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Towards a transparent Capital Markets Union

In September 2020 the European Commission adopted a New Capital Markets Action Plan. An important goal of the action plan is to stimulate market-based finance to sustain the recovery and the long-term growth to finance the green and digital transition of the economy. In order to make sound investment decisions, investors in capital markets must have access to a broad range of information about companies and financial products. **In this article, I would like to highlight two actions of the Commission's action plan which can stimulate the development of transparent capital markets: 1) Post-trade consolidated tape for equity and equity-like instruments and 2) the building of a European Single Access Point (ESAP).**

In the AFM's view, a real-time post-trade Consolidated Tape Provider (CTP) is an essential part of the CMU. A CTP would allow consolidation of market data at low cost, enabling market participants to get a comprehensive and accurate view of the market and facilitating price discovery. A CTP is needed to address the negative effects of fragmentation of markets and to counteract the market power of trading venues in selling market data. It would contribute to the CMU and a single market in the EU while it would supplement best execution policies for retail investors by improving the availability of common reference price information resulting from a fragmented market. Current barriers to the emergence of an equity CTP are the limited commercial rewards, the strict regulatory requirements, competition by data vendors and problems with data quality. We recognize there are some preconditions for the establishment of an equity CTP like sufficient data quality to make it meaningful, mandatory contribution, sharing of revenue with contributors, appropriate funding by users, full coverage and IT-aspects to face the challenge to make it operational in a short time frame. Whilst the AFM is supportive of establishing a CTP, we also note the practical constraints that should temper expectations. The operational preparation will take a few years, but if the preconditions mentioned above are taken into account, we are confident a CTP should have added value for market participants even without the UK participating.

Another essential part of the CMU is the building of a European Single Access point for companies' information. Therefore, the AFM supports the Commission's initiative in the creation of a European Single

Access Point (ESAP), as financial information is currently fragmented across different databases in different member states and difficult to access. A central access point will enhance the accessibility of financial and non-financial information. In order to make the establishment of ESAP successful in the AFM's view the Commission should adopt a phased approach. Whereby in the first stage ESAP serves as a platform to access all public information of companies with securities listed on EU Regulated Markets. When this is successful, the Commission could consider to enlarge the scope of ESAP to for example non-listed companies.