

Summary of content

SUMMARY OF CONTENT	1
CONSULTATION.....	3
<i>27 February 2024 - EBA calls for interest in its new banking stakeholder working group</i>	<i>3</i>
BANKING REGULATION	3
SHADOW BANKING	3
<i>23 February 2024 - International Bank of Settlements plans consultation on regulation of non-bank financial intermediaries</i>	<i>3</i>
BANKING SUPERVISION.....	4
<i>29 February 2024 - Commission publishes progress report on implementation of European supervisory data strategy</i>	<i>4</i>
<i>2 February 2024 - ECON Committee MEPs adopt position on proposal to reduce reporting obligations for financial institutions</i>	<i>5</i>
TAXATION INCL. VAT AND LEGAL AFFAIRS	5
LATE PAYMENT	5
<i>27 February - Belgian Presidency publishes note on LPR for discussion at Competitiveness Council</i>	<i>5</i>
<i>22 February 2024 - LPR : MEPs decide to postpone the vote in IMCO Committee</i>	<i>6</i>
E-INVOICING	8
<i>19 February 2024 - Electronic invoicing: the Commission adopts a new report.....</i>	<i>8</i>
SUSTAINABLE FINANCE	9
<i>28 February 2024 – CSDD directive is postponed in the Council for a second time.....</i>	<i>9</i>
<i>1 February 2024 - European financial sector calls for regulatory pause on sustainable finance</i>	<i>9</i>
DIGITAL	10
<i>1 February 2024 - European supervisory authorities publish report on prudential and regulatory framework applicable to BigTech financial services activities</i>	<i>10</i>
<i>February 2024 - European Parliament study on the provision of financial services by digital conglomerates</i>	<i>12</i>
OTHER TOPICS	13
<i>23 February 2024 - EU finance ministers discuss future of Capital Markets Union.....</i>	<i>13</i>
<i>19 February 2024 - Annual report on the single market: the Presidency draws up a note for discussion....</i>	<i>14</i>

The previous Monthly Monitoring Reports are available on EUF website.
Please follow the link: <https://euf.eu.com/>

Consultation

[Back to summary of content](#)

27 February 2024 - EBA calls for interest in its new banking stakeholder working group

On 27 February 2024, EBA [opened](#) a call for applications for its new Banking Stakeholder Group (BSG) and created a reserve list.

The BSG's function is to facilitate dialogue and consultation with stakeholders on EBA's work. The group comprises 30 members, including academics, representatives of financial institutions and consumer representatives. The current members will complete their mandate on 30 June 2024. The mandate lasts 4 years, with at least 4 meetings per year.

Interested stakeholders can apply to the working group before the 27 March 2024.

Next steps

The call for candidates closes on 27 March 2024.

Banking regulation

[Back to summary of content](#) – Previous editions of the MMR

Shadow Banking

23 February 2024 - International Bank of Settlements plans consultation on regulation of non-bank financial intermediaries

On 23 February 2024, the Chairman of the Committee of the Bank for International Settlements (BIS), Pablo HERNANDEZ de COS, [spoke](#) at the Eurofi conference organized as part of the Belgian Presidency of the Council, to present the BIS's analysis of the outlook for banking regulation.

He reviewed the main achievements of the banking prudential framework and the adoption of the Basel III Agreement.

Welcoming the revision of the CRR/CRD banking package by the European co-legislators, he nevertheless stressed that finance and the banking sector were constantly evolving, and that regulatory adjustments would

therefore have to be made. For example, he pointed out that the definition of what constitutes a "bank" could change as a result of developments in digital finance.

Pablo HERNANDEZ de COS therefore announced that BIS would publish a report on the consequences of the digitization of the banking sector.

Finally, with regard to non-bank financial intermediaries (NBFIs), the Governor of the Bank of Spain emphasized that the significant growth of NBFIs called for an assessment of the risks posed by these players. He therefore indicated that BIS would open a consultation during 2024 with a view to considering an update of supervisory recommendations concerning NBFI risk management.

