



Welcoming the Cyprus Presidency: Building Power Through Growth

Cyprus Presidency Programme: AFS remarks

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The programme of the Cyprus Presidency lands at a moment when Europe is no longer debating whether competitiveness, innovation and strategic capability matter. That debate is over. The challenge now is how Europe responds. The question is whether we can translate years of diagnosis into execution: simplifying where complexity slows us down, mobilising capital where growth requires scale, and creating the conditions for startups to build and stay in Europe not out of resilience, but by choice.

Seen this way, execution is not only about economic performance. It is also about Europe's ability to act with confidence. When companies grow, when technologies scale and when rules enable investment, Europe gains the strategic weight needed to shape its own future. Only on that foundation does the discussion about sovereignty become concrete.

Against this backdrop, the first thing that stands out, and clearly connects with the broader priorities of the new Presidency, is the way autonomy is considered. It is treated as something concrete: the ability to grow, to attract and use capital, to build and keep technology in Europe, and to make policy decisions that do not fragment markets or slow our founders' ambition.

This reflects a broader understanding that sovereignty is not about turning inward. It is about building the capacity for Europe to set its own agenda because its

economy is strong, its companies are competitive and its Single Market works in practice.

Seen from the perspective of Europe's startup and scale-up community, this is a pragmatic approach that should be welcomed. European startups operate in global value chains, compete internationally for capital, recruit international talent and sell into global markets. Reducing strategic dependencies is reasonable. Turning inward would be self-defeating. The Presidency's emphasis on strategic partnerships, trade openness and engagement with like-minded partners therefore aligns closely with how the startup ecosystem actually works in practice.

Autonomy built on competitiveness

At the same time, the Presidency is explicit in linking Europe's strategic autonomy to its economic strength. Autonomy is not portrayed as protection from the outside world, but as the natural outcome of a competitive economy that can grow, invest in innovation and operate confidently in global markets. In this view, completing the Single Market – while reducing frictions, modernising infrastructure and deepening capital markets – becomes a precondition for Europe to act with credibility. And that matters, because it recognises a simple truth: without growth, everything else risks becoming an illusion.

Allied For Startups particularly welcomes the way regulation is positioned. Rather than being presented as a moral signal, regulation is described as an enabler. A predictable, proportionate and simpler framework should allow companies – including startups and SMEs – to dedicate more time and resources to investment, product development and hiring. When regulation fragments markets, duplicates obligations or introduces unpredictable changes, it weakens Europe's hand. When it creates clarity and reduces administrative friction, it becomes a source of strength.

Here, sovereignty becomes operational. Regulation serves European sovereignty not when it restricts for the sake of signalling, but when it enables innovation, strengthens our companies and builds strategic capacity inside Europe.

In this context, the Presidency's commitment to advancing the simplification agenda and to reducing unnecessary burdens while preserving standards is therefore essential. It is encouraging to see simplification framed as a tool to make rules workable and execution faster.

What this Presidency programme means for startups

For founders, several strands in the programme stand out as particularly relevant. Taken together, they suggest a Europe more focused on competitiveness, execution and enabling growth:

- *Simplification that actually reduces friction.* Continued work on horizontal simplification and omnibus initiatives to cut administrative burdens and make rules easier to navigate.
- *Completion of the Single Market.* Renewed emphasis on removing barriers and making cross-border activity more predictable, especially in digital and services.
- *Capital that scales with companies.* Stronger focus on deepening capital markets and improving the flow of investment across the Union, crucial for scale-ups.
- *Digital leadership as capability.* Priority attention to AI, cloud, cybersecurity and resilient connectivity, where startups both build and deploy solutions.
- *An outward-looking Europe.* Support for openness and global partnerships, recognising that startups operate globally from day one.

These priorities, if translated into practice, can help shift Europe from diagnosing problems to building the conditions in which ambitious companies genuinely choose to scale here.

Why simplification alone is not enough

The focus on simplification also invites an honest conversation about structural reform. Horizontal initiatives and omnibus packages are important, yet we should recognise their limits. Founders operating across borders still face 27 different

company law systems, repeated legal costs, fragmented procedures and a slow, cumulative erosion of speed. If we take the Presidency's logic seriously – autonomy through competitiveness and competitiveness through execution – then the case for structural tools becomes stronger.

An optional, EU-wide 28th Regime would not replace national systems. It would give founders the choice of a single legal identity recognised across the Union, reducing friction, accelerating cross-border expansion and making Europe a more credible platform for scaling.

The 28th Regime could be a game-changer instrument rooted in growth. When we reduce friction, companies scale faster. When companies scale, Europe gains economic power. And when economic power grows, sovereignty becomes real.

This is particularly important because, today, many founders do not feel the Single Market in practice. They navigate different procedures, forms and timelines in every country. Instead of building one company, they repeatedly rebuild the same structure across jurisdictions. It is slower, more expensive, and it pushes some of the most ambitious teams to grow elsewhere.

That is why the 28th Regime should be seen as a practical tool that makes the Single Market real for startups. A credible proposal should deliver:

- one legal identity across the EU;
- one governance model that works across borders;
- one digital pathway for incorporation and core procedures;
- a stock-option framework that helps attract and retain talent;
- clear and predictable shareholder rules that investors trust.

Less fragmentation. More speed. More clarity. In this sense, the 28th Regime is not defensive or protectionist, but focused on enabling Europe to succeed by helping its companies scale at continental level. If we get this right, Europe sends a clear message to founders: start here, scale here, stay here.

From priorities to execution

Looking ahead to this semester, a clear opportunity emerges. The Cyprus Presidency can translate narrative into execution by making simplification tangible, by taking steps that genuinely reduce administrative drag, by pushing Single Market completion from ambition to practice, and by ensuring that startups are not peripheral actors, but core contributors to competitiveness and resilience. It can also help anchor the discussion around structural tools such as the 28th Regime within a broader debate on how Europe equips its companies to operate at continental scale.

Taken together, what the programme ultimately signals is a shift in tone. Autonomy is treated as layered, practical and operational. Security, economic resilience, digital capability, finance, infrastructure and skills are presented as mutually reinforcing elements, not isolated policy boxes. Europe is not reacting to others. It is attempting to define its own trajectory. This is what sovereign execution looks like: clearer priorities, faster decisions and a deliberate effort to make European success possible in practice, not only in speeches.

For the startup community, this creates space for a more honest partnership with policymakers. Startups are not asking for exemptions or special treatment. They are asking for coherence, speed and the ability to grow without being penalised for choosing Europe as their home market. If the Cyprus Presidency succeeds in turning its language on competitiveness, simplification and openness into concrete outcomes, it will have taken an important step toward a Europe that is not only autonomous in principle, but capable in practice.

Allied For Startups stands ready to contribute constructively to this effort, to provide the perspective of founders on the ground, and to help ensure that the political ambition expressed in this programme becomes something that entrepreneurs can genuinely feel when they build.