



EC PROPOSES NEW POWERS TO ESMA FOR THE CMU

The European Commission (EC) will look to strengthen the powers of the European Securities and Markets Authority (ESMA) as part of the Capital Markets Union (CMU) project.

Following a mid-term review launched earlier this year, the EC has vowed to increase ESMA's authority in order to "promote the effectiveness of consistent supervision across the EU and beyond."

Such a move would, according to the EC, ensure that a single set of rules is implemented in a uniform way across the single market.

The Commission also pledged to strengthen ESMA's ability to identify and address weakness in national supervision as well as identify areas where the authority's direct supervision may be required.

Other takeaways from the review include assessing the case of an EU licensing and passporting framework for FinTech activities.

This is part of the EC's wider plan assessing how FinTech can contribute to capital markets through "data-driven solutions in asset management, investment intermediation and product distribution."

In addition, a securitisation package, initially proposed in June last year, has been agreed by co-legislators.

It is hoped the package will free up capacity on banks' balance sheets which could provide an additional €100 billion of funding to the European economy.

"The CMU remains at the heart of our efforts to boost European investment and create jobs and growth," said Valdis Dombrovskis, EC vice-president responsible for financial stability, financial services and CMU.

"As we face the departure of the largest EU financial centre, we are committed to stepping up our efforts to further strengthen and integrate the EU capital markets. This review makes clear the scale of the challenge and we count on the support of the European Parliament and member states to rise to it."

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Initially proposed in 2015 CMU had sought to harmonise a number of EU processes and introduce mechanisms by which to boost non-bank lending into the real economy.

Experts had acknowledged it would take time to push through but engagement with the EC by the financial services industry had been positive.

DG FISMA STAFF WORKING PAPER ON ADDRESSING INFORMATION BARRIERS IN THE SME FUNDING MARKET IN THE CONTEXT OF THE CAPITAL MARKETS UNION UNVEILED

DG FISMA (Financial information) of the European Commission has unveiled its staff working document on addressing information barriers in the SME funding market in the context of the Capital Market Union , as a follow-up of the Round-Table on the CMU review.

The paper points out some of the key points raised by FEBIS as the need to get better access to financial and non-financial information to build relevant credit profiles enabling then to take better trade credit decisions. The paper points out that **“The lack of financial knowledge by SMEs and the lack of a recognised source of business finance advice for SMEs, able to guide them through the complexities of bank and non-bank finance and help them secure access to the most appropriate form(s) of finance, hamper the use of financing options by SMEs”**.

It also insists on the fact that **“Small businesses often lack the required data, such as history of audited financial statements, for a finance provider to appropriately assess their cash flow situation. The disclosure of credit and financial information on SMEs differs considerably between Member States as highlighted in a recent report of the European Commission¹⁹. This is generally seen as an advantage for banks.”**

This can be seen as an acknowledgment of the information barriers faced by business information providers with the implementation of the accounting directive 203/34/EC which has lead in some countries to enabling the confidentiality option for micro-businesses financial information.

The paper also outlines that the Commission does not clearly want to increase the disclosure of SMEs Information, because of the administrative burden argument. They however describe some “success stories” to sharing information, which can be considered as good for our sector (like the UK credit information regulation).

FEBIS Regulatory Committee is working on a submission from FEBIS on this Staff Working Paper to emphasize the arguments on the benefits of granting more access to business information for the TPEs and SMEs themselves in the light of trade credit.



FEBIS CONTRIBUTES TO THE EU CONSULTATION ON FINTECH

The European Commission had open a public consultation on Fintech until June 15th 2017. After intensive work, the FEBIS Regulatory Committee produced a 15 page- submission which insists on all the key points already stressed before like access to information or the necessity to adopt a coherent regulatory approach removing contradictions between regulations and directive before embarking into more regulatory scrutiny. One of the key questions raised concern the definition and scope of Fintechs and their relation with business information providers. Further debate will be engaged with FEBIS members, especially at the next FEBIS General Assembly in September about the scope of Fintechs and the positioning of the credit information sector towards Fintech.

