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Capital Markets Union – how will it help SME funding?

2017

Introduction

What is the CMU Project?

The Capital Markets Union project was announced in July 2014 by EU Commission President Juncker and it seeks to remove barriers to the free flow of capital in Europe, and increase the role that market-based finance plays in intermediating capital to European companies.

The desired goals of the CMU aim to complete the integration of the EU´s single market, reinvigorate economic growth but equally ensure European capital markets are as integrated as the US.

CMU provides a fundamental opportunity to move away from an over-concentration on credit-institution led funding channels to market-based financing.

Why CMU?

The Commission's top priority is to strengthen the EU economy and stimulate investment to create jobs. To strengthen investment for the long term, we need stronger capital markets.

EU businesses need access to a wide range of funding sources Households need access to capital markets.

That is why President Juncker set as one of his key priorities, the need to build a true single market for capital – a Capital Markets Union (CMU) for all Member States.

Benefits of CMU:

The CMU will complement Europe's strong tradition of bank financing and will help to:

— Unlock more investment from the EU and the rest of the world: the CMU should help mobilise capital in Europe and channel it to all companies, including SMEs, and infrastructure projects that need it to expand and create jobs. It will provide households with better options to meet their retirement goals.
— Connect financing more effectively to investment projects across the EU: the CMU is a classic single market project for the benefit of all Member States. Those Member States with the – smallest markets and high growth potential have a lot to gain from a better channelling of capital and investment into their projects. More developed market economies will benefit from greater crossborder investment and saving opportunities.
— Make the financial system more stable: by opening up a wider range of funding sources and more long-term investment, reduce the vulnerability of EU citizens and companies to banking shocks, such as those they were exposed to during the crisis.
— Deepen financial integration and increase competition: more cross-border risk-sharing, deeper and more liquid markets and diversified sources of funding should deepen financial integration, lower costs and increase European competitiveness.

Where are we now

The future departure of the largest financial centre from the EU makes it necessary to re-assess how CMU can ensure that EU businesses and investors have access to strong, dynamic and more integrated capital markets.

— The European Commission issued in 2015 its Action Plan on Capital Markets Union, outlining the steps to be taken in order to establish a single market for capital in all 28 member states of the EU. Five 'priority areas' in order to put in place the 'building blocks' of Capital Markets Union by 2019.
    1. Provide more funding choices for Europe's businesses and SME's.
    2. Ensure an appropriate regulatory environment for long term and sustainable investment and financing of Europe's infrastructure.
    3. Increase investment and choice for retail and institutional investors.
    4. Enhance the capacity of banks to lend
    5. Dismantle barriers to cross-border investment and develop capital markets in all 28 Member States
— Mid-term review of the CMU Action Plan (June 2017).

Most of the measures – 20 out of 33 – foreseen in the Action Pan had been delivered, regarding:

1. Venture Capital.
2. Companies entering and raising capital on public markets.
3. Bank capacity to lend to the real economy.
4. Infrastructure investment.
5. Institutional and retail investment.
6. Preventive restructuring and second chance for entrepreneurs.
7. Removing national barriers to the free movement of capital.
8. Financial stability.

What's next?

The Commission will now quickly move forward with **three legislative proposals**, which are central to the creation of a CMU:

1. A legislative proposal on a **Pan-European Personal Pension Product (PEPP)** by end of June 2017.
2. A legislative proposal specifying **conflict of laws rules for third party effects of transactions in securities and claims in the cross-border context** in the fourth quarter of 2017.
3. A legislative proposal for an **EU-framework for covered bonds**, a key long-term funding tool to help banks finance their lending activity, in the first quarter of 2018.

In addition, the Commission is also **advancing with its preparatory work on the following measures** to implement the commitments in the original Action Plan:

1. Amendments to the Delegated Regulation supplementing Solvency II in 2018 to **review the prudential treatment of private equity and privately placed debt;**
2. **Recommendation on private placements** (building on the experience of well-functioning national regimes) – in the fourth quarter of 2017;
3. **Communication on a roadmap for removing barriers to post-trade market infrastructure** (building on the recommendations of the EPTF – the European Post Trade Forum) – in the fourth quarter of 2017;
4. **Communication on corporate bond markets** (building on the recommendations of the Expert Group on Corporate Bond Market Liquidity) – in the fourth quarter of 2017;
5. **Code of Conduct to simplify withholding tax procedures**, with a focus on refunds – by end 2017.

