



## **ISRAEL – ITALY - INFORMAL FINANCIAL SERVICES REGULATORY ROUNDTABLE**

Rome, January 31, 2022

### **Opening Speech by Paolo Savona, Chairman Consob**

I am glad to open this Informal Financial Services Regulatory Roundtable organized in the framework of longstanding good relationships between Consob and the Israel Securities Authority. The Statement of Intent for Cooperation between our Authorities relating to the supervision of MTS Israel is a good example of such well-established and successful collaboration.

The topics covered by the Roundtable are of particular relevance for Consob. Supporting the sustainable and digital transition and facilitating access of businesses to public markets are among the priorities of Consob's Strategic Plan for the next three years.

The ambition for the EU to become a global leader in setting standards for sustainable finance is testified by impressive evolutions in the EU legislative framework. But significant challenges remain ahead, including the need (i) to accompany market participants in the implementation of the new rules, (ii) to build convergent supervisory and enforcement practices in the EU to be effective against greenwashing, (iii) to educate retail investors, but also competent authorities and Small and Medium Enterprises; (iv) to adequately address risks to financial stability, and (v) to promote ambitious efforts at a global level (including through IOSCO) to address the climate crisis, preserving interoperability between EU and international standards and taxonomies.

Like sustainable finance, digital finance has been on top of the EU and Consob's agenda. Public authorities are called to find a way to encourage financial innovation while safeguarding integrity, stability and transparency of the financial markets as well as protecting savings. Digital innovator facilitators and regulatory sandboxes might play an important role, although this might imply changes to the law (as recently done in Italy) so as to give supervisory authorities the room for testing innovative technology. In the long run, a general reorganisation of supervisory architecture of the financial markets might be needed. Also in this field, international coordination is essential, with a view to create the condition for establishing an international regulatory framework to address the main problems posed by FinTech,

including the increasing relevance of crypto-currencies. Such initiative would avoid the risk of a regulatory race to the bottom and it would preserve the financial stability.

Moving to the third topic of today's Roundtable, IPOs and SPACs, let me underline that competent authorities have a crucial role to play to promote access to capital markets by issuers while ensuring that investors receive adequate protections.

The COVID-19 pandemic had led several companies in the course of 2020 to renounce or postpone the process of IPO, in some cases already started, but recent trends display encouraging signs. In Italy in 2021 there was a recovery of these transactions and an increase in the number of IPOs.

SPACs have become, in recent years, a very popular vehicle for transitioning from a private company to a publicly traded company. SPAC activity has significantly increased in the EU in 2021. Not in Italy.

The European Commission intends to take actions to make listing of both equity and non-equity securities on EU public markets more attractive for companies, especially Small and Medium Enterprises, and it has recently launched a public consultation to inform its future initiatives in this field.

Learning about how the above challenges are being addressed by our international peers is extremely useful for us. Thank you again for hosting this Roundtable.