

Building a Capital Markets Union

Deutsches Aktieninstitut's Response to the
EU-Commission's Green Paper

Creating Prosperity and Growth by setting Capital Markets Regulation right

Deutsches Aktieninstitut¹ welcomes and supports the Commission's initiative on building a Capital Markets Union. The latter is an essential prerequisite for the Commission's overarching objective of paving the road to sustainable growth.

Capital Markets – a Solution, not an Obstacle

Functioning capital markets are an essential prerequisite for the creation of growth and jobs. They promote innovative entrepreneurial ideas as their key function is to provide finance to those who engage in entrepreneurial activities. In this sense, they foster long-term financial commitments to companies in particular.

Deutsches Aktieninstitut strongly welcomes the changing perspective in the regulatory debate. After a period of regulation exclusively focused on risks in the financial system, the Green Paper now acknowledges the vast potential of capital markets to foster economic growth. This is nowadays crucial especially for corporate finance as the role of bank credit is declining due to both intensified banking regulation and a re-definition of bank-business models across Europe. In addition, capital markets do not only transform savings into finance for enterprises. They also help companies of the real economy to manage risks from floating exchange rates, interest rates or commodity prices. Effective risk management services provide for a transfer of financial risks to other capital markets participants. Thus, capital markets allow companies to concentrate themselves on their core businesses and to commit more resources to entrepreneurial activities as would otherwise be possible.

Besides providing finance and risk management instruments for the real economy, capital markets also benefit retail investors across Europe. Capital markets based investment instruments help private households to cope with the challenges of the shrinking potential of government pension schemes. Thus, capital markets investments bolster private wealth building, which in turn may also translate into higher demand and thus economic growth.

Capital Markets Union – Taking the Chance to Rebalance Capital Markets Regulation

In order to promote the benefits of capital markets for European economies, the regulatory environment plays a decisive role. Only by establishing a capital markets

¹ Transparency-Register No. 38064081304-25.

friendly ecosystem, the markets' potential for promoting sustainable growth will be unfolded.

The regulation of capital markets has to strike the right balance so that capital markets can effectively be used for corporate finance, risk management, and private wealth building. In order to achieve this, the following guiding principles should be followed:

New Regulatory Perspective – Promoting the Benefits of Capital Markets

Regulatory efforts of the past have been dominated almost exclusively by the objective of eliminating risks - for both private investors and the financial system as a whole. However, Deutsches Aktieninstitut strongly believes that capital markets need a more balanced regulatory environment as it is the function of capital markets to take a certain level of financial risks in order to finance growth and innovation of the real economy. The right regulatory balance between eliminating risks with a potential systemic impact on one side while accepting the existence of economic risk as such on the other, has thus to be found.

In this sense, we welcome the CMU-Green Paper widening the perspective on capital markets regulation. The new regulatory perspective should, however, also reflect the need of non-financial companies to obtain both bank credit lines and risk management services as two important components of corporate finance. Furthermore, obstacles for long-term wealth-building of private households via capital markets should be removed.

Comprehensive and Cumulative Impact Assessment of Existing Regulation

In the previous communication "A reformed financial sector for Europe" the EU Commission sums up to have initiated more than 40 regulatory proposals over the past five years in order to achieve financial stability. However, a thorough analysis of the interaction of these initiatives still lacks, although the European Parliament and market participants have requested this for long since a reliable legal framework governing capital markets is essential. Regulatory overlaps, repercussions, unintended consequences, or negative side effects of rules are therefore to be avoided. Legal certainty remains a cornerstone for building a Capital Markets Union.

Deutsches Aktieninstitut therefore considers a cumulative impact assessment as necessary. This assessment should follow three objectives:

- First, bureaucratic and burdensome provisions of existing regulation should be analysed and evaluated for the benefit of achieving regulatory relief and simplification as a second step. This can often be done without counteracting the political intention behind the regulation under assessment.

- Second, it will be one of the most important tasks of the EU institutions to achieve coherence and consistency among the various regulatory initiatives, which have often been negotiated without fully taking into account related provisions within the same ecosystem.
- Third, the analysis should include the delegated acts of the EU Commission and the competent authorities because these level-2-measures form a significant part of the regulatory framework of the EU capital markets.

