



CAPITAL MARKETS UNION

KATE GIBBONS, PARTNER
CLIFFORD CHANCE LLP

INTRODUCTION



BACKGROUND TO THE CAPITAL MARKETS UNION
("CMU") PROJECT

FMLC'S RESPONSE TO THE CMU GREEN PAPER AND
SECURITISATION CONSULTATION PAPER

SOME OTHER RESPONSES TO CMU CONSULTATIONS
(LMA, AFME, ICMA AND CLIFFORD CHANCE)

NEXT STEPS

THE GOAL: A SINGLE MARKET FOR CAPITAL ACROSS THE EUROPEAN UNION



FLAGSHIP INITIATIVE OF THE EUROPEAN COMMISSION

PRIORITY OF JOBS AND GROWTH

ADDRESSING UNDER-DEVELOPED CAPITAL MARKET-BASED FINANCING AND INSUFFICIENT INVESTOR CONFIDENCE

EARLY POLICY PRIORITIES

High quality
securitisation

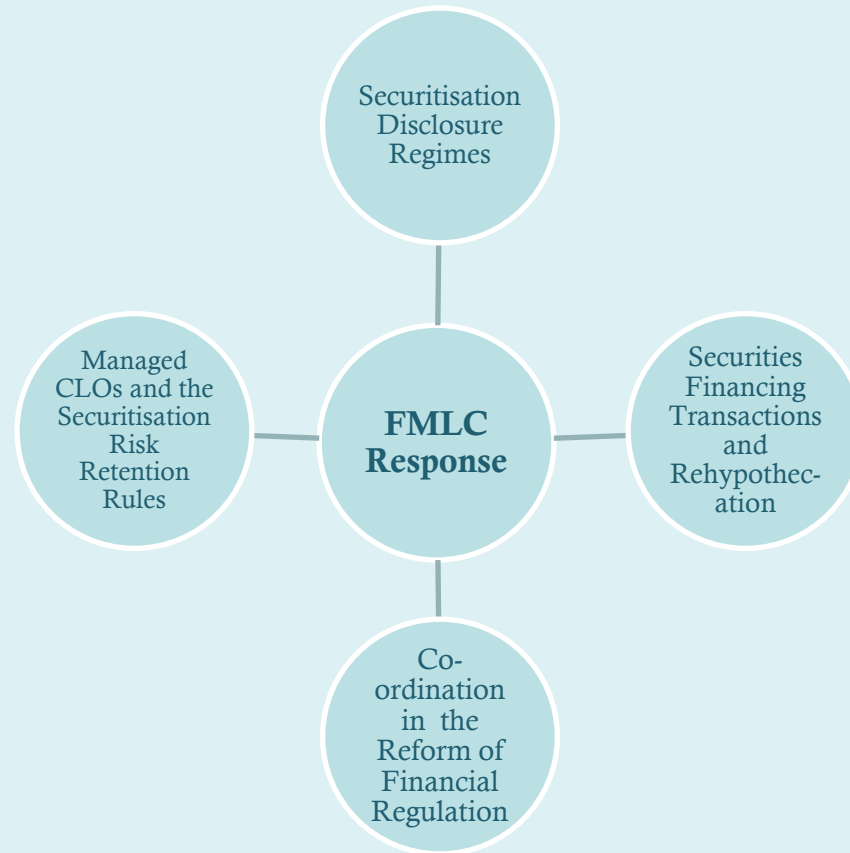
Review of the
Prospectus
Directive

Increased
availability of
credit information
on SMEs

Pan European
private placement
regime

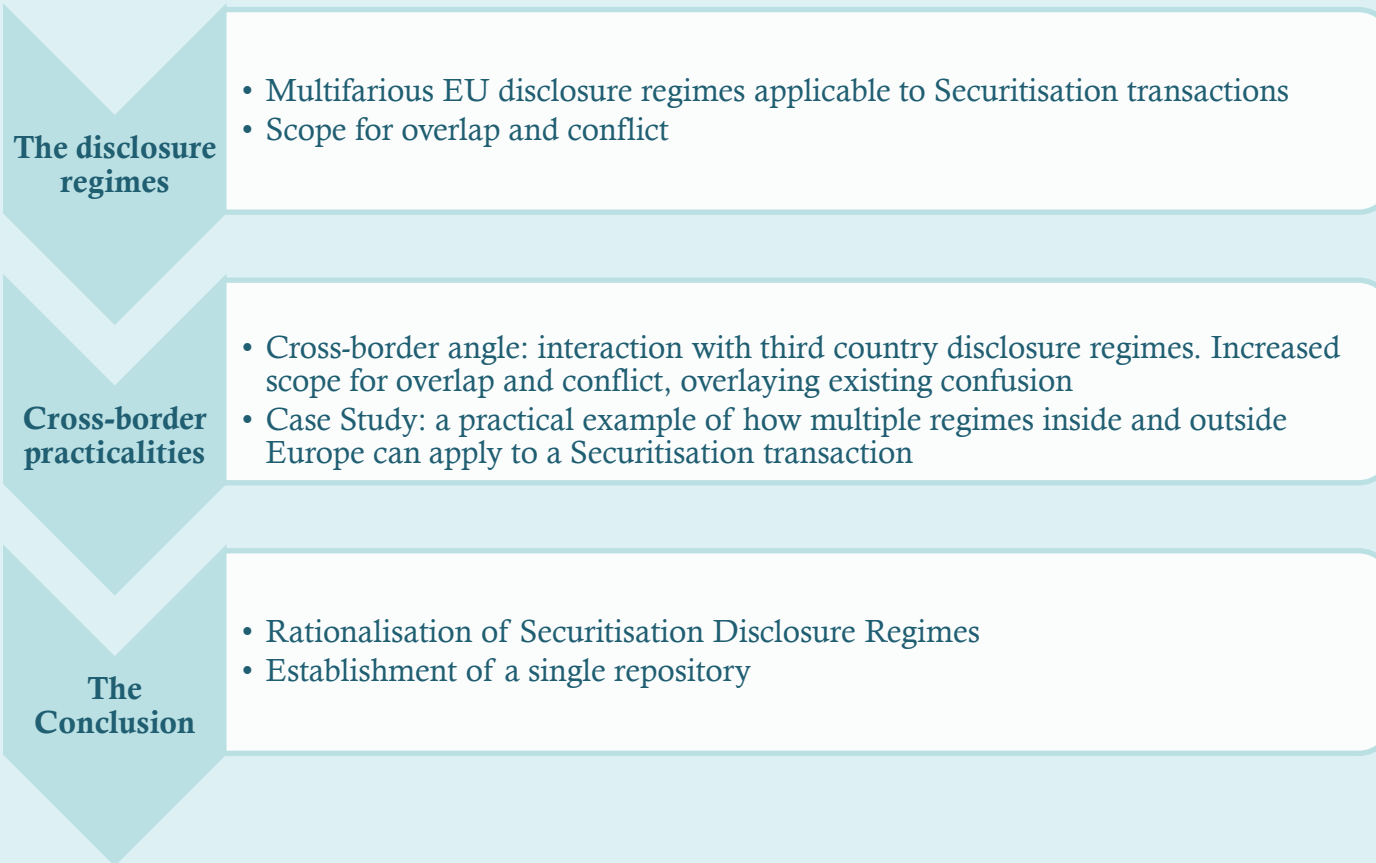
Promotion of new
European long
term investment
funds

FMLC RESPONSE TO THE CONSULTATIONS: 4 AREAS



Relevance of previous FMLC workstreams and their part in achieving the aims of the CMU project.

FMLC PAPER ON SECURITISATION DISCLOSURE REGIMES (SECURITISATION CONSULTATION DOCUMENT: QUESTION 6B)



FMLC'S "UMBRELLA" LETTER

Managed CLOs and the Securitisation Risk Retention Rules (Question 3A of SCD)

- Definitions of “sponsor”, “originator” and “original lender” in the Securitisation Risk Retention Rules: ill-suited to Managed CLOs
- FMLC Letter to the European Banking Authority (November 2012)
