



(abcimg://Survey%20for%20Businesses)

## Respondent report

### Survey for Businesses

ID . . . . .	179352-28	Responded . . . . .	2020-01-08
Language . . . . .	English	Reached end . . . . .	No
Browser . . . . .	Google Chrome	Completion time . . . . .	135 min, 50 sec.
		Operating system . . . . .	Windows 10

### Participant category

1 You are:  
**A European association**

2 You are representing:  
**SMEs**

### Overall CMU design

3 Did you participate in the consultation process for the CMU Action Plan and/or the Mid-term review?  
**No**

8 What was the main reason for not participating in the consultation process for the CMU Action Plan and/or the Mid-term review?  
**Our primary focus is small and medium-sized practices (SMPs) and their SME clients, typically micro and small entities with little likelihood of listing or seeking equity finance other than from family members. As such, much of the CMU action plan is less relevant to us.**

10 The CMU Action Plan's and its Mid-term review's aim was to put in place the legislative and non-legislative initiatives for a well-functioning and integrated CMU. This was: Please choose one of the following options.  
**Well thought out and in line with its established objectives**

13 The impetus for further integration of capital markets should come from:  
**A combination of the two**

14 Using a scale of 1 to 5 where 1 means "Strongly agree", 2 "Agree", 3 "No opinion/don't know", 4 "Disagree" and 5 "Strongly disagree", please mark how you feel about the following statements.

- a 1. The European Commission set specific, measurable, achievable, reasonable and timely objectives for the CMU.  
**Agree (1 - 5)**
- b 2. The CMU Action Plan and Mid-term review were well focused and prioritised in order to achieve the CMU key objectives.  
**Agree (1 - 5)**
- c 3. The European Commission took into account legislation already in force before coming up with the new legislative proposals within the CMU Action Plan.  
**Agree (1 - 5)**
- d 4. The new and revised legislation, adopted in the scope of the CMU initiative, was overly complex.  
**Agree (1 - 5)**
- e 5. The timing and sequence of the new and revised legislation adopted in the scope of the CMU initiative were appropriate.  
**Agree (1 - 5)**
- f 6. Sufficient quantitative and qualitative key performance indicators were set to monitor whether the objectives of the CMU initiative were achieved.  
**Agree (1 - 5)**
- g 7. The CMU initiative is well recognised among market participants in the market(s) you operate.

**Agree** (1 - 5)

h 8. The European Commission clearly communicated the objectives of the CMU Action Plan and the Mid-term review and the related measures.

**Agree** (1 - 5)

i 9. The European Commission clearly communicated the objectives of the CMU action plan and the related measures.

**Agree** (1 - 5)

15 Should the European Commission, alongside the EU Member States, have proposed and financed concrete actions within the CMU initiative to increase financial literacy among retail investors and entrepreneurs?

**Yes**

16 Please explain your answer.

**This is highly relevant and important. Capital markets operate best when all market participants are well informed: retail investors and entrepreneurs are generally deficient in financial literacy. The accountancy profession, SMPs in particular, has a key role to play in helping educate them.**

17 Should the European Commission have proposed concrete actions within the CMU initiative about the government bond markets?

**No opinion**

18 Did the CMU initiative take into account the specific needs of local and regional capital markets?

**No**

19 Please explain your answer.

**We believe the CMU did not take sufficient account of the specific needs of local and regional capital.**

20 Did the CMU initiative include a comprehensive strategy for the development of local and regional capital markets?

**No**

21 Please explain your answer.

**We see room for improvement.**

22 What was missing from the previous CMU initiative? Please explain your answer.

**Nothing significant**

#### **Access to finance for innovative start-ups and non-listed companies**

23 To what extent is access to finance an obstacle for SMEs in the market(s) you operate?

**A major obstacle**

24 Please explain your answer.

**Access problems vary across jurisdictions but overall still rates as a major obstacle for SMEs across Europe, possibly 3rd biggest issue after attracting and retaining talent and coping with economic uncertainty.**

25 Are the CMU measures to increase access to finance for innovative start-ups and non-listed companies likely to achieve their objectives in the market(s) you operate?

