

VIDEO

June 12, 2015

Focus on Funds: European Reforms Offer New Potential for Funds and Investors

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The June 12, 2015, edition of *Focus on Funds* provides an update on the Capital Markets Union (CMU), a new initiative in the European Union that could expand its capital markets.

Transcript

Stephanie Ortvals-Tibbs, Director, ICI Media Relations: Welcome to *Focus on Funds*, the Investment Company Institute's weekly roundup of industry news, ICI activities, and research findings.

Work on a potentially game-changing package of long-term financial reforms in the European Union, called the Capital Markets Union, continues apace and is in fact, gathering speed. I spoke with ICI Global's Giles Swan about the latest progress and some of the key developments for funds and their investors.

Giles Swan, Director of Global Funds Policy, ICI Global: So the Capital Markets Union was announced by the European Commission last year as part of its jobs and growth agenda. But since then, this year we've seen a green paper published by the Commission in February setting out some more of its thinking as to how the CMU will work. There's a conference planned in June and indeed an action plan that we're expecting later on in the year. So a lot more action this year following the initial announcement.

Ortvals-Tibbs: And there are a lot of ideas on the table that will have long-term implications for funds. What would you pull out that people should look at maybe even in the shorter term that's particularly relevant or important?

Swan: Well, the Commission said that it wants to make some early progress and take some short-term actions that it hopes will really make a difference and we've seen a consultation paper published on enhancing the securitization framework, the development of these so-called high-quality standardized securitizations, that's of interest too to some funds, the development of a pan-European private placement framework, again, we think that's a

welcome step. And a number of other questions and initiatives that the Commission seems to be thinking about to try and make the process of distributing, managing funds cross-border more efficient.

Ortbals-Tibbs: So, looking farther ahead then, what do you see as being next?

Swan: So we've had the green paper published by the Commission in February and there's an action plan expected later on in the year that will set out the steps, really probably for the next five years or so, the rest of this Commission's term, the initiatives and the other actions of the Commission expects to take over that time to make the Capital Markets Union a reality.

Ortbals-Tibbs: That's this week in funds. See you next week.

Additional Resources

- [EU Consultation: "Building a Capital Markets Union"](#)
- [ICI Global Response to EU Consultation](#)
- [Committee Page: ICI Global Capital Markets Union Task Force](#) (log-in required)

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