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**COMMISSION STAFF WORKING DOCUMENT**

**Capital Markets Union: First Status Report**

## Introduction

The Capital Markets Union (CMU) Action Plan was published by the Commission on 30 September 2015<sup>1</sup>. It sets out a programme of 33 measures, focused on 6 objectives, which aim to establish the building blocks of an integrated capital market in the European Union (EU) by 2019. It seeks to support jobs and growth in the EU by making it easier for companies to finance investment through capital markets, increasing investment opportunities for retail and institutional investors, and facilitating cross-border investment. In addition, it will build resilience in the financial system by diversifying available funding sources and enabling more robust forms of risk sharing.

Strengthening Europe's economy and stimulating investment to create growth and jobs is the Commission's top priority. The Investment Plan for Europe has initiated concerted action to stimulate financing for investment, removing barriers, increasing innovation and deepening the Single Market. The CMU Action Plan reinforces the third pillar of the Investment Plan for Europe, along with the Single Market Strategy and the Digital Single Market Strategy.

The CMU Action Plan has strong support from Member States<sup>2</sup>, the European Parliament<sup>3</sup>, the European Economic and Social Committee<sup>4</sup> and a broad cross-section of stakeholders<sup>5</sup>. Implementing the CMU Action Plan and realising its benefits will require sustained effort and continued commitment. This first Status Report is intended to help policymakers monitor progress and ensure that momentum for these important reforms is maintained. It is accompanied by the first edition of an analytical study which aims to track the evolution of capital-based market finance in the EU<sup>6</sup>.

This Status Report is divided into three parts: section 1 reports on the actions adopted since the adoption of the CMU Action Plan; section 2 describes the key initiatives scheduled over the rest of 2016; and section 3 reports on the preparation of other CMU actions and closely related measures which will be delivered in 2017-18. An overview of progress achieved for the CMU actions is provided in the Annex.

### 1. Steps taken since adoption of the CMU Action Plan

The Commission is committed to taking steps that can have a real effect on the ground as soon as possible. Since the CMU Action Plan was published in September, the Commission has introduced a number of measures to deepen Europe's capital markets.

1. To support bank financing of the wider economy and open up investment opportunities for a wider set of non-bank investors, in September 2015 the Commission presented a proposal to create a new regulatory framework to restart markets for Simple, Transparent and Standardised

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<sup>1</sup> Action Plan on Building a Capital Markets Union, COM(2015) 468 final, 30.09.2015

<sup>2</sup> ECOFIN Council Conclusions on the Commission "Action Plan on Building a Capital Markets Union", 10.11.2015

<sup>3</sup> Resolution on stocktaking and challenges of the EU Financial Services Regulation: impact and the way forward towards a more efficient and effective EU framework for Financial Regulation and a Capital Markets Union, 2015/2106(INI), 19.01.2016

<sup>4</sup> Opinion of the European Economic and Social Committee on the Communication from the Commission "Action plan on Building a Capital Markets Union", ECO/384, 17.02.2016

<sup>5</sup> Commission Staff Working Document "Feedback Statement on the Green Paper Building a Capital Markets Union", SWD(2015) 184 final, 30.09.2015

<sup>6</sup> Commission Staff Working Document "European Financial Stability and Integration Review: A focus on the Capital Markets Union initiative", April 2016

(STS) **securitisations** and a proposal to revise the relevant capital calibration for banks<sup>7</sup>. This proposal was agreed in record time by the Council in December 2015<sup>8</sup>. The legislation now awaits the opinion of the European Parliament where committee votes are scheduled for November 2016. In this context, the Commission has also announced its intention - once the STS Regulation is politically agreed by the co-legislators - to revise capital charges for investments in STS securitisations under Solvency II.

