

Keynote speech

FESE Convention 2026

Verena Ross

Chair

Introduction

Ladies and Gentlemen,

Thank you to FESE for including me in this conversation. It is a pleasure to be here with you. Looking at the agenda for the day, I can already see that we are in for a series of both vibrant and important discussions, fuelled by distinguished panellists and speakers.

I would like to start with a small confession. After fifteen years at ESMA, I have attended several conferences where European capital markets were deemed as being at 'a critical juncture'. The expression has become a sort of Brussels mantra.

So let me try this morning to make this mantra resonate a little more clearly and urgently.

What I genuinely believe is: we are living through the moment where the long-promised integration of European capital markets is really a must. The stakes for EU citizens, for European economies, and for the global standing of the Union, have rarely been higher.

Capital markets do not simply reflect economic reality. At their finest, when they are efficient and attractive, they shape it. They turn the talents of entrepreneurs and the choices of investors into innovation, growth, and jobs. That is precisely the capacity Europe needs today, and at continental scale.

So, three perspectives from me this morning to start you off. First, what ESMA has been observing in the evolution of the structure of European equity markets. Second, why the Market Integration and Supervision Package matters. And third, a few reflections on the broader picture: the Savings and Investments Union.

ESMA's call for evidence – the analytical basis

As you surely know, last month ESMA published a Call for Evidence¹ on the structure of European equity markets. In my view, this is an important exercise – as it allows us to base any future policy decisions on a sound pan-European analytical and data-based foundation.

ESMA's analysis, drawn from MiFIR transaction reporting across 2022 to 2025, shows that European equity markets continue to function well in aggregate. Addressable liquidity has remained broadly stable at around 85 percent of total trading volume, while on-book trading has stayed relatively stable at around 80 percent.

But stability in aggregate terms may mask structural dynamics that matter for price discovery and investor access.

Our headline finding is a slow but steady decline in lit continuous trading. This downward trend has been driven primarily by the significant decrease in trading volume on regulated markets *[whose share fell from an average of 35% in 2022 to 27% in 2025]*. The drop on multilateral trading facilities has been more modest *[- from 19.4% to 17.7% -]* though the direction of travel is the same.

This matters because lit continuous trading plays an important role in the functioning of equity markets, contributing to efficient price formation and price discovery.

Other forms of on-book trading are, largely, filling the gap.

Closing auctions and intra-day auctions have grown. Frequent batch auctions have doubled their share of trading volume *[from 3% in 2022 to over 6% in 2025]*. That pace of growth probably warrants some supervisory attention.

Closing auctions deserve maybe a particular mention here. They generate the closing price – the reference point for fund valuations, ETF pricing, and benchmarks across the market. As such, their role is not marginal. Here, we have seen a decrease in the combined share of addressable trading activity on regulated markets and MTFs *[continuous lit order book and closing auctions together – declining from roughly 72% in 2022 to around 64% in 2025]*.

Market structure is becoming increasingly complex. While this may support more tailored trading solutions, it also creates a more fragmented environment that is harder to navigate, particularly for less sophisticated investors. If this more complex environment continues to rely

¹ [Call for Evidence on the market structure of European equity markets](#), 30 April 2026

on reference prices formed on regulated markets and MTFs, further erosion of the share of addressable trading activity may become a matter of concern.

On dark trading, the picture is more stable. Reference Price and Large in Scale waivers have broadly remained within the 4 to 5% range over the period. Thus, while volumes associated with the Large in Scale waiver are difficult to estimate because of limited data availability, the current level of dark trading, does not appear, overall, to be detrimental to market quality.

The more visible shift is perhaps in Systematic Internalisers. SI trading volume has increased over time. Excluding intragroup transactions, it reached almost 9% in 2025 [*up from around 5% in 2022*].

Let me be clear. ESMA is at this moment monitoring these developments carefully. We have not yet reached conclusions on what, if anything, should change and thus are not pre-committed to any specific outcome.

Our objective is to ask the right questions – and to invite stakeholders to assess whether these developments reflect healthy market evolution or a degree of fragmentation that may require further intervention.

The feedback we receive – from exchanges, investment firms, asset managers, and other relevant stakeholders – will feed into our thinking about the future of European equity trading. We will hold a workshop on 11 June and, needless to say, I would strongly encourage every organisation represented here to engage with the process before the 30 June deadline. The feedback statement we intend to publish in the second half of this year will inform legislative and regulatory decisions ahead.

While technical in nature, this ESMA exercise supports the wider agenda. We must collectively strike the right balance: upholding the principles of transparency, fairness, and robust price discovery while allowing innovation and competition to flourish. This requires an honest debate on how market structure contributes, along with other initiatives, to serve competitiveness.

The MISP – the game-changer

At the centre of the legislative work at the moment stands the Market Integration and Supervision Package adopted by the Commission in December last year and now progressing through the co-legislative process. I am truly convinced that MISP represents the most important reform of European capital markets in years.

In my view, MISP also comes at a time when there are high demands on the EU capital market to efficiently finance innovation and growth. Allowing European companies to emerge and thrive. Allowing European citizens to access capital markets and savings to be turned into productive investment.

For this FESE Convention in particular, let me highlight four dimensions where MISP is expected to bring tangible progress.

First, the Pan-European Market Operator. If the PEMO status is introduced, trading venue groups would hold a single EU authorisation to operate across Member States, thereby aligning regulatory form with the cross-border operational reality many of you navigate today. Trading venues are not simply platforms. They are the highways of Europe's financial system. It is long overdue for the licensing and regulatory model to reflect today's cross-border reality.

