

Fostering European capital markets

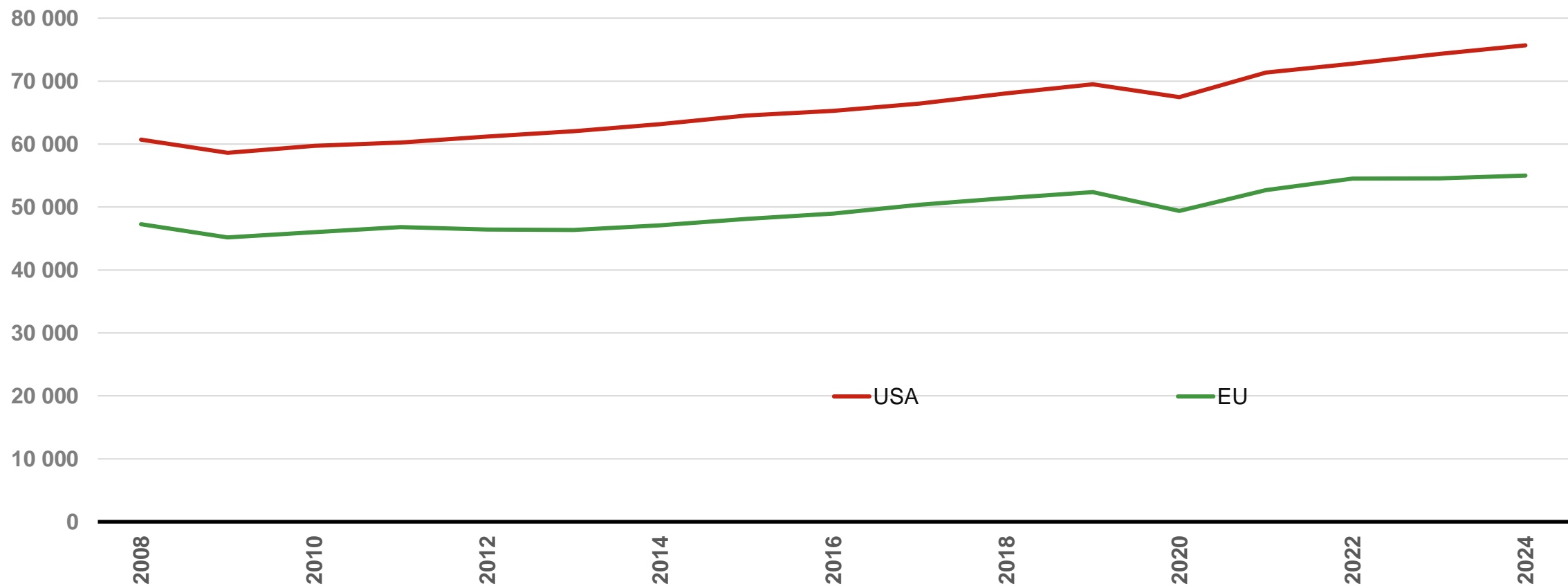
Niklas Wykman, Deputy Minister for Finance
12 November 2025



Europe is lagging behind

GDP per capita

Constant prices, PPP-adjusted values



Source: IMF



Regeringskansliet

Ministry of Finance

The Swedish capital market

500+

Number of
IPOs 2013-
2024

90%

Share of
households'
financial
assets held
in financial
instruments
and products

70%

Share of
population
with direct
investment
funds
holdings

13%

Sweden's
share of all
pension
assets in
the EU

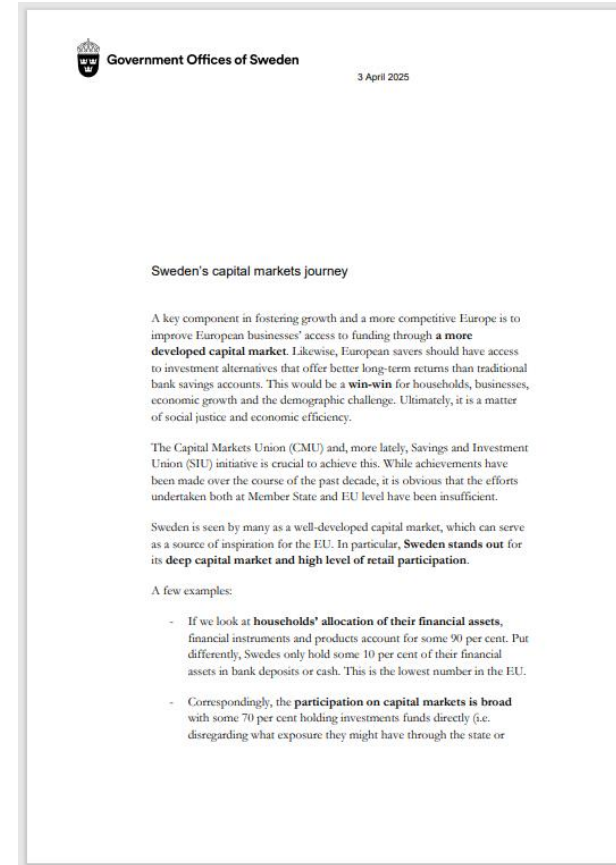


A role model?



