

# Strengthening Europe's Asset Management Sector: Transparency, Technology and Cross-border Market Integration

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Ladies and gentlemen,

It is a great pleasure to speak to you today at the BVI Fund Operations Conference. The agenda you have put together reflects both the complexity of the current environment and the depth of expertise gathered in this room. I am grateful for the opportunity to share ESMA's perspective with investment fund professionals and industry leaders who sit at the very heart of Europe's asset management ecosystem.

We meet at a time of significant transformation. The world around us is being shaped by fundamental changes in the geopolitical, economic and technological landscape. This environment is fragile, volatile and uncertain.

From a macroeconomic perspective, growth remains subdued both globally and in the European Union. While inflation has largely normalised, the outlook remains uneven, across Member States. At the same time, financial markets have shown remarkable resilience. Equity markets in Europe, the United States and Japan have reached or approached historic highs, even as valuations appear increasingly stretched. Episodes of volatility – whether in technology stocks, crypto-assets or commodity markets – remind us how quickly sentiment can shift.

This coexistence of muted growth, elevated valuations and rapid innovation creates a challenging backdrop for financial stability. It is therefore no surprise that ESMA continues to assess risks to financial markets as elevated. Yet it would be wrong to view this period only through the lens of risk. Alongside these challenges, there is also momentum and opportunity.

Across Europe, there is renewed political ambition to strengthen capital markets, mobilise savings and support investment and innovation. The Savings and Investments Union is at the centre of this ambition. It reflects a recognition that well-functioning, integrated capital markets are essential not only for economic growth, but also for Europe's long-term resilience, strategic autonomy and competitiveness.

This agenda sits at the core of ESMA's mission. This is why we are fully committed to contributing to the SIU agenda. We work towards an effective, integrated single market for financial services where it is seamless to operate and invest while investors are well protected. To achieve this in current environment, we must remain attentive, and agile.

Against this background, I would like to focus today on four areas that are particularly relevant for the asset management community:

- Market data and the establishment of European consolidated tapes;
- ESMA's work on simplifying and integrating fund reporting;
- Digitalisation, including artificial intelligence and tokenisation;
- And finally, what lies ahead with T+1 settlement and the Market Integration Package published by the European Commission in December 2025.

### **Market data: from fragmentation to consolidation**

Let me begin with market data.

Few topics generate as much consensus across the industry as the need for better, more accessible and more affordable market data. For too long, Europe's market data landscape has been fragmented, expensive and difficult to navigate. This fragmentation has affected price discovery, competition and the ability of firms (particularly buy-side firms) to operate efficiently across borders.

The establishment of European Consolidated Tape Providers, or CTPs, represents a major step forward. The legal foundation for this work was laid with the MiFIR review in 2024, which created a new framework for three distinct consolidated tapes: equities, bonds and OTC derivatives. MiFIR not only defined the operating conditions for CTPs, but also gave ESMA the responsibility of selecting them through competitive procedures and supervising them.

We are now moving decisively to implementation. In 2025, ESMA concluded the selection procedures for the equities and bonds tapes. FairCT was selected for bonds, and EuroCTP for equities. Both are currently in the authorisation phase. The selection process for the derivatives tape is ongoing, with a view to appointing a provider later this year and launching the tape in 2027.

Why does this matter? Because consolidated tapes, as their name indicates, will reduce the fragmented market data landscape. They will improve transparency of the EU capital markets and support better investment decisions. They will also reduce reliance on fragmented and proprietary data sources, particularly for firms operating across multiple jurisdictions.

ESMA will act as the direct supervisor of all three CTPs. This means we will oversee governance, data quality, resilience and compliance with the regulatory framework..

Closely linked to this is the question of how market data is priced and made available. Market data is an essential input for risk management, trading, valuation and compliance. In many cases, there is no real substitute for timely and accurate data from specific venues and data has become a significant source of revenue for these venues.

This is why the MiFIR review strengthened the obligation to make pre-trade and post-trade data available on a reasonable commercial basis, or RCB. ESMA has developed new Regulatory Technical Standards to clarify and operationalise these requirements. These standards became applicable in late 2025, and a transition period is now underway until mid-2026.

Our objective is not to interfere with legitimate commercial activity, but to ensure that pricing practices are in line with the RCB principles, transparent and consistent across the EU. ESMA will enforce these requirements through its direct supervision of CTPs and Approved Publication Arrangements, in close cooperation with national competent authorities.

### **Fund reporting: towards integration and simplification**

Let me now turn to fund reporting — an area where we have heard a very strong and consistent message from the industry.

Today's fund reporting landscape is complex, fragmented and burdensome, particularly for managers operating across borders. Multiple templates, overlapping reporting regimes, divergent definitions and limited data-sharing between authorities all contribute to inefficiency and cost. These burdens do not add value for investors.

This is why ESMA launched its work on the integrated collection of funds' data. Our Discussion Paper, published last year, was guided by a simple objective: to deliver real and tangible benefits to market participants.

The feedback we received was both clear and encouraging. Stakeholders across the industry called for action. You asked for:

- greater consistency in reporting templates and definitions,
- better coordination and data-sharing between authorities,
- and concrete progress towards the “report once” principle.

In the Discussion Paper, we explored different scenarios for simplifying reporting while still meeting supervisory and financial stability needs. One central question is how to design a reporting template that is simpler, clearer and better suited to cross-border activity. Another is how to improve the underlying architecture of data collection, which is currently split between national supervisors, central banks, the ECB and ESMA.

