

Keynote speech

Belgian Financial Forum event - Brussels

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Chair

Ladies and Gentlemen, good afternoon.

It is an honour to join you today. I would like to thank Febelfin for the kind invitation to speak on the future of the Savings and Investment Union (SIU) – the hottest topic within the financial services Brussels bubble right now.

On my way to Brussels, it struck me: despite all our regional and national differences, we are one European Union and we are one Single Market. A few hours on a train can take you through multiple countries and languages – sometimes even currencies.

People, goods, services, and capital – these are the four freedoms of the European Union. And though each faces challenges, they are what makes this Union unique and successful. In our turf – the freedom of moving capital within the Union – we have also come a long way since the EU was established. Unfortunately, some barriers and entrenched approaches have persisted that have prevented a full realisation of this single market in capital. And this is what brings us here today.

The Savings and Investments Union now gives us the opportunity to commit to and deliver more integrated, vibrant capital markets in Europe. Today, in elaborating on this argument, I will look at two dimensions: first, on the rationale as to why need to undertake such reform of our capital markets and the direction this has begun to take; and second, on why supervisory reform can play an important role as part of this initiative.

SIU: an opportunity to unlock our market's potential

Let me begin by looking at the main challenges our capital markets currently face.

Despite targeted improvements under previous Capital Markets Union Action Plans, EU capital markets have not yet reached their potential. Public market activity has been in a state of slow decline, illustrated by muted IPO activity and delistings. While public markets face challenges today around the world, the gap in activity between EU markets and markets in the US and Asia has widened substantially since pre-financial crisis levels.¹ Private markets on the other hand have grown globally but remain relatively small in the EU (moreover today they begin to face challenges of their own). In addition, much of this private financing comes from outside the EU – which can impact the pathways for many of the EU’s innovative and growing companies.

On the demand side, Europe has shown a lack of financial firepower to fund our corporate sector. Levels of both retail and institutional investment are not adequate to help serve our economic and competitiveness goals. Equally importantly, citizens are missing out on investment opportunities that could improve their financial wellbeing.

Much has been discussed in recent years about the underlying causes of the lack of progress. It is commonly agreed that there is not one root cause, but many – intertwined and complex reasons. For instance, households often lack the confidence and/or incentives to take on greater risk, engage in capital markets and benefit from higher long-term returns. The financial sector, too, faces barriers in mobilising and scaling both institutional and retail equity capital – to name but a few of those reasons.

We also see challenges in recent trading activity. Evidence from European markets in the first half of this year indicates that even when equity trading volumes rise, activity tends to be short-term and speculative, rather than aiming for long-term investment.² This underlines a structural imbalance in household and institutional participation in capital markets.

There is also a growing consensus that our markets often remain segmented along national lines – and the cost of this fragmentation is staggering. Some estimates suggest it has resulted in a loss of near € 8 trillion in GDP over the past 30 years³. Recent IMF research also shows

¹ [ESMA Report on Trends, Risks and Vulnerabilities Report](#), No. 2, 2025.

² [ESMA Report on Trends, Risks and Vulnerabilities Report](#), No. 2, 2025.

³ [Europe's Capital Markets Are Broken—and It's Costing Us €8 Trillion](#), Think thank Horasis, Mattias Bergstrom.

that fragmentation has an effect equivalent to imposing a 110% tariff on services.⁴ This not only hinders cross-border investment; it also results in unnecessary complexity across the EU. For European businesses and foreign firms wishing to undertake business in and across Europe, this translates into complexity, administrative burden, and higher costs. And for Europe as a whole, it means falling behind other global markets – a situation that benefits no one.

However, I would like to turn this around today – not talk about problems, but about possibilities – as Winston Churchill once reminded us, “*difficulties mastered are opportunities won*”. And we have a real opportunity before us: an opportunity to move beyond analysis and debate and take real, transformative actions to shape capital markets that work for our citizens and for our companies.

Ambitious steps have already started to tackle these challenges, with the establishment of the European Commission’s SIU Strategy. This initiative aims to unlock the capital which Europe urgently needs to finance its strategic priorities. It moves beyond previous efforts focused mainly on the sell side, now seeking to equally develop the buy side – recognising the pivotal role of both retail and institutional investors, improving access to a wider range of products, and increasing transparency and comparability.

The European Commission has already started to deliver on some concrete steps to empower retail investors and deepen Europe’s investment culture.

- In September, they published an EU Financial Literacy Strategy, which aims to coordinate and support the efforts of Member States to develop their own strategies, based on best practices collated at EU-level. The Commission will build awareness campaigns, provide additional funding to national initiatives, and monitor progress as part of this; and
- Relatedly, the Commission also published a recommendation on increasing the availability of savings and investment accounts across the EU. This recommendation

⁴ Europe’s declining Productivity Growth: Diagnoses and Remedies, IMF – Europe Regional Economic Outlook, published November 2024.

outlines the optimal characteristics of such accounts and recommends a simplified and advantageous tax treatment.

Together, these initiatives encourage Member States to take steps to empower their citizens and deepen Europe's investment culture. They can help bridge the persistent gap we have in the EU between our rich saving and the lack of productive investment, [which we need to contribute to the funding of pressing needs – defence and the transition to digital and green economies – while allowing retail investors to build wealth as a result of new opportunities].

At EU-level, ESMA is committed to playing its role in pushing forward the SIU agenda. We have already taken important steps under previous iterations of Capital Markets Union Action Plans – which we should not forget. For instance, we have been working on delivering real market transparency for the benefit of investors and competition, through the EU's consolidated tapes initiative. The authorisation of the first provider and the launch of the bond tape will take place in 2026 and are we working on the equity tape selection and will follow up in due course with the derivatives tape.

