



Press Release

Luxembourg, 29 October 2019

Auditors to look at the action taken by the Commission to foster an EU Capital Markets Union

The European Court of Auditors is assessing how successful the Commission's action has been so far in building the Capital Markets Union, a major initiative launched in June 2015 as part of the "Juncker Plan".

The free movement of capital is a key long-standing objective of the European Union, being one of the pillars of the European Single Market, along with the free movement of people, goods and services. An integrated capital market would complement banks as a more diversified source of financing, offering investors and savers additional opportunities to put their money to work and opening up new funding opportunities for all EU businesses, in particular start-ups and smaller companies.

The Capital Markets Union (CMU) is a project launched in June 2015 by the Commission to ensure a free flow of private capital and to remove regulatory and other barriers in the EU. Despite some progress over the years, Europe's capital markets are still fragmented along national lines, and are not easily accessible to all would-be investors. Moreover, the EU's economies rely heavily on the banking system as their major source of financing, and suffer when banks limit access to credit in difficult times — such as during the 2008 financial crisis. The Commission's action plan aimed to set up the building blocks for a well-functioning and integrated Capital Markets Union by 2019. Work towards the CMU will remain one of the top priorities for the next Commissioner responsible for financial services, as barriers to the free flow of capital still exist.

"Although the direct impact of the project remains to be seen, it is time to assess its effectiveness and the progress made so far" said Rimantas Šadžius, the Member of the European Court of Auditors responsible for the audit. "Our audit will check where the Capital Markets Union project stands now, and can provide recommendations for a future reboot."

The purpose of this press release is to convey the main messages of the European Court of Auditors' audit preview. The full preview is available at eca.europa.eu in English.

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The auditors will examine, in particular, whether the Commission:

- o has achieved its objective of increasing the diversification of funding sources for EU companies, especially for small and medium enterprises;
- o has proposed measures to foster more integrated and deeper capital markets;
- o is implementing the CMU in such a way that the measures of the action plan benefit businesses and domestic capital markets, in particular by making use of technical assistance and aligning the CMU actions with other EU programmes, where appropriate.

Note to editors

The report is expected to be published in 2020.

Earlier this year, the European Court of Auditors issued two reports on related subjects: Special Report 17/2019 "[Centrally managed EU interventions for venture capital: in need of more direction](#)" and Special Report 03/2019 "[European Fund for Strategic Investments: Action needed to make EFSI a full success](#)".

Audit Previews provide information on an ongoing audit task. They are designed as a source of information for those interested in the policy or programmes being audited. They should not be regarded as audit observations, conclusions or recommendations.

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