



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Riksdag for its Opinion on the Commission Green Paper on Building a 'Capital Markets Union' {COM(2015) 63 final}. The Commission very much welcomes the support of the Riksdag for its approach, which is seeking to ensure that the potential of market-based finance is better harnessed to support productive investment, job-creation and growth.

The Green Paper sought to identify the most significant barriers and obstacles to a true single market for capital, and policy actions that can help to unlock potential investment. Input from all interested parties, including parliamentarians, Member States, consumers and the industry is critical to ensure that the Commission has identified the main problems and priority actions. The Opinion of the Riksdag is very valuable in this context.

The Commission agrees with the Riksdag's view that the Capital Markets Union needs to strike the right balance between increasing investment, maintaining financial stability and protecting investors and consumers.

The Commission also shares the Riksdag's view that better access to capital market finance for SMEs is important. The recent financial crisis has underlined the risks associated with over-dependence on bank credit as a source of funding for companies and infrastructure. The Commission is therefore exploring ways to open the capital markets to a wider range of participants, in particular SMEs – for example lowering the burdens of listing by reforming the Prospectus Directive, on which a proposal will be presented this autumn.

In this context, access to information for investors on SMEs seeking finance could help bring investors to smaller companies, notably high-growth potential companies in expansion phase who may not find banks willing to lend. The Commission is looking at ways to improve the information flow between non-bank investors and SMEs in ways which do not increase the burden on them.

The Commission has taken note of the Riksdag's support for the development of a simple, transparent and standardised framework for securitisation. It is fully aware of the weaknesses in the previous regime which must not be repeated. A new framework would

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permit a revival of the securitisation market in the European Union in a more responsible and safer way and help to free up bank balance sheets to lend. A proposal will be presented this autumn.

The Commission agrees with the view of the Riksdag that new regulatory measures should only be initiated if justified, and that policy decisions should be informed by adequate impact assessment.

The Commission hopes that these explanations provide a helpful response to the issues raised in the Riksdag's Opinion. The Commission will take the findings of the Riksdag into account as it prepares the Capital Markets Union Action Plan, which will identify the necessary priority measures. The Commission looks forward to continuing our political dialogue with the Riksdag, as the work progresses.

Yours faithfully,

Elżbieta BIENKOWSKA

Member of the Commission