Banche
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Italian Banking Insurance and Finance Federation

PARIS EUROPLACE

French-Italian Dialogue on Financial Services

Joint Declaration, 6 December 2021

In view of the recent signing of the French-Italian "friendship treaty" and the upcoming French Presidency of the European Semester, FeBAF, the Italian banking, insurance and finance federation (Federazione delle Banche, Assicurazioni e Finanza), and Paris EUROPLACE, the French financial centre, support the strong actions promoted by the European authorities to foster the economic recovery, reach smart and inclusive growth, and accelerate the complete implementation of the Capital Markets Union.

Looking ahead, we believe that a clear agenda of top priorities and a strong commitment from all public authorities will be decisive in addressing the European Union's current challenges and promoting a fair and sustainable global development. We are confident that most of these priorities will be dealt with and implemented during the French Semester of Presidency of the European Union.

According to our perspective and trajectory: we underline the key role of the financial sector vis-à-vis the European authorities in stimulating the recovery and supporting the competitiveness of EU financial markets.

Among our priorities, we agree to promptly invest in sustainable growth, creating a European Taxonomy on sustainable finance that facilitates the transition to the 2050 net zero carbon along the following lines: 1) maintain a good dialog between investors and corporates at European level which is also adequate and in line with global standards, 2) support small and medium-sized enterprises in emerging from the crisis, and 3) relaunch their perspectives together with the programmes of the EU Commission on securitisations and ELTIFs.

To this regard, FeBAF and Paris EUROPLACE share the following 10 priorities:

1. Promoting a well-managed, simple and transparent securitisation market for banks and insurers. This would allow the financial sector to cope with the financing of the economic recovery and facilitate the green and digital transition.

2. Supporting the creation of new specific tools to recapitalize SMEs and corporates with the aim of addressing the increase of corporate debt and to address potential insolvency risks. Trying to reshape the allocation mechanism in capital markets and finding new instruments towards which savings are channeled, particularly in new technologies which offer opportunities to invest in environmentally friendly and socially sustainable activities.

3. Improving the functioning of the Banking Union and the CMU so that private investment is facilitated and the European integration of the credit markets is increased.

4. Europe today is facing massive challenges where the insurance industry can play a threefold role in a) protecting people, b) endorsing the economy, and c) acting as investors. The revision of the Solvency 2 directive should facilitate long-term investments, both fostering economic recovery and shifting towards a more sustainable economy.

5. Sustaining the implementation of structural reforms at domestic level to boost private investments and to support human capital and innovation.

6. Strengthen the attractiveness of European stock exchanges to attract IPOs and equity financing for all corporates, including SMEs. Creating a framework whereby the private sector may fully benefit from the unique opportunities of the Next Generation EU program.

7. Promoting long-term savings efficiently in order to redirect them towards equity financing of companies through ELTIFs. Finding new forms of investment to channel private sector savings into the real economy and creating a bridge between the wealth of savers and those of investors. Reviewing the ELTIF instruments to widen the scope and to improve the private capital instruments including different types of funds (like "fund of funds").

8. After the reversed sequence of the 2018 Sustainable Action Plan, which produced disclosure obligations for financial market participants prior to the completion of the taxonomy, we now hope for an appropriate sequency for the Corporate Sustainable Reporting Directive (CSRD). At the same time, we wish for a linear coherence of the overall framework which requires comparable and affordable data for insurers and the financial sector in general. A clear priority to data collection is crucial for the definition and implementation of sustainable investments and underwriting strategies. Preserving our European sovereignty in terms of data instruments is a key priority.

9. Improving the quality and transparency of ESG data and other non-financial data provided to financial markets. We urge EU authorities to establish fair competition practices and address the EU's dependency on non-EU data providers.

10. Spreading the awareness of the consequences and new geo-financial balance following Brexit. We reiterate both the need to accelerate the implementation of the Capital Markets Union, which is even more relevant at this stage to accompany the post-Covid recovery, and the importance of supporting European banks, asset managers and insurers in order to protect our financial sovereignty. In addition, we stress the need to avoid any regulatory divergence with third-country jurisdictions and to preserve a true level playing field for European companies and market players.

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