Briefing: Unlocking IP-backed Finance: Recent EU Developments

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Intellectual property intensive industries play a crucial role in the EU economy. However, it can be difficult for innovative businesses to leverage their intellectual property ("IP") assets as strategic assets in order to access finance. We provide below a short update on some recent EU developments in this area which may be of interest to directors of IP-intensive businesses at all stages of the growth journey.

An EU drive is currently underway to address barriers faced by innovative European companies in seeking to access finance. This includes the EU's Startup and Scale-up Strategy, which mandates the European Union Intellectual Property Office ("EUIPO"), in cooperation with the European Commission, to develop an IP valuation framework which can underpin future IP-backed financing.

EUIPO and EIF Initiative

The leveraging of IP value into lending was identified by the EUIPO as a key priority in its April 2026 report, *IP-Backed Finance in Europe: State of Play and Future Perspectives* (the "EUIPO Report"). Noting that financial institutions and lenders may need to be convinced to provide finance against IP collateral, the EUIPO Report suggested that guarantee schemes could act as structural enablers of IP-backed finance during an initial phase until sufficient trust is built among financial institutions and lenders.

Against this backdrop, in May 2026 the EUIPO and the European Investment Fund (EIF), which is a leading provider of guarantee instruments in Europe, announced a new initiative which aims to help EU businesses better leverage their IP assets as strategic assets in order to access finance. The new initiative is the subject of a Memorandum of Understanding ("MoU") between the EUIPO and the EIF, the text of which is not yet publicly available. However, according to press releases and commentary published by the EUIPO, the MoU is intended to open a strategic dialogue aimed at unlocking

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the value of IP rights. It is understood that the MoU also focuses on enhancing communication and awareness among SMEs and financial actors and explores capacity-building initiatives to help financial players recognise IP as viable collateral.

European IP-Backed Finance Roadmap

In another welcome development, on 22 June 2026 the EUIPO announced that a 'roadmap' for IP-backed financing in Europe, which builds on the findings of the April 2026 EUIPO Report, has been endorsed by the IP-Backed Finance Steering Group and Technical Working Group. These groups were established by the EUIPO and the European Commission earlier this year and comprise a mix of policymakers, IP offices, financial institutions (including EIF), the European Investment Bank, the European Banking Authority as well as business leaders, and experts from the public and private sectors.

According to the EUIPO announcement, the roadmap is intended to provide a practical pathway for addressing the challenges faced by innovative businesses when it comes to leveraging IP assets to access finance. Areas of focus are understood to include improving how IP assets are disclosed and assessed, strengthening valuation practices, building a stronger evidence base through data and real financing transactions and exploring how guarantee schemes and other risk-sharing mechanisms can support financing for innovative businesses.

The focus will now turn to developing and testing the practical tools, methodologies and financing mechanisms necessary to support IP-backed financing, and the EUIPO has indicated that these are expected to be ready for operational deployment by the end of 2027.

Conclusion

IP-intensive industries play a crucial role in the EU economy, accounting for c.48% of EU GDP and 31% of employment, according to the EUIPO Report. The announcement of the MOU between the EIF and EUIPO, and EUIPO's update on the progress achieved to-date in the development and endorsement of a roadmap for European IP-backed finance, are very welcome developments and will be of particular interest to directors of IP-intensive companies at all stages of the growth journey, from early-stage start-ups to more established growth stage businesses and beyond. If done correctly, these initiatives could unlock alternative financing routes to sit alongside the existing equity and venture debt options available in the market today.

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1891 | 02_07_2026