

## **Accountancy Europe's feedback on the Call for Evidence: Regulation fostering EU market integration and efficient supervision**

Accountancy Europe welcomes the opportunity to respond to the European Commission's [Call for Evidence](#) on "Regulation fostering EU market integration and efficient supervision," aimed at advancing the development of a Savings and Investments Union (SIU).

The European accountancy and audit profession strongly supports the further integration of EU capital markets and the completion of the Banking Union. These initiatives are critical to achieving multiple strategic goals. Europe will require substantial and sustained financing in the coming years to deliver on the green and digital transitions, strengthen defense capabilities, improve competitiveness of companies, pension investments in a time of declining population, expanding SMEs' access to finance, and more. Mobilising private capital is essential to complement public funding in meeting these needs.

We note that, as part of the SIU initiative, the Commission is exploring different options for more coordinated or harmonised financial market supervision. Each potential approach has its own merits and drawbacks. We therefore urge the Commission to carefully evaluate all options, with a focus on targeted, evidence-based reforms that achieve meaningful improvements without undermining the functioning of capital and financial markets.

Moreover, there are other elements that need addressing – beyond supervision – to build genuine pan-European capital markets. For example, a true level playing field for investments would require a more uniform approach to certain taxes. In addition, the Commission might consider initiatives such as setting up a European Exchange Market for SMEs to enable smaller companies to get fast and easy access to capital at a pan-EU scale, and thus retaining innovative and promising enterprises in Europe.

In the context of exploring potentially more coordinated or harmonised financial market supervision, we would like to highlight the following practical considerations:

- **Clearly define the scope of supervisory responsibilities:** one of the key challenges in shifting supervisory powers to the EU level is determining the appropriate balance between national and European responsibilities. Any transfer of mandates must be supported by robust evidence and a clear rationale. Transferring powers to the European level should not be viewed as a solution in itself. Rather, each proposal should be supported by evidence and start from a fundamental question: *what specific problem are we trying to solve?*

- **Preserve effective national supervisory practices:** some Member States have developed well-functioning supervisory frameworks and practices. In any potential harmonization effort, these ‘best practices’ should be identified and retained through appropriate institutional design and assignment of responsibilities, rather than replaced wholesale
- **Avoid duplication of existing efforts:** in November 2021, the Commission launched a [public consultation](#) on strengthening the quality of corporate reporting and its enforcement. This work should be built upon, rather than duplicated, to ensure consistency and efficiency in future policy developments. [Accountancy Europe also responded](#) to this consultation back then
- **Keep simplification and burden reduction at core:** any supervisory reform exercise should strive towards simplification, burden reduction and efficiencies, avoiding duplication with national level, and leading to cost reduction of the supervisory system in the aggregate
- **Get the sequencing right:** financing the enhancement of the competitiveness of companies through SIU initiatives will require a focus on the corporate ecosystem. This should include further harmonisation of fragmented national company law applicable to companies, national corporate governance regimes, national reporting standards etc. before harmonization of supervision and enforcement can be considered
- **Strengthen stakeholder engagement by European supervisors:** Accountancy Europe and its members have considerable experience interacting with the European Supervisory Authorities (ESAs). In some instances, we have observed a "tick-the-box" approach to stakeholder engagement, with limited reflection of stakeholder input in the final outcomes. This has occasionally discouraged meaningful participation. If supervisory powers are to be expanded at the European level, there must be a corresponding commitment to high-quality, inclusive stakeholder engagement and dialogue. This could consist, for example, of consultative panels, post-feedback reports, public engagement metrics and other measures. This also requires ensuring that European supervisors have adequate funding, resources, capacity, and mindset to collaborate effectively with market participants, including maintaining the valuable relationships and insights currently fostered at the national level

Accountancy Europe looks forward to the Commission’s next steps on this important initiative and remains ready to contribute further to help achieve the goals of the SIU.