

Press Release

Brussels, 28 November 2016

EuropeanIssuers voices issuers' vision of the Capital Markets Union (CMU)

During the roundtable discussion organised by Afep, Deutsches Aktieninstitut and EuropeanIssuers on 28 November 2016 as part of Invest Week, [EuropeanIssuers launched its recommendations on the future of Capital Markets Union](#) on behalf of companies as end-users of capital markets.

“Well-functioning capital markets support companies to grow with long-term investment in many different areas for instance research and development, human capital, equipment. They are crucial to fuel the economy and create wealth. Therefore, we believe the interests of issuers should be better considered and we propose to adopt a more horizontal perspective, especially on how issuers interact with the financial system,” said the Chairman, Mr Luc Vansteenkiste.

Mrs Florence Bindelle, Secretary General commented: “EuropeanIssuers values the Commission’s commitment to accelerate delivery of the next phase of CMU actions and has identified four priorities with key recommendations.”

(1) Attracting companies to the market: to strike the right balance between EU regulatory framework and entrepreneurial freedom, investor protection and financial stability. Administrative burdens on all companies need to be reduced and reporting requirements simplified while still providing meaningful information to investors. This entails rebalancing investors’ protection with the EU laying greater emphasis on protecting investors through investors’ education.

EU legislation for smaller and mid-sized quoted companies should also be made more proportionate and provide them with a simplified reporting model. EU’s support for smaller companies should be provided both directly, by promoting the use of SME (small and medium-sized enterprises) Growth Markets and indirectly, by developing pan-European products for smaller companies. To enable this, the EU should promote a more proportionate legislation vis-à-vis smaller and mid-sized quoted companies under every piece of EU legislation and adopt different regimes applicable to companies at different stages of growth.

(2) Attracting investors to the market: to channel more funds towards capital markets, prudential requirements for institutional investors (Solvency II, Capital requirements directive IV) need to be revisited, investment in equity incentivised and a tax framework for savings and capital gains created. Encouraging investors to channel more funds towards equity will not only require changing retail investors’ saving behaviour but also institutional investors contributing to the development of long-term financing of the economy.

(3) Remove national barriers to cross-border investments: EuropeanIssuers welcomes the intention of the Commission to present a proposal on “business restructuring and second chance” incorporating key elements of an appropriate insolvency framework. EuropeanIssuers supports a common principle-based approach to reduce differences of Member states regimes in assessing viable companies, facilitating their reorganisation, ensuring that all parties have a clear understanding of procedures and enabling rapid settlement of claims.

(4) *Better Regulation*: EuropeanIssuers recommends using the following principles as guidance when reviewing existing regulations or drafting new ones: flexible access to capital markets (access requirements must be proportionate, as targeted as possible, and develop ways that minimise costs and complexity); use of derivatives instruments for risk management of non-financial companies; dialogue with investors and effective communication along the investment chain from issuer to investor. EuropeanIssuers recommends also to strengthen the Better Regulation principles.

ABOUT EUROPEANISSUERS

EuropeanIssuers is a pan-European organisation representing the interests of publicly quoted companies across Europe to the EU Institutions. There are 13,225¹ such companies on both the main regulated markets and the alternative exchange-regulated markets. Our members include both national associations and companies from all sectors in 14 European countries, covering markets worth €7.6 trillion market capitalisation with approximately 8,000 companies.

We aim to ensure that EU policy creates an environment in which companies can raise capital through the public markets and can deliver growth over the longer-term. We seek capital markets that serve the interests of their end users, including issuers and investors.

EUROPEANISSUERS MEMBERSHIP

Corporate Members

Aegon, Air Liquide, ASML, Assicurazioni Generali, Atlantia, Banco Santander, BNP Paribas, Celyad, CIR Group, Edison, Enel, Eni, Fiat Chrysler Automobiles, Intesa Sanpaolo, Italcementi, L'Oréal, Mediobanca, Michelin, Philips, Prysmian, RELX Group, Shell, Solvay, Telefónica, Total, UCB, Unilever, Veolia, Wärtsilä Corporation, Wolters Kluwer

National Associations

Austria: Aktienforum

Belgium: ABSC-BVBV

Cyprus: SYDEK

France: Afep, ANSA, MiddleNext

Germany: Deutsches Aktieninstitut

Greece: Union of Listed Companies

Italy: Assonime

Netherlands: VEUO

Poland: SEG

Portugal: AEM

Spain: Emisores Españoles

Switzerland: SwissHoldings

United Kingdom: The Quoted Companies Alliance

¹ FESE, LSE and Borsa Italiana stats