Second, connectivity. Where post-trade connections are cumbersome and costly, the liquidity benefits deriving from pan-European trading cannot fully materialise. In that respect, the push in MISP for greater interoperability, allowing market participants to choose service providers based on value rather than geography, is a significant step forward.

Third, innovation. Against the backdrop of rapid technological developments – from AI, to delegated ledger technology, to quantum computing – the EU regulatory framework must remain future-proof. It must also create the conditions for technologies such as tokenisation to scale, while avoiding the re-fragmentation that MISP is specifically designed to reduce in the traditional markets.

Fourth, supervision. The MISP's proposal for targeted EU-level supervision of the most significant cross-border infrastructures is both proportionate and necessary. It can bring increased efficiency and greater simplicity, one EU-level supervisor for the most important cross-border EU market infrastructures. It can also bring stronger financial stability, through a holistic view of systemic risk across the EU.

The MISP's proposal is a pragmatic response for further integrating our EU markets, in line with the joint statement² issued by FESE and EACH last week. It is clear that national supervisors will remain indispensable partners, but ESMA would lead in delivering more consistent supervisory outcomes after a short transition period.

During the transition, ESMA and NCAs should work closely together to ensure a seamless transfer of responsibilities and to maintain supervisory knowledge. Thereafter, ESMA should act as the single supervisor, drawing on NCA expertise where relevant, but ensuring unambiguous accountability and delivering consistent supervisory decisions across the EU.

The SIU – the holistic approach

As you will have gathered, my speech today moves in the opposite direction of Russian nesting dolls, which always conceal a smaller version of themselves inside. Perhaps not the timeliest reference, but as regulator and supervisor, I will humbly leave geopolitics to others. The image still holds: think of it as an upside-down funnel, widening as it goes.

And so, keeping with the theme of this year's Convention, let me share a few thoughts on the Savings and Investments Union.

For sure, MISP matters. But it is only one pillar of the SIU, not the whole building. And for the SIU to succeed, every pillar needs to stand.

In my opinion, the political support for the SIU agenda has reached an unprecedented level.

In February, the European Council identified the SIU as a key driver of EU competitiveness and called for accelerated implementation.

In March, European Parliament President Metsola issued a clear warning, stating that 'We need to resist the temptation to fall back on what is comfortable simply because the next steps seem too difficult.'

² [FESE-EACH statement: an effective and efficient supervisory system](#), 27 May 2026

More recently, in April, the three major EU institutions signed the ‘One Europe, One Market’ roadmap, a joint commitment with fixed timelines and targets, to completing the Single Market for capital by 2027.

But declarations alone do not transform EU capital markets. The SIU will only achieve its purpose if its full scope is pursued with the same determination as its most prominent legislative pieces.

Bringing more citizens into EU capital markets as active investors will require better savings products, expanded financial literacy, as well as courageous pension reforms, including auto-enrolment mechanisms that can turn passive savers into engaged participants.

According to EIOPA³, 80% of European pension funds manage less than one billion euros. One third manage less than 25 million. At that magnitude, they cannot function as the long-term institutional capital providers that European companies and projects need.

At the same time, revitalising equity financing for ambitious, growing companies will demand sustained action across several fronts.

The full implementation of the Listing Act must ensure that public markets in Europe can compete on the global stage. Adjustments to the securitisation framework should help free up bank balance sheets for new lending, while maintaining sound safeguards. The forthcoming EuVECA review should provide the opportunity to make growth capital funds more effective and accessible across Europe.

Consolidated tapes, now at the stage of implementation, will give investors a comprehensive and integrated view of where liquidity exists across European markets. This is also important for the retail investors the SIU aims to draw in.

Each of these components reinforces the others. The SIU will only deliver as a coherent whole. That interdependence is its greatest strength *[and perhaps also its Achilles heel]*.

A retail investor accessing a better savings product needs a liquid and transparent secondary market. A scale-up seeking to raise capital through a public listing needs institutional investors with depth and conviction. A global investor allocating capital to long-term European assets needs a single capital market that is well regulated and subject to high-quality supervision. Weaken any of the pillars and the whole building becomes shaky.

³ See Figure 1 on Page 6 of the [EIOPA IORPs in Focus Report 2024](#)

This is the context in which I come back to putting the ESMA Call for Evidence on equity market structure into the broader picture – not simply as a technical or analytical market structure exercise, but as a contribution to building the equity market ecosystem the SIU requires.

This is also the frame within which the MISP must be judged – not as a legislative dossier to be negotiated down to achieve compromises that are half-hearted and blur responsibilities, but as the game-changer on which the SIU's ambition rests.

The cost of failure would be considerable. [It would be measured in pension returns that underperform, in firms that decide to list and grow outside Europe, in technologies developed elsewhere, and in a strategic autonomy that remains aspirational rather than real.] The EU cannot afford a 'too little to late' approach in a world that is moving fast, rewards scale, and will not wait for us to resolve our internal disagreements.

Conclusion

Ladies and Gentlemen,

We have the facts, we have the legislative tools, we have the political commitment. What is required now is the audacity, shared across institutions, across national interests, and across the public-private divide to use them fully, without the hesitation that has blunted so many previous efforts.

Goethe wrote in Faust: 'What's left undone today, tomorrow will not do. Waste not a day in vain digression; with resolute, courageous trust, seize every possible impression, and make it firmly your possession [...]'.'

Stock exchanges know the importance of seizing opportunities. That is precisely what they are being called upon to do at this defining moment: not merely deal with yet another regulatory and supervisory change, but to rise to the ambition of building the integrated, efficient, and deeply attractive market ecosystem that Europe needs.

Thank you for your attention.