

European Commission
DG for Financial Stability, Financial Services and Capital Markets Union
1049 Brussel
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Targeted consultation on integration of EU Capital Markets

Norges Bank Investment Management (NBIM) is the investment management division of the Norwegian Central Bank and responsible for investing the Norwegian Government Pension Fund Global. At the end of 2024, the Fund held 285 billion Euro in securities issued by EU member states and European corporates, making it the largest single owned investor in EU Markets. We maintain an investment allocation to EU markets that is greater than the relative size of these markets in an international context.

As a long-term investor with this significant exposure across all European markets, we have a strong interest in well-functioning capital markets that facilitate efficient capital allocation and promote economic growth, and we share the concern that European markets over time have fallen behind in terms of business dynamism and the provision of new investment opportunities to institutional investors. We commend and support the sense of urgency by which the Commission aims to address fundamental issues of market integration and capital market growth.

The Savings and Investments Union (SIU) encapsulates the objectives to create better financial opportunities for EU citizens, while enhancing the financial system's capability to connect high household savings with productive investments. European capital markets can become more dynamic, efficient, and better positioned to facilitate future economic growth with policies that enhance the supply of productive investment opportunities and increase the demand for high-yielding investments. The dual approach can create a virtuous cycle for European capital markets and the broader European economy.

The recent report on the future of European competitiveness (The Draghi report) identifies three main fault lines that continue to impede the development of an integrated European capital market:

"First, the EU lacks a single security market regulator and a single rulebook for all aspects of trading, and there is still high variation in supervisory practices and the interpretation of regulations. Second, the post-trade environment for clearing and settlement in Europe is far less unified than in the US. Third, despite the recent progress made on withholding tax, tax and insolvency regimes across Member States remain substantially unaligned."

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The targeted consultation on integration of EU capital markets addresses these issues and raises further questions important to European capital market integration. We take this opportunity to synthesise our main comments to the consultation.

The diverse national legal structures such as securities law, corporate law and insolvency regimes, are a key obstacle to integration of capital market infrastructure. Further integration of European capital markets may be challenging when infrastructure is regionally segmented. In order, to achieve a more integrated capital market the Commission and Member States will need to address the fundamental structures that sustain this segmentation.

The current fragmentation of tax regimes also underpins national financial market infrastructures and limits cross-border investment. Harmonising and streamlining the rules for local management of withholding tax across EU members states is important. The FASTER directive represents a positive step, but ambitions could be higher with a more aggressive timeline for implementation. We experience that hurdles remain due to lack of standardisation and digitalisation of processes across the union.

There is a potential to make the debt securities issuance process more streamlined and harmonized. The European Central Bank EDDI initiative to establish a standardised pan-European debt issuance process should be followed up on. NBIM participated in the Debt Issuance Market Contact Group (DIMCG) which provided extensive advice to the ECB in December 2021. The implementation of the technical recommendations should serve to facilitate growth of the European debt securities market more efficiently.

The targeted consultation paper emphasises mechanisms to aggregate equity trading liquidity to create a European liquidity pool. We argue that market forces will lead to further market integration if the fundamental impediment of regional segmentation is diminished. Further integration should be a consequence of increased competition, innovation and transparency in trading markets and not a result of additional regulatory intervention in the trading system. We believe a sufficiently fast, deep and attributed consolidated tape will have a meaningful impact as a coordinating mechanism integrating fragmented market liquidity.

It is important that regulation of trading markets does not stifle innovation. Currently, 'open-access' multilateral trading venues faces regulatory restrictions in competition with bilateral trading mechanisms, which is opposed to the goal of facilitating an integrated European liquidity pool. Regulation also maintains arbitrary constraints on best execution for investors through so called volume caps.

The EU regulatory regime for financial markets can create rigidities due to the length of the regulatory process and finally arrive at overly prescriptive requirements. Better and simpler regulation is key to facilitate capital market evolution.

Capital markets supervision should be unified at a European level. Unified supervision would ensure consistent interpretation and application of regulation, reduce operational complexity and legal uncertainty, and avoid any perception of 'regulatory arbitrage.' Importantly, within the framework for supervisory integration to be adopted at a European level, capital market supervision, should further facilitate market-based solutions for growth based on competition, innovation and transparency in capital markets.

We value the opportunity to contribute our perspective to this important consultation and look forward to continuing engaging on policy initiatives supporting the growth and integration of European capital markets.

