

Press Release

Brussels, Belgium – 01 March 2021

EuropeanIssuers welcomes the Capital Markets Union New Action Plan but emphasises its lack of ambition for issuers

On 01 March 2021, EuropeanIssuers released its [comments](#) on the European Commission's [Capital Markets Union \(CMU\) New Action Plan](#): "A capital markets union for people and businesses".

EuropeanIssuers argues that the CMU is ultimately about financing projects undertaken by companies whose needs should be at the core of any initiative and believes that the European Commission's prime concern shall be to focus more on the company's perspective. Commenting on the action points envisaged by the European Commission, EuropeanIssuers highlighted the favourable aspects and criticising the weakness of some proposals, in view of suggesting some alternatives that could reduce the burdens of raising capital to access the market, thus allowing for a more efficient and stable development of a real CMU.

The CMU New Action Plan lacks ambition with regards to the measures for supporting access to public markets, emphasising the need for relief from bureaucratic listing rules, both in times of distress, such as the current situation, and in regular times. The alleviation of the rules was not sufficiently explored neither in the Capital Markets Recovery Package. EuropeanIssuers advocated for the need to focus on all companies, not only SMEs, as bearers of burdensome requirements, and the need to act by simplifying existing reporting requirements and ensure their consistency. Therefore, EuropeanIssuers urged the European Commission to speed up the timeline and to enlarge the scope of the action point, suggesting detailed proposals for alleviations.

EuropeanIssuers Secretary General Florence Bindelle commented: *"An efficient Capital Markets Union New Action Plan is not only about reducing or streamlining the reporting requirements and administrative burdens on all listed companies but moreover about the need for regulatory coherence to avoid the proliferation of measures acting against the establishment of the CMU which is overlooked in the present action plan."*

EuropeanIssuers welcomed the idea of the creation of a European Single Access Point (ESAP) that can be beneficial for providing better access to financial and non-financial information. Since EuropeanIssuers does not consider the creation of ESAP as a priority, it advised that the introduction of ESAP should be limited to requirements already requested by OAMs, and not be a gateway to the introduction of new reporting formats.

EuropeanIssuers supported the proposals that encourage long-term and equity financing with targeting changes in the review of the Solvency II and Basel III legislations, and measures to empower citizens through financial literacy. Furthermore, in relation to investor protection rules, EuropeanIssuers reiterated its agreement with the Capital Markets Recovery Package proposed exemption regarding the unbundling rules, and asked the European Commission to extend the scope to issuers with lower market capitalisation, to stop the contradiction of efforts to improve access to capital markets.

On the shareholder engagement, EuropeanIssuers reiterated its position vis-à-vis the definition of shareholder, supporting the concept of ‘end-investor’, and suggesting, should a harmonisation be necessary, to identify it as the “person having invested (own) money directly into a share”. Furthermore, EuropeanIssuers reflected on some improvements that could be beneficial for corporate actions, namely the harmonisation of the information on corporate action and the harmonisation of rules via amendments to the SRD II. Finally, on the virtual shareholder meetings, EuropeanIssuers proposed a full-reassessment of the framework considering the advancement in technology, encouraging member states to allow for the option of having full online, full offline or hybrid general shareholder meetings.

EuropeanIssuers also welcomed the proposal of strengthening the investment protection and facilitation framework, as corporate cross-border investments within the EU represent a cornerstone for the functioning of the internal market and referred to the need to establish a binding dispute settlement mechanisms on EU law to ensure a level-playing field of European investors and those from third countries.

Finally, in relation to supervision, EuropeanIssuers encouraged avoiding exaggeration of the consequences of the Wirecard case, which could negatively impact public companies with robust internal control systems, and discouraged adoption of additional requirements that could deter companies from listing.

As mentioned above, EuropeanIssuers correlated its comments by a set of detailed proposals for general alleviations to regulatory requirements, namely in the field of MAR, Prospectus, IFRS, MiFID II and SME-specific rules¹.

EuropeanIssuers will continue to engage with the policy makers in the next phases in order to contribute to the development of initiatives that work for companies, investors and overall the EU ecosystem.

¹ Details can be found in the Annex I of the position paper.

For EuropeanIssuers' position paper on the European Commission's Capital Markets Union New Action Plan, please click [here](#).

For this press release, please click [here](#).

NOTES TO EDITORS

About EuropeanIssuers

EuropeanIssuers is a pan-European organisation representing the interests of publicly quoted companies across Europe to the EU Institutions. Our members include both national associations and companies from all sectors in 15 European countries, covering markets worth € 7.6 trillion market capitalisation with approximately 8000 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. [EuropeanIssuers Vision 2019-2024](#) contains key priorities and policy recommendations in a number of areas to support the policymakers.

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