

DOCUMENTAZIONE PRODOTTA DAL COMMISSARIO EUROPEO PER IL MERCATO INTERNO E I SERVIZI MICHEL BARNIER

Towards a stronger financial sector to support growth



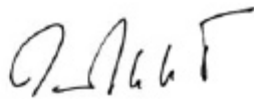
Over the last five years I have been committed to strengthening regulation and supervision of the financial sector to provide an effective response to the financial crisis and to ensure that it can play an effective part in our strategy to put the EU back on the path of smart, sustainable and inclusive growth, creating jobs and enhancing our competitiveness.

Europe has played a key role in shaping a global response to the crisis. With our international partners in the G20, we have pursued a comprehensive programme of financial reform that will be implemented throughout the world. It is an ambitious programme, but we made enormous progress in 2013. The focus now moves towards ensuring consistent implementation.

I would especially like to thank the EU's legislators in the European Parliament and the Council of Ministers for their cooperation in this task. We have worked constructively together to strike a balance between strengthening prudential requirements to ensure financial stability and allowing the financial sector to ensure a sustainable flow of credit to the economy, so as to support growth and investment.

Building on this international agenda, I have also pursued the integration of the financial services sector within Europe. We need to do more to create a genuine single rule book for all firms and markets within a real Single Market, with proper consumer protection in a more responsible financial system.

We also need to face up to the specific needs of economic and monetary union by completing the banking union. This remains one of my top priorities and is central to embedding confidence and stability in the euro area.

A handwritten signature in black ink, appearing to read 'M. Barnier'.

Michel Barnier
Member of the European Commission in charge of Internal Market and Services

Building new rules for the global financial system

As agreed with our international partners, our main goal has been clear: no financial product, no market and no territory should remain without appropriate regulation and effective supervision. The G20 was instrumental in establishing the core elements of a new global financial regulatory framework that will make the financial system more resilient. These include reforms to improve the stability of the banking system through stronger prudential requirements and a framework for crisis management, as well as measures to strengthen the regulation of financial markets and infrastructures, especially through the compulsory trading and clearing of derivatives on well-regulated and transparent platforms. The Commission has now proposed all the main legislation linked to the G20 commitments, and most of these measures, in particular the packages on prudential requirements for banks and the regulation of capital markets, are now in force.

Apr 2009	Hedge Funds & Private Equity ("AIFMD")
July 2009	Remuneration & prudential requirements for banks ("CRD III")
Sep 2010	Derivatives ("EMIR")
July 2010	Deposit Guarantee Schemes
Nov 2008	Credit Rating Agencies
June 2010	
Nov 2011	
July 2011	Single Rule Book of prudential requirements for banks: capital, liquidity & leverage + stricter rules on remuneration and improved tax transparency ("CRD IV"/"CRR")
Oct 2011	Enhanced framework for securities markets ("MIFID II")
Oct 2011	Enhanced framework to prevent market abuse ("MADIR")
June 2012	Prevention, management & resolution of bank crises ("BRRD")
Sep 2013	Shadow banking, including Money Market Funds
Jan 2014	Structural reform of banks
Jan 2014	Shadow banking: increasing the transparency of securities financing transactions
2014	Prevention, management & resolution of financial institutions other than banks

Establishing a safe, responsible & growth-enhancing financial sector in Europe

Europe has also been working to improve the stability and efficiency of the Single Market in financial services. This is essential to ensure the financial sector supports the real economy. Key principles include the need for the financial system to be properly supervised, more stable, more responsible, more consumer-friendly and growth-enhancing. These new European Supervisory Authorities and the European Systemic Risk Board were established in 2011 to improve cross-border cooperation, consistent enforcement of rules and systemic oversight. New rules will also establish a single rule book for all financial firms and markets to apply appropriate regulatory standards and support a level playing field across the Single Market.

July 2007	Risk-based prudential and solvency rules for insurers ("Solvency II")
Sep 2009	Establishment of the European Supervisory Authorities (for banking, capital markets, insurance and pensions) & the European Systemic Risk Board regulations
July 2010	Investor Compensation Schemes
Aug 2010	Strengthened supervision of financial conglomerates
Sep 2010	Short-Selling & Credit Default Swaps
Dec 2010	Creation of the Single Euro Payments Area ("SEPA")
Jan 2011	New European supervisory framework for insurers ("Omnibus II")
Feb 2011	Interconnection of business registers
Mar 2011	Responsible lending (mortgage credit)
Oct 2011	Simplification of accounting
Oct 2011	Enhanced transparency rules
Nov 2011	Enhanced framework for audit sector
Dec 2011	Creation of European Venture Capital Funds
Dec 2011	Creation of European Social Entrepreneurship Funds
Mar 2012	Central Securities Depositories
July 2012	Improved investor information for complex financial products ("PRIIPS")
July 2012	Strengthened rules on the sale of insurance products ("IAD")
July 2012	Safer rules for retail investment funds ("UCITS")
Feb 2013	Strengthened regime on anti-money laundering
Apr 2013	Non-financial reporting for companies
May 2013	Access to basic bank account / transparency of fees / switching of bank accounts
June 2013	Creation of European long-term investment funds
July 2013	Revised rules for innovative payment services (cards, internet & mobile payments)
Sep 2013	Regulation of Financial Benchmarks (such as LIBOR & EURIBOR)
Mar 2014	Long-term financing of the European economy / Revised rules for occupational pension funds ("IORP")

Completing the banking union to strengthen the euro

The crisis clearly showed that, in addition to reinforced rules for all actors in the financial market, deeper integration of the banking system in the euro area was needed. Whilst the single rule book for banks must be the same throughout the Single Market to ensure fair terms of competition and a well-functioning single market in banking, a single supervisor for all the banks in the euro zone has proven essential. This is the first pillar of the Banking Union, which is one of the most significant projects that the EU has engaged in since the creation of the euro. As part of this process, the European Central Bank will take over the supervisory responsibility of all

Sep 2012	Single Supervisory Mechanism
July 2013	Single Resolution Mechanism

the banks in the Eurozone in November 2014. Day-to-day supervision of smaller banks will however for reasons of efficiency remain the task of the national supervisor under the general guidance of the ECB.

