Appendix – Explanation of the actions

1. Stronger supervision

Reinforcement of supervision of cross-border activities
According to the government, the place where capital market supervision of cross-border activities and market parties is vested should be carefully reconsidered on a case-by-case basis. Activities such as operating large, pan-European trading venues, a central counterparty (CCP) or a large asset manager are good candidates for reinforced, direct EU-supervision, due to their scale and cross-border nature. Before deciding to expand ESMA's role, the government would like to see various supervisory models explored. It is important to map out the effects on the quality of supervision, the level playing field within the internal market, the regulatory burden for market parties and the local and European business climate. As regards models, consideration should be given to: (i) supervisory colleges for international undertakings involving NCAs chaired by a European Supervisory Authority, (ii) the Banking Union model where an NCA supervises large, significant players under the responsibility of the European Supervisory Authority, or (iii) hubs of expertise where branches of the European Supervisory Authority are spread across EU Member States by sector or activity, depending on where financial hubs are located. These models can also be introduced gradually to mitigate risks of inefficiency and loss of (local) knowledge. The government recognises risks in an opt-in model previously advocated by France, among others, whereby market parties can choose to fall under a European supervisory authority, because this leads to an uneven playing field for market parties and fragmentation of expertise between NCAs and ESMA.

Collection and storage of supervisory data at EU-level
Each supervisory authority currently collects data separately from the supervised market parties. This leads to unnecessary duplication of the number of IT systems to capture all this data. It also creates double costs for supervisory authorities. Market parties run the risk of duplicate requests and administrative burdens. The government is therefore in favour of the collection and storage of data at EU-level. One of the European supervisory authorities can develop and manage this central data system and grant access to all national and European supervisors to use data relevant to them. Market parties can then supply the requested data via one digital portal. In this way, development and reporting costs for supervisors and market parties can be structurally reduced, which contributes to a more competitive financial sector.

Improved governance structure and financing of ESMA
If ESMA's role is expanded and in the future it exercises more direct supervision, this will require a parallel evaluation of the governance structure, according to the government. The most important decisions within ESMA are now taken by the Board of Supervisory Authorities in which the NCAs are represented, for the Netherlands the AFM. This structure complicates decision-making and limits ESMA's assertiveness, particularly as the interests of national supervisory authorities are given heavy weight. The government is committed to evaluating and revising the governance structure of ESMA, using the structure of the ECB or the recently established European anti-money laundering authority AMLA as inspiration. At both institutions decision making takes place by independent board members and representants of national supervisory authorities. This ensures a clearer European perspective in decision-making. If ESMA is to exercise more direct supervision of market parties, the government also considers it desirable

that ESMA's financing be evaluated and, where necessary, improved in order to keep costs for supervised market parties under control.

The balance of power in the EU with regard to capital market supervision is highly polarised. A small number of Member States with deep national capital markets and internationally operating financial institutions, including the Netherlands, would like to see further reinforcement of supervision of large, cross-border market participants at ESMA. Many (small) Member States prefer to maintain national supervision, as they fear that centralisation will reduce confidence in the market, as will their own influence on their local market and the national business climate. This should be taken into account in the discussion, but the opportunities offered by reinforced supervision are too great for Europe to ignore. The government wants to achieve its ambitions for strengthening supervision of the above three topics by developing concrete proposals with like-minded Member States and discussing these with the Commission.

2. More and diverse capital supply

Introduction of EU investment account and label

Research by the AFM shows that almost half of Dutch households have sufficient financial buffers to start investing instead of saving, while they are currently not doing so.[1] If these households were to start investing, or invest more in simple and diversified products such as investment funds and exchange traded funds (ETFs), they could achieve higher returns, albeit at a higher risk. Households can use this return in the longer term, for example to stop working earlier or to help pay for their children's education. They also invest in the European economy of the future.