Commission presented its **new priorities to address the new challenges of the CMU:**

1. Strengthen the effectiveness of supervision to accelerate market integration.

   Priority Action 1 – Strengthen ESMA's powers.

2. Enhance the proportionality of rules to support initial offerings and investment firms.

   Priority Action 2 – Impact assessment on more proportionate regulatory environment to support SME listing on public markets.

   Priority Action 3 – Legislative proposal to review the prudential treatment of investment firms.

3. Harnessing the potential of FinTech.

   Priority Action 4 – EU licensing and passporting framework for FinTech activities.

4. Using capital markets to strengthen bank lending and stability.

   Priority Action 5 – Measures to support secondary markets for non-performing loans.

5. Strengthen the EU's leadership on sustainable investment.

   Priority Action 6 – Recommendation of the High Level Expert Group on Sustainable Finance.

6. Cross-border investment

   Priority Action 7 – Impact assessment on legislative proposal to facilitate cross-border distribution and supervision of UCITS and AIFs.

   Priority Action 8 – Guidance on existing rules. Framework for amicable resolution of investment disputes.

7. Support the development of local capital market ecosystem.

   Priority Action 9 – Comprehensive EU strategy on steps that can be taken at EU level.

New approach to transparency

Prospectus regulation

Key points

The Commission had observed that the Prospectus Directive as modified ("PD2") needed to be improved. In particular, there was a need for a unified European regulation for the purpose of establishing a Capital Markets Union. Besides, the Commission also underlined the necessity to improve market access for Small and Medium size companies ("SMEs") and for frequent issuers. This led to the entry into force on 20 July 2017 of the new Prospectus Regulation ("PR3"), after its publication in the Official Journal on 30 June 2017.

Legal framework

PR3 provisions have already begun applying on a rolling basis, with full application from 21 July 2019. However, two provisions will apply immediately:

- an exemption to the requirement for a prospectus for issues fungible with securities already admitted to trading on the same regulated market which represents up to 20% of over a 12-month period. This change significantly broadens an old exemption that was limited to equity securities representing a maximum of 10 percent of outstanding shares.
- a new cap on the exemption to the requirement for a prospectus regarding the admission to trading of shares resulting from conversion or exchange of other securities or from the exercise of rights conferred by other securities. This exemption will only apply where such shares represent less than 20% of the number of shares of the same class already listed (which was not the case under PD2).

A separate Regulation with more detailed "Level 2" requirements is yet to be drafted. ESMA is currently preparing recommendations for the Level 2 Regulation. In respect of timing, the PR requires that the Commission adopts the bulk of necessary level two measures by January 21, 2019.

Main innovations

- No prospectus will be required for issues below EUR 1m; and the threshold beyond which a prospectus is mandatory is increasing from EUR 5m to EUR 8m; however, Member States will have the discretion to exempt issues of between EUR 1m and EUR 8m or establish other disclosure requirements for issues below EUR 1m;
- The scope of the wholesale disclosure regime will be widened to include issues of debt securities;
- A 'EU Growth' prospectus will be available for SMEs and in certain cases non-SMEs for eligible issues up to EUR 20m;
- Potentially lighter disclosure requirements ("simplified prospectus") will apply to secondary issuers where an issuer is already admitted to a regulated market or SME growth market;
- Risk factors will need to be categorized depending on their nature, with the most material risk factors being mentioned first in each category;
- Summaries will be shortened to seven sides of A4 sized paper and more prescriptive in content and the number of risk factors that can be included in the summary will be capped at 15 (the "most material risk factors specific to the issuer");
- Shelf registration disclosure is introduced, by the filing of an annual URD. Once an issuer has had a URD approved for two years consecutively, it will no longer need prior approval for filing subsequent URDs;
- The range of information that can be incorporated into a prospectus by reference is widened.

