Activities Report

European Capital Markets Institute

2021

Contents

Message from the General Manager

ECMI covered a broad variety of issues in 2021, through publications or in webinars. We focused as well on core capital markets issues such as CCPs, bond markets, the impact of Brexit, private equity, settlement cycles, as on novel themes like green standards, crypto and digital currencies. Our webinars continued to be well attended, and publications broadly disseminated. The growing tensions with Russia which led to the Ukraine invasion brought an entirely new issue on our agenda - the weaponisation of finance - that will be with us for some time to come. However, capital markets development in Europe will continue to be the overriding ambition of ECMI, on which much work remains to be done.

Karel Lannoo

General Manager, ECMI

Overview

ECMI conducts in-depth research aimed at informing the debate and policy-making process on a broad range of issues relevant to capital markets. Through its various activities, ECMI facilitates the interaction among market participants, policymakers and academics. ECMI is managed and staffed by the Centre for European Policy Studies (CEPS) in Brussels.

ECMI in figures 2021	
332 000	Total visits to ECMI webpage
1066	Social media followers
234	Participants at the annual conference
35	Corporate and institutional members
14	Publications and studies
10	Events organised
5	Research projects

Publications

Commentaries

Euro area sovereign bond yields during the Covid-19

by Vassilios Papavassiliou

Sovereign bonds are very important capital market instruments. Their effective supply and creditworthiness results in a well-functioning and liquid secondary market with high levels of trading activity and narrow bid-ask spreads. Bond yields are determined by investor expectations about future growth prospects. While there are many factors that can influence the yield on a specific bond, one of the most important is the behaviour of the sovereign yield curve. Examining the slope of the sovereign bond yield curve before and during the Covid-19 pandemic can help us to draw conclusions with regard to future growth prospects in the euro area. A first analysis of the euro area sovereign bond yield shows that a recession in the euro area is unlikely to occur in the near future, but instead there is an expectation that the eurozone economy will exhibit higher growth rates over the coming months. However, this would largely depend on the vaccines' effectiveness to bring the pandemic to an end. **Available** here**.**

The Green transition, finance and biodiversity: Aim high, shoot higher

by René Karsenti and Apostolos Thomadakis

The urgency to succeed in financing the energy transition and reorienting private capital to sustainable investments requires a comprehensive shift in how the financial system works. The role of major market participants, investors, and policymakers in facilitating this shift is essential. To develop more green and sustainable economic growth, there is a need to:

i) broaden access to the market through innovation and diversification;
ii) further develop global standards and taxonomies;
iii) enhance disclosure and reporting;
iv) fully incorporate fintech and digitisation;
v) fully address biodiversity and nature-related risks

Beyond its quasi-moral obligation, mobilising finance for the energy transition is a historic opportunity, especially for the EU to act and lead as a true pioneer, that should not be missed. **Available** here**.**

UK financial services should shift focus away from equivalence

by Apostolos Thomadakis

After nine rounds of negotiations that took more than six months (March-October 2020) and covered eleven areas, the EU-UK Trade and Cooperation Agreement (TCA) concluded on 24 December 2020. It is fair to say that the City has ended up with a 'no deal' in terms of financial services. Despite their strategic importance for the UK economy, financial services were not dealt with to any extent in the negotiations, and the agreement itself lacks anything substantive on them.

Equivalence is not a panacea and neither is it part of the agreement. Its determination is a political judgement, and it only solves a few small areas of the Brexit puzzle. Instead of waiting for a bus that will never come (or comes very late), the UK should be pragmatic and move forward. A clear focus would be for London to develop as a non-EU financial centre, prioritise the EU business that can still be done through the City and capitalise on the deep financial services culture, critical mass and economies of scale that made it a global financial centre. Available here.

Can responsible investing encourage retail investors to invest in equities?

by Marie Brière and Stefano Ramelli

The low participation of retail investors in the equity market is a concern for many countries. It is a necessary condition for the development of capital markets in Europe and a key factor for funding post-Covid economic recovery. Recently, savers' appetites for responsible investment has grown, but little is known about the consequences of this development on individual investment decisions.

Employee savings plans constitute a unique laboratory for studying these choices. In a recent research article (Brière and Ramelli, 2021), the impact of introducing responsible funds into the investment choices of more than 900,000 French employees was analysed. The addition of a responsible option to the menu of funds led to a 7% increase in the equity allocation of new investments. Given that the average equity allocation is around 13%, this increase is substantial and represents an encouraging result for retail investors' participation in the equity market. The role of social preferences further explains this phenomenon. Available here.

