



Press release: FESE Blueprint: Capital Markets Union by 2024 A vision for Europe

Brussels, 28th May 2019

Today, FESE launched its **FESE Blueprint: ‘Capital Markets Union by 2024 - A vision for Europe’** which **sets out 20 Principles and Policy Recommendations** on how to take the Capital Markets Union (CMU) forward.

In the context of the global challenges that the European Union (EU) is facing, it is crucial that we take a step back and **reflect on how we can foster a deeper and more integrated European financial system** while continuing to be open to global capital markets. Policy makers must re-double their efforts and take bold decisive steps with tangible objectives that will ensure the EU is attractive to global capital and companies, whilst maintaining transparency, integrity and investor protection.

The EU needs to be more ambitious and should aim at significantly increasing the size of equity financing in relative terms to GDP. **More financing through capital markets helps** achieve not just greater amounts of financing but also **higher levels of innovation, efficient risk management, savings mobilisation, wealth distribution and job creation.**

Overall, this Blueprint strives to set out concrete policy recommendations on how to deliver a successful Capital Market Union by 2024. These principles and recommendations are grouped under **seven different themes**, which include: **overall ambition and approach**, this section calls for, amongst other things, a holistic approach towards regulatory initiatives. Thereafter, we dig deeper into what specific steps can be taken to improve the CMU, focusing on funding the economy and exploring how we can **improve conditions for investors and companies**. We then move on to assess how we can ensure **fair and orderly equity market structure**, followed by assessing **efficient risk management**, specifically exchange traded derivatives (ETDs). We also recognise that focus, now more than ever, should turn to **new technologies** and how they can be embraced under the right regulatory framework as well as **sustainable finance** which is a key subject in Europe. We close the report by turning our attention to the pursuit of **global competitiveness and access**.

Petr Kobic, FESE President, said: *Legislation should move towards even more market orientation. We need to move from a one-size-fits-all approach to deliver a proportionate regulatory framework, tailored also for smaller markets and smaller markets participants. Europe’s capital markets will be best served if policymakers continue to identify areas where further harmonisation can remove unnecessary barriers to cross-border investments within Europe.*

Rainer Riess, FESE Director General, commented: *European policy makers should be more ambitious and deliver a holistic agenda to achieve a larger European capital market by 2024. We urgently need to create a more transparent and fair market structure, ending the tax bias against equity and delivers funding to enterprises. If done right Capital Market Union should grow market capitalisation to 100 % of the EU GDP by the end of 2024.*

Information for the Editor:

The Federation of European Securities Exchanges (FESE) represents 35 exchanges in equities, bonds, derivatives and commodities through 19 Full Members from 30 countries, as well as 1 Affiliate Member and 1 Observer Member.

At the end of April 2019, FESE members had 8,642 companies listed on their markets, of which 14% are foreign companies contributing towards the European integration and providing broad and liquid access to Europe's capital markets. Many of our members also organise specialised markets that allow small and medium sized companies across Europe to access the capital markets; 1,323 companies were listed in these specialised markets/segments in equity, increasing choice for investors and issuers. Through their RM and MTF operations, FESE members are keen to support the European Commission's objective of creating a Capital Markets Union.

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