Crowdfunding

Key points

Historically, crowdfunding regulation has not been harmonized at European level. To date, at least eleven Member States (including Austria, Spain, France, United Kingdom, Italy, Germany and Portugal) have introduced domestic regimes on crowdfunding, and a number of other states are planning to do so.

This causes various difficulties to crowdfunding platforms, such as differing national conditions for authorizations (for instance, capital requirements), differing national credit brokerage rules for lending based crowdfunding, and differing national conduct of business rules. According to the Commission, this situation has led to crowdfunding platforms refusing to provide services on a crossborder basis. Part of crowdfunding is also developed outside the existing legal requirements.

Consequently, in order to solve those problems, crowdfunding is about to be regulated on at European level.

First, the Commission has created in 2014 a European Crowdfunding Stakeholder Forum, to raise awareness, promote best practice and assist the Commission in monitoring the crowdfunding landscape.

Second, on 24 March 2017 the Commission republished its Report to the Council and the European Parliament on accelerating the Capital Markets Union. In this report, the Commission identified barriers which are hindering the acceleration of achieving a Capital Markets Union. The Report referred to the differing national regulatory approaches to crowdfunding across Member States as being "of immediate concern".

Third, on 4 April 2017, ESMA published its response to the Commission Consultation Document on Capital Markets Union. In this document, ESMA invited EU legislators to "investigate means to address the gaps and issues that exist in the current EU-framework and which may (…) prevent crowdfunding from reaching its potential". The key goal is scalability.

ESMA has reiterated its position in the context of its response to the European Commission consultation paper on Fintech published on 23 March 2017 pointing out the need "for a specific crowdfunding EU –level regime, which would enable crowdfunding platforms to operate cross-border based on a common regulatory framework".

Legal framework

Currently, there are four broad models by which investment-based crowdfunding platforms can be authorized:

- the MiFID Directive that confers the benefit of a "passport" on an authorized entity to carry out regulated services and activities throughout the EU;
- domestic rules which may authorize crowdfunding-related services and activities at a national level;
- domestic rules which may also authorize activities and services in relation to non-MiFID instruments (for example, "non-readily realizable securities"); and
- domestic rules which may authorize an entity outside the MiFID framework at a national level.

If authorized under MiFID, associated investor protection measures such as "know your customer" rules, disclosure requirements and anti-money laundering legislation may apply.

Domestic rules vary widely. They may include capital requirements, professional qualification requirements and codes of conduct. Approaches to regulating lending activity also vary depending on the type of fundraiser and/or lenders involved. For example, distinctions may exist between retail and institutional investors. Client account rules may also apply where a crowdfunding platform directly handles money between fundraisers and investors.

New developments related to Markets

Overview of EU initiatives regarding SMEs' funding

Banks Reluctant to loan to SMEs (short credit history, lack of collateral)	**Capital Markets** Not well suited for SMEs' specific needs	**EU Funding Programs** Financial Support provided by EU
Key Points Banks continue to be the primary funding channel for SMEs: European SMEs receive 75% of their funding from banks. Lately, the financial crisis dramatically showed the rigidity that this undiversified funding model brings: Deteriorations in the quality of banks' balance sheet assets and capital constraints seriously impaired the capacity of banks to lend, especially to high-risk sectors and SMEs.	**Key Points** SMEs need to be offered a more diverse set of options to finance their endeavors in phases of growth, which will help them become more resilient throughout the business cycle. These alternative financing sources range from — asset-based finance (asset-based lending, leasing, factoring etc.) and — alternative debt (crowdfunding, private placement, debt funds etc.) to — hybrid and equity instruments (private equity, venture capital, business angels, crowdfunding etc.).	**Key Points** The European Commission supports access to funding for SMEs through local financial institutions in the EU. The types of funding include loans, microfinance and guarantees or equity funding through venture capital funds, business angels or social investors. Advantages include — reduced interest rates, — larger financing volumes or smaller collateral requirements, — etc.
New Initiatives — High-level principles for banks' feedback to declined SME credit applications; — Consultation on an EU-wide framework for covered bonds and similar structures for SME loans; — Simple, transparent and standardized (STS) securitisations and revision of the capital calibrations for banks; — Etc.	**Initiatives** — SME Growth Market — New Prospectus Regulation — SME Listing Package — Review Securisation Framework — Venture Capital: Amending EuVECA Regulation; establishing pan-European Venture Capital Fund-of-Funds — Review Taxation Regime — Etc.	**New Initiatives** — Cosme/CIP-Programs: Easier Access to Loans, Guarantees and Equity Capital; — EFSI-Program: Funding Resources or Guarantee Capacity implemented through the European Investment Fund — InnovFin/Horizon 2020-Program: Guaranteesand Equity Capital — Etc.

