Creation of a European Capital Market for smaller entrepreneurially managed growing companies

1995/2272(COS) - 04/07/1996 - Text adopted by Parliament, single reading

Parliament adopted the report by Mr Lyndon HARRISON (PSE, UK) on the feasibility of the creation of a European Market for smaller entrepreneurially managed growing companies. The report welcomes the communication from the Commission detailing the initiatives which have been taken so far and which are expected to result in a market, the European Capital Market for Entrepreurially Companies (known as EASDAQ), opening for business in 1996. It considered however that this initiative, like those establishing other pan-European small company stock markets, could be a success only if the issues of liquidity, regulation and possible protectionism were addressed. It therefore put forward a number of proposals, inter alia: as regards liquidity-related issues: - repealing restrictions on pension funds' investments in securities listed on exchanges in other Member States, - setting limits on fees for acceptance to trading, - preventing fiscal discrimination against investors who buy or deal in shares in other Member States. As regards regulatory issues: - introducing and enforcing stringent rules, in order to attract the interest of the big institutional investors; - streamling the process of prospectus approval by means of harmonization or mutual recognition; - defining the relationship between EASDAQ and existing exchanges to prevent duplication, and determining the conditions under which businesses currently listed on the national exchange of a Member State may also be listed on EASDAQ; - examining the wider regulatory framework of a Europe-wide capital market, one feature of which could be a European Securities and Exchange Commission along the lines of the USA SEC. As regards protectionism: - ensuring that national markets do not engage in unfair competition practices with any pan-European small company stock market; - guaranteeing the full independence of any pan-European small company stock market's regulatory body.