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CMU 2.0: proposals of the High Level Forum

1. The EU capital market legislative framework has been significantly enriched with CMU 1.0, but concrete impacts are still limited

Launched in 2015, the Capital Markets Union initiative (CMU) aims to develop and further integrate capital markets in the EU in order to diversify the financing of EU enterprises - particularly the most innovative and fastest growing ones - and to better connect savings to investment across the Union, providing savers with improved long-term investment opportunities. An additional more macro-level objective is to enhance the resilience of the EU economy with a diversification of funding sources and a development of cross-border capital markets (contributing in particular to private risk sharing across the EU).

The Commission proposed two action plans including legislative and non-legislative measures aiming to bring more investors to the market, facilitate access to capital markets for issuers and improve the functioning of EU markets, notably on a cross-border basis. These have now been mostly implemented.

The initial CMU Action Plan published in September 2015 set out 33 actions concerning securitisation, investment funds, prudential calibrations, prospectuses, etc.[1]. Following the mid-term review of the CMU, an additional set of measures was proposed by the Commission in 2017, covering different objectives such as the strengthening of the powers of the European Supervisory Authorities (ESAs), the development of fintech, the promotion of sustainable finance, the facilitation of SME listing, private pensions (with the PEPP framework[2]) and support for the growth of local capital markets. With these two action plans, the Commission has chosen an evolutionary approach to the CMU addressing a broad range of drivers and building on the pre-existing EU securities legislations such as MiFID, EMIR, CSDR, UCITS, etc.[3], rather than a more radical plan addressing market fundamentals such as, insolvency, tax and securities ownership laws, common infrastructure, etc.

Despite this improvement of the EU capital market framework, the general feeling is that much remains to be done to achieve the CMU. A first reason is that EU capital markets have not significantly grown over the last few years, except non-bank funding through debt securities, and they remain quite under-developed compared to the US or UK for example. In addition, there is persistent fragmentation in the EU, with limited cross-border flows and fragmented infrastructure (see Appendix 1). Secondly there is frustration with CMU 1.0 among many stakeholders due to the protracted negotiation process and also the lowering of the initial ambitions of certain proposals such as the review of the ESAs' operations, in order to enable the co-legislators to reach an agreement. The piecemeal fashion in which the proposals were made, the lack of ex-ante political agreement on the main components of the CMU action plan and the absence of an overall implementation timetable, beyond the adoption of the legislative texts are additional issues that have also been put forward.

2. Completing the CMU remains a key priority for the EU with Brexit and the Covid crisis

2.1. The completion of the CMU has been re-emphasized as a key priority by the EU institutions

Completing the CMU was reasserted at the end of 2019 as a centrepiece of the EU legislative agenda by the new Commission, in particular to ensure SMEs have access to the financing they need to grow, innovate and scale up. The need to further intensify policy efforts for deepening the CMU was also reaffirmed at the Ecofin of 5 December 2019 [4].

The High Level Forum (HLF) group that was set up in November 2019 by the Commission to make proposals for relaunching the CMU has since reaffirmed in its final report published in June 2020[5] the urgency of CMU as a "major element of the EU's post-coronavirus recovery strategy". The need to further develop equity funding in particular is one of the main arguments for this, because banks alone will not be able to provide the EU economy with the variety and depth of financial instruments needed for a strong and rapid rebound following the Covid crisis, according to the HLF. Moreover national capital markets are "simply too small" to cover the financing needed for restarting the EU economy and to attract global investors, making the further integration of EU capital markets a necessary area of improvement. Some key challenges pre-dating the Covid crisis such as pension provision inadequacy, climate change and supporting the transition to sustainable economies are additional reasons for accelerating the development of EU capital markets.

The structural changes imposed by Brexit are a further justification for expanding EU capital markets put forward by the HLF. At present UK and EU financial markets are highly

[1] These include measures to develop securitization and covered bonds, improve Solvency II calibrations, prospectus and investment fund rules, facilitate the cross-border distribution of funds and also some non-binding measures regarding withholding tax and insolvency proceedings.