On the fringes: EU-UK financial services under the TCA

by Karel Lannoo

The outcome of the Trade and Cooperation Agreement (TCA) for trade in financial services between the EU and UK deal was even more paltry than expected. The TCA does not even institute a dedicated financial services committee, but rather a general one for services. Nevertheless, there is a deal that provides for an umbrella, a governance structure, and a mechanism for dispute settlement and cooperation in a variety of fields, as might be expected for a former member and close neighbour. Joint actions have also been envisaged on money laundering (which remains problematic even within the EU), cybersecurity, and in financial programmes of the European Investment Bank (EIB). The agreement contains a long list of member states' specific market access reservations, notably on financial data processing services – a clear sign that this is no longer a Union but a loose trade agreement. Only supervisory equivalence agreements between both parties covering some aspects of the free provision of financial services could somehow maintain the appearance of the frictionless trade of before. Available here.

Are European listed corporations short-termist?

by Karel Lannoo, Jesper Lau Hansen and Apostolos Thomadakis

A recent study prepared for the EU Commission has found that EU listed companies are increasingly focused on the short-term financial benefits of shareholders rather than long-term interests and sustainable value creation. It argues that the root causes of this behaviour lie within the regulatory framework and market practices (i.e. lack of a strategic perspective on sustainability, short-term focus of board-member mandates, and remuneration), and alleges that this will both undermine the investment capacity of firms and harm cash balances.

In response to this alleged short-termism, the EU Commission is considering a series of measures such as: harmonising directors' duties and board composition; incentivising long-term shareholding; reducing quarterly reporting; and broadening reporting targets. The study's conclusions were strongly contested by top academics in both the EU and the US – a challenge that was at first not matched by the relevant European professional associations. Available here.

Policy Briefs

Regulating crypto and cyberware in the EU

by Karel Lannoo

Crypto currency matters are seemingly in the news every day, but the EU's attempt to introduce a tailor-made regulatory regime is not. A draft regulation is currently before the European Parliament and Council of the European Union for adoption in the coming months, setting down a dedicated framework for crypto-assets, stablecoins and digital money, and the related trading platforms and virtual networks. Only authorised providers will be allowed to offer crypto currencies in the EU, and they will need to have an EU registered office. As a corollary, the EU also intends to regulate and supervise the digital resilience of financial institutions. If adopted, the EU's 'crypto regulation' will be the first act by an international institution to regulate this sphere. In this policy brief, we note:

- The lack of a common approach across countries for a global phenomenon such as crypto, and the profound differences with the US, which regulates crypto as a security under existing securities laws, whereas the EU is creating an entirely new regime, rendering implementation and user interpretation more difficult, and creating confusion across regulatory regimes;
- Diverse approaches enable regulatory arbitrage and a race to the bottom, where the providers are the winners, and the investors the victims;

- Much remains to be done to render the crypto world more transparent, in single data feeds, but also in the development of commonly agreed valuation and accounting methods, let alone the issue of taxation;
- The crypto hype emphasises the need for a more efficient network for international payments, outside the realm of the global reserve currencies;
- The new proposals considerably increase the tasks for supervisors: in a complex set-up, national and European authorities will need to authorise and supervise virtual asset providers, and control ICT suppliers of the financial sector;
- Crypto is often associated with money laundering, mostly through third country providers. Strong international cooperation in the 'cryptosphere' is needed to detect criminal networks, but this is where the lack of a common global regulatory approach matters.

Available here.

Why finalising Basel III is good for the European banking sector

by Pedro Duarte Neves

Basel III is an internationally agreed set of measures to strengthen the regulation, supervision and risk management of banks. Finalising the 2017 agreement will contribute to a banking system that is more resilient and in a better shape to support the real economy. It is possibly the final milestone in the post-crisis reform agenda, and represents a crucial step towards a level playing field for banks internationally. The EU banking sector is particularly sensitive to the conclusion of this process, as solvency ratios will be more affected there than in other jurisdictions.

This paper shows the advantages of adopting a multi-metrics approach to capital measurement, simultaneously using risk-weighted criteria for capital adequacy, the establishment of an output (risk-weighted assets) floor and the deployment of a minimum leverage ratio, as defined in the Basel III finalisation. The complementary use of those metrics brings a far more robust approach to capital measurement since each one may constitute a binding restriction for different banks. Consistent implementation of Basel standards at the global level is fundamental to a sound banking system. It is therefore of the utmost importance that the legislative implementation of the Basel III finalisation in the EU is timely and in full compliance with internationally agreed standards. **Available** here.

Research Reports

2021 ECMI Statistical Package- Key findings

by Apostolos Thomadakis

This report provides an overview of the key findings of the ECMI Statistical Package 2021, a comprehensive collection of the most relevant data on various segments of European and global capital markets. It enables users to trace trends so as to highlight the ongoing transformation of capital markets, including the structural changes brought about by competitive forces, innovation and regulation. It represents an important step towards overcoming the existing data fragmentation on the evolution of European capital markets by offering a 'one-stop-shop' for market participants, regulators, academics and students. The 2021 version contains data on equity markets, debt securities, securitisation, covered bonds, exchange-traded and over-the-counter derivatives, asset management, mutual funds, insurance companies and pension funds, and global comparative data. Available here.

