

Official Invitation to an online Business Conference



Slovenia Capital Markets Development Strategy (2022 - 2026)

Will the Slovene Public Capital Market survive over the next
5 years?

Equity market capitalization to GDP ratio is one of the lowest in the region and the number of listed companies on the LJSE decreased from 200 in early 2000s to only 28 in 2020, generating very low levels of liquidity. The total turnover in 2020 was about EUR 400m only. There have been only 3 IPOs since 2009 while 3 companies have listed abroad. There is very poor mobilisation of domestic savings and institutional investment into the local economy and little attraction of foreign investment. Government debt and state ownership of public companies has a crowding out effect on private and public market enterprises and investment. The situation on the bond market is similar, and in terms of the private market, Slovenia is considered to be one of the most undervalued economies in the region. Yet, capital markets do not seem to be high on the priority list of the Government or part of the national strategy and no institution, public or private, has a capital market development role in Slovenia, that would help turn the negative trends around.

As noted by the last PwC/BTA Report on Capital Market Enhancement and Development in Slovenia, the Slovene government is facing a binary choice:

Option 1: Continue decline and ultimately close LJSE, downsize ATVP, KDD and intermediaries, forcing current and new issuers to go abroad

or

Option 2: Re-launch or upgrade the markets by implementing a comprehensive, market-focused strategy

AGENDA:

1) Introduction by PrimoE> Rozman, PwC

2) Opening statements:

- **Minister of Finance of the Republic of Slovenia, Mr. Andrej Eircelj**
- **Director General DG Reform (EU Commission), Mr. Mario Nava**
- **Director of ATVP, Ms. Anka DadeE>**

3) Discussion Panels:

PANEL 1: National strategy - Corporate governance, privatization and transparency:

Panel Chair: Brian Taylor, BTA Consulting

- Close the markets, or make central to national policy and achieve Emerging Market Status
- Liquidity, privatization plans and corporate governance in state owned enterprises to regenerate growth in the capital markets
- How to achieve net-zero emissions through the capital markets b making ESG mainstream?

PANEL 2: Tax and regulatory changes:

Panel Chair: Tomasz Jedwabny, BTA Consulting & Mojca Bartol Lesar, PwC

- Pro-capital markets tax reform as a contributing factor to the implementation of other goals of the Capital markets development including increase of the market capitalisation as well as support for ESG and digitalisation
- Tax changes considering all market participants in a comprehensive and not selective way at all stages (i.e. issuers, investors, companies at start-up stage, pre-admission stage, IPO, listing and liquidation)
- Tax incentives as the main tax policy tool b examples from other countries
- EIS, SEIS, VCT systems incentivising investment in start-ups b a benchmark example from the UK
- Pension system reform to incentivise investment on capital markets b change of the minimum guarantee return rule

PANEL 3: FinTech & Digital

Panel Chair: Mariusz Wieckowski & Peter Premk, BTA Consulting

- Importance of FinTech for capital markets development
- FinTech niches that can be developed in Slovenia

- FinTech support tools (i.e. sandboxes, innovation hubs, etc.) that might support FinTech development in Slovenia
- Digitalization of business processes, access to digitalised public registers.

PANEL 4: Private market and link to the public market

Panel Chair: Peter Premk, BTA Consulting

- CMDS development efforts focus: PE & SME segment or public market?
- Can some of households' deposits in banks be mobilized and allocated to the PE market? If yes, how?
- Who should be the facilitator, i.e. have the leading role in developing PE/VC market in Slovenia? SPS, MGRT? Does the PE market need a supervisor, regulator?
- Considering LJSE SI ENTER platform not being efficient / utilized by market participants is there a need to renew/restart the SME segment under a new platform and technology, potentially merge it with the PE market?
- Exit strategies for privately owned entities

4) Closing remarks

Key participants/panelists:

AleE! Butala - ATPV, Aleksander Nagode - Public Property Directorate, Ministry of Finance, AleE! Ipavec b LJSE, Andrej Petek - Triglav Skladi, BlaE> Hribar - Pokojninska druE>ba A, Bojan Ivanc - GZS, Daniel DelaD - Intercapital, Davor PaviD - KDD, Daniel Medved - NKBM, Justin Sullivan - Department of Finance (Ireland), Luka Podlogar - Generali Investments, Mark Brownridge - The Enterprise Investment Scheme Association (UK), Maja TomaniD VidoviD b Slovenski podjetniE!ki sklad, Nena Dokuzev - MGRT, PrimoE> DamjanoviD - ATPV, Tina Humar - Tax, Customs and Other Public Revenue Systems Directorate, Ministry of Finance.

**Conference participants will be able to actively participate in the discussions and raise questions.*

Join us on Tuesday, June 22.,
between 9.00 am and 12.30 pm

Please confirm your attendance by sending an e-mail to:

si_academy@pwc.com