



EUROPEAN COMMISSION

Brussels, 14.06.2022
C(2022) 4070 final

Dear President,

The Commission would like to thank the Senát for its Opinion on the package of Capital Markets Union-related measures. In light of the comments made in the Opinion, the Commission would like to make the following remarks.

On the Proposal for a Directive of the European Parliament and of the Council amending Directives 2011/61/EU and 2009/65/EC as regards delegation arrangements, liquidity risk management, supervisory reporting, provision of depositary and custody services and loan origination by alternative investment funds/Senate Print no. N 109/13, {COM(2021) 721}:

The Commission proposes to allow national competent authorities (NCAs) to activate less radical liquidity management tools (LMT) than a suspension of redemptions. The proposal aims to ensure in particular that a fund manager will have chosen at least one LMT and incorporated it into the fund rules.

The fund manager must have minimum human and technical resources to monitor the delegate. This rule has been in place in the original Directive 2011/61/EU on alternative investment fund managers (AIFMD). This is also the case for the supervisory reporting requirements, which are laid down in AIFMD and implemented by means of a very detailed reporting template included in Annex IV of Commission Delegated Regulation (EU) No 231/2013. The Commission proposal aims to reduce duplications existing at the EU level and therefore mandates a feasibility study by the European Securities and Markets Authority (ESMA) to explore optimisation of the existing supervisory reporting obligations for alternative investment fund managers (AIFMs) and undertakings for collective investment in financial instruments (UCITS).

On the Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2015/760 as regards the scope of eligible assets and investments, the portfolio composition and diversification requirements, the borrowing of cash and other fund rules and as regards requirements pertaining to the authorisation,

*Miloš VYSTRČIL
President of the Senát
Valdštejnské náměstí 17/4
CZ – 118 01 PRAGUE 1*

investment policies and operating conditions of European long-term investment funds /Senate Print no. N 114/13, {COM(2021) 722}:

Article 10, point (e), of Regulation (EU) 2015/760 currently requires that eligible real assets have a value of at least EUR 10.000.000. Under the Commission's proposal, this value has been considerably reduced to EUR 1.000.000. This proposal takes into account the consultation with stakeholders and the fact that real assets portfolios are often composed of a number of individual real assets with a lower value.

On the Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 600/2014 as regards enhancing market data transparency, removing obstacles to the emergence of a consolidated tape, optimising the trading obligations and prohibiting receiving payments for forwarding client orders /Senate Print no. N 115/13, {COM(2021) 727}:

The Commission has assessed the impact of its proposal on small capital market participants and considers that the creation of a consolidated tape will be particularly beneficial to them. As smaller issuers tend to be excluded from data feeds at present, their data is not easily discoverable, resulting in lower trading volumes, lower liquidity in the securities traded, and ultimately higher funding costs. The Commission proposal aims to address these issues and to increase the visibility of data emanating from smaller exchanges more generally.

In addition, the Commission recognises the importance of small regulated markets as venues of primary admission and in price formation. In order to allow these smaller exchanges to maintain their local admissions in a rich and vibrant ecosystem in line with the objectives of the Capital Markets Union, the Commission has proposed a requirement for the provider of a consolidated tape for shares to apply a preferential treatment of these exchanges when redistributing part of its revenues to data providers.

The points made above are based on the initial proposals presented by the Commission which are currently in the legislative process involving both the European Parliament and the Council.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Senát and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Maroš Šefčovič
Vice-President*

*Mairead McGuinness
Member of the Commission*