

## Invest Europe’s response to the Targeted Consultation on Private Equity Exits

This document addresses only the consultation questions for which answers have been provided.

### 1. [PART I: Challenges for private equity exits and attracting private equity investors in the EU](#)

**1. Are there any significant regulatory and/or non-regulatory barriers that hinder private companies from accessing the capital they need to grow, including barriers that hinder investors from financing private companies?**

	Answer
Yes, domestic barriers (i.e. accessing the capital in the same Member State where the company is located)	X
Yes, cross-border barriers (i.e. accessing the capital in a Member State other than the Member State where the company is located)	X

**What are those domestic barriers? Please explain your answer to question 1:**

**Answer:**

Several barriers continue to constrain opportunities for European venture capital (VC) and private equity (PE) investments. This is well evidenced in the European Investment Fund’s (EIF) (2025) “EIF Equity Survey 2025” redacted with the support of Invest Europe – which collects venture capital (VC) and private equity (PE) fund managers’ perspectives across key indicators, whether in Europe, outside Europe, in particular in the United States, and without a European investment focus, to understand and compare their perception of European markets – and the report “The Insight: State of the European Private Equity Industry 2025” from Arthur D. Little and Invest Europe (2025).

The industry’s views highlight a few key challenges that are not only cyclical but are perceived as structural weaknesses of Europe’s equity ecosystem. Among the top five business challenges for startup investors, fundraising, capital availability and the exit environment remain a major concern. In 2025, the top three most important challenges were the fundraising environment, the availability of scaleup finance for portfolio companies, and the exit environment. In 2024, the exit environment was the top challenge, followed by fundraising and a lack of sufficient private domestic LPs, and, in 2023, the second most important, after fundraising, and preceded by a lack of sufficient private domestic LPs. For growth investors, fundraising is constantly the top challenge, always followed by political uncertainty. The exit environment ranked fourth in 2025 and 2024 and third in 2023, as after the company performance in 2025 and 2024, understandably so – fundraising comes long before exits take place, and concerns lie in the former given the current bottlenecks. And while the situation on exits has become somewhat more manageable, expectations on exit opportunities remain limited.

At portfolio company level, from an investor perspective, securing financing and liquidity remains the most important challenge for startups and a greater one compared to other operational matters – followed by customer acquisition and retention. This is less so the case for growth companies, where once again, geopolitical tensions put greater strain on companies.

These challenges are often the result of long-standing regulatory frameworks that do not match the modern financing needs of private companies. These obstacles manifest in the ability to fundraise, invest and exit.

On fundraising, different barriers prevent institutional investors from committing capital to private funds, as highlighted in our Position paper on the Savings and Investment Union – including regulatory technical requirements that make it difficult for public and private pension funds to commit capital to long-term funds, prudential rules (dis)advantaging long-term investments and make them costlier than they are, and the overall (limited) level of knowledge of investors, especially in certain corners of Europe, on the benefits that certain asset classes can have – as well as slow and inconsistent national authorisation processes, gold-plating and varying supervisory fees.

On investment, barriers relate primarily to restrictions affecting the investable universe of companies, as well as administrative burdens. In particular, the misclassification of PE/VC-backed companies stemming from the SME definition, as well as from State aid rules, the “undertaking in difficulty” definition, and emerging classifications for “startups”, “scaleups” and “innovative enterprises”, limit access to regulatory relief and public support. While these rules do not directly prohibit investment, they create a “cliff-edge effect”, whereby companies lose eligibility for incentives and support once they receive equity investment. This discourages risk capital deployment and reinforces Europe’s structural reliance on more traditional, and often less suitable, forms of financing. In addition, national administrative burdens – including those related to sustainable finance frameworks – and uneven supervisory practices reduce managers’ capacity to deploy capital efficiently.

On exits, domestic barriers are linked to the limited depth and attractiveness of public markets. The relatively low number of IPO opportunities in Europe, combined with extensive disclosure requirements – including financial and sustainability reporting obligations – increases the cost and complexity of going public. This constrains exit options for investors and reduces the overall attractiveness of investing in high-growth European companies.

### **What are those cross-border barriers? Please explain your answer to question 1:**

#### **Answer:**

Invest Europe’s data shows that cross-border investment activity (i.e., from Germany to France) is significant and growing, particularly for PE, and while somewhat less prevalent in VC, it remains a notable share of the market. In 2024, cross border investments within Europe represent 32.3% of all investments within the continent (up from 28.6% in 2023 and 29.9% in 2022) demonstrating that cross-border activity has become more prominent over the past two to three years. For VC specifically, cross border investments within Europe represent 30.7% of VC investments within the continent in 2024 (compared to 27.7 % in 2023 and 36.3% in 2022). This growth in cross-border ownership and operations makes multi-jurisdictional fundraising, investments and exits a potentially increasing and important, yet difficult, feature of the European private capital landscape.

In fact, the EIF’s (2025) “EIF Equity Survey 2025” identifies, in Europe, the lack of scaleup capital, the limited exit opportunities, constrained access to capital, low risk-taking attitude, and the lack of adequate market integration as obstacles created by, amongst others, its fragmented markets (different rules and practices across countries), in addition to limited capital, especially for scaleups, and the current risk appetite, weighing on Europe’s competitiveness.

On fundraising, to raise funds across borders, fund managers require simple and harmonised rules. While improvements have been made to the AIFMD passport, as well as voluntary vehicles EuVECA and ELTIF, more can be done to tackle the many barriers that fund managers continue to face when marketing cross-border. The level of experience of the national competent authority also plays a

crucial role in determining whether a manager is interested in using a passport. In many cases, the lack of technical support at the authority's level makes it more difficult for managers to go for the EuVECA regime. Moreover, cross-border barriers arise from multiple host-state fees, and fragmented supervision, which make EU-wide fundraising costly.

On investments, a fundamental barrier is the lack of harmonisation in corporate, insolvency, and contract law across the EU. For investors and companies, this means: navigating 27 different legal systems, as well as increased legal costs and transaction complexity. In addition to the potential lack of foreign market knowledge and geographic distance to portfolio companies, this bureaucratic complexity, and compliance and reporting burdens for companies operating across multiple EU jurisdictions discourage cross-border expansion within the EU. In some cases, companies even find it easier to expand to the United States than to scale across European markets. In addition, cross-border barriers arise from complex regulatory frameworks (e.g. the Foreign Subsidies Regulation (FSR)) that increase the cost, complexity and risk for investors seeking to invest across jurisdictions, as well as disparities in insolvency and tax regimes, which contribute to creating legal uncertainty and high compliance burdens – in addition double taxation risks – and fragmented supervision, which limits the flow of private capital across the Single Market.

On exits, European startups and scaleups increasingly choose to go public in the US, especially through NASDAQ, instead of on European exchanges. In particular, many European-founded companies in strategic and innovative sectors are opting for US listings despite their European roots. This is a relocation that has significant costs on the European economy – jobs, tax revenues, and strategic economic assets – but also represents a huge missed opportunity. This lost value reflects not only capital that have could have been risen in the EU, but also future growth that benefits other ecosystems rather than European markets. And the motivation is simple: the U.S. offers an ecosystem that rewards success, including a better-integrated listing and trading ecosystem that Europe currently struggles to match, in addition to deeper and broader pools of capital. For instance, the lack of a harmonised equity market contribute to more shallow capital markets compared with the United States, including the absence of a single European stock exchange. As a result, IPO activity is more limited and M&A activity is comparatively weaker, reducing the range of viable exit opportunities available to investors.

Interestingly, fund managers rarely observe relocation or a reduction in focus on the US market following investment from European funds in US companies, suggesting an asymmetry in the attractiveness of the markets.

