

# Next CMU High-Level Expert Group

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***Presentation***

*by*

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## Next CMU High-Level Expert Group

- An independent « fresh eye » strategic thinking 5 years after the launching of the CMU
- Relevance of the first phase of the CMU (Complement to the Banking Union, Private Risk Sharing)
- New Context / Long running trends / Sens of urgency:
  - Citizens' needs
  - Sustainability
  - Digitalisation
  - Trade tensions
  - Brexit
  - Risk of economic slow down
- Shift of priorities recommendation
- Unanimous suggested way forward: 2 major Objectives / 4 Absolute Priorities / 20 Transformational Recommendations

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## Ambition

Responses to Citizens' Needs

Investment in the Real, Digital and Sustainable EU Economy

EU as one of the top 2 Global Financial places

## 4 Absolute Priorities

Generate more Long-Term Savings and Investment opportunities

Massively develop Equity Markets

Increase financial flow fluidity between EU financial market places

Develop Debt, Credit and Forex financing tools to increase the international role of the Euro

## Outcomes

Green And Digital Finance

SMEs and Mid-Caps Access to Finance

A Competitive Liquidity Pool

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Transformational recommendations to EU, Member States, supervisors and industry contributions to shape the second phase of the CMU:

- Setting an **ambition**, a strategic guidance, key **priorities** and **deadlines**
- More **Retail** opportunities to create **Long-Term available Capital** (multi-pillar pension, work-place savings, tax incentives and efficiency, turn savers into investors, fair advice and access, financial literacy)
- More dynamic, deep and liquid **Equity Markets** to finance **SMEs** and an innovative **Digital Economy** (critical mass late-stage private equity, more flexible definition of SMEs / MidCaps and investors (HNW), access to efficient information (proportionate prospectus, European Electronic Access Point (EEAP), consolidated tape of equity post-trade data), institutional investors equity holding (Solvency 2, IFRS 9), insolvency)
- More fluidity and less fragmentation to create a **single pool of liquidity** (cross border mergers, supervisory convergence related to market integration, EU wide Digital Finance Action Plan)
- Increase use of the **Euro in the Global Markets** (Europlatforms, Securitisation)
- Build on the leading role of the EU in **Green Finance** (measurable and comparable sustainable investments: taxonomy, non-financial reporting standards, common reporting standards for Sovereign Green Bonds widely used (2021))
- More **progress monitoring** based on specific KPIs / expected outcomes by an ad-hoc structure

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### Next Steps:

- Council Conclusions adopted by the ECOFIN on December 5, 2019
- DG FISMA High-Level Forum (December 2019 to May 2020)
- European Parliament Resolution ?

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