

Keynote speech

ASIFMA Annual Conference 2026 – Sydney, Australia, 5 March 2026

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Chair

Ladies and Gentlemen, good morning.

I would like to thank ASIFMA for giving me the opportunity to address you today as Chair of ESMA, the European Securities and Markets Authority. I am truly delighted to be with you here, following the annual Forum of European and Asia-Pacific authorities yesterday, where we discussed a wide range of market and regulatory developments.

It is particularly a pleasure to be here in Australia – a country that has long demonstrated the strengths of an open, outward-looking economy with deep connections to global markets. Sydney, our host city, embodies this spirit as one of the region's leading financial centres. Australia continues to attract international investors with its resilience, innovation and strong institutional foundations. These attributes are highly valued in Europe as well, and they form a strong basis for the cooperation between our regions.

Reflecting on our close regional relations, today I would like to focus on our shared challenges and common endeavours, and with that demonstrate the need to continue building strong partnerships between our regions.

Without further ado, let me start by **contextualising ESMA**. For those who might not know the European Securities and Markets Authority so well, let me briefly explain the role we within the EU.

ESMA is the EU's securities markets regulator and supervisor. Our mission is to strengthen the integrity, transparency and stability of the EU financial markets. We work with national authorities, promoting common standards and aligned supervisory approaches across the EU.

In practice, we develop standards and guidance that complement EU legislation and ensure that rules are applied in a consistent way. We engage directly with national authorities to evaluate and guide their supervisory practices. This common foundation helps prevent fragmentation and provides international firms with clarity when accessing the European single market.

Alongside this duty of driving common supervisory approaches of national authorities who supervise the majority of the EU securities market players, ESMA also supervises a number of entities directly, such as credit rating agencies and trade repositories. This combination of standard-setting, supervisory convergence and direct oversight gives us a comprehensive view of the functioning of EU markets and enables us to respond effectively to emerging risks.

Different markets, common challenges

Europe remains one of the world's largest and most developed capital markets, offering depth, strong investor protections and a sound regulatory environment for global firms. At the same time, we recognise that there is still work to do to fully unlock the potential of European capital markets, particularly as we seek to mobilise more private investment to support competitiveness, innovation and our green and digital transitions. Shifting savings into productive investment.

Across the globe, policymakers face a similar set of structural challenges: the need to scale investment to support economic transformation; the imperative to give citizens more opportunities to grow their wealth through long-term savings and access to capital markets; as well as demographic changes that place increasing pressure on public financing.

Increasing retail investor participation is one notable shared priority in this regard. Encouraging citizens to invest confidently, while ensuring strong protections, is increasingly important as ageing populations put pressure on pension systems in both Europe and many Asia-Pacific economies. Strengthening financial literacy, improving access to investment opportunities and tackling scams are therefore common objectives for all supervisors, with active initiatives underway in both regions.

It is against this backdrop that the EU has introduced the Savings and Investments Union, a strategy aimed at mobilising more household and institutional capital to support growth and to

give Europeans better long-term investment opportunities. In practical terms, the SIU strategy seeks to better integrate our regulatory and supervisory framework, reduce barriers for companies raising funds or for those wanting to engage in the European markets, and create a more coherent and investor-friendly environment across the EU.

Harnessing the digitalisation of global markets

Delivering on the ambition of the Savings and Investments Union in the EU will depend significantly on embracing the technological changes reshaping global finance. The digitalisation wave is introducing not only new possibilities but also vulnerabilities that require regulatory scrutiny.

I will begin by leveraging on this morning's panel to touch on the topical subject of **artificial intelligence**. In Europe, we have observed that the adoption of AI is resulting in efficiency gains for financial markets, yet it also poses important risks related to cybersecurity and third-party dependencies¹. Europe has a broad AI Act in place, which is complemented by existing financial sector standards and supervisory actions. For example, last year ESMA and national supervisors issued a warning that AI tools can result in inaccurate or misleading financial advice, requiring strong monitoring and possible intervention.

In the Asia-Pacific region, similar regulatory initiatives have gathered traction. From Singapore's Guidelines on AI risk management to Hong Kong's voluntary Generative AI Technical and Application Guidelines, we see a strong interest and involvement of local authorities to ensure that AI can be deployed within safe boundaries. We are converging around common principles of safety, transparency and accountability.

A similar story applies to the **crypto-asset** market – no longer a niche product, crypto has become a relevant segment of global financial markets.

The European response to this phenomenon was the establishment of one of the world's first comprehensive legal regimes for crypto-assets, known as MiCA. This is a single, harmonised framework for crypto-asset service providers operating or seeking to operate in the EU. Currently there are around 150 service providers authorised in different European countries.

¹ AI adoption and trends in securities markets: EU evidence, ESMA, 20 February 2026.