2. To reduce the costs for companies accessing capital markets, in particular for smaller companies, in November 2015, the Commission issued a proposal to modernise the **Prospectus Directive**<sup>9</sup>. This has the potential to simplify corporate capital-raising by reducing the cost of issuance and streamlining the approval process, whilst maintaining investor protection. The European Parliament's Committee on Economic and Monetary Affairs (ECON) draft report was published on 16 March 2016. The Council Presidency aims for a general approach by the summer 2016.
3. The Commission has already taken action to boost infrastructure investments by reducing the Solvency II calibration of capital charges for **insurance sector exposures to infrastructure projects and European long-term investment funds (ELTIFs)**. These changes entered into force on 2 April 2016<sup>10</sup>. This makes it more attractive and cheaper for insurers to invest in infrastructure projects and long-term projects. The European Insurance and Occupational Pensions Authority (EIOPA) is providing further technical advice on the possibility of extending these reductions to infrastructure corporates<sup>11</sup>.
4. In December 2015, the Commission published a **Green Paper on retail financial services**<sup>12</sup> to which over 400 respondents replied. A public hearing, which brought together participants from a wide range of interested parties, was held on 2 March 2016. The Commission Services are analysing the responses with a view to overcoming barriers to the creation of a deeper Single Market for retail financial services.
5. The Commission Services launched a consultation on **business restructuring and insolvency** on 23 March 2016<sup>13</sup>. Clear and effective approaches to debt restructuring can benefit economically viable companies, or citizens, in temporary financial distress but deserve a chance with the consent of creditors. Better debt restructuring rules can also help creditors of non-viable businesses to obtain speedier recovery of asset value when required. The consultation period ends on 14 June 2016. The first stakeholder forum on insolvency took place on 7 April 2016 and further meetings are planned. The consultation feedback and impact assessment work will help the Commission to prepare a principles-based legislative initiative by the end of this year, building on national regimes that work well.

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<sup>7</sup> Proposal for a Regulation laying down common rules on securitisation and creating a European framework for simple, transparent and standardised securitisation, COM(2015) 472 final, 30.09.2015; Proposal for a Regulation amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, COM(2015) 473 final, 30.09.2015

<sup>8</sup> ECOFIN Outcome of the Council meeting, 08.12.2015

<sup>9</sup> Proposal for a Regulation on the prospectus to be published when securities are offered to the public or admitted to trading, COM(2015) 583 final, 30.11.2015

<sup>10</sup> Commission Delegated Regulation (EU) 2016/467 of 30 September 2015 amending Commission Delegated Regulation (EU) 2015/35 concerning the calculation of regulatory capital requirements for several categories of assets held by insurance and reinsurance undertakings, C(2015) 6588, 1.04.2016

<sup>11</sup> A corporate structure is common when an infrastructure passes from the construction phase to the operational phase.

<sup>12</sup> Green Paper on retail financial services: better products, more choice, and greater opportunities for consumers and businesses, COM(2015) 630 final, 10.12.2015

<sup>13</sup> Consultation on an effective insolvency framework in the EU, 23.03.2016

6. Efforts to strengthen **supervisory convergence** have taken an important step forward with the publication of the European Securities and Markets Authority's (ESMA) first annual work programme on supervisory convergence in February 2016<sup>14</sup> and the establishment of a dedicated ESMA standing committee on supervisory convergence<sup>15</sup>. One of the first results has been the publication of a peer review on the suitability requirements in the Markets in Financial Instruments Directive (MiFID). The programme sets out further work that will follow.
7. The **Call for evidence** on the cumulative impact of the financial reform<sup>16</sup> closed at the end of January 2016. Overall, respondents have raised three principal sets of concern in respect of the legislation: (i) insufficient proportionality in legislation; (ii) a negative impact on the amount of financing available to the wider economy; and (iii) excessive regulatory burden due to unexpected interactions, duplications and inconsistencies. The Commission Services will hold a public hearing in May 2016. The analysis of responses will be completed this summer and the Commission Services will report on how they intend to follow up on the results of this analysis. This input will also feed into the scheduled reviews of individual pieces of legislation.
8. The examination of ways to reduce the debt-equity bias within the EU is being taken forward as part of a broader public consultation on the re-launch of the **Common Consolidated Corporate Tax Base**. The consultation was completed in January 2016. The results will inform a legislative proposal to be presented in the fourth quarter of 2016.
9. Several measures have been taken to support the development of **business angels' investments** in Europe: (i) a call for expression of interest has been published<sup>17</sup> by the European Investment Fund in October 2015 to pilot co-investment with groups of business angels. Such scheme should be reinforced with the European Fund for Strategic Investments' budget; (ii) complementing a study on tax incentives (see section 2, point 2), a study to better assess the impact of business angels' investing in innovation was launched in December 2015; and (iii) a call for proposals for developing capacity building for business angels across Europe has been launched under the Horizon 2020 programme<sup>18</sup>. The project will be launched by summer 2016.

