



EUROPEAN COMMISSION

*Brussels, 13.1.2017
C(2017) 36 final*

Dear President,

The Commission would like to thank the Camera Deputaților for its Opinion on the Communication from the Commission entitled "Capital Markets Union-Accelerating Reform" {COM(2016) 601 final} and for supporting the Capital Markets Union project. The Capital Markets Union is part of a broader strategy of ambitious measures designed to strengthen Europe's economy, stimulate investment and create jobs and growth.

The Commission concurs with the views expressed by the Camera Deputaților that the Capital Markets Union will contribute to diversifying the funding sources for European companies, strengthen the European economy and to greater cross-border risk sharing, and enhanced financial stability. We take note of the aspects the Camera Deputaților considers of particular importance for developing the Romanian capital market system.

The Commission welcomes the Camera Deputaților's support for the priorities identified by the Commission in the Communication. In particular, the Commission takes note of the Camera Deputaților's call for the need to promote financial technology while ensuring appropriate investor protection, to develop personal pensions markets so that European citizens put their savings to better use, and to strengthen the venture capital market.

The Commission takes note of the request to consider the differences in the degree of development of capital markets across the Member States as we implement the Action Plan, so that all Member States can reap the benefits of deeper and more integrated capital markets. Romania is the first Member State to avail of technical assistance to enhance the supervisory capacity of Autoritatea de Supraveghere Financiară through the Structural Reform Support Service. This is a welcome step of Romania's commitment to develop its own capital market capacity.

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The Commission will continue the implementation of the Capital Markets Union Action Plan by taking actions in many of the areas that the Camera Deputaților has identified as being essential for building a Capital Markets Union. We would like to single out the points hereunder.

The Commission will continue to facilitate the expansion of market-based funding for EU businesses.

To support venture capital financing in the EU, the Commission published in July 2016 a proposal to open up the venture capital regulation (EuVECA) to fund managers of all sizes and by expanding the range of companies that can be invested in. In addition, in November the Commission presented the Pan-European Venture Capital Funds-of-Funds programme which aims to further address Europe's equity gap and to attract additional private funding from institutional investors into the EU venture capital asset class.

The Commission explores ways to build a pan-European approach to better connect small and medium-sized enterprises 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 Commission takes notes of the Camera Deputaților's call for more focus on the development of personal pensions. The Commission has recently carried out a public consultation on personal pensions. Based on the outcome of this public consultation which closed on 31 October, the Commission will consider how to support the development of simple, efficient and competitive EU personal pensions, including through a possible legislative proposal.

As mentioned in the Camera Deputaților's Opinion, technology is driving rapid change throughout the financial sector and has the power to transform capital markets and bring them closer to companies and investors. The Commission will continue to promote the financial technology sector and ensure that the regulatory environment strikes an appropriate balance between enabling the development of financial technology on a pan-European basis and ensuring confidence for investors. On 14 November, the Commission set up a dedicated Task Force, the Financial Technology Task Force. The Task Force, which brings together services responsible for financial regulation, for the Digital Single Market, competition and consumer protection policy, will further engage outside experts and stakeholders in view of formulating policy-oriented recommendations in 2017.

As underlined by the Camera Deputaților, it is important to ensure that the Capital Markets Union programme responds to evolving events and emerging trends. The Commission is in the process of preparing the mid-term review of the Capital Markets Union Action Plan in

2017. The mid-term review will take stock of what has already been achieved and it will allow strengthening the Capital Markets Union Action Plan so that it remains 'fit for purpose'.

The Commission hopes that these clarifications address the issues raised by the Camera Deputaților and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Valdis Dombrovskis
Vice-President of the Commission*