[2] Pan European Pension Product framework

[3] Capital market regulations and directives including: MiFID / MiFIR, EMIR, CSDR, SFTR, MAR, UCITS, AIFM, etc.

[4] The EU Council set 5 main objectives in December 2019: (i) enhanced access to finance for EU businesses, especially SMEs; (ii) removal of structural and legal barriers for increased cross border capital flows; (iii) provision of incentives and removal of obstacles for well-informed retail savers to invest; (iv) support for the transition to sustainable economies; (v) embracement of technological progress and digitalization, and a sixth objective of strengthening the global competitiveness of EU capital markets building on local markets and ecosystems.

[5] "A new vision for Europe's capital markets" https://ec.europa.eu/info/sites/info/files/business_economy_euro/growth_and_investment/documents/200610-cmu-high-level-forum-final-report_en.pdf

integrated and the UK acts as a hub for many activities[6]. Many capital market activities can potentially benefit from equivalence arrangements post-Brexit[7], but it is likely that costs for end-users and frictions will increase and liquidity may decrease after the end of 2020, particularly if UK rules diverge over time. Brexit also intensifies the risk of dependence of the EU economy on non-EU capital markets if a large part of the financial ecosystem serving the EU, including some key market infrastructures, continues to remain in the UK. With Brexit, the EU capital market is moreover likely to become more multi-polar, requiring stronger regulatory and supervisory convergence and an interconnection between different local market ecosystems[8].

A draft motion for a European Parliament resolution on the further development of the CMU currently under consultation, also calls for the acceleration of the development of capital markets with a focus on improving the access of businesses, in particular SMEs, to capital market finance and further enabling retail participation[9].

2.2. The post-Covid macro-economic conditions in the EU also need to be taken into account

The current macro-economic context and the measures put in place following the Covid crisis are both a driver and a potential challenge for the development of capital markets.

Some actions put in place to relaunch economic growth in the EU support the development of capital markets. This is the case of the extensive asset purchasing programmes of central banks, which increase market liquidity and asset prices, even though they also impact price discovery processes. The Next Generation EU recovery package that includes a common debt to finance the recovery and to face the green and digital transition of EU economies could also contribute to developing capital markets, with an additional capacity to issue bonds on behalf of the EU. The Covid crisis has also been a strong driver of certain market segments, such as technology, that help to support market indexes.

However, some other actions or trends related to the Covid crisis may also impact negatively capital markets.

Monetary policy is a first challenge. The pursuit of very low interest rates used to fight recession depresses returns on sovereign and corporate bonds and should continue to favour debt financing, unless decisive actions are put in place to foster equity financing. In addition persistently low interest rates have encouraged liquidity hoarding at the expense of productive investment[10].

Secondly, the Covid crisis will increase macro-economic imbalances between Member States, hindering the further integration of capital and banking markets unless major steps can be made towards some form of fiscal integration or a centralized fiscal stabilization function in the context of the implementation of the Next Generation EU recovery plan, together with the implementation of structural reforms by a certain number of Member States.

Thirdly, the anticipation of a severe economic crisis may reduce the risk appetite of both retail and institutional investors in the coming months and will probably lead to continued volatility.

3. Proposals made by the CMU High Level Forum for completing the CMU and conditions of success

3.1. Recommendations of the HLF report

The HLF has proposed 17 recommendations, presented as "game-changers" for the CMU, in 4 main areas: (i) the financing of business; (ii) market infrastructure; (iii) individual investors' engagement and (iv) obstacles to cross-border investment. Each of these clusters contains a certain number of granular legislative and non-legislative measures that are due to be further elaborated by the Commission (see Appendix 2 for further detail).