**2. How could the barriers identified in question 1 be removed or mitigated through targeted regulatory or other measures?**

**Answer:**

In practice, this means:

- revising the [IORP and PEPP frameworks](#) to better incentivise pension funds to allocate capital to long-term assets,
- revising the [CRR framework](#) to ensure that banks' investments in long-term equity funds are not unduly penalized,
- streamlining authorisation processes and remove barriers with the [Market Integration proposal](#)
- revising the [EuVECA and AIFMD framework](#) to make it easier for small and mid-sized managers to operate cross-border

- advancing market integration, streamlining authorisation processes and improving the consistency of supervisory practices would significantly enhance cross-border capital raising,
- creating a more appropriate definition of [sophisticated investors](#), to broaden the pool of capital able to invest in private markets,
- improving financial literacy and understanding of private market asset classes, which remains important, particularly in parts of Europe where institutional familiarity with these instruments remains limited,
- [excluding investments](#) made through EU-based GPs managing collective investment undertakings, where LPs hold no control or governance rights,
- targeting screening to cases where a non-EU entity has direct or indirect control over the EU target, not where capital is passively committed,
- ensuring proportionate, predictable, and cost-efficient [merger control](#) that supports EU investment, innovation, and SME growth through clearer and expanded safe harbours, well-defined presumptions, and explicit recognition of private equity's distinct structures and incentives,
- making the EU budget fit for purpose of private investments,
- building on the Commission's Recommendation on Small Mid-Caps (SMCs) and the Recommendation on innovative enterprises, startups and scaleups, so as to better reflect the independence of private capital-backed portfolio companies within the [SME framework](#),
- unleashing a more open and pragmatic approach to [state aid](#), considering the diversified financing needs of all companies,
- ensuring the stated objectives of comparability are met and a level playing field is achieved in both [sustainability reporting \(European Sustainability Reporting Standards\)](#) and [categorisations systems \(SFDR\)](#), in a way that supports proportionality, and is adaptable to the diversity of asset classes, business models, and investors within scope,
- eliminate tax barriers and create a coherent, [investment-friendly tax framework](#) across Europe by reducing fragmentation, simplifying withholding tax procedures (including relief-at-source mechanisms), ensuring tax neutrality between investment channels, promoting long-term investment incentives for investors.
- strengthening the attractiveness of European public markets as an exit route, including by improving the overall functioning of the European listing and trading ecosystem.

### 3. Would a more transparent valuation of private company shares support private equity investments?

**Answer:**

PE investments already operate within a well-developed transparency framework between fund managers and investors. Importantly, this transparency is designed to reflect the characteristics of private markets, where investments are long-term, valuations rely on detailed financial analysis, and information disclosure must take into account commercial sensitivity. Transparency around the valuation of private company shares is, in particular, established through existing industry standards and investor reporting practices, which are publicly available and openly accessible, to promote consistency and comparability across the private capital industry.

Concerning valuations, the 2025 [International Private Equity and Venture Capital Valuation \(IPEV\) Guidelines](#) provide globally recognised and comprehensive principles for estimating fair value, in line with financial reporting standards such as IFRS and US GAAP. These guidelines ensure consistency, methodological rigour and transparency in the valuation of private assets, and are

widely adopted across the industry. Valuations are regularly reviewed through internal governance processes and are subject to oversight by auditors, investors and, where relevant, independent valuation experts.

In addition, transparency in private markets is reinforced through structured investor reporting frameworks, which already provide a high level of information to investors regarding portfolio valuations and performance. [Invest Europe’s 2024 Investor Reporting Guidelines](#) set out comprehensive reporting standards covering detailed disclosures on portfolio valuations, valuation methodologies, performance metrics and developments affecting portfolio companies. This ensures that institutional investors receive structured, consistent and meaningful information allowing them to assess portfolio performance and valuation evolution over time.

**4. On a scale from 1 (strongly disagree) to 5 (strongly agree), how much need is there to support access of a wider range of institutional/professional investors (other than private equity and venture capital funds) to private companies looking for funding outside a bilateral framework, such as via multilateral marketplaces, for example a multilateral intermittent trading platform?**

	Answer
1 – Strongly disagree	
2 – Disagree	X
3 – Neutral	
4 – Agree	
5 – Strongly agree	
Don’t know / no opinion / not applicable	

**Please explain your answer to question 4, giving examples of means through which it could be achieved:**

**Answer:**

Before responding, it is important to clarify that the wording of this question at times conflates the roles of investors (LPs) and PE/VC fund managers (GPs), which are distinct and should be differentiated.

Investors typically invest in private markets through funds and do not directly buy or sell portfolio company shares. These transactions are carried out by GPs, who play a central role in sourcing, executing and managing investments, as well as in determining exit routes. The wording of this question assumes they are the same.

The private capital ecosystem already serves as an effective mechanism for channeling institutional capital into private markets. PE/VC funds play a central role in facilitating institutional investment in private companies, they exist precisely to intermediate access to private companies. As such, many institutional investors access private companies primarily through private capital funds, which provide diversified exposure, professional investment management, strategic oversight and long-term capital aligned with company growth strategies.

Multilateral marketplaces or intermittent trading platforms could play a complementary role, particularly in providing additional liquidity options for certain investors. However, any such mechanisms should be designed carefully so that they do not undermine the governance structures, long-term investment horizons and active ownership model that characterise PE/VC investment.

Private markets differ fundamentally from public markets: transactions are typically negotiated, investment horizons are longer, and investors play an active role in supporting the strategic development of portfolio companies. As a result, any initiative to broaden access should ensure that companies retain control over participation and disclosure, and that investor protections and governance arrangements remain consistent with the private market environment.

Overall, while there may be some need to support broader participation of institutional investors in private company funding, this should be done without replacing the existing private capital fund management model, which remains a core channel through which institutional investors finance private companies and support long-term economic growth and innovation.

**6. On a scale from 1 (much higher) to 5 (much lower), how do the costs referred to in Question 5 compare to the costs of bank lending, private credit, public-market or other options for similar firms?**

	1 (much lower)	2 (lower)	3 (neutral)	4 (higher)	5 (much higher)	Don't know / No opinion / Not applicable
Bank lending						X
Private credit						X
Public market (IPO)						X
Other options						X

**7. On a scale from 1 (strongly disagree) to 5 (strongly agree), do you consider that the costs associated with a traditional transaction concluded with a private equity or venture capital fund may limit the access to the funding necessary for the development of private companies?**

	Answer
1 – Strongly disagree	X
2 – Disagree	
3 – Neutral	
4 – Agree	
5 – Strongly agree	
Don't know / no opinion / not applicable	

**Please explain your answer to question 7:**

**Answer:**

The underlying approach of assessing fee ranges and comparing costs across financing types is not the most informative lens.

First, all forms of financing – whether private capital, debt or public markets – entail costs, but in particular: any attempt to assess PE/VC fund managers purely through a cost lens overlooks the distinct role these instruments play. Comparing costs of PE/VC fund managers to bank lending, private credit or public markets assumes that these financing instruments are substitutable and comparable, which is not the case. PE/VC fund managers provide risk-bearing, long-term equity capital financing for unlisted companies, combined with strategic support and expertise – reflecting

the role of the GP in providing LPs with access to diversified portfolios and specialised expertise in sourcing, executing and managing investments – and are compensated through value creation, which is fundamentally different from debt or public market instruments in both function and purpose. Debt financing, is based on fixed repayment obligations and a different risk-return profile. Public markets provide liquidity and price discovery, but typically do not involve the same level of long-term engagement, or active value creation as private market investors. Most importantly, equity plays a distinct economic role, particularly in financing innovation: evidence ([Eurostat, 2025](#)) shows that while debt is more widely used overall, equity is disproportionately used to finance innovation and R&D. Around half of companies raising equity use it (fully or partially) for innovation, a significantly higher share than for debt-financed firms. This reflects the fact that innovation involves high risk, long time horizons and uncertain outcomes, which are structurally better suited to equity than debt.

Second, in PE/VC, costs are carefully planned and budgeted from the outset, including legal, regulatory, advisory, and administrative costs, and transparent to investors prior to commitment, subject to governance, disclosure requirements, and often caps (for certain expenses). So, costs are embedded in the fund structure: well-defined, structured and agreed upfront in the fund formation documents. These documents clearly set out the level and basis of management fees, the treatment of transaction and other fees, the carried interest structure, and the allocation of fund operating and formation expenses.

**8. On a scale from 1 (strongly disagree) to 5 (strongly agree), to what extent could the buying and selling process of private company shares be made more efficient on primary and secondary markets in the EU?**

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know -No opinion -Not applicable
Primary markets		X				
Secondary markets		X				

**Please explain your answer to question 8:**

**Answer:**

“Efficiency” as in transaction speed, costs, ease of execution, access to counterparties and availability of information is not the problem in private markets.

For primary markets, transactions are already highly structured, negotiated and tailored to the needs of companies and investors. Processes such as due diligence, governance design and investor alignment are core features ensuring appropriate risk assessment and long-term value creation. On the selling or exit side, to the extent that any inefficiencies arise, these are mostly visible in IPOs, which offer slower and more uncertain liquidity compared to trade sales or sales to another PE firm, due to longer lock-up periods, greater uncertainty and more gradual realisation.