Careful Assessment of New Initiatives

In the same way as reviewing existing rules, potential effects of newly proposed regulatory initiatives must be thoroughly assessed prior to their implementation in order to avoid unintended or adverse consequences as best as possible. The respective analysis of consequences will take more time and prudence than has often been the case in the past. However, European institutions should grant themselves the necessary time in order to create a regulatory environment that serves the needs of companies and private households.

New initiatives should also reflect legal diversity, which has grown over decades and centuries. This diversity should be preserved. Regulatory drafts often provide a one-size-fits-all-solution standing in contrast to the idea of the subsidiarity principle and disrespecting national customs. However, a sufficient level of flexibility should be granted to the EU Member States in order to cope with the multitude of different legal traditions and to improve the acceptance of European legislation among the European population.

Questions

Question 1: Beyond the five priority areas identified for short term action, what other areas should be prioritised?

The aspect of lowering barriers to accessing capital markets is in the first place mentioned in context with a prospectus directive-review. Deutsches Aktieninstitut welcomes the Commission's plans to reform the prospectus directive. For issuers of all sizes the process of drafting a prospectus is very time-consuming and costly, while providing little benefits for investors as prospectuses are frequently neglected in forming an investment-decision.

Besides a prospectus-directive-review, lowering barriers for accessing capital markets should include a review of the Market-abuse- and MiFIR/MiFID-rules for the benefit of all companies – irrespective of their size – for the following reasons:

- The extension of the scope of application of the Market Abuse Regulation (MAR) and of the Markets in Financial Instruments Regulation and Directive (MiFIR/MiFID) to trading platforms beyond regulated markets has substantially increased the level of regulation. This applies especially for smaller and medium sized companies which are typically listed in the respective segments as these companies now have to compile insider lists, notify managers' transactions, and comply with the duty to publish inside information.
- The revision of the MAR has also added a number of new obligations for listed companies with respect to the duties above. Moreover, the European Securities Markets Authority (ESMA) is about to interpret these duties extensively so that even more compliance costs and risks will likely arise from the delegated acts.
- The delegated acts to the MiFID II/MiFIR framework may decrease the availability of finance for small and medium sized companies, if ESMA's draft technical advice on these issues will be followed. This is because ESMA proposes that free of charge financial research provided by banks to investment managers will be regarded as non-monetary benefits and thus will be limited. As a consequence, the level of information on shares of SMEs is likely to decrease and the investment in the respective shares will be rendered less attractive for the mutual funds industry. In addition, compliance cost in banks due to inappropriate investor protection rules should not prevent banks from providing investment advice in shares. As a consequence, financing of SMEs by issuance of shares purchased by retail

investors will become more difficult as banks are increasingly reluctant to provide information regarding share investments. This might be especially the case for the requirement to provide retail investors a suitability report. Therefore, especially experienced retail investors should be allowed to waive the suitability report obligation.

Furthermore, the implementation of the Financial Transaction Tax must be avoided, as it will decrease the liquidity in stock markets thereby creating a hurdle for smaller companies to successfully use capital markets as a source of finance. Last but not least, employee share ownership should be promoted as an ideal instrument of long-term investment. We strongly support the resolution of the European Parliament made in 2014, which calls the Member States to take action regarding the promotion of employee share ownership.

Question 2: What further steps around the availability and standardisation of SME credit information could support a deeper market in SME and start-up finance and a wider investor base?

No Answer.

Question 3: What support can be given to ELTIFs to encourage their take up?

No Answer.

Question 4: Is any action by the EU needed to support the development of private placement markets other than supporting market-led efforts to agree common standards?

In the opinion of Deutsches Aktieninstitut, no action by the EU is needed. The benefit of private placements is the lack of regulation. Private placement markets will not benefit from additional regulation. Since retail investors are no participants of these markets, there is also no lack of investor protection.

Question 5: What further measures could help to increase access to funding and channelling of funds to those who need them?

Rules governing capital markets have to take the changing landscape of corporate finance into account. Barriers for the issue of shares, bonds, and other means of capital market finance (such as asset backed securities) stemming from regulation must be identified and removed. In essence, capital market regulation should better reflect the needs of the demand side, i.e. companies seeking finance, as is currently the case.



