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## Resolution of the Bundesrat

Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of the Regions: Capital Markets Union - Accelerating Reform

COM(2016) 601 final

At its 950th session on 4 November 2016, the Bundesrat adopted the following position pursuant to Sections 3 and 5 of the Act on Cooperation between the Federation and the Länder in European Union Affairs (EUZBLG):

1. The Bundesrat welcomes the objective, set out in the Commission Communication ‘Capital Markets Union - Accelerating Reform’, to bring about swifter implementation and accelerate reforms. It also shares the Commission’s view that the priorities must evolve alongside changes in the political, economic and technological landscape.
2. The Bundesrat supports the Commission’s efforts to complete, in 2016, the measures set out in the Action Plan on Building a Capital Markets Union (Document 453/15) (package for reviving the securitisation market, modernising the prospectus rules and amending the Regulations on European Venture Capital Funds and on European Social Entrepreneurship Funds). It recommends that the measures be framed in such a way as to generate additional funding for the real economy, thereby satisfying the aim of the Capital Markets Union to give new impetus to growth and employment. The Bundesrat’s position in this Communication dovetails with that of the Commission.

Document 532/16 (Resolution)

3. Building on its position of 27 November 2015 (Document 454/15 (Resolution)) the Bundesrat views the package for reviving the securitisation markets as a further measure to help regain investors' trust in securitisations and increase the benefits for the real economy. In any event, with securitisation products, the level of retention is crucial for financial market stability. It must always be high enough to provide a substantial incentive to guarantee the high quality and safety of the products. At a later point in the proceedings, it will be necessary to review whether a retention of five percent is sufficient to ensure financial market stability.
4. The Bundesrat is sending this position directly to the Commission.