2020 ECMI Statistical Package: key findings

by Apostolos Thomadakis

This report provides an overview of the key findings of the ECMI Statistical Package 2020, a comprehensive and annually updated database on the dynamics of European and global capital markets (covering China, Japan, the US and other relevant markets). The key trends gleaned from the package on equity markets, debt securities, exchange-traded derivatives (ETD), over-the-counter (OTC) derivatives and investment funds are outlined below. The statistical package covers the period up to 2019, which means that the impact of the Covid-19 pandemic is reflected in the figures only to a very limited extent. Available here.

Working Papers

Central bank digital currencies: can central banks succeed in the marketplace for digital monies?

by Peter Bofinger and Thomas Haas

The discussion about central bank digital currencies (CBDCs) has gained impressive momentum. So far, however, the main focus has been on the macroeconomic implications of CBDCs and the narrow perspective of developing a digital substitute for cash. This paper adds the microeconomic dimension of CBDCs to the discussion. The authors provide an overview of the existing payment ecosystem and derive a systemic taxonomy of CBDCs that distinguishes between new payment assets and new payment systems.

Using their systemic taxonomy, they are able to categorise different CBDC proposals. In order to discuss and evaluate the different CBDC design options, the authors develop two criteria: allocative efficiency, i.e. whether a market failure can be diagnosed that justifies a government intervention, and attractiveness to users, i.e. whether CBDC proposals constitute attractive alternatives to users compared with existing payment assets and payment systems. The analysis shows that there is no justification for digital cash substitutes from the point of view of either allocative efficiency or the user. Instead, it highlights the option of a retail payment system organised or orchestrated by the central bank without a new, independent payment asset. Available here.

Strategic Complementarity among Investors With Overlapping Portfolios

by Christof W. Stahel

Academics and regulators posit that mutual funds that engage in significant liquidity transformation can be systemically risky. This is because investors in these funds redeem at the fund's net-asset-value and compete for a common fund liquidity pool. The argument goes that both of these features can lead to run-like behaviour because of strategic complementarity considerations. An alternative, more general explanation is that all investors who hold overlapping portfolios compete for finite asset market liquidity when they decide to sell assets, which can lead to investor behaviour that should be observationally similar to that reported for mutual fund investors.

To test this, the authors analyse over the period from 2000 to 2021 a class of investors with overlapping portfolios, those that invest in separately managed accounts. Unlike mutual fund investors, these investors directly own the assets in their portfolios and receive the market price when selling them. Hence, the net-asset-value redemption and common liquidity pool channel present in mutual funds has been turned off for these investors.

The results from estimating standard flow-performance models show concave relationships for investors in overlapping portfolios that contain less liquid assets. Consistent with the main conjecture, the authors find evidence that the sensitivity of outflows to past underperformance increases during periods of market illiquidity and for portfolios that are less liquid. Moreover, such behaviour is less accentuated for investors with large account holdings because they more likely take into account the impact of their own decisions to sell.

These results expand our understanding of the financial ecosystem and systemic risk and help design more effective regulations. Furthermore, they suggest that the behavior of investors with overlapping portfolios should serve as the benchmark to assess any systemic risk inherent in the mutual fund structure. Available here.

Regulation, financial crises, and liberalization traps

by Francesco Marchionne, Beniamino Pisicoli and Michele Fratianni

This paper first develops a theoretical model showing a concave impact of regulation on the probability of a crisis, and then tests this relationship by applying a non-linear Probit model to annual data from 138 countries over the period 1996-2017. Our key inference is that the probability of a financial crisis fits an inverted U-shaped curve: it rises as regulation stringency moves from low to medium levels and falls from medium to high levels.

Countries located in the intermediate level of regulatory stringency face more financial instability than either loosely or severely regulated countries. The latter two groups of countries are respectively caught in a "liberalization trap" and a "regulation trap." Institutional quality interacts significantly with the regulatory environment, implying trade-offs between regulatory stringency and institutional quality. Available here.

Books

Setting EU CCP policy – much more than meets the eye

by Apostolos Thomadakis and Karel Lannoo

More than EUR 3.2 trillion notional outstanding of interest rate swaps are cleared every day in the City of London. Around 94% of all euro-denominated interest rate swaps that are traded globally are cleared in UK-based central counterparty clearing houses (CCPs). Brexit has naturally raised questions around whether London's central role can continue.

A new ECMI study calls for a long-term vision for the future of the European clearing market, by taking financial stability, efficiency, and market development objectives into account.