For secondary markets, a market also already exists and continues to evolve. One of the most significant structural developments in the current exit landscape is the rise of continuation funds. More than two-thirds of surveyed managers expect increased use of such vehicles, making them the most active anticipated exit route. Continuation funds are not new. Historically, they were used primarily to manage more challenging companies that need more work away from the main fund.

However, their function has shifted materially. They are now increasingly used to retain high-performing assets for longer, either to capture further valuation recovery or to support an additional growth phase. In that sense, they have evolved from a defensive restructuring tool into a proactive portfolio management strategy. Yet, their expansion is also closely linked to ongoing challenges in traditional exit channels, as they provide a mechanism to defer realization rather than accept a sale below target valuations. At the same time, well over half of limited partners (LPs) still prefer a traditional exit, even at lower-than-expected valuations. A more active exit environment – particularly with stronger IPO markets and higher valuations – could reduce reliance on continuation funds, but these will remain a durable part of investors and fund managers’ strategies. Their growing use reflects challenges in traditional exit channels rather than inefficiencies in transaction processes.

The real constraints in private markets, both primary and secondary, lie in broader structural factors affecting the entire investment lifecycle, including: fragmented European capital markets and legislative systems, limited depth, lower analyst coverage, and insufficient participation of long-term institutional investors. Overall, improving the functioning of private markets in Europe requires addressing these structural barriers to fundraising, investment and exit, rather than focusing solely on transaction-level efficiency (please see our answer to question 1). Technical solutions alone, such as trading platforms, are therefore unlikely to materially change market outcomes. As such, there is limited scope to increase “efficiency”, especially through transaction-level changes alone.

**9. What are the main barriers to a more effective and efficient secondary market for private company shares?**

**Answer:**

Please see our answer to question 8.

**10. According to you, which holders of private equity, including in specific categories of companies, struggle today to exit their investment at a fair cost and under a predictable timeline?**

	<b>Answer</b>
All companies	
Companies in the start-up phase	X
Companies in the scale-up phase	X
Companies in the midcap phase	X
Companies in other stages	X
Companies located in a different Member State than the Member State(s) of (the majority of) holders of its equity	X
Companies located in the same Member State as the Member State(s) of (the majority of) holders of its equity	X
Companies in a specific sector	X

**Since you selected “Companies in other stages” in your answer to question 10, please specify to what other stages you refer:**

**Answer:**

Turnaround and distressed situations stand out as particularly unpredictable. As per Invest Europe’s data, their holding periods in the EU27 swing dramatically – from 4 years to more than 7 years between 2007 and 2014 – and have increased by 9% over the same period, and by 18% over the past 5 years (2020-2024), underscoring that companies in structurally challenged or financially stressed conditions face significant and unpredictable exit timelines, regardless of stage or sector.

Since you selected “Companies in a specific sector” in your answer to question 10, please specify to what specific sector(s) you refer in your answer to question 10:

**Answer:**

From a sector point of view, your all PE sector table (2024), the top 3 sectors by divestment value are: Consumer goods & services, Business products & services, and ICT. However, risk aversion remains particularly acute in the early stages, and especially in specialist funds that are often concentrated in strategically important and innovative industries, such as biotech and healthcare.

Please explain your answers to question 10:

**Answer:**

Not all companies struggle to exit, but exit conditions have become more challenging across all stages.

Over an 18-year period (2007-2014), in the EU27, the average holding period of all PE portfolio companies increased by about one year, now shifting to a 6 years average. Buyout average holding periods have particularly risen (40%) over the same period. Growth and venture average holding periods have also increased – 23% and 6% respectively – but not as much as buyout, although, in a very volatile manner – sometimes even going up to 7.3 years in late-stage venture, and still increasing substantially, in particular within the venture ecosystem, seed average holding periods have increased by 20%. Over the past 5 years (2020-2024), holding periods remain consistently high. This suggests structural, not market, changes in the private capital ecosystem: companies need longer scaling periods, and exit markets have become less predictable.

The exit environment is also deeply affected by fundraising and investment activity. Although, in Europe, we have a large inventory of early-stage companies, there is a persistent struggle to convert these promising young companies into globally competitive scaleups. Invest Europe’s fundraising data shows that while VC is earlier in the recovery cycle than buyouts and growth equity, capital availability for later stages remains uneven. Although there was a modest rebound in 2024, growth funds remain structurally smaller than they were before the market correction, unlike VC. All while buyout fundraising peaked in 2022 and then declined sharply over the 2022-2024 period, falling by roughly 43%. This suggests that capital is flowing back more readily to early-stage innovation than to the scaleup phase.

The investment data also reinforces this picture. Capital deployment rebounded in 2024 after the 2023 slowdown, but the number of companies financed continued to fall – a shift toward larger tickets for fewer companies, reflecting greater selectivity and risk aversion across the market. However, compared to their 2021 peak, almost half of total growth investments has disappeared. Buyout investment activity has been volatile but recovered in deployment faster than in fundraising, pointing to the use of existing dry powder rather than renewed capital inflows.

All of this creates a persistent bottleneck, especially as sales to another PE firm remains one of the top exit routes.

On top of all of this, cross-border exits are usually harder, described by fund managers as burdensome – especially in the context of more complex exits. A multi-jurisdictional exit, such as the sale of a company whose structure, operations, or legal obligations span multiple countries, involves compliance with different legal and regulatory frameworks, tax regimes, merger control requirements, or stock exchange rules, which add pressure to exit planning, particularly for high-growth companies. These costs are not limited to legal fees, but extend to prolonged timelines,

higher advisory costs, and increased execution risk – factors that can meaningfully influence an investor’s choice of exit route.

Please see our answer to question 12 for more details on exit venues.

**11. On a scale from 1 (completely unimportant) to 5 (very important), to which extent does the lack of suitable exit options prevent institutional investors from providing funding to private companies?**

	Answer
1 - Completely unimportant	
2 - Rather unimportant	
3 - Neutral	
4 - Important	X
5 - Very important	
Don't know / no opinion / not applicable	

**Please explain your answers to question 11:**

**Answer:**

The availability of suitable and timely exit options is a key determinant in realising returns. As such, weak or uncertain exit conditions can act as a significant constraint on institutional funding for private companies. Where exit options are delayed or less attractive, such as in the case of IPO markets in Europe, this negatively affects the risk-return profile of investments and reduces investor appetite

However, exit conditions should not be viewed in isolation from the broader market environment and constraints (please see our answer to question 1).

**12. On a scale from 1 (main option) to 5 (hardly ever used), what are the currently available exit options for investors in private companies? You may attribute the same ranking to several options:**

	1 (main option)	2 (often used option)	3 (neutral)	4 (not so used option)	5 (hardly ever used option)	Don't know -No opinion -Not applicable
Management buyout (company’s management buys out the investor’s stake)					X	
Merger & acquisition/ Secondary buyout (e. g. trade sales; selling shares to another (non-financial) company/competitor)		X				
Secondary buyout by an institutional investor (e.g. sale to another PE firm)	X					
Secondary sale of some shares to other existing investors within the company			X			

Secondary sale of some shares to new investors outside the company			X			
Public listing (IPO)			X			
Liquidation of the private company				X		
Other				X		

**Please specify to what other option(s) you refer in your answer to question 12:**

**Answer:**

Anything not highlighted above. Please see our answer here below.

**Please explain your answers to question 12:**

**Answer:**

Before responding, it is important to clarify that the wording of this question at times conflates the roles of investors and PE/VC fund managers, just as in question 4.

The wording of this question (and the related options) assumes they are the same. For instance, the reference to “Secondary buyout by an institutional investor (e.g. sale to another PE firm)” is inaccurate. Secondary buyouts, from a PE firm to a PE firm, are transactions between GPs, not investors. This distinction remains fundamental to the functioning of private markets and should be clearly reflected in both the framing of the question, its subsequent interpretation and any follow-up actions. For the purpose of this response, the question is therefore interpreted from the perspective of investors allocating capital through GPs, and, consequently, how GPs execute exits from portfolio companies.