SME Growth Markets

Implementation of SME Growth Markets (loosely regulated markets adapted for SMEs) under MiFID II (EU-Directive 2014/65/EU), Article 33

Key Points

SMEs can benefit in many ways from listing on a public market, such as less dependency on bank financing, more resilient form of capital, higher degree of diversification of investors, easier access to additional equity capital and debt finance and higher public profile and brand recognition.

Nonetheless, few European SMEs decide to list their shares. There are more than 20 million SMEs in Europe, yet only 3,000 of them are listed on stock-exchanges.

The "Capital Markets Union" action plan's goal is to reduce the obstacles for SMEs that are looking into listing their shares on public markets. The overall aim is to promote "SME Growth Markets", a new subcategory of multilateral trading facilities ("MTF") that are being created under MiFID II, applying from January 2018.

The operator of an MTF can now apply to have an MTF registered as a specialized market for SMEs under MiFID II. This measure is supposed to help growth markets flourish by introducing a looser regulatory regime.

Legal Framework

SMEs – as defined in MIFID II – are companies that have an average market capitalization of less than EUR 200m on the basis of end-year quotes for the previous three calendar years.

MIFID II defines SME Growth Markets as Multilateral Trading Facilities having registered as such, the first requirement being that at least 50% of the issuers, whose financial instruments are traded, are SMEs.

SME Growth Markets have specific listing rules. SMEs interested in registering are obliged to comply with certain quality standards, such as an appropriate admission document and periodic financial reporting. The EU growth prospectus, a new type of prospectus, will be available for companies with up to 499 employees admitted to an SME growth market (see below).

In addition to these measures, the European Commission is planning to review the regulatory barriers to SME admission on regulated markets as well as key legislative provisions that constrain SMEs.

EU Growth Prospectus (reduced content vis-a-vis regular prospectus) Regulation 2017/1129, Article 15

Scope	Limited to SMEs/non-SMEs where the securities are being admitted to an SME growth market	Delegated acts to be adopted by the Commission by 2019 to specify reduced content and format of Growth prospectus and summary.
Form	document of a standardized format, written in a simple language and easy for issuers to complete	
Content	specific summary, specific registration document and specific securities note to be presented in a standardized sequence.	

First implementations of Member States

Germany
BörsG §48a dated 23 June 2017 effective from 3 January 2018 German Stock Exchange – Free Market "Scale"

Austria
§82 BörseG 2018 effective from 3 January 2018

France
Ordonnance n° 2016-827 du 23 juin 2016 relative aux marchés d'instruments financiers, Article 6, Section 5

United Kingdom
MAR 5.10, Operation of an SME growth Market.

Practical Impacts

A Europe-wide data analysis in 2015 using the MiFID database as a starting point

— identified about 40 potential SME Growth Markets among the existing MTFs in the EU and
— estimated the number of issuers on SME Growth Markets at a level of 2,500.

It was further assessed that

— five countries had no candidate SME Growth Markets,
— a further 14 countries had a sole SME Growth Market and
— collectively, Germany and the United Kingdom accounted for eight and five of the SME Growth Markets, respectively.