Yours sincerely,



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Appendix: NBIM's response to individual questions

Part 2: Trading

2.1 Nature of barriers to integration of liquidity pools

Question 1: *What are the barriers that limit the level of integration of liquidity pools in the EU?*

We view the European secondary equity trading environment as being characterized by national market segmentation, rather than by venue fragmentation. A limited number of pan-European trading venues provide competition to local exchanges, but these competitors may not be accessible to local and particularly retail investors.

This national segmentation is the result of historical evolution, and is sustained by local market infrastructure, laws and regulations. National differences in insolvency and tax law, as well as the prevalence of local post-trade market infrastructure lead to operational idiosyncrasies which further ingrain this segmentation.

In our view, achieving increased integration of European secondary market liquidity requires addressing the differences in law and practices that sustain segmentation. Competition, innovation and transparency will then let the market evolve to create a more integrated liquidity landscape. Regulation should facilitate market evolution based on these principles and not be overly prescriptive. We believe that a framework that allows market forces to drive innovation while ensuring appropriate transparency and investor protection will deliver the best outcomes for all market participants.

2.3 Non-regulatory barriers to liquidity aggregation

Question 15: *Do you believe that intermediaries could improve clients' access to liquidity across the EU by using Smart Order Routing or similar technologies? What would be the potential cost associated with it and what are the most useful promising technologies in your view?*

Smart Order Routing technologies do improve access to liquidity across European markets by directing orders to venues offering the best execution conditions. However, they lead to higher fixed costs for intermediaries, including market data and connectivity costs as well as technological development costs. In a competitive environment for intermediaries, this means that the minimum viable scale for intermediaries will increase, leading to greater market concentration.

The adoption of standardized connectivity protocols and data formats may enhance Smart Order Routing effectiveness without requiring structural consolidation of trading venues. Technical standardization could enable more efficient access to dispersed liquidity while maintaining the benefits of competition between venues.

However, we believe that regulation should not prescribe the use of any specific technology. The focus should be on outcome, namely 'best execution', with the choice of tools and technology left to competitive market forces. The best tool to evaluate 'best execution' is a robust consolidated tape with sufficient speed, depth and attribution.

2.5 Enhanced quality of execution through deeper markets

Question 19: *In other jurisdictions, notably the US, an increased level of interconnection at the level of trading venues resulted from the application of the 'order protection rule' (Rule 611 of the Regulation National Market System) that established intermarket protection against trade-throughs for certain shares. Do you have any experience with this rule?*

We fail to see obvious advantages in changing the European trading landscape to one where best execution is facilitated by a US-style order protection rule – i.e., a system where trades are automatically rerouted to different venues based on the National Best Bid and Offer (NBBO).

Our experience with US markets is that venues operate with an increasingly complex set of order types that continues to expand. This complexity aims to manage how individual orders interact with the Order Protection Rule.

Beyond the complex order structure, US markets feature complex fee schedules designed by venues to attract marginal liquidity to ensure venues feature at the NBBO. One potential effect of a US-type order protection rule, at least with the economic incentives in the US system, can be to increase and sustain a greater number of venues and increase overall market fragmentation and complexity. Market fragmentation can be managed but should not be an objective.

The role of the executing investment firm is to select how and where to execute the trade. The executing investment firm is well equipped to do this through direct access to the venues that are expected to facilitate liquidity provision. The best execution requirement works to secure the efficiency of the system.

The US market is fundamentally different to the European market. The US "order protection rule" functions in the US context of a single Central Securities Depository, single Central Counterparty Clearing House, and with trading venues are located with great proximity. European markets are regionally fragmented, with local exchanges and a limited number of pan-European venues and liquidity providers competing for orders. Greater physical distances exacerbate latency issues. Forcing connectivity between regional venues that do not offer trading in the same shares would come at cost without immediate benefit.

Fundamentally changing market structure dynamics should require clear and tangible expected benefits for price formation or execution quality. Such benefits are not likely to materialise in the European context. Furthermore, while we are not in a position to assess the investments required by venues to facilitate such a leap in venue interoperability, there is reason to believe that these costs would ultimately be borne by end investors.