According to Invest Europe’s data on divestment market statistics at cost in the EU27 – meaning the total amount divested is equal to the total amount invested before, according to the country of portfolio company regardless of the location of the private equity firm – in 2024, the European exit improved, although cautiously and unevenly. After a weak 2023, divestments at cost jumped to €46bn, up 45%, which signals that deals that had been postponed during tighter financial conditions started to move again. Even the number of companies exited increased (+10%).

But the type of exits matters, the dominant route across all PE was sale to another PE firm (44%), followed by trade sales (23%), public offerings (8%), repayments of preference shares/loans or mezzanine (7%), sales to financial institutions (6%), write-offs (5%), other means (5%), and management/owner buyback (2%).

In buyouts, nearly half of exit value came from PE-to-PE transactions (47%) while in growth over a third (36%). Liquidity is being generated within the private markets ecosystem. And this is because IPO markets are still difficult, certain buyers are cautious, and public valuations are not consistently supportive. Other exits in buyout included: 21% in trade sales, 7% in other means, 7% sales to financial institutions, 6% in public offerings, 6% in repayments of preference shares/loans or mezzanine, 4% in write-offs, and 2% in management/owner buyback. In growth, other exits included: 26% in trade sales, 13% in repayments of preference shares/loans or mezzanine, 8% in public offerings, 5% sales to financial institutions, 5% in write-offs, 5% in management/owner buyback, and 2% in other means.

Concerning venture divestments, these rose only by 12% (compared to the 49% increase in buyout divestments, and the 45% increase in growth divestments), and the number of companies exited was still slightly below the five-year average. Early-stage companies have not experienced the same strength in exit conditions as buyouts. Venture exits rely more on trade sales (37%) – compared to 23% in sales to another PE firm, 19% in write-offs, 8% in public offerings, 5% in repayments of preference shares/loans or mezzanine, 3% in management/owner buyback, 3% in other means, and 2% sales to financial institutions – and they are heavily concentrated in ICT (42%). So the recovery in venture is narrower, sector-driven and more dependent on strategic buyers.

However, divestments at cost in the first half of 2025, declined by 42% compared to the same period in 2024, suggesting that the rebound seen in 2024 has not carried forward. Important to note, is that, just like in 2024, the dominant routes remain sales to other PE firms, and trade sales, accounting together for 56% of total exit value in H1 2025.

**13. What are the main issues/barriers associated with the exit options listed in Question 12 and what could be possible solutions to address them? Please explain your answers**

	<b>Issues/barriers</b>	<b>Possible solutions</b>
Management buyout (company’s management buys out the investor’s stake)	Please see our answer to question 1	Please see our answer to question 2
Merger & acquisition / secondary buyout ((e. g. trade sales; selling shares to another (non-financial) company/competitor)	Please see our answer to question 1	Please see our answer to question 2
Secondary buyout by an institutional investor (e.g. sale to another PE firm)	Please see our answer to question 1	Please see our answer to question 2
Secondary sale of some shares to other existing investors within the company	Please see our answer to question 1	Please see our answer to question 2
Secondary sale of some/partial shares to new investors outside the company	Please see our answer to question 1	Please see our answer to question 2
Public listing (IPO)	Please see our answer to question 1	Please see our answer to question 2
Liquidation of the private company	Please see our answer to question 1	Please see our answer to question 2
Other (please specify to what other exit option(s) you refer)	Please see our answer to question 1	Please see our answer to question 2

**14. What can the EU do to support the solutions identified in Question 13? Please explain your answers.**

	<b>Possible EU action</b>
Management buyout (company’s management buys out the investor’s stake)	Please see our answer to question 2

Merger & acquisition / secondary buyout ((e. g. trade sales; selling shares to another (non-financial) company/competitor)	Please see our answer to question 2
Secondary buyout by an institutional investor (e.g. sale to another PE firm)	Please see our answer to question 2
Secondary sale of some shares to other existing investors within the company	Please see our answer to question 2
Secondary sale of some/partial shares to new investors outside the company	Please see our answer to question 2
Public listing (IPO)	Please see our answer to question 2
Liquidation of the private company	Please see our answer to question 2
Other (please specify to what other exit option(s) you refer)	Please see our answer to question 2

## 2. [PART II: A platform for the intermittent multilateral secondary trading of private company shares](#)

### 2.1. General

**15. On a scale from 1 (no added value) to 5 (very high added value), would you see in general added value in having a possibility (upon the issuer’s agreement/request) for private company shares to be traded on a multilateral platform in a private and intermittent way?**

	Answer
1 - No added value	
2 - Low added value	X
3 - Significant added value	
4 - High added value	
5 - Very added value	
Don’t know / no opinion / not applicable	

**Please explain your answers to question 15:**

**Answer:**

A possibility for private company shares to be traded on a multilateral platform, in a private and intermittent way and upon the issuer’s agreement, could have some usefulness in a limited number of cases, notably for mature late-stage companies and complex transactions involving many sellers and a small number of buyers. However, the general added value would remain low.

First, secondary transactions already take place through intermediaries and organised bilateral processes, and the main barriers to better exits in Europe are structural rather than technical (please see our answers to question 1). A platform does not by itself create investor appetite.

Second, the platform would also bring practical limitations. Such a platform would likely be relevant only for a narrow segment of the market. This kind of mechanism appears much more relevant for post-Series C and mature companies, where information is more available and assets are more stable, while early-stage companies are generally not appropriate for this kind of intermittent trading – where deal dynamics are also different. On top of this, the clearest use case is where there are many minority sellers and a small number of buyers, and where the platform can make execution easier by coordinating documentation, and logistics.

Lastly, companies may also be reluctant to use it because they want to retain control over their shareholder base, avoid unnecessary price transparency and limit disclosure of sensitive information.

The biggest challenge is, therefore, supply and demand, and especially the lack of sufficient buyer demand. It would only work if it is linked to real investor appetite, where buyers and sellers already exist. Taken together, these factors reduce the prospect of broad market uptake.

**16. On a scale from 1 (strongly disagree) to 5 (strongly agree), do you consider that such private and intermittent trading of private company shares on a multilateral platform would specifically improve access to capital for such companies?**

	Answer
1 – Strongly disagree	
2 – Disagree	X
3 – Neutral	
4 – Agree	
5 – Strongly agree	
Don't know / no opinion / not applicable	

**Please explain your answer to question 16:**

**Answer:**

A private and intermittent trading of private company shares on a multilateral platform would, in itself, not meaningfully attract new investors or address the main constraints on financing. Meaningful improvement would instead require measures that deepen investor demand and strengthen the wider capital market environment (please see our answers to question 1).

**17. What characteristics would such a framework need to have to be successful and equally attractive for all parties (potential buyers, sellers, companies)?**

**Answer:**

A successful and attractive framework would need to be targeted, practical and market-led, rather than trying to create a quasi-public market for private shares. It should:

- remain strictly private and issuer-controlled. A key condition is that companies must retain control over whether their shares can be traded, who can access the process, and who ultimately enters their cap table. Companies do not want unwanted shareholders, do not want prices becoming broadly visible, and do not want to lose control over share transfers. A workable framework would therefore need to be based on issuer agreement, limited access, and strong protections for company control over the shareholder base.
- rely on trusted, not fragmented market infrastructure by having one reputable institution involved. The framework would need to be operated, supervised, or supported by a trusted market actor and embedded in a coherent structure, rather than creating multiple disconnected venues with shallow liquidity.
- not blur the line between private and public markets. Private and public markets should be optimised separately, rather than merged into a hybrid model. A successful framework would need to preserve the specific features of private markets – negotiated access, selective information-sharing, issuer control and limited trading windows – instead of trying to replicate a public exchange model.

- avoid imposing public-market style disclosure burdens. One of the strongest practical concerns lies on disclosure. Companies would resist extensive information-sharing requirements. In addition, non-disclosure agreements (NDAs) already take time in private transactions, and importing public-market-style transparency rules into private markets would be unworkable. For the framework to be attractive, disclosure requirements would need to be proportionate, confidential and tailored to private markets, while still giving buyers enough information to assess the transaction.
- be accompanied by broader market reforms. This kind of framework cannot succeed in isolation. There is a deeper need for stronger institutional investor participation, more integrated European capital markets and a stronger pre-IPO ecosystem. So the framework itself will only be credible and attractive if it sits within a broader effort to improve the overall fundraising-to-exit chain.