Deutsches Aktieninstitut has observed several political inconsistencies in the existing or forthcoming regulatory framework. On the one hand, the political decision makers are well aware that capital markets need to be revitalized in particular to enable small and medium sized enterprises to raise capital for investments into innovation and thus growth. Additionally, providing credit to the non-financial sector should still be regarded as a core function for the banking sector (see also Question 16). On the other hand, the rules imposed on listed companies over the past decade and in the aftermath of the crisis have led to a massive increase of compliance costs and risks and have reduced the attractiveness of capital market finance accordingly. If Europe really wishes to promote capital markets finance, the existing regulation for listed companies will have to be reviewed.² In the same way, outstanding delegated acts supplementing newly introduced regulation need to be drafted carefully in order not to overburden listed companies with bureaucracy (see also answer to Q1).

Question 6: Should measures be taken to promote greater liquidity in corporate bond markets, such as standardisation? If so, which measures are needed and can these be achieved by the market, or is regulatory action required?

Deutsches Aktieninstitut recommends to refrain from any mandatory standardisation of corporate bonds.

Bond issues of corporates and financial companies frequently follow different purposes. Financial companies issue bonds as an alternative to credit for funding and/or to invest it again in more or less liquid assets like securities. The issuance of a bond of a financial company is thus part of the process of financial intermediation.

Non-financial companies issue corporate bonds in order to finance their operative business. Bond issuance are therefore frequently linked to long-term investments in operative capacity, strategic decisions, and or to events and projects like takeovers, capacity expansion, or long-term infrastructure projects. All these cases have in common the need for tailor-made finance-solutions. This resembles the process of hedging operative risks with derivatives for which it is also crucial that the instruments used can precisely be matched with the underlying business. Issuing a foreign currency bond and swapping it into a different funding currency is a legitimate use of a derivative and should not be impeded. Standardizing terms,

² For detail see our Position Paper „The Road to Growth: Setting Capital Markets Regulation Right“ on https://www.dai.de/files/dai_usercontent/dokumente/positionspapiere/2014-11-13%20Deutsches%20Aktieninstitut%20The%20Road%20to%20Growth%20WEB.pdf

conditions, or denomination will therefore certainly be problematic for corporate issuers.

An example for standardization driven too far is the market for credit default swaps (CDS): the product is now the most standardized derivative with very limited options available for choice of coupons, roll dates, or maturities. As a result the product is not very useful anymore for hedging purposes, if the goal is to match an underlying exposure as exactly as possible. From an investor's point of view, the standardization may have increased fungibility and therefore, made wholesale products like index CDS more attractive, but the original intent of CDS was a different one - they started out as a hedging tool like other derivative classes. However, today CDS are mostly products for trading and investments with very limited use for real economy purposes.

That said, the liquidity of bonds on secondary markets is certainly of concern for all corporate treasurers, as illiquid securities draw demands from investors for higher premiums on future issues. On page 24 of the consultation, the Commission is reflecting on the reasons for reduced liquidity observed in capital markets, thereby briefly citing sources pointing to post-crisis regulatory measures.

We would like to pick up on this point. We have repeatedly pointed to the dangers of negative interferences between some of the regulatory frameworks and we continue to believe this subject is not given the necessary attention. With regard to the stated interest in fostering liquidity in EU bond markets, the Commission has to understand that some of the new rules being implemented for Basel III through CRD/CRR IV are highly counterproductive to this objective. The interplay of higher capital requirements across the board with new requirements like liquidity or leverage ratios is leading broker/dealer banks to massively reduce inventories on their trading books, which in return is resulting in lower liquidity in bond markets across all sectors. In our opinion, this currently is certainly a significant obstacle to EU bond markets and not the degree of individuality of issues being traded. We would strongly recommend to analyse, if there are ways to change some of the settings in CRD/CRR or on Pillars 2 and 3 to revive secondary market trading. A further regulatory obstacle is the currently developing EU framework on bank structural reform, as it might prohibit many (so-called "core"-) banks to perform market-making activities, which are also crucial to liquidity. Market-making should not be subject to mandatory institutional separation.

In a nutshell: liquidity in corporate bond markets, in our opinion, does not depend so much on the place of execution (e.g. exchanges or OTC), but on the ability of banks and large institutional investors to hold inventory, and to engage in market-making activities at an acceptable cost. We do not see how alternative players could provide adequate liquidity within the nearer future. The ultra-low interest rate environment further contributes to this problem, as investors holding bonds

with a higher coupon than the current interest rates most likely do not sell these bonds. Thus, an additional supply factor has weakened in the past years.

We therefore do not believe that standardisation will have beneficial effects for liquidity. It rather could actually decrease corporate bond issuances.

Question 7: Is any action by the EU needed to facilitate the development of standardised, transparent and accountable ESG (Environment, Social and Governance) investment, including green bonds, other than supporting the development of guidelines by the market?

