



PRESS RELEASE

Subject: “New industry task force to propose solutions for Europe’s IPO revival”

EuropeanIssuers, the European Private Equity and Venture Capital Association and the Federation of European Securities Exchanges, three leading EU associations with members active in the capital markets, will set up a new industry task force to offer the next European Commission and Parliament solutions to Europe’s long-term IPO challenges.

This industry initiative will complement the European Commission’s efforts to boost the long-term financing capacity of European financial markets, which will be the topic of a **European Commission Communication**ⁱ soon.

The associations agree that **European public equity markets** must provide better opportunities for companies to finance themselves and that the **economic recovery and long-term sustainable development** of Europe depends on realising the full potential of public capital markets to finance companies in Europe. While there has been a recent rebound in primary market activity in Europe, the IPO levels remain below historical levels due to structural constraints affecting the environment in which IPOs take place. The long-term trends in the number and volume of IPOs over the last 25 years were recently analysed by several extensive studies done for the OECD.ⁱⁱ Especially in the context of the expected reduction in bank credit, the associations believe that there is a need for concerted action to help position the capital markets as a key source of economic growth in Europe.

The Task Force will aim to present its first findings to the new Commission and Parliament by **November 2014**. It will contribute to the legislative planning for long-term investment, a debate begun by last year’s **Commission Green Paper**.ⁱⁱⁱ A similar task force in the United States led to the JOBS Act in 2012.

The Task Force will also look at the **continued funding of companies via capital markets** in a broad sense, ie not only at the initial IPO stage but also at the other financial instruments available to companies (such as public debt) that can meet their financing needs.

The associations will provide intellectual support to the Task Force, which will be composed of **corporate representatives** and independent experts from the different parts of the **ecosystem** involved in listing companies. The associations will seek to ensure a balance of both expertise and geographic location in the Task Force.

An **IPO Roundtable** will be organised in Zürich on 18th June 2014 at which preliminary findings of the Task Force will be discussed publicly. The Roundtable is also co-hosted by the three associations.

Finally, in recognition of the **global context of IPOs**, we will establish contact with, and seek to learn from, other praiseworthy industry initiatives, such as the **IPO Task Force**^{iv} and the **Equity Capital Formation Task Force**^v in the US.

Quotes:

Susannah Haan, Secretary General of **EuropeanIssuers**, said: “Europe’s overall competitiveness depends on the strength of its innovative small and mid-cap companies. European companies understand that the role of bank finance in the European economy is changing, and want to be reassured that the capital markets will be able to help them in the future. For this to happen, they need a support system in place to help them to find the information they need, to grow and develop their businesses. We hope that the Task Force will be able to learn from best practice and to make recommendations for regulatory and non-regulatory change, as appropriate.”

Dörte Höppner, **EVCA** Chief Executive, said: “The Task Force will make a valuable contribution to the debate over long-term investment, which is of vital importance to Europe’s future prosperity. European private equity plays a significant role in providing long-term finance to Europe’s businesses and a vibrant IPO market will spur more of this real economy investment but it is up to policymakers to create the correct framework to encourage both long-term investment and IPOs.”

Judith Hardt, Director General of **FESE**, said, “IPOs are critical to economic growth. When dynamic companies access public capital markets, they can grow independently – and thereby create high quality jobs, spread wealth, boost local innovation and intellectual property, and improve the safety and diversification of investment. Exchanges play a key role as established venues of channelling financing for growth. Europe’s exchanges are providing companies with a full range of choices and services to help them access markets and are dedicated to making their markets continuously deeper and more relevant for all companies and investors.”

Information for the Editors:

The **Federation of European Securities Exchanges** represents 41 regulated exchanges in 30 European countries. The objectives of FESE's activities are to foster the global competitiveness of European exchanges and to reinforce the key importance of the exchanges for the European and global economy, including in times of regulatory change.

EuropeanIssuers represents the interests of quoted companies across Europe. There are approximately 12,000 such companies on both the main regulated markets and the alternative exchange-regulated markets. We aim to ensure that EU policy creates an environment in which EU companies can raise capital through the public markets and can deliver growth over the longer-term. We seek capital markets that serve the interests of their end users, being companies and investors.

European Private Equity & Venture Capital Association is the voice of European private equity. Our membership covers the full range of private equity activity, from early-stage venture capital to the largest private equity firms, investors such as pension funds, insurance companies, fund-of-funds and family offices and associate members from related professions. We represent 700 member firms and 500 affiliate members.

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ⁱ “Communication on the Long-term Financing of the European Economy”, expected in March 2014.

ⁱⁱ Please see “Making Stock Markets Work to Support Economic Growth / Implications for Governments, Regulators, Stock Exchanges, Corporate Issuers and their Investors”, David Weild, Edward Kim and Lisa Newport http://www.oecd-ilibrary.org/governance/making-stock-markets-work-to-support-economic-growth_5k43m4p6ccs3-en and “Who Cares? Corporate Governance in Today's Equity Markets” http://www.oecd-ilibrary.org/governance/who-cares-corporate-governance-in-today-s-equity-markets_5k47zw5kdnmp-en by Mats Isaksson and Serdar Çelik.

ⁱⁱⁱ http://ec.europa.eu/internal_market/finances/financing-growth/long-term/index_en.htm

^{iv} <https://www.sec.gov/info/smallbus/acsec/ipotaskforceslides.pdf>

^v <http://www.equitycapitalformationtaskforce.com/>.