## 2. Key initiatives planned by end-2016

The CMU Action Plan envisages the following initiatives before the end of 2016:

1. The Commission Services will shortly publish a report on **crowdfunding** in the EU and the regulatory steps taken at national level. A Commission study<sup>19</sup> identified more than 500 platforms in the EU which had raised a total of €2.3 billion in 2013-14. Development across Member States is, however, concentrated in a few Member States and cross-border activity is relatively low. The report identifies seven Member States which have introduced 'bespoke' regulatory frameworks on crowdfunding activities. In addition, a number of Member States are either preparing or planning to introduce similar regimes. The report represents a first step in

<sup>14</sup> ESMA Supervisory Convergence Work Programme 2016, ESMA/2016/203, 11.02.2016

<sup>15</sup> Terms of reference for the Supervisory Convergence Standing Committee, ESMA/2016/229, 27.01.2016

<sup>16</sup> Call for evidence: EU regulatory framework for financial services, 30.09.2015 - 31.01.2016

<sup>17</sup> Open call for expression of interest to select financial intermediaries under the COSME - Equity Facility for Growth and InnovFin SME Venture Capital, 6 October 2015

<sup>18</sup> Call: Awareness-raising and capacity-building for business angels and other early-stage investors, H2020-CBBA-2016, 27.10.2015 – 16.02.2016

<sup>19</sup> Crowdfunding: Mapping EU markets and events study, 30.09.2015

monitoring the development of the market, coordinating regulatory approaches, ensuring appropriate clarity on the application of EU rules, and developing best practice.

2. To strengthen venture capital markets, a range of actions are planned. This includes a legislative proposal to upgrade rules on European Venture Capital Funds (**EuVECA**) and European Social Entrepreneurship Funds (**EuSEF**) to open up the market to a wider set of investors and increase the range of companies that can be invested in. Building on the results of the consultation<sup>20</sup> which closed in January 2016, a proposal is expected by this summer. A study on **tax incentives for venture capital and business angels** was launched in January 2016. A first meeting of Member States to allow them to exchange information on best practice in this area is planned for the autumn of 2016. To catalyse private investment into venture capital markets in Europe, a publication of a call for expression of interest from private sector asset managers interested in managing a **fund-of-funds investing in European venture capital** is planned before this summer. This will combine private sector capital with support from the EU to attract capital from major institutional investors to the European venture capital asset class and boost the impact of EU support for the European venture capital industry<sup>21</sup>.
3. A large number of concerns about regulatory and administrative barriers to **cross-border distribution of investment funds** have been raised with the Commission and ESMA. The Commission Services are preparing a public consultation to seek further details from stakeholders including fund managers, investors and consumer representatives with a view to understanding where and why the cross-border distribution of funds is being inhibited. Building on earlier responses to the CMU consultation and to the Call for Evidence on the cumulative impact of the financial reform, the consultation will seek to obtain in particular tangible examples and where possible quantitative and financial evidence on the financial impact of the barriers, in addition to broader responses. This includes the impact of marketing rules, administrative arrangements imposed by host countries, regulatory fees and notification procedures and also the most pertinent features of the tax environment. The public consultation is scheduled to be launched in May 2016.
4. To support equity financing for small, high-growth firms **Business Growth Funds** in some Member States can provide a way for banks to provide equity funding instead of debt. The Commission Services have consulted the Member States to gather information on similar initiatives across the EU and learn of best practices. Based on replies received and other input, the Commission Services will explore ways to develop this source of equity funding with the Member States and public/promotional banks.
5. ESMA has issued an opinion on **loan-originating funds** in April 2016<sup>22</sup>. The opinion identifies elements that should be part of a possible European framework on loan origination, were one to be deemed to be needed. The Commission will work with Member States and the European Supervisory Authorities (ESAs) to assess the need for a coordinated approach to loan origination by funds and the case for a future EU framework.
6. The Commission Services will publish a consultation document before the summer as the first step in evaluating the case for a policy framework to establish a voluntary market for European

