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# Turning the Page: The Next Chapter for European Supervision

## European Capital Markets Dialogue: Integrate, Simplify and Supervise in a Data Driven Europe – Dubrovnik

**Verena Ross**
**ESMA Chair**

Ladies and Gentlemen,

Dear Deputy Prime Minister, fellow supervisors, distinguished colleagues and representatives from the Croatian and other regional markets;

Thank you to HANFA and CSSF for inviting me to join you today in beautiful Dubrovnik. As I look around this room, I am reassured by something I have observed throughout much of my time at ESMA: a community of professionals, committed to making financial markets work better for investors, for businesses - *for Europe*.

The year 2026 has brought several anniversaries. HANFA celebrated its twentieth birthday – congratulations! This year also marked fifteen years since the establishment of ESMA and, with it, fifteen years of me being part of its story. As my current term as ESMA Chair draws to a close, I am reminded that every ending is also the beginning of something new.

For ESMA, the new chapter now seems only a few pages away. A chapter where I very much hope we will read how better supervision has allowed us to simplify where complexity no longer serves a purpose, and a chapter where a stronger European perspective has helped us unlock the full potential of our capital markets. Please allow me to briefly reflect on these two themes.

### Simplification as a hallmark of regulatory maturity

Let me start by recalling another anniversary. Twenty-five years ago, the Lamfalussy report challenged Europe to make financial regulation more agile. It is striking how much today's simplification agenda echoes that ambition: clearer political objectives, less unnecessary complexity, and regulation capable of evolving with markets.

Looking at the panels to come, these ambitions remain very much alive.

So, today's conference invites a reflection on whether policymakers and regulators have sufficient courage to simplify. But perhaps beneath the question of courage lies a deeper question, one of confidence. Do we have the confidence that simpler regulation can also be effective and better regulation?

Complexity can sometimes create a false impression of control: the impression that every possible scenario has been addressed and every risk anticipated.

But in an increasingly unpredictable world, complexity does not automatically translate into resilience. It can make the system less adaptable, more cumbersome, and ultimately less competitive. And that does not align with our ambition for the Savings and Investment Union and for our EU capital markets.

Let me be clear: indiscriminate deregulation, one that would weaken the safeguards underpinning investor protection, market integrity and financial stability is not the answer here.

The answer is simplification built on confidence. Confidence that a strong supervisory framework - supported by high-quality data, supervisory convergence and effective enforcement - can achieve regulatory objectives without relying on ever more detailed rules.

This type of simplification emerges as a natural consequence of a mature regulatory framework backed by smart supervision with greater focus on risks and emphasis on outcomes. That is the direction in which ESMA is already headed and it is the direction that will drive the writing of ESMA's next chapter.

**The European perspective as an opportunity**

Before I touch on the role of ESMA, I would like to address another dimension of confidence in the European project.

Across Europe, we are rightly looking at how to reduce burdens and make regulation more proportionate. But we should also be careful that proportionality does not become fragmentation. An exemption or national flexibility may make perfect sense from the perspective of one particular market or one set of market participant. But when different approaches accumulate across Europe, the costs are borne by the market as a whole — often in ways that are difficult to see at first.

I am sure many of you could testify to the hidden costs of fragmentation - different outcomes create barriers. They make it harder for firms to expand, for investors to access opportunities, and harder for Europe to compete globally.

That is why the turn to the next chapter must come along with a paradigm shift. It starts with confidence in the fact that a stronger European dimension of supervision is an opportunity rather than a constraint. It also requires us to look beyond necessary short-term adjustments and recognise the long-term opportunity costs of the status quo.

As I look back on the past fifteen years, one lesson stands out clearly. The greatest progress has come from making markets work better together. European supervision will not erase the differences between our markets. It will make those differences less of a barrier. Less of a

barrier to participating fully in the European market. And a European market offers scale and opportunities that none of the national markets could ever provide alone.

**Effective supervision as a joint undertaking**

And this brings me to the future set-up of our supervisory framework and the respective roles of ESMA and national supervisors. While all eyes are on the co-legislators to nail down the details of the Market Integration and Supervision Package, my perspective remains more pragmatic.

Effective supervision is, and will remain, a joint undertaking.

This is not about replacing national authorities. It is about combining national expertise with a stronger European perspective, in a context where markets and risks increasingly operate across borders.

Over the years, ESMA and national authorities have built more of a European supervisory culture. We have done so through peer reviews, common supervisory actions, supervisory colleges, shared methodologies, joint risk assessments, and increasingly through common principles of risk-based, outcome-focused and data-driven supervision.

This cooperation has delivered real results. Whatever the outcome of the MISP negotiations, I am convinced that the future success of European supervision will continue to depend on this successful partnership.

**Looking towards Supervision 2030**

So, if I fast forward to 2030, where do I see European supervision?

I see a supervisory framework that is more integrated while remaining deeply connected to national markets. More digital and data-driven. More focused on outcomes than on processes. Less tick-box and more proportionate.

I see a framework better equipped to supervise risks that do not stop at national borders. One that reduces unnecessary reporting burdens while strengthening our ability to identify and mitigate emerging risks.

I also see firms operating across Europe benefiting from supervisory expectations that are more predictable and consistent. I see investors confident to engage. And I see Europe moving closer to achieving what we have discussed for many years: a genuine Single Market for capital.

Because ultimately, supervision is not an end in itself. Its purpose is to support confidence. And confidence is what allows capital markets to grow, investors to participate, and businesses to access financing.

**Conclusion**

Let me finish where I began. This event has brought together a remarkable community of supervisors and market participants. Over the last years, I have had the privilege of working closely with many of you.

Together, we have navigated crises, implemented major reforms, developed new supervisory approaches, and strengthened cooperation across Europe.

I would therefore like to take this opportunity to express my gratitude to HANFA, to all national competent authorities represented here today, and to the many colleagues and partners with whom ESMA has worked throughout my time.

Everything we have achieved has been a collective endeavour. While the institutional framework may evolve, I am confident that the strength of this supervisory community will remain.

Europe’s capital markets still have enormous, untapped potential. The next chapter is not solely ESMA's story. It is a European story, one that all of us in this room will continue to write together.

Although there are still a few weeks before I leave, I am optimistic about the future. Optimistic about ESMA. Optimistic about our cooperation. And optimistic about Europe’s ability to build the integrated, competitive and resilient capital markets that our citizens deserve.

Thank you very much.