Key components in the Swedish view

- Deep pools of institutional capital
 - Make it easy for households
 - Good corporate governance
 - No capital market without capitalists
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- Further reading: [Sweden's capital markets journey](#)



Deep pools of institutional capital

- A core feature of any capital market
- Mobilising the pension system is indispensable
 - Biggest volume of (potential) capital
 - The time horizon necessary to manage volatility
- Politically difficult – how to achieve?
 - Frank discussion on fiscal and demographic realities
 - Involve social partners
 - Gradual auto-enrolment into occupational pension schemes
 - Rationale: why should only the wealthy enjoy the return from stock markets?
- Broaden the ecosystem
 - The insurance sector also holds potential (with unit-linked investments)
 - Banks as a one stop-shop; SIU need not be to their detriment



Make it easy for households

- Lower the barriers for investment in equities
 - Avoid administrative burden
 - Tax policy can be a catalyst
 - The Commission's blueprint is a good starting point
- Retail participation will be self-reinforcing
 - Increasing interest from media
 - Pressure on fees and commissions
 - Learning by doing fosters financial literacy
- Avoid lock-in, promote diversification and ensure transparency towards retail investors

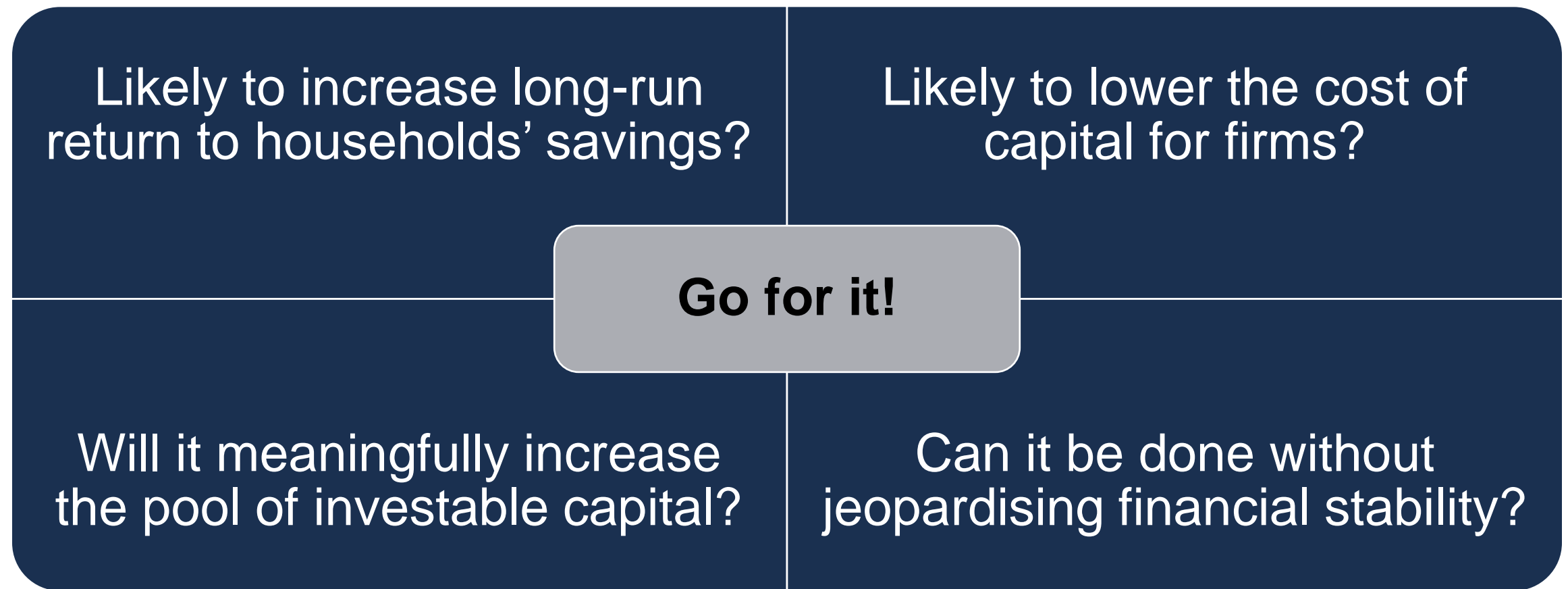
Good corporate governance

- Trust in capital markets hinges on trust in private enterprise
- Problem of asymmetric information needs to be addressed
- Protecting investors
 - Clear provisions on mandate and accountability of the CEO and the board of directors towards owners
 - Quality of disclosure
 - Minority shareholders
 - Predictability on the corporate purpose
- Well-governed firms → return to equity → interest in the stock market

No capital market without capitalists

- Successful entrepreneurs can play important roles as angel investors and providers of venture capital
- Crucial for start-ups and early scale-ups to have access to such funding
- Institutional investors cannot fully provide those functions
- Policy implications
 - Abolish wealth, inheritance and gift taxes
 - Facilitate the use of stock options
 - Avoid tax lock-in

A check list for reform proposals



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