While these entities are supervised by different national authorities, reflecting the importance of this regime for the EU and the cross-border nature of these activities, the European Commission has recently proposed that supervision of this sector be brought under ESMA at the EU level.

Of course, Europe is not alone in regulating this market – strong frameworks are being established globally to ensure transparency and integrity, and adequate levels of investor protection. Hong Kong’s recent licensing regimes for Virtual Asset Trading Platforms and Stablecoins, and Japan’s ongoing reforms to regulate crypto through dedicated legislation, are testaments of the efforts of local authorities to allow new technologies in their financial markets whilst catering for traditional financial services risks.

What is key is that, in developing our frameworks, regulators and supervisors stay anchored to the recommendations put forward by the International Organisation of Securities Commissions (IOSCO) and the Financial Stability Board (FSB), as is the case with MiCA. This is important, as it allows innovation to scale safely while managing the transmission of risks across borders.

Moving beyond AI and crypto-assets, the **tokenisation** of traditional financial instruments has the potential to be truly transformative for global markets. By enabling the representation of real-world assets on programmable ledgers, tokenisation can streamline issuance, trading and settlement, enhance transparency, and reduce operational frictions across the value chain.

Europe’s Distributed-Ledger Technology Pilot Regime is one avenue for exploring these possibilities, offering a sandbox for experimentation in trading and settlement of certain tokenised financial instruments. But we are also looking at the Asia-Pacific region which is at the forefront of this innovation. Singapore’s Project Guardian has tested tokenised bonds and funds with major international institutions; Hong Kong is progressing with tokenised green bonds and exchange-traded products; and Japan has launched pilots for tokenised securities and settlement models. These initiatives are important contributions to global learning and demonstrate how tokenisation is rapidly moving from experimentation toward real-world deployment.

For regulators, the challenge - and the opportunity - is to ensure that these developments evolve within frameworks that support market integrity, operational resilience and cross-border interoperability. This is an area where close cooperation between Europe and Asia-Pacific will be essential, given the global nature of financial markets and the scale of technological change underway

These changes are expected to transform markets in the long run, but there are equally important short-term initiatives being conducted by policymakers and regulators in Europe and other parts of the world. An important example – and a global trend – is the **shortening of the existing settlement cycle** to T+1, which is expected by October 2027 in Europe. The EU's journey has been inspired and informed by the experiences and constructive engagement with jurisdictions across the globe who have already gone through this change or are preparing for it in the near future.

In preparation for the EU's transition, a survey was recently conducted to assess the level of readiness of the industry. From participants in the Asia-Pacific region, the survey indicates strong awareness of Europe's roadmap but also highlights that more structured planning will be needed, especially in trading and operational processes, to ensure a smooth transition. Given the high degree of interconnection between our markets, early preparation is essential. We stand ready to engage with authorities and market participants in Asia-Pacific to support readiness, as we all continue to work towards a coordinated and effective transition to a shorter settlement cycle.

Sustainable Finance – a shared priority

Before I finish, and as a warmup for the discussion of the next panel, let me briefly touch on the topic of sustainable finance. Both Europe and Asia-Pacific have invested heavily in building credible, science-based frameworks to support the climate transition. The EU has recently streamlined its sustainable finance framework to enhance usability, reduce complexity and burden, and support international interoperability. At the same time, jurisdictions such as Singapore, Australia, Hong Kong and China are advancing their own taxonomies, climate-disclosure regimes and transition finance initiatives. This convergence of effort reflects a shared commitment: mobilising capital at scale for the climate transition while avoiding undue fragmentation. Strengthening the EU-APAC dialogue in this area is not only desirable, but also

necessary to maintain progress and commitment – especially in the face of competing global demands.

Conclusion

To conclude: the combination of challenges and opportunities underlines the importance of continuous international cooperation between Europe and the Asia-Pacific region. Efficient and competitive capital markets depend on clear and predictable regulatory frameworks. Not only this – they must be globally interconnected to enable seamless capital allocation and to allow investors and intermediaries to operate in a borderless way. This is particularly important at the current juncture, as Europe and Asia-Pacific work to mobilise savings and to finance innovation and economic growth.

Platforms for international cooperation and dialogue – such as here today with ASIFMA, or yesterday with IOSCO colleagues – play a pivotal role in enhancing and maintaining strong relationships between public and private stakeholders across our regions.

Our markets may differ in structure, but the challenges we face are global. Geopolitical shifts, technological transformation and sustainability imperatives demand coordinated and forward-looking responses. As Rabindranath Tagore once said: *“you can’t cross the sea merely by standing and staring at the water”*. Europe and Asia-Pacific have a long history of constructive dialogue; the task now is to build the regulatory ship together, that will allow us to traverse the choppy waters we are facing, and to cooperate to strengthen the global financial system.

Thank you.