The second, no less essential element of the Banking Union is the Single Resolution Mechanism. A single resolution body will ensure that

– if ever necessary – banks in the euro area will be resolved in an efficient and centralised way with minimum impact on taxpayers. The costs of any such resolution procedure will be paid in first by the private sector and backed by a single resolution fund financed through bank contributions.

Actions completed	Proposals presented by the Commission but not yet adopted by the co-legislator	Work ongoing
Glossary AEVD - Alternative Investment Fund Managers Directive BRRD - Bank Resolution and Recovery Directive CRD / CR - Capital Requirements Directive / Regulation EMIR - European Market Infrastructure Regulation EURODOR - Euro Interbank Offered Rate GD - Group of Finance Ministers and central bank governors from the world's major economies IGD - Insurance Mediation Directive ICS - Investor Compensation Scheme ORP - Institutions for Occupational Retirement Provision Directive LRDR - London Interbank Offered Rate MRD / MR - Markets in Financial Instruments Directive / Regulation MAD / MR - Market Abuse Directive / Regulation DemoBis II - Directive amending the powers of the European Insurance and Occupational Pensions Authority and of the European Securities and Markets Authority PIIPD - Packaged Retail Investment Products Directive SEPA - Single Euro Payments Area Solvency II - Solvency II Framework Directive on the taking up and pursuit of the business of insurance and re-insurance UCITS - Undertakings for Collective Investment in Transferable Securities		

Date of May 30/31/2014



Commissione
europea

L'iniziativa per l'imprenditoria sociale

della Commissione europea

Mercato interno
e servizi



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http://ec.europa.eu/internal_market/publications/docs/sbi-brochure/sbi-brochure-web_it.pdf

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Dezember 2010
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L'iniziativa per l'imprenditoria sociale della Commissione europea



Presidente della Commissione europea, José Manuel Barroso:

"Le imprese sociali possono rappresentare un fattore di cambiamento molto forte. Per produrre risultati migliori per il bene comune. Per dimostrare che è possibile fare le cose in modo più responsabile e più equo, pur continuando ad avere successo nel mercato. E per diventare un vero motore della crescita nell'UE. L'Europa non deve semplicemente partecipare a questi cambiamenti. L'Europa deve avervi un ruolo di primo piano."



Vicepresidente della Commissione europea Antonio Tajani, responsabile per l'industria e l'imprenditoria:

"L'impresa sociale è uno dei potenziali inutilizzati del nostro mercato unico. È un buon esempio di un approccio all'imprenditoria che agisce responsabilmente e che contribuisce nel contempo alla crescita e all'occupazione."



Commissario Michel Barnier, responsabile per il mercato interno e i servizi:

"Le imprese sociali perseguono obiettivi di sviluppo sociale, etico o ambientale, ma devono anche rispettare un modello economico. Devono mantenere i propri conti in pareggio e realizzare utili sufficienti per poter investire nel futuro."



Commissario László Andor, responsabile per l'occupazione, gli affari sociali e l'inclusione:

"L'iniziativa per l'imprenditoria sociale è un invito ai governi e agli attori nazionali e regionali a sviluppare ecosistemi per l'imprenditoria sociale, a intensificare gli sforzi ai livelli nazionale e regionale e a fare il migliore uso possibile dei fondi strutturali e delle altre forme di sostegno disponibili."

L'economia sociale nell'Unione europea:

- 10% dell'economia europea (PIL)
- Oltre 11 milioni di lavoratori, il 4,5% della popolazione attiva nell'UE

L'imprenditoria sociale nell'Unione europea:

- 7,5% della popolazione attiva in Finlandia, 5,7% nel Regno Unito, 5,4% in Slovenia, 4,1% in Belgio, 3,3% in Italia, 3,1% in Francia, ecc.
- 1 su 4 delle nuove imprese create ogni anno nell'Unione europea, e fino a 1 su 3 in Finlandia, Francia e Belgio.

Che cosa è l'impresa sociale? Perché è importante per l'Unione europea?

L'impresa/imprenditoria sociale:

- ha come principale obiettivo non quello di generare utili per i suoi proprietari o azionisti, ma di avere un impatto sociale,
- destina i propri utili principalmente alla realizzazione di obiettivi sociali,
- è gestita da imprenditori sociali in modo responsabile, trasparente e innovativo, coinvolgendo in particolare i dipendenti, i clienti e gli attori interessati alle sue attività economiche.

L'obiettivo principale delle imprese sociali è generare un significativo impatto sulla società, l'ambiente e le comunità locali.

Le imprese sociali contribuiscono a una forma di crescita intelligente rispondendo con l'innovazione sociale a bisogni non ancora soddisfatti. Ad esempio, per molte imprese sociali è scontato incoraggiare i propri dipendenti all'apprendimento continuo e a migliorare le proprie capacità.

Inoltre, contribuiscono a una crescita sostenibile grazie al fatto di tener conto del proprio impatto ambientale e di avere una visione a lungo termine. Ad esempio, le imprese sociali spesso mettono a punto pratiche efficienti per ridurre le emissioni e i rifiuti, o l'impiego di risorse naturali.

Inoltre, ponendo l'accento sull'aspetto umano e sulla coesione sociale, le imprese sociali sono al centro di una crescita inclusiva: creano occupazione sostenibile per le donne, i giovani e gli anziani.

In altri termini, la loro ragione d'essere è realizzare trasformazioni sociali ed economiche che sono funzionali agli obiettivi della strategia Europa 2020.



Esempi di imprese sociali Perché hanno tanto successo?

