

**MEMO# 31825**

June 25, 2019

# **French AMF Issues Paper on Shaping EU27 Capital Markets to Meet Tomorrow's Challenges**

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June 25, 2019 TO: ICI Global Members SUBJECTS: International/Global Trading and Markets RE: French AMF Issues Paper on Shaping EU27 Capital Markets to Meet Tomorrow's Challenges

The French securities regulator, the Autorité des Marchés Financiers (AMF), recently released a ten-page paper outlining its vision on the principles and goals that should guide the actions of European legislators and regulators for the coming years, based on the post-crisis experience of the past few years, as well as new challenges on the horizon.

In the paper, the AMF states that, although the common foundation for regulation and supervision has progressed considerably, limits are emerging, such as limits to the political will to move toward further integration and limits related to the abundance of technical regulatory detail. At the same time, the issues at stake for financial Europe are high, such as strengthening the EU27 capital markets and supporting technological innovation. According to the AMF, to address these limits and issues, the next European legislative cycle should propose a new way of building European financial markets, which is both ambitious and pragmatic.

The AMF's pulls together in one document the ideas that have recently been put forth by the French policy community on various occasions. On one hand, there is a focus on completing unfinished matters from the prior mandate, such as the Capital Markets Union and sustainable finance. On the other hand, the AMF is looking to create a greener, more competitive financial market in Europe with more restrictive market access for third country firms, as well as more supervisory cooperation and stronger supervisory powers for host countries. In the paper, the AMF sets out the principles that it believes should guide the EU going forward and three areas of focus. Each area of focus contains 3-4 distinct issues or matters that the AMF believes should be addressed, followed by specific recommendations.

## **Guiding Principles**

- simplify, correct
- provide practical and proportionate solutions
- give a new structure and momentum to the central project of the Capital Markets

Union

- create agility and ensure Europe's competitiveness

### **Three Areas of Focus**

- a financial Europe fit for tomorrow's challenges and strong on the international scene
  - which financing model for the future and which financial markets
  - make European ambitions in sustainable finance a reality
  - a European digital strategy for financial services
  - Europe's relations with the rest of the world for capital markets
- working better together
  - pragmatic answers for the supervision of markets participants
  - passport operation and cross-border supervision of services
  - improve the quality of the European rule and its ability to evolve
- simpler, more effective, less costly European rules: proposals for adjustments to existing legislation
  - redesign the architecture of asset management regulation for greater clarity
  - simplify the PRIIPs regulation to better inform investors
  - a targeted review of MiFID
  - a review of reporting requirements

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[Attachment](#)

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