



Public consultation on Building a Capital Markets Union

Fields marked with * are mandatory.

Introduction



The purpose of the Green Paper is to consult all interested parties on the Commission's overall approach to putting in place the building blocks for CMU by 2019, the underlying economic rationale of CMU, and on possible measures which could be taken to achieve this objective.

The main areas that the Green Paper seeks to address are:

- Improving **access to financing** for all businesses across Europe and investment projects, in particular start-ups, SMEs and long-term projects;
- increasing and **diversifying the sources of funding** from investors in the EU and all over the world; and
- making the **markets work more effectively** so that the connections between investors and those who need funding are more efficient and effective, both within Member States and cross-border.

Please note: In order to ensure a fair and transparent consultation process **only responses received through our online questionnaire will be taken into account** and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact fisma-cmu-surveyec.europa.eu.

More information:

- [on this consultation](#)
- [on the green paper](#) 
- [on the protection of personal data regime for this consultation](#) 

1. Information about you

*Are you replying as:

- a private individual
- an organisation or a company
- a public authority or an international organisation

*Name of your organisation:

Climate Disclosure Standards Board (CDSB)

Contact email address:

The information you provide here is for administrative purposes only and will not be published

mardi.mcbrien@cdsb.net

*Is your organisation included in the Transparency Register?

(If your organisation is not registered, [we invite you to register here](#), although it is not compulsory to be registered to reply to this consultation. [Why a transparency register?](#))

- Yes
- No

*If so, please indicate your Register ID number:

922386710536-51

*Type of organisation:

- Academic institution
- Consultancy, law firm
- Industry association
- Non-governmental organisation
- Trade union
- Company, SME, micro-enterprise, sole trader
- Consumer organisation
- Media
- Think tank
- Other

*Where are you based and/or where do you carry out your activity?

United Kingdom

*Field of activity or sector (*if applicable*):

at least 1 choice(s)

- Banking
- Insurance
- Pension provision
- Investment management (e.g. hedge funds, private equity funds, venture capital funds, money market funds, securities)
- Market infrastructure operation (e.g. CCPs, CSDs, Stock exchanges)
- Other financial services (e.g. advice, brokerage)
- Non-financial sector
- Other
- Not applicable

*Please specify which non-financial sector:

Non-Financial reporting standards



Important notice on the publication of responses

*Contributions received are intended for publication on the Commission's website. Do you agree to your contribution being published?

(see [specific privacy statement](#) )

- Yes, I agree to my response being published under the name I indicate (*name of your organisation/company/public authority or your name if your reply as an individual*)
- No, I do not want my response to be published

2. Your opinion

Respondents are invited to answer as many questions as they feel appropriate, but should not feel obliged to answer questions on which they have no opinion or expertise.

Even where yes/no questions are indicated, respondents are invited to also provide qualitative responses.

Respondents are also welcome to upload free text documents, position papers, reports which they consider relevant. A button for this purpose is provided at the end of the consultation.

Priorities for early action

Please refer to the corresponding section of the Green paper  to read context information before answering the questions.

1. Beyond the five priority areas identified for short term action, what other areas should be prioritised?

CDSB welcomes the work done to date as part of the single market act to address the transparency of environmental and natural capital matters in capital markets via the amendments to the EU Accounting Directive (2014/95/EU, referred to as the Non-Financial Reporting Directive) which came into force last year. However, this regulatory amendment stopped short of providing decision useful information to market actors in it's final design. CDSB proposes that short term action on strengthening the regulation, guidance and implementation plans could provide an expedient to the corporate integration of environmental issues into their strategy and performance reporting, in turn, facilitating the provision of transparent, consistent, comparable, decision-useful information on environmental matters to capital markets, thereby enabling investors to integrate this critical information into long term investments and create integrated capital markets that properly consider long term sustainable development issues and help secure our common future.

2. What further steps around the availability and standardisation of SME credit information could support a deeper market in SME and start-up finance and a wider investor base?

3. What support can be given to ELTIFs to encourage their take up?

4. Is any action by the EU needed to support the development of private placement markets other than supporting market-led efforts to agree common standards?

- Yes
- No

Comments on question 4:

Measures to develop and integrate capital markets - Improving access to finance

Please [refer to the corresponding section of the Green paper](#)  to read context information before answering the questions.

5. What further measures could help to increase access to funding and channelling of funds to those who need them?

6. Should measures be taken to promote greater liquidity in corporate bond markets, such as standardisation? If so, which measures are needed and can these be achieved by the market, or is regulatory action required?

7. Is any action by the EU needed to facilitate the development of standardised, transparent and accountable ESG (Environment, Social and Governance) investment, including green bonds, other than supporting the development of guidelines by the market?

- Yes
- No

Comments on question 7:

ESG matters are not only material in the debt market but also for equity investment purposes as well, because they are related to the future value of a company and its preparedness to risk and future regulation as well as its ability to take advantage of new opportunities in this area.

For this reason we encourage the Capital Markets Union to support Member States in the transposition of the Non-Financial Reporting Directive (2014/95/EU) to ensure that its implementation is standardised across the European Union both in terms of its minimum requirements and the way information should be reported. At a minimum, we encourage the CMU to produce a clear set of reporting requirements and guidance to support the uniform implementation of the Directive.

This is in line with priority 3.4, Boosting Long Term Investment, of the paper because ESG matters become more material on the medium to long term. Providing aligned and standardised ESG information on equity as well as debt will create a comprehensive dataset for long term investment, thus making the European Market more competitive and attractive to investors such as insurance companies and pension funds.

