

**Professor Danuta Hübner**

**“Building stronger European capital market for European market participants and international investors”**

**Seminar on US-EU Capital Markets**

**Seminar organised by Professor Danuta Hübner and Managed Funds Association (global association of alternative investment industry)**

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### ***Opening remarks***

It is a great pleasure for me to join Michael Pedroni in welcoming all of you in this virtual room.

I feel tempted to say that we are meeting a week after the visit of American President and his team to Brussels. We have restarted our pragmatic and at the same time value based relationship, trade irritants have deescalated and new areas for constructive cooperation, in particular regulatory cooperation on norms and standards, on creating common regulatory space that would benefit businesses on both sides of the Atlantic, were identified and endorsed.

Our joint task is to give a strong push to the implementation of our ambitions.

As you know, Europe is moving forward with its new tool box within the framework of the New Generation EU for which efficient financing is fundamental coming both from public sources and hopefully in growing numbers from markets participants, in particular from successful capital markets.

In this context our seminar is very timely and of practical usefulness. I was very happy that we agreed back in April to get US and EU experts on capital markets around the table and have a candid and frank conversation. And I welcome the MFA partnership and shared commitment to strengthen European capital market.

I remember times of reflection after the last financial crisis when we were trying to identify reasons for faster recovery from the crisis on the other side of Atlantic than

here in the EU. One of the main factors we identified was the reliance on capital markets.

Here in the EU we know that we need the Capital Markets Union (CMU) to complement the Banking Union. Increasing the equity of European companies could reduce their vulnerability to changes in credit markets. We have achieved a lot in this respect, also in terms of laws and regulations. Especially on venture capital, securitization, pension products, covered bonds. On FinTech and sustainable finance we are moving forward. But, as we say here, a lot remains to be done including ensuring that our capital market avoids fragmentation and insufficient liquidity and boosting the project of CMU. We need it to support the real economy, help build sustainable future and ensure safe participation of retail investment.

### ***Closing remarks***

I would like to put on my head now my hat as the member of European Parliament and quote what State Secretary Antony Blinken said in Europe, which is that stronger partners make strong alliances.

Indeed, in this discussion we could see a common interest in a successful effort on the EU side to build deep, liquid capital markets. We are looking at a potential rebalancing of our financial sector toward more equity financing and rationalizing savings allocation. EU is approaching this challenge in a holistic way, while taking into account the entry barriers for non-EU investors.

We shared the view that European capital market matters not only for European market participants. There are certainly issues that affect and matter for third country managers that are marketing and investing in Europe.

I also think that we share the view that more investment will be and should be channelled toward sustainable economy.

Our discussion proved that sustainable investment can make the untapped potential of managed funds be better exploited. There is clearly international capital seeking sustainable investment opportunities. We need a regulated environment for this and international coordination on sustainable finance regulation and policy.

We work to have European regulation providing a framework attractive to international markets and third country managers.

We know that US is moving fast in the area of sustainable investment assets. I would say that on both sides of the Atlantic there is a conducive political environment in this

regard. There might be a space for regulatory cooperation in this field. We agreed about the benefits. We now look at the necessary policy and regulatory steps.