**Partially**

26 Please explain your answer.

**Accountants stand to play a key role promoting awareness of these measures as well as helping with financial literacy and forecasting - see <https://www.accountancyage.com/2019/11/28/the-importance-of-forecasting-for-smes/>**

27 Did the 2017 amendment of the EuVECA Regulation (applicable as of 1 March 2018) increase the level of investment in EU Venture Capital enterprises in the market(s) you operate. Please choose only one option.

**No opinion**

29 Did the 2017 amendment of the EuSEF Regulation (applicable as of 1 March 2018) increase the level of investment in social enterprises in the market(s) you operate? Please choose only one option.

**No opinion**

31 The CMU Action Plan envisaged investing EUR 400 million in a pan-European venture capital fund-of-funds to crowd-in private investment. Do you consider this public initiative important for attracting more private capital to the EU venture capital asset class?

**Yes**

32 Please explain your answer.

**It is important but insufficient. European SMEs need more capital via this instrument to provide necessary equity and quasi-equity finance.**

33 How helpful would the adoption of the Crowdfunding Regulation, as currently proposed by the Commission, be in terms of: Please choose only one option.

a 1. Harmonisation of requirements for the operation of crowdfunding platforms in the EU

**Moderately helpful** (1 - 4)

b 2. Boosting crowdfunding activity in the market(s) you operate

**No opinion** (1 - 4)

35 The European Commission included a measure in the CMU Action Plan whereby European bank and business associations agreed high-level principles regarding banks providing feedback to SMEs on their reasons for refusal to grant requested credit. Did this measure help SMEs to overcome information barriers that may prevent them from identifying alternative funding opportunities in the market(s) you operate? Please choose only one option.

**Yes**

36 Please explain your answer.

**This was partially effective. Many SMEs are not aware of this right to know. Accountants can help raise awareness.**

37 Is credit information on unlisted SMEs readily accessible the market(s) you operate?

**No**

38 Please explain your answer.

**It varies from one country to another but in general information access needs to be improved.**

#### **Enabling companies to enter and raise capital on public markets**

39 What are the current obstacles for EU public equity markets? Please choose at least one option.

**Excessive regulatory burden**

**Costs of going and being public**

**Tougher corporate governance and transparency standards**

**Short-termism of public investors**

41 When planning an IPO which of the following exchanges SMEs mostly consider? More options possible.

**No opinion**

43 Are the CMU measures to enable non-listed companies to enter and raise capital on public markets, likely to achieve their objectives in the market(s) you operate?

**No opinion**

45 The revised Prospectus Regulation (applicable as of 21 July 2019) introduces a lighter regime and less complex requirements for SMEs to issue prospectuses. Has this change incentivised SMEs to seek access to public markets in the market(s) you operate? Please choose only one option.

**Too early to assess**

47 Has the new Prospectus Regulation enabled SMEs to reduce their costs of going public? Please choose only one option.

**Too early to assess**

49 Has the new Prospectus Regulation provided investors with the amount of information needed to make informed decisions? Please choose only one option.

**Too early to assess**

51 How important is the European Commission's proposal for a Regulation as regards the use of the SME growth markets (i.e. subgroup of Multi-Trading Facilities – MTF) in increasing access to equity finance for SMEs?

**No opinion**

53 Using a scale of 1 to 5 where 1 means "Strongly agree", 2 "Agree", 3 "No opinion/don't know", 4 "Disagree" and 5 "Strongly disagree", please mark how you feel about the following statements.

a 1. Due to the separation of research and brokerage fees, MiFID II has reduced the amount and quality of SME research available to investors

**No opinion/  
don't know** (1 - 5)

b 2. Public funding of costs borne by SMEs (e.g. from EU funds) when seeking admission of their shares can incentivise them to go to public markets.