Question 28: *When the same financial instrument is traded on multiple execution venues, the best execution rule plays a key role. The rule seeks to protect investors, ensuring the best possible result for them, while also enhancing the efficiency of markets by channelling liquidity towards the most efficient venues. What is your assessment of the effectiveness of the best execution rules in the EU?*

The 'best execution' rule requires the executing investment firm to take "all sufficient steps to obtain, ..., the best possible result for their clients taking into account, price, cost, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order."

These requirements are broad, encapsulating all considerations relevant to the customer in addition to the price itself. In practice, however, the execution will most often be evaluated relative to prevailing prices on the primary market for individual securities.

While the executing investment firm has some flexibility in asserting that best execution was obtained given the breadth of considerations included in the best execution requirement, there is no public dataset available to the client that allows for critical evaluation of that assertion.

One important implication of the introduction of a consolidated tape that not only provides post-trade information but also a venue attributed pre-trade European Best Bid and Offer (EBBO), with some depth to the quotes, is that clients in general will be better positioned to assess if best execution was achieved. This would make the best execution requirements a more efficient tool to ensure efficient integration of market liquidity.

Question 30: *For equity instruments the consolidated tape will disclose the European Best Bid and Offer (EBBO) in anonymised form.(...) How effective would lifting the anonymity of the EBBO be in achieving (various) objectives?*

Investment firms ability to assess quality of execution

Advanced investment firms with direct access to multiple venues will have less latency in their market information than a consolidated tape can provide. The existence of a tape may not affect their quality of execution. These firms are well positioned to evaluate best execution. Investing clients (or regulators), on the other hand, are more likely to depend on the consolidated tape to assess best execution on a post trade basis. This would be much improved with a consolidated tape with an attributed EBBO.

Market integration

The combination of 'best execution' requirements and a sufficiently fast, deep and attributed EBBO on a consolidated tape will be efficient tools to secure market integration.

Contributing to the efficiency of price formation process.

Improved market integration should facilitate an efficient price formation process. A fragmented marketplace with competition between trading venues requires a coordinating mechanism to collate and distribute information in order to integrate market liquidity and facilitate market efficiency. The introduction of a consolidated tape represents such a coordinating mechanism if it is sufficiently fast, includes appropriate depth, and provides clear venue attribution for price and volume.

Question 31: *For equity instruments, the consolidated tape will disclose EBBO only in relation to one layer of quotes. How important do you deem expanding the depth of the EBBO displayed by the equity tape?*

The consolidated tape should include appropriate depth beyond just the best bid and offer. Displaying multiple price levels would provide a more comprehensive view of available liquidity and could enable better decision-making and better post-trade analytics.

Importantly, the consolidated tape should be designed with future evolution in mind. The technical architecture should allow for the addition of more comprehensive data and functionality over time as market needs evolve and technical capabilities improve.

Question 32: *Under the current MiFIR, the speed at which core market data is disseminated by the equity consolidated tape is not regulated. How important do you deem defining in legislation the speed at which core market data should be disseminated by the consolidated tape. What should be the adequate speed?*

The consolidated tape should achieve an end-to-end latency which strikes the right balance between operational requirements, cost and commercial viability. This balance depends both on available technology and the cost of technology. This balance should ideally be found through a competitive process rather than a legislative process.

While the consolidated tape cannot support low-latency trading, such as trade execution by advanced investment firms with direct venue access, the speed should support other use cases while allowing for future improvements. It should utilize standardized transmission protocols and be distributed through established market data services to facilitate rapid uptake by users.

2.6.1 Dark trading and waivers

Question 36: *What is your assessment of the impact of the current levels of dark trading in EU on orderly markets and sound price discovery?*

We are not aware of any compelling evidence that the current level of trading under the various pre-trade transparency waivers have a detrimental effect on orderly markets or sound, efficient price discovery.

The arbitrary volume cap applied to the reference price waiver lacks theoretical or empirical justification and could be removed.

Question 37: *In your view, how does a more sophisticated use of equity waivers by trading venues (i.e. the design of equity waivers is becoming more complex) affect the business model of these trading venues vis-à-vis bilateral trading systems? Please explain your reasoning*

There should be a level playing field for competition between multilateral trading venues and bilateral trading mechanisms such as SIs. Current examples are 'trajectory crossing' or 'percent of volume' matching. These mechanisms provide a useful service for investors and can be more useful in the marketplace when provided in an open-access multilateral setting.

Question 39: *Do you agree with the current criteria to determine the reference price?*

Yes. When a fast consolidated tape with venue attribution is established, one could consider using the consolidated tape for reference price determination.