No action is required. A sufficient level of voluntary standards for ESG-investments already exists. These standards enjoy a widespread acceptance. The development of green investment-culture will be market-driven and cannot be prescribed by regulation.

Question 8: Is there value in developing a common EU level accounting standard for small and medium-sized companies listed on MTFs? Should such standard become a feature of SME Growth Markets? If so, under which conditions?

In general, we believe that the Commission should not adopt the role of an alternative standard-setter. In case that a lighter regime for SMEs develops from the IFRS, those companies should be left the choice whether they want to use full IFRS, the lighter regime, or national GAAP.

However, it should also be noted that although accounting rules do play a role in the decision if and where to list, it is not only accounting rules that create costs for listed companies. Deutsches Aktieninstitut therefore believes that for companies listed on MTFs an important regulatory relief can be achieved by revising the MAR/MiFID-rules for these trading platforms and thus, to turn back the political decision to reduce regulatory differences between different market segments (see question 1).

Question 9: Are there barriers to the development of appropriately regulated crowdfunding or peer to peer platforms including on a cross border basis? If so, how should they be addressed?

No Answer.

Question 10: What policy measures could incentivize investors to raise and invest larger amounts in a broader range of assets, in particular long-term projects, SMEs and innovative and high growth start-ups?

No Answer.

Question 11: What steps could be taken to reduce the costs to fund managers of setting up and marketing funds across the EU? What barriers are there to funds benefiting from economics of scale?

No Answer.

Question 12: Should work on the tailored treatment of infrastructure investments target certain clearly identifiable sub-classes of assets? If so, which of these should the Commission prioritise in future reviews of the prudential rules such as CRDIV/CRR and Solvency II?

Although Deutsches Aktieninstitut welcomes the idea of the EU Commission to promote infrastructure projects by revising the capital requirements of banks and insurance companies, it has to be noted that a number of other asset classes are clearly discriminated in comparison to sovereign debt in particular. This particularly applies to all kind of equity investments of banks and insurance companies that in general have a higher risk weight than other asset classes or than necessary, given their long-term character and performance. If it is an objective of the Capital Markets Union to promote growth through long-term finance, the investment in shares should not be neglected. From our point of view, it would e.g. worth to discuss the short term focus of risk management metrics (such as value at risks models), which do create a disincentive for share investments due to the higher short term volatility of shares.

Question 13: Would the introduction of a standardised product, or removing existing obstacles to cross-border access, strengthen the single market in pension provisions?

No Answer.

Question 14: Would changes to the EuVECA and EuSEF Regulations make it easier for larger EU fund managers to run these types of funds? What other changes if any should be made to increase the number of these types of fund?

No Answer.

Question 15: How can the EU further develop private equity and venture capital as an alternative source of finance for the economy? In particular, what measures could boost the scale of venture capital funds and enhance the exit opportunities for venture capital investors?

No Answer.

Question 16: Are there impediments to increasing both bank and non-bank direct lending safely to companies that need finance?

The EU Commission should be aware that any regulation in the capital markets may have side effects on both the demand and the supply of finance – be it bank finance or non-bank finance. Currently, Deutsches Aktieninstitut sees the risk, that regulation reduces the availability of funds for companies. Not only should the effects of CRD IV/CRR capital requirements therefore be carefully observed but also new regulation in the field of “shadow banking”. It has to be avoided in any case that supply-chain-financing-activities or of non-financial companies or even activities of group finance may be regarded and regulated as shadow banking activities.

Question 17: How can cross border retail participation in UCITS be increased?

No Answer.

Question 18: How can the ESAs further contribute to ensuring consumer and investor protection?

A sufficient level of investor protection has been reached throughout the EU so that no further action on the regulatory or supervisory side is required.

High-quality standards of investor protection have been put in place over decades, while considerable additional requirements have been adopted in the aftermath of the financial crisis.

An overshooting level of investor and consumer protection will rather work as a hurdle for companies accessing capital markets and will thus prove to be counterproductive. An example can be seen in the present regulatory requirements concerning prospectuses. While the process of drafting a prospectus is time-consuming and costly for issuers, the prospectus has negligible benefits for investors as prospectuses are frequently not observed.

