EUROPEAN CAPITAL MARKETS INSTITUTE

2025
ANNUAL CONFERENCE
Event report

CEPS premises, Brussels
4 November 2025

IN PARTNERSHIP WITH

GOLDEN SPONSORS

SILVER SPONSOR

KEYNOTE SPEECH

Carlo Comporti
Commissioner, CONSOB and Member of Management Board, ESMA

The current phase of EU financial integration calls for an urgent shift from questioning the need for a Savings and Investment Union (SIU) to defining its scope and implementing it. The focus must move from designing supervisory structures first to enabling real market development, with supervision and regulation serving as enablers rather than starting points. The SIU is fundamentally a market initiative, not merely a supervisory one.

Improving capital market efficiency requires greater depth and liquidity, both of which depend on increased demand and supply. On the demand side, critical priorities include strengthening pension systems (particularly Pillars II and III), removing constraints on institutional investors, introducing retail-friendly savings and investment accounts, and embedding financial education within national systems. On the supply side, simplifying existing rules, recalibrating prudential requirements for market makers and targeted support for SMEs – such as improved access to listings, research coverage and tailored benchmarks – are essential to creating a more dynamic market environment.

Developing a 28th regime for digital finance presents a key strategic opportunity. This optional EU-wide legal framework could eliminate existing cross-border barriers, enhance legal clarity and accelerate the scaling of tokenised and digital asset markets. Such a regime would also serve as a cost-effective entry point for smaller firms, supporting their cross-border growth and participation in capital markets.

An effective supervisory model must balance proximity – crucial for investor protection and local ecosystems – with the need for consistency across the EU. National authorities should remain responsible for local entities, while EU-level coordination needs to be enhanced for cross-border or high-impact cases. A flexible toolbox, including supervisory colleges, joint teams and differentiated supervisory arrangements, can ensure subsidiarity and efficiency without defaulting to centralisation.

Institutional reform is necessary to underpin these changes. The governance of the European Securities and Markets Authority (ESMA) should be strengthened, with a decision-making executive board, independent and scalable funding, expanded staff expertise, and clearer legal powers to ensure convergence and address supervisory divergence. New powers could include the ability to take binding decisions under national law in cases of persistent non-compliance or fragmentation.

Maintaining momentum toward the SIU depends on political consensus and a pragmatic approach. Rather than adopting a one-size-fits-all model, the reform should be tailored to the diverse landscape of financial services, preserving local strengths while enabling EU-level scalability. Strategic priorities include protecting citizens' savings, boosting productive investment, simplifying regulatory frameworks, and supporting innovation – particularly through digital finance. The moment to act is now.

FIRST SESSION

FRAGMENTED SAVINGS, MISSED OPPORTUNITIES: BRIDGING THE GAP WITH LONG-TERM SAVING INVESTMENT PRODUCTS

Apostolos Thomadakis
Head of Research, ECMI & Head of Unit, CEPS
Moderator

Andrea Beltramello
Head of Unit Savings and Investments Union, DG FISMA

Thanos Moulovasilis
Group Head of Life Business Management, Zurich Insurance

Jella Benner-Heinacher
Vice-President, Better Finance

Retail investor engagement remains a fundamental component of capital market growth in the EU, yet it is underdeveloped. Despite high household savings, much remains in low-yielding bank deposits instead of flowing into productive investment. Addressing this imbalance requires coordinated action across taxation, regulation, financial literacy and market structure.

The lack of effective tax incentives for long-term investment is a central issue. While some products benefit from favourable treatment, tax regimes across the EU are fragmented, inconsistent and often counterproductive. Simplification and transparency are essential – investors must clearly understand fiscal implications from the outset. Harmonised frameworks could enable tax deferrals, deductions, or exemptions while easing administration and compliance.

Accessibility and cost-efficiency of investment products are also critical. Retail options are abundant but often expensive, complex and misaligned with investor needs. Simple products like exchange-traded funds and listed securities remain underpromoted compared to high-margin, actively managed funds. Aligning distribution incentives with investor outcomes, not commissions, is essential to shift this dynamic.

Financial education is both a long-term and immediate need. School-based programs would raise literacy, but current investors also require better advice and accessible information. Trust, clarity and informed decision-making are key to deeper retail engagement.

Digitalisation and demographic alignment are increasingly important. Younger generations are drawn to cryptocurrencies and foreign passive investments for their simplicity and digital accessibility. Traditional products lag behind, often burdened by paperwork and regulatory friction. Seamless, mobile-friendly platforms are needed to meet evolving references.

