed 16 countries across Europe on the tax, financial and regulatory incentives their governments provide to investors, entrepreneurs and researchers in the bioeconomy, and the challenges facing SMEs. The report compares the tax concessions on offer in each country, financing opportunities for SMEs, and the benefits that can flow from a decision to establish a start-up in a particular location.

"As regards Switzerland, we are quite well positioned" says Stephan Kuhn. "However, as Switzerland isn't offering R&D grants to innovative companies such as biotechnology SMEs this could be seen as a competitive disadvantage for Switzerland. Another area of concern is the limitation of the loss carry forward period to seven years because the development of biotech products until their commercialization often exceeds this time frame. Accordingly, the possibility to carry forward losses for an unlimited period of time should be considered. Finally, Switzerland should - similar to other countries and the Canton of Nidwalden - introduce an IP box regime in all cantons via federal harmonization."

Thomas Saylor, EuropaBio Chair of the SME Platform, stated: "This report represents an important contribution to the policy debate over measures that can significantly benefit biotech SMEs in Europe and ensure that Europeans benefit from the biological sciences. There is growing recognition by the European Commission and policy makers throughout Europe of the importance of biotech SMEs to Europe's future prosperity. As such, the report can play a major role in establishing an agenda for policymakers seeking to ensure an attractive environment for investors and biotech entrepreneurs."

Stephan Kuhn would be pleased to provide you with further information on this report and the results for Switzerland. Please contact Simone Isermann to arrange a private discussion with him:

simone.isermann@ch.ey.com; +41 58 286 35 97.

Contact:

Simone Isermann

Ernst & Young

Media Relations

Phone: +41 (0) 58 286 35 97

simone.isermann@ch.ey.com

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