

PRESS RELEASE

## The EU Capital Markets Recovery Package should take Individual Investors and the Wirecard case into account

Brussels, 31 July 2020 – On 24 July 2020, the European Commission (EC) announced the “[Capital Markets Recovery Package](#)”, as part of the its overall coronavirus recovery strategy, aimed at making it easier for capital markets to support European businesses in their recovery from the fallout from the ongoing Covid-19 crisis. To this end the EC proposes changes to capital market rules, including a reduction of investor protection levels.

BETTER FINANCE, as the representative of EU citizens as users of financial services, sympathises with the need for such temporary measures and understands the priority given to ramping up the financing of the real economy. These necessary measures could nevertheless put individual investors further at risk and erode their trust in capital markets once more. It is for this reason that BETTER FINANCE is disappointed by the fact that the recovery package contains nothing to counterbalance this reduction in investor protection, ignoring the very recent recommendations from the European Commission’s own [High Level Forum on the Capital Markets Union](#) that could finally provide EU citizens as investors in capital markets with the possibility of remedy in case they suffer from abuse .

Specifically, BETTER FINANCE calls the European Commission to follow the [recommendation of the High-Level Forum on capital markets union \(HLF CMU\)](#) and at long last allow non-professional individual investors in capital market instruments to be included in the [EU-wide collective redress](#) directive project currently on the table of the European co-legislators and ensure they have access to recourse in cases of market abuses.

The HLF CMU report includes collective redress as a key recommendation to restore the trust of financial consumers and attract more investments from EU households in the real economy via capital markets.

Guillaume Prache, Managing Director of BETTER FINANCE, pointed out that “*the recent [outrageous corporate governance, external auditing and supervisory failures in the sudden collapse of Wirecard AG](#) - wiping out about €20 billion of EU citizens’ pension savings - clearly shows that EU regulators need to do better, starting with the implementation of a more balanced CMU recovery plan in which EU citizens as individual investors and pension savers are not forgotten*”.

\*\*\*

Contact: Chief Communications Officer | Arnaud Houdmont | +32 (0)2 514 37 77 | [houdmont@betterfinance.eu](mailto:houdmont@betterfinance.eu)