

Consultation Response

European Commission Call for Evidence on the Single Market Strategy 2025

31 January 2025

EuropeanIssuers, the pan-European Association representing publicly quoted companies from all sectors across Europe to the EU institutions, welcomes the European Commission's efforts aimed at boosting the competitiveness of EU companies on a global scale.

In line with the Reports published by Enrico Letta and Mario Draghi in 2024, EuropeanIssuers shares the concerns related to the functioning of the Single Market and the high barriers of entry to capital and funding markets that ensue. On this topic, EuropeanIssuers contributed to the [Compendium on Single Market Barriers](#) published by the European Roundtable for Industry (ERT). Namely, differences across EU countries in the level of administrative and reporting requirements contribute to discouraging cross-border operations of businesses and the build-up of well-diversified investment portfolios.

EuropeanIssuers also shares the important need for simplification and better coordination across EU legal acts, as observed in the newly-released Competitiveness Compass and the Commission's call for evidence. The increase in the regulatory burden placed upon European companies from all sizes hinders corporate access to capital, with a substantial reduction in growth opportunities.

As observed in its recent [Recommendations on Competitive Simplification](#), EuropeanIssuers warns against the proliferation of legislative texts at the European level, which are excessively numerous, voluminous, and subject to frequent amendments, and is concerned about the level of quality of European rules and standards.

Such a fundamental issue appears to be especially intricate for Small and Mid-Caps, which constitute a substantial part of all listed companies in Europe but tend to dispose of lower resources and capabilities to actively shape the policymaking process that concerns them. Therefore, EuropeanIssuers is supportive of a categorisation of such type of companies within EU Law. Moreover, even if not touched directly, smaller entities are often confronted by the *trickle-down* effect of EU legislation made for large companies. EuropeanIssuers calls for a "regulatory pause", the improvement of consistency between existing legal texts, as well as the deletion of excessively burdensome requirements for companies, also in the view of protecting business secrecy.



Such regulatory burden is accompanied by underdeveloped EU capital markets. These two ingredients form a hurdle to Europe's competitiveness as good conditions of doing business in the EU and having access to capital market finance foster innovation. EuropeanIssuers believes that these two factors act as a disincentive for companies to remain listed on EU stock exchanges, or for them to consider advancing an Initial Public Offering (IPO) as part of their strategic path to growth. Overall, these aspects tend to trigger a negative cycle of delisting, which further complicates the establishment of a deep and liquid EU capital market. The impediments to the free flow of capital also prevent corporates from issuing debt in European markets, driving them to the US bond markets instead.

Amidst the Single Market design and the implications for competitiveness, prioritising the completion of a Capital Markets Union/Savings and Investment Union is therefore paramount. In this respect, EuropeanIssuers views the advancement of the CMU/SIU as the key enabler of competitiveness and better funding for European corporates. To deepen the Single Market and make it fairer, a fully-fledged and complete Savings and Investments Union is necessary, encompassing both equity and bond markets.

In agreement with Mr Letta and Mr Draghi's remarks, EuropeanIssuers shares the concerns regarding the growing gap between the European Union and the USA in Gross Domestic Product terms and is confident that the reinforcement of the CMU/SIU can provide that competitiveness and innovation boost that ultimately pushes economic growth forward. At the same time, this achievement would safeguard companies, investors, consumers' interests, and promote long-term mechanisms for European savers.

Eliminating technical, legal, and bureaucratic barriers to capital market finance and of access to the European debt markets enhances efficiency and competitiveness. To achieve this, EuropeanIssuers invites policymakers to focus on simplifying reporting requirements, aligning those with stakeholders' needs forming the core of information accessibility for financial instruments. Furthermore, EuropeanIssuers recommends the implementation of measures to improve finance accessibility for European publicly quoted companies. This can be facilitated through the establishment of a practice-proof regulatory environment, essential for global competitiveness, facilitating growth, and enabling job creation.

Generally, a "competitiveness check" for regulatory initiatives is a crucial component for completing the Capital Markets Agenda. EuropeanIssuers supports incorporating mandatory competitiveness impact assessment at each stage of the decision-making process. This will ensure a balanced approach to EU policy and law-making, without imposing disproportionate administrative constraints or compliance costs for companies.

EuropeanIssuers supported and will continue to advocate for measures facilitating companies' actions in all segments of capital markets and looks forward to the upcoming review of key legislative elements such as the Shareholder Rights Directive II and the work on level II of the Listing Act Level II (specifically, the Market Abuse Regulation and the Prospectus Regulation).

In sum, a successful advancement of the Savings and Investments Union will at the same time facilitate companies' access to capital market finance with both equity and bond instruments, bolster the flow of resources within the EU Single Market, and contribute to the financing of innovative and sustainable capital projects – an essential tool to restore the EU's competitiveness.



EuropeanIssuers is the 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 €12.4 trillion market capitalisation with approximately 6,000 companies. We aim to ensure that EU policy creates an environment in which companies of all sizes—from emerging growth companies to the large blue-chip companies —can easily raise capital through the public markets and deliver growth over the longer term.

Published in 2024, [EuropeanIssuers' Key Messages for the next Legislative Cycle](#) present key priorities and policy recommendations in a number of areas to support the EU policy makers during their mandate.

More information on our positions can be found at www.europeanissuers.eu or on EuropeanIssuers LinkedIn and X

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