- In **Romania**, un'impresa con 5 dipendenti e 5 volontari lavora dal 1996 per fornire servizi culturali in lingua romena ai non vedenti, adattando vari supporti (soprattutto audiolibri e film) alle esigenze di un pubblico stimato in 90.000 persone.
- In **Francia**, nel 2004 un'impresa ha lanciato un concetto innovativo di servizi di autolavaggio senz'acqua con prodotti biodegradabili, impiegando personale non qualificato o emarginato al fine di reintegrarlo nel mercato del lavoro.
- In **Ungheria**, una fondazione ha creato un ristorante che impiega personale disabile (40 dipendenti), e offre loro formazione e un servizio di assistenza all'infanzia per assicurare la transizione verso un impiego stabile.
- Nei **Paesi Bassi**, un'impresa insegna a leggere utilizzando strumenti digitali innovativi e un metodo basato sul gioco. Il metodo è particolarmente adatto ai bambini iperattivi o autistici, ma anche agli analfabeti e agli immigrati.
- In **Polonia**, una cooperativa sociale costituita da due associazioni, che impiega disoccupati di lunga durata e persone disabili, offre sul mercato una serie di servizi: ristorazione e di catering, piccole opere edili e di artigianato nonché la formazione a favore dell'inclusione professionale di persone svantaggiate.

I dipendenti hanno un'opinione positiva del loro lavoro e questa circostanza si riflette sul loro colleghi e sull'ambiente circostante. L'atteggiamento del personale non soltanto rende affidabile e coerente il lavoro dell'impresa, ma può generare un impatto straordinario che non richiede necessariamente le risorse di un'impresa "convenzionale": è molto meno probabile che i dipendenti si assentino per malattia o che lascino definitivamente il lavoro, il che determina un risparmio di costi. Inoltre i costi di gestione e amministrazione sono molti più bassi che in molte imprese omologhe "convenzionali", e gli stipendi sono ridotti rispetto ad altri tipi di imprese.

Ciò conferisce alle imprese sociali un vantaggio competitivo nel mercato. Inoltre, dato che gli utili sono reinvestiti nella stessa impresa che li ha generati, le imprese sociali offrono opportunità di investimento sostenibile a lungo termine.



Iniziativa per l'imprenditoria sociale Quali sono i risultati ottenuti finora?

L'iniziativa per l'imprenditoria sociale, lanciata nel 2011, ha individuato tre linee d'intervento per introdurre cambiamenti concreti e migliorare, a livello pratico, la situazione delle imprese sociali:

1. Agevolare l'accesso ai finanziamenti
2. Dare loro maggiore visibilità
3. Ottimizzare il quadro giuridico.

Da allora sono stati realizzati importanti progressi. Le istituzioni dell'Unione europea hanno mantenuto i loro impegni in tutti e tre gli ambiti. L'evento "**Imprenditori sociali – dite la vostra!**", **che si è tenuto a Strasburgo il 16 e 17 gennaio 2014**, è stato l'occasione per valutare i progressi compiuti finora e individuare altri interventi utili per il futuro. Segue una panoramica dei risultati ottenuti.

1. AGEVOLARE L'ACCESSO AI FINANZIAMENTI PER LE IMPRESE SOCIALI:

- **Fondi pubblici** sono stati stanziati a beneficio delle imprese sociali. Il **Programma per l'occupazione e l'innovazione sociale** è stato messo a disposizione delle imprese sociali per sostenere lo sviluppo del mercato dell'investimento sociale con una cifra di 85 milioni di euro, e per agevolare il loro accesso ai finanziamenti nel periodo 2014-2020 mediante strumenti simili ai prestiti. Nello stesso periodo sono stati riformati i **Fondi strutturali** per consentire agli Stati membri di utilizzarli per finanziare le imprese sociali.
- Il settore necessita tuttavia anche di **investimenti privati**. Di qui la decisione di istituire un **Fondo europeo per l'imprenditoria sociale**, il cui obiettivo è aiutare le imprese sociali ad accedere più facilmente ai finanziamenti, e aiutare gli investitori ad identificare investimenti nelle imprese sociali stesse. Gli investitori dispongono di questo passaporto europeo dal luglio 2013. Per migliorare ulteriormente l'accesso al capitale privato, il Regolamento sui **fondi di venture capital** ha creato la nuova denominazione distintiva "fondo europeo di venture capital". L'obiettivo è contribuire alla commercializzazione ed espansione di questo tipo di fondi in tutta l'Unione europea basandosi su un unico complesso di norme.
- Sono in corso di ulteriore sviluppo anche le **borse etiche**, al fine di creare una piattaforma europea che consenta il trading di azioni di imprese sociali su una borsa valori regolamentata da un'autorità per i servizi finanziari. Nel contempo, continua il lavoro per permettere di attingere ad altre modalità di finanziamento. Nell'ottobre 2013 è stato pubblicato un "Codice di buona condotta per l'erogazione di **microcrediti**" per aiutare il settore ad affrontare la sfida dell'accesso ai finanziamenti a lungo termine. Inoltre, cresce l'importanza del **finanziamento collettivo (crowd funding)**. E' in corso un approfondimento sulla raccolta di fondi su Internet, anche al fine di comprendere il valore aggiunto che un'azione a livello di Unione europea potrebbe apportare.

Per saperne di più sulle iniziative volte a migliorare l'accesso ai finanziamenti (pagina disponibile in inglese, francese e tedesco):

http://ec.europa.eu/internal_market/social_business/index_en.htm

2. PIÙ VISIBILITÀ PER LE IMPRESE SOCIALI:

- Per dare maggiore visibilità alle imprese sociali è stata creata la piattaforma online **Social Innovation Europe**, che aiuta anche gli imprenditori sociali a comunicare e scambiare informazioni sugli ultimi sviluppi nel settore. I finanziamenti forniti attraverso i programmi Gioventù in Azione, Erasmus ed altri nel campo dell'istruzione sono un ulteriore strumento utile per **formare** gli imprenditori del settore sociale in Europa. Il **Forum delle PMI**, creato nel 2010, persegue lo stesso obiettivo. Quest'ultima piattaforma promuove il dialogo e la conoscenza reciproca tra PMI, imprese sociali e istituzioni finanziarie, e consente loro di discutere dei rispettivi problemi e di individuare nuove modalità di collaborazione per il futuro.
- È altresì importante **aiutare le autorità nazionali** a una migliore comprensione del settore, affinché possano sostenere gli ecosistemi locali e nazionali di imprese sociali. Tra il 2014 e il 2020 verrà fornito aiuto per creare e migliorare meccanismi a sostegno delle imprese sociali. La **"Guida all'innovazione sociale"**, pubblicata recentemente, contribuirà anch'essa a realizzare questo obiettivo. Inoltre, è attualmente in corso un **esercizio di mappatura** il cui obiettivo è fornire un quadro più chiaro del settore e raccogliere dati sufficienti e affidabili sulle imprese sociali per individuare possibili azioni dell'Unione europea volte a rafforzare l'imprenditoria sociale. Sulla base dei risultati di tale esercizio, verrà creata una banca dati che metta a confronto **i marchi e le certificazioni delle imprese sociali** per avere un quadro più trasparente del reale impatto sociale delle aziende con attività di impresa sociale.

