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FINANSDEPARTEMENT

The European Commission
DG FISMA
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Deres ref

Vår ref
15/677 -

Dato
13.05.2015

On the public consultation on Capital Markets Union from the Norwegian Ministry of Finance

Reference is made to the Green Paper on Building a Capital Markets Union (CMU Green Paper) dated 18 February 2015. The Norwegian Ministry of Finance supports the initiative of the Commission to create a more integrated capital market across European countries, with an aim of widening the investor base and lowering the boundaries for SME-access to direct market funding.

Furthermore, we support a review of the prospectus regime in order to reduce the burden laid on issuers, while focusing on the key elements necessary for efficient investor protection. We also support the initiative of the Commission regarding the framework to build simple, transparent and standardized securitization. In this regard we welcome the work done by the Basel Committee on Banking Supervision (BCBS) which has proposed to revise the securitization framework to make it more prudent and risk sensitive, in particular for higher-rated securitization tranches. In our view it is important to review the EU rules on the capital treatment of securitizations in order to better reflect the risks attached to these instruments as revealed by the financial crisis.

An aim of a CMU will be to encourage direct investment into smaller businesses. In order to achieve this, it is essential that the regulatory burden on SMEs seeking to raise capital from investors is modest and proportional to the gains from regulation. It should be taken into account that SMEs, in particular in smaller countries such as Norway, often are too small or immature for cross border market funding. Increased European standardization, for example of credit information, accounting standards, documentation etc., should be sufficiently flexible/non-mandatory and open for less