Other EU initiatives regarding SMEs' funding

SME-Listing Package	Venture Capital	COSME Programme
New Key Points Public listings of SMEs remain low in the EU: The amount of equity raised on SMEdedicated markets decreased by EUR 9bn compared to pre-crisis levels. The European Commission services will soon publish a report on barriers to SME listing.	**New Key Points** Amendment of the EUVECA Regulation to open up to fund managers of all sizes and to expand the range of companies that can be invested in Finalizing the selection procedure for managers for private sector-led pan-European Venture Capital Funds-of-Funds Review of national tax incentives for venture capital and business angel	**Key Points** COSME is the EU program for the "Competitiveness of Enterprises and SMEs" running from 2014 to 2020 budget of EUR 2.3bn COSME will support SMEs in facilitating access to finance and markets and shall create an environment favorable to competitiveness
Targets — Explore through an impact assessment whether targeted amendments to relevant EU legislation can deliver a more proportionate regulatory environment to support SME listing on public markets — Could lead to targeted changes in sectoral legislation in Q2 2018	**Targets** — EuVECA amendments will make it easier for investors to invest in small and mediumsized innovative companies — Support of Member States' policy design and implementation to improve the effectiveness of tax incentives and foster the development of local capital markets	**Targets** — The Equity Facility for Growth (EFG): Funding risk-capital funds that provide venture capital and mezzanine finance to expansion and growth-stage SMEs, in particular those operating across borders. — Loan Guarantee Facility (LGF): Funding of guarantees for financial intermediaries to help them provide lease finance to SMEs.

Simplified access to Funding Information for SMEs

SMEs can find relevant Information on National Portals and at www. access2finance.eu

Key Points – National Portals

Across the European Union, a number of **one-stop shop** portals to assist SMEs on access to finance have been recently developed. These portals

- provide a single point of access to information on alternative finance;
- give general explanations on the available alternative financing instruments, while at the same time explaining their characteristics, eligibility criteria, as well as advantages and disadvantages;
- provide support to up-and-coming companies to increase their readiness to invest,
- ease access to financing providers by indicating how to enter into contact with them.

Range of Instruments covered by National Portals

	Type of Portal	Focus
Public Bodies' Portal	Promotional/Development Banks (KfW Germany, AWS/Austria, BBB/UK etc)	Portals are mainly focused on publicly supported funding schemes, instruments and vehicles which are usually administered by promotional and development banks.
	State Agencies for SMEs (IAPMEI/Portugal, Malta Enterprise/Malta,TEKES/Finland etc)	
	Other similar structures (e.g. the Local Enterprise Offices in Ireland)	
Private Sector's Portal	National chambers of commerce; alternative funding providers	Portals are mainly focused on alternative funding sources provided by the private sector.

Key Points – „Access2Finance" Tool

Apart from providing information, some portals also offer direct advisory service for interested clients through online navigating tools, e.g. **the Access2finance tool (www.access2finance.eu)** developed by the European Commission to search for EU-supported funding schemes. These tools shall help SMEs identify relevant publicly supported funding schemes or the most suitable private alternative finance options based on some simple questions such as the business area, location, business lifecycle stage, purpose of finance and amount of finance needed.

EU Funding	Type	Amount	Focus
COSME	Guarantees	< EUR 150,000	General
	Equity		Growth, expansion Stage
Creative Europe	Guarantees		Cultural and creative sector
InnovFin (Horizon 2020)	Guarantees	EUR 7,5m	Research, development, innovation
	Equity		Start-up, early stage
Private Finance for Energy Efficiency	Loans	< EUR 5m	Energy efficiency
Natural Capital Financing Facility	Loans, equity	EUR 15m	Preservation of natural capital, climate change
EIB, EIF, ESIF, EFSI	Loans, guarantees, equity		General

CMU and buy side players

A fundamental condition for the capital markets union to function is its ability to attract capital from various types of investors. Therefore, the capital markets union initiative is also addressing their needs and seeks to remove obstacles that have been preventing the investors to participate in capital markets. The measures will impact investors in several aspects with the common aim to encourage them to participate in the reformed capital markets.

Harmonisation of national legislation

Differences in legal frameworks between member states represent an obstacle to cross-boarder investment. The investors are required to seek expensive advice in relation to foreign regulation and are exposed to additional risks connected with unpredictability of foreign legal orders. All these factors lead to high costs in relation to cross-border investment.

Even though attempts have been made in the past to develop a single market for capital, the implementation of measures was inconsistent and country-specific rules were still allowed. Therefore, the capital markets union is seeking further harmonisation in relation to fragmented market infrastructure as well as insolvency, tax and securities law.