**18. On a scale from 1 (strongly disagree) to 5 (strongly agree), to what extent could an EU Regulatory framework for intermittent trading of private company shares help improve the situation with private equity exits?**

	Answer
1 – Strongly disagree	
2 – Disagree	
3 – Neutral	X
4 – Agree	
5 – Strongly agree	
Don't know / no opinion / not applicable	

**Please explain your answer to question 18:**

**Answer:**  
 An EU framework could be seen as a useful but secondary measure: it may help remove some friction and support certain transactions at the margin – and highly conditional on the framework being designed with the right characteristics (please see our answers to questions 15 and 17).  
 Nevertheless, meaningful progress on exits would require broader reforms to deepen capital markets, strengthen institutional demand, and improve the overall fundraising-to-exit chain (please see our answers to question 1).

**19. What main added value could companies and investors derive from a dedicated platform for intermittent trading in private company shares? Please rank the options on a scale from 1 (little added value) to 5 (significant added value). You can attribute the same ranking to several options:**

	1 (no added value)	2 (low added value)	3 (significant added value)	4 (high added value)	5 (very high added value)	Don't know - No opinion - Not applicable
Reduced search costs for new investors (bringing together all players that are interested in acquiring private company shares).		X				

Creating or improving the private shares' liquidity		X				
Improving transparency on price formation for private shares		X				
Faster time-to-market for private shares		X				
Reduced risk/uncertainty for investors (buyers) due to regulatory safeguards		X				
Reduced risk/uncertainty for investors (sellers) due to regulatory safeguards		X				
Economies of scale which could bring down transaction fees/costs		X				
Easy/standardised option to transfer stake to another investor			X			
Other						X

**Please explain your answer to question 19:**

**Answer:**

While a dedicated platform could provide some operational benefits – such as improving standardisation – its overall added value is likely to be limited.

The main problem is not matching buyers and sellers, PE/VC fund managers already perform key intermediation functions in private markets (please see our answers to questions 4, 7, and 8). In fact, the issue is not the absence of a venue, but the lack of investor demand and the existence of structural barriers (please see our answers to question 1).

**20. On a scale from 1 (strongly disagree) to 5 (strongly agree), would you consider that private intermittent trading on a multilateral platform is likely to reduce the costs of raising capital for private companies compared to a conventional bilateral sale with a private equity or venture capital fund?**

	Answer
1 – Strongly disagree	
2 – Disagree	X
3 – Neutral	
4 – Agree	
5 – Strongly agree	
Don't know / no opinion / not applicable	

**20.1 Please give an order of magnitude (in %) of cost reduction compared to the original cost of raising funding via a traditional private equity transaction and explain your answer. If relevant, please indicate where the platform may on the contrary increase the cost:**

	<b>Order of magnitude (in %) of cost reduction compared to the original cost of raising funding via a traditional private equity transaction</b>
Transaction fees	NA
Legal fees (including compliance checks)	NA
Advisory fees	NA
Notary/registry fees	NA
Search (for investors) and information costs	NA
Others (please specify)	NA
Total	NA

**Please explain your answer to question 20.1:**

**Answer:**

The comparison between intermittent trading on a multilateral platform and conventional bilateral transaction with a PE/VC fund should be approached with caution, because these are not equivalent or fully substitutable mechanisms.

A bilateral PE/VC transaction is not simply a way to transfer shares at a certain cost. It is a long-term financing relationship that entails strategic support and expertise. By contrast, intermittent trading on a multilateral platform would primarily serve as a mechanism to facilitate certain secondary transactions or transfers of existing shares, rather than a substitute for the core role played by PE/VC fund managers.

At most, a platform may help standardise or streamline parts of the transaction process. However, any such efficiency gains would likely be limited and highly conditional. In particular, disclosure requirements, issuer control considerations, limited use cases, and the need for sufficient buyer demand could just as easily add complexity and cost rather than reduce them.

**21. According to you, which of the following categories of investors should be allowed to acquire existing private company shares via a private intermittent trading platform?**

	<b>Answer</b>
Investment Funds (including venture capital and private equity funds)	X
Pension funds (including IORPs)	X
Investment firms	X
Credit institutions	X
Insurance companies	X
High-net-worth individuals	X
Non-financial corporates (strategic investors)	X
Employee shareholders of eligible companies	X
All retail investors	
Others	

**Please explain your answer to question 21:**

**Answer:**

Access to a private intermittent trading platform should reflect the specificities of private markets and be in line with current market practice, ensuring that access is limited to investors capable of understanding the risks and characteristics of private company share transactions. Therefore, access should be limited to professional, institutional and other sufficiently sophisticated investors, rather than opened broadly. This would include in particular PE/VC funds, institutional investors and corporate investors. Employee shareholders of eligible companies may also be relevant participants.

By contrast, access should not be extended to all retail investors, as this would risk blurring the distinction between private and public markets and would not be consistent with the private, issuer-controlled nature of the model discussed. High-net-worth individuals should only be included where they qualify as sufficiently sophisticated or professional investors.

Existing platforms such as Nasdaq Private Market (United States) and PISCES (UK) showcase that private share trading is, indeed, typically conducted in a restricted and controlled environment, as described here above.

Moreover, experience with earlier platforms, such as Privanet (Finland), also suggests that more open models of private share trading – particularly those involving broader retail participation – can face significant challenges related to liquidity, transparency and investor protection. This reinforces the importance of a targeted, controlled approach to eligibility and participation.

**22. According to you, which of the following categories of investors should be allowed to sell existing private company shares via a private intermittent trading platform?**

	<b>Answer</b>
Investment Funds (including venture capital and private equity funds)	X
Pension funds (including IORPs)	X
Investment firms	X
Credit institutions	X
Insurance companies	X
High-net-worth individuals	X
Non-financial corporates (strategic investors)	X
Employee shareholders of eligible companies	X
All retail investors	
Others	

**Please explain your answer to question 22:**

**Answer:**

Please see our answer to question 21.

**23. How do you consider high-net worth individuals should be defined for the purpose of Questions 19 and 20?**

**Answer:**

High-net-worth individuals should be defined based on a combination of financial capacity and investment sophistication, rather than relying solely on rigid wealth or transaction-based criteria.

In this respect, existing EU frameworks do not sufficiently distinguish between small retail investors and genuinely sophisticated high-net-worth individuals. In practice, marketing to such investors, particularly on a cross-border basis, is subject to complex disclosure requirements and legal constraints. Combined with fragmentation across Member States, where different definitions of “sophisticated investor” apply, this creates significant barriers for fund managers seeking to engage with this investor group. As a result, managers may be discouraged from targeting these investors, while high-net-worth individuals may instead be directed towards more liquid, short-term investment opportunities. This runs counter to the objective of mobilising long-term capital to support European competitiveness and innovation, and may also limit their effective participation in such platforms.

For such a platform – and more broadly for the Savings and Investment Union – to function effectively, a more appropriate and enabling definition of investors is required, to (more can be read in our related [position paper](#)):

- better reflect long-term investment behaviour, rather than transaction frequency,
- recognise relevant experience beyond financial services, including entrepreneurial and sector-specific expertise,
- simplify and broaden wealth criteria, avoiding overly rigid or impractical requirements,
- allow for investment through dedicated vehicles, without penalising investors for structuring choices.

**24. According to you, the private shares of which of the following companies should be eligible for trading via a private intermittent trading venue?**

	<b>Answer</b>
Private companies with their shares exclusively owned by the founders	
Private companies with some of their shares owned by their employees	X
Private companies with some of their shares owned by venture capital funds, private equity funds or other institutional investors	X
Private companies with only bonds traded on public markets	
Publicly listed companies with one or more classes of their shares not publicly listed (private)	X
All companies with private shares without any restrictions	
Companies under a possible future EU 28th regime	X
Only small and medium-sized companies (SMEs)	
Only small mid-cap companies (SMCs)	
Both SMEs and SMCs	
SMEs, SMCs and large companies	
Other	

**Please explain your answer to question 24:**

**Answer:**

Eligibility should not be defined strictly by company size or category, but rather by the presence of the necessary conditions for effective and orderly trading, including market readiness and use case, rather than a broad, unrestricted approach or rigid size-based criteria.

