

Response to EC online consultation on Building a Capital Markets Union

May 2015

Question 5: What further measures could help to increase access to funding and channelling of funds to those who need them?

Leaseurope, which brings together 46 member associations representing the leasing and automotive rental industries in 34 European countries, supports the Commission's work to identify and remove barriers which stand between investors' money and investment opportunities. Leaseurope represents over 90% of the European leasing market and in 2013 the firms represented by Leaseurope's members supported over 260 billion Euros of new investment. Around 100 billion Euros of this represented new investment by SMEs in Europe.

In addition to efforts to develop the securitisation market (on which we have commented separately) we believe that more is needed to prevent new policy and regulations restricting access to finance for SMEs in particular.

Current or recent examples of regulations that could restrict access to funding include:

1. The exclusion of non-bank credit institutions from the ECB's targeted longer-term refinancing operations is restricting access to finance where, in many cases, it could have the most benefits to SMEs.
2. Many changes to prudential regulation currently being worked on, including changes to the standardised and internal ratings approaches to assessing risk, and new shadow banking regulation, risk making it more difficult for both banks and non-bank credit institutions to lend to SMEs. Any change to the regulation should fully reflect the important role that specialised credit institutions play in Europe and the very low risks attached to their lending activities.
3. The ECB's recent exclusion of ABS comprising receivable with residual value from debt instruments accepted by the Eurosystem risks unnecessarily restricting the established market for securitisation of car leases.
4. The expected new lease accounting standard from the International Accounting Standards Board will significantly increase the complexity of how leases are reported.

The new Standard will directly impact mostly public companies. It is also very likely to be applied in some form to SMEs at some point.

We propose that all new European policy and regulation relevant to finance should be reviewed for its possible impact on SME access to funding.

For more information, contact j.rose@leaseurope.org.

Leaseurope is entered into the European Transparency Register of Interest Representatives with ID n° 16013361508-12.