In addition, a similar problem occurs with investor protection of investment advice. Banks more and more struggle with the costs of compliance. As a consequence, banks frequently retreat from providing investment advice especially on shares. This results in a severe damage for the private wealth building with shares, especially in a time when investments in fixed interest instruments hardly yield above the inflation rate. Furthermore, financing SMEs by issuance of shares purchased by retail investors will become more difficult as banks are increasingly reluctant to provide information regarding share investments. Therefore, rules governing investment advice of investment firms should be adjusted. An example: Experienced retail investors should have the option to waive the obligation that the suitability of the investment advice has to be recorded ("suitability report").

For the benefit of ensuring effective investor protection we should rather create an environment providing for widespread financial and economic literacy than pursuing an ecosystem with even more regulatory requirements for issuers.

**Question 19: What policy measures could increase retail investment?
What else could be done to empower and protect EU citizens accessing capital markets?**

A sufficient level of financial literacy should be ensured (s. a.). Investors must be enabled to make sound investment decisions in their own responsibility. Future efforts to reform the European framework for investor protection thus should focus on a widespread economic literacy as core element. The objective of promoting education in order to achieve an economy based on knowledge and innovation, as contained in the EU 2020 Strategy, is to include measures to improve financial and economic literacy. Investors should be put in a position to evaluate and compare financial instruments and to make informed and sensible investment decisions.

Furthermore, employee share ownership is a good opportunity for retail investors to get a first insight into saving with shares. Therefore, companies providing broad employee share programs contribute to the equity culture of a country. Employee share ownership should be promoted by an adequate institutional setting. This is what the European Parliament already stated in its resolution in early 2014. We strongly ask the EU-Commission to take action regarding the promotion of employee share ownership in the Member States.

Besides this, the EU should not set counterproductive signals and disincentives for retail investment in the capital markets in general and for shares in particular. The introduction of a financial transaction tax (even if it only was adopted by some EU member states under the process of enhanced cooperation) would clearly be a negative signal and would form a disincentive to use capital markets instruments as a form of investment.

Question 20: Are there national best practices in the development of simple and transparent investment products for consumers which can be shared?

No Answer.

Question 21: Are there additional actions in the field of financial services regulation that could be taken ensure that the EU is internationally competitive and an attractive place in which to invest?

No Answer.

Question 22: What measures can be taken to facilitate the access to EU firms to investors and capital markets in third countries?

No Answer.

Question 23: Are there mechanisms to improve the functioning and efficiency of markets not covered in this paper, particularly in the areas of equity and bond market functioning and liquidity?

The low liquidity in securities markets is partly linked to the present prudential requirements in place under CRD IV/CRR and Solvency II (see answer to question 6 especially for bond markets).

As laid down in the introduction to our response, Deutsches Aktieninstitut generally believes that the needs of the demand side of the capital markets should be better reflected in the regulation. Additional regulation regularly goes hand in hand with additional direct and indirect costs of accessing the market. We therefore believe that it would be worth to evaluate any primary and secondary market duties of companies in order to identify bureaucratic requirements that should be redrafted without contradicting the objective of investor protection.

Question 24: In your view, are there areas where the single rulebook remains insufficiently developed?

The term “single rulebook” is referred to in different contexts. A definition of the term/specification of the context is necessary to answer this question.

Question 25: Do you think that the powers of the ESAs to ensure consistent supervision are sufficient? What additional measures relating to EU level supervision would materially contribute to developing a capital markets union?

We believe that the ESAs are equipped with sufficient powers that should not be extended at present. Instead, a review of the Lamfalussy-process should rather be considered as ESAs are developing into “de-facto-legislators” by often overstepping the powers conferred to them by the level 1 text. By doing so, consistent supervision is rather threatened than ensured. Therefore, in particular control mechanisms should be improved to make sure that the political will on level 1 with regard to the creation of a capital markets union is also respected on level 2 and level 3.

Question 26: Taking into account past experience, are there targeted changes to securities ownership rules that could contribute to more integrated capital markets within the EU?

Deutsches Aktieninstitut does not believe that targeted changes to legislation on securities ownership rules will materially contribute to more integrated capital markets within the EU.

Differences in national ownership regimes within the EU do not create legal uncertainties and there is accordingly no need to harmonise the exact legal nature of the investor’s rights in the securities. In each European jurisdiction, investors purchase securities on the assumption that they obtain in rem rights in securities. The exact legal nature of those in rem rights varies among Member States, however, the acquisition of an in rem right appears in all European jurisdictions.

