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Luxembourg Newsflash - 25 November 2021

## Strengthening the integration and efficiency of capital markets to support economic growth

**Diversifying funding opportunities for EU companies, empowering retail investors to seize available capital market opportunities for long-term investments, and lifting barriers to cross-border investment were the main drivers for the CMU package published today by the EU Commission.**

Today, on 25 November 2021, the EU Commission published a package of legislative proposals. With the proposed measures, the EU Commission is delivering on a number of action points identified under its Capital Markets Union (CMU) 2.0 Action Plan, published in September 2020. The measures tackle problems across a broad range of capital market services to help achieve a strong and well-integrated single EU capital market.

**The legislative proposals published today are the following:**

### A source of information – creation of the European single access point (ESAP)

The ESAP is intended to serve as a common source of information on EU companies and investment products, regardless of where in the EU they are located or originated. The data gathered will render investment opportunities more visible to EU and international investors and, in so doing, will make funding more accessible to EU companies, especially those which are smaller or are located in smaller capital markets. The information on the ESAP will be available publicly and free of charge. [Read more](#)

### Promoting long-term investment for retail investors – targeted revision of the EU Regulation on the European long-term investment fund (ELTIF)

The ELTIF aims to channel long-term financing to small and medium-sized enterprises as well as long-term infrastructure projects, green energy generation, clean technological innovation and social infrastructure projects. Since its inception in 2015, the uptake of the ELTIF has been slow. Through a set of targeted amendments, the EU Commission now proposes to boost the attractiveness of the ELTIF regime. [Read more](#)

## Enabling more diversified funding for companies – targeted revision of the AIFMD

Alternative investment funds (AIFs) are playing an ever-greater role in financial intermediation. The EU Commission is now proposing targeted amendments to the AIFMD framework, to make it easier for EU companies to access financing by harmonising the regulatory framework for funds that issue loans. [Read more\\_](#)

In further fine-tuning the AIFMD framework, the EU Commission is simultaneously proposing a degree of harmonisation with the UCITS framework, among others, to ensure that fund managers who delegate their functions to third parties adhere to the same EU-wide standards, and to encourage the proper use of harmonised liquidity management tools by managers of open-ended AIFs and UCITS. [Read more\\_](#)

## Enhancing market transparency – review of the Markets in Financial Instruments Regulation (MiFIR)

MiFIR governs how trading works in the EU. While MiFIR has been fine-tuned over the years, today's proposal by the EU Commission is another step towards a more competitive, more transparent, and more integrated trading landscape. The proposal will increase market transparency by limiting the use of exemptions from publishing trading data. It will also align transparency requirements and trading practices between various players. With the introduction of a consolidated data tape, all investors will be able to access market data providing a consolidated view of trading conditions across EU markets and across different financial instruments.

### Next steps

The proposals presented today by the EU Commission are now under review by the EU Parliament and the Council of the EU.

**For further information, please reach out to your usual contact within the [Fund Formation Group](#)**

### Related documents

- To access the Commission publication “Capital Markets Union – Delivering one year after the Action Plan”, [click here\\_](#) and its annex, [click here\\_](#)
- To access the proposed directive amending certain Directives as regards the establishment and functioning of the European single access point, [click here\\_](#)
- To access the proposed regulation amending the ELTIF Regulation as regards the scope of eligible assets and investments, the portfolio composition and diversification requirements, the borrowing of cash and other fund rules and as regards requirements pertaining to the authorisation, investment policies and operating conditions of ELTIFs, [click here\\_](#)
- To access the proposed directive amending the AIFMD and the UCITS Directive as regards delegation arrangements, liquidity risk management, supervisory reporting, provision of depositary and custody services and loan origination by alternative investment funds, [click here\\_](#)
- To access the proposed regulation amending MiFIR as regards enhancing market data transparency, removing obstacles to the emergence of a consolidated tape, optimising the trading obligations and prohibiting receiving payments for forwarding client orders, [click here\\_](#)



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