The areas covered in the HLF report are in the continuity of the initial action plans of the Commission and are similar to those identified in several reports published in 2019 aiming to complete or relaunch the CMU, but there are differences in the approach[11]. Besides a clear implementation timetable (see below), there is also a stronger focus in the HLF report on encouraging retail investment than in some previous recommendations. There is also a clear objective in the HLF report to develop cross-border

[6] In particular for certain financial services linked to derivatives markets and investment banking activities. For example, between 2012 and 2018, almost half of all debt and equity issuance for euro area non-financial corporations was carried out by global banks based in London. Almost 90% of all over-the-counter (OTC) derivative positions taken by euro area institutions were cleared at UK global clearing houses in December 2019. In August last year, over a quarter of uncleared OTC derivatives held by euro area institutions were sourced from the United Kingdom. In some cases, the City represents a gateway to global financial markets for euro area financial and non-financial firms, allowing them to tap into global capital and liquidity pools. The growth of non-bank financing in the euro area is also driven mostly by entities based in the UK. In other areas, however, reliance on London is quite limited. For instance, UK-domiciled banks only play a marginal role in direct lending to euro area households and non-financial companies. (Source L. de Guindos, ECB speech January 2020).

[7] Equivalence regimes exist for financial services related to securities and derivatives transactions (MiFID, EMIR, CSDR, SFTR) and for services and products targeting professional customers and eligible counterparties (investment services under MiFIR, AIFMD) and reinsurance activities. There is also an EU equivalence regime for credit rating agencies and financial benchmarks. However, most core banking and financial activities are not subject to an equivalence regime providing access to the single market. This includes deposit-taking and lending in accordance with the Capital Requirements Directive; payment services in accordance with the Payment Services Directive; and investment services for retail clients. In addition there is no third-country regime for investment funds targeting retail clients (UCITS and AIFs) and most insurance activities except reinsurance.

[8] For example a sizeable fraction of asset management firms and insurance companies that are relocating activities from the UK as a result of Brexit have moved to either Ireland or Luxembourg and the Netherlands is attracting a substantial amount of trading platforms, exchanges and fintech companies.

[9] The draft motion of the European Parliament on the CMU puts forward 7 main areas broadly in line with previous recommendations of the Next CMU and HLF reports: (i) Financing businesses and notably SMEs; (ii) Promoting long-term and cross-border investments and financial products; (iii) Market infrastructure; (iv) Retail investors; (v) Financial education; (vi) Digitalisation; and (vii) The EU's role in global markets. https://www.europarl.europa.eu/doceo/document/ECON-PR-648524_EN.pdf. A vote on this motion is due in September 2020.

[10] see J. de Larosière & D. Cahen "Addressing the dangers of the monetary policy deadlock" September 2020

[11] Reports published at the end of 2019 include for example the Next CMU high-level group (Oct 2019): CEPS "Rebranding the CMU" (June 2019); IMF staff discussion paper "A Capital Market Union for Europe" (Sept 2019). See mapping of proposals in the note on www.eurofi.net / Current Topics / CMU 2.0

markets in the EU, with the intention to tackle in a targeted way long-standing harmonisation issues such as insolvency laws, shareholder rights, withholding tax and also with the proposal for ESMA to set up a common access point for information on European companies, similar to the EDGAR[12] system that exists in the US. Finally some new digital topics have been introduced by the HLF including proposals to develop an open finance framework broadened to financial planning and investment services, provide standard contractual clauses for cloud services that are gaining importance in the market ecosystem and also clarify rules for crypto / digital assets.

On some questions it was not possible for the HLF to reach consensus. Whether to move towards a more unified and centralised supervision of capital markets in the EU[13] was the main point of disagreement[14]. The recommendations in this area thus focus on enhancing supervisory convergence and strengthening the powers and tools of ESMA and EIOPA. The HLF did not table proposals either regarding the possibility of setting up a European consolidated tape or the improvement of price discovery on the grounds that these questions are being tackled as part of the on-going MiFID review.