These differences have never created legal uncertainties and there is accordingly no need to harmonise the exact legal nature of the investor’s rights in the securities. Uncertainty is sometimes created by intermediaries, which sometime appear to apply rather the laws of their home jurisdiction. More integrated capital markets can be achieved by clarifying at EU Level that the rights and obligations of the member state regime under which the securities have been created are binding.

Question 27: What measures could be taken to improve cross-border flow of collateral? Should work be undertaken to improve the legal enforceability of collateral and close-out netting arrangements cross-border?

No Answer.

Question 28: What are the main obstacles to integrated capital markets arising from company law, including corporate governance? Are there targeted measures which could contribute to overcoming from?

The main obstacle would be an interference of the European institutions with well-tried mechanisms on the member state-level. Company Law and Corporate Governance are strongly linked to national legal environments. The European institutions should acknowledge regulatory diversity and existing well-developed mechanisms in the Corporate Governance systems in place across the EU. Besides the fact that Corporate Governance should remain principles- “comply or explain”-based, the characteristics of the monistic and the dualistic system and existing (minority) shareholder-protection-mechanisms thereunder should be respected instead of questioned.

Deutsches Aktieninstitut therefore opposes a mandatory shareholder vote on remuneration policies and on related-party transactions as proposed by the previous EU Commission.

However, what can be improved is the information flow on corporate events across borders in order to ease cross-border voting in general meetings. Deutsches Aktieninstitut therefore supports the current efforts in the review of the Shareholder Rights Directive to set minimum standards for the transfer of information from the issuer to the end investor.

Question 29: What specific aspects of insolvency laws would need to be harmonised in order to support the emergence of a pan-European capital market?

No Answer.

Question 30: What barriers are there around taxation that should be looked at as a matter of priority to contribute to more integrated capital markets within the EU and a more robust funding structure at a company level and through which instruments?

Distortions followed by the different tax treatment of debt and equity should be removed. The double taxation of equity – on corporate and on investor level – discriminates equity financing vis-à-vis debt financing. E.g. in Germany this results in a total tax burden on earnings of equity investments of ca. 50 per cent compared to a tax burden on debt which amounts up to ca. 28 per cent.

To avoid distortions of capital accumulation to the detriment of equity, it is necessary to implement a tax regime with similar rates for equity and debt. This could be achieved by a tax relief on the level of investors or on company level.

In addition, the introduction of a Financial Transaction Tax (FTT), as it is currently pursued by 11 member states, threatens to become one of the main barriers to an integrated EU capital market, affecting private investors and the real economy alike. Deutsches Aktieninstitut generally opposes the introduction of an FTT as it would clearly contradict the very objective of the CMU and will burden both investors and non-financial companies.

Although paying the tax, the financial sector will not bear it economically. The tax burden will be shifted onto the end users of capital markets, i.e. private households and non-financial companies. For private households almost all forms of private old-age provision and wealth accumulation are negatively affected by the FTT. This applies to direct investments in equities and bonds as well as to indirect investments like investment funds and capital funded life insurances. Concerning the real economy, one of the main obstacles is the taxation of derivative-transactions used for risk management purposes. A significant rise in hedging costs and a decline in the provision of hedging services will most likely be the consequence. This obviously stands in sharp contrast to the objectives of the Capital Markets Union.

The taxation of financial transactions is neither capable of stabilizing capital markets nor of mitigating fluctuant prices of financial instruments. Markets will not be calmed. Empiric studies on the contrast show that rather the opposite applies as the tax will reduce market liquidity and thereby increase the volatility of prices of financial instruments. Experiences gained in Italy and France show a relative decline of trading volumes by 34.2 % resp. 6.4 % after the introduction of a FTT (in relative terms). As a consequence, risk will rather be increased than reduced.

Question 31: How can the EU best support the development by the market of new technologies and business models, to the benefit of integrated and efficient capital markets?

No Answer.

Question 32: Are there other issues, not identified in this Green Paper, which in your view require action to achieve a Capital Markets Union? If so, what are they and what from could such action take?

Further to its response to the Green paper, Deutsches Aktieninstitut has developed guiding principles that it views as crucial for building a Capital Markets Union - for the benefit of moving towards sustainable growth and prosperity for both - the people and the companies in Europe.

For details, please see

https://www.dai.de/files/dai_usercontent/dokumente/positionspapiere/2014-11-13%20Deutsches%20Aktieninstitut%20The%20Road%20to%20Growth%20WEB.pdf

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