Voluntary labelling schemes directing investment towards EU-based assets may help align retail

FIRST SESSION

FRAGMENTED SAVINGS, MISSED OPPORTUNITIES: BRIDGING THE GAP WITH LONG-TERM SAVING INVESTMENT PRODUCTS

Apostolos Thomadakis
Head of Research, ECMI & Head of Unit, CEPS
Moderator

Andrea Beltramello
Head of Unit Savings and Investments Union, DG FISMA

Thanos Moulovasilis
Group Head of Life Business Management, Zurich Insurance

Jella Benner-Heinacher
Vice-President, Better Finance

flows with policy goals, but past attempts have struggled due to complexity and poor product-market fit. Any new framework must preserve investor autonomy and avoid repeating design flaws.

Finally, the broader environment must tackle disincentives – tax rules that favour saving over investing, and regulatory barriers to product innovation and scale. This requires political will both at EU and national levels, and an integrated policy response that considers retail engagement as a system-wide priority.

Unlocking the EU's retail investors' full potential will not come from a single reform but from sustained efforts across incentives, education, product design, digital access and regulatory alignment. Enabling confidence and efficient retail participation is essential to mobilising savings, supporting investment and building long-term resilience in the European economy.

FIRESIDE CHAT

Apostolos Thomadakis
Head of Research,
ECMI & Head of Unit,
CEPS
Moderator

Kathleen Tyson
Founder and Chief
Executive,
Pacemaker Global

The global financial landscape is shifting towards a more diverse and multipolar structure, where multiple currencies and market systems coexist and gain importance. This transition is being shaped by growing economic interdependence, regional initiatives and the pursuit of financial sovereignty by various countries. Rather than leading to fragmentation, these developments are accelerating globalisation in new directions.

The EU finds itself with a substantial infrastructure already in place. Yet despite this progress, capital markets remain fragmented. The main barriers are not technical but institutional and cultural: language, legal systems, investment norms and national preferences continue to limit integration.

Addressing these challenges may not require centralisation but smarter coordination and a focus on usability. While infrastructure exists, it is often not easily accessible to individuals or smaller firms across borders. Simple, multilingual tools allowing users to invest, trade and interact across jurisdictions could broaden participation. Such tools should also reflect the diverse set of currencies still used across the region and allow for low-cost and efficient access.

The EU could also learn from high-performing parts of its own financial ecosystem. Some markets have outpaced others in terms of liquidity, investment returns and innovation. These successes stem from effective pension models, efficient regulation and stronger alignment between savings and capital markets. Highlighting and replicating these practices, particularly in the EU's emerging and fast-growing regions, can provide a practical path forward.

Long-term development should focus on improving growth conditions, not just on integrating infrastructure. Stagnant incomes, demographic pressure and low investment confidence hinder deeper market participation. Addressing these issues is essential to unlocking the full potential of financial infrastructure and enabling sustainable market expansion.

From a regulatory standpoint, there is growing support for stability. A pause in new rulemaking would allow existing frameworks to be evaluated more clearly. Regulators and industry participants could in turn better identify which tools are functioning, where duplication exists, and which adjustments are needed to encourage innovation without overburdening compliance systems.

A forward-looking approach would align the EU more closely with global trends. As financial growth accelerates in parts of Asia, the Gulf, and Eastern Europe, building investment channels that engage these regions can increase the EU's relevance and competitiveness. Diversity should not be seen as a constraint but a strength – supporting innovation, resilience and broader financial participation across the continent.

SECOND SESSION

STRATEGIC INFRASTRUCTURE FOR THE EU'S CAPITAL MARKETS: BEYOND THE PLUMBING

Karel Lannoo
General Manager, ECMI & CEO, CEPS
Moderator

Maria Velentza
Director, Financial Services, DG COMP

Eleanor Beasley
Managing Director, Chief Operating Officer and Head of Market Structure, EMEA Equities, Goldman Sachs

Jakub Michalik
Chief Policy Officer & Member of the Executive Committee, Euronext

Europe's post-trade ecosystem continues to face longstanding inefficiencies and fragmentation, despite years of regulatory effort and technological progress. Settlement and clearing costs remain high, particularly across borders, and competition is limited in key infrastructure areas. These challenges are increasingly viewed as barriers to deeper capital market integration, investor participation and overall efficiency.

Recent analyses reaffirm persistent pricing disparities among settlement systems, with larger entities often charging more than the smaller ones, contrary to expected economies of scale. Despite legislation aiming to promote competition and transparency, implementation gaps persist, particularly in enforcing open access and fee comparability. Efforts to harmonise practices and enable interoperability between clearing and settlement systems have yielded partial results, with significant divergence across jurisdictions.