Related to SIU, we are also moving ahead with work to simplify the EU regulatory framework and decrease burden on business. One important aspect of our efforts will include supporting the streamlining of reporting requirements in the financial sector, while ensuring appropriate transparency and efficient data sharing.

Another ESMA initiative under the simplification and burden reduction theme is related to what we call the 'investor journey'. This links closely with the Commission initiatives on retail investors I mentioned earlier. We seek to understand better the challenges faced by retail investors in accessing investment products and will consider alleviations to improve their ability to participate in capital markets while maintaining investor protection.

Integrating and effectively supervising across the EU

Let me now turn to the second part of my remarks – how integration and supervision can and need to go hand in hand to support a more liquid, connected and attractive EU market.

In nearly fifteen years, the European System of Financial Supervision has evolved into a strong framework built on collaboration between European and national authorities. ESMA's story in

this process is, in many ways, Europe's story – one of steady progress and extensive collaborative efforts.

In most of the EU financial sector, ESMA's role is one of driving convergence between national supervisors who are responsible for the day-to-day supervision and enforcement activity. In a few limited areas, ESMA has been given a mandate to directly supervise certain market players.

When ESMA first started as the supervisor of credit rating agencies, these firms and their business were largely unregulated. Today those same agencies operate under one of the world's most robust supervisory frameworks. This transformation did not happen overnight – it happened through consistency and hard work and with support and expertise from the national authorities. Trust in ESMA's efforts as a direct supervisor has been built over time and has been the foundation that enabled co-legislators to give other specific new supervisory mandates to ESMA over the years.

Today, ESMA's efforts are focused on ensuring that markets are subject to robust supervision, whether at the national or EU level. Across Member States, ESMA has made significant progress in advancing supervisory convergence, ensuring consistent, high quality supervisory practices across supervisors.

Convergence matters because it builds trust, and trust is the foundation of integration and of fostering the Single Market. Investment firms, fund managers and other market players need reassurance that rules are applied consistently in the European Union and supervisors (and politicians) need to be sure that their investors are adequately protected.

Ensuring effective convergence across the EU requires a robust toolkit. This includes a joint risk assessment exercise to develop shared views on where the highest risks are that we as supervisors should focus on. We need shared principles, common understanding through guidelines and Q&As, as well as common supervisory actions and peer reviews and, as a last resort, mediation and breach of union law possibilities. Most important of all, supervisory convergence requires effective cooperation and coordination among National Competent Authorities.

There are concrete examples of how effective supervisory convergence can lead to real results. For example, in supervisory colleges, we have identified opportunities for joint visits and requests to the firms, which allowed building up on each other findings and avoiding duplication or mixed messages to the firms. ESMA work on promoting an effective risk-based approach to supervision, with an annual Heatmap exercise and the recent adoption of principles on effective risk-based supervision have provided the conditions for national regulators to further strengthen and align their supervisory approaches.

In most areas, supervisory convergence should remain our focus, in particular where firms are locally orientated. But some parts of EU capital markets are more integrated and complex. There are cases – especially involving systemic or cross-border risks – where coordination alone is often proving insufficient, as well as being complex, lengthy and resource intensive. This is where targeted EU-level supervision can and must complement our ongoing convergence activity. Indeed, large pan-European market infrastructures and crypto-asset service providers pose risks that can spread quickly across borders, making it unrealistic to be effectively and efficiently addressed through local supervision.

Therefore, I strongly welcome Commissioner Albuquerque's recent announcement that the European Commission intends to propose empowering ESMA as the supervisor of selected cross-border market infrastructure entities and crypto asset service providers.⁵ This reflects a clear realisation that divergent supervisory practices, duplication of effort and inconsistent application of rules create unnecessary costs, complexity and legal uncertainty for market participants. Importantly, these suggestions are also grounded in evidence collected from stakeholders, in a clear demonstration that the proposal responds to the real needs and experiences across the market.

EU-level supervision in these areas brings clear benefits: quicker, clearer responses and reduced blind spots. Most importantly, it strengthens the EU's collective ability to respond decisively to risks that impact all of us.

⁵ [Speech by Commissioner Albuquerque at the Eurofi Forum](#), 18 September 2025.

Let me be clear: this is not about centralisation of supervision for centralisation's sake. It is about efficiency, clarity, and trust. It is about having a broader, collective goal in mind – one that recognises the value of interconnected, rather than fragmented, EU capital markets.

Whatever the future supervisory structure will look like, local expertise remains key. National Competent Authorities know their markets and their investors. This is why convergence remains vital. But even when you have EU-level supervision, national expertise and involvement through ESMA will remain important. Stronger EU-level supervision does not replace national authorities – it complements their efforts which in turn then enables ESMA to do a better job. What is important is that we bring our markets together, make them more efficient and competitive, with no unnecessary barriers – like a train moving across Europe.

This is not a zero-sum game. It is a partnership – one that strengthens both Europe's unity and Member State's ability to grow and scale our capital markets.

Conclusion

Ladies and Gentlemen.

I know that integrating our capital markets is no small task. Yet the European Union has been built on the challenge of difficult tasks – none smaller than creating a Union of 27 nations in the first place.

With the same determination, we can – and we must – take bolder steps to build truly integrated capital markets. Let the words of the Schuman Declaration remind us that to achieve greater goals we need to compromise and work together. I quote: *“Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity”*.

I am very confident that through our collective efforts we will build stronger, more connected capital markets that work for our citizens and our companies.

Thank you.