To achieve this, the government wants to investigate whether it is possible to encourage Dutch and European households to invest more responsibly and to encourage these investments to be made in a more targeted manner in the European economy. To this end, the government is looking at developing a framework for an EU investment account. Such a framework would allow Member States to designate investment accounts to which national tax incentives could be applied to encourage people to invest more in the EU. Conditions may be set that products must meet in order to be held in this account. For example, with regard to the type of companies and geographical spread. In the bill for the Box 3 Actual Return Act, the government takes into account the specific position of start-ups by taxing shares in these companies through a capital gains tax.[2] In this context, the government is prepared to consider, in the long term, once the framework for the EU investment account has taken shape and the new box 3 system has come into effect, whether additional tax incentives can be set up for this purpose in the Netherlands. This could include specifically targeting (start-up and scale-up) companies in sectors that are strategic for EU competitiveness.

In addition, the government is in favour of exploring an EU investment label. On the one hand, this label can lower the threshold for citizens to start investing by highlighting a selection of investment products that meet certain requirements. On the other hand, it is also an option to only award the label to companies established or operating in the EU, meaning that an investment in a product with the label also means an investment in the EU. The government also pays attention to improving the financial literacy of citizens. Financial education can

[1] https://www.afm.nl/nl-nl/sector/actueel/2022/maart/meer-nederlanders-beleggen-sparen
[2] With a capital gains tax, tax is only paid on changes in value upon realisation, unlike a capital growth tax.

better enable citizens to make healthy financial choices and better plan their financial future. The Wijzer in geldzaken platform, together with its partners, continues to focus on financial health. The government will jointly develop both the EU investment account and the EU investment label with other Member States in proposals that will either be developed in a leading group of Member States or shared with the Commission for inspiration.

Development of national (company) pension systems
The government is in favour of the development of national (company) pension systems throughout the EU in order to increase the size of pension assets in the EU. The Netherlands, together with Denmark and Sweden, accounts for 62% of European pension assets.[3] If other countries also build up pension assets, the volume of invested capital will increase. This is good for the deepening of the capital markets. Because pension systems are regulated nationally, the government therefore wants to support the development of pension systems in other Member States by sharing best practices. These include experiences gained with mandatory and automatic participation in an employer's pension scheme (auto-enrolment), pension tracking systems (where citizens can view their pension data themselves), pension dashboards (for insight into the pension schemes of all pension funds) and collective pension systems.

The Commission and EIOPA have already done a lot of work to provide insight into these best practices.[4] In order to further promote implementation, the government wants the Council and the Commission to pay structural attention to the capital market union in the European Semester. This is in line with the (macro)economic focus of the Semester that the government is advocating. The government prefers an approach in which other Member States, together with social partners and other relevant parties, design a (company) pension scheme based on employment conditions and associated national tax treatment. To reinforce this, the government will, where possible with like-minded Member States, advocate the inclusion of recommendations to deepen the Capital Markets Union in the annual country-specific recommendations (CSRs), a theme that already falls within the scope of the CSRs. To this end, the government is considering, among other things, recommendations to Member States to stimulate the build-up of pension assets and a second pillar pension system where this is currently limited.

Development of venture capital funds
As mentioned earlier, venture capital provides financing at a crucial growth stage for innovative companies and should be made more available in Europe.[5] The venture capital supply in the EU is underdeveloped and fragmented compared to the US.[6] The EU also lags behind in the size of venture capital funds.[7] Several steps need to be taken to strengthen the underdeveloped supply of venture capital. In doing so, the government has opted to improve the conditions for the private market on the one hand and to make optimal use of (semi-)public resources on the other.

[3] New Financial, Building EU capital markets from the bottom up, March 2023.
[4] COM(2020) 590, action 9, https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/capital-markets-union/capital-markets-union-2020-action-plan_en.
[5] Venture capital is a form of financing that is often used in young companies. It is usually financing through equity, such as shares, and is characterised by a high degree of risk for the investor.
[6] For example, the level of venture capital investment as a share of GDP in the US is more than ten times higher (0.633% of GDP) than in the EU (0.044% of GDP).
[7] In such a fund, investors can jointly invest in multiple companies, for better diversification options and a larger size.

In order to facilitate the development of large private funds, the government wants further harmonisation of regulations for venture capital and a more uniform implementation thereof in the EU. This is necessary to eliminate the remaining national differences, reduce regulatory burden and create larger funds. This will make more capital available for investments in scale-ups, especially in later, larger financing rounds. The government is looking at the regulations and licensing of alternative investment institutions (AIFMD) and European venture capital funds (EuVECA).[8] The cross-border offering of such funds within the EU can be simplified. In addition, the government is advocating faster licensing procedures for venture capital funds with supervisors. As a first step, ESMA should conduct a survey among national supervisory authorities to identify differences in timelines and obstacles in procedures, and then make recommendations and share best practices.