Per saperne di più sulle iniziative volte a promuovere la visibilità (pagina disponibile in inglese, francese e tedesco):

http://ec.europa.eu/internal_market/social_business/index_en.htm

3. OTTIMIZZARE IL QUADRO GIURIDICO:

- Per migliorare il quadro giuridico, occorre valutare innanzitutto in quale misura le autorità possono tenere conto delle specificità delle imprese sociali. Il **pacchetto di riforme in materia di appalti pubblici**, adottato all'inizio del 2014, incoraggia e aiuta le autorità pubbliche a tener conto dell'intero ciclo di vita dei prodotti nelle loro decisioni di acquisto, nonché dei criteri sociali legati al processo di produzione. Nella stessa ottica, il pacchetto sui servizi di interesse economico generale, approvato nel 2011, ha introdotto elementi di maggiore proporzionalità e flessibilità per le autorità pubbliche nel fornire **aiuti di Stato alle imprese sociali**, innalzando la soglia per l'esenzione dall'obbligo di notifica all'Unione europea per la compensazione di servizio pubblico a 500 000 euro per impresa su un periodo di tre anni.
- Un altro aspetto importante è la disponibilità di **forme giuridiche** che tengano conto delle esigenze specifiche delle imprese sociali. Di qui la decisione della Commissione di adottare una proposta per una **fondazione europea** che faciliti le attività transfrontaliere delle fondazioni di pubblica utilità. Questa proposta è attualmente oggetto di negoziazione tra gli Stati membri. Una forma giuridica già esistente è la **società cooperativa europea**. La Commissione ha svolto una consultazione pubblica per semplificare lo statuto attuale e renderlo di più facile impiego. Una terza forma giuridica spesso utilizzata dalle imprese sociali è la **mutua**. Attualmente la Commissione sta esaminando le opzioni legislative e non legislative per valutare come l'attuale situazione delle **mutue** in Europa possa essere migliorata.

Per saperne di più sulle iniziative volte a migliorare il quadro giuridico (pagina disponibile in inglese, francese e tedesco):

http://ec.europa.eu/internal_market/social_business/index_en.htm



Internal Market and Financial Services
**Five years of laying the
foundations of new growth in Europe**

European Commission 2010 - 2014

Internal Market
and Financial Services

**Internal Market and Financial Services
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of new growth in Europe**

European Commission
Internal Market and Services Directorate General
1049 Brussels
BELGIUM

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29 pp. — 21 × 29.7 cm.

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Printed in Belgium

Internal Market
and Financial Services

Five years of laying the foundations of new growth in Europe

European Commission
2010 - 2014

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"Many of these achievements would have been unthinkable only a few years ago. But despite many obstacles, we have brought them to fruition without losing sight of our goal of putting the financial sector at the service of the real economy."



Preface

During my first hearing before the European Parliament on 13 January 2010, I expressed two ambitions, which were shared by President José Manuel Barroso. Firstly, that no financial market, no financial player, no financial product and no territory would escape appropriate regulation and effective supervision. And secondly, to re-launch the single market as one of the main drivers of growth and jobs in Europe.

Four and a half years later, thanks to the perseverance of the co-legislators and the staff of the Directorate-General for Internal Market and Services, we have made significant progress on both fronts.

With my fellow Commissioners, we proposed more than 40 pieces of financial regulation, which cover all the measures agreed jointly in the G20. These include strengthening the rules applicable to banks, creating a framework for bankers' bonuses and bringing transparency to trading in derivatives.

We have also gone further than the G20, in particular with the Banking Union, which is probably our most ambitious common project since the creation of the euro, and on which we reached agreement in April 2014. Banking Union should allow us to strengthen the euro area, to address the fragmentation of financial markets in Europe and to protect taxpayers and citizens better from risks taken by banks.

Many of these achievements would have been unthinkable only a few years ago. But despite many obstacles, we have brought them to fruition without losing sight of our goal of putting the financial sector at the service of the real economy.

Nevertheless, successive crises have left their mark: 26 million Europeans are unemployed, including 50 % of young people in many countries. And many SMEs still struggle to get the financing they need in order to grow and create jobs. Financial stability is necessary but not enough to get the economy moving again. We also need to use all the levers for growth and employment of the single market, making sure that they benefit all of Europe's businesses and individuals, be they workers, consumers, entrepreneurs or independent professionals.

This was the objective of the two Single Market Acts, which I launched with a dozen of my colleagues in 2011 and 2012. These Acts led us to adopt very concrete measures including the simplification and modernisation of public procurement rules, the single European patent and the European professional card.

This brochure takes stock of what we have achieved over the last four and half years in finding practical solutions to improve the lives of individuals, businesses and regions in Europe.

It also shows that many of the problems can be resolved when we work closely with MEPs and Member States, but also with representatives of the regions, SMEs, trade unions and consumer associations.

It is finally to demonstrate to the next Commission the enthusiasm and energy it will need to move Europe along the path to more inclusive, fairer and more sustainable growth.



Michel Barnier
Member of the European Commission
in charge of Internal Market and Services

"Commissioner Barrier has driven efforts to rebalance financial regulation towards the public interest so that it benefits savers, consumers and citizens. I hope that his successor will continue to promote the interest of society in financial services."

Thierry Philipponnat
Former Secretary General of Finance Watch

"The backdrop of an existential crisis for the Euro made our work on financial services and banking union all the more extraordinary."