Some measures that had been previously proposed by the Commission or other expert groups in the CMU context were not covered by the HLF, while acknowledging their importance, such as the creation of EU safe assets, the integrated supervision of compliance with AML rules and the taxation bias in favour of debt financing.

3.2. Implementation timetable

A precise timeframe has been proposed by the HLF for implementing its recommendations.

Most of the actions are due to be delivered by the Commission by the end of 2022 with a number of recommendations expected for the end of 2020, but some measures have deadlines extending as far as 2024 or 2028 for their full implementation. After having taken into account feedback from market stakeholders, the Commission is intending to build on the proposals of the HLF to present a new CMU action plan in early autumn of 2020 in order to launch its implementation.

3.3. Conditions of success

The need for a clear and upfront political backing of the package proposed with a joint commitment of the European Commission, Council and Parliament possibly in the form of a politically binding EU Tripartite institutional agreement on CMU was also emphasized by the HLF, in order to ensure its consistent implementation across the EU, while respecting principles of proportionality and subsidiarity[15]. The importance of a demanding timetable and a rigorous delivery monitoring mechanism was also stressed by the HLF.

The HLF also insists on the coherence of the plan which needs to be fully implemented, albeit with a staged approach for the most complex or politically sensitive proposals, on the grounds that the measures proposed are mutually reinforcing and dependent on one another[16].

Appendix 1

EU capital markets remain under-developed and fragmented despite recent progress in non-bank funding

Capital markets, particularly related to tradable instruments, have not significantly developed across the EU over the last few years and still lack liquidity and depth from a global standpoint.

The EU-27 average stock market capitalisation is still much lower than that of the US and UK (58% of GDP in EU-27 with many countries having practically inexistent capital markets, compared to 115% in the UK and close to 150% in the US)[17] and the share of listed securities remains limited in the funding structure of EU non-financial companies (28% compared to 47% in the UK and 69% in the US)[18].

There are however some positive evolutions in terms of funding diversification outside the banking sector, with for example a significant growth of financing provided by non-banks to companies in the EU through the purchase of debt securities, a significant part of which however originates from London[19]. In addition there are no major funding problems in the EU for businesses, except for innovative and growing SMEs that may not have access to sufficient venture capital in the EU or may be

[12] EDGAR is the Electronic Data Gathering, Analysis, and Retrieval system used at the U.S. Securities and Exchange Commission (SEC). EDGAR is the primary system for submissions by companies and others who are required by law to file information with the SEC. EDGAR performs automated collection, validation, indexing, acceptance, and forwarding of submissions by companies and others who are required by law to file forms with the US SEC. All companies, foreign and domestic, are required to file registration statements, periodic reports, and other forms electronically through EDGAR. Anyone can access and download this information for free.

[13] i.e. whether direct supervision should be further developed e.g. for the more systemic entities and the extent to which a more unified supervision is necessary for building a truly integrated and efficient European market for capital

[14] While some members of the HLF considered that this was an essential step towards building a truly integrated and efficient EU market for capital, others argued that a central supervisor would entail a risk of duplication of responsibilities and greater complexity unless sufficient regulatory harmonisation can be achieved.

[15] The objective is to avoid the problems that the first Commission action plans suffered with significant delays in their approval and also the watering down of certain key measures.

[16] Some additional objectives have been put forward by the HLF including the need for legislators to ensure that new rules related to the plan make EU capital markets, financial institutions and infrastructures more competitive and to consider a simplification of the EU legislative framework applying to capital markets.

[17] Source The EU Capital Markets Union : Turning the tide – S&P Global – February 2020

[18] Source IMF staff discussion note "A Capital Market Union for Europe" September 2019.