Experience from existing platforms such as Nasdaq Private Market (United States) and PISCES (UK) gives us a good overview of usage, showing that there are no formal restrictions based on company size (i.e., SMEs vs large companies). In practice, participation revolves around private companies that have developed diversified ownership structures and where there is a clear need for liquidity

solutions, including those backed by PE/VC funds, or companies with some employee shareholders. This is particularly relevant for growth-stage or late-stage companies, where there is more information available to support transactions and a clearer likelihood of investor interest. Similarly, while PISCES is more explicitly designed for private companies only, niche use cases exist (for example, restricted or non-publicly traded share classes of listed companies) in the case of Nasdaq Private Market, although not the primary focus of the venue.

By contrast, companies with highly concentrated ownership, such as founder-only companies, or without an existing investor ecosystem, are less likely to generate meaningful trading activity and are therefore less suitable for such platforms.

The experience from Privanet (Finland) also suggests that opening this type of mechanism to smaller or less mature companies does not necessarily produce effective or liquid markets.

**25. What could be the main challenges/issues with an intermittent trading platform for private equity? Please rank the following options on a scale from 1 (minor issue) to 5 (significant issue). You can attribute the same ranking to several options:**

	1 (insignificant issue)	2 (minor issue)	3 (regular issue)	4 (significant issue)	5 (very significant issue)	Don't know - No opinion - Not applicable
Low demand from investors and ensuing lack of activity on the market					X	
Lack of interest from companies to offer exit options for their investors, including because it would introduce 'instability' in their investor base					X	
Lack of interest from investors willing to offload their investments			X			
Lack of interest from market players to operate such a platform		X				
Lack of trust on the side of buyers		X				
Lack of trust on the side of sellers		X				
Lack of scale at pan-European level because of national restrictions/practices				X		

Potential for market abuse/price manipulation/disorderly trading		X				
Too high costs for companies to provide information to prospective buyers				X		
Companies being overly protective of their information, limiting appropriate disclosure to investors					X	
Other						X

**Please explain your answer to question 25:**

**Answer:**

While there is a clear use case for liquidity in certain situations, the main issue is not the willingness of sellers, but whether there is sufficient buyer demand and an appropriate market structure. Similarly, the challenge is not the availability of platform operators, but whether such platforms would be used at scale. Low demand from investors could be the most significant potential challenge.

Companies may also be reluctant to participate, due to concerns about maintaining control over their shareholder base and limiting the disclosure of sensitive information. The burden associated with disclosure requirements may discourage participation, as importing public-market-style transparency into private markets may not be compatible with their functioning.

Fragmentation, multiple national regulators, and the lack of a unified European capital market would continue to be a structural barrier for the platform. Differences in investor categorisation, marketing rules, company law, disclosure requirements and taxation would create significant barriers to cross-border participation. In particular, variations in share transfer rules, investor eligibility criteria and supervisory practices would prevent the standardisation of transactions and limit the ability of platforms to operate seamlessly across the EU.

**26. How could the risks identified in Question 24 be addressed or mitigated?**

**Answer:**

Please see our answers to questions 2, 17, 21, 22, 23, and 24.

**27. On a scale from 1 (strongly disagree) to 5 (strongly agree), should there only be a single EU private intermittent multilateral platform within the EU?**

	Answer
1 – Strongly disagree	
2 – Disagree	
3 – Neutral	
4 – Agree	
5 – Strongly agree	X
Don't know / no opinion / not applicable	

**Please explain your answer to question 27:**

**Answer:**

If such a regime is introduced, there is a strong case for avoiding fragmentation at platform level, rather than dispersing activity across multiple venues. In that sense, a single EU-level platform, a single coherent infrastructure, would be consistent with the objective of building scale and avoiding shallow, disconnected markets.

This is particularly important given that the broader European market already suffers from fragmentation. Replicating that fragmentation through multiple intermittent trading platforms would risk undermining the usefulness of the model from the outset.

**28. Would you consider a private intermittent trading platform a potential stepping stone towards transitioning to public markets, on a scale from 1 (strongly disagree) to 5 (strongly agree)?**

	Answer
1 – Strongly disagree	
2 – Disagree	
3 – Neutral	X
4 – Agree	
5 – Strongly agree	
Don't know / no opinion / not applicable	

**Please explain your answer to question 28:**

**Answer:**

A private intermittent trading platform could, in some cases, help mature or late-stage companies manage liquidity on the path towards IPO. However, companies with strong performance, high-quality investor bases, and well-developed networks typically already have access to efficient private secondary transactions without relying on such platforms. This creates a risk of negative selection bias, whereby platforms may disproportionately attract companies with fewer financing options or lower market traction.

In addition, the role of such platforms should be clearly framed. They should not be positioned as matchmakers between buyers and sellers, but rather as transaction facilitation or execution venues. For example, in situations where a large number of employees seek liquidity and a smaller number of investors are willing to buy, a platform can efficiently act as an agent or fulfilment partner, managing execution, settlement, and administrative complexity without requiring the company itself to intermediate transactions.

It is also important that such a platform does not become a hybrid public-private market model. Private and public markets should be optimised separately, and the framework should preserve the specific characteristics of private markets rather than replicate a public exchange model. In this sense, the platform would not act as a bridge. Moreover, creating an additional venue for secondary exits would not, in itself, solve the structural issues affecting IPOs and European capital markets more broadly.

Experience from successful platforms supports this view. For example, Nasdaq Private Market (United States) operates in a significantly deeper and more liquid ecosystem, yet still represent only a relatively small share of overall secondary market activity. This suggests that, even in more

favourable conditions, such platforms remain complementary tools rather than drivers of public market transitions.

**29. Do you think that a private intermittent trading platform could also discourage some companies from listing on public markets, on a scale from 1 (strongly disagree) to 5 (strongly agree)?**

	Answer
1 – Strongly disagree	
2 – Disagree	
3 – Neutral	X
4 – Agree	
5 – Strongly agree	
Don't know / no opinion / not applicable	

**Please explain your answer to question 29:**

**Answer:**

A private intermittent trading platform could provide companies, particularly for more mature companies, with an alternative source of liquidity, which may reduce the immediate need to pursue a public listing. This could especially be the case as IPOs can involve longer exit timelines, greater uncertainty around execution and limited visibility on pricing. In that context, some companies may prefer alternative liquidity options.

## 2.2. Regulatory approach

**30. When introducing a new regime to allow for private intermittent trading, what would be the most appropriate regulatory approach? Please indicate your preference on a scale from 1 (not supported option) to 5 (best supported option). Please attribute only one ranking to each option. Please indicate if you believe another option should be considered instead:**

	1 (not supported option)	2 (slightly supported option)	3 (supported option)	4 (much supported option)	5 (best supported option)	Don't know - No opinion - Not applicable
Option A					X	
Option B			X			
Option C				X		
Option D		X				
Option E	X					
Other approach						X

**Please explain your answer to question 30:**

**Answer:**

If adopted, a cautious and proportionate approach should be taken when introducing a regime for private intermittent trading of private company shares. Given the potential implications of such a framework, it is important to test the concept in a controlled environment before considering any permanent regulatory changes.

In this context, Option A (a time-limited sandbox regime) is the most appropriate approach. A sandbox would allow regulators and market participants to assess how private intermittent trading functions in practice, including its impact on liquidity, valuation, investor behaviour, and company governance, before scaling the regime more broadly.

However, the duration of the sandbox should be sufficiently long to allow meaningful testing across different market conditions and transaction cycles. In practice, a period of three years would be appropriate to enable multiple trading windows, participation by a range of issuers and investors, and the observation of market behaviour over time.

At the same time, it is essential to mitigate potential cliff-edge effects at the end of the sandbox period. Participants should not be placed in a position where liquidity expectations are created but cannot be sustained if the regime is discontinued. To address this, the sandbox should be designed with:

- clear upfront communication that participation does not guarantee ongoing liquidity,
- issuer control over participation and trading windows, ensuring that companies can manage expectations, and
- clearly defined ex-ante outcomes for the end of the sandbox, including the possibility of conversion into a permanent regime or an orderly wind-down, depending on the results of the evaluation.

Options involving permanent regimes (Options C, D and E) are less appropriate at this stage. Introducing a permanent framework without prior testing could create regulatory risks and may lead to unintended distortions in private capital markets. In particular, a bespoke permanent regime (Option E) would represent a significant departure from the existing regulatory framework and should only be considered once there is sufficient evidence from a testing phase.

With respect to options including turnover-based thresholds (Options B and D), they risk creating arbitrary distinctions and market fragmentation. Companies' suitability for participation in such a regime is not to be determined solely by turnover, and rigid thresholds could limit flexibility or create incentives for regulatory arbitrage (please see our answer to question 24)

Overall, a sandbox-based approach provides the most proportionate pathway.