Role of the European Investment Bank (EIB) in venture capital
Creating an attractive climate for venture capital investments within Europe with sufficient and diverse supply is an iterative process; it takes time before a significantly deeper private market is realised. There also remain very risky investments in early innovations and start-ups that cannot be financed solely by the private market. Public investment banks, at national and European level, play a crucial role in addressing these market failures, including in cross-border financing. Moreover, the involvement of such a public financier sends an important signal to private investors about the quality of the investment. They are therefore essential for mobilising private capital, whereby public investment is usually multiplied by private players (the so-called multiplier effect). The government therefore sees the role of the EIB as complementary to strengthening the Capital Markets Union in order to mobilise private capital.

The government believes it is important that the EIB takes more risks and focuses more on stimulating and attracting large-scale private investments, including from institutional investors. This contributes to the desired significant increase in the volume of venture capital investments by the EIB. The EIB can also play a role in the securitisation market, where the government believes it is important that this particularly benefits venture capital and sustainable and impactful investments. Furthermore, according to the government, the EIB is well placed to play a role in solving coordination problems on the venture capital market.

The government also supports the strengthening and continuation of pan-European funds such as the European Tech Champions Initiative (ETCI). The Netherlands, together with Belgium, France, Germany, Italy and Spain, is the initiator of ETCI and has contributed 100 million euros to this in 2023. This fund addresses the financing gap for scale-ups and is expected to be fully spent in 2025. Within a year, the Dutch contribution has almost entirely flowed back to Dutch companies. It is expected that further investments will follow in the Netherlands. The Netherlands is currently working with the EIB, the Commission and the other ETCI participants on the follow-up to the initiative (ETCI 2.0), which, like the first ETCI fund, will also be open to other participants.

Securitisation market development
Securitisation is the repackaging and sale to investors of various types of bank loans. By selling loans in this way, banks free up financing space to finance companies, for example. Banks can also spread risks with the rest of the financial

[8] Directive 2011/61/EU; Regulation (EU) No. 345/2013.

system, provided that banks do not buy each other's securitised loans. The development of the securitisation market therefore indirectly increases the financing of companies in the EU. The Commission is expected to come up with the first proposals to further develop the conditions for securitisation before the summer of 2025.

According to the government, securitisation is an appropriate way to attract more capital from outside the banking sector for productive investments in the EU. However, at present, non-bank investors are investing very little in securitisations. The aim of the government is therefore to create a more diverse institutional investor base for these investments. To achieve this, the government intends to work together with like-minded Member States at European level. The government will also advocate reforms of the conditions for securitisation that focus on proportionality of transparency and due diligence requirements. It also supports further standardisation of the rules on collateral for securitised loans. The creation of a European platform can contribute to this, because it creates a marketplace with equal agreements. The government also believes that this platform should not be supported with public guarantees, because it does not consider subsidisation of the securitisation market necessary. Furthermore, it wants to harmonise credit information and remove obstacles in bankruptcy law (see below). The government is also open to targeted adjustments to the prudential treatment of securitisations, whereby the framework must be and remain risk-based and proportionate. These adjustments should aim to stimulate investments in securitisation by non-banks.

Revision of the prudential framework for investment firms
Investment firms provide liquidity on European capital markets by facilitating activities on trading platforms and offering asset management services. In this way they contribute to the resilience and functioning of the capital market. They also make it more interesting for companies to raise money and it becomes cheaper for investors to trade on the stock exchange. The statutory rules for investment firms consist of the Investment Firm Regulation and Investment Firm Directive (IFR and IFD). The government attaches value to these rules, which meet the unique risks of investment firms. Nevertheless, there are points of attention in the current framework that, according to the government, make a revision necessary. Proprietary traders are quickly classified as banks under this framework, even though they have no deposits and operate with their own capital.[9] If these parties are considered a bank, they will be subject to stricter regulations that are not always tailored to their activities. The regulatory burden is also too high for small investment firms. I previously informed the House about my commitment to this topic, included in a non-paper that I drew up together with DNB and the AFM.[10]