[19] The balance between banks and non-bank financial institutions in the EU has been evolving in recent years: although still very much bank-based, our economy is increasingly financed by non-bank institutions. In the euro area, total assets held by non-banks have almost doubled over the last ten years, growing from €23 trillion in 2008 to €45 trillion in June 2019. Non-banks currently account for around 55% of the euro area financial sector. Their fast growth reflects their expanding role in financing the euro area real economy. Whereas in 2008 non-banks accounted for 14% of the euro area financial sector's loans to non-financial corporations, that share roughly doubled in a decade. Non-banks provide a steady net flow of financing to non-financial corporations through the purchase of debt securities. (Source L. de Guindos, ECB speech January 2020).

rationed out of funding because of a lack of tangible collateral such as machinery or a plant that banks usually require.

On the investor side, issues are two-fold. The share of savings held in shares or investment funds by EU households is limited[20]and only a small proportion of households invest in capital market instruments[21]. As for EU institutional investors, many of them continue to invest predominantly in assets outside the EU in search of yield[22].

EU capital markets are also still highly fragmented, with a persistent home bias in investments[23], and cross-border capital flows have not recovered pre-2008 crisis levels. The market infrastructure also remains fragmented[24], although efforts have been made to unify regulation and lift the Giovannini cross-border barriers with the European Post-Trading Forum (EPTF) group. This notably leads to differences in the cost of funding and in the access to capital market instruments (e.g. venture capital) across EU Member States[25].

Appendix 2

Detail of the actions proposed by the CMU HLF

Creating a vibrant and competitive business environment

- Setting up a European single access point to company financial and ESG data to facilitate access to data for investors – proposal by mid-2021, implementation 2023-2028
- Amending the ELTIF framework in a targeted way in order to accelerate the take-up of ELTIFs by investors, including retail investors e.g. with simplified tax rules and more flexibility in redemptions – proposal by end 2020
- Reviewing Solvency II capital and risk margin calibrations (mid-2021) and accounting rules (2021) to increase insurers' capacity to invest in capital markets
- Paying due attention to provisions affecting market-making and long-term investment in SME equity when implementing Basel III standards – proposal by end 2020
- Amending the EU securitisation framework (e.g. simplifying processes and disclosures) in order to relaunch securitisation in the EU – mid-end 2021
- Modifying targeted prospectus, market abuse and MiFID obligations (e.g. unbundling rule) to make public listing more attractive in particular for SMEs – proposal by end 2020 (MiFID) and end 2021 for other legislations
- Clarifying the application of existing financial legislation to crypto / digital assets (end 2020) and proposing new rules possibly to regulate assets that fall outside the existing regulatory framework in order to create the conditions for new digital financial products to emerge (end 2021)

Building stronger and more efficient market infrastructure

- Improving targeted CSDR measures (more harmonised application of passporting rules, enhancing supervisory convergence, facilitating access to central bank money in foreign currency) to facilitate settlement across borders - proposal by mid-2021
- Amending the shareholder rights regulation (SRD2) to alleviate problems relating to the cross-border exercise of ownership rights, which deter cross-border investment (harmonised definition of shareholders, clarification and harmonisation of interactions between investors, intermediaries and issuers, use of technology) – proposal by end 2023
- Developing standard contractual clauses for the use of cloud service providers and new rules to ensure the secure use of cloud services with cyber resilience measures – end 2020

Fostering retail investment in capital markets

- Supporting the introduction of auto-enrolment systems in all Member States with best practices (end 2021), developing a dashboard to measure Member State progress on pension adequacy and sustainability and encouraging the development of pension tracking systems for individuals in order to address pension adequacy challenges (end 2022)
- Implementing non-legislative actions to improve EU citizens' financial literacy (employee share ownership schemes, EU framework on financial competences to enhance education programmes, digital tools to enhance financial guidance) – delivery by 2022-2024
- Introducing a new category of qualified investors with tailored disclosure and reviewing rules regarding disclosure and the provision of fair advice in PRIIPs, MiFID and IDD – proposals by end 2020 - 2022
- Assessing the role of inducements in the adequacy of advice and the prospects of improving transparency of inducements and aligning rules across sectoral legislation – proposals by end 2020 - 2022
- Enhancing the qualification of financial advisors with a specific certificate and a voluntary label – proposals by end 2020 - 2022
- Introducing a harmonised open finance regulatory framework in order to broaden data sharing by providing access to financial and non-financial information relevant to facilitating financial planning or encouraging investment (e.g. savings and investment accounts, pension savings etc.) – proposal by end-2021

