

ICI Statement on the Capital Markets Union Package

Brussels; November 25, 2021—ICI Global Chief Counsel Jennifer Choi issued a statement today on the European Commission's publication of the Capital Markets Union (CMU) package.

Summary Comment

We welcome progress on the Capital Markets Union and are committed to working with policymakers to ensure the CMU creates new opportunities for EU citizens to participate in Europe's capital markets. UCITS offer a highly regulated and efficient way to do so.

Concerning Liquidity Risk Management Tools

We support the Commission's proposal to harmonize the availability of liquidity risk management tools for open-ended funds across the European Union. Fund managers should continue to have discretion to adopt and use the appropriate tools based on fund-specific factors and market conditions. Further, we strongly believe fund managers should have primary responsibility for activating these tools, not National Competent Authorities.

Concerning Consolidated Tape

A well-constructed and thoughtfully implemented consolidated tape could enhance order execution and improve the transparency, fairness, and efficiency of markets but must be implemented as part of a framework that protects market participants, including those trading large orders.

Concerning Delegation of Portfolio Management

Delegation is a critical component of UCITS' success and should continue playing a pivotal role in giving investors access to world-class fund management and investment choices. ESMA already has effective tools at its disposal to ensure delegation rules are applied consistently, and the Commission's proposed changes would give ESMA significant additional responsibility. Policymakers should carefully consider the basis for any changes to—and be cautious not to diminish the benefits of—delegation, particularly outside of the European Union.