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Keynote speech

**ESMA's role in fostering the European Capital Markets
Union**

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Disclaimer: the views expressed are only mine and not those of ESMA

Outline

- CMU objectives
- Key thematic areas under CMU: An ESMA's perspective
 - Data and transparency
 - Retail investment strategy
 - Listing Act
 - Supervision
- ESMA's role in strengthening supervision of financial markets
- Conclusion

1. CMU objectives



Improving **access to a diverse range of funding and investment possibilities** and improving the **overall attractiveness of EU capital markets** remains an urgent priority.



The **CMU package proposed in 2020** represents an important step in bringing forward some **key actions** to better integrate EU capital markets.

1. CMU objectives



The Capital Markets Union is a **long-term policy goal**.



Ultimate objective is to **deepen and further integrate capital markets** to establish a genuine single market.



This would allow investors, savers, firms and market infrastructures to **access and provide a full range of services and products**, regardless of where they are located.



Building the Capital Markets Union **will not happen overnight** and progress will be incremental.



In the face of new macroeconomic challenges, it is essential that we **don't let the political momentum fade away** or lose sight of what needs to be done.

1. CMU objectives

ESMA's Strategic Priorities 2023 – 2028

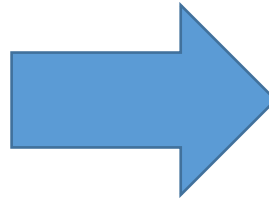


2. Key thematic areas under CMU: ESMA's perspective

2.1. Data and transparency

Data and transparency are a cornerstone of smooth capital market functioning.

- ESAP
- Consolidated Tape



New sources of EU-wide data to investors, particularly retail investors

Better investment decision making and broader sources of financing for companies.

2. Key thematic areas under CMU: ESMA's perspective

2.2 Retail Investment Strategy



A critical piece of the CMU Action Plan is the **Retail Investment Strategy**.



Investors' trust is an essential condition for their participation in capital markets and to build such trust, transparency is key.



ESMA recommended several measures such as:

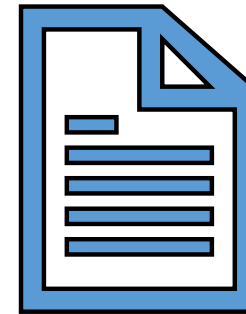
- addressing the **overload and complexity of information** investors face
- effective use of **online engagement** (while combatting misleading marketing campaigns on social media)

2. Key thematic areas under CMU: ESMA's perspective

2.3. Listing Act

Several simplifications proposed by the Commission to facilitate companies' access to market finance:

- MAR
- MiFID
- Prospectus Regulation
- Multiple Voting Shares Directive



2. Key thematic areas under CMU: ESMA's perspective

2.4. Supervision

High-quality and consistent supervision and enforcement reduces incentives to arbitrage and underpins effective progress in building the CMU

More market integration

New opportunities for market participants and investors to exploit the benefits of the EU capital markets

The EU supervisory model needs to provide for an adequate level of **consistency in supervision and enforcement** within a harmonised regulatory framework.

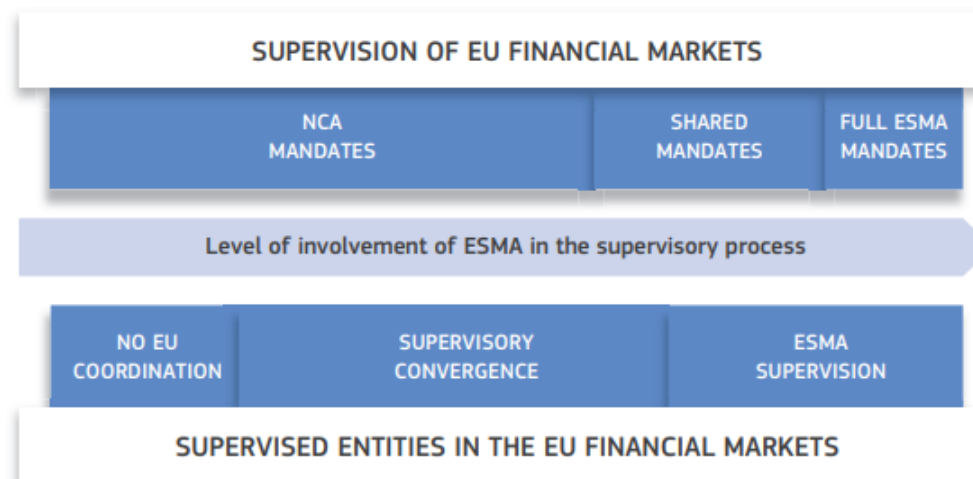
3. ESMA's role in strengthening supervision of EU financial markets

Stronger common EU supervisory culture: Developing shared principles of risk-based, data driven, outcome-focused supervision and sharing more information on risks and their possible mitigation.

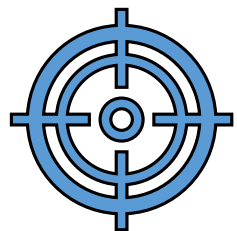
Enhanced risk prioritisation and outcome-based supervision: Coordinating risk prioritisation, alignment of supervisory outcomes, effective convergence tools.

ESMA convergence approach: ESMA's role varies depending on the risk addressed, regulatory landscape and on the tools chosen.

Role of USSP



4. Conclusion



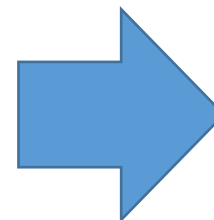
ESMA's strategic priorities



ESMA's topical mandates
under CMU



ESMA's on-going
supervision and
convergence work



Supporting the
development of the capital
markets union (CMU)
remains at **heart of ESMA's
mission.**

