

FOR IMMEDIATE RELEASE

A successful “Capital Markets Union” initiative must involve and attract individual investors

Brussels, 23 February 2015 – Better Finance, the European Federation of Financial Services Users, welcomes the European Commission initiative and the Green Paper on Building a Capital Markets Union (CMU). We fully agree that indeed:

- Europe needs to “*find ways of linking investors and savers with growth*”;
- “*Capital markets need to play a larger role in channeling financing to the economy*”; and
- Europe needs to “*boost the flow of institutional and retail investment into capital markets*”.

However, Better Finance is concerned that only one page of the Green Paper is devoted to individual (“retail”) investors, although EU households are the main source of long-term financing for the real economy¹.

In particular, the Paper does not include any proposal to enable EU individual investors to invest more directly again into capital markets as they did a few decades ago. Better Finance is ready to make such proposals, and to dispel inaccurate judgments on EU individual investors as supposedly being more short term oriented and more risk averse than other investors.

European Authorities will not manage to build an effective capital markets union without involving and attracting EU citizens as individual investors.

“The CMU will not be successful if its design focuses solely on financial institutions’ needs. It must also add value to investors. Diversifying the funding of our economy can only be achieved if investors have an incentive to take part in this initiative. [...]It makes no sense to create a fully integrated market for professional investors and maintain a separate less efficient and less integrated market for retail investors. [...]The protection of investors should play a major role in building the CMU.”

Steven Maijoor, Chair of the European Securities and Markets Authority (ESMA)²

¹ As recognized by the European Commission itself in its [Green Paper on the long term financing of the economy](#) issued in March 2013.

² [Speech on “Investor Protection and an integrated EU-Capital Market”](#) at DSW-Better Finance International Investors’ Conference on “Shareholders Rights in Europe 2020” on 9 December 2014 in Wiesbaden, Germany.



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