

BUILDING MORE EFFECTIVE AND ATTRACTIVE CAPITAL MARKETS IN THE EU

Why are capital markets important for the EU economy?

- ▶ Capital markets are essential for the vitality of our economy – fuelling innovation, boosting businesses, and empowering individuals and societies to thrive and flourish.
- ▶ Gradual progress in recent years has improved the efficiency, scale and resilience of EU capital markets. However, they still have room to grow and integrate.
- ▶ New geopolitical, environmental and societal challenges mean that a renewed momentum and greater commitment is needed to boost our capital markets – supporting growth, innovation and competitiveness for the European economy.

What is ESMA recommending?

1. Give EU citizens more choice in where and how to invest their savings



- ▶ EU citizens should be empowered to invest in capital markets that will serve their long-term financial goals, while supporting economic growth, prosperity and innovation.
- ▶ Simple and cost-efficient investment options, backed by appropriate protections, incentives, and education, can provide a gateway for all citizens to turn their savings into investments for the future.

2. Improve funding opportunities for European companies



- ▶ Stronger EU capital markets will connect European companies, particularly SMEs and startups, with the efficient and sustainable financing solutions they need to fuel their growth and innovation.
- ▶ By developing more diverse sources of funding, and fostering a supportive ecosystem for public companies and pan-European markets, we can create a more dynamic and competitive business environment.

3. Make Europe's regulatory and supervisory framework more agile and consistent



- ▶ The EU framework for financial services regulation and supervision should be stable and uniform to support capital market growth, while also being agile and responsive to EU and global developments.
- ▶ Modernising the regulatory process and improving supervision, both in terms of consistency amongst national supervisors and evaluating the need for further EU level supervision, can cultivate more trust and break down barriers. This can help attract more European and global investors, and make our capital markets more competitive globally.

Where can I read more?

[ESMA position paper on EU capital markets](#)



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