- In the short-term, the best way forward to address EU concerns about the exposure of EU firms to UK (CCPs) is to implement appropriate supervisory and regulatory co-operation.
- A policy to further develop central clearing in the EU should be part of a clear long-term strategy in the context of the Capital Markets Union (CMU), be market-driven and, again, be given the appropriate time to mature.
- The alternative, to abruptly restrict EU firms' access to UK-based CCPs, would result in clear collateral damage for EU banks and end users, put EU banks at a clear competitive disadvantage vis-à-vis it's international counterparts and unnecessarily harm the EU economy.

Available here.

Events

Regular events

Settlement cycle: Should it stay (T+2) or should it go (T+1)?

Online, 15 December 2021

The settlement cycle refers to the time between the trade date, when an order is executed in the market, and the settlement date. In the EU the settlement cycle since 2014 is set at trade date plus two business days (T+2), while in the US the settlement cycle was shortened from three to two business days in 2017. In the US, there is now an industry-lead initiative to accelerate the securities settlement cycle to one day (T+1).

The length of the settlement cycle is important given that the longer the time before a trade is settled, the more risk that something could go wrong. This risk is in particular high at time of high volatility and stressed market conditions. Additionally, a longer settlement cycle leads to higher margin requirements.

- Is there a need for Europe to shorten the settlement cycle to T+1? What are the unique challenges in Europe in shortening the cycle?
- What are the operational challenges for the US industry in moving to T+1?
- How will T+1 impact the financials of individual actors as well as financial stability?
- How will overseas investors be affected by such change, due to different time zones and trade and settlement discrepancies at an international level?
- Could the settlement cycle be shortened even further (e.g. instant settlement)?

Agenda available here.

With the participation of: **Michele Hillery**, DTCC; **Marty Burns**, ICI; **James Cunningham**, BNY MELLON; **Karel Lannoo**, ECMI

Will central banks succeed in the digital currencies market?

Online, 9 December 2021

Most central banks in advanced economies consider issuing central bank digital currencies (CBDCs), not only to address the declining use of cash, but also to position themselves against increased competition from Big Tech companies, cryptocurrencies, and stablecoins.

Digital currencies are a concern for regulators alike, which has resulted in the Markets in Crypto-assets Regulation (MiCAR) proposal of the European Commission to regulate cryptocurrencies and ensure investor protection.

This webinar will present the best paper of the CEPS/ECRI/ECMI call for papers on "The future of digital payments in the EU". This is followed by a panel discussion on the challenges and opportunities of digital money.

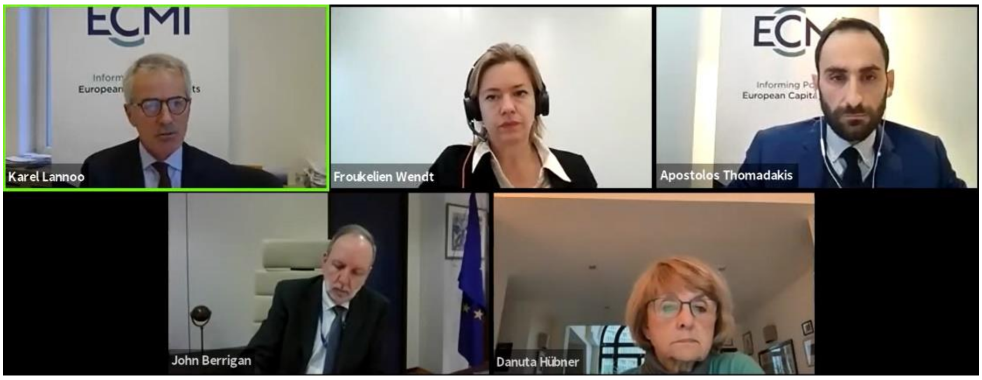
- How can a digital euro be designed and constructed? What technology and infrastructure would be most beneficial?
- How can digital currencies achieve to find the right balance between safeguarding individuals' privacy and tackling illicit finance?
- What would an effective policy response be to increase Europe's competitiveness globally, and increase the international role of euro within a multipolar and digital international currency order?
- Do digital currencies impact financial inclusion? What is the role of regulators in this?
- How may cryptocurrencies impact the financial services landscape?

Agenda and recording available here.

With the participation of: **Peter Bofinger**, University of Würzburg; **Thomas Haas**, University of Würzburg; **Joachim Schwerin**, DG GROW; **Anca Bogdana Rusu**, Celo; **Maria Teresa Chimienti**, World Bank; **Paul Worthington**, Novi; **Apostolos Thomadakis**, ECMI.

Setting EU CCP policy – much more than meets the eye

Online, 16 November 2021



The European Union needs a long-term vision for the future development of the European clearing market. Currently, UK-based CCPs dominate the (European) market for swaps and futures clearing. More than EUR 3.2 trillion notional outstanding of interest rate swaps (IRS) are cleared in the City of London per day across all currencies. In the first half of 2021, 94% of all globally traded EUR-denominated IRS were cleared in London. Since the UK'S departure from the EU, European policymakers have encouraged EU clearing members and market participants to reduce their exposure to systemically important UK CCPs.