- Codification of CEBS guidelines or amendment to “sponsor” definition

Securities Financing Transactions and Rehypothecation (Question 27 of GP)

- Article 15(1) of the proposed Regulation on SFTs: conditions for reuse of collateral
- Title Transfer Financial Collateral Arrangements
- FMLC Letter to the European Commission (February 2015)

Co-ordination in the Reform of International Financial Regulation (Staff Working Document)

- Harmonisation of International Financial Regulation is a key FMLC theme
- FMLC “G20 Paper” (February 2015)
- Lack of harmonisation at the international level exacerbates the lack of harmonisation at the EU level

NEXT STEPS FOR THE CMU PROJECT

Public Hearing (8 June 2015)

- More than 700 responses to the consultations received
- EU Commission on the right track
- Three themes at the heart of the project

Next steps

- An Action Plan will be published in September 2015
- Concrete Proposals will follow shortly thereafter
- Early actions include actions in relation to securitisation and the Prospectus Directive

EBA Public Hearing (26 June 2015)

- Related workstream on Securitisation
- Public consultation from October 2014 to January 2015 on Discussion Paper
- Public Hearing to be held on Friday 26 June 2015 on the European Banking Authority's draft report on Qualifying Securitisation

CMU: 2019

- Priority actions to be complete
- CMU to be in place

CONCLUDING REMARKS