Share investments insurers
Insurers play an important role in investing in the European economy. As early as the negotiations on the revision of the Solvency II Insurance Directive, the Netherlands, together with France, worked to facilitate, among other things, long-term investments in shares by insurers. This has led to a new article in the revised Directive that reinforces this aim and the conditions for achieving it. The corresponding shares module is currently being amended in the delegated

[9] Under current regulations, investment firms with a balance sheet size of more than EUR 15 billion must comply with the prudential rules that apply to banks. They can be classified as a bank if the balance sheet is more than EUR 30 billion.
[10] Parliamentary Papers II 2023/24, 21501-07, no. 2058.

regulation. The government has written several non-papers on this subject together with France, both on the directive and the delegated regulation, and will continue to advocate at European level for further adjustments that facilitate long-term investments in shares by insurers, whenever this is sufficiently prudent.

More equal tax treatment of equity and debt
Currently, financing through debt (loans) is fiscally more advantageous for companies than equity financing (in the form of shares). This is due to the tax deductibility of interest paid on debt. More equal tax treatment of equity and debt supports equity financing and reduces dependence on bank financing. This makes it more attractive to attract venture capital or to undertake an IPO. In addition to the fact that this form of financing is often more suitable than bank loans for start-ups and scale-ups, less excessive debt financing is good for the financial resilience of businesses and contributes to financial stability. In 2022, the Commission proposed a directive to reduce debt-equity inequality (DEBRA).[11] The Netherlands was positive about the aim of this proposed directive as a structural solution for a more equal tax treatment of equity and debt, which was in line with previous Dutch efforts to reduce this unequal treatment. The Netherlands also endorsed the need for a coordinated approach at EU level. At the same time, there were concerns about the additional complexity for taxation, budgetary impact and feasibility for the Tax Authorities.[12] Other Member States also had concerns, which led to a decision at the end of 2022 to suspend discussions on the matter.[13]

The government still sees a harmonised European approach as the most appropriate, because in addition to the above concerns, a unilateral introduction of a wealth deduction would undermine the approach to tax avoidance.[14] The government therefore wants negotiations on the DEBRA directive to be resumed. To this end, the government will explore how the balance of forces in the Council can be positively influenced.

3. Uniform rules

Standardisation of insolvency law
Harmonisation of insolvency regimes is mentioned, among others, in the Letta and Draghi reports as a means to promote cross-border investment and market access in the EU.[15] This is because this significantly reduces the administrative and legal costs associated with insolvency proceedings. The fact that this has not yet been achieved is an important reason why companies and investors are not yet able to find each other within the European capital market. According to the government, standardisation of insolvency law, where necessary through targeted harmonisation, is therefore necessary. At the same time, the government realises that the Netherlands has a good system of insolvency law. There are many stakeholders for whom the preservation of this system is important, such as financiers and the government. The government is committed to further

[11] COM(2022) 216.
[12] Parliamentary Papers II 2021/22, 22 112, no. 3465.
[13] Report from the ECOFIN Council to the European Council on tax matters, 14905/22, 25 November 2022, paragraph 17.
[14] In 2021, the House was informed about the considerations for not introducing a national wealth deduction, see: Parliamentary Papers II 2020/21, 35 572, no. 100.
[15] Enrico Letta, Much more than a Market, p. 35.Mario Draghi, The future of European competitiveness, part B, p. 293.

standardisation in the EU, provided that this leads to comparable or better outcomes for the Netherlands.

To this end, the government is committed to quickly and carefully concluding the ongoing negotiations on the directive to harmonise certain aspects of insolvency law.[16] The government will work closely with like-minded Member States to realise a pre-pack at European level, with sufficient attention for employee rights. The Business Continuity Act I pending in the Upper House can serve as an example for this.[17] In this way we ensure that the loss of value and the consequences for society, including creditors, employees and consumers, after the bankruptcy of a company are limited as much as possible.