The study, Setting EU CCP policy – much more than meets the eye, stresses the need that EU market participants should be able to retain the flexibility to continue to clear their transactions through the CCP of their choice, or the choice of their clients and counterparties. Supervisory and regulatory cooperation between the EU and the UK is the best way forward to address potential EU concerns around the exposure of EU firms to UK CCPs.

Agenda and recording available here.

With the participation of: **Apostolos Thomadakis**, ECMI; **John Berrigan**, DG FISMA; **Danuta Hübner**, EP; **Froukelien Wendt**, ESMA; **Karel Lannoo**, ECMI.

Which direction for capital markets in the EU and around the world ?

Lisbon, 5 November 2021

CEPS and ECMI, on the occasion of CMVM's Annual Conference in celebration of its 30th Anniversary and in conjunction with the 46th Annual Meeting of the International Organization of Securities Regulators (IOSCO), are organising a session on "Which direction for capital markets in the EU and around the world?"

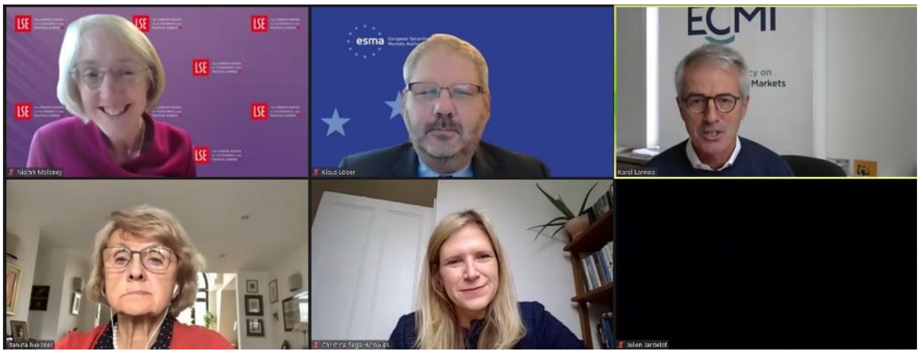
The session will present and discuss the two best papers selected by the Academic Committee on response to the "call for papers" specifically promoted for the CMVM conference.

Agenda available here.

With the participation of: **Francesco Marchionne**, Indiana University; **Christof Stahel**, Investment Company Institute; **Eva Schliephake**, Católica Lisbon School of Business & Economics; **Marie Briere**, AMUNDI, Paris Dauphine University and Université Libre de Bruxelles; **Apostolos Thomadakis**, ECMI.

Roundtable on EU-UK financial services relations: CCP Supervision

Online, 1 October 2021



Large central clearing counterparties (CCPs) clear trillions of transactions between their members. For the EU, the bulk of the CCP clearing for EU financial institutions takes place in the UK. The modified rules of EMIR 2.2 allow ESMA to directly supervise third-country CCPs, in case there is an equivalence agreement, which concerns mainly the UK. The relationship between ESMA and the Bank of England, responsible for CCP supervision in the UK, is thus of crucial importance.

This webinar will discuss the different approaches of CCP supervision, and the tools available. It is off-the-record, and upon invitation only.

- How could the appropriate levels of safety, soundness, and confidence in clearing supervision be achieved?
- Is the current framework for supervising EU CCPs fit for purpose?
- How is ESMA growing into its new role, and how well is the CCP Supervisory Committee functioning?
- What tools are available to strengthen confidence building among CCP supervisors? How are they reacting to market stress?

Agenda available here.

With the participation of: **Danuta Hübner**, EP; **Klaus Löber**, ESMA; **Christina Segal-Knowles**, Bank of England; **Niamh Moloney**, LSE; **Karel Lannoo**, ECMI.

How to regulate crypto assets?

Online, 5 July 2021

After a long hesitation, and consultation, the European Commission is now proposing to regulate cryptocurrency under the Markets in Crypto-assets Regulation (MICAR) proposal. MICAR is a very complex proposal, covering 3 different forms: crypto-assets (ICOs), e-money tokens (stablecoins) and other cryptocurrencies (based on several assets). It regulates three distinct realities, with different supervisory issues: ICOs are crypto assets, not currencies; stablecoins are a currency, but how to guarantee stability and liquidity?; and how to regulate other cryptocurrencies. The supervision is a mixture of national and EU regulation (EBA and ESMA).

ECMI is hosting a meeting to brainstorm on how to regulate cryptocurrencies. The intention is to have brainstorming with different stakeholders on the basis of a note that will be circulated in advance. There will be no set presentations, rather an informed exchange of views, guided by the academic board members of ECMI.

Agenda available here.

With the participation of: **Rok Zvelc**, DG FISMA; **Florencio López de Silanes**, SKEMA Business School; **Marie Brière**, AMUNDI, Paris Dauphine University and Université Libre de Bruxelles; **Jesper Lau Hansen**, University of Copenhagen; **Niamh Moloney**, LSE; **Karel Lannoo**, ECMI.