For more information and to get a copy of the FEBIS submission on FinTech, you can ask Stephanie at stephanie@svmconsult.com

FEBIS INVITED TO APPLY TO THE EC MULTISTAKEHOLDER EXPERT GROUP ON GDPR IMPLEMENTATION

Thanks to FEBIS 's presence at the WP29 FabLab and DG JUSTICE workshop on GDPR on april6th, FEBIS has received an invitation to apply for a seat at the EC Multistakeholder group on GDPR implementation. The multistakeholder group shall assist the Commission in identifying the potential challenges in the application of the GDPR from the perspective of different stakeholders, and advising the Commission on how to address them. It shall also provide the Commission with advice to achieve an appropriate level of awareness about the new legislation among different stakeholders, including business and citizens. Finally, the group shall provide the Commission with advice and expertise in relation to the preparation of delegated acts and, where appropriate and necessary, the early preparation of implementing acts to be adopted under the GDPR, before submission to the committee in accordance with regulation (EU) n° 182/2011also in the light of relevant studies. The group shall consist of up to 27 members. Type "A" Members: • academics – up to 5 members • legal practitioners – up to 2 members Type "C" Members: • Organisation in the broad sense of the word, operating in different industry sectors – up to 10 members • Organisations expressing the views of consumers and other privacy advocates/civil society – up to 10 members All members should be appointed following a call for the application of members of the expert group. 'Members of this group are currently being selected via a call for applications. The deadline is 2 June 2017. Once the selection procedure is completed, members will be published in the register'.



EC CONSULTATION ON THE REVIEW OF THE DATABASE DIRECTIVE UNVEILED

Going on in the Digital Single Market policy review, DG CNECT of the European Commission has unveiled a public consultation on the review of the 1996 Database Directive, to assess its impact and review needs. The consultation runs until 30th August 2017 and all information can be found at http://ec.europa.eu/info/content/public-consultation-database-directive-application-and-impact-0_en

The main objectives of the consultation are to collect up-to-date information on:

- The evolution of the market related to databases
- The use and the impact of the copyright and the sui generis protection regimes on the database makers and users.
- The application of the Database Directive and possible needs of adjustment.

The target groups of respondents that the Commission foresee include (inter alia) :

- Potential and actual producers, owners and users of databases from businesses of all sizes
- Member states and public authorities
- Data publishers and database makers
- Online service providers
- Data brokers
- Organised civil society
- Libraries and cultural heritage institutions
- Academia and researchers
- Consumers, end-users
- Citizens

The FEBIS Regulatory Committee will analyze the consultation and will see the convenience to provide a contribution representing credit reporting and business information supplier's views.



CONSULTATIONS

Consultation title	Subject	Deadline	Web site
EC consultation on the Database directive	Assess the evolution of the market related to databases, The use and the impact of the copyright and the sui generis protection regimes on the database makers and users and the application of the Database Directive and possible needs of adjustment.	30/08/2017	http://ec.europa.eu/info/content/public-consultation-database-directive-application-and-impact-0_en



FEBIS– Federation of Business Information Services

Benefiting from the opening of markets within Europe and overseas, world-wide business has experienced substantial growth. As business grows so does the demand for business information, in particular, intelligence for cross-border business activities.

In 1973, leading European credit information agencies joined forces to form the Federation of Business Information Services FEBIS (initially known as FECRO), with its registered office in Frankfurt. Today, FEBIS has developed into a sizable organization comprising more than 60 full Members from all over the world involved in providing Business Information and Debt Collection services of National and International importance.

Supported by a combined workforce of more than 20,000 staff, FEBIS Members generate over 180 million Business Information and Consumer reports annually for over 500,000 organizations, providing these clients with invaluable business support. Aggregate sales turnover of FEBIS Members is in excess of €2.5 Billion.

As the industry association, FEBIS strives to look after common interests of its members. While monitoring new legislation like data protection laws and insolvency laws, FEBIS also oversees and the application of public sources and information.