

An SME exemption is not a startup exemption.

An SME exemption from Article 13 of the EU Copyright Directive is not the way to make the proposal work for startups. While it may alleviate short-term worries for them in early growth stages, it creates new problems in the long-run.

- Startups grow. They are Europe's employment engine, [creating jobs 3x faster](#) than the rest of the economy. Setting a size threshold for the Article 13 rules may sound good at first, but could have terrible consequences for all EU tech companies that want to grow beyond that threshold.
- Depriving online companies from their ability to scale will, at best, help build small platforms. However, it will make it more likely that successful content platforms grow outside of Europe. The Digital Single Market is designed to promote European champions. Entrepreneurs can only scale their businesses if there is one reliable and proportionate legal framework.
- The way to effectively prevent Article 13 from disproportionately impacting startups is building a compliance scenario that everyone can live with. Incorporating meaningful safeguards for platforms that act in good faith, regardless of their turnover, is a better way forward.
- We need effective criteria for the mitigation of the considerable legal responsibilities created by Article 13 that encourage startups and rights-holders to work together and share information. Such provisions should allow startups who behave responsibly, seek licenses and remove content once notified to continue to operate in Europe.

Startups are our agile and fast growing version of the EU's economic backbone. They show that regulation today shouldn't be designed anymore with inflexible thresholds based on company size. Instead, we call for rules that are consistent and proportionate for companies in all growth stages.

In light of the current discussions we want to urge keeping a future oriented mindset. Applying such a harsh liability regime to everyone will inevitably hurt the smallest the most. An exemption promises short-termed relief but will not help us to achieve the competitive future Europe's innovators ought to be part of.

Allied for Startups is a worldwide network of over 40 advocacy organisations focused on improving the policy environment for startups. We are working together to create a consensus on policies that can positively impact startups and grow digital entrepreneurship and digital economy at large. Our mission is to ensure that the voices of startups are heard in government.