



associação de investidores
e analistas técnicos
do mercado de capitais

Board of Directors

Financial Stability, Financial Services and
Capital Markets Union
Directorate-General
(by email)

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Dear Ms. Fridely, Ms. Schaedle, and Mr. Wichern,

Thank you very much for inviting ATM to provide insights on the concept of a unified stock market within the European Union.

Our discussion held in Lisbon on December 4th, 2024, has significantly clarified the Commission's concerns. Reflecting on our conversations, ATM is prepared to propose several actionable steps toward realizing this ambitious and significant objective:

Key Observations:

1. **Challenges in Reaching Consensus:** Like the Commission, we acknowledge the substantial benefits a unified stock market could offer to European Union and its consumers and investors. Yet, we are also cognizant of the considerable challenges in reaching a consensus among member states on selecting a financial capital.



2. **Nature of Stock Exchanges:** Stock exchanges operate as private entities in a competitive market, aiming to maximize their market share.

3. **Market Data Fee Issues:** The privatization of exchanges has fostered competition and enhanced services but also introduced challenges, notably regarding market data fees. These fees can unfairly burden consumers and create distortions that disadvantage investors.

A Practical Suggestion:

To progress toward a unified European stock market, we propose that the European Union assume control over the market data feeds for European stocks traded across all exchanges. This measure would:

- **End Unjust Market Data Fees¹:** Centralizing control of stock market data under the Commission would eliminate the longstanding issue of exorbitant fees, encouraging exchanges to derive revenue from transaction fees rather than exploiting market data feeds.

- **Promote Transparency and Equality:** The Commission could ensure equal access to real-time pricing information for all investors, thereby leveling the playing field and fostering a transparent trading environment.

- **Facilitate Exchange Consolidation:** This initiative could indirectly promote the consolidation of European exchanges, aligning with the broader objectives of the Commission without directly intervening in private markets.

Steps Toward Implementation:

¹ See our campaign, which began on January 6, 2016, titled “Stop Market Data Fees,” at <https://www.stopmarketdatafees.com/>.

- **Regulatory Adjustments:** New laws would be required to end the monopolistic control over real-time price data, which should be considered public domain and managed by the Commission.
- **Eliminate Market Data Fees:** It should be prohibited for European exchanges to charge for access to trading prices, enabling smaller brokers and individual investors to compete more effectively.
- **Address Fragmentation and Gatekeeping:** By managing market data feeds, the Commission could prevent financial intermediaries and investors from incurring excessive costs, which currently distort markets and perpetuate inequalities.

The Role of a Consolidated Tape²:

As an initial step, we recommend that the European Commission take the lead in establishing and managing a Consolidated Tape to aggregate and disseminate market data across all European exchanges. This initiative should also include the standardization of data handling and the appointment of a single EU supervisor. Implementing this would:

- Ensure free and equitable access to price information for all investors.
- Facilitate the creation of a unified European exchange.
- Safeguard smaller brokers and financial intermediaries from unfair practices.

² See the position of the Stakeholders Group of ESMA, which included Octávio Viana, President of the Board of Directors of ATM, regarding the consolidated tape. He has consistently advocated for the regulation of access to market data, including standardization and the establishment of a single EU supervisor, which would lead to a level playing field and greater market transparency. For more details, see https://www.esma.europa.eu/sites/default/files/library/esma22-106-1926_soc_msg_meeting_12_july_2019.pdf and subsequent studies.



Conclusion:

This strategy offers the European Union an excellent opportunity to lead in promoting fairness, transparency, and equality in financial markets. By taking control of market data feeds and abolishing unfair practices, the Commission can safeguard investors and intermediaries while facilitating the creation of a unified European stock market.

In addition to the measures discussed, it is also imperative to consider other steps highlighted in our meeting, specifically:

1. **Pension Funding Crossed to All Member States of the EU:**

Pensioners should have the option to choose between the public pension schemes available in each member state (generally pay-as-you-go) and an EU retirement scheme based on a fully funded model, with the majority of capital invested in capital markets.

2. **A Common Legal Framework for All Member States:**

This includes standardizing the taxation of capital gains, the requirements for opening investment accounts, and enhancing investor protections through the improvement and creation of new directives and regulations.

3. **Taxation of Capital Gains to Encourage Investment:**

ATM advocates for capital gains taxation based only on gains realized at the time funds are withdrawn from investment accounts for consumption. This approach would allow taxation of actual investment gains when they are moved for other purposes, enabling investors to reinvest gains into new ventures without the dilution of taxes and providing a more efficient way to offset losses from year to year, akin to practices seen in investment clubs in Brazil.



We at ATM are eager to offer further insights or assistance as the Commission deliberates on these proposals.

Thank you once again for the opportunity to contribute to this critical discussion.

Yours sincerely,

(Octávio Viana)

President of the Board of Directors,
ATM – Portuguese Investors' Association

President of the Board of Directors,
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