Sharon Bowles
Former MEP, Chair of the Committee on Economic and Monetary Affairs 2010 - 2014



1 A stronger, safer, less risky financial sector

Since 2010, the European Commission has proposed over 40 pieces of legislation to strengthen the resilience of the European financial system. These texts cover all the financial regulation measures agreed within the G20. On some points they go even further, notably in strengthening the protection of depositors and investors. Most of these instruments have now been adopted by the European Parliament and the Council and many are already in force.

Three strong European authorities are now in place to ensure that banks, insurance companies and securities markets are subject to stricter regulation and more harmonised supervision. They are accompanied by a European Systemic Risk Board (ESRB), which detects risks to the financial system as a whole and issues warnings so that steps can be taken quickly if necessary.

European banks should gradually hold more and better capital and liquidity to better absorb any losses they incur and to respond to potential crises, while continuing to lend to households and businesses.

In order to avoid a return to the excesses of the past, the whole financial sector, and not just banks, must adapt to the new rules which include:

- Greater responsibility for a wide range of market operators such as hedge funds, asset managers, investment firms and rating agencies;
- Greater transparency, for example in derivatives markets, where a lack of transparency and regulation made the crisis spread more rapidly;
- A more robust framework for complex financial instruments such as credit default swaps (CDS) and new techniques such as high-frequency trading;
- Considerably stronger regulation of the whole insurance sector.

All these measures come down to meeting the same objective: putting the European financial sector back at the service of the real economy.

→ The crisis revealed the extent of the risks taken by financial institutions. How can new EU rules reduce such risks?

- ✓ Financial players with a high propensity to take risks, such as hedge funds, are now regulated and are subject to strict supervision.
- ✓ It is possible to prohibit risky activities like short selling, which is selling securities that one does not own in the hope of being able to buy them back later at a better price.
- ✓ There are now limits on incentives for risk-taking, including traders' bonuses: these bonuses may not exceed the level of the fixed remuneration for twice this amount if agreed at the bank's general meeting.
- ✓ Market players that are supposed to raise the alarm when they notice risks, like rating agencies and audit firms, are now subject to greater transparency and new rules to prevent conflicts of interest.
- ✓ Banks must address the issue of risk in the composition of their boards by limiting overlapping functions, introducing more diversity – in particular between men and women – and creating a risk committee.



"The SSM is a very powerful tool to address the consequences of the financial crisis, a quantum leap in European supervision for the benefit of the European people."

Danièle Nouy

President of the Supervisory Council at the European Central Bank

"The unprecedented speed at which we built a strong Banking Union to support economic recovery shows what we can achieve by joining forces."

Jeroen Dijsselbloem

President of the Eurogroup



2 A Banking Union for the euro area

EU Member States mobilised 13 % of their GDP in aid and guarantees between 2008 and 2011 to avoid a collapse of the banking system. These public funds, plus the actions taken to address pre-existing deficits, led in some countries to a sovereign debt crisis.

Building on the new banking regulation put in place, the Banking Union aims to put an end to this vicious cycle between failing banks and Member States' debt. It will allow us to overcome the fragmentation of the European banking sector and to better protect taxpayers from the risks taken by banks.

To do this, we must first be able to detect these risks more thoroughly through centralised, strict and impartial supervision of euro area banks. The European Central Bank will take on this role for some 130 systemic banks from 1 November 2014. All Member States that have not yet adopted the euro may join this mechanism if they choose.

If despite these efforts, problems arise, we must also be in a position to tackle them together, rather than piecemeal as in the past. This is the aim of the single resolution mechanism, which will include:

- A **Single Resolution Board** to decide quickly whether a bank is still viable and, if not, to organise its resolution, by imposing the costs on shareholders, creditors and the largest depositors.
- A **Single Resolution Fund**, financed by the banks, and which would be able to intervene in the event of a major problem to avoid taxpayers having to pay again.

→ I have heard the Banking Union called a revolution but, concretely, what will change for me and for my business?

✓ As a bank customer, the Banking Union will mean that your savings will be better protected from bank crises, which will be detected earlier and managed better.

✓ As a taxpayer, it will significantly reduce the risk that your taxes will be used to bail out banks in difficulty.

✓ As a small business owner, the Banking Union should eventually lead to your business being able to obtain interest rates on bank loans comparable to those given to SMEs in risk/shooting countries, putting all SMEs on an equal footing in a genuine single market.



*"Thanks to Commissioner
Barrier, consumer interests
at last ranked highly on
the EU retail financial
services policy agenda, and
consumer representatives
were given a legitimate
role in stakeholder groups."*

Monique Goyens
Director General of BEUC (The European
Consumer Organisation)



3 Better protected savers and investors

The measures taken to stabilise the financial sector and set up the Banking Union will help boost consumer and business confidence, which have been severely dented by the crisis.

But if that renewed confidence is to be sustained, we also need specific reforms to better protect savers, investors and financial services users.

For example, retail investment products are often so complex and difficult to understand that sometimes consumers buy them when it is not in their interest. Reforms will require sellers of these products to be more transparent about them. They also govern the depositaries and managers of UCITS, which are investment products often sold to individuals. This will help prevent the kind of abuse that was brought to light in the Madoff scandal.

Throughout the EU, people preparing to take out a home loan will have to be given specific information on the costs and risks involved in their mortgage credit.

Consumers will be able to take advantage of competition between banks, thanks to more transparent bank fees and the opportunity to switch banks more easily.

Shareholders will receive quality information from audit firms, whose governance has been strengthened to ensure their independence.

→ I would like my savings to grow, but I am afraid of making the wrong decisions. How do the new EU rules help me?

- ✓ Money held in your bank account is protected up to €100,000, even if your bank goes bankrupt.
- ✓ If you decide to invest in a retail investment product, the seller is obliged to give you a key information document, which will describe the expected performance of the product but also the risks associated with it.
- ✓ If you opt for UCITS funds, the way your money will be subject to stricter rules.



"The crisis has made politicians more aware of the importance of SMEs. Commissioner Barnier made Basel III less burdensome and public contracts more accessible for SMEs."

