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## Press release

# EU Equity Markets are Working Well - AFME Urges Data-first Approach to Policymaking

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The Association for Financial Markets in Europe (AFME) today published its response to [ESMA's Call for Evidence on the market structure of European equity markets](#), welcoming the regulator's contribution to the current policy debate on the Market Integration and Supervision Package and calling on rulemakers to ensure policy decisions are grounded in evidence.

AFME highlights that ESMA's own findings demonstrate that European equity markets are stable, resilient, competitive and continuing to grow. This is an important conclusion, particularly as some market players have suggested that Europe's equity markets are in decline and that trading should be pushed back onto exchanges by way of regulatory intervention.

In reality, today's market structure is characterised by a diverse range of trading venues and execution methods that together deliver strong outcomes for investors. Over 90% of transactions still take place on exchanges and multilateral trading facilities (MTFs), demonstrating the continued strength of public markets alongside off-venue trading.

AFME emphasises that this diversity is a core strength of the European market. It encourages competition, supports innovation and allows investors to choose the best way to trade depending on their needs - all of which help grow equity markets overall.

**Adam Farkas, CEO of AFME said:** *"As the debate on equity market structure intensifies, it is critical that policy decisions are guided by evidence, not perception. ESMA's analysis shows clearly that EU equity markets are functioning effectively, with no signs of structural problems."*

*"Proposals to mandate trading back onto exchanges through regulatory intervention are trying to solve a problem that doesn't exist. The focus should instead be on ensuring markets continue to deliver the best outcomes for investors."*

AFME also explains that, in modern markets, prices are not set in just one place. Instead, they are shaped by trading activity across the market - including auctions, off-exchange transactions, published trade data and wider economic developments. There is no evidence that recent changes in how trading is carried out have weakened the quality of price formation.

Changes in where and how trading happens are largely driven by investor demand, new technology and evolving trading strategies, rather than by weaknesses in the system. AFME cautions against interpreting these changes as a sign that markets are not working.

Any regulatory action should be carefully targeted, proportionate, and based on clear evidence of risk or market failure.

Instead, AFME highlights that the biggest opportunity is to improve access to market data, particularly through the delivery of a high-quality consolidated tape - a single view of trading activity across the market. This would make it easier to see prices and available liquidity, helping investors make better-informed decisions.

AFME will continue to work with ESMA and policy makers to support a framework that strengthens transparency, competition and efficiency, while preserving the strengths of Europe's equity markets.

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**About AFME:**

The Association for Financial Markets in Europe (AFME) is the voice of the leading banks in Europe's financial markets, providing expertise across a broad range of regulatory and capital markets issues. We represent over 150 leading global and European banks and other significant market players. Our members play a vital role in Europe's financial ecosystem, underwriting around 90% of European corporate and sovereign debt, and 85% of European listed equity capital issuances. Importantly, AFME members are market makers, providing liquidity, which is essential for ensuring financial markets can function efficiently. We also represent law firms and other associate members which advise market participants and support AFME's legal and regulatory initiatives. For more information please visit the AFME website: [www.afme.eu](http://www.afme.eu)