

SAVINGS AND INVESTMENT UNION

Breaking Barriers: A Blueprint for EU Capital Markets Integration

Why this matters now

Europe stands at a decisive moment. In a context of geopolitical fragmentation, technological transformation and the green transition, the EU must strengthen its competitiveness and strategic autonomy.

Yet, despite holding around €13 trillion in private savings, Europe continues to underinvest in innovation, infrastructure and strategic sectors due to fragmented capital markets.

Closing this gap is urgent. A fully integrated capital market is not just a financial objective it is a strategic imperative for Europe's future.

The core problem: fragmentation

Europe's capital markets remain constrained by three structural barriers:

1. Fragmented supervision and regulation

- Absence of a single rulebook and unified supervision
- Divergent national interpretations and gold-plating
- Limited ability for firms to scale across borders

This is the single biggest obstacle to a true Single Market.

2. Fragmented post-trade infrastructure

- Highly fragmented custody and settlement landscape
- Multiple CSDs with different systems and standards
- Higher costs and complexity for cross-border transactions

This directly limits efficiency, scale and cross-border investment.

3. Limited access to liquidity

- Persistent market fragmentation across trading venues
- Rising share of dark and bilateral trading
- Barriers to cross-border participation

This weakens price formation, visibility and capital allocation.

The solution: four pillars for a true Savings & Investments Union

Establish a single rulebook and single supervision

- Move toward maximum harmonisation (regulations over directives)
- Eliminate national gold-plating
- Strengthen ESMA as a central supervisor for cross-border market infrastructures
- Introduce group-level supervision for pan-European operators

Outcome: Legal certainty, efficiency and scalability

Integrate post-trade infrastructure

- Accelerate consolidation of CSD activities

- Extend Target2-Securities (T2S) into a true EU-wide settlement platform and ensure all CSDs connect to T2S (including for multi-currency settlement)
- Focus on quality not quantity of CSD links

Outcome: Lower costs, seamless cross-border settlement, stronger integration

Enhance access to liquidity

- Facilitate access through:
 - Harmonised trading venue membership rules
 - Membership passporting
 - A “Connectivity Ecosystem Map”
- Address functional fragmentation in trading:
 - Rebalance roles between lit, dark and bilateral trading
 - Strengthen transparency and price formation on exchanges

Outcome: Deeper, more visible and efficient markets

Deliver simplification and competitiveness

- Reduce regulatory burden, especially for listed companies and SMEs, while preserving a fair balance between issuers’ competitiveness and the protection and interests of shareholders
- Ensure proportionality in frameworks such as DORA and CSRD (given the breadth and granularity of its reporting requirements), by calibrating requirements to firms’ size and risk profile to avoid unnecessary burdens.
- Apply a “competitiveness test” to new legislation
- Support:
 - Equity investment (tax incentives)
 - EU-wide savings products
 - Retail participation

Outcome: More attractive EU markets for issuers and investors

A strategic vision for European capital markets

Euronext’s vision is clear:

- A transparent market, where price formation happens on lit venues
- A liquid market, where capital flows freely across borders
- A competitive market, attracting listings and investment
- A resilient market, supported by robust infrastructure
- A strategic market, aligned with Europe’s autonomy and policy goals

Why Euronext is part of the solution - As a pan-European market infrastructure, Euronext:

- Operates across multiple EU jurisdictions
- Combines local depth with European scale & already delivers integrated trading and post-trade solutions

This positions Euronext as a natural enabler of capital markets integration