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<sup>20</sup> Public consultation on the review of the European Venture Capital Funds (EuVECA) and European Social Entrepreneurship Funds (EuSEF) Regulations, 30.09.2015

<sup>21</sup> See also the speech of Commissioner Moedas "Financing ideas from Europe", Den Haag, 31.3.2016

<sup>22</sup> ESMA Opinion 'Key principles for a European framework on loan origination by funds', ESMA/2016/596, 11.04.2016

**personal pensions.** In particular, the Commission Services will examine national experiences across the EU to identify the conditions for these markets to flourish, including the issues of consumer protection and transparency. The consultation document will build and extend on advice that the Commission Services have requested from EIOPA<sup>23</sup> and which is expected for May 2016. The Commission Services also aim to issue a call for tender before the summer to launch a study on particular fiscal and regulatory approaches that support the development of personal pensions.

7. The Commission Services are working with bodies representing the capital markets industry, business associations and Member States to develop solutions to better connect small and medium-sized enterprises (SMEs) with different sources of finance. The Commission Services have asked leading European banking associations to look at ways to **strengthen banks' feedback to SMEs** applying for credit by promoting best practices recently developed in some Member States across the EU. The Commission Services will also support the development of **information systems to help small businesses** to navigate new funding opportunities more effectively. The intention is to promote best practices in delivering relevant information to firms which could benefit from alternative funding sources and seek to build pathways between the most successful national or regional support platforms.
8. Review of the Capital Requirements Regulation (CRR) for **banks as regards infrastructure calibrations**: following the public consultation on the potential impact of the CRR and the Capital Requirements Directive (CRD) IV on the financing of the economy, the Commission Services published a feedback statement on 18 December 2015 . According to respondents from the banking sector, CRR requirements for infrastructure projects, especially in respect of capital and liquidity, constrain the capacity of banks to fund such projects. Respondents from the public sector, by contrast, did not generally share this view. The Commission Services will examine whether evidence warrants an adjustment of capital requirements in ways that support bank lending to better finance infrastructure and long term investment.
9. The Commission Services will consider whether to extend an exemption found in some Member States with respect to the application of the EU capital requirements framework to SMEs. For example, **credit unions**, through which SMEs can finance each other on a not-for-profit basis, are exempted from the EU's capital requirements framework in certain Member States. An extension of this possibility to all Member States would require an amendment of the CRR and the CRD IV. This option will be considered in the context of the upcoming review of this legislation.
10. To help capital markets deliver their full potential across the 28 Member States, the Commission will develop a strategy for providing **technical assistance** to Member States. To this end a roadmap is being prepared on the use of technical assistance to support beneficiary Member States in improving access to finance, and creating the conditions for the development or further improvement of market-based finance. This roadmap will be developed by the Commission's Structural Reform Support Service in collaboration with Directorate-General FISMA and other Directorates-General. The technical assistance will be demand-driven based on the needs identified by Member States.

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<sup>23</sup> Call for advice from EIOPA on the development of an EU single market for personal pension products, 23.07.2014 and EIOPA Consultation Paper on the creation of a standardised Pan-European Personal Pension product, EIOPA-CP-15/006, 03.07.2015

11. **Report on national barriers to the free movement of capital:** Member States reaffirmed their commitment during the ECOFIN Council of 10 November 2015 to work with the Commission Services to identify existing national barriers to the free movement of capital and develop a roadmap for removing the most damaging and unjustified ones. The Commission Services have set up a group of experts with Member States' representatives which has met several times and identified seven priority topics so far, including work on best practice and codes of conduct for relief-at-source from **withholding taxes procedures**<sup>24</sup>. Work on some topics may be led by individual Member States. In parallel to this, and at the request of the Commission, the T2S Harmonisation Steering Group of the European Central Bank has run a survey on the impact of withholding tax relief procedures. In addition to these topics, the report will reflect the work ongoing in other existing specialised Commission expert groups on barriers such as ring-fencing of bank assets.

### 3. Preparation of other CMU actions in 2017 and 2018

This section outlines the preparatory work that is being undertaken for some of the actions planned for adoption in 2017 and 2018.