While the framework provides open access, full competition is yet to emerge. Models of limited access or de facto monopolies persist, undermining user choice and efficiency. Fragmentation at the clearing level – driven by inconsistently implementing interoperability rules – adds operational complexity and duplicates infrastructure. The settlement landscape remains shaped by national market ties, reinforcing siloed structures.

Central securities depositories can be dominant, but if prices decline, this may be acceptable. If not, competition authorities will need to examine whether the issue stems from regulatory hurdles, market entry barriers, or anti-competitive behaviour. Prices must be transparent and fair, but gathering the necessary evidence is challenging and requires careful assessment.

Concerns are growing over the huge complexity of fee structures, the lack of transparency and the limited ability of users to assess or manage post-trade costs. These increasingly outweigh trading expenses and hinder scalable investment strategies, particularly in low-margin products. Best execution drives trade, cost of post-trade may outweigh benefits of certain products, such as ETFs.

Emerging technologies like distributed ledgers and tokenized assets offer potential solutions, but the uptake has been limited. Their success depends on interoperability, consistent application and clear incentives. If deployed in isolation or in ways that reinforce silos, they risk adding fragmentation rather than solving it.

Revitalising the European Central Bank's TARGET2-Securities is important. Its functionality should be improved. Structural reforms – including expanded multi-currency settlement, greater connectivity for shared platforms and supervisory convergence – are

SECOND SESSION

STRATEGIC INFRASTRUCTURE FOR THE EU'S CAPITAL MARKETS: BEYOND THE PLUMBING

Karel Lannoo
General Manager, ECMI & CEO, CEPS
Moderator

Maria Velentza
Director, Financial Services, DG COMP

Eleanor Beasley
Managing Director, Chief Operating Officer and Head of Market Structure, EMEA Equities, Goldman Sachs

Jakub Michalik
Chief Policy Officer & Member of the Executive Committee, Euronext

seen as essential to integration. These must be paired with improved governance, simplified compliance and stronger coordination. The goal is not centralisation, but seamless, scalable, cross-border operations.

Commercial forces, not just regulation, will shape outcomes. Changing user demand, consolidation and cost pressure are starting to drive competitive responses. But meaningful progress requires consistent regulatory application, interoperable market structures and real user choice.

A more integrated and competitive post-trade environment is critical to delivering the Capital Markets Union and the broader SIU. Success will require legislative alignment and a shared commitment across market actors to remove entrenched barriers and inefficiencies.

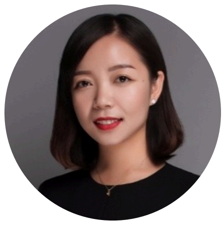
ECMI BEST PAPER

"ATTRACTING NEW LISTINGS: UNDERSTANDING WHAT DRIVES IPO ACTIVITY ACROSS MARKETS"

Marco Sartori
Senior Policy Adviser, FESE
Moderator

Erfan Ghofrani
Financial Economist, World Federation of Exchanges
Author and presenter

Ishak Demir
Research Economist, World Federation of Exchanges
Author



Ying Liu
Financial Economist, World Federation of Exchanges
Author

Initial Public Offering (IPO) activity – both in terms of frequency and size – is strongly influenced by market liquidity, macroeconomic growth and regulatory conditions. Higher liquidity consistently correlates with more frequent and larger IPOs, while elevated volatility dampens activity, particularly in advanced markets. Economic growth also plays a positive role, and financial development is especially relevant in emerging and developing economies, where capital markets are still maturing.

Stricter listing requirements tend to be associated with larger IPOs, reflecting a combination of investor confidence and self-selection by more established firms. However, it is regulatory relaxation, rather than the baseline level of stringency, which appears to stimulate IPO activity within markets. Targeted easing of entry requirements – such as adjustments to free float or pricing rules – can encourage smaller companies to go public, especially when paired with policies that support liquidity and broader market access.

THIRD SESSION

SUPERVISORY AGILITY IN A FRACTURED WORLD: RETHINKING EFFICIENCY FOR RESILIENCE

Apostolos Thomadakis
Head of Research, ECMI & Head of Unit, CEPS
Moderator

Iliana Lani
Head of Conduct Supervision and Convergence, ESMA

Jesmond Gatt
Chairman, Malta Financial Services Authority

Armi Taipale
Head of Capital Markets Supervision Department, Finnish Financial Supervisory Authority

Europe's supervisory framework remains shaped by its post-crisis foundations, prioritising financial stability but often lacking the agility needed for today's fast-moving, cross-border capital markets. As markets become more integrated and digitalised, the challenge is to shift from a fragmented, reactive model towards a more efficient, coordinated and proportionate approach.

