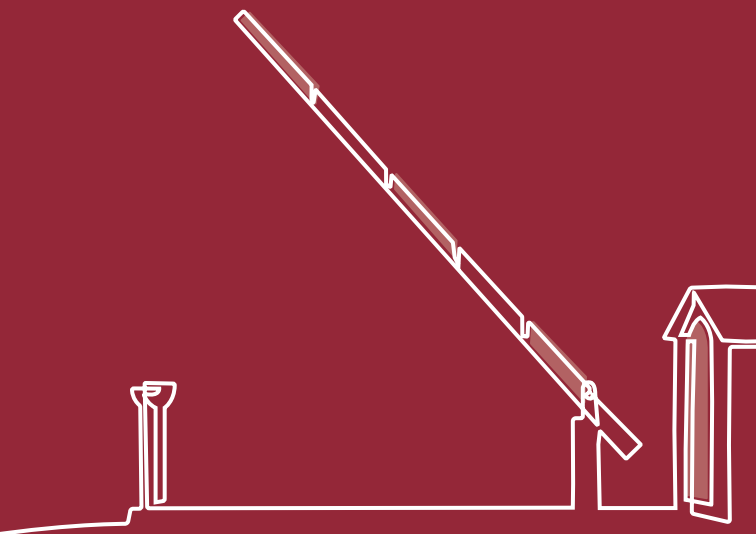


Strong banks for a single European financial market



Europe needs competitive and profitable pan-European banks of its own that support the European economy, that have established long-term customer relationships and that advise customers competently, using their knowledge of the market and embracing the same standards (e. g. on data protection). To strengthen EU banks, a large home market – a single European financial market – needs to be created for them. Thanks to its uniform rules, such a market would allow economies of scale, enabling banks to cut their costs. At the same time, the range of financial services on offer to customers would be expanded and improved.

Steps on the road to a single European financial market

1 Banking Union

To enable banks to offer their services to customers across borders, further harmonisation of the single rulebook is required. To this end, more use should, for example, be made of regulations instead of directives. So that they can provide customers with funds where needed on favourable terms, banks should be able to exploit economies of scale that would be achieved, for instance, through management at group level (waivers).

2 Capital Markets Union

A strong Capital Markets Union calls for uniform civil and supervisory rules. Yet special national arrangements still hinder the cross-border supply of financial products and services. Fresh impetus is required in this area. In addition, Europe's equity culture needs to be firmly strengthened. Retail investors in particular still too often pass up opportunities for sharing in economic growth.

3 General private law

To create a single European financial market, private law needs to be harmonised in the long term.

4 Digitalisation

The banking sector is undoubtedly undergoing transformation. To avoid being left behind by the US and China, a single European market that can produce internationally competitive pan-European companies is needed. To allow this, existing rules must be consistently harmonised and any new rules developed at European level right from the start. After all, digital applications know no national borders.

The high level of data protection in the EU is a real locational advantage. European banks in particular traditionally apply the highest standards when handling customer data. Banks should therefore be allowed to use such data for innovative and personalised services benefiting their customers. In the process, German banks ensure data sovereignty and transparency as a matter of course.

5 Sustainable finance

A single European framework is needed to encourage appropriate sustainable finance approaches without ignoring the risks. Drafting a uniform classification framework should have priority over any other proposed regulatory steps.

6 Consumer protection

Customers should enjoy the same level of consumer protection in all EU member states. Responsible consumers should be allowed to make decisions themselves based on clear and concise information provided uniformly throughout the EU, without being subjected to “information overkill”.

7 Taxes

A harmonised corporate tax regime also plays a major role in the creation of a single market in the EU. In line with the current European Commission proposal, a common tax base should be defined and consolidation of profits adopted for companies operating in the EU.

Conclusion

The private banks call for cross-border banking business to be strengthened through further progress on harmonising rules in the EU.



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