1. In order to support market-led initiatives on the development of **private placements** of corporate debt, draw on best practices and promote them across the EU, the Commission Services have launched fieldwork to identify the regulatory and other barriers that are holding back this funding method. Private placements help companies to raise debt finance from institutional and other experienced investors. Private placement activity is now well-established in France and Germany, and is taking off in the UK following recent changes to the tax regime. The work will seek to identify the impediments to its development in a number of other Member States which are home to medium-sized companies seeking to raise amounts of €20 million and above and a large institutional investor base.
2. The Commission Services are undertaking preparatory work to assess whether changes are warranted to the **prudential treatment of private equity and privately placed debt in the Solvency II legislation**. The Commission Services will review existing evidence on effective risks related to such investments and on transparency offered in practice. The aim is to identify any undue barriers to insurers' investments in this important funding channel for the economy.
3. Work has begun on a comprehensive review of the functioning of **corporate bond markets** to look at ways to widen access to and deepen liquidity in light of changes observed in recent years affecting market structure, behaviour, issuance and liquidity. Drawing on evidence and practical market expertise, this work will focus on how market liquidity can be improved to enhance the efficiency and resilience of these increasingly important financial markets. The Commission Services published a tender on 18 March 2016 for a study on the drivers of corporate bond market liquidity<sup>25</sup>. The deadline for receipt of tenders is 29 April 2016. The Commission Services will shortly publish a call for applications to establish an expert task force.
4. The Commission Services are preparing a workstream to help Member States to harness the potential of the public markets for small and mid-cap companies, including **SME Growth**

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<sup>24</sup> The priority topics are (1) withholding tax relief procedures; (2) cross-border distribution of investment funds; (3) cross-border investment by pension funds; (4) residence requirements imposed on the management of financial institutions; (5) cumbersome national notification requirements; (6) national rules or practices preventing the dual listing of stocks; and (7) financial literacy.

<sup>25</sup> Drivers of corporate bond market liquidity, 2016/S 055-091135, 18.03.2016

**Markets.** The aim is to encourage a capital market environment that is suitable for mid-sized and smaller companies seeking to raise equity or debt finance for expansion. As part of this, the Commission Services will closely follow the creation of SME Growth Markets and explore with the International Accounting Standards Board and stakeholders the possibility of developing a voluntary tailor-made accounting solution for companies admitted to trading on SME Growth Markets.

5. The Commission Services' consultation on **covered bonds** closed on 6 January 2016 and received 72 responses<sup>26</sup>. A public hearing was held on 1 February 2016. A number of respondents consider that the price divergence observed during the financial crisis is a sign of fragmentation in the EU covered bond markets. Others argue that the observed fragmentation reflects the intrinsic risks of the different underlying assets depending on their quality and location, and not the absence of a common regulatory framework. Many respondents mentioned that a more integrated market for covered bonds could deliver a number of benefits in terms of better comparability between Member States and, as a result, deeper, more liquid and more robust national markets. Respondents encouraged the Commission Services to explore further the potential for greater market integration based on high-level principles, respecting national specificities and building on frameworks that are currently working well.
6. The CMU Action Plan recognises that Europe requires significant new long term and sustainable investment to maintain and extend its competitiveness and shift to a low-carbon and resource-efficient economy. The Commission Services engaged in several activities in the area of encouraging **finance for sustainable and green investments**, including: (i) on 2 March 2016, the Commission published a Communication<sup>27</sup> explaining how it will take forward implementation of the Paris Agreement<sup>28</sup>; (ii) a public consultation on how institutional investors, asset managers and other service providers in the investment chain factor in ESG (environmental, social and governance) information and performance of companies or assets into investment decisions closed on 31 March 2016<sup>29</sup>; (iii) a public consultation to prepare guidelines to assist large public-interest entities when disclosing social and environmental information in accordance with the Directive on disclosure of non-financial and diversity information<sup>30</sup> ended on 15 April 2016<sup>31</sup>; (iv) a study on the potential of the bond market to finance resource-efficient investments is under preparation; and (v) the Commission Services are contributing to the work of the G20 study group on green finance.
7. The CMU Action Plan envisages a **comprehensive assessment of European markets for retail investment products**, including distribution channels and investment advice, by 2018. The assessment, drawing on expert input, will consider whether retail investors can access suitable products on cost-effective and fair terms, and whether the potential offered by new possibilities stemming from online-based services and other technology to make financial services more efficient (FinTech) is being harnessed. Preparatory work is underway. In