**No opinion/  
don't know** (1 - 5)

- c 3. The European Commission's Proposal on Common Corporate Tax Base (CCTB) has the potential to resolve the current debt-bias [1] in corporate taxation effectively.

**Agree** (1 - 5)

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[1] The tax distortion between debt and equity by not allowing tax deductibility for equity costs.

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#### Facilitating cross-border investment

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- 54 Are the CMU measures to lift cross-border barriers (e.g. transparency on issuers, cross-border withholding tax procedures, insolvency regimes) likely to achieve their objective?

**Partially**

- 56 Using a scale of 1 to 5 where 1 means "Strongly agree", 2 "Agree", 3 "No opinion/don't know", 4 "Disagree" and 5 "Strongly disagree", please mark how you feel about the following statements.

- a 1. Barriers originating from national laws represent an important obstacle to cross-border financial flows for investors.

**No opinion/  
don't know** (1 - 5)

- b 2. Barriers originating from national laws represent an important obstacle to cross-border financial flows for SMEs.

**Agree** (1 - 5)

- c 3. The Report on national barriers to the free movement of cross-border capital flows sufficiently mapped these barriers and proposed effective solutions to tackle them.

**No opinion/  
don't know** (1 - 5)

- d 4. The roadmap (page 14) of the Report on national barriers to the free movement of cross-border capital flows has been effectively implemented.

**No opinion/  
don't know** (1 - 5)

- e 5. The CMU measures to improve post-trade market infrastructure for cross-border investing are sufficient to address challenges in the field (Giovannini and other barriers).

**No opinion/  
don't know** (1 - 5)

- f 6. The CMU measures aiming at improving cross-border exercise of shareholder rights under the Shareholder Rights Directive II are sufficient to address challenges in corporate governance.

**No opinion/  
don't know** (1 - 5)

- g 7. The Code of Conduct on withholding tax was an effective CMU measure to improve the efficiency of current withholding tax procedures in the market(s) you operate.

**No opinion/  
don't know** (1 - 5)

- h 8. The Interpretative Communication to provide guidance on the existing EU rules for the treatment of cross-border EU investment was an effective CMU measure to address the discriminatory and burdensome procedures in the market(s) you operate.

**No opinion/  
don't know** (1 - 5)

- i 9. Uneven quality and divergent supervision practices supervision are serious obstacles for cross-border activities.

**No opinion/  
don't know** (1 - 5)

- j 10. Regulatory arbitrage is an important obstacle to cross-border activities.

**No opinion/  
don't know** (1 - 5)

- k 11. Greater powers should be granted at EU level for the supervision of capital market cross-border activities.

**No opinion/  
don't know** (1 - 5)

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- 57 In order to lay down common ground for convergence of insolvency regimes, which core aspects should the European Commission attempt to harmonise: More than one option can be selected.

**Avoidance actions**

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- 59 Is the Directive on early restructuring and second chance (to be implemented into national law by 17 July 2021) to increase cross-border investment among EU Member States?

**Partially**

## Progress and results achieved so far by the CMU initiative

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61 How do you assess the CMU progress in the last four years in the market(s) you operate regarding the following issues?

- a 1. Access to finance for innovative start-ups and non-listed companies  
**Better** (1 - 4)
- b 2. Making it easier for companies to enter and raise capital on public markets  
**Stable** (1 - 4)
- c 3. Investment in long-term infrastructure and sustainable investment options  
**Too early to assess** (1 - 4)
- d 4. Fostering retail investment  
**Too early to assess** (1 - 4)
- e 5. Fostering institutional investment  
**Too early to assess** (1 - 4)
- f 6. Facilitating cross-border investing  
**Too early to assess** (1 - 4)
- g 7. Promoting cross-border integration  
**Too early to assess** (1 - 4)
- h 8. Improving market efficiency  
**Better** (1 - 4)

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62 What impact do you expect on the European capital markets from the current CMU actions?

**Moderate**

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