Question 40: *Do you believe that the existing provisions on the negotiated trade waiver (NTW) are fit for purpose? Please explain your reasoning*

The current pre-trade transparency waiver structure might be overly prescriptive. Innovation in matching of trading interest is warranted. An alternative to the prescriptive approach might be for the regulator to allow mechanisms that are not deemed to directly undermine price discovery or orderly markets.

Question 41: *The current state of EU legislation does not allow a trading venue to benefit from the negotiated price waiver for negotiated transactions that take place with the assistance of a system or trading protocol operated by the trading venue. This contrasts with current trends observed in other jurisdictions (for example, in the United States, where “multilateral percentage of volume” or “trajectory crossing” venues are allowed). Do you think that trading venues should be allowed to use the negotiated price waiver to execute negotiated transactions that take place with the assistance of a system or trading protocol operated by the trading venue? Please explain your reasoning.*

Trading venues should be allowed to use the negotiated price waiver for transactions that take place with the assistance of a system or trading protocol operated by the trading venue. We have direct experience with such mechanisms in markets like the United States and United Kingdom, where they have helped reduce our trading costs and improve execution quality. These mechanisms serve legitimate market needs, particularly for large institutional orders where minimizing market impact is critical.

Denying multilateral venues the ability to offer these innovations while allowing similar functionality through bilateral channels creates regulatory distortions that fragment rather than integrate European markets. A more balanced approach would create a level playing field where trading venues can compete with bilateral execution channels on equal terms, fostering innovation while maintaining appropriate transparency.

We addressed this question directly in our [letter](#) to the European Commission Directorate-General for Financial Stability, Financial Services, and Capital Markets dated February 28th 2025.

Question 43: *In your view, what are the main reasons that explain the rising importance of closing auctions? Please select one or more of the options below and explain your reasoning.*

We agree that the rise of index investing, and other investment strategies benchmarked to the close is part of the explanations why closing auctions have gained market share. The closing auction does provide efficient ‘best’ execution for strategies benchmarked to the close. It enables an aggregation of liquidity, provided in anticipation of demand by these strategies.

This has created a 'liquidity event' at the end of the trading day, attracting trading interest from market participants that are not explicitly benchmarked to the close.

Question 44: *What is your assessment of the current level of competition on closing auctions, including between trading venues that offer trading for the same financial instrument?*

The growing importance of closing auctions reflects legitimate investor preferences for concentrated liquidity at predictable times. A well-designed auction determines the clearing price that reflects investor supply and demand. The multilateral nature of the process, where multiple buyers and sellers with fundamental transaction requirements interact simultaneously, facilitates efficient price discovery.

We believe closing auctions provide substantial benefits to market quality and efficiency. However, maintaining competition remains essential. The closing auction position as a centralised liquidity event is reduced when liquidity is fragmented into different 'at close' offerings by other market participants. The status of the auction is best protected if the exchange refrains from charging additional fees for auction participation relative to continuous trade facilitation. Regulatory approaches should preserve the benefits of closing auctions while ensuring they remain competitive and accessible to all market participants.

Part 3: Post-trading

3.1.1 Cross-border provision of CSD services and freedom of issuance

Question 1: *What are the main barriers to the provision of cross-border CSD services in the EU and to freedom of issuance in any CSD in the EU?*

The current fragmentation of post-trade services in Europe is an impediment to capital market integration. Integration of CSD services faces fundamental legal barriers that go beyond merely technical or operational challenges. Addressing these legal barriers would create the conditions for both enhanced interoperability between CSDs and potential market-driven consolidation.

Key barriers include national securities laws, corporate laws, and insolvency regimes that vary significantly across Member States. With harmonized legal underpinnings, technical interoperability between CSDs would become significantly more feasible.

Differing withholding tax procedures represent a particularly significant obstacle. Variations in withholding tax practices create complexity and increase costs in post-trade processing. The implementation of the FASTER framework is essential but must be complemented by broader harmonization efforts.

Corporate action processing varies across markets, requiring market-specific operational setups that increase complexity and costs.

The European post-trade landscape remains highly fragmented despite the implementation of TARGET2-Securities (T2S). Debt securities continue to be held and settled on a largely domestic basis. The efficient management of data is particularly important —common and open data

dictionaries and messaging protocols are essential for interoperability. Significant technical differences persist in settlement protocols and communication standards across markets.

