

NEXT STEPS TO BUILD A CAPITAL MARKETS UNION

Conference – Monday, 8 June 2015

**Venue: European Commission
Charlemagne building (2nd floor) - Alcide de Gasperi room
Rue de la Loi 170 - 1049 Brussels**

09:00 – 09:30	Registration and coffee
09:30 – 09:35 09:35 - 09:50	Introduction – Jonathan Faull Director-General, Directorate-General for Financial Stability, Financial Services and Capital Markets Union, European Commission Opening speech Jonathan Hill Commissioner for Financial Stability, Financial Services and Capital Markets Union, European Commission
09:55 – 10:05	Address from the European Parliament Roberto Gualtieri Member of the European Parliament Chairman of the Economic and Monetary Affairs Committee
10.05 - 11:20	<u>Session I</u> CMU: Key challenges and priorities This panel session will provide leading representatives from key institutional and stakeholder perspectives with an opportunity to set out their views on how CMU can add most value to the European economy at this critical juncture. What should be the over-arching objectives of this policy, and what actions can be taken to deliver them? Speakers will be invited to identify the concrete actions that they believe could be usefully implemented under CMU, and how to create the conditions for success. Chair: Olivier Guersent: Deputy Director-General, Directorate General for Financial Stability, Financial Services and Capital Markets Union, European Commission Panellists: <ul style="list-style-type: none">• Līga Kļaviņa, Deputy State Secretary on Financial Policy Issues, Ministry of Finance, Latvia• Vítor Constâncio, Vice-President of the European Central Bank• Dario Scannapieco, Chairman of the Board of Directors of EIF and Vice-President of the EIB

- **Max Römer, Founding Partner of Quadriga Capital and future Chair of the European Private Equity & Venture Capital Association**
- **Dr. Stephan Leithner, Chief Executive Officer Europe, Deutsche Bank**
- **Steven Maijoor, Chairman of the European Securities and Markets Authority.**

11:20 -11:45	Coffee break
11:45 – 13:00	<p><u>Session II</u></p> <p>Access to finance: Building new channels of finance</p> <p>We need to break the over-dependence on bank-loans as principal source of funding for business. How do we do this? What are the non-bank channels of funding that work best for corporates and SMEs in particular? How can we address important frictions in the flow of finance, which are particularly pronounced in the countries that have been most affected by the crisis?</p> <p>This session will bring together a panel of business and finance practitioners to discuss these questions. The discussion will explore the potential for alternative finance to fill the gap, in particular for start-ups and smaller but rapidly growing firms in innovative industries.</p> <p>This session will commence with observations from a small business representative of their funding needs. It will conclude with supervisory perspectives on how best to ensure the stability of a financial system that encompasses both banks and strong market based finance.</p> <p>Chair: Hugo Dixon: Editor-at-Large, Reuters News and founder of Reuters Breakingviews</p> <p>Panellists:</p> <ul style="list-style-type: none"> • David Caro, President of the European Small Business Alliance • Peter O'Mahony, Director of Linked Finance • Anne Glover, Chief Executive and Co-founder of Amadeus Capital Partners, current Chair of the EVCA • Philippe De Backer, Member of the European Parliament and Chairman of the IPO Task Force • Fernando Navarrete, Director General, Chief Financial Officer and Head of Strategy of ICO • Andrea Enria, Chairman of the European Banking Authority.
13:00 – 14:00	Lunch break

14:00 – 14:15

Keynote speech opening the afternoon session

CMU and the Investment Plan: The twin engines of the Commission's jobs and growth strategy

Jyrki Katainen, Vice-President for Jobs, Growth, Investment and Competitiveness, European Commission

14:15 – 15:30

Session III

Sources of funding: what do (institutional and retail) investors need from CMU

For capital markets to thrive, they need to attract institutional, retail and international investors. Investors provide the capital that will power Capital Markets Union.

Regulatory barriers and other factors can prevent long-term institutional investors from playing their full role in investing in to long-term projects, including investment in infrastructure and venture capital. What steps can CMU take to create new opportunities for institutional investors to earn higher returns needed to finance long-term liabilities? To which investments could they prudently gain more profitable exposure?

Retail investors' appetite for investing directly in marketable financial instruments is limited across the EU. Where it exists, it is predominantly channelled through collective institutional investments such as pension funds and retail funds. However, European households have significant savings held in bank accounts – in some Member States, bank deposits account for over ½ of household financial assets - that could be used more productively. What measures can help to transfer financial wealth from bank deposits to equity or market based investment in ways that retail investors are comfortable with?

Chair: William Wright: Founder and Managing Director of New Financial

Panellists:

- **Joanne Segars, Chair of PensionsEurope and Chief Executive of the UK National Association of Pension Funds**
- **Guillaume Prache, Managing Director at Better Finance**
- **Christophe Nijdam, Secretary-General of Finance Watch**
- **Christian Dargnat, EFAMA President and Chief Executive Officer of BNP Paribas Asset Management**
- **Juan Sánchez del Campo, Director of Saving and Investments, BANCO SANTADER**

15:30 - 16:45

Session IV

Improving investment environment: "Fixing the plumbing"

There are many long-standing and deep-rooted obstacles that stand in the way of mutually rewarding investments across intra EU borders. These range from obstacles which have their origins in national law (insolvency, collateral and securities law), through infrastructural obstacles (data repositories or

transparency mechanisms) to intractable tax barriers.

Some Member States have developed successful national solutions to support capital-raising by companies (via listing or private placements). Are there lessons that can be applied across the wider EU market?

This session will bring together financial market practitioners with direct experience in cross-border investments and financial transactions to discuss these issues.

It will examine the enabling conditions that need to be put in place to support the realisation of CMU: what changes are indispensable for the realisation of CMU? What types of cost-effective intervention at EU level could help?

Chair: Thomas Wieser: Chairman of the Economic and Financial Committee

Panellists:

- **Raffaele Jerusalmi, CEO of Borsa Italiana, Director for Capital Markets and Executive Member of the LSE Group**
- **Jeffrey Tessler, CEO and Chairman, Clearstream**
- **Joanna Cound, Managing Director of Government affairs and Public Policy, BlackRock**
- **Andrew Procter, Partner, Financial services regulation, Herbert Smith Freehills**
- **Dr. Hinrich Holm, Board Member, Norddeutsche Landesbank**

16:45 – 17:00

Closing remarks

Jonathan Faull: Director-General, Directorate-General for Financial Stability, Financial Services and Capital Markets Union, European Commission