In addition to the good and expeditious conclusion of ongoing negotiations, the government encourages the Commission to investigate the possibilities for further steps. The government points out that differences between Member States in certain fundamental elements of substantive insolvency law lead to major bottlenecks for cross-border investments. This is the case with the ranking of claims and facts that initiate bankruptcy (insolvency triggers). Many studies, including those by the International Monetary Fund, the Institute for Public Economics, Draghi and the European Parliament, confirm this.[18] The ranking of creditors has a major impact on the financial position of financiers, banks in particular, as well as of national and local government. A negative adjustment or increased uncertainty on this topic could have major consequences for the economy. That is why the government is committed to having the possible options mapped out first, as well as the consequences any adjustment would have for the Dutch and European economy.

Furthermore, the government asks the Commission to investigate the possibilities for further standardisation of certain procedural elements of insolvency law, in particular those aimed at a more efficient and faster completion of bankruptcy. The government sees room for, for example, setting stricter deadlines for the settlement of bankruptcies and for improving the provision of information to creditors about ongoing procedures. This will be brought to attention at European level, if possible with like-minded Member States. The government will also continue to focus on adequate national legislation that promotes proper and efficient handling of bankruptcies. Such legislation could also serve as an example for the EU. For example, the Dutch Court Approval of a Private Composition (Prevention of Insolvency) Act ("WHOA") had a strong influence on the restructuring and insolvency directive that was ultimately established at European level.[19] The government will bring this legislation to the attention of the Commission and other Member States where relevant.

Standardisation of the law of security
The government wants steps to be taken to harmonise the law of security at European level, both in terms of content and the question of which law applies. This concerns rules on securities such as mortgage rights and pledges in the Netherlands, which play an important role in commercial transactions and in

[16] Parliamentary Papers II 2022-23, 22 112, 3598.
[17] Parliamentary Papers I 2015-16, 34.218, A. In a pre-pack procedure, a restructuring plan is agreed prior to bankruptcy to enable a restart.
[18] IMF, A Capital Market Union for Europe, September 2019; Institute for Public Economics, Naar een Europese Kapitaalmarktunie, 2024; European Parliament Research Division, Harmonisation of insolvency laws: Economic perspectives, January 2025.
[19] Directive (EU) 2019/1023.

particular for the provision of financing. By focusing on greater clarity, greater legal certainty and lower costs can be ensured. For example, on aspects of the law of security such as the establishment of a security right and the conditions under which a security right is recognised and effected within Europe. This makes it easier for financiers to establish a security right at lower costs. This can help promote private, cross-border financing and increase the financing available to companies.

Harmonisation of securities law

Europe is characterised by a fragmented landscape of trading venues and clearing and settlement parties (CCPs and central securities depositories, CSDs). The relatively small and shallow national capital markets are therefore less attractive to companies and investors, causing IPOs in the EU to lag behind. This means that venture capital investors are less likely to exit when scale-ups go public, and then reinvest in young start-ups (so-called limited exit options). The government recognises the importance of each Member State having and maintaining at least one access point to a stock exchange. This is important because supply and demand between listed companies and investors is more likely to be established in their own country than when the distance is greater (so-called home bias). At the same time, trading in those shares by investors and settlement of transactions can be made more efficient by exchanges, CCPs and CSDs if securities law is further harmonised.

Improving the interoperability of the European capital market infrastructure is therefore essential. In order to increase access to EU stock exchanges for companies, the government is committed to targeted harmonisation of securities law. In concrete terms, the government is considering further standardisation of the listing rules and a targeted revision of the Shareholder Rights Directive. In the latter case, the desirability of harmonising the definition of shareholders should be examined. The government also sees the importance of modernising the Finality Directive and the Financial Collateral Directive, both of which should be converted into regulations for greater clarity.[20] The government aims to ensure that the regulations for issuing, trading in and owning securities in the EU become more consistent.

The government also considers shortening the settlement period to be important for the Capital Markets Union. With the transition from T+2 to T+1, the duration between the moment of transaction (trading) and the moment of payment and transfer of the financial instruments is shortened from two to one (working) day. The US proceeded to do this last year and the EU has expressed its intention to do the same by 11 October 2027. To this end, the Commission submitted a proposal on 12 February to amend the Central Securities Depositories Regulation.[21] The government will shortly inform the House separately via a BNC file about its assessment of this proposal. In principle, the government fully supports this proposed shortening of the settlement cycle, as well as the importance of working together with the United Kingdom and Switzerland in this regard.