Next steps:

BIS is expected to announce the opening of the NBFI consultation, shortly.

Banking supervision

[Back to summary of content](#) – Previous editions of the MRR

29 February 2024 - Commission publishes progress report on implementation of European supervisory data strategy

On 29 February 2024, the European Commission [published](#) a "progress report" on the European supervisory data strategy for financial services.

For the record, the aim of the strategy was, in coordination with the European Supervisory Authorities (ESAs), to harmonize and rationalize all the regulatory reporting to which financial institutions are subject. This strategy is in line with the Commission's objective of reducing the administrative burden and costs for financial institutions and businesses, in order to increase their competitiveness.

This strategy has thus permeated most of the European legislative proposals adopted by the Commission since 2021, such as the banking package and the insurance package, with the aim of addressing redundancies and obsolete reporting.

In addition, as part of this strategy, the Commission has given the three ESAs and the European Central Bank (ECB) a mandate to establish a common dictionary of financial services data, as well as the technical modalities for reporting it, in order to facilitate sharing between supervisors and better data standardization.

Following on from this strategy, the Commission has also put forward a legislative proposal to encourage the re-use and sharing of data by European and national supervisors, in order to avoid redundant requests for data.

Finally, the Commission's report stresses the need to develop the publication of data in machine-readable formats, thereby increasing the automation and use of such data.

2 February 2024 - ECON Committee MEPs adopt position on proposal to reduce reporting obligations for financial institutions

On 2 February 2024, MEPs on the Economic and Financial Affairs Committee (ECON) [adopted](#) their position on the proposal for a regulation to reduce reporting obligations for financial institutions.

The text, put forward by rapporteur Othmar KARAS (EPP, AT), aims to contribute to the European Commission's planned 25% reduction in corporate reporting obligations.

MEPs wanted to amend the European Commission's proposal to introduce greater proportionality and take account of the disproportionate burden that certain obligations place on smaller companies.

MEPs therefore reaffirmed the need for the European Supervisory Authorities (ESAs) to better coordinate and increase data sharing between them, to avoid companies having to transmit redundant information. In addition, MEPs wish to generalize the principle of single declaration, designed to ensure that the Authorities request each piece of data only once, by introducing a new article in the various amended texts.

MEPs have decided to open triilogue negotiations with the Council before the position adopted in the ECON committee is validated in plenary.

Next steps:

Parliament must now validate its position in plenary. The Council, for its part, has not yet adopted its position on the text.

Taxation incl. VAT and Legal Affairs

[Back to summary of content](#) – Previous editions of the MMR

Late payment

27 February - Belgian Presidency publishes note on LPR for discussion at Competitiveness Council

On 27 February 2024, the Belgian Presidency [published](#) a note on the Late Payment Regulation (LPR), in view of the discussions to be held at the Competitiveness Council on 7 March. The Competitiveness Council brings together all Member State ministers responsible for trade, the economy, industry, research and innovation, and space.

In the note published, the Belgian Presidency reviews the main aspects of the European Commission's proposal, as well as Member States' positions on the text.

The Presidency considers that most Member States share the European Commission's view that it is necessary to ensure predictable payment periods for SMEs. Nevertheless, the Presidency warns that a significant number

of Member States and stakeholders consider that the Commission's proposals would jeopardize freedom of contract. Member States are also concerned about the risk that a number of players will seek suppliers outside the European Union in order to avoid being impacted by the text.

As a result, the note points out that a large majority of member states are opposed to the 30-day payment period, considering it to be an undue intervention by the legislator. In addition, member states seem to agree on the need to maintain a certain flexibility to allow counterparties to set their own payment terms, particularly when negotiating with companies of a similar size. The Council thus reaffirmed that longer payment periods should not be equated with late payment.

Member States have expressed doubts about the appropriateness of proposing a regulation rather than a directive, as this does not take account of certain national situations and the specific features of certain sectors.

