

Capital Markets Union: European Parliament backs key measures to boost jobs and growth

This adoption of a substantial number of proposals constitutes another step forward in the completion of the CMU, one of the Juncker Commission's top political priorities.

The Capital Markets Union project has been at the heart of this Commission's ambition to boost growth in Europe, invest in innovation and promote the EU's global competitiveness. With now 11 out of 13 proposals agreed, the CMU will become a true driver of investment in the Single Market, providing additional sources of financing to EU companies and opportunities for citizens to save for their future. The CMU channels investment to environmentally-friendly projects, thereby contributing to the EU's sustainable and carbon-neutral agenda. A strong CMU is also necessary to complement the Banking Union in order to strengthen the Economic and Monetary Union and the international role of the euro.

Commission Vice-President **Valdis Dombrovskis**, responsible for Financial Stability, Financial Services and Capital Markets Union, said: *"The Capital Markets Union will enable companies to find more funding opportunities both domestically and across the Union and provide consumers with more choices to save for their future. Alternative market-based sources of financing are particularly important to finance innovation, entrepreneurship and start-ups, which are main engines of job creation. While the project will benefit all Member States, it will particularly strengthen the Economic and Monetary Union by promoting private risk-sharing."*

Jyrki **Katainen**, Vice-President responsible for Jobs, Growth, Investment and Competitiveness said: *"The Commission has delivered on its commitment to put in place the building blocks of a Capital Markets Union by 2019. The CMU contributes directly to the Juncker Commission's commitment to boost investment, jobs and growth by diversifying market-based finance for European companies. We have now laid the foundations for the CMU and efforts must continue into the next mandate so that businesses big and small, investors and savers can continue to reap the benefits."*

Overall, all the adopted proposals will contribute to expanding the CMU's objectives of innovative financing and creating more investment opportunities from the local to the European level. Each of them covers a specific scope of action:

Collective Investment Funds: By removing regulatory barriers for investment funds and diverging national rules, this proposal will increase competition and facilitate intra-EU distribution of investment funds, will giving investors more choice, better value and greater protection.

[European Supervisory Authorities \(ESAs\) review](#): This review will make the European system of financial supervision more effective and efficient. Among many objectives, the reform will also guarantee that supervision of money laundering risks in the financial sector is pro-active and fast. It will ensure that rules are evenly enforced throughout the EU and give the European Banking Authority (EBA) a coordination role in the areas of anti-money laundering and terrorist financing.

[Investment firms review](#): This revised legislation will ensure more proportionate rules and better supervision for all investment firms on capital, liquidity and other risk management requirements, while ensuring a level-playing field between large and systemic financial institutions. It will also strengthen and clarify equivalence rules for the provision of investment services by third country firms.

[Covered bonds](#): This legislation will foster the development of financial instruments issued by banks to fund the economy across the EU, thanks to a harmonised EU framework.

[Small and medium-sized enterprises \(SMEs\) growth markets](#): The rules adopted will make it cheaper and simpler for SMEs to access public markets including through a category of trading venues dedicated to small issuers.

[Disclosure requirements on sustainable investments](#): As part of the [Action Plan on Sustainable Finance](#), these rules will strengthen and improve the disclosure of “green” information by manufacturers of financial products and financial advisors towards end-investors.

European market infrastructure regulation ([EMIR](#)) [2.2](#): This legislation will ensure a more robust and effective supervision of central counterparties (CCPs) offering services to the EU. Ultimately, this will contribute to preserving financial stability in the EU.

[EMIR REFIT](#): This reform will provide simpler and more proportionate rules for over-the-counter derivatives, helping to reduce costs and regulatory burdens for market participants without compromising financial stability.