



BANKING AND FINANCE

Public consultation on Building a Capital Markets Union

Fields marked with * are mandatory.

Introduction

The purpose of the Green Paper is to consult all interested parties on the Commission's overall approach to putting in place the building blocks for CMU by 2019, the underlying economic rationale of CMU, and on possible measures which could be taken to achieve this objective.

The main areas that the Green Paper seeks to address are:

- Improving **access to financing** for all businesses across Europe and investment projects, in particular start-ups, SMEs and long-term projects;
- increasing and **diversifying the sources of funding** from investors in the EU and all over the world; and
- making the **markets work more effectively** so that the connections between investors and those who need funding are more efficient and effective, both within Member States and cross-border.

Please note: In order to ensure a fair and transparent consultation process **only responses received through our online questionnaire will be taken into account** and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact fisma-cmu-surveyec.europa.eu.

More information:

- [on this consultation](#)
- [on the green paper](#) 
- [on the protection of personal data regime for this consultation](#) 

1. Information about you

*Are you replying as:

- a private individual
- an organisation or a company
- a public authority or an international organisation

*Name of the public authority:

Occupational Pensions Stakeholder Group (EIOPA)

Contact email address:

The information you provide here is for administrative purposes only and will not be published

Stakeholder.Groups@eiopa.europa.eu

*Type of public authority

- International or European organisation
- Regional or local authority
- Government or Ministry
- Regulatory authority, Supervisory authority or Central bank
- Other public authority

*Where are you based and/or where do you carry out your activity?

Germany

*Field of activity or sector (*if applicable*):

at least 1 choice(s)

- Banking
- Insurance
- Pension provision
- Investment management (e.g. hedge funds, private equity funds, venture capital funds, money market funds, securities)
- Market infrastructure operation (e.g. CCPs, CSDs, Stock exchanges)
- Other financial services (e.g. advice, brokerage)
- Non-financial sector
- Other
- Not applicable



Important notice on the publication of responses

*Contributions received are intended for publication on the Commission's website. Do you agree to your contribution being published?

(see [specific privacy statement](#) )

- Yes, I agree to my response being published under the name I indicate (*name of your organisation/company/public authority or your name if your reply as an individual*)
- No, I do not want my response to be published

2. Your opinion

Respondents are invited to answer as many questions as they feel appropriate, but should not feel obliged to answer questions on which they have no opinion or expertise.

Even where yes/no questions are indicated, respondents are invited to also provide qualitative responses.

Respondents are also welcome to upload free text documents, position papers, reports which they consider relevant. A button for this purpose is provided at the end of the consultation.

Priorities for early action

Please [refer to the corresponding section of the Green paper](#)  to read context information before answering the questions.

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

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?

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

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?

- Yes
- No

Comments on question 4:

Measures to develop and integrate capital markets - Improving access to finance

Please [refer to the corresponding section of the Green paper](#)  to read context information before answering the questions.

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

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?

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?

Yes

No

Comments on question 7:

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

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?

Measures to develop and integrate capital markets - Developing and diversifying the supply of funding - Boosting institutional investment

Please [refer to the corresponding section of the Green paper](#)  to read context information before answering the questions.

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

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 economies of scale?

12. Should work on the tailored treatment of infrastructure investments target certain clearly identifiable sub-classes of assets?

- Yes
- No

Comments on question 12:

12.1 If so, which of these should the Commission prioritise in future reviews of the prudential rules such as CRDIV/CRR and Solvency II?

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

General Remarks

Personal pensions play a key role in today's pension landscape in many EU member states and together with occupational pensions, they are likely to become even more important in the future.

In all the Member States, the aging population is posing a major challenge to the sustainability of pension systems and adequacy of pension revenues.

Stimulating individual retirement savings can be one of the solutions, as they have a strong potential of enhancing the adequacy and resilience of multi-pillar pension systems, as outlined in the EC White Paper on Pensions of 2011. It is a win-win situation because on the one hand it is good for future retirees and, on the other hand, long-term savings favour investments and economic growth.

It is well established that consumers' demand for personal pension products (PPPs) varies across countries, especially in terms of their expectations towards security of pension pay-out, returns and built-in flexibility. Therefore, should a Pan-European PPP be introduced, national consumer demand and expectations to risk-taking should be analysed and considered.

The introduction of a Pan-European product poses some challenges. For instance, it could lead to a mere shift from existing domestic products to a 2nd regime PPP, without increasing volumes and customer base. However, provided such risk is properly taken account of, the OPSG sees the opportunity that a Pan-European PPP, if designed in a proper way, might encourage new consumers to save for their retirement.

This product should be secure and sufficiently attractive to make people save for retirement on a voluntary basis in countries where pension savings are not mandatory, enlarging the overall coverage of private pensions provision. This is particularly important for young people. Furthermore, a standardised product might provide for enhanced portability across border.