For this purpose, the following measures will be taken:

- Consultations on legislative initiatives on business insolvency that will address the most important barriers to free flow of capital and create functioning national regimes.
- Consultations regarding tax reforms that would stimulate long-term investments by granting tax incentives to investors in start-ups, venture capital, and SMEs and by reducing the favourable tax treatment of debt capital.
- Measures tackling uncertainty around securities ownership and addressing the clearing and settlement of cross-boarder securities transactions.
- Strengthen supervisory convergence and identify areas where a collective approach can improve functioning of the single market for capital.
- Proposal on sounder investor protection to be enforced at EU level, stronger enforcement rules.
- Proposal on rules on preventive restructuring, to avoid the liquidation of viable companies with financial difficulties and enhance the efficiency of insolvency procedures.
- Adoption of Code of Conduct to simplify withholding tax procedure with a focus on refunds
- Proposal on enforcement of contracts with a common supervisory treatments across the EU (as it is the case for the US), risk signalling and monitoring the counterpart effectively.
- Minimise forum-shopping risk and regulatory arbitrage.

Availability of information and transparency

In particular when it comes to investing in SMEs, the information available to investors is typically limited. In order to build an effective capital market for SMEs improvement of credit information would be required. Standardised credit quality information could also help to develop financial instruments for refinancing of SME loans, such as SME securitization.

When it comes to investing in venture capital funds, the evaluation of investment decision takes longer and due diligence is more extensive. The EU venture capital market needs to stimulate private venture capital funding as government agencies have been the most important contributor to the EUR 40bn that the EU venture capital has raised since 2002.

EU venture capital funds fragmented and lack of scale (half the average size of US funds).

Additionally, it is important that the information available to investors are easy to understand, concise and unified across the EU in order to enable easier comparability between financial products.

The following measures are aiming to remove these obstacles:

- Revision of Prospectus Directive would provide for the same standards for all prospects across the EU which would offer an equivalent level of investor protection among member states and enable the comparability of investment options for investors across the EU.
- Improvement of availability of credit information on SMEs, improve transparency and make it easier for investors to invest in them.
- A complete and harmonised implementation of MiFID II rules on product governance, reporting of fees, and professional knowledge and competency would provide the key building blocks to support retail investment in the EU.
- Introduction of the Key Information Document (KID) for packaged retail and insurance-based investment products would create more comparability between investment products and ease of comprehension for retail investors.
- In case of central data base of prospectuses in English the information on financial products will be easier to access and compare.
- Strengthen the facilitation of cross-border investments (i.e. fair access) Fintech provides an indispensable toolkit to promote efficiency.
- Correct and consistent implementation of EU Law at national level.

Simple and easy to access products

Another obstacle the investors have been facing is the complexity of financial product that are often difficult to understand and complicated procedures in relation to access to capital markets. Further, due to obstacles, limiting many investors to domestic capital markets, the choice of products on some markets is rather low and not suitable for all types of investors.

The following measures will be taken in order to improve the investors' position:

- Measures taken to increase cross-border competition in retail financial services could lead to greater choice of investment possibilities across EU.
- Development of simple, transparent and standardised securitisation is aiming to attract more investors and provide for legal certainty in cross-boarder transactions.
- Changes in venture capital regulation will make it easier for investors to invest in small and medium-sized innovative companies by opening up regulation for fund managers of all sizes and by expanding the range of companies that can be invested in.
- Proposals on EU-wide personal pensions, the cross-boarder distribution of investment funds and reduced costs of insurance companies private equity and private placed corporate debt.
- In March 2017 the Commission presented the Consumer Financial Services Action Plan, which includes measures to provide consumers with greater choice and better access to retail financial services across the EU.
- Establishment the European personal pension product.
- Cooperation between the Commission and European Supervisory Authority to increase the transparency and comparability of costs and performance of retail investment and pension products.

Liquidity

Some European capital markets are characterized by low liquidity which makes a trade difficult. This could result in higher liquidity premiums required by the investors. Lower liquidity is particularly a burden for retail investors as it prevents them from exiting the market in case of unpredictable events (e.g. illness, unemployment, etc.).