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<sup>26</sup> Public consultation on covered bonds in the European Union, 30.09.2015

<sup>27</sup> Communication from the Commission to the European Parliament and the Council - The Road from Paris: assessing the implications of the Paris Agreement and accompanying the proposal for a Council decision on the signing, on behalf of the European Union, of the Paris agreement adopted under the United Nations Framework Convention on Climate Change, COM(2016) 110 final, 02.03.2016

<sup>28</sup> Paris Agreement, 12.12.2015

<sup>29</sup> Public consultation on long-term and sustainable investment, 18.12.2015

<sup>30</sup> Directive 2014/95/EU of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups, 15.11.2014

<sup>31</sup> Public consultation on non-binding guidelines for reporting of non-financial information by companies, 15.01.2016



addition, the Commission Services will ask the ESAs to analyse the **actual net performance and fees** of long-term retail and pension products.

8. The Commission Services are reviewing progress in removing barriers in the post-trade environment as efficient and safe **post-trade infrastructures** are essential to good functioning of capital markets. This follows the implementation of recent legislation<sup>32</sup> and market infrastructure developments. This review is assisted by the European Post-Trade Forum, a Commission expert group which started work in March 2016. The expert group has met twice so far and focused discussion on the current and upcoming post-trade landscape in the EU. The Commission Services also aim to publish a study on conflict of laws in 2016 as regards securities ownership and debt assignment.
9. The Commission Services will conduct a review of the **EU macro-prudential policy framework**. This will include an assessment of possible risks to financial stability arising from market-based finance, the enhanced monitoring of such risks and expanding the macro-prudential toolkit accordingly. By promoting more diverse funding channels, the CMU will help to increase the resilience of the EU financial system. At the same time, there is a need to be alert to and enhance the monitoring of financial stability risks that may be linked to the growth of market-based financial flows.

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<sup>32</sup> Notably, Regulation (EU) No 648/2012 of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (EMIR) and Regulation (EU) No 909/2014 of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories (CSDR)

ANNEX – List of actions: progress and next steps

<b>Financing for innovation, start-ups and non-listed companies</b>		
<b>Action</b>		<b>Progress and next steps</b>
<b>Support venture capital and equity financing</b>	<i>Proposal for pan-European venture capital fund-of-funds and multi-country funds (Q2 2016)</i>	Publish call for expression of interest by summer 2016
	<i>Revise EuVECA and EuSEF legislation (Q3 2016)</i>	Legislative proposal by summer 2016
	<i>Study on tax incentives for venture capital and business angels (2017)</i>	Study launched in January 2016 Receive the mid-term study report
<b>Overcome information barriers to SME investment</b>	<i>Strengthen feedback given by banks declining SME credit applications (Q2 2016)</i>	Contacts with EU bank and business federations ongoing (several joint and bilateral meetings took place)
	<i>Map existing local or national support and advisory capacities across the EU to promote best practices (2017)</i>	Complete the mapping exercise Workshop with Member States and other interested stakeholders
	<i>Investigate how to develop or support pan-European information systems (2017)</i>	Conclude mapping of existing local or national support and advisory capacities before deciding on follow-up to link architectures
<b>Promote innovative forms of corporate financing</b>	<i>Report on crowdfunding (Q1 2016)</i>	Report to be published shortly
	<i>Develop a coordinated approach to loan origination by funds and assess the case for a future EU framework (Q4 2016)</i>	ESMA opinion received in April 2016

<b>Making it easier for companies to enter and raise capital on public markets</b>		
<b>Action</b>		<b>Progress and next steps</b>
<b>Strengthen access to public markets</b>	<i>Proposal to modernise the Prospectus Directive (Q4 2015)</i>	European Parliament ECON committee to be voted mid-June Council general approach expected by the summer 2016
	<i>Review regulatory barriers to SME admission on public markets and SME Growth Markets (2017)</i>	Preparatory work ongoing
	<i>Review EU corporate bond markets, focusing on how market liquidity can be improved (2017)</i>	Call for tender for a study published in March 2016 Publish call for applications for an expert task force
<b>Support equity financing</b>	<i>Address the debt-equity bias, as part of the legislative proposal on Common Consolidated Corporate Tax Base (Q4 2016)</i>	Public consultation completed Prepare proposal

