



Proposals for a successful Capital Markets Union (CMU)

Empowering EU citizens, masters of their savings and investments in the EU

Strong support for investment in the EU by promoting European financial savings, especially long-term ones

- > **Channeling greater investment towards EU businesses**, particularly SMEs, by deploying long-term savings invested primarily in Europe and backed by appropriate tax incentives.
- > **Encouraging Member States to develop retirement savings plan** to broaden the investor base for financing the economy.
- > **Creating a company profit-sharing mechanism** at the European level that could feed into these long-term savings plans.
- > **Facilitating the portability of savings products from one state to another** through appropriate taxation, defined by each Member State.

Individual investors protected and in control of their savings

- > **Enhancing financial education in EU school programs.**
- > **Maintaining access to financial advice for all**, regardless of their economic situation.
- > **Ensuring compliance with EU rules for services provided online** (regulation of influencers and online platforms).
- > **Applying existing rules to decentralized finance (DEFI)** actors to ensure the same level of protection.

Strengthening the EU's financial autonomy and competitiveness

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- > **Integrating European competitiveness priorities** into the missions of the European Supervisory Authorities (ESAs) and the European Commission.
- > **Promoting EU standards (UCITS/AIFM/ MMFR, etc.) internationally** as part of ESA missions.
- > **Implementing a competitiveness test** before each new European regulatory initiative or review, for the benefit of European industry.

A regulatory framework applied to the entire CMU ecosystem, including « non-financial» actors

- > **Taking a comprehensive approach to the issues at stake on the provision of financial and non-financial data**, taking into account their costs and quality.
- > **Avoiding excessive deregulation of benchmark providers³** and achieving a balanced regime, ensuring transparency of methodology and combating conflicts of interest⁴.
- > **Including ESG data providers in the EU regulatory framework**, in line with the 2021 IOSCO recommendations¹ with ESMA supervision. **In the short term, they should be subject to a code of conduct².**



An agile, harmonized, and stable supervisory framework

- > **Recognizing the concept of group at the European level to facilitate the supervision of asset managers** established in several European jurisdictions (with, where appropriate, a national supervisory authority acting as the lead supervisor).
- > **Reducing reporting burdens by 25% for all financial actors**, including asset management companies, by eliminating redundant or obsolete reporting based on an annual review.
- > **Enhancing consistency and convergence of rules and supervision** among Member States for national and cross-border products and activities (avoiding national gold plating).

Implementing an EU regulatory framework allowing asset managers to fully fund the EU economy

A clear, coherent regulatory framework to fund the green transition

- > **Better coordinating the regulatory framework** in terms of content and timing⁵.
- > **Applying a European regulatory framework to data and benchmark providers** to ensure access to reliable and transparent data.
- > **Simplifying SFDR regulation** by transitioning from a transparency regime to the establishment of 3 categories of products (generic ESG objective, Impact, and Contribution).
- > **Strengthening the effectiveness of the Shareholder Rights Directive** by removing remaining barriers to the proper exercise of voting rights and shareholder engagement.
- > **Defining key concepts, notably the notion of «transition»** to direct investments towards companies decarbonizing their business models.

A diversified range of financial products and investment strategies, a key factor to ensure resilience and the funding of the EU economy

- > **Preserving a sustainable money market fund model⁶** by promoting the efficiency and transparency of European short-term securities markets based on the Banque de France's NEU CP model.
- > **Preserving the use of derivatives for effective portfolio management.**
- > **Ensuring an ELTIF 2 regulation that provides sufficient flexibility in liquidity management** so that the product is viable and marketable.
- > **Support innovation that contributes to the efficiency financial markets (DLT and blockchain)** by encouraging the issuance of digital securities.
- > **Avoiding standardization of practices and mimetic behaviour, which are systemic risk factors (UCITS/AIFMD).**

1- IOSCO final report 2021: Environmental, Social and Governance (ESG), Ratings and Data Products Providers

2- As in the UK or other jurisdictions

3- Benchmark regulation

4- Maintain protective index regulation for users by aggregating indices from the same provider to calculate representativeness thresholds of €50 billion. This would help avoid the exclusion of indices widely used by EU managers.

5- Adapt coverage and ratio requirements imposed on investors to issuer data availability (e.g. CSRD)

6- Status quo of the Money Market Funds Regulation (MMFR)