To address this obstacle the following measures will be taken:
- Review of corporate bond market in order to see how liquidity could be improved.
- Measures aiming to encourage more investors to participate in capital markets will increase the number of transactions which cloud also improve liquidity.
- Measures regarding greater standardisation of issuances to facilitate secondary market trading on electronic platforms.
- Measures removing obstacles on cross-border transactions could create a unified market that could improve liquidity.

Explore new market segments

Lack of financial diversification exposes to further instability. Increased competition in founding would result in more diversified liability side for capital seekers.

To deal with market fatigue few measures will be taken:
- Improvements to the functioning of the NPL secondary market.
- Financing for innovation (e.g. Pan-European venture capital fund-of-funds or European Long Term Investment Funds, etc.).
- Promotion of investment in long term / the taking up of infrastructure and innovation projects under the EFSI instrument.
- Building the financial circuits, market conventions and technical infrastructures that will allow market participants to operate at local regional level while to transact on a pan-European scale.
- Capacity building in the Central-Eastern and South-Eastern region for the development of a regional hub (the incidence of bank finance in this area is lower than the rest of EU: 154% of the GDP versus 410% of GDP). Issuance of debt securities is considered irrelevant for SMEs and pension funds are only partially involved in capital market activities, often because the national regulatory framework creates additional constraints.

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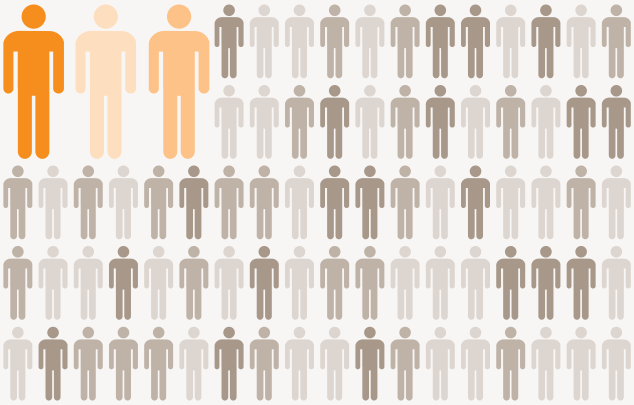
Facts and figures

48 new partners in 2017, taking the total to over 1,000

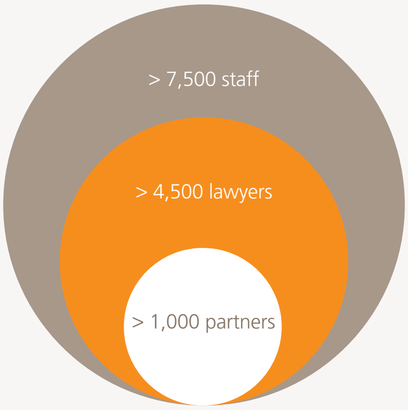


Top rankings in 2016
M&A League Tables
(by deal count)

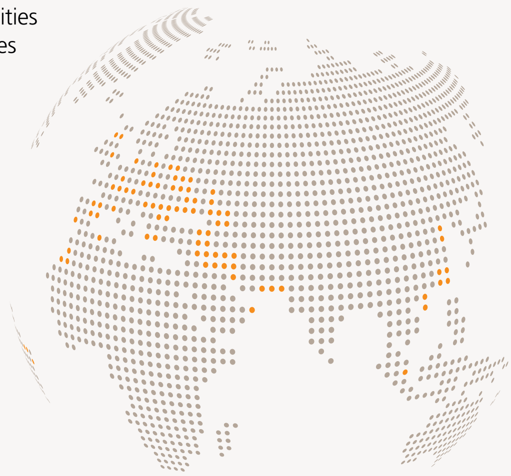
#1 Europe
(Bloomberg)

#3 Global
(Bloomberg
up to USD 500m)

Acritas Sharplegal Top 20
Global Brand
Ranking



Operating in 65 cities
across 40 countries



EUR 1.05bn
turnover for 2016*

* when currency fluctuation is removed

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