The same fears were raised concerning the requirement for suppliers to provide proof of payment on time in the context of public procurement contracts, which would entail a considerable administrative burden for companies and public authorities.

Finally, the proposal to set up national authorities responsible for monitoring payment times is not supported by member states either, who consider that, here too, it would impose a significant administrative burden and costs on public authorities for negligible benefits.

Consequently, and with a view to preparing discussions at the next Competitiveness Council, member states are invited to give their views on a number of issues:

- Their position on the choice of a regulation rather than a directive;
- Their position on the strict 30-day payment deadline and the flexibility options that could be introduced;
- Their position on the creation of authorities to monitor payment periods.

Next steps:

Member States plan to hold a further exchange of views on the LPR regulation at the Competitiveness Council on 7 March.

In Parliament, the vote scheduled in the Internal Market and Consumer Protection Committee (IMCO) on 22 February 2024 has been postponed to 20/21 March 2024.

22 February 2024 - LPR : MEPs decide to postpone the vote in IMCO Committee

On 22 February 2024, in the Committee for Internal Market and Consumer Protection (IMCO) MEPs were planning to vote upon the compromise amendments regarding the proposal on Late Payment Regulation (LPR)

The key features of the amendments proposed by the MEPs are as such:

- **Article 3:**
The Commission's proposal to limit payment times to 30 days for companies and public authorities was adopted by the rapporteur and supported by most political groups, with the inclusion of some adjustments:

- ➔ The initial payment period could be extended by a further 30 days (i.e. up to 60) for purchases of "certain slow-moving and seasonal products".
 - It would be up to the European Commission to adopt a delegated act listing the product categories eligible for such a derogation.
- ➔ The current directive on payment periods will continue to apply for two years to micro-enterprises and self-employed workers when they are in debt. This means that they will still be able to sign contractual clauses with their creditors for longer payment periods.

However, part of the EPP group and the ECR group were planning to table an alternative compromise amendment to allow companies to negotiate an additional payment period of 30 days for commercial transactions (except when the creditor is an SME and the debtor a large company). To regulate the use of this additional period, the two political groups want to use the concept of '*grossly unfair*' contracts. However, this notion, already present in the current directive, is subject to debate.

▪ **Article 9:**

As requested by the EUF, the exclusion or limitation of the creditor's right to assign a third party is retained as a null and void contractual clause in the compromise amendments.

“(ba) excluding or limiting the right of the creditor to:

- i. make assignments of the credit to third parties for the purpose of accessing financing services;
- ii. make use of an executive order of payments issued by a court;”

- Factoring is mentioned in recital 28a and also in article 17 point 2. as a credit and invoice management tool to be promoted among SMEs:

“Member States shall ensure that invoice and credit management tools, including factoring and similar financing services, as well as financial literacy trainings and any other initiatives that tackle late payment are available and accessible to small and medium sized enterprises, including on the use of digital tools for timely payments.”

▪ **Establishment of a payment observatory**

Finally, MEPs plan to require large companies and contracting public authorities to report on their payment habits once a year to the national authorities responsible for implementing the regulation.

In addition, a European observatory on late payments should be set up, according to MEPs, in addition to the existing payment observatory.

Due to the absence of agreed compromise between political groups, the vote has been postponed to the 20/21 March.

Next steps:

MEPs are now expected to find a compromise and vote upon the text during next IMCO Committee of 20/21 March 2024. If agreed upon, the compromise would have to be validated during April plenary.

e-invoicing

19 February 2024 - Electronic invoicing: the Commission adopts a new report

On 19 February 2024, the European Commission [adopted](#) a report on the use of electronic invoicing in public procurement, as provided for in Directive 2014/55 on electronic invoicing in public procurement.

In this report the Commission assesses the effects of the directive on electronic invoicing in public procurement adopted in 2014. Indeed, the directive in force aimed to improve *"the functioning of the internal market by harmonizing the rules on electronic invoicing in the public sector in the European Union, as well as to reduce obstacles to access to cross-border public procurement due to the lack of interoperability between national legal systems and requirements for electronic invoicing"*. The directive also provided for the introduction of a harmonized standard for electronic invoicing.

