
Press release

AFME recommends key priorities for the next EU legislative cycle

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Following the start of the new European Parliament term and nominations for new leadership posts in the EU institutions, AFME has today published two new papers which highlight the Association's strategic priorities for a strong EU financial sector agenda.

Simon Lewis, Chief Executive of AFME, said: *"In the next EU legislative cycle, it is important that policy makers pursue ambitious policies that promote sustainable growth and competitiveness, as well as addressing barriers to capital market integration in Europe. Key to this will be the completion of the Capital Markets Union project. Today we have set out the key priorities our members think should be included in the next EU legislative agenda."*

The first publication, ***"Finance for Europe – Building competitive, resilient and integrated financial markets - A financial services strategy for sustainable growth and competitiveness in 2019-2024"*** recommends that the EU prioritise a growth strategy focusing on promoting competitiveness, innovation and deeper integration while transitioning to a greener economy.

This paper lays out priorities and recommendations under eight key areas:

- 1. Improving efficiency and connectivity in securities markets** by undertaking a recalibration of MiFID2/R, addressing impediments to an integrated post-trade system and improving the functioning of corporate bond markets;
- 2. Expanding the size and capacity of EU capital markets** with a particular focus on improving retail investor participation, improving conditions for accessing equity capital and reviewing the regulatory treatment of securitisation.;
- 3. Promoting integration in EU financial markets and removing harmful fragmentation** by developing an ambitious Capital Markets Union and completing the Banking Union;
- 4. Achieving a sound implementation of Basel III** based on a robust and cumulative impact assessment;
- 5. Fostering a culture of integrity and effective conduct regulation** by improving the tools and frameworks to fight against money laundering and reviewing the Market Abuse Regulation;
- 6. Taking sustainable finance to the next level** through the completion of the EU taxonomy and enhancing corporate reporting and disclosures;
- 7. Building a competitive digital single market** by developing a pan-EU cyber-crisis governance model, harnessing the potential of emerging technologies and ensuring a level playing field between all market participants;
- 8. Facilitating global regulatory convergence and supervisory cooperation** by leading global efforts to tackle harmful fragmentation and expanding focus on a well-functioning equivalence regime.

The full priorities paper can be downloaded [here](#).

AFME has also published a second paper on ***"The European banking system: tackling the challenges, realising the opportunities - Achievements and next steps in the reform programme"***.

The report specifically looks at priorities for bank prudential and resolution regulation. The paper gives an overview of the steps taken so far towards making Europe's banking system safer and better able to contribute to sustainable growth.

It also identifies priority areas where further work is needed during the new legislative cycle. These include the need to remove fragmentation in European Banking markets and to complete the Banking Union in order for cross-border banks to manage their capital and liquidity at a consolidated level and to help address the lack of profitability and excess capacity. The paper emphasises the urgent need to build effective shock absorption mechanisms in the form of private risk sharing. This is where an ambitious Capital Markets Union is necessary to complement the Banking Union. The paper also provides some initial views on the upcoming banking reforms (CRD6/CRR3 package) expected in 2020.

The banking regulation priorities paper can be downloaded [here](#).

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About AFME:

AFME (Association for Financial Markets in Europe) advocates for deep and integrated European capital markets which serve the needs of companies and investors, supporting economic growth and benefiting society. AFME is the voice of all Europe's wholesale financial markets, providing expertise across a broad range of regulatory and capital markets issues. AFME aims to act as a bridge between market participants and policy makers across Europe, drawing on its strong and long-standing relationships, its technical knowledge and fact-based work. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) through the GFMA (Global Financial Markets Association). For more information please visit the AFME website: www.afme.eu. Follow us on Twitter @AFME_EU