



DEEPENING EUROPE'S ECONOMIC AND MONETARY UNION

Taking stock four years after the Five Presidents' Report #FutureofEurope #DeepeningEMU

CAPITAL MARKETS UNION

BOOSTING INVESTMENTS AND ACCESS TO FINANCE

WHAT IS THE CAPITAL MARKETS UNION?

The Capital Markets Union aims to get money — investments and savings — to flow more easily across the EU so that it can benefit consumers, investors and companies. It is an integral part of the Juncker Commission's ambition to **sustain growth in Europe**. The Capital Markets Union aims to **break down remaining barriers** that block cross-border investments in the EU. Its goal is also make it easier for EU companies to get the finance they need, regardless of where they are located, and for citizens to save for their future. It also fosters sustainable finance, providing investors with more choice to invest in environmentally-friendly companies and projects, making the EU a global leader in this field. More integrated financial markets complement the Banking Union by creating a cushion to absorb sudden shocks, and allowing risk to be shared by private actors across EU borders, **making the Economic and Monetary Union stronger and more resilient**. This, in turn, creates an incentive for market participants to use the euro, therefore reinforcing its international role. Determined action is now needed to complete the CMU.

WHO BENEFITS FROM THE CAPITAL MARKETS UNION?



Citizens



Consumers: Greater variety and more transparent investment products to choose from



Savers: Getting the most out of long-term savings to finance retirement



Businesses



Start-ups and smaller companies: Access to non-bank financing, such as venture capital and crowdfunding



Small and medium-sized firms: Easier and cheaper access to access to capital markets



Investors



More long-term investment opportunities



Fewer barriers when investing beyond national borders



Banks



Healthier balance sheets



More lending opportunities

WHAT HAS THE JUNCKER COMMISSION DELIVERED SO FAR?



13 CMU legislative initiatives have been presented by the Juncker Commission



have been agreed on by the European Parliament and the EU Member States



3 sustainable finance legislative initiatives have been presented by the Juncker Commission



have been agreed on by the European Parliament and the EU Member States

The Capital Markets Union has enjoyed strong political support from co-legislators and most of the proposals put forward by the Commission have been agreed at EU level. Nonetheless, concrete support on specific legislative files has sometimes been lacking. Remaining barriers, such as divergent insolvency regimes and ineffective cross-border taxation, have to be tackled to ensure a better integration of capital markets in Europe.



Improving banks' ability to lend

EU rules on securitisation help banks and other credit institutions package loans into securities, which are then sold to investors. In this way banks transfer the risk of some loans to other banks or long-term investors such as insurance companies and asset managers.



Stimulating venture capital and social investments

Small and growing companies and social enterprises will enjoy better access to finance, thanks to revamped EU rules on venture capital and social entrepreneurship funds.



Access to capital markets for companies

The EU has agreed on a new set of rules that support companies raising money on capital markets to invest and grow through the review of the Prospectus Directive. This will also help investors to make better and more informed decisions.



More options when saving for retirement

The Pan-European
Personal Pension Product
is designed to give
European consumers more
choice when saving for
retirement as it would
create a new class of EUwide pension products.

3 PILLARS OF THE CMU

Making the most of the Single Market for consumers and investors through new European products

Supporting businesses and entrepreneurs through clearer and simpler rules

A more efficient supervision of EU capital markets

Supporting EMU and a strong role of the euro