

**PARLIAMENT OF ROMANIA**  
**CHAMBER OF DEPUTIES**

**DECISION**

**approving the Opinion on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions *Action Plan on Building a Capital Markets Union (COM (2015)468)***

Pursuant to the provisions of Articles 67 and 148 of the Romanian Constitution, republished, of Law No 373/2013 on cooperation between Parliament and the Government in the area of European affairs, and of Rules 160 to 185 of the Rules of Procedures of the Chamber of Deputies, approved by Decision No 8/1994 of the Chamber of Deputies, republished, as amended,

the Chamber of Deputies hereby adopts this Decision.

**Sole Article.** - Having regard to Opinion No 4 c-19/926 adopted by the Committee for European Affairs at its meeting of 8 December 2015, the Chamber of Deputies:

1. Welcomes the European Commission's proposal because:

- Europe needs considerable long-term investments to maintain and increase competitiveness;
- the capital markets union (CMU) project is a Commission initiative that is inexorably linked to the Investment Plan for Europe (launched in November 2014), and which is intended to address the challenge of insufficient investments by increasing and diversifying sources of financing for European companies and long-term investment projects;
- the proposal will help unlock, diversify and increase financing sources for economic projects by creating a genuine single capital market that will help stimulate growth in the 28 Member States of the European Union;
- the Commission's initiative is in line with its steps to create opportunities for investors, link financing to the wider economy and promote a more resilient financial system that is characterised by deeper integration and stronger competition.

2. Supports the proposal because:

- the CMU will strengthen the third pillar of the Investment Plan for Europe and will buttress economic and monetary union (EMU) by supporting economic convergence and helping absorb economic shocks in the euro area;
- it aims to build a single capital market from the bottom up, identifying barriers and knocking them down one by one, creating a sense of momentum and sparking a growing confidence for investing in Europe's future;
- the proposed action plan - a long-term project - sets out the building blocks for creating, by 2019, a functional and integrated CMU that will include all EU Member States, while providing for a review of the achievements made and a reassessment of priorities in 2017;
- the Commission intends to consult Member States on the key barriers concerning insolvency and to present draft legislation on business insolvency, addressing the most important barriers to the free flow of capital and building on national arrangements that work well;
- it will promote the development of capital markets in all 28 EU Member States, as part of the European Semester, by offering Member States tailored support to strengthen administrative capacity through the Commission's Structural Reform Support Service;
- it will ensure that national and European macro-prudential authorities have the tools to react appropriately to developments in capital markets;

- the Commission will decide on the best means to develop crowdfunding throughout the Union after assessing national arrangements and best practices and monitoring the evolution of the crowdfunding sector;
- public sector risk sharing can help increase the scale of venture capital funds in Europe and the industry's footprint across all 28 EU Member States, while acting as a catalyst for private sector investment, helping to promote scale, diversification and geographical reach;
- the Commission will work with Member States and prudential supervisors to support the development of industry-led business growth funds to support equity in SMEs.

3. Points out that:

- the degree of development of capital markets varies substantially across the EU, particularly as regards less developed capital markets, such as Romania;
- credit unions are excluded from the regulatory framework of the Capital Requirements Directive in some Member States. Therefore, to ensure that there can be local credit unions in all Member States, the Commission will need to explore the possibility for all Member States to authorise credit unions that operate outside the EU regulatory framework for capital requirements for banks;
- the Commission should proceed with great caution when developing the comprehensive strategy intended to address information barriers preventing SMEs and potential investors from identifying financing or investment opportunities;
- it is necessary to attract global investment leading to increased competitiveness by ensuring adequate protection;
- the information required of SMEs for listing on capital markets should be streamlined to create a genuinely proportionate system for SMEs to draw up an SME-specific prospectus;
- there is the risk that investors may be put off by poorer information sources and lower liquidity, although access to high growth SMEs on public market exchanges can be appealing due to potential returns and diversification benefits.

4. Takes the view that:

- the action plan sets out the priority measures needed to encourage investment in all Member States and across the EU, and better link savings with growth;
- the establishment of the CMU should lead to greater cross-border risk shares and more liquid markets, deepening financial integration, reducing costs and increasing the competitiveness of European economy;
- the plan's success requires a sustained and concerted effort from all EU Member States;
- Romania is taking steps to upgrade its capital market from the border market to the emerging market category, which will increase capital flows and foreign investments and will diversify financing alternatives for active companies.

As the CMU is an essential component of the measures taken to reform economic and monetary union (EMU) and achieve a genuine European financial union, first for the euro area and then for the other Member States, the Chamber of Deputies supports this useful action plan proposed by the European Commission.

*This Decision was adopted by the Chamber of Deputies at its sitting of 14 December 2015, in compliance with Article 76(2) of the Romanian Constitution, republished.*

PRESIDENT OF THE CHAMBER OF DEPUTIES,

VALERIU-ȘTEFAN ZGONEA

Bucharest, 14 December 2015.

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