

2025 ESMA Research Conference

“Understanding investment funds: Developments and risks in the EU fund industry”

Paris, 25 November 2025 (Hybrid event)

CALL FOR PAPERS

The 2025 ESMA Research Conference aims to bring together academics, policymakers and industry professionals to discuss and analyse market developments and risks in the EU fund industry, from the perspective of investor protection, financial stability and implications for financing the European economy.

We invite researchers, policymakers, and industry professionals to submit empirical or theoretical papers on the following themes:

- **Competitiveness:** How do investment funds, as well as greater European market integration and cross-border distribution, support market efficiency and competitiveness? What are the opportunities ahead? What are the main challenges and barriers preventing further progress in this regard? Where is there scope for simplification and burden reduction for funds, and what impact would this have?
- **Retail investing:** What role do retail investors play in EU funds? What are the key risks and challenges faced by retail investors in this regard? How and to what extent do behavioural factors and/or financial education affect retail investor behaviour and decision-making? Does current regulation effectively protect retail investors from these and other risks? How does current regulation influence retail participation and outcomes, and are there any unintended consequences?
- **Active/passive/ETF:** Investing in passive funds and in ETFs has grown steadily over the past decade. To what extent has this shift reflected changing investment preferences and strategies across different investor types? What factors are driving these developments? What are the key benefits and risks for investors? What is the impact on capital market efficiency?
- **ESG:** Submissions are invited on themes including (but not limited to) climate adaptation finance; climate physical risks; the market for ESG ratings and data; conflicts of interest; long-term investment cycles; information asymmetries and imperfections; geopolitics and

‘sustainability’ of ESG; greenwashing; and regulatory and/or supervisory unintended consequences.

- **Artificial intelligence and innovative technologies:** Can AI and innovative technologies, e.g. distributed ledger technology, help enhance fund performance and lower their costs? What could be the impact of AI-driven portfolio structuring on homogeneity and concentration of fund portfolios? Submissions are also invited on empirical evidence regarding the use of AI and machine learning in investment management, its benefits and risks, as well as the role of AI for portfolio optimisation, risk mitigation, enhanced decision-making and robo-advisors. Which benefits can tokenised funds bring to investors and the fund industry and what would be the risks involved?
- **Leverage:** The use of excessive leverage can entail risks to financial stability. What are recent advances on measuring leverage (financial and synthetic) for funds? Which leverage-related metrics are optimal for monitoring risk developments in the fund industry?
- **Stress testing:** What new approaches are being developed for investment fund stress testing, as well as sectoral and system-wide stress tests, and also assessing the subsequent impact of various types of shocks on markets, funds and the rest of the financial system?

Preliminary versions of papers may also be considered, provided that the research aim, methodological approach and main results are clearly set out. Submissions based on EU data and/or with implications for EU policymaking are particularly appreciated.

Please submit draft papers and any queries to: risk.analysis@esma.europa.eu

The submission deadline is Thursday, 12 June 2025.

Contributors will be notified by Friday, 1 August 2025.