The current system often results in overlapping oversight, inconsistent expectations and high compliance costs – especially for firms operating across multiple jurisdictions. Many face divergent interpretations of the same rules, multiple reporting channels and fragmented supervisory processes. These inefficiencies are not just administrative; they constrain competitiveness and innovation, particularly for smaller and newer entrants.

A more effective model would involve a graduated and hybrid approach. Local oversight remains essential for domestic or niche firms, where proximity and context matter. However, entities with a pan-European footprint would benefit from more centralised supervision – particularly in trading, post-trade and large-scale asset management – where consistency and speed are critical. This would reduce redundancy, lower costs and align supervision with cross-border operational realities.

Supervisory convergence is essential. This requires more than aligned rulebooks – it involves shared methodologies, joint actions and consistent enforcement. Building trust among national authorities is key. Structured collaboration through joint inspections, risk-based frameworks and tasks delegation can reduce regulatory divergence and reinforce confidence.

Efficiency and cost management are growing priorities. Expanding regulatory reporting, data demands and digital oversight is straining supervisory budgets. Without increased public funding, more cost recovery from industry may be inevitable. However, this must be balanced to avoid excluding smaller actors. Smarter prioritisation, risk-based resource allocation

THIRD SESSION

SUPERVISORY AGILITY IN A FRACTURED WORLD: RETHINKING EFFICIENCY FOR RESILIENCE

Apostolos Thomadakis
Head of Research, ECMI & Head of Unit, CEPS
Moderator

Iliana Lani
Head of Conduct Supervision and Convergence, ESMA

Jesmond Gatt
Chairman, Malta Financial Services Authority

Armi Taipale
Head of Capital Markets Supervision Department, Finnish Financial Supervisory Authority

and shared tech infrastructure can help contain costs.

There is a strong case for simplification. Streamlining licensing, reducing duplication and aligning procedures would significantly cut administrative burdens. Regulatory clarity also supports the broader goal of making EU capital markets more globally attractive, without compromising investor protection or market integrity.

Competitiveness, while not a core supervisory mandate, should not be undermined. Agile, proportionate and predictable supervision fosters innovation, supports scale, and enables deeper market development. Embracing these principles helps build a more resilient, integrated EU capital market.

In a rapidly changing geopolitical and financial environment, the EU's supervisory model must evolve – through regulatory reform, cultural alignment, and a shared commitment to effectiveness, trust and efficiency at every level.


2025 ECMI
ANNUAL CONFERENCE
ECMI
EUROPEAN
CAPITAL
MARKETS
INSTITUTE
THINKING
AHEAD


OUTLINE
Background
Stimulating Demand and Supply
Building a Long-Term Supply Strategy
An Integrated Supervisory Mechanism
Reforming ESMA
Strategic Opportunities and Risks
Conclusion: Key Priorities for the SIU
CE
PS


2025 ECMI
ANNUAL CONFERENCE

Thank you!


ANNUAL CONFE
THINKING
AHEAD


THINKING
AHEAD
FOR EUROPE
CE
PS


MARIA VELENTZA
DG COMP
ELEANOR BEASLEY
GOLDMAN SACHS
IN PARTNERSHIP WITH
EURONEXT
Goldman
Sachs
ZURICH
ECMI

EUROPEAN CAPITAL MARKET INSTITUTE

ECMI conducts in-depth research aimed at informing the public debate and policymaking process on a broad range of issues related to capital markets. Through its various activities, ECMI facilitates interaction among market participants, policymakers, supervisors and academics. These exchanges result in commentaries, policy briefs, working papers, task forces as well as conferences, workshops and seminars. In addition, ECMI undertakes studies externally commissioned by the EU institutions and other organisations, and publishes contributions from high-profile guest authors.

ECMI EUROPEAN CAPITAL MARKETS INSTITUTE

CENTRE FOR EUROPEAN POLICY STUDIES

CEPS is widely recognised as one of the most experienced and authoritative think tanks operating in the EU. CEPS acts as a leading forum for debate on EU affairs, distinguished by its strong in-house research capacity and complemented by an extensive network of partner institutes throughout the world. As an organisation, CEPS is committed to carrying out state-of-the art policy research leading to innovative solutions to the challenges facing Europe and to maintaining the highest standards of academic excellence and unqualified independence. It also provides a forum for discussion among all stakeholders in the European policy process that is supported by a regular flow of publications offering policy analysis and recommendations.

CEPS