

VIDEO

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Focus on Funds: Europe's Capital Markets Union Is on Track

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The European Union's efforts to build deeper, more unified capital markets could benefit funds and investors—if done correctly. In the July 14, 2017, edition of *Focus on Funds*, ICI Global's Giles Swan gives the fund industry's perspective.

Transcript

Stephanie Ortbals-Tibbs, ICI media relations director: There are some truly promising developments when it comes to the European Union's efforts to form a Capital Markets Union. Recently, I got a sense of the latest developments from ICI Global's Giles Swan.

Giles Swan, ICI Global director of global funds policy: One of the flagship initiatives of the new European Commission when it came into being in 2015 was the creation of a Capital Markets Union, and ICI Global has been supportive from day one of that initiative. And the initiative is to deepen and further integrate the European capital markets and we seek residual benefits for regulated investment funds and their investors from the creation of a Capital Markets Union.

[We're] halfway through the initiative now, and the European Commission published a review of the Capital Markets Union, the work that has been done, and has trialed some initiatives that the European Commission plans to publish over the coming months.

Just picking two of those initiatives out that ICI Global has been particularly supportive of—the first is a legislative proposal to remove barriers to the cross-border of distribution of funds, and this is the distribution of UCITS funds across the European Union single market. The second initiative that we have been particularly supportive of is the creation of a pan-European personal pension product, and we are encouraged that the Commission plans to bring forward a legislative proposal very shortly to begin working on that important initiative.

Ortbals-Tibbs: So how will this go forward, and how will ICI Global and its membership be engaging?

Swan: We've been engaged with the Commission, really, throughout this process, and will continue to be engaged with them, providing advice, support, and guidance through the

comment letters we have submitted and the other discussions that we've had with the various European bodies, to make sure that these initiatives—these proposals—are really valuable to investors and also meet the Commission's stated aims of integrating and developing capital markets, and reducing some of the complexity and the cost for investors when they're investing cross-border.

Ortbals-Tibbs: So, it will be rather exciting to watch what happens over roughly the next year?

Swan: Over the next year or so, we would expect both these initiatives and the pan-European personal pension product to be proposed, and then the Commission to propose some legislation and impact assessment on the removal of some of the cross-border distribution barriers. So, a number of developments to look forward to.

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