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Senior Executive Advisor
to the General Management and the Chair of the Board

Mr John Berrigan
Director - General for Financial Stability, Financial Services and Capital Markets Union
European Commission
1049 Brussel
Belgium

Paris, February 11th, 2022

Dear Mr Berrigan,

BNP Paribas welcomes the initiative of the European Commission to take action in order to develop the Capital Markets Union (CMU) and to consult widely in order to adapt its current legislation. The European Commission's consultation on the Listing Act: "making public capital markets more attractive for EU companies and facilitating access to capital for SMEs" is therefore both timely and necessary. It is even more necessary given the competition that now exists with the UK markets post Brexit and the heavy push of the UK for becoming an even more attractive equity market. Given the huge size of financing needs Europe will face both in order to develop its Tech sector and to address the needs of the energy transition, Europe must have effective and deep financial markets.

In response to the consultation, we would like to acknowledge the immense progress that has already been made through the implementation a number of legal acts, such as the Prospectus Regulation, the Market Abuse Regulation (MAR), the Market in Financial Instruments Directive (MiFID II) and Regulation (MiFIR), the Transparency Directive and the Listing Directive. However, there are still areas we need to develop to a large scale such as securitization and there are still market practices that differ from one market to another.

BNP Paribas is a promotor of the CMU given its very strong primary market activity across Europe in Debt Capital Market and in Equity Capital Market, and plays a major role in market making and hedging of those financial instruments, to provide liquidity and risk management tools to issuers and investors. We believe that the CMU is essential for the development of the European economy, especially in a context of heavy competition from the US and the UK market (not to mention Switzerland and the Asian markets). We have therefore decided to answer to this consultation in a very detailed way and we have put significant resources of our best professionals to address all angles.

I personally follow all the evolution of the CMU initiatives, assisted for this consultation by Sophie Javary and more broadly by all our relevant teams across our Bank.



I would also like to emphasize that in the context of CMU, European sovereignty is an essential element to take into consideration and that it is key to preserve our competitiveness and the role of major European banks in this context.

If there are any hearing in the consultation process, I would obviously be very pleased to present our views.

Yours sincerely,

Philippe Bordenave