



## EUROPEAN COMMISSION

*Brussels, 21.3.2016  
C(2016) 1722 final*

*Dear President,*

*The Commission would like to thank the Camera Deputaților for its Opinion on the Communication from the Commission "Action Plan on Building a Capital Markets Union" {COM(2015) 468 final}. This Action Plan is part of a broader set of measures designed to strengthen Europe's economy, stimulate investment and create jobs and growth.*

*The Commission is now in the process of implementing the steps announced in the Action Plan to put in place the building blocks of the Capital Markets Union by 2019 and welcomes the Camera Deputaților's support for the method chosen by the Commission to build a single capital market from the bottom up; identifying and removing barriers through practical actions; creating a sense of momentum; and increasing confidence for investing in Europe's future.*

*In line with the assessment of the Camera Deputaților, the Commission believes that the Capital Markets Union should lead to greater cross-border risk sharing and more liquid markets, reducing costs and increasing the competitiveness of the European economy. It also represents an important part of the work to complete the Economic and Monetary Union.*

*The Commission takes note of the need to consider the differences in the degree of development of capital markets across the Member States as the Action Plan is implemented, so that all Member States can reap the benefits of deeper and more integrated capital markets. We will take actions in many areas that the Camera Deputaților has identified as being essential for building a Capital Markets Union and would like to highlight the following points.*

*The proposal to modernise the Prospectus Directive, which the Commission adopted on 30 November 2015, should simplify corporate capital raising to make it less costly, particularly for smaller companies. The Commission is hopeful that negotiations will progress swiftly on this proposed legislation.*

*Mr Valeriu Ștefan ZGONEA  
President of  
Camera Deputaților  
Palace of the Parliament  
Str. Izvor nr. 2-4, sector 5  
RO – 050563 BUCHAREST*

*The next steps include exploring ways to build a pan-European approach to better connect small and medium-sized enterprises (SMEs) with a range of funding sources such as venture capital, angel investing and other forms of equity and credit provision, as well as the development of information networks to link capital-hungry firms to prospective investors across the EU. The Action Plan explicitly identifies the need to extend the geographical reach of these funding channels to many Member States where they are currently underdeveloped.*

*In 2016, the Commission will come forward with a package of measures to stimulate venture capital in the EU, starting with preparatory work on a new pan-European venture capital Fund of Funds, designed to broaden the reach of venture capital funding. The terms of reference for this should be published in spring 2016. This will be followed by a legislative proposal to strengthen the venture capital legislative framework (EuVECA) before the summer.*

*The Commission in its Action Plan on Building a Capital Markets Union has emphasized the broadening of channels of funding for SMEs, including through credit unions. The Commission intends to explore the possibility for all Member States to authorise credit unions to operate outside the EU capital requirements framework for banks whilst being subject to national regulatory safeguards commensurate with the risks that credit unions incur.*

*Furthermore, the Commission will prepare a legislative initiative on business insolvency by the end of the year to facilitate company restructuring and increase certainty for cross-border investors, building on national regimes that work well.*

*Finally, the Commission will continue to work closely with the European Securities and Markets Authority (ESMA) on supervisory convergence and we hope that Member States will be supportive of this process.*

*Please also note the Commission's work, through its newly created Structural Reform Support Service, to support capacity building in Member States wanting to build up their capital markets. Through 2016, our objective will be to identify suitable pilot projects in Member States that can be rolled out when the Structural Reform Support Service becomes fully operational in 2017.*

*The Commission hopes that the points made above address the concerns raised by the Camera Deputaţilor and looks forward to continuing our political dialogue in the future.*

*Yours faithfully,*

*Frans Timmermans  
First Vice-President*

*Lord Hill  
Member of the Commission*