Development of EU financial reporting standard for SMEs

The government sees advantages in introducing a voluntarily applicable harmonised standard for financial reporting for SME entrepreneurs. This gives

[20] Directive 98/26/EC; Directive 2002/47/EC.
[21] COM(2025) 38.

them the opportunity to raise financing from international investors faster and more easily. The rules for drawing up financial statements have been harmonised in the EU by the Accounting Directive.[22] However, the information that SMEs are required to include in their financial statements is limited and sometimes insufficient for potential investors. This makes cross-border investing in smaller companies more complicated and expensive. A voluntary harmonised EU SME standard could provide investors with a more tailored insight into the financial health and risks of a company, regardless of the Member State in which it is established. This lowers the threshold for attracting foreign capital and reduces administrative burdens for SME entrepreneurs and investors. This increases access to financing.

The EU already has a harmonised financial reporting standard that is tailored to the needs of investors, namely the International Financial Reporting Standards (IFRS). Listed companies in the EU must prepare their consolidated financial statements based on IFRS. IFRS can be used on a voluntary basis by all companies in the Netherlands. However, this standard is complex and not easily applicable for SMEs. That is why the government sees advantages in an additional standard for harmonised European financial reporting for SMEs, which can be applied on a voluntary basis instead of national accounting law. To this end, this standard must comply with the requirements of the EU Accounting Directive for SME entrepreneurs. A potential standard already exists, the lighter IFRS for SMEs, drawn up by the International Accounting Standards Board (IASB). In order to enable the application of IFRS for SMEs, the government wants research to be carried out at European level to determine whether this meets the needs of SMEs and investors. If the Commission does not wish to explore this, the government will take exploratory steps itself with a smaller group of Member States.

Additional and optional EU framework (28th regime)
The government acknowledges that harmonisation of national rules at European level is difficult. It is precisely the areas where national rules need to be harmonised for the benefit of the Capital Markets Union that it has proven difficult in practice to make joint progress.[23] The Commission has announced that it will introduce such a 28th regime, which will cover relevant aspects of company law, insolvency law, labour law and taxation.[24] The government supports a more strategic approach to start-ups and scale-ups to stimulate innovation and the application of technologies and to remove the barriers to setting up and scaling up new companies. At the same time, little is known about the intended proposal for a 28th regime. The government acknowledges that this is a complex exercise and will assess a proposal on its merits after publication by the Commission.

According to the government, an additional EU framework may generally offer an opportunity to make progress in areas where national regulations are difficult to harmonise within the framework of capital markets. A 28th EU regulatory framework can be developed in a targeted manner with a specific target group in mind, such as innovative and fast-growing companies. This may allow the creation of a best-of-class framework without affecting all SMEs in the EU or having to revise all national systems. A 28th regime aimed at a specific target group of companies can thus be introduced with less burden than harmonisation

[22] Directive 2013/34/EU.
[23] See, among others, the aforementioned reports by Letta and Draghi, as well as by the IMF and the Institute for Public Economics.
[24] COM(2025) 30.

of national systems, because only companies that wish to benefit from this will have to deal with new rules.

The government uses a number of principles for the possible development and design of a 28th regime. For this to be successful, the government considers it crucial that such a regulatory framework meets the needs of stakeholders. The EU framework must be legally clear, with a clear status and legal basis. The regime should also regulate as many aspects as possible that are relevant to entrepreneurship. In addition, the possible design of a 28th regime also raises questions in the areas of possible taxation, legal certainty and employment law harmonisation proposals. The government considers it very important that these questions are carefully considered in any further elaboration. In order to further elaborate on the aforementioned principles, the government considers it important that the needs of, among others, employers and employees for such a regime are properly explored. Previous experiences with 28th regimes must also be examined, before a proposal is made. The government would like to enter into discussions with stakeholders, such as start-ups, scale-ups, employers and employees about the desirability, possible conditions and scope of application of a 28th regime. The government wishes to use this information in its further positioning and share it with the Commission in support of the proposed proposal.