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.
The disclosure regimes
- Multifarious EU disclosure regimes applicable to Securitisation transactions
- Scope for overlap and conflict

Cross-border practicalities
- Cross-border angle: interaction with third country disclosure regimes. Increased scope for overlap and conflict, overlaying existing confusion
- Case Study: a practical example of how multiple regimes inside and outside Europe can apply to a Securitisation transaction

The Conclusion
- Rationalisation of Securitisation Disclosure Regimes
- Establishment of a single repository
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
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<tr>
<th><strong>NEXT STEPS FOR THE CMU PROJECT</strong></th>
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<tr>
<td><strong>Public Hearing (8 June 2015)</strong></td>
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<td>- More than 700 responses to the consultations received</td>
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<td>- EU Commission on the right track</td>
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<td>- Three themes at the heart of the project</td>
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<td><strong>Next steps</strong></td>
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<td>- An Action Plan will be published in September 2015</td>
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<td>- Concrete Proposals will follow shortly thereafter</td>
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<td>- Early actions include actions in relation to securitisation and the Prospectus Directive</td>
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<td><strong>EBA Public Hearing (26 June 2015)</strong></td>
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<td>- Related workstream on Securitisation</td>
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<td>- Public consultation from October 2014 to January 2015 on Discussion Paper</td>
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<td>- Public Hearing to be held on Friday 26 June 2015 on the European Banking Authority’s draft report on Qualifying Securitisation</td>
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<td><strong>CMU: 2019</strong></td>
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<td>- Priority actions to be complete</td>
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<td>- CMU to be in place</td>
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CONCLUDING REMARKS

The regulatory agenda vs. an “equity culture”

The wider macroeconomic environment

Reviewing the effect of existing legislation

How to promote an “equity culture”—the US comparison