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## Priorities and factors of success for the next CMU-initiative

Deeper integration of EU-Capital Markets should enable easing the access to capital and liquidity for EU companies as well as to diversified investment opportunities for investors in line with their risk appetite and needs. The Capital Market Union-Initiative 2015 - 2019 has shown that a comprehensive approach enables progress in capital market integration. However, further steps are needed to accomplish the ambitious goals of the initiative.

The Capital Market Union 2015 - 2019 was characterized by an evolutionary approach. Room for improvement was identified and legislative and non-legislative measures expedited by the Commission and adopted by Member States and the European Parliament. I anticipate that the Next Capital Market Union will again follow this approach thus moving forward towards a truly integrated, liquid and competitive capital market.

In my view, a holistic approach is needed thus addressing also obstacles outside the financial and capital market regulation, e.g. in the insolvency law to advance in the spirit of the CMU. Furthermore, it will be of importance to have a close look to some of the applicable legislation as well as on international standards to be implemented in due time. With regard to existing legislation we should change elements associated with excessive bureaucracy thus limiting the investment opportunities for customers and the competitiveness of EU-markets and enable up-to-date-solutions for existing and arising deficiencies. When transposing international standards, e.g. Basel IV, we should keep the supervisory standards achieved after the financial crisis but prevent competitive disadvantages by using a pragmatic approach which sufficiently respects EU-specificities and business models.

It is not the time to restrict priorities for the Capital Market Union. Additional game changers have arisen. Covid-19, BREXIT and climate change policies will have to complement effective digitalization-policies within the Next Capital Market Union. We will have to mitigate the negative impacts of Covid-19 and BREXIT on Capital and Financial Markets and on the real economy in a decisive manner while not disregarding effective measures to address climate change and the transformation to a more digitalized EU. The next CMU has to incorporate reactions to game changers to achieve progress.

The reactions to the spread of Covid-19 throughout the EU has shown the positive effects of an advanced digitalized environment as well as remaining deficiencies to

be overcome. We could all monitor to what extent Covid-19 hit financial and capital markets as well as the coordinated responses of EU-institutions. We are also looking forward to an European Union without the United Kingdom and the challenges to be overcome when the most liquid and progressive market stays outside the EU. Also in this regard we should aim for a pragmatic solution. Climate change remains one of our main and urgent challenges. We have to act to contain social and economic costs for future generations.

I am convinced, that the EU is capable of finding good and effective solutions to these challenges. In my view, it will be of key importance to demonstrate openness by acting and not only reacting to these challenges. In particular, the continent should learn from more advanced financial and capital markets and incorporate an open and progressive approach to ensure the competitiveness and efficiency of EU-markets also in the medium and long-term perspective. ■