8. Is there value in developing a common EU level accounting standard for small and medium-sized companies listed on MTFs? Should such a standard become a feature of SME Growth Markets? If so, under which conditions?

9. Are there barriers to the development of appropriately regulated crowdfunding or peer to peer platforms including on a cross border basis? If so, how should they be addressed?

Measures to develop and integrate capital markets - Developing and diversifying the supply of funding - Boosting institutional investment

Please [refer to the corresponding section of the Green paper](#)  to read context information before answering the questions.

10. What policy measures could incentivise institutional investors to raise and invest larger amounts and in a broader range of assets, in particular long-term projects, SMEs and innovative and high growth start-ups?

11. What steps could be taken to reduce the costs to fund managers of setting up and marketing funds across the EU? What barriers are there to funds benefiting from economies of scale?

12. Should work on the tailored treatment of infrastructure investments target certain clearly identifiable sub-classes of assets?

- Yes
- No

Comments on question 12:

12.1 If so, which of these should the Commission prioritise in future reviews of the prudential rules such as CRDIV/CRR and Solvency II?

13. Would the introduction of a standardised product, or removing the existing obstacles to cross-border access, strengthen the single market in pension provision?

14. Would changes to the EuVECA and EuSEF Regulations make it easier for larger EU fund managers to run these types of funds?

14.1 What other changes if any should be made to increase the number of these types of fund?

15. How can the EU further develop private equity and venture capital as an alternative source of finance for the economy?

15.1 In particular, what measures could boost the scale of venture capital funds and enhance the exit opportunities for venture capital investors?

16. Are there impediments to increasing both bank and non-bank direct lending safely to companies that need finance?

Measures to develop and integrate capital markets - Developing and diversifying the supply of funding - Boosting retail investment

Please [refer to the corresponding section of the Green paper](#)  to read context information before answering the questions.

17. How can cross border retail participation in UCITS be increased?

18. How can the ESAs further contribute to ensuring consumer and investor protection?

19. What policy measures could increase retail investment?

19.1 What else could be done to empower and protect EU citizens accessing capital markets?

20. Are there national best practices in the development of simple and transparent investment products for consumers which can be shared?

Measures to develop and integrate capital markets - Attracting international investment

Please [refer to the corresponding section of the Green paper](#)  to read context information before answering the questions.

21. Are there additional actions in the field of financial services regulation that could be taken to ensure that the EU is internationally competitive and an attractive place in which to invest?

22. What measures can be taken to facilitate the access of EU firms to investors and capital markets in third countries?

Improving market effectiveness – intermediaries, infrastructures and the broader legal framework

Please [refer to the corresponding section of the Green paper](#)  to read context information before answering the questions.

23. Are there mechanisms to improve the functioning and efficiency of markets not covered in this paper, particularly in the areas of equity and bond market functioning and liquidity?

- Yes
- No

Comments on question 23:

24. In your view, are there areas where the single rulebook remains insufficiently developed?

25. Do you think that the powers of the ESAs to ensure consistent supervision are sufficient?
What additional measures relating to EU level supervision would materially contribute to developing a Capital Markets Union?

26. Taking into account past experience, are there targeted changes to securities ownership rules that could contribute to more integrated capital markets within the EU?

- Yes
- No

Comments on question 26:

27. What measures could be taken to improve the cross-border flow of collateral?

The provision of high quality, standardised and structured data is vital to enable the cross-border flow of capital, because it ensures that information collected across member states is comparable and thus suitable for making investment decisions. We therefore recommend the implementation of a common eXtensible Business Reporting taxonomy that is based on, and reflects existing reporting requirements that are already in place.

We are in the process of forming a small consortium of experts and stakeholders to develop a taxonomy for the reporting of environmental information, as defined in the Non-Financial Reporting Directive (2014/95/EU) and would be very interested in discussing how we can support the CMU's work on standardisation in reporting with this work.

27.1 Should work be undertaken to improve the legal enforceability of collateral and close-out netting arrangements cross-border?

- Yes
- No

Comments on question 27.1:

28. What are the main obstacles to integrated capital markets arising from company law, including corporate governance? Are there targeted measures which could contribute to overcoming them?

29. What specific aspects of insolvency laws would need to be harmonised in order to support the emergence of a pan-European capital market?

30. What barriers are there around taxation that should be looked at as a matter of priority to contribute to more integrated capital markets within the EU and a more robust funding structure at company level and through which instruments?

31. How can the EU best support the development by the market of new technologies and business models, to the benefit of integrated and efficient capital markets?

32. Are there other issues, not identified in this Green Paper, which in your view require action to achieve a Capital Markets Union? If so, what are they and what form could such action take?

A corporate disclosure package to support ESG integration in conjunction with the Non-Financial Reporting Directive (2014/95/EU) with incentives aligned to incentives with value creation.

3. Additional information

Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) here:

Useful links

Consultation details (http://ec.europa.eu/finance/consultations/2015/capital-markets-union/index_en.htm)

Text of the green paper

(http://ec.europa.eu/finance/consultations/2015/capital-markets-union/docs/green-paper_en.pdf)

Specific privacy statement

(http://ec.europa.eu/finance/consultations/2015/capital-markets-union/docs/privacy-statement_en.pdf)

More on the Transparency register (<http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en>)

Contact

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