Gunilla Almgren

President of UEAPME (The European Association of Craft, Small and Medium-sized Enterprises)



4 Funding investment and growth

When carrying out our reforms, we paid close attention to their **impact on growth**, so that we can put finance back at the service of the real economy. Reforms focus on the most risky activities and should not lead to a restriction of credit to SMEs or individuals.

But we also went further, taking specific measures to encourage investment in sectors that need it.

For example, since July 2013, **funds that invest in young, innovative start-ups and social enterprises** can operate throughout Europe on the basis of a single registration.

In June 2013, the European Commission also proposed the creation of **European long-term investment funds** that would allow professional investors and individuals to invest over a longer term, for example in infrastructure projects.

Other ideas have been put on the table to support long-term investment. This could come from private sources, such as banks, insurance companies or pension funds, or from public sources such as public investment banks. The Commission will continue to deliver on these ideas over the coming months.

→ I still find it difficult to get the funding I need to grow my small business. How can Europe help me?

- ✓ Your SME should ultimately benefit from measures to improve the soundness of banks. There are also initiatives by public banks like the European Investment Bank, whose loans are expected to increase by 40 % between 2013 and 2015.
- ✓ If you have a young innovative business or a social enterprise, you may soon look for funding from the new European venture capital and social entrepreneurship funds.
- ✓ In the context of the ongoing reflection on the long-term financing of the European economy, new proposals have been put forward:
 - To improve SMEs' access to capital markets, using instruments such as the SME growth market label or good securitisations, which must be simple and more transparent;
 - To direct more household savings to small businesses, and to examine new instruments such as a European private savings account;
 - Better access for SMEs to new instruments such as crowdfunding.



"The single market is key for renewed growth, innovation and job creation. We stand firmly behind the EU aim to make it work better for a more competitive Europe."

Emma Marcegaglia
President of BUSINESSEUROPE



5 The single market as an engine for growth and employment

The two Single Market Acts, launched by Michel Barnier with Viviane Reding, Slim Kallas, Neelie Kroes, Antonio Tajani, Algirdas Šemeta, Günther Oettinger, László Andor, Tonio Borg and Neven Mimica, gave a platform to launch many initiatives to boost growth and jobs and to restore the confidence of European citizens and businesses.

Workers wishing to move to another European country to work in a regulated profession may obtain easier recognition of their professional qualifications. Professions that wish can even apply for a European professional card. This should help to match job seekers with companies looking for persons with specific qualifications.

SMEs, which are responsible for 85 % of net job creation in Europe, will benefit from simpler accounting rules and from **faster and cheaper access to public procurement**. The public procurement reform will also give **public authorities** greater room for manoeuvre, allowing them to improve the **quality of public services** and to get better value for **taxpayers' money**. Finally, public authorities who so choose will be able to use public procurement as more of a strategic tool to serve their policies in areas such as the environment, innovation and social inclusion.

Companies wanting to **provide services or set up in another European country** must be able to do so easily. The relevant rules, reducing obstacles in the single market, are now being applied more strictly, to ensure that they have an effect in practice, to the benefit of businesses and consumers.

Finally, in specific sectors such as **defence**, the Commission has taken steps to strengthen the single market and support the development of a strategy to enhance defence capabilities. This strategy will accompany the work of the Member States and the European Defence Agency by mobilising various European policies like research, industry and innovation.

→ As a local representative, how can I use the single market to boost growth and jobs in my region?

✓ The measures to support long-term investment in the single market, like the proposed European long-term investment funds, could help you to invest in high-quality infrastructure.

✓ The new public procurement rules, and in particular the new competitive tendering procedure, gives you greater discretion to select the best and most innovative

offers, supporting economic activity in your region as well as social inclusion and the environment.

✓ Actions to develop e-government, such as electronic invoicing in public procurement, should help your region to save money.



"Since 2009, the Single Market Acts, strongly backed by Parliament, have promoted new initiatives to benefit Europe's citizens, consumers and enterprises. There have been ambitious reforms, notably in public procurement. It has been a great time to be a single market advocate!"

Malcolm Harbour

Former MEP, Chair of the Committee on the Internal Market and Consumer Protection
2010 - 2014

"In my dealings with Commissioner Barnier on Europe's digital ecosystem and its compatibility with copyright, I was extremely impressed by his willingness to engage and his objectivity."

Axel Dauchez

Director General of Deezer



6 Towards a digital single market

Studies show that the digital economy creates 2.6 jobs for every job lost in the 'offline' economy. Europe needs a real digital single market to help create jobs, give consumers greater choice and open up new opportunities for businesses, especially SMEs.

That is why the Commission has taken a number of steps since 2010 to remove obstacles to the development of online services and e-commerce. These included improving cross-border parcel delivery and driving the development of secure payments by card, mobile and online, including for shopping on websites in other Member States.

The digital single market should also help with the transition to modern online public administrations at national and European levels. With the Points of Single Contact and the roll-out of e-procurement and e-invoicing, Europe has been a driving force in this area in recent years.

It has become much easier to get in contact with European authorities, with information portals to inform citizens and businesses about their rights ('Your Europe'¹¹), tools to help them overcome any difficulties they might face with public authorities in other European countries (the 'SOLVIT'¹² system) and a network bringing administrative authorities together to exchange information (internal market information system (IMI)¹³).

→ The digital single market is a great idea on paper, but what are the real benefits for my small business?

- ✓ The removal of cross-border barriers to broadband access, payments and deliveries will enable many small businesses to sell their products to all 500 million Europeans and not only to residents of their country or region.
- ✓ SMEs who want to provide services or set up in another European country can get all the information they need through Points of Single Contact that are accessible online, and whose features are constantly being improved.
- ✓ The roll-out of e-procurement will make life simpler for SMEs who may previously have been put off from tendering due to the cost and complexity of procedures.



¹¹ http://ec.europa.eu/your Europe/citizen/index_en.htm

¹² http://ec.europa.eu/solvit/index_en.htm

¹³ http://ec.europa.eu/internal_market/en-net/index_es.htm

"Michel Barnier's effective and successful support was a great asset in the realisation of cross-border exchange of accessible literature for people with visual impairments."