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[20] Cash and bank deposits amount to 30% of the total assets of EU households, compared to 12.3% in the US and equity and debt securities represent 21% of total savings in Europe, compared to 41% in the US (End 2017 - Source CEPS – Rebranding Capital Markets Union – June 2019)

[21] Moreover only 20% of euro area households hold stocks or investment fund units, and only 1/3 invest in voluntary pension and insurance schemes (Source IMF staff discussion note "A Capital Market Union for Europe" September 2019).

[22] Source The EU Capital Markets Union : Turning the tide – S&P Global – February 2020

[23] Almost half of EU insurers' equity holdings are in firms based in the insurer's home country, rising to 60% in Spain, 70-75% in Germany, the NL and Austria, and 80% in France. The pattern for debt holdings is similar. For pension funds equity home bias is highest in France, Portugal and Spain. (Source IMF staff discussion paper referenced further up)

[24] with 25 exchanges, 17 clearing houses and 19 central securities depositories across the EU

[25] The IMF paper referenced further up shows that typical non-financial companies in Spain for example will pay 60 bp more on debt funding than its peers in Germany and 40 bp more in Italy.

Going beyond boundaries across the internal market

- Introducing a standardised system for relief at source of withholding tax based on authorised information agents and withholding agents and a harmonisation of tax definitions, processes and forms – proposal by mid-2022
- Adopting a legislative proposal for a minimum harmonisation of certain targeted elements of core non-bank insolvency laws (e.g. concerning certain definitions and procedures) - proposal by early 2022
- Strengthening the powers, resources and toolkits of ESMA and EIOPA and reforming their governance in order to enhance European supervisory convergence – proposal by mid-2021

Appendix 3

Mapping of CMU 2.0 proposals

The proposals put forward by the HLF cover similar areas to those of a number of reports on CMU next steps published at the end of 2019 - such as the Next CMU high-level group (Oct 2019); CEPS "Rebranding the CMU" (June 2019) or the IMF staff discussion paper "A Capital Market Union for Europe" (Sept 2019) – but in a more granular way and with a clear timetable. They are also in the continuity of the actions implemented in the initial action plans of the Commission.

These proposals relate to 4 main areas:

- Demand for capital market products: increasing of the demand of retail and/or institutional investors for capital market products and facilitating the access of investors to the capital markets on a domestic and cross-border basis
- Supply of securities: facilitating the access of issuers to the market in terms of complexity and cost and improving investment vehicles
- Improvement of the current market structure and digitalisation: lifting the barriers to cross-border transactions, improving the resilience and efficiency of infrastructures and intermediaries and developing digital infrastructures and fintech solutions
- Further supervisory and regulatory convergence: stronger supervisory powers and coordination to improve the consistency of regulations and their enforcement across the EU

Some reports published at the end of 2019 also recommended new market developments that were not picked up by the HLF, such as a common market for reference assets for the euro area or a sovereign green bond market.

In terms of approach, the HLF has chosen a broad range of objectives, in line with the initial CMU action plan. Some proposals such as the IMF staff paper are slightly different, with a focus on building the fundamentals of an integrated EU capital market including a central access point to company information (an "EU EDGAR"), streamlined withholding tax procedures, improved insolvency procedures, enhanced supervision and a new portable pension product.

