12.30 – 12.45 [It is very important that we start on time and that you give the floor to Commissioner Barnier at no later than 12:45, since he has 15 minutes only and has a meeting immediately after ours.]

[Welcome]

Good Afternoon!

As the President of FESE, and also on behalf of our partner, CFA Institute, I am very happy to welcome you to our joint seminar on long-term growth.

I am especially honoured to welcome Internal Market Commissioner Barnier. He will soon publish a Green Paper on long-term investment. He is accompanied today with one of his heads of unit, Mr Merlin.

Later in the afternoon, we will also be joined by the Director General of Enterprise and Industry, Mr Crespo – who is also the ‘SME Envoy of the EU’. He is joined by Ms Drake, the Director responsible for promoting SME competitiveness.

I would also like to warmly welcome Mr De Backer, arriving a bit later. He is the member of the European Parliament who recently authored a report on growth and small companies.

Next, I want to thank the Irish Presidency and all the representatives of the Member States who took time from busy negotiations. I am happy they are here, because European solutions to growth need strong national support.

I also thank all the other participants from the industry and from the regulators who are with us today.

And finally, investors are at the centre of today’s topic. This is why I am proud to say that we are partnering with CFA Institute in this seminar. Stock exchanges and investors share a common ideal, which is: fair, safe, and liquid markets that enable growth. CFA Institute and FESE hope to organise another event on market integrity and transparency before the summer. We believe this will be a lasting partnership.

[Why we are here]

Our topic is growth. Solid, long-term, sustainable growth that will create good jobs in all countries.

To achieve this, Europe needs both large and small companies. But Europe especially needs the small companies to create jobs. Why? Because there are 20 million of them, and if every SME in Europe hired one additional person, there would be no unemployment in Europe. In fact, SMEs create most of the new European jobs.

What does this mean? If Europe allows every SME to grow, Europe will grow. And SMEs will grow only if they can find the financing they need. That means not just bank loans, but also private equity, public equity, and public bonds. This is what this event is about: Getting the financial markets to work for long-term growth, especially for the smaller companies.

[Why do FESE and CFA Institute care?]}

Why is FESE organising this seminar? Because we are invested in Europe’s long-term growth. We are the operators of Europe’s public capital markets. We have been bringing companies together with investors for years. In fact, 90% of our companies are medium or small-sized. It is exactly such companies that will create jobs.

And here is the good news. Listing is not only good for jobs. It is also good for accumulating wealth in Europe. When an SME lists, it grows, and it hires more employees. But just as importantly, when an SME
lists, investors benefit from the innovation and hard work of the entrepreneurs. The wealth they create stays in Europe, and it benefits millions of European citizens and taxpayers.

- In a similar fashion, CFA Institute also aims to promote the integrity of capital markets - markets that protect investors, ensure transparency and restore trust, as well as permitting companies of all sizes to grow over the longer term.

- Yet listing in an integrated Europe is becoming more difficult for smaller companies. As exchanges, we see the problems they face every day. We do our best to help them make the right decisions. We help them present themselves to investors. We are with them every step of the way, from listing to trading and beyond. We look for new ways of helping companies, for example with new fixed income trading platforms.

- We as FESE have been working with both DG Markt and DG Enterprise over the last 2 years to build solutions for SME listings – and I am happy to say that we have just launched, together with DG Enterprise, an SME listing award to be given out this year as a way to encourage listings.

- But stock exchanges cannot solve all these problems alone. Companies need investors who can take the long view; investors who can decide between different asset classes without any disincentives. Companies need to be able to access the markets without obstacles. This is why we will devote a panel to investors and a panel to companies later in the afternoon. I am also pleased that we will hear from the Rapporteurs of the ESMA Stakeholders Group which looked at these issues in a recent report. I find many of their recommendations very useful and I am sure we will have a good discussion about the report.

[What does FESE think should be done?]

- In a few moments, we will hear from Commissioner Barnier on what he plans to do to promote long-term growth. Both the stock exchanges and CFA Institute applaud this important effort.

- Before I give the floor to the Commissioner, I want to highlight three main areas where exchanges recommend action.

- First, we need to take a fresh look at EU legislation. We have spent more than 10 years integrating the markets. Now is the time to look at how the Single Market functions. Who does it benefit? Who does it leave behind? Have we systematically fostered European champions, but left behind medium and small companies? These are crucial questions. Therefore I encourage the Commissioner to be bold in his Green Paper. Let’s use this opportunity to discuss, learn, and improve. Let’s make sure that our fundamental legislative philosophy helps all companies.

- Second, incentives for investors must be right. Therefore I warmly welcome the plans to look at taxation. Of course, while we look at existing taxation, let’s not forget new plans. I know that many people in the EU institutions see the FTT as a positive factor for long-term growth. I respect their point of view. But let’s look at the facts more carefully, and prevent unintended consequences. The Commission’s own impact assessment talks about the risk of job losses. Moreover, this tax should not become a tax on trading on organised venues only. This would go completely against the objectives of growth and sustainability.

- Finally, I want to welcome an important new debate: whether and how public funds can be used to encourage investment in listed SMEs. In the past, EU funds have been used to help loans to SMEs and private equity in SMEs. But recently, people are asking whether it might be a good idea to give a little public help to investment in listed SMEs – in order to encourage private investors to come in. This has to be done correctly and wisely. Therefore I welcome the discussion on this topic later today.

- With this introduction, I am happy to start the seminar. Commissioner, the floor is yours.