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.

WHAT IS THE CAPITAL MARKETS UNION?

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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
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 EU-wide pension products.

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.