### 31.1 For companies

**31.1 a) For each of the options above, please rank the expected cost impact for companies on a scale from 1 (strong decrease) to 5 (strong increase) when compared to the current costs (see Question 5) of concluding a private equity transaction:**

	1 (strong decrease)	2 (decrease)	3 (neutral)	4 (increase)	5 (strong increase)	Don't know -No opinion -Not applicable
Option A				X		
Option B				X		
Option C					X	
Option D					X	
Option E					X	
Other approach						X

**31.1 b) Where possible, please provide further details (nature of costs) and outline the drivers of the expected cost impact for companies. Where possible, please also provide the range of an expected cost increase or decrease:**

	Range of cost increase/decrease (in +/- %)	Please provide the details
Option A	NA	Costs are expected to increase moderately compared to standard bilateral private equity transactions. The main cost drivers include the need to onboard onto a trading platform, adapt internal processes to meet sandbox requirements, and comply with limited regulatory and operational obligations. Additional costs may arise from legal structuring, coordination with platform operators, and preparing company information for potential investors during trading windows. However, as the sandbox is time-limited and proportionate by design, compliance requirements are expected to remain relatively light, containing the overall cost impact.
Option B	NA	In addition to the costs identified under Option A, the introduction of turnover-based eligibility thresholds is expected to increase administrative and compliance costs. Companies would need to assess eligibility, monitor thresholds over time, and potentially adjust their participation as they grow. This may also require additional legal and advisory input, increasing transaction complexity and cost.
Option C	NA	A permanent sandbox would entail more sustained compliance obligations and infrastructure investments compared to a time-limited regime. Companies may face ongoing costs related to platform participation, disclosure preparation, governance of trading windows, and investor management. Over time, these costs may stabilise or decrease with scale, but initial and medium-term costs are expected to be higher than under a temporary sandbox due to the need for more robust systems and processes.
Option D	NA	This option combines the higher baseline costs of a permanent regime with additional complexity arising from turnover thresholds. This is likely to increase legal uncertainty and advisory costs, particularly for scaling companies.
Option E	NA	A bespoke regime will involve the highest cost increase, particularly in the initial phase. Companies would need to adapt to a new regulatory framework, including potentially new disclosure, governance and compliance requirements tailored to private intermittent trading. Additional costs would arise from legal interpretation of the new regime, internal process changes, and ongoing compliance obligations. While such a regime could become more efficient over time if widely adopted, the

		initial and transitional cost burden is expected to be significant.
Other approach (where applicable)	NA	NA

**31.2 For investors:**

**31.2 a) For each of the options above, please rank the expected cost impact for investors on a scale from 1 (strong decrease) to 5 (strong increase) when compared to the current costs (see Question 5) of concluding a private equity transaction:**

	1 (strong decrease)	2 (decrease)	3 (neutral)	4 (increase)	5 (strong increase)	Don't know -No opinion -Not applicable
Option A				X		
Option B				X		
Option C					X	
Option D					X	
Option E					X	
Other approach						X

**31.2 b) Where possible, please provide further details (nature of costs) and outline the drivers of the expected cost impact for investors. Where possible, please also provide the range of an expected cost increase or decrease:**

	Range of cost increase/decrease (in +/- %)	Please provide the details
Option A	NA	Despite the fact that investors already operate through structured investment processes, the cost drivers for investors broadly mirror those identified for companies. A time-limited sandbox would still increase costs for investors, because they would need to: understand a new trading framework, adapt internal procedures, carry out additional diligence on eligibility and platform rules, and monitor intermittent windows and participation conditions. That said, because it is temporary and more proportionate, the increase should remain more limited than under a permanent framework.
Option B	NA	Investors will need to assess company eligibility, monitor threshold compliance, and adjust investment strategies accordingly. This may require additional due diligence and advisory input, increasing operational burden. Thresholds will also reduce investment opportunities and create fragmentation, leading to inefficiencies and higher search and execution costs.
Option C	NA	A permanent sandbox would entail more sustained participation costs for investors, including ongoing

		compliance, monitoring of trading opportunities, and integration of platform-based investments into portfolio management systems. Investors may also need to allocate additional resources to governance, valuation oversight, and risk management. While some efficiencies may emerge over time, particularly if platforms scale, the overall cost impact is expected to be higher than under a time-limited regime.
Option D	NA	This option combines the ongoing costs of a permanent regime with additional complexity from turnover thresholds. Investors would face continued compliance and monitoring obligations, alongside the need to assess and track eligibility criteria across portfolio companies.
Option E	NA	A bespoke regime will require investors to adapt to a new regulatory and operational environment. This may involve additional legal analysis, adjustments to investment processes, and integration of new market mechanisms into portfolio strategies. Investors may also need to develop new capabilities to assess pricing signals and manage investments in this new environment. The initial and transitional costs are expected to be significant.
Other approach (where applicable)	NA	NA

**32. For each of the options in Question 31, please rank to which extent you agree or disagree (1 - strongly disagree; 5 - strongly agree) with the source of the expected benefits. Where possible, please provide the range of expected benefits. Where possible, please also provide further details and outline the drivers of benefits:**

**Option A:**

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable
Reduced regulatory burden and additional flexibility for investors/buyers		X				
Reduced regulatory burden and additional flexibility for companies/sellers		X				
Reduced risk/uncertainty for investors (buyers) due to regulatory safeguards			X			

Reduced risk/uncertainty for investors (sellers) due to regulatory safeguards			X			
Easy/standardised option to transfer stake to another investor				X		
Other						X

Where possible, please provide the range of expected benefits (in EUR) for option A:

**Answer:**

It is not possible to provide a reliable EUR estimate of the expected benefits at this stage. Any potential benefits would be highly contingent on the detailed design of the platform.

Please provide further details and outline the drivers of benefits for option A:

**Answer:**

For Option A, the most credible expected benefit lies in providing a more standardised way to transfer stakes in certain limited cases. By contrast, we would attach less weight to any expectation of materially reduced regulatory burden, as even a sandbox model would still require adaptation by both companies and investors, although the regulatory safeguards of a controlled testing environment may provide some additional predictability – in the sense that they would reduce the risk of locking in the wrong model too early, while permanent options would reduce uncertainty about whether the regime will continue.

**Option B:**

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable
Reduced regulatory burden and additional flexibility for investors/buyers	X					
Reduced regulatory burden and additional flexibility for companies/sellers	X					
Reduced risk/uncertainty for investors (buyers) due to regulatory safeguards			X			
Reduced risk/uncertainty for investors (sellers) due to regulatory safeguards			X			

Easy/standardised option to transfer stake to another investor				X		
Other						X

Where possible, please provide the range of expected benefits (in EUR) for option B:

**Answer:**

Please see our answers to question 32 (option A).

Please provide further details and outline the drivers of benefits for option B:

**Answer:**

Please see our answers to question 32 (option A) and questions 31.1 and 31.2.

**Option C:**

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable
Reduced regulatory burden and additional flexibility for investors/buyers	X					
Reduced regulatory burden and additional flexibility for companies/sellers	X					
Reduced risk/uncertainty for investors (buyers) due to regulatory safeguards		X				
Reduced risk/uncertainty for investors (sellers) due to regulatory safeguards		X				
Easy/standardised option to transfer stake to another investor				X		
Other						X

Where possible, please provide the range of expected benefits (in EUR) for option C:

**Answer:**

Please see our answers to question 32 (option A).

Please provide further details and outline the drivers of benefits for option C:

**Answer:**

Please see our answers to question 32 (option A) and questions 31.1 and 31.2.

**Option D:**

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable
Reduced regulatory burden and additional flexibility for investors/buyers	X					
Reduced regulatory burden and additional flexibility for companies/sellers	X					
Reduced risk/uncertainty for investors (buyers) due to regulatory safeguards		X				
Reduced risk/uncertainty for investors (sellers) due to regulatory safeguards		X				
Easy/standardised option to transfer stake to another investor				X		
Other						X

Where possible, please provide the range of expected benefits (in EUR) for option D:

**Answer:**

Please see our answers to question 32 (option A).

Please provide further details and outline the drivers of benefits for option D:

**Answer:**

Please see our answers to question 32 (option A) and questions 31.1 and 31.2.

