

# Summary of Conclusions

## Joint meeting of the Board of Supervisors and the Securities and Markets Stakeholder Group

<b>Date:</b>	3 April 2025
<b>Time:</b>	14:00h – 17:00h
<b>Location:</b>	ESMA, 201-203 rue de Bercy, 75012 Paris, France
<b>Contact:</b>	<a href="mailto:stakeholders@esma.europa.eu">stakeholders@esma.europa.eu</a> T: +33 1 58 36 43 21

### No Item

#### 1. Opening remarks by the ESMA and SMSG Chairs

The ESMA Chair and the SMSG Chair opened the meeting and welcomed all participants.

#### 2. Artificial Intelligence

Nicholas Pfaff (SMSG) presented some observations from the SMSG on artificial intelligence (AI). He noted the higher risks associated with generative AI as opposed to machine learning and the importance of making clear the distinction between generative AI and machine learning in any definitions. He also highlighted the risks of AI to retail investors, to trading, and to the industry's knowledge and skills base through the replacement of entry-level jobs.

Carlo Comporti (ESMA Board member) outlined the areas that ESMA Board was working on, including on the identification of risks related to AI, capacity building in the authorities to prepare for supervising the use of AI by market participants, and cooperation within ESMA's Board on the use of SupTech.

SMSG members commented on the presentations. They expanded on the potential risks to retail investors of AI generated advice and its potential effect for future staffing. They also gave some examples of the use of AI by professional investors and companies.

ESMA Board members acknowledged that the use of AI implies both opportunities and risks. They noted some potential benefits of AI, especially for smaller capital markets, including better regulatory compliance and better data. They acknowledged risks arising from potential development of AI-generated advice by regulated entities, as also addressed in the recent ESMA statement, and the challenges for supervision.

### **3. Retail investors participation in capital markets**

Agustín Reyna (MSG) presented some observations from the MSG on the barriers to retail participation in the capital markets, including costs, fragmentation and product complexity. As an example, he discussed the performance to the investor of funds and ETFs. He also highlighted the lack of easy transparency and risk aversion as factors harming participation rates in the EU.

Marie-Anne Barbat-Layani (ESMA Board member) outlined her thoughts on the lack of retail participation and how to address it. She noted that investors were central to the Commission's SIU Strategy while, currently, only a small amount of UCITS equity funds were invested in the EU. She also highlighted the gender gap in investment in the capital markets. Finally, she noted that ESMA will look at the regulatory framework and its effects on the investor journey.

MSG members commented that retail investors should be encouraged to invest to improve their wealth and to fund their retirements. They highlighted the importance of net returns for investors, as well as the need for good products and incentives via taxation. They raised concerns for investor protection about the increasing use of neobrokers and investment in crypto assets, especially among younger people. Overall, they noted that a combination of measures at different levels is needed to increase retail investor participation in the capital markets and that the risk of taking no action is increasing.

ESMA Board members emphasised the importance of increasing retail participation in the capital markets, both to fund their retirement and to invest in the EU economy. They took note of all the points made, in particular the importance of returns in building retail investor trust, as well as the key role played by pension schemes in the capital markets. They also acknowledged the investor protection concerns raised around crypto assets.

### **4. Concluding remarks**

The ESMA and MSG Chairs thanked all participants for the interesting discussions.

## PARTICIPANT LIST 3 April 2025

### SMSG Members

Name	Organisation	
Alber, Andrus	Swedbank Investment Funds / Finance Estonia	present
Alemanni, Barbara	University of Genoa	present
Armesto, Rosa	FESE	present
Bergmann, Henning	Der Mittelstandsverbund (SME Groups Germany)	present
Bindelle, Florence	EuropeanIssuers AISBL	present
Calu, Monica	National Authority for Consumer Protection, Bucharest	present
Daskalakis, Nikolaos	GSEVEE	present
Dumitrescu, Ariadna	ESADE Business School	present
Funered, Urban	Swedish Securities Markets Association	excused
Giordano, Stephane	Société Générale / AMAFI	present
Hölz, Christiane	Deutsche Schutzvereinigung für Wertpapierbesitz e.V. (DSW)	present
Kajala, Ville	Finland Chamber of Commerce	present
Kinander, Morten	BI Norwegian Business School	present
Kupšys, Kęstutis	Lithuanian Consumers Alliance	present
Lokko, Emma	Susquehanna International Group Ltd	present
Lounasmeri, Sari	Finnish Foundation for Share Promotion	present
Maczynska, Aleksandra	BETTER FINANCE	present
Martínez-Pina, Ana	Gómez-Acebo & Pombo	present
Mills, Jacqueline	AFME	present
Petrella, Giovanni	Università Cattolica	present
Pfaff, Nicholas	ICMA	present
Prache, Guillaume	FAIDER	present
Reyna, Agustín	BEUC	present
Richter, Thomas	BVI	excused
Saade, Virginie	Citadel	present
Schmeddes, Lucas	Ice Endex	present

Name	Organisation	
Singer, Miroslav	Generali CEE Holding	present
Stiefmüller, Christian Martin	Finance Watch	present
Van de Werve, Tanguy	EFAMA	present
Vervliet, Chris	European Works Council at KBC Group	present

### Board of Supervisors voting Members

Member State	Representative	Accompanying Person
Belgium		
Bulgaria		
Czech Republic	Vojtěch Belling	Karel Juráš (alternate)
Denmark		
Germany	Thorsten Pötzsch	Jens Fuerhoff (alternate)
Estonia	Andre Nõmm	
Ireland		
Greece		
Spain	Carlos San Basilio	
France	Marie-Anne Barbat-Layani	
Croatia	Ante Žigman	
Italy	Carlo Comporti	
Cyprus	George Theocharides	
Latvia		
Lithuania	Vaidas Cibas	
Luxembourg	Andrea Gentilini (alternate)	
Hungary		
Malta		

Member State	Representative	Accompanying Person
Netherlands	Jos Heuvelman	
Austria	Birgit Puck (alternate)	
Poland		
Portugal	Luís Laginha de Sousa	
Romania	Alexandru Petrescu	
Slovenia	Sabina Bešter	
Slovakia		
Finland	Armi Taipale	
Sweden	Anna Cederberg	

#### Board of Supervisors non-voting members

Organisation / Country	Representative	Accompanying Person
European Commission		
ESRB	Francesco Mazzaferro	
EIOPA		
EBA		
EFTA Surveillance Authority	Marianne Arvei Moen	
Iceland	Linda Kolbrún Björgvinsdóttir (alternate)	
Liechtenstein	Reto Degen	
Norway	Geir Holen (alternate)	

**ESMA**

<b>Name</b>	<b>Position</b>
Verena Ross	Chair
Natasha Cazenave	Executive Director
Louise Waller	Summary of conclusions