Market-driven consolidation could follow from this enhanced interoperability and legal harmonisation.

3.1.3 Settlement services in the EU

Question 23: *What are the main barriers to the provision of cross-border CSD services in the EU and to freedom of issuance in any CSD in the EU?*

The TARGET2-Securities platform represents a significant achievement in European market integration, but its full potential remains unrealized. The platform could be further enhanced to build a deeper and more integrated market by extending its scope to include additional asset classes, providing additional harmonized services beyond pure settlement, ensuring consistent implementation of settlement standards across participants, and improving interoperability with non-T2S markets. These enhancements would build on the existing investment in T2S infrastructure while delivering greater benefits to market participants.

Question 29: *Should the costs of settlement be reduced?*

Settlement costs in Europe should be reduced substantially. Current settlement costs remain significantly higher than in comparable markets like the United States, directly impacting investment returns. According to the Draghi report, "the average cost of settlement in Europe being two to four times higher than in the US, directly undermining the competitiveness of European markets."

To reduce these costs, we recommend several complementary approaches. First, enhancing interoperability requirements between Central Securities Depositories would facilitate more efficient cross-border settlement. Second, further standardization of settlement processes would reduce operational complexity by having the same cut-off times and mandatory API integration for all CSDs to enable real time cross-border settlement monitoring. Third, expanded use of TARGET2-Securities would allow the platform to realize its full potential for streamlining settlement across European markets.

Question 30: *Should the transparency of settlement pricing and CSD services be improved (in substance and format), for example with a standard template that would facilitate comparison of prices and service offering?*

The transparency of settlement pricing and CSD services should be improved through a standard template. Current pricing structures are often complex and difficult to compare, hindering competition and efficient decision-making. A standardized approach to fee disclosure would enable market participants to make more informed choices and would likely lead to more competitive pricing over time.

Part 4: Horizontal barriers to trading and post-trading.

4.1 EPTF barriers

Question 1: *How do you assess the continuing importance and the urgency of their resolution of the barriers identified by the EPTF report and those put on EPTF watchlist (WL) in 2017?*

European Post Trade Forum barriers continue to impede efficient capital market integration with several requiring urgent attention. The ongoing existence of these barriers more than six years after their identification in the European Post Trade Forum report reflects the slow pace of structural reform in European post-trading.

Corporate action procedures vary significant across EU markets, creating operational complexity and risk of errors. To reduce this risk and complexity, standard procedures across all markets, including the same timelines and deadlines, should be implemented. The documentation requirements and processing methods should align across markets. Remaining paper-based procedures should be replaced by digitalisation and automation.

Inefficient and non-harmonized withholding tax procedures between EU member states represent a significant barrier to cross-border investments. Inconsistent requirements for tax documentation and the lack of automated processes, including outdated paper-based and wet signature requirements, create substantial administrative burdens. Delays in tax reclaim processes, resulting from the absence of an EU standard relief-at-source systems, directly impact investment returns and influence investment decisions.

While the FASTER initiative will significantly improve these processes, its 2030 implementation timeline remains years away. Meanwhile, there is little interest in making improvements, leaving current issues in place until FASTER is implemented.

4.3 Issuance process

Question 8: *Please describe the steps and how long it takes to issue securities (and, if applicable other financial instruments) in your Member State, and indicate which steps could work better, in particular if undertaken cross-border*

Based on our experience as active participants in primary markets and the findings of the ECB Debt Issuance Market Contact Group (DIMCG), where we participated, we find that the issuance process for debt securities in Europe suffers from significant fragmentation. The European debt issuance market operates with multiple non-standardized processes and minimal interoperability between platforms, creating unnecessary complexity trading operations. The DIMCG advisory report identified several key inefficiencies including:

- Know your customer (KYC) and customer due diligence (CDD) procedures require significant resources due to non-standardized processes and the absence of harmonized regulatory requirements across jurisdictions.
- The lack of common data dictionaries and messaging standards in the issuance process creates significant operational overhead and requires manual intervention. The current

reliance on manual processes throughout the syndication model—particularly in data delivery, timing, and process—needs to be standardized as it creates significant operational risk and adds unnecessary cost to our participation in primary deals. We need industry-wide adoption of standards similar to those in post-trade services.