This fragmentation creates unnecessary friction. To address this, ESMA and the ECB have already put in place ad-hoc data-sharing arrangements, and we are now exploring how to expand and formalise these arrangements. The goal is to make better use of data that is already being reported, rather than asking firms to report the same information multiple times.

At the same time, we are fully aware of the complexity of the ecosystem we are operating in. National practices have developed over time in different ways, and are reflected in differences in the scope and granularity of supervisory requirements. Designing a single, integrated solution is not straightforward.

Our challenge is therefore to develop a framework that is sophisticated enough to support effective supervision, but pragmatic enough to deliver meaningful simplification for the industry. This work is ongoing, in close cooperation with national authorities.

We aim to publish a Final Report this year, setting out the key principles for a more integrated reporting system. This will be followed by work on technical standards to implement these principles and achieve true simplification. Let me thank all of you who have responded to our consultation and encourage continued engagement on this major project.

## **Digitalisation: AI and tokenisation**

Moving on to the broad and ever-changing topic of digitalisation.

The ability to harness new technologies – from artificial intelligence to distributed ledger technology – is increasingly central to competitiveness in asset management and beyond. Digitalisation affects every part of the value chain: investment decisions, risk management, operations, distribution and client servicing.

On artificial intelligence, ESMA has been closely monitoring developments and potential risks. In our latest analysis, published just a few days ago, based on extensive industry feedback, shows that AI adoption is progressing, although unevenly.<sup>1</sup> Large firms have invested significantly and are deploying AI across multiple functions. Smaller firms, by contrast, often lag behind, facing constraints related to cost, data availability and expertise.

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<sup>1</sup> See [TRV Risk Analysis – AI adoption and trends in securities markets: EU evidence](#).

This divide matters if innovation is to deliver its expected efficiency gains for firms and, in turn, better outcomes for investors. At the same time, AI raises important questions around model risk, cybersecurity and third-party dependencies. Introducing AI in core business activities requires robust governance, risk management and oversight. In addition, firms increasingly rely on external providers for AI models and infrastructure, creating new forms of concentration risk. While we support innovation, we believe that a secure and trustworthy AI ecosystem is essential to enhancing firms' digital operational resilience. With national competent authorities, we will continue to regularly monitor adoption of AI in securities markets including in the asset management sector.

Tokenisation is another area where interest is growing rapidly. In the United States, tokenised money market and Treasury funds have expanded quickly although from a low base. In Europe, activity is more recent, but momentum is building, including with the launch of tokenised fund share classes.

Tokenisation does not change the underlying nature or risk of the assets involved. However, it can bring significant operational efficiencies. Smart contracts may streamline subscription and redemption processes, reduce reconciliation needs, and improve the accuracy of ownership records. Tokenised funds may also be more easily mobilised as collateral in digital and DLT-based financial environments.

At the same time, tokenisation challenges traditional operating models. It raises questions about how investor rights are recorded, how registers are maintained, how segregation works, and how responsibilities are allocated across the value chain. And it carries its own risks.

Two key factors will determine if tokenisation can scale. First, interoperability, to avoid fragmented "walled gardens" that undermine liquidity. Second, reliable solutions for the cash leg and settlement, enabling delivery-versus-payment at scale, anchored where appropriate in central bank money.

Ultimately digitalisation is closely linked to the broader market integration agenda. Innovation can only reach its full potential in an environment that supports cross-border activity and reduces fragmentation. It will be important to understand the needs and, where appropriate, potential regulatory hurdles, to ensure regulation is future proof and allows innovation in a secure environment in support of European competitiveness.

### **Looking ahead: T+1 and market integration**

Finally, let me touch on two key ongoing initiatives – the transition to T+1 and the Markets Integration Package.

The transition to T+1 settlement is one of the most significant operational changes European markets have faced in recent years. The timeline is ambitious, with implementation scheduled for October 2027. As we enter the implementation phase, preparation across the market is uneven.

Surveys show high awareness of the move to T+1, but also reveal that a significant proportion of firms have not yet fully engaged with the practical recommendations. My message to the asset management industry is therefore to act now.

T+1 requires a thorough review of front-to-back processes, increased automation, and close coordination across the trading and settlement chain. Manual processes will not be sustainable. Early investment and planning will be critical to success.

I will conclude by mentioning briefly one of the Savings and Investments Union's major initiatives: the Market Integration and Supervision Package, launched by the Commission last December.

In the asset management space, the proposals to limit gold-plating of marketing rules, facilitate the cross-border distribution of funds, introduce an EU depositary passport, and strengthen supervisory convergence all point in the same direction: a genuinely more integrated European market. For asset managers, this means fewer national frictions, greater legal certainty, and better conditions to scale activities across multiple Member States. For investors, it means more choice, stronger competition and better outcomes.

The Market Integration and Supervision Package recognises that integration cannot be achieved by regulation alone. It also requires convergent supervision, efficient cooperation between authorities, and a broader framework that supports cross-border business models without compromising investor protection or financial stability. For ESMA, these initiatives reinforce our mission. We see integration, simplification and innovation as mutually reinforcing objectives. Our role will ultimately continue to be in guiding consistent supervisory practice, reducing unnecessary fragmentation, and ensuring that the EU's asset management industry can operate with confidence, resilience and scale.

Thank you very much for your attention. I wish you an engaging and productive conference.