

PRESS RELEASE

Markets4Europe campaign presents recommendations for building a truly integrated capital markets union in the EU

European markets require bold solutions to unsolved challenges

- *Private sector initiative brings together former politicians and central bankers with top executives of 16 companies, including banks, institutional investors and market infrastructure organisations*

BRUSSELS, 26 September 2019 – Markets4Europe, a campaign advocating more effective use of market finance in Europe, today presented its main recommendations that are designed to encourage the creation of a more integrated Capital Markets Union in the EU.

The campaign, backed by chief executives/presidents from the EU's private sector and former political and public sector leaders, seeks to fundamentally transform the EU's financial sector through a greater availability of capital markets financing.

The key recommendations are:

- Channel **long-term savings into financing entrepreneurship** by enabling private pension funds, insurance companies and other long-term investors to invest in venture capital and equity markets;
- Make **cross-border investment** as easy and reliable as domestic investment through further harmonisation/alignment of civil law in areas such as insolvency law and securities law to overcome inefficiency and undue complexity and more efficient operational processes for corporate actions, asset segregation and registration;
- **Remove tax obstacles** to investors and companies, e.g. by simplifying the calculation of the tax base for companies; by preventing double taxation of investors through improved withholding tax relief and refund procedures; by promoting best practices of simplifying tax processes and encouraging special tax regimes for starts-ups and first-time issuers of equity;
- Improve the **companies' direct access** to capital markets through regulatory and non-regulatory initiatives that make smaller companies more visible and remove unnecessary regulatory complexity for issuers and investors; and improve companies' **indirect access** through a review of the framework for securitisation to allow it to act as a bridge between lending and capital markets;

- Embark on an EU-wide campaign of **financial literacy** to educate the current and future generations of investors and entrepreneurs through EU coordination of model curricula, promotion of best practice and training of teachers, in collaboration with private sector and academic experts;
- Strengthen the **EU's international role** through a stronger presence in international financial dialogues, new euro-based benchmarks, more convergent supervision in the EU, and better-connected financial centres.

The recommendations are included in the 'Markets4Europe Roadmap to a Capital Markets Union for Companies and Savers', to be released in full at the Markets4Europe launch event next Wednesday, 2 October, in Brussels, in the presence of the campaign leadership along with CEOs and other public leaders from the EU and international institutions. The launch event is open to the press.

For more details see the Executive Summary of the roadmap that is already published today: <http://bit.ly/M4ERoadmapES>

Over the coming year, a series of national conferences across the EU will follow the Brussels launch. A regional conference is scheduled for Paris on 28 November, to be followed by conferences in Germany, Luxembourg and Croatia, among others.

The former political leaders guiding the campaign are Vítor Constâncio, Former Vice-President of the European Central Bank and Former Governor of the Bank of Portugal; Martina Dalic, Former Deputy Prime Minister and Former Minister of Economy and Minister of Finance, Croatia; Enrico Letta, Former Prime Minister of Italy; Christian Noyer, Former Vice-President of the European Central Bank and Former Governor of Banque de France; Viviane Reding, Former Vice-President of the European Commission, Luxembourg; and Peer Steinbrück, Former Minister of Finance, Germany.

The Markets4Europe recommendations have been developed with contributions from 16 active CEOs and presidents from the following organisations: Allianz Global Investors, Amundi Asset Management, Banco Montepio, Bank Pekao, BlackRock, Deutsche Bank, Deutsche Borse AG, Euroclear, Euronext, KBC Group, KIRCHHOFF, Luxembourg Stock Exchange, Marcegaglia Holding, Nasdaq Stockholm, Société Générale, and UniCredit.

The German Economic Institute (IW) has conducted the interviews with the CEOs and public sector leaders and has drafted the report. Among the initial supporters of the campaign are the European Banking Federation and several national banking associations.

FOR MORE INFORMATION:

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