Investing for long term, infrastructure and sustainable investment		
Action		Progress and next steps
Support infrastructure investment	<i>Adjust Solvency II calibrations for insurers' investment in infrastructure and European Long Term Investment Funds (Q3 2015)</i>	Completed: amendments for infrastructure projects and ELTIFs entered into force on 2 April 2016 Assessment of infrastructure corporates ongoing
	<i>Review of the CRR for banks, making changes on infrastructure (ongoing)</i>	CRR review ongoing
Ensure consistency of EU financial services rulebook	<i>Call for evidence on the cumulative impact of the financial reform (Q3 2015)</i>	Public hearing in May 2016 Announce follow-up by summer 2016

Fostering retail and institutional investment		
Action		Progress and next steps
Increase choice and competition for retail consumers	<i>Green Paper on retail financial services and insurance (Q4 2015)</i>	Public hearing held on 2 March 2016 Follow-up to be announced
Help retail investors to get a better deal	<i>EU retail investment product markets assessment (2018)</i>	Preparatory work ongoing
Support saving for retirement	<i>Assessment of the case for a policy framework to establish European personal pensions (Q4 2016)</i>	EIOPA advice expected in May 2016 Public consultation document under preparation Call for tender for a study under preparation
Expand opportunities for institutional investors and fund managers	<i>Assessment of the prudential treatment of private equity and privately placed debt in Solvency II (2018)</i>	Preparatory work ongoing
	<i>Consultation on the main barriers to the cross-border distribution of investment funds (Q2 2016)</i>	Launch public consultation in May 2016

Leveraging banking capacity to support the wider economy		
Action		Progress and next steps
Strengthen local financing networks	<i>Explore the possibility for all Member States to authorise credit unions outside the EU's capital requirements rules for banks (ongoing)</i>	Explore the possibility to amend CRR as part of the CRR review
Build EU securitisation markets	<i>Proposal on simple, transparent and standardised (STS) securitisations and revision of the capital calibrations for banks (Q3 2015)</i>	Agreement by the Council on a general approach on 8 December 2015 Opinion from the European Parliament awaited
Support bank financing of the wider economy	<i>Consultation on an EU-wide framework for covered bonds and similar structures for SME loans (Q3 2015)</i>	Public consultation completed Consider next steps

Facilitating cross-border investing		
Action		Progress and next steps
Remove national barriers to cross-border investment	<i>Report on national barriers to the free movement of capital (Q4 2016)</i>	Expert group of Member States' representatives established and meetings ongoing
Improve market infrastructure for cross-border investing	<i>Targeted action on securities ownership rules and third-party effects of assignment of claims (2017)</i>	Call for tender for a study under preparation
	<i>Review progress in removing remaining Giovannini barriers (2017)</i>	Expert group (European Post-Trade Forum) established and meetings ongoing
Foster convergence of insolvency proceedings	<i>Legislative initiative on business insolvency, addressing the most important barriers to the free flow of capital (Q4 2016)</i>	Public consultation underway
Remove cross-border tax barriers	<i>Best practice and code of conduct for relief-at-source from withholding taxes procedures (2017)</i>	Discussions held at the expert group on barriers to the free movement of capital T2S Harmonisation Steering Group of the ECB has run a survey on the impact of withholding tax relief procedures
	<i>Study on discriminatory tax obstacles to cross-border investment by pension funds and life insurers (2017)</i>	Terms of reference under preparation
Strengthen supervisory convergence and capital market capacity building	<i>Strategy on supervisory convergence to improve the functioning of the single market for capital (ongoing)</i>	First annual Supervisory Convergence Work Programme 2016 of ESMA published in February 2016
	<i>White Paper on ESAs' funding and governance (Q2 2016)</i>	Preparatory work ongoing
	<i>Develop a strategy for providing technical assistance to Member States to support capital markets' capacity (Q3 2016)</i>	The European Parliament and the Council to adopt the SRSP Regulation Work with Member States to identify priority areas for technical assistance
Enhance capacity to preserve financial stability	<i>Review of the EU macroprudential framework (2017)</i>	Preparatory work ongoing