Wolfgang Angermann
President of EBU (European Blind Union)



7 Intellectual property for creativity and innovation

Europe needs efficient infrastructure for the protection of intellectual property (including patents, trademarks, designs, copyright and geographical indications of origin) to support and encourage innovation and investment.

A quarter of all jobs in Europe are dependent on intellectual property-intensive industries. These jobs are also better remunerated than in other sectors.

Since 2010, numerous measures have been taken to facilitate and improve the "inventor's trail" in Europe — from the design of a concept to bringing the new product to market in Europe and beyond.

After more than 30 years of negotiations, agreement was reached in 2013 on the single European patent and a unified and specialised patent court. From 2015 onwards, innovators in Europe should benefit from significantly lower costs to protect their inventions. Initiatives have also been taken to improve the protection of trademarks and business information ('trade secrets').

The internet creates unprecedented opportunities for citizens to learn, to discover music, films and books and to exchange ideas.

We need a legal framework that makes it easier to distribute these works to the biggest possible audience. We also need to give writers, artists, music and film producers and newspaper publishers adequate protection so that they can continue creating or investing in creative works.

We have boosted dialogue between stakeholders to encourage greater compliance with intellectual property rules on the internet. The sale of counterfeit, often dangerous, products is equally damaging to the people who buy them as it is to innovative companies.

→ I understand the need to protect copyright, but what is the EU doing to help it become a tool to improve access to culture in Europe?

A series of legislative measures have been taken, where appropriate, to adapt copyright law.

- ✓ To make it easier to grant multi-territorial licences, which should enable companies to deliver more, and above all more European, music online;
- ✓ To make it easier for visually impaired persons to access books, through an international agreement signed by the European Union;
- ✓ To enable libraries to digitalise and distribute 'orphan' works, books whose right holders are unknown, and those that are out of copyright. This was necessary to realise projects such as the European cultural heritage portal;
- ✓ Finally, a review of the copyright rules was launched to examine whether there is a need to make further adjustments to meet the challenges of the digital environment.



"With the social business initiative, Michel Barnier tackled the issue of social entrepreneurship head-on and thus contributed to social cohesion, employment and the reduction of inequalities across Europe."

Jean-Marc Borello
CEO of the Executive Board of Groupe SOS
(French social enterprise)

"The Public Procurement Directive, with its mandatory social clause, was an important achievement but more is needed to give a social dimension to the single market."

Bernadette Ségol
General Secretary of ETUC (European Trade Union Confederation)



8 More sustainable and equitable growth

Efforts have also been made in recent years to reorient the single market to a **different kind of growth**, a more social and inclusive growth. This includes bringing back ethics to the heart of the financial sector and agreeing on new initiatives such as **access for all to a basic bank account** at an affordable price, something that is currently denied to tens of millions of Europeans.

This growth should also be more sustainable: in addition to the reflection on long-term investment, the public procurement reforms introduce the concept of "lifecycle cost". This allows contracting authorities to take into account factors such as the CO₂ footprint when they decide on the products they want to buy.

Similarly, many large companies will need to disclose information on their **social and environmental policies**, risks and results. Companies in the extractive and forestry sectors will be obliged to disclose the payments they make to governments whose resources they exploit, on a country-by-country basis.

This overriding concern for social inclusion and sustainable development also manifests itself in the **pro-active measures taken to support the social entrepreneurship sector**, including greater visibility at European level and easier access to finance.

→ How does the European Union support social enterprises?

The Social Business Initiative of October 2011 has brought social enterprises to the heart of the European political agenda.

✓ By improving the financing of these companies through the Structural Funds and by making them more attractive to private investors, including via European Social Entrepreneurship Funds, a new category of investment fund.

✓ By making social enterprises more visible at EU level. This, in turn, makes them more credible to stakeholders like local authorities and banks, and allows them to attract more young graduates.

✓ By simplifying the rules applicable to social enterprises, for example the new rules on public procurement and the ongoing work towards a European foundation.



A new financial system for Europe

Financial reform at the service of growth

State of play of the initiatives taken by the European Commission as of 27.06.2014

Establishing a safe, responsible & growth-enhancing financial sector in Europe

Commission Proposal




July 2007	Risk-based prudential and solvency rules for insurers ("Solvency II")
September 2009	Establishment of the European Supervisory Authorities (for banking, capital markets, insurance and pensions) & the European Systemic Risk Board regulations
July 2010	Investor Compensation Schemes
August 2010	Strengthened supervision of financial conglomerates
September 2010	Short-Selling & Credit Default Swaps
December 2010	Creation of the Single Euro Payments Area ("SEPA")
January 2011	New European supervisory framework for insurers ("Omnibus II")
February 2011	Interconnection of business registers
March 2011	Responsible lending (mortgage credit)
October 2011	Simplification of accounting
October 2011	Enhanced transparency rules
November 2011	Enhanced framework for audit sector
December 2011	Creation of European Venture Capital Funds
December 2011	Creation of European Social Entrepreneurship Funds
March 2012	Central Securities Depositories
July 2012	Improved investor information for complex financial products ("PRIIPS")
July 2012	Strengthened rules on the sale of insurance products ("IMD")
July 2012	Safer rules for retail investment funds ("UCITS")
February 2013	Strengthened regime on anti-money laundering
April 2013	Non-financial reporting for companies
May 2013	Access to basic bank account / transparency of fees / switching of bank accounts
June 2013	Creation of European long-term investment funds
July 2013	Revised rules for innovative payment services (cards, internet & mobile payments)
September 2013	Regulation of Financial Benchmarks (such as LIBOR & EURIBOR)
March 2014	Long-term financing of the European economy / Revised rules for occupational pension funds ("IORP")
April 2014	Revision of the Shareholder Rights Directive