- Different order book standards and excessive manual processing in the book building process create inefficiencies and increase operational risk.
- The lack of standardized, machine-readable documentation creates significant friction for trading operations. The creation, processing and comparison of legal documents require a lot of time and manual effort in different areas of the transaction chain. The solution lies in collective agreement on common templates.
- The requirement for physical global notes and signatures in wet ink delays the process and creates additional costs and risks.

These inefficiencies are all symptoms of a fragmented European debt issuance ecosystem that is segmented between national markets and the international market, creating unnecessary complexity for both issuers and investors.

Question 21: *Would a front-to-end pan European platform as proposed by the ECB in 2019 (European Distribution of Debt Instruments (EDDI) initiative) solve the barriers and obstacles identified in the previous questions?*

We believe that an initiative like The European Distribution of Debt Instruments (EDDI), developed with appropriate governance and open access principles, could significantly enhance the efficiency of European debt issuance while maintaining flexibility for market participants. By providing a framework for harmonization and standardization, it could address many of the inefficiencies currently identified in the issuance process. The benefits would be valuable for cross-border investors, reducing operational complexity and enabling more efficient participation in primary markets across Europe.

- The EDDI initiative proposed by the European Central Bank could further incorporate many of the harmonization recommendations of the DIMCG report. The DIMCG report identifies several key areas where harmonization could significantly improve the efficiency of issuance. The EDDI initiative could provide a framework to implement these recommendations, including: The creation of a pan-European gateway for debt securities, supporting integration in the fragmented issuance ecosystem.
- The introduction of a standardized technical toolkit supporting the debt issuance process for all market actors, including pre-issuance components (standardized term sheets, information management, order book) and post-trade integration.
- Standardization through common interfaces, standardized investor identification, and harmonized timelines.
- The adoption of principles of neutrality, safety, harmonization and interoperability and provide a modular design allowing flexible implementation based on issuer needs.

Implementation of EDDI could address many of the inefficiencies identified in the European debt issuance process. Importantly, any implementation should maintain appropriate flexibility and ensure open access for all market participants.

Part 6: Supervision

6.1 Effectiveness of the current framework

Question 1: *How effective are current EU supervisory arrangements in achieving the objectives or performing the tasks below?*

The current supervisory arrangement risk delivering inconsistent results across different objectives. It does not ensure the efficient functioning of the internal market, consistent enforcement of EU rules, or supervisory convergence. Variation in implementation of European regulation across member states may lead to perceived 'regulatory arbitrage.'

The fragmented supervisory landscape, with multiple national competent authorities interpreting and potentially applying ostensibly harmonized rules differently, creates unnecessary complexity and creates barriers to capital market integration.

6.5 Questions on the supervision of significant EU trading venues

Question 29: *To which extent do you agree with the following statements about possible benefits of more integrated EU supervision?*

The Draghi report highlights that the EU lacks a single security market regulator and a single rulebook for all aspects of trading, and that there is still high variation in supervisory practices and the interpretation of regulations.

Moving to more centralised supervision should reduce the need for detailed Level 3 supervisory guidelines, which are developed by ESMA in light of the inconsistent and fragmented supervisory practice among NCAs.

Our priority would be consistent application of rules across jurisdictions rather than any particular institutional arrangement. From our perspective as a cross-border investor, the most important outcome is that the same rules are interpreted and applied similarly across markets, reducing operational complexity and legal uncertainty.

Within the framework for supervisory integration set by political institutions, the capital market supervisory authority should be able to facilitate market-based solutions for growing capital markets based on competition, innovation, and transparency

Part 7: Horizontal Questions on the supervisory framework

7.2 Supervisory convergence

Question 7: *Please rate the effectiveness of supervisory convergence tools*

The Draghi report highlights that the EU lacks a single security market regulator and a single rulebook for all aspects of trading, and there is still high variation in supervisory practices and the interpretation of regulations.

The EU regulatory regime for financial markets can create rigidities due to the length of the regulatory process and finally arrive at overly prescriptive requirements. Better and simpler regulation is key to facilitate capital market evolution.

Capital markets supervision should be unified at a European level. Unified supervision would ensure consistent interpretation and application of regulation, reduce operational complexity and legal uncertainty, and avoid any perception of 'regulatory arbitrage.' Importantly, within the framework for supervisory integration to be adopted at a European level, capital market supervision, should further facilitate market-based solutions for growth based on competition, innovation and transparency in capital markets.