Proposal of definition of a Pan-European Personal Pension Product
The OPSG believes that a Pan-European PPP should be an individual savings product aimed for retirement purposes. It should present features that differentiate it from pure savings and investment products. Its use should be clearly for retirement purposes.

Balance between flexibility and long-term commitments should be thoroughly assessed

The right balance between long-term commitments and the flexibility for consumers to access their savings must be thoroughly assessed when designing a standardised PPP.

Indeed, for a standardised product to potentially increase the allocation of premiums/contributions towards long-term illiquid investments, PPPs providers should be able to generate long-term liabilities and/or to invest with a long term horizon.

However, consumers should not in principle be prohibited to access their long-term savings, as already foreseen in some member states for specific cases (ie when purchasing a home).

With regards to the need to find a balance on such aspect, the OPSG believes that:

- In general, there should be a principle of switching between providers against market prices, provided that a customer continues contributing to a Pan-European PPP. This market price should be explained in a transparent way (ie no "hidden" charges).

- There could be a right to surrender before retirement only against market prices. In order to accommodate the need for a PPP provider to invest in long term and illiquid assets, consumers might be allowed to surrender only a limited part of their savings at particular exit dates. Furthermore, in order to address the challenge of future pension adequacy, the OPSG recommends member states to develop ad-hoc fiscal incentives to make sure that consumers keep saving on the long-term and surrender only in exceptional cases.

- There could be limited borrowing options (eg 10%) against the capital accrued.

Fiscal treatment

Fiscal treatment granted to long-term savings products at national level plays a key role in driving consumers' appetite. A Pan-European PPP should ideally get the "most favoured nation" tax treatment (ie as attractive as for substitutable national products).

Prudential treatment

With regard to the prudential treatment, the OPSG suggests that a Pan-European PPP should be provider-neutral. This means that all providers offering a Pan-European PPP with the same characteristics should be subject to the same prudential rules, thus guaranteeing a level playing field. The prudential treatment should reflect the long term nature and the riskiness of the product.

Product features

The OPSG will further discuss the potential product features of a 2nd regime PPP in due course, ie when responding to the forthcoming EIOPA consultation on this file in summer 2015.

Conduct of business

From a consumer protection perspective, it is important to recognise that pension products - even pure DC products - are more complex than pure savings or investment products and require a certain regulatory environment. Conduct of business and investor protection rules should also be provider neutral, meaning that all Pan-European PPP providers should be subject to equivalent conduct of business and investor protection rules.

The OPSG believes that a Pan-European PPP should entail an appropriate level of security for policyholders and appropriate conduct of business requirements. Disclosure should be as comprehensive and as synthetic as possible.

Standardised communication provisions for a Pan-European PPP should allow for transparency, simplicity and comparability.

14. Would changes to the EuVECA and EuSEF Regulations make it easier for larger EU fund managers to run these types of funds?

14.1 What other changes if any should be made to increase the number of these types of fund?

15. How can the EU further develop private equity and venture capital as an alternative source of finance for the economy?

15.1 In particular, what measures could boost the scale of venture capital funds and enhance the exit opportunities for venture capital investors?

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

Measures to develop and integrate capital markets - Developing and diversifying the supply of funding - Boosting retail investment

Please [refer to the corresponding section of the Green paper](#)  to read context information before answering the questions.

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

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

19. What policy measures could increase retail investment?

19.1 What else could be done to empower and protect EU citizens accessing capital markets?

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

Measures to develop and integrate capital markets - Attracting international investment

Please [refer to the corresponding section of the Green paper](#)  to read context information before answering the questions.

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

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

Improving market effectiveness – intermediaries, infrastructures and the broader legal framework

Please [refer to the corresponding section of the Green paper](#)  to read context information before answering the questions.

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?

- Yes
- No

Comments on question 23:

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

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?

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?

- Yes
- No

Comments on question 26:

27. What measures could be taken to improve the cross-border flow of collateral?

27.1 Should work be undertaken to improve the legal enforceability of collateral and close-out netting arrangements cross-border?

- Yes
- No

Comments on question 27.1:

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 them?

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

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 company level and through which instruments?

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?

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 form could such action take?

3. Additional information

Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) here:

Useful links

Consultation details (http://ec.europa.eu/finance/consultations/2015/capital-markets-union/index_en.htm)

Text of the green paper

(http://ec.europa.eu/finance/consultations/2015/capital-markets-union/docs/green-paper_en.pdf)

Specific privacy statement

(http://ec.europa.eu/finance/consultations/2015/capital-markets-union/docs/privacy-statement_en.pdf)

More on the Transparency register (<http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en>)

Contact

✉ fisma-cmu-survey@ec.europa.eu
