

## PRESS RELEASE

### ESMA publishes response to Capital Markets Union Green Paper

The European Securities and Markets Authority (ESMA) has published its [response](#) to the European Commission's *Green Paper on Building a Capital Markets Union*.

ESMA is fully supportive of the aims of the CMU to support deeper and more integrated capital markets encompassing all 28 Member States of the EU and is committed to working collaboratively with the European Commission to achieving this goal.

Increasing the role of the non-banking sector and diversifying sources of funding, will not only help in accessing the much needed capital for investments, it should also help in making a shift from debt to more equity funding.

To achieve the benefits mentioned above, an increased participation of investors will be essential and the level of confidence and trust of investors (and especially retail investors) in capital markets needs to grow. Therefore, all CMU initiatives, especially the ones that could give greater access to investors to capital markets, need to embed investor protection objectives to ensure the long term viability of a greater role of capital markets.

The response sets out how ESMA's main objectives of enhancing investor protection and promoting stable and orderly financial markets, and its linked activities, can contribute to the CMU. Further, the response contains specific proposals where improvements could be made in relation to access to credit information for SME's and increasing cross-border retail participation in investment funds such as UCITS.

Steven Maijoor, ESMA Chair, said:

“In order to achieve the aim of a unified capital market the right environment to allow it to flourish has to be created. This will involve ensuring that those rules governing financial markets are applied, and supervised, in a consistent manner across all Member States ensuring equal access for all. This in turn must be complemented by

adequate levels of investor protection to build confidence in participating in this unified capital market.

“Finally, we believe that a European Union with open capital markets that seeks to reduce fragmentation will attract investment and strengthen Europe as a global financial centre and boost the competitiveness of EU firms.”

### **ESMA responses to Prospectus Directive and Securitisation Consultations**

ESMA has also responded to the European Commission’s consultations on the [Prospectus Directive](#) and [Securitisation](#).

In relation to the Prospectus Directive, ESMA recommends an approach that facilitates easier access to capital while maintaining a robust level of investor protection. The prospectus should be more comprehensible, focusing on the actual purpose of the prospectus while reducing the burden on issuers where possible.

Regarding the consultation on securitisation, ESMA has emphasised the need to assess the full impact of ongoing reforms and to provide investors with incentives to conduct adequate risk surveillance, monitor ongoing risks and perform thorough due diligence of their securitisation investments.

## Notes for editors

1. [2015/856](#) ESMA Response to the European Commission Green Paper on Building a Capital Markets Union
2. [2015/857](#) ESMA Response to the European Commission consultations on the Prospectus Directive
3. [2015/858](#) ESMA Response to the European Commission consultation on “An EU framework for simple, transparent and standardised securitisation”
4. ESMA is an independent EU Authority that was established on 1 January 2011 and works closely with the other European Supervisory Authorities responsible for banking (EBA), and insurance and occupational pensions (EIOPA), and the European Systemic Risk Board (ESRB).
5. ESMA’s mission is to enhance the protection of investors and promote stable and well-functioning financial markets in the European Union (EU). As an independent institution, ESMA achieves this aim by building a single rule book for EU financial markets and ensuring its consistent application across the EU. ESMA contributes to the regulation of financial services firms with a pan-European reach, either through direct supervision or through the active co-ordination of national supervisory activity.

Further information:

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