

Press Release

EU framework brings new dynamism to Capital Markets Union

Action Plan on Capital Markets Union fosters promising financial instruments proposed by
European Public Banks

Today, the European Commission (EC) has published the [Action Plan on Building a Capital Markets Union](#), which had been expected as a further step following the Green Paper, and was preceded by a comprehensive consultation in spring 2015. By encompassing all Member States, the EC's Action Plan sets out the building blocks for a well-functioning and integrated Capital Markets Union (CMU) to be in place by 2019.

EAPB has been a strong advocate of the **Schuldschein Market** which is retained in the Action Plan. In addition, the EAPB will work closely with the EU Institutions on the calibration of **Infrastructure Financing** since this is core business of Europe's Public Banks and will thus be crucial over the next years.

The public banks further welcome the simultaneously published proposal for a regulation on securitisation. As a main element of this initiative, the EC is proposing a uniform definition of simple, transparent and standardised securitisation (STS). With respect to capital requirements, EAPB supports the European Banking Authority's suggestion to recognise the relatively low risk of STS securitisation.

EAPB also sees high development potential in the proposal's **Asset Backed Commercial Paper (ABCP)**. The securitisation of auto loans and leases is a key asset of the ABCP programs. The initially foreseen maturity of underlying exposures of one year is now extended to three years which is indispensable for auto loans and leases and should therefore be further extended.

EAPB's Secretary General, Mr. Marcel Roy comments:

“EAPB has recognised at an early stage that the Capital Markets Union is a sensible initiative with interesting potential. The newly published Action Plan fosters promising financial instruments that have been proposed by many European Public Banks such as Schuldscheindarlehen and securitisation products. The EAPB will continue being a constructive partner to the EU Institutions in this respect.”

The action plan is a welcome initiative. The EU is on the right track breaking down barriers to cross-border investment. It is therefore reasonable and necessary to further work closely on harmonisation of areas such as insolvency, collateral and securities law but also to look into taxation issues.

ENDS



European Association of Public Banks

– European Association of Public Banks and Funding Agencies AISBL –

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Notes to Editor:

- Link to EC's Action Plan on Building a Capital Markets Union:
http://europa.eu/rapid/press-release_IP-15-5731_en.htm?locale=en

About EAPB:

The European Association of Public Banks represents public banks and funding agencies and their specific tasks at the European level. EAPB has several members from various European countries representing directly and indirectly about 90 financial institutions. EAPB members constitute an essential part of the European financial sector, in which they play a decisive role with a market share of approximately 15% a balance sheet of about EUR 3.500 billion and around 190.000 employees. Members of the EAPB are financial institutions, funding agencies, public banks, associations of public banks and banks with similar interests.