The report is being published at a time when the Council is examining the legislative package presented by the European Commission on VAT in the digital age (ViDA), and should therefore inform the Council's discussions.

The report concludes that only countries which have introduced a strict obligation to provide electronic invoices to public authorities are seeing a satisfactory take-up of electronic invoicing in B2B and B2G transactions. States that have maintained the option of sending invoices in a non-electronic format have seen a low level of adoption of electronic invoicing.

The Commission nevertheless regrets that the adoption of e-invoicing obligations has not led to the adoption of the European e-invoicing standard. Some countries do not make the use of the European standard compulsory, preferring to use national standards. In fact, the Commission considers that in those countries where electronic invoicing has already been introduced, the use of national standards is still predominant.

However, the report stresses the benefits of using the European standard, which it believes reduces administrative burdens by having a single European standard. It also points out that the multiplication of national standards poses significant interoperability problems.

With regard to B2B transactions, SMEs are often forced to use their customers' electronic invoicing networks, but these networks do not interact with each other, forcing SMEs to multiply their invoicing service providers, rather than having a single one through which they could interact with all their European customers.

The report also points out that the opportunities that should have arisen for European e-invoicing service providers have come up against specific national requirements that generate high investment needs for these providers. The report cites the obligation to register for VAT, national certification systems and the use of electronic signatures as examples of these obstacles.

Finally, the European Commission concludes that e-invoicing is consistent with the proposed Late Payment Regulation (LPR), as it "as it automates the approval process for eInvoices, streamlining payment procedures and ensuring timely payments.

Sustainable Finance

[Back to summary of content](#) – Previous editions of the MRR

28 February 2024 – CSDD directive is postponed in the Council for a second time

On 28 February, Member States in the Competitiveness Council did not manage enough support to validate the provisional agreement reached out in trilogues.

This result follows a first rejection in the Council on 12 February 2024 where the vote had to be postponed due to insufficient support from Member States.

According to some sources Germany had managed to obtain Italy's abstention which, coupled with the abstention of Member States such as Sweden, Finland and Estonia, has meant that less than 55% of Member States representing 65% of the population were supporting the text.

Some sources also claim that France asked prior to the vote to increase CSDD scope to apply only to companies having more than 5000 employees.

In the end, the Belgian Presidency did not manage to find a compromise between Member states and is now considering the "state of play" and addressing Member States concern in consultation with Parliament.

It is not yet clear what the next steps are going to be, the Council could decide to drop the proposal or to open the trilogue again. Re-opening the trilogues would make rather unpalatable the adoption of CSDD under the Belgian Presidency or before the EU elections.

The S&D group [published](#) a press released from S&D Rapporteur Lara WOLTERS (S&D, NL) heavily criticizing Member States votes.

Following, this the Belgian Presidency put forward a new compromise to be discussed by Member States which proposes :

- To reduce the scope of the directive to companies with more than 1000 employees and more than EUR 300 million turnover ;
- To reduce the downstream part of the chain of activities to direct relationships;
- A staged approach depending on companies' size.

Next steps:

Members States have now to agree on the last Presidency compromise proposal.

1 February 2024 - European financial sector calls for regulatory pause on sustainable finance

On 1 February 2024, several associations representing the financial sector (Insurance Europe, the Alternative Investment Managers Association (AIMA), the Association of Cooperative Banks (EACB), the European Banking

Federation (EBF), the Association of Financial Markets in Europe (afme), the European Retail and Deposit Bank Group (ESBG) and the European Fund and Asset Management Association (EFAMA)) have [published](#) a joint letter to the European Commission in relation to the revision of levels 1 and 2 of the Financial Sector Disclosure Regulation (FSDR).

The letter follows the [closing](#) of the consultation launched by the European Securities and Markets Authority (ESMA) to assess a potential revision of the SFDR regulation.