Building new rules for the global financial system

Commission Proposal	
April 2009	Hedge Funds & Private Equity ("AIFMD")
July 2009	Remuneration & prudential requirements for banks ("CRD III")
September 2010	Derivatives ("EMIR")
July 2010	Deposit Guarantee Schemes
November 2008 June 2010 November 2011	Credit Rating Agencies
July 2011	Single Rule Book of prudential requirements for banks: capital, liquidity & leverage + stricter rules on remuneration and improved tax transparency ("CRD IV"/"CRR")
October 2011	Enhanced framework for securities markets ("MIFID/R")
October 2011	Enhanced framework to prevent market abuse ("MAD/R")
June 2012	Prevention, management & resolution of bank crises ("BRRD")
September 2013	Shadow banking, including Money Market Funds
January 2014	Structural reform of banks
January 2014	Shadow banking: Increasing the transparency of securities financing transactions
2014	Prevention, management & resolution of financial institutions other than banks

Completing the banking union to strengthen the euro

Commission Proposal	
September 2012	Single Supervisory Mechanism
July 2013	Single Resolution Mechanism

 Actions completed	 Proposals presented by the Commission but not yet adopted by the co-legislator	 Work ongoing
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Glossary

AIFMD - Alternative Investment Fund Managers Directive

BRRD - BANK RESOLUTION AND RECOVERY DIRECTIVE

CRD / R - Capital Requirements Directive / Regulation

EMIR - European Market Infrastructure Regulation

EURIBOR - Euro Interbank Offered Rate

G20 - Group of finance ministers and central bank governors from the world's major economies

IMD - Insurance Mediation Directive

ICS - Investor Compensation Scheme

IDRP - Institutions for Occupational Retirement Provision Directive

LIBOR - London Interbank Offered Rate

MIFID / R - Markets in Financial Instruments Directive / Regulation

MAD / R - Market Abuse Directive / Regulation

Omnibus II - Directive amending the powers of the European Insurance and Occupational Pensions Authority and of the European Securities and Markets Authority

PRIPS - Packaged Retail Investment Products Directive

SEPA - Single Euro Payments Area

Solvency II - Solvency II Framework Directive on the taking-up and pursuit of the business of insurance and re-insurance

UCITS - Undertakings for Collective Investment in Transferable Securities

Together for new growth

Single Market Acts I & II

State of play of the initiatives taken by the European Commission as of 27.06.2014

Single Market Act I (April 2011)

Commission Proposal

April 2011	EU patent (Barnier)
	Revised Energy Tax Directive (Semeta)
June 2011	Revised Standardisation System (Tajani)
October 2011	Infrastructure legislation (Kallas/Oettinger/Kroes)
	Simplified accounting directives (Barnier)
November 2011	Alternative/online dispute resolution (Borg)
December 2011	Venture capital funds legislation (Barnier)
	Social Entrepreneurship Funds (Barnier)
	Professional Qualifications Directive (Barnier)
	Revised public procurement directives (Barnier)
March 2012	Posting of Workers Enforcement Directive* (Andor)
June 2012	E-signature/e-identity/trust services legislation* (Kroes)

Single Market Act II (October 2012)

Commission Proposal

November 2012	Third energy package action plan (non-legislative action) (Oettinger)
	Upgraded EURES portal (Andor)
December 2012	Modernised EU insolvency rules (Reding)
January 2013	Fourth railway transport package (Kallas)
February 2013	General product safety and market surveillance package (Tajani/Mimica)
March 2013	Facilitate deployment of high-speed broadband* (Kroes)
May 2013	Access to basic bank account / transparency of fees / switching of accounts* (Barnier/Mimica)
June 2013	Single European Sky II+ (Kallas)
	Access to long-term investment funds (Barnier)
	Electronic invoicing in public procurement* (Barnier)
July 2013	Payment Services Directive / Multilateral Interchange Fees (Barnier)
December 2013	*"Blue Belt" maritime transport package (non-legislative action) (Kallas/Semeta)

Complementary Actions

Actions completed

- > Publish Action Plan on SMEs Access to Finance
- > Publish White Paper on Pensions
- > Adopt legislation on orphan works
- > Enhance role of Observatory on Counterfeiting and Piracy
- > Publish Communication on Passenger Rights
- > Publish Communication on implementation of Services Directive
- > Complete Services Directive performance checks
- > Adopt Decision establishing radio spectrum policy programme
- > Adopt proposals on mobile roaming
- > Publish an action plan for development of eCommerce
- > Present guidance to Member States on identifying unjustified consumer discrimination on basis of nationality / country of residence
- > Launch a Social Business Initiative
- > Publish a Communication on Corporate Social Responsibility
- > Identify elements of VAT Strategy
- > Present Communication on Services of General Economic Interest
- > Revise post-Albmark package
- > Adopt Directive to simplify certain financial reporting obligations of micro-entities
- > Revise Regulation implementing Prospectus Directive
- > Adopt Council Recommendation on non-formal and informal learning
- > Create European Skills Passport
- > Explore the development of an intellectual Property Rights valorisation instrument
- > Launch initiative to combat unfair trading practices
- > Set up High-level Group on Business Services
- > Propose initiative on environmental footprint of products
- > Publish Communication on European approach to collective redress
- > Revise the existing customs regulation
- > Revise Directive on Public Sector Information
- > Revise Transparency Directive
- > Adopt legislation to protect borrowers in mortgage markets
- > Introduce (amending) directive on the award of concession contracts
- > Adopt legislation on collective rights management
- > Revise Market Abuse Directive*
- > Revise Market in Financial Instruments Directive*
- > Adopt legislative proposal on non-financial reporting by companies*
- > Adopt legislation on complementary pension rights (portability)*
- > Adopt Regulation to simplify cross-border recovery of debt*
- > Action plan on intellectual property infringements

Proposals presented by the Commission but not yet adopted by the co-legislator

- > Introduce legislation establishing European Foundation Statute
- > Introduce Common Consolidated Corporate Tax Base
- > Adopt Directive on single-member private limited liability companies
- > Introduce optional European contract law instrument
- > Introduce legislation on procurement with third countries
- > Modernise the European trademark system
- > Review Directive on Package Travel
- > Revise Institutions for Occupational Retirement Provision Directive

Actions completed

Proposals presented by the Commission but not yet adopted by the co-legislator

Proposals to be presented by the Commission

(*) Political agreement reached; pending adoption



DG Internal Market and Services



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