



2015/2106(INI)

14.10.2015

OPINION

of the Committee on Industry, Research and Energy

for the Committee on Economic and Monetary Affairs

on Stocktaking and challenges of the EU Financial Services Regulation: Impact and the way forward towards a more efficient and effective EU framework for Financial Regulation and a Capital Markets Union
(2015/2106(INI))

Rapporteur: Janusz Lewandowski

SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Welcomes the opening of the consultation on the Capital Markets Union (CMU) and underlines the need to learn lessons from the crises in order to enhance market stability, facilitate non-bank financing and investment in the real economy, and deliver long-term sustainable growth; believes that this initiative, by widening access to funding and unlocking investment, can be an important tool to get Europe back on track for socially and environmentally balanced sustainable economic growth;
2. Stresses the need to take into account the wider global context, in particular when it comes to the timing and substance of legislative proposals to safeguard and strengthen the international competitiveness of the EU's financial sector, improve the investment climate of and attract capital flows into the EU, and to ensure reciprocal access to international financial markets; underlines in this context the need for closer cooperation by the Commission with international bodies such as the Financial Stability Board (FSB) and the International Organisation of Securities Commissions (IOSCO);
3. Stresses that the aim of the EU Financial Services Regulation should be to serve the real economy; believes, for this reason, that the regulation should be coherent and proportionate;
4. Points out that the real economy remains heavily reliant on banks which make it vulnerable to a tightening of bank lending; believes that alternative sources of financing should be found, in particular by strengthening recourse to venture capital;
5. Welcomes the envisaged diversification of funding channels, which should be complementary to the existing ones, should promote instruments which have proved their usefulness and should take into account the specificity of the funding that is needed at different development stages by innovative businesses such as start-ups; underlines the need to reduce administrative burdens, in particular for SMEs, and foster the application of the principles of subsidiarity, proportionality, coherence, effectiveness and practicability in EU legislation, in the interests of open, efficient, liquid and cost-effective capital markets;
6. Expresses its concern at the complexity of the regulation, which is in many places multi-layered with diverging and contradicting outcomes; calls on the Commission to carry out an in-depth assessment of the compliance costs of the Financial Services Regulation, in particular for SMEs and start-ups, with a view at reducing those costs where appropriate;
7. Underlines the important role of banks as intermediaries in capital markets; highlights that financial intermediation is key in order to properly assess the risks and needs of potential investors;
8. Highlights the need for the creation of an investment-friendly environment which removes barriers that give rise to disincentives to long-term investment, for example capital

requirements that discourage long-term investments in infrastructure;

9. Considers that the CMU should also ensure, by removing restrictions and barriers affecting the possible use of financial instruments such as bonds or stocks, that businesses are able to choose between types of financing;
10. Recalls that lack of information on the financial situation of SMEs is one of the major barriers to investment in this type of company; calls on the Commission to undertake an in-depth reflection on ways and means of improving investors' access to transparent and comparable data on SMEs; believes that the development of a dedicated database to collect, on a voluntary basis, financial information on SMEs and start-ups could be a useful tool for providing information to investors;
11. Welcomes the launch of consultations on the review of the Prospectus Directive and the efforts being made to remove regulatory barriers to access to securitisation; calls for a revival of the securitisation market by avoiding an overly prescriptive and detailed definition of simple, transparent and standardised (STS) securitisations; endorses the Commission's proposal for the compilation of a register of 'high-quality' securitisations; underlines, in particular, the need to open up financial markets and to broaden funding options available for SMEs and midcaps; calls in this respect for consideration to be given to creating 'SME benchmarks' enabling banks to compare and price credit; calls for improved access to long-term financing and for the development of a pan-European private placement market promoting venture capital, as well as alternative instruments such as peer-to-peer lending and crowdfunding; asks the Commission to consider the 'Funding Escalator' concept within the CMU, addressing the diversity of companies' financing needs throughout their stages of development;
12. Believes that access to finance, in particular for SMEs, is key to economic growth and job creation; points out that profitable banks as well as efficient capital markets constitute preconditions for access to finance;
13. Calls on the Commission to take into account the specificities of individual markets and to propose changes only in those areas that require intervention in order to eliminate the existing barriers; believes that the Capital Markets Union initiative should have at its core a bottom-up approach and the sharing of national best practices, the strengthening of local capital markets and local ecosystems, with legislative harmonisation being pursued only where necessary, and measures to avoid the negative consequences of 'gold-plating';
14. Calls on the Commission to take into account the different economic and cultural structures of SMEs among Member States in its policy initiatives for the implementation of the CMU;
15. Points out that private equity and venture capital offer interesting alternatives for financing, in particular for start-ups; calls on the Commission to develop additional instruments, building on the experience acquired with the European Venture Capital Funds and the European Social Entrepreneurship Funds;
16. Underlines the importance of comprehensive and cross-sectional impact assessments, and calls on the Commission to undertake detailed consultations on matters of concern to all stakeholders and to ensure the coherence of the delegating and implementing acts;

17. Considers that legislation is not always the most appropriate policy response and that non-legislative and market-based approaches should be duly taken into account.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	13.10.2015
Result of final vote	+: 50 -: 8 0: 6
Members present for the final vote	Zigmantas Balčytis, Nicolas Bay, David Borrelli, Jerzy Buzek, Philippe De Backer, Pilar del Castillo Vera, Christian Ehler, Peter Eriksson, Fredrick Federley, Ashley Fox, Theresa Griffin, Marek Józef Gróbarczyk, András Gyürk, Roger Helmer, Hans-Olaf Henkel, Eva Kaili, Kaja Kallas, Barbara Kappel, Krišjānis Kariņš, Seán Kelly, Jeppe Kofod, Miapetra Kumpula-Natri, Janusz Lewandowski, Ernest Maragall, Edouard Martin, Dan Nica, Angelika Niebler, Miroslav Poche, Miloslav Ransdorf, Michel Reimon, Herbert Reul, Paul Rübig, Algirdas Saudargas, Jean-Luc Schaffhauser, Neoklis Sylikiotis, Antonio Tajani, Dario Tamburrano, Patrizia Toia, Evžen Tošenovský, Claude Turmes, Vladimir Urutchev, Kathleen Van Brempt, Henna Virkkunen, Martina Werner, Flavio Zanonato, Carlos Zorrinho
Substitutes present for the final vote	Michał Boni, David Coburn, Cornelia Ernst, Francesc Gambús, Gunnar Hökmark, Benedek Jávor, Jude Kirton-Darling, Constanze Krehl, Olle Ludvigsson, Notis Marias, Marian-Jean Marinescu, Dominique Riquet, Inmaculada Rodríguez-Piñero Fernández, Sofia Sakorafa, Massimiliano Salini, Theodor Dumitru Stolojan, Pavel Telička, Cora van Nieuwenhuizen