The associations highlight the driving role played by the European Union in developing a regulatory framework for sustainable finance. Nevertheless, they regret that despite the various texts adopted, consumers still find it difficult to understand the sustainability information published by financial institutions.

The associations therefore call on the Commission and the European Supervisory Authorities (ESA) to coordinate their efforts to ensure that the revisions to SFDR levels 1 and 2 are mutually consistent. The industry calls on the Commission to suspend the revision of SFDR level 2 currently underway to allow for a holistic review of the regulation.

Indeed, according to the main associations representing the financial sector, a period of stability is necessary in order to avoid introducing legal uncertainty and limit costs for businesses.

In conclusion, the industry calls on the Commission to proceed, in due course, with a joint revision of SFDR levels 1 and 2 to ensure greater coherence between the different texts, rather than proceeding, as planned, with uncoordinated revisions of the different levels of the text.

Digital

1 February 2024 - European supervisory authorities publish report on prudential and regulatory framework applicable to BigTech financial services activities

On 1 February 2024, the European Supervisory Authorities (ESAs) [published](#) a joint report analyzing the supervision of the provision of financial services by mostly non-EU digital players.

Following the study carried out, the ESAs found that BigTechs have subsidiaries providing financial services in the EU in the payments, e-money and insurance sectors and, in limited cases, in the banking sector. No BigTech subsidiaries were reported as providing financial services in the securities and markets sector.

Compared with the results of previous mapping exercises conducted by the EBA and ESAs in 2021 and 2022, the "direct provision of financial services by BigTechs remains limited overall to date", the report states.

1) Risks associated with the distribution of financial services by digital players and identification of supervisory shortcomings

With regard to the risks associated with the provision of financial services by BigTechs, as well as regulatory and supervisory issues, the National Competent Authorities (NCAs) reiterated the observations made in their [response](#) to the European Commission's request for technical advice on digital finance (2022).

The NCAs pointed out that certain risks linked to intra-group interconnection could justify specific actions in the event that the direct provision of financial services by BigTechs on the European market were to continue.

In particular, the NCAs pointed out that the existing regulatory and supervisory framework applicable to BigTech's financial services activities is generally based on the activity rather than the entity/group, which means that the risks posed by intra-group interdependencies (e.g. financial, data and technological) could be insufficiently mitigated due to the absence of regulation, particularly with regard to consolidation or conglomerates, and of appropriate supervision.

Similarly, the NCAs have once again highlighted shortcomings in notification practices concerning cross-border financial services, a recurring problem which was also recalled in the response to the request for technical advice. The NCAs therefore call for additional measures to strengthen cross-border and interdisciplinary supervision of BigTech groups active in the financial sector.

However, the ESA report states that the direct provision of financial services by BigTechs does not pose a threat to financial stability.

2) Issues relating to a level playing field between BigTechs and traditional financial players

The ESA report points out that several national competition authorities have raised considerations relating to a level playing field.

In particular, the NCAs point out that banking groups are subject to prudential consolidation, and that mixed banking and insurance groups are subject to conglomerate supervision. In comparison, BigTech groups comprising different types of financial intermediaries are not subject to similar provisions (mainly due to the fact that they do not have a bank within their group).

As a result, BigTechs are not subject to similar regulatory obligations and do not fall within the scope of supervision by the Supervisory Authorities, which may give rise not only to uncovered risks, but also to considerations relating to a level playing field.

3) Next steps to improve supervision and a new monitoring framework

As part of the [work program](#) of the European Forum of Innovation Facilitators (EFIF), ESA wishes to further strengthen the cross-sector mapping of BigTech financial services activities and their relevance to the financial sector via the establishment of a "data matrix".

This tool is intended to provide a framework that competent national supervisory authorities could use to continuously monitor the direct and indirect relevance of BigTech companies to the financial sector in the EU. The mapping could be used to monitor the direct provision of financial services activities by BigTechs in the EU, their role as leading technology providers as well as the provision of gatekeeper services under the Digital Markets Directive (DMA).