Corporate Sustainability Reporting: Setting an EU standard

Online, 25 May 2021

In recent years, there has been a global shift with companies doing more to tackle their environmental impact. However, the sustainability information reported by large (listed) companies is currently insufficient for investors to obtain a good understanding of their environmental and social impact. Most importantly, the information is often incomplete, difficult to compare and varying in quality.

The European Commission launched a proposal for a "Corporate Sustainability Reporting Directive" in April. This proposal aims to revise the Non-Financial Reporting Directive (NFRD) by introducing detailed EU sustainability reporting standards and expanding the scope to all large companies and almost all listed companies (excluding micro companies).

During this CEPS-ECMI webinar, key stakeholders will discuss the new European Commission proposal. Is the proposal fit for purpose? Is it likely to lead to a change in behaviour of companies and investors? Is the proposed reporting going to provide investors the necessary information? And is the proposal targeting the right companies?

Agenda and recording available here.

With the participation of: **Elena Arveras**, DG FISMA; **Victor van Hoorn**, Eurosif; **Elena Flor**, Intesa Sanpaolo; **Jean-Philippe Desmartin**, EFFAS; **Armand Kersten**, Dutch Shareholders' Association VEB; **Willem Pieter de Groen**, CEPS.

Greening the European Green Bond market

Online, 5 May 2021

The green bond market has expanded remarkably over the last few years. In 2020, around €236 billion of green bonds were issued globally (+57% compared to 2018), with Germany, France and the Netherlands accounting for a third of them. Green bond fund assets under management are also growing rapidly, though they only represent between 0.1% and 0.2% of total bond fund assets under management.

Several European initiatives, such as the Sustainable Finance Action Plan, the Green Deal, and the Green Bond Principle have already laid the foundations for sustainable finance. The establishment of an EU Green Bond Standard (GBS) – with the Commission's legislative proposal expected in Q2 2021 – aims to provide a common EU framework for the European green bond market. Setting the minimum standards and safeguards for the entire ecosystem (e.g. issuers, investors, banks, and exchanges) requires careful calibration with regards to: the definition of "green"; reporting; transparency; pre- and post-issuance verification; rating/opinion providers.

- What opportunities is the Covid-19 pandemic creating or has already created for the development of the market for green bonds?
- Do investors' demand for green bonds meet the supply? Is there an impact on the price differential between green and regular bonds?
- How to verify and certify that green bonds remain green throughout their life (i.e. pre- and post-issuance)?
- Is 'green data' reliable and trustworthy? How can the quality be improved? Is there a need for a European data provider?
- How will the GBS affect the volume of green bonds or other sustainability-labeled products (e.g. transition bonds, climate bonds, KPI-linked bonds)?
- How does the EU GBS relate to other green bond standards (e.g. ICMA's Green Bond Principles, Climate Bonds Initiative's Climate Bonds Standard)?

Agenda available here.

With the participation of: **Axel Fougner**, DG FISMA; **Cristina Lacaci**, Morgan Stanley; **Justine Leigh-Bell**, Climate Bonds Initiative; **Geert Arlman**, S&P Global; **Karel Lannoo**, ECMI.

Download event report by Apostolos Thomadakis

Annual Conference

ECMI Annual Conference 2021

Online, 30 November – 2 December – 7 December 2021

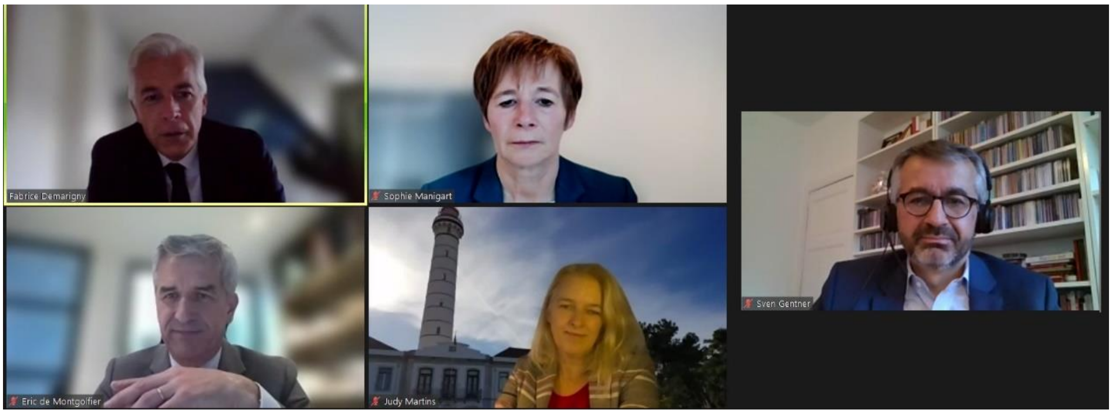
30 November – The market for the EU's debt: is the EU becoming sovereign?

