

Eurofi Nicosia Magazine 2026

From experience to execution: An ESMA ready to deliver

Verena Ross

ESMA Chair

Europe's capital markets will not reach their full potential without deeper integration. Fragmentation continues to limit scale, efficiency and competitiveness, even as markets themselves operate increasingly across borders. A unified approach in the Single Market is therefore essential – one that allows integration to take hold and is supported by supervision that enables, rather than constrains, that objective.

The Market Integration Package responds directly to this challenge. By strengthening EU-level supervision for the most significant and cross-border market infrastructures, it aligns supervisory arrangements with the way Europe's markets should function. After fifteen years of direct supervisory experience, ESMA has demonstrated the ability and organisational maturity required to deliver on this proposal.

Since its creation, ESMA has steadily built specialised supervisory capabilities across an expanding range of mandates. It directly supervises a highly heterogeneous population of entities – from systemically important market infrastructures to specialised transparency and data providers – located across many EEA Member States. ESMA's supervisory scope also includes major third-country firms from the UK, the US, Switzerland and Asia. The breadth of geographical reach and diversity of business models has given ESMA a practical, system-wide understanding of EU capital markets that cannot be developed within purely national silos.

In getting to this point, ESMA has repeatedly demonstrated its ability to absorb new and complex mandates. From credit rating agencies to critical benchmarks to systemically important non-EU CCPs, working together with national supervisors, ESMA has built expertise, designed tailored supervisory frameworks and delivered effectively and credibly. These arrangements have also been tested under stress, including during the pandemic and major geopolitical shocks, when EU market infrastructures continued to operate smoothly.

This experience has shaped a supervisory model that has become increasingly risk-based, data-driven and outcome-focused. ESMA combines strong gatekeeping with ongoing risk prioritisation, proportional engagement and a graduated toolkit. Portfolio and thematic approaches allow similar risks to be addressed consistently across firms and mandates, while advanced analytics, dashboards and early-warning indicators support timely intervention. Crucially, these methods are not only effective but efficient: they are designed to scale across sectors.

Efficiency gains are a central benefit of EU-level supervision. Targeted supervision at EU level allows expectations to be set once rather than many times and scarce supervisory expertise and resource to be brought together (to focus on where it adds most value). For market participants, this translates into fewer duplicative, or at times, contradictory requests, clearer supervisory signals and lower compliance costs. For supervisors, it delivers a clearer EU-wide

view of risks, more consistent mitigation and common supervisory outcomes – supporting a level playing field across the EU.

ESMA's experience has been built on bringing together national expertise, market intelligence and diverse perspectives into an increasingly shared European understanding of risk and supervision. Through our collective work driving greater convergence, ESMA and national authorities have built trust, common methodologies and a stronger supervisory culture. This cooperative foundation will remain the bedrock of ESMA's future role: enabling more aligned supervision while preserving the richness of national experiences and ensuring that European oversight reflects the collective strength of its supervisory community.

At the same time, experience has also shown that supervisory convergence, while essential, has its limits and is not cost-free. Achieving alignment across multiple authorities requires sustained coordination, extensive interaction, parallel processes and repeated reconciliation of approaches. In some areas, the cumulative cost of achieving and maintaining real convergence may simply exceed that of resolving divergence more directly through EU-level supervision. More supervisory clarity and consistency for significant cross-border players should be better able to support integrated, scalable and liquid European markets. **Where risks and market structures are inherently European, a single supervisory approach can be more effective than managing divergence after the fact.**

European integration does not happen by default; it must be enabled. As we seek to make the EU's capital markets more interconnected, supervision must shift from managing fragmentation to supporting scale and efficiency. The Market Integration Package reflects that choice. With fifteen years of hands-on supervisory experience and a proven capacity to adapt, ESMA is ready to help turn integration into a practical and durable feature of Europe's capital markets.