The ESAs will pursue interdisciplinary exchanges to further promote the exchange of information between NCAs and other competent authorities (e.g. data protection or consumer authorities) involved in monitoring the activities of BigTechs. This will help to better identify and assess opportunities and risks, particularly where they arise from intra-group and external dependencies, and to identify potential and external mitigation measures. Interdisciplinary exchanges can include, where appropriate, discussions relating to the harmonization of monitoring practices, cross-sectoral and cross-border dimensions, as well as engagement with third countries and international organizations.

Finally, ESAs (individually or jointly) are considering conducting thematic analyses to increase the visibility of surveillance on specific activities, and continue to encourage convergence in the surveillance of "emerging activities and new trends".

February 2024 - European Parliament study on the provision of financial services by digital conglomerates

In February 2024, at the request of the Committee on Economic Affairs (ECON), the Parliament's research department [published](#) a study on the supervision of the provision of financial services by BigTechs.

Several of the recommendations in the study echo those made in the European Supervisory Authorities' joint report on the prudential and regulatory framework applicable to the financial services activities of BigTechs, also published in February 2024.

The recommendations highlighted by the study are as follows:

1. The first recommendation is to consider adopting a "holistic" or "hybrid" approach at international level, complementing activity-based regulation in host countries with entity-based regulation in home countries. Host supervisors should actively use all their existing powers - such as indirect supervision through regulated entities (notably banks) and activity-based regulations, thereby enhancing the resilience of the entities themselves. In addition, digital platforms undertake a variety of financial and non-financial activities and, as a result, many of their risks originate outside the financial sector. This also means that the entity's primary regulator may not be solely a financial regulator. Whatever the regulatory agency, it should work closely with financial regulators, as well as with regulators overseeing competition, data privacy, cybersecurity and consumer protection.

Two approaches are therefore envisaged:

- The "segregation" approach would require Bigtechs to pool their financial activities via a financial holding company, subject to prudential requirements and ring-fenced (i.e. separating part of a company's financial assets from the rest). This approach could, however, weaken the ability of Bigtechs to offer financial services.
- Another approach envisaged would involve the creation of a new regulatory category for Bigtechs with significant financial activities, a "Bigtech financial group", subject to group-level requirements.

2. The second recommendation is to improve international cooperation between different sector regulators by creating a high-level, multi-sector regulatory body or forum bringing together financial regulators, competition authorities, data regulators and cyber-experts. Initially, this forum could be organized around the G7 countries.

In the absence of the creation of a G7 body or forum for BigTechs, the EU could promote the creation of an "international digital finance network" - along the lines of the international competition network - made up of

Member State and EU representatives with responsibilities covering different aspects of digital finance, including financial stability, investor protection, competition, data protection and cybersecurity.

3. The third recommendation aims to strengthen bilateral cooperation between the EU and the USA and between the EU and the UK in the field of digital finance. The EU and the US could play a leading role in setting up a G7 forum and/or international digital finance network, as mentioned above.

The debate on closer cooperation in the regulation of Bigtech finance is also an area of close alignment with the UK, and could become a permanent point of discussion within the framework of the newly created bi-annual meeting: the EU-UK Financial Regulation Forum.

Failing that, the EU could adopt a unilateral approach and play a forerunner role at international level, exploiting first-mover advantages. This would involve first publishing new European rules in this area, and then seeking to transfer them to international forums or transfer them to third-party jurisdictions.

This could be achieved through the so-called "Brussels effect" for large digital companies providing financial services across the single market, and by publishing European rules with extraterritorial reach. The EU has already taken steps in this direction by adopting the DSA, the DMA and the DORA regulation for cybersecurity.