As a further to the pandemic response, the EU has become a big issuer in international capital markets. With the SURE programme, the Recovery and Resilience Facility, the ESM and EIB loans, total issuance may exceed EUR 1.4 trillion. The EU thus has a safe asset, with an important part of these bonds being green.

This session will analyse how the EU's safe asset market is working and will discuss burning questions such as: what is the governing law? What standards and documentation apply? Are collective action clauses used? What are the maturities and how is the yield curve?

With the participation of: Kalin Anev Janse, ESMA; Isabelle Vic-Philippe, Amundi; Niall Bohan, DG Budget; **Annemarie Coldeweijer**, BlackRock; **Jennifer Laidlaw**, S&P Global.

2 December – Private equity, CMU and the recovery



Governments, central banks and others have pumped billions of euros into small businesses in an effort to keep them alive in response to Covid-19. To restart company growth, make vital investments, restructure debt and spur the growth of young and innovative companies there is need for more equity finance. This is where private equity could potentially play a vital role. Moreover, private equity funds had record amounts of capital for future investments at the end of 2020 (about EUR 300 billion in Europe and above EUR 1.8 trillion globally).

This session will focus on whether private equity should have a bigger role in the recovery of the EU? What are the regulatory and operational challenges that private equity is facing today? Are private-public co-investments working?

With the participation of: **Eric de Montgolfier**, Invest Europe; **Sophie Manigart**, Vlerick Business School; **Sven Gentner**, DG FISMA; **Judy Martins**, Waterland Private Equity Investments; **Fabrice Demarigny**, Mazars and ECMI.

7 December - Crypto-assets: investors beware

The appeal of crypto-assets is increasing at a rapid pace, but the investor protection regime is confusing or still under construction. The location, valuation and taxation of crypto-assets are very shallow. Crypto-asset trading platforms are emerging, but the rules applicable are unclear, and market abuse is a problem. As the first international institution to do so, the European Commission has proposed to regulate crypto-assets under a tailor-made regime, the Markets in Crypto-Assets (MiCA) regulation, with a separate definition of digital assets. But this contrasts with the US or Hong-Kong, which both consider crypto assets as securities.

This session will analyse the interplay of MiCA with other existing and proposed rules (e.g., digital identity and privacy, e-commerce and digital markets and services, anti-money laundering, crowdfunding) and how European supervisors will deal with these new tasks.

With the participation of: **Nobuyasu Sugimoto**, IMF; **Julapa Jagtiani**, Philadelphia Fed; **Almudena de la Mata**, Blockchain Intelligence; **Teana Baker-Taylor**, Chamber of Digital Commerce; **Karel Lannoo**, CEPS and ECMI.

Detailed overview and recordings are available here.

Download **post-conference report** by **Apostolos Thomadakis, Karel Lannoo and Cosmina Amariei.**

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Statistical Package

The ECMI Statistical Package presents a comprehensive collection of the most relevant data on various segments of European and global capital markets. It enables users to trace trends so as to highlight the ongoing transformation of capital markets, including the structural changes brought about by competitive forces, innovation and regulation. It represents an important step towards overcoming the existing data fragmentation on the evolution of European capital markets by offering a 'one-stop-shop' for market participants, regulators, academics and students.

The 2021 version contains data on equity markets, debt securities, securitisation, covered bonds, exchange-traded and over-the-counter derivatives, asset management, mutual funds, insurance companies and pension funds, and global comparative data. Each table is associated with a corresponding illustrative figure, giving a visual overview of the most important trends. A user-friendly navigation is embedded in the programme allowing users to explore the comprehensive package in an easy and purposeful manner.

The package is available in Excel format on this dedicated webpage, free of charge for ECMI members. Non-members may purchase it here.

The key findings are summarized here.

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About ECMI

Mission and governance

ECMI produces various outputs, such as regular commentaries, policy briefs, working papers, statistics, task forces, conferences, workshops and seminars. In addition, ECMI undertakes studies commissioned by the EU institutions and other organisations, and publishes contributions from high-profile external researchers. ECMI regularly organises workshops, seminars and task forces on a variety of issues facing European capital markets. Participation in ECMI events offers multiple networking opportunities. The Annual Conference is a unique event in Brussels, bringing together over 30 high level speakers and more than 300 participants.

ECMI is a non-profit organisation, funded through its membership base in addition to externally commissioned research, events/task forces fees and publications sales. The diversity of the membership base and the governance model are the best guarantee of ECMI's independence as a research institute.

