



Council of the
European Union

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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Council conclusions on the European Court of Auditors' Special Report 4/2022 "Investment funds – EU actions have not yet created a true single market benefiting investors"

Delegations will find attached the Council Conclusions on the European Court of Auditors' Special Report 04/2022, as prepared by the Financial Services Committee and agreed by the Economic and Financial Committee on 23 September 2022.

Council conclusions on the European Court of Auditors' Special Report 4/2022

"Investment funds – EU actions have not yet created a true single market benefiting investors"

THE COUNCIL OF THE EUROPEAN UNION:

1. RECALLS its conclusions of 3 December 2020¹ and of 15 March 2021², as well as the statement of EU leaders at the Euro Summit in inclusive format on 11 December 2020³;
2. HIGHLIGHTS the Eurogroup Statement of 16 June 2022, where the Eurogroup members stress they “remain committed to making progress as a matter of priority on the capital markets union. The capital markets union complements the Banking Union and will be an indispensable component in providing a larger and more diversified pool of resources to support our economies and foster the single market in financial services”⁴;
3. RECALLS the statement of EU leaders at the Euro Summit in inclusive format on 24 June 2022⁵, where they called for “stepping up efforts in deepening the Capital Markets Union” and welcomed “in this regard the progress made in the legislative work with a view to fostering long-term investment in the European Union”;
4. NOTES the Special Report of the European Court of Auditors (ECA) 4/2022 "Investment funds – EU actions have not yet created a true single market benefiting investors";

¹ Council Conclusions on the Commission’s CMU Action Plan, doc. 12898/1/20 REV 1.

² Council Conclusions on ECA's Special Report 25/2020 "Capital Markets Union – Slow start towards an ambitious goal", doc. 6651/21.

³ Doc. EURO 502/20

⁴ Press Communiqué 584/22 of 16.06.2022.

⁵ Doc. EURO 502/22

5. NOTES that a number of findings and recommendations laid down in this Special Report are related to issues already covered by proposed amending legislation on which the Council recently reached a general approach, namely the Regulation Proposal on European Long-Term Investment Funds (ELTIF) and the Directive Proposal on Alternative Investment Fund Managers (AIFMD), which also amends the Directive on Undertakings for Collective Investment in Transferable Securities (UCITS); and INVITES the Council Presidency to pursue trilogue negotiations with the European Parliament with a view to timely adoption and entry into force of the updated EU regulatory framework for investment funds;
6. CONSIDERS accordingly that it is premature for the Commission to engage in a new “fitness check”, at this juncture, on the legislation covering investment funds; but INVITES it nonetheless to continue monitoring market developments in this field, and to report regularly on possible impediments to the deepening of the Single market for investment funds and, consequently, obstacles to building a strong Capital Markets Union.
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