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Main proposals of a sample of recent CMU action plans

	CMU action plan 1 (2015)	CMU review action plan (2016)	HLF game changers (2020)	Next CMU (2019)	CEPS (2019)	IMF (2019)	S&P (2020)
Cross-border demand	Barriers to bank held information on SMEs		EU single access point for company data	European Electronic Access Point (EU EDGAR)	Single access point to corporate information	Centralised, standardised reporting by all issuers	
	Best practices withholding tax	Conflict of laws rules for third party effects	Withholding tax : standardised relief at source system and harmonisation of definitions and processes	Simplification / harmonisation withholding tax procedures		Streamlined withholding tax procedures	
	Insolvency proceedings		Minimum harmonisation of core non-bank insolvency laws	Reinforce the effectiveness of insolvency regimes across EU		Improve insolvency procedures (EU mini standards, best practices)	
	Fund cross-border distribution					Improve new portable pension product	
			SRD2 amendment to facilitate cross-border exercise of ownership rights				
Institutional demand	CRR / Solvency II calibrations for infra, Prudential treatment of private equity		Targeted review of Solvency II, accounting rules and Basel III (market making, LT investment provisions)	Review Solvency II and IFRS9 to incentivise equity holding			
				MiFID II consolidated tape			Consolidated tape
Retail demand		PEPP framework	Best practices for auto-enrolment, dashboard on pension adequacy, pension tracking systems	Adequate pensions, Workplace schemes, employee shareholder plans			
	Green paper on retail investment services		Financial literacy non-legislative measures	Minimum harmonized tax incentive	More transparency of fund costs		Simple and transparent equity products: index-funds
			New category of qualified investors	New High Net Worth category with adapted protection rules			
			Inducements: assessment of their role in adequacy of advice and measures to improve their transparency				
			Enhancement of financial advisor qualification				

Supply-related (issuers)	Securisation and covered bond frameworks		Amendment of securitisation framework	Revitalise securitisation markets			
	Review of prospectus directive, assessment of barriers to SME growth markets	SME listing package and proportioanlity for SME growth markets	Supporting SME listing: targeted review of prospectus, market abuse and MiFID obligations	Simplified access to equity markets for SMEs MidCaps: Review SME growth market threshold to 500 Mio, alleviate requirements (e.g. MiFID II research unbundling requirement)	Proportionality for access to SME growth markets, consistent SME definition in regulations		
	Debt-Equity bias						
	VC fund of fund framework, EuVECA, EuSEF review, Loan origination fund approach		Targeted review of ELTIF	Favour the emergence of large scale VC funds (e.g. with public funding, tax measures), boosting of ELTIF, EuVECA, EuSEF			
	Crowdfunding framework						
Market structure and digitalisation		EPTF workplan to lift post-trading barriers	Targeted CSDR improvement to facilitate cross-border settlement (passport, supervisory convergence...)	Review of CDSR to extend the range of products offered		Centralize oversight of systemic non-bank infrastructures (CCPs) and large investment firms	Clarify the business case of the CMU for banks
		Prudential treatment of investment firms	Open finance framework broadened to financial planning and investment services	Support cross-border invest bank mergers reviewing prudential and legal requirements			
		Fintech framework	Clarification of rules applying to crypto / digital assets	EU wide digital finance action plan (EU sandbox, digital readiness of legislation, data protection, cybersecurity)			
			Cloud services: standard contractual clauses and cyber-resilience	Pan-EU payment market			
Supervisory and regulatory convergence		ESA review to improve supervisory convergence and direct supervision powers	Strengtening of powers, tools, ressources of ESMA, EIOPA, reform of governance	More coherent supervisory framework improving allocation of powers	Increased supervisory convergence to improve enforcement and investor protection	Upgrade ESMA's supervisory convergence role	
				Reassess regulatory / supervisory balance		Pursue close cooperation with non-EU jurisdictions	
New market development		EU strategy for local capital market devt		A common market for reference assets for the euro area	Devt of Government bond markets and euro safe asset		
		Sustainable / ESG investment		Sovereign green bond market Non financial reporting standards for NFCs on ESG			Sustainable investment strategy (investor education, ESG criteria, centralised exchange for sustainable SMEs)