The Annual General Meeting of Members is usually organised in October/November on the eve of the Annual Conference. Board Meetings are organised twice each year, usually in February/March and June/July, respectively. The board is very well diversified, composed of highly reputed individuals in their field of expertise. The board members provide the strategic direction of the organisation, supervise the work of the management team and the financial performance of the institute. The research staff works on the basis of an independent agenda; they are assisted by the academic committee

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Research Team

Karel Lannoo, CEO, CEPS and General Manager, ECMI

Karel Lannoo has been CEO of CEPS since 2000, a leading think tank and forum for debate on EU affairs. He has published extensively on financial regulation, and contributes as regular speaker in public hearings, international conferences and in briefings for executives. He acted as rapporteur for many task forces on capital markets chaired by senior officials and business leaders. He is the General Manager of the European Capital Markets Institute (ECMI) and the European Credit Research Institute (ECRI), both operated by CEPS, and also serves as non-executive member in boards of foundations, supervisory authorities and market operators.

Apostolos Thomadakis, Researcher, ECMI

Apostolo s Thomadakis joined ECMI in October 2016. Prior to this, he was a Visiting Scholar at the Applied Macroeconomic Research Division at the Bank of Lithuania (BoL) and a Visiting Scholar at the Foreign Research Division at the Austrian National Bank (OeNB). He has also completed a Traineeship in the Capital Markets and Financial Structure (CMT) Division of the European Central Bank (ECB) and a PhD Internship in the Country and Financial Sector Analysis Division of the European Investment Bank (EIB). Apostolos has held academic positions and taught Econometrics and Finance courses at University of Warwick, London School of Economics, University of Bath and University of Surrey. He has a PhD Economics (University of Surrey, UK); MSc Business Economics & Finance (University of Surrey, UK); BSc Physics (Aristotle University of Thessaloniki, Greece).

Cosmina Amariei, Researcher, ECMI

Cosmina Amariei joined ECMI in November 2013, as part of the Financial Markets and Institutions Unit in CEPS. Her main areas of expertise include: monetary policy and transmission mechanism, financial integration and stability, retail and institutional investors. She is responsible for markets and industry analysis, follows closely relevant policy and regulatory developments, and engages with multiple stakeholders on a regular basis. In the past, she worked at the National Bank of Romania and the Romanian Commercial Bank - Erste Group Bank AG. She has a MSc in International Economics and European Affairs (Bucharest University of Economic Studies and) and a BSc in Economics (Babeş-Bolyai University of Cluj-Napoca) and participated in an Exchange Programme in International Finance (University of Leuven - Campus Brussels).

Membership

The membership of ECMI is open to private companies/organisations, regulatory authorities and academic institutions.

Corporate/Institutional	EUR 3,000/year (36 months) EUR 5,000 (12 months)
Board	EUR 5,000/year (36 months)
Academic/University	EUR 500 (12 months)

Benefits

- Stay well-informed on the latest market and regulatory developments in European capital markets
- Support policy-oriented research to enhance the growth potential of European capital markets
- Benefit from our in-house expertise through meetings, conference calls or webinars with our staff
- Engage with extensive networks of market participants, regulators and academics
- Gain preferential access to Task Forces, with up to 70% discount over non-member fees
- Attend our events (annual conference, seminars, workshops, symposia) at no extra cost
- Become a partner/co-host in the organisation of dedicated events
- Participate at public consultations (interviews, questionnaires, roundtables)
- Receive regular updates with our publications (commentaries, policy briefs, working papers)
- Gain free access to our statistical package, a comprehensive overview of Europe's capital markets
- Subscribe to our quarterly newsletter including our recent and forthcoming activities
- Participate in the board meetings and/or annual general meeting of member

More information on how to become a member is available here.

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EBF European Banking Federation

EFAMA
European Fund and Asset Management Association

EFFAS

European Bank for Reconstruction and Development

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About ECMI – Informing policy on European capital markets

ECMI conducts in-depth research aimed at informing the debate and policy-making process on a broad range of issues related to capital markets. Through its various activities, ECMI facilitates interaction among market participants, policymakers and academics. These exchanges are fuelled by the various outputs ECMI produces, such as regular commentaries, policy briefs, working papers, statistics, task forces, conferences, workshops and seminars. In addition, ECMI undertakes studies commissioned by the EU institutions and other organisations, and publishes contributions from high-profile external researchers.

ECMI EUROPEAN CAPITAL MARKETS INSTITUTE

About CEPS – Thinking ahead for Europe

CEPS is one of Europe's leading think tanks and forums for debate on EU affairs, with an exceptionally strong in-house research capacity and an extensive network of partner institutes throughout the world. CEPS' commitment to institutional independence is rooted in the independence exercised by each member of its staff. As an organisation, CEPS is committed to carrying out state-of-the-art policy research that addresses the challenges facing Europe and maintaining high standards of academic excellence and unqualified independence and impartiality. It provides a forum for discussion among all stakeholders in the European policy process and works to build collaborative networks of researchers, policy-makers and business representatives across the whole of Europe.

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