4. The fourth recommendation is to improve cooperation between the various sector regulators in the EU by creating a multi-sector regulatory forum in the EU. This forum could build on the development of the new High Level Group established by the Digital Markets Regulation (DMA), for example, by ensuring a greater role for central banks, prudential regulators and securities regulators. Initially, the scope of the cross-sector body at EU level would be limited to knowledge development, information sharing, capacity building and interaction with stakeholders.

5. The final recommendation concerns the role that the European Parliament could play. Members of the European Parliament should seek to leverage the affinity and expertise of national legislators, both inside and outside the EU, in the regulation and supervision of Bigtech platforms. The European Parliament could take the initiative of setting up a working group to monitor and study Bigtechs, and follow future developments, with a view to increasing awareness and transparency in this field. A Bigtech working group could also be set up with members of the US Congress and the UK Parliament who are in favor of stricter Bigtech regulation.

Other topics

[Back to summary of content](#) – Previous editions of the MRR

23 February 2024 - EU finance ministers discuss future of Capital Markets Union

On 23 February 2024, European finance ministers met in Ghent to [discuss](#) the next initiatives for the Capital Markets Union.

On the agenda was the Eurogroup's draft declaration on the Capital Markets Union. This draft highlights the priority areas for action that could be the subject of new measures favourable to the operation of the CMU with a view to the next legislative cycle.

More specifically, the draft declaration deals with measures concerning the UMC's regulatory framework, which should guarantee access to financing for companies, and improving investment opportunities for citizens.

In parallel, the Eurogroup held a meeting on February 23, during which the Capital Markets Union was also at the heart of discussions.

The President of the Eurogroup, Paschal DONOHOE, [identified](#) three priorities for the future of European capital markets, the "ABC":

- A for architecture: how we can reduce barriers, develop a better regulatory and supervisory system that works for businesses, investors and savers;
- B for businesses: **ensuring that companies, especially smaller ones, have access to appropriate financing;**
- C for citizens: Creating opportunities and facilitating access to capital markets for small investors.

The Commissioner for Economic Affairs, Paolo GENTILONI, took the opportunity to reiterate the urgency and necessity of establishing a fully functional Capital Markets Union.

Next steps

The next Eurogroup summit is scheduled for 11 March 2024.

19 February 2024 - Annual report on the single market: the Presidency draws up a note for discussion

On 19 February 2024, the Belgian Presidency circulated a [note](#) on the 2024 Annual [Report](#) on the Single Market and Competitiveness for the Competitiveness Council meeting on March 7, 2024.

The note summarizes the main points raised in the report, which are classified into 9 categories for which indicators have been developed: (1) Functioning of the single market; (2) Access to private capital; (3) Public investment and infrastructure; (4) Research and innovation; (5) Energy; (6) Circularity; (7) Sustainable development; (8) Digitization; (9) Education and skills; and (9) Trade and open strategic autonomy.

With regard to access to private funding, the note notes that this has risen from 17.7% in 2021 to 19.3% of GDP, and has remained stable despite the financial crisis of 2020. Nevertheless, the Presidency regrets that venture capital funds represent only 0.08% of GDP, less than in 2021, and do not provide the capital needed to support innovative companies. The note notes the need to strengthen the Capital Markets Union, and calls for more capital to be made available, particularly from pension funds.

With a view to the meeting between the finance ministers, the Presidency is proposing that the representatives of the member states focus their discussions on three questions:

- Which competitiveness vectors should be prioritized, and with what indicators should they be measured?
- How can we limit distortions to the internal market while strengthening Europe's strategic autonomy?
- What priorities should be followed by the Task Force in charge of implementing the single market?

Next steps:

Member State representatives will discuss the annual report and Enrico LETTA's report on the Single Market on 7 March 2024.



Realised by



EURALIA

Contacts:

Pierre Degonde

+33 6 72 44 85 18

E-mail: pierre.degonde@euralia.eu

Matthias Garcia de Cruz

Tel : +32 489 38 33 16

E-mail : matthias.garciadecruz@euralia.eu

EURALIA

Rue Montoyer, 25

B-1000 Brussels