**Option E:**

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable
Reduced regulatory burden and additional	X					

flexibility for investors/buyers						
Reduced regulatory burden and additional flexibility for companies/sellers	X					
Reduced risk/uncertainty for investors (buyers) due to regulatory safeguards		X				
Reduced risk/uncertainty for investors (sellers) due to regulatory safeguards		X				
Easy/standardised option to transfer stake to another investor				X		
Other						X

**Where possible, please provide the range of expected benefits (in EUR) for option E:**

**Answer:**

Please see our answers to question 32 (option A).

**Please provide further details and outline the drivers of benefits for option E:**

**Answer:**

Please see our answers to question 32 (option A) and questions 31.1 and 31.2.

**33. For each of the options in Question 31, please indicate whether you see any drawbacks:**

	Answer
Option A	X
Option B	X
Option C	X
Option D	X
Option E	X
The other approach(es) you suggested	

**Please provide details on possible drawbacks for option A:**

**Answer:**

Please see our answers to questions 17, 21, 22, 23, 24, 30, 31.1 and 31.2.

**Please provide details on possible drawbacks for option B:**

**Answer:**

Please see our answers to questions 17, 21, 22, 23, 24, 30, 31.1 and 31.2.

**Please provide details on possible drawbacks for option C:**

**Answer:**

Please see our answers to questions 17, 21, 22, 23, 24, 30, 31.1 and 31.2.

**Please provide details on possible drawbacks for option D:**

**Answer:**

Please see our answers to questions 17, 21, 22, 23, 24, 30, 31.1 and 31.2.

**Please provide details on possible drawbacks for option E:**

**Answer:**

Please see our answers to questions 17, 21, 22, 23, 24, 30, 31.1 and 31.2.

**34. To ensure that the regime strikes the right balance between efficiency and regulatory safeguards for investors, which of the following alleviations from the relevant regulatory frameworks (MiFIR, Market Abuse Regulation, Prospectus Regulation) should be considered with respect to secondary trading of shares on such a platform? Please rank them from the least important (1) to the most important (5). The same ranking can be attributed to multiple options. Please note that rules governing the status of the operator of the platform are covered under Section C. Please note that more detailed questions on the regulatory framework governing trading are included in the next sections.**

	<b>1 (least important)</b>	<b>2 (not so important)</b>	<b>3 (rather important)</b>	<b>4 (very important)</b>	<b>5 (most important)</b>	<b>Don't know -No opinion - Not applicable</b>
Lighter pre-trade and post-trade transparency requirements, calibrated for the different types of trading systems (MiFIR)				X		
No pre-trade and post-trade transparency requirements (MiFIR)		X				
Lighter supervisory reporting requirements (MiFIR)				X		
No supervisory reporting		X				

requirements (MiFIR)						
Lighter prospectus requirement for private shares subject to private intermittent trading		X				
No prospectus requirement for private shares subject to private intermittent trading					X	
Lighter requirements under the Market Abuse Regulation, notably disclosure requirements				X		
No requirements under the Market Abuse Regulation, notably no disclosure requirements		X				
Other						X

**Please explain your answer to question 34:**

**Answer:**

The framing of this question in terms of “lighter” requirements may not fully capture the nature of the policy challenge. The objective should not be limited to alleviating existing public market frameworks, but rather to assess whether these frameworks are the appropriate reference point for private intermittent trading in the first place.

The regime should be calibrated specifically for private intermittent trading and should not evolve into a hybrid public-private market model. The objective should not be to apply lighter versions of extensive public market requirements, but to have a framework that reflects the distinct characteristics of private markets, and remains usable for private companies: controlled access, negotiated transactions, intermittent liquidity events and tailored disclosure.

For that reason, the focus should be on designing a private-market-specific framework, so as to avoid creating a light public market model, beyond alleviations, including those safeguards that are

necessary to ensure market integrity, investor protection and orderly trading. At the same time, requirements should not be removed altogether, as a minimum level of investor protection, market integrity and supervisory oversight remain necessary.

In this context, information should not be made public in the same way as on public markets, but shared only with existing shareholders and eligible or qualified participants within a specific trading window, under appropriate confidentiality arrangements. Similarly, market abuse and supervisory requirements should not fully mirror public market frameworks.

### 2.3. Rules governing the operator of a private intermittent trading facility

**35. On a scale from 1 (least preferred) to 5 (most preferred), which general approach to the requirements on the operator would you see as the most simple and efficient?**

	1 (least preferred)	2 (not so preferred)	3 (neutral)	4 (preferred)	5 (most preferred)	Don't know -No opinion -Not applicable
Detailed rules in a legislative act		X				
Principle-based legislative act with details provided in secondary legislation					X	
Rules set out only as high-level principles without any further detail provided in secondary legislation		X				

**Please explain your answers to question 35 and, where relevant, consider any possible interplay with national legislation:**

**Answer:**

A principle-based legislative act with details provided in secondary legislation would be the most simple and efficient approach. The Level 1 act should establish the core principles and safeguards applicable to operators. More technical and operational elements should then be specified in secondary legislation, so that the framework can be calibrated proportionately and adjusted in light of experience.

A fully detailed legislative act would risk being too rigid for a market model that is still untested and whose use cases might remain limited. By contrast, a framework based only on high-level principles, without further detail, could create legal uncertainty and leave too much room for divergent national interpretation and supervisory practice.

**36. Should the operator of a private intermittent trading venue...**

	Answer
a) be an authorised/supervised entity under the existing EU acquis	
b) receive a bespoke authorisation under the new dedicated regime for intermittent trading	
c) not be authorised but only notify its activity to a supervisor	
d) Other	X
Don't know / no opinion / not applicable	

**Please specify to what other option(s) you refer in your answer to question 36:**

<p><b>Answer:</b>          The most appropriate model is not necessarily to rely solely on an operator's existing authorisation under the general EU acquis. A more proportionate approach would be for the operator to be a suitably supervised and credible entity, while also being required to obtain a specific approval or authorisation under the dedicated intermittent trading regime. This would ensure that the operator is assessed against the particular requirements of this market model.</p> <p>This type of layered approach is consistent with the PISCES model (UK), where operators must receive a PISCES Approval Notice (PAN) to run the platform, and where that approval is specific to sandbox operations rather than a substitute for the general regulatory framework. In the United States, by contrast, there is no equivalent bespoke platform-specific approval notice, because the existing broker-dealer and Alternative Trading System (ATS) framework is already broad enough to accommodate private secondary trading platforms such as Nasdaq Private Market.</p>
---

**Please explain your answers to question 36:**

<p><b>Answer:</b>          Please see the answer above.</p>
---

**37. Should the operator of an intermittent trading platform be allowed to provide investment services, such as underwriting and placement services?**

Question	Answer
Yes	
No	X
Don't know / no opinion / not applicable	

**Please explain your answers to question 37:**

<p><b>Answer:</b>          The purpose of this type of platform should remain limited to facilitating intermittent secondary trading in a controlled environment, rather than expanding into a broader set of intermediation functions.</p>
---

**38. Do you see a risk that high demand for and low supply of private shares in private intermittent trading events might cause operators to overcharge for their services?**

Question	Answer
Yes	

No	
Don't know / no opinion / not applicable	X

#### 2.4. Market model: Trading systems and frequency of trading events

#### 39. Who should have discretion over deciding the trading system?

	Answer
Operator of the platform	X
Eligible companies	
Participants/investors	
Should be defined in EU law	
Don't know / no opinion / not applicable	

#### Please explain your answers to question 39:

##### Answer:

While the operator provides the technical infrastructure and organises the platform, it should not be able to require a company to make its shares available for trading. Companies should retain discretion over whether their shares are traded at all, when trading windows take place, who may participate, within the conditions set by the platform. In that sense, eligible companies should act as the gatekeepers of the trading process.

The operator's role should be limited to providing the venue, running the chosen mechanism in an orderly manner, and ensuring compliance with the applicable framework. Investors should not determine the trading system, and EU law should set only the perimeter and safeguards, while leaving the final decision on the use of the trading system for a company's shares to the company itself.

#### 40. Which of the following trading systems would be suitable for a private intermittent trading facility. Please rank from 1 (not suitable) to 5 (most suitable):

	1 (not suitable)	2 (rather not suitable)	3 (neutral)	4 (rather suitable)	5 (most suitable)	Don't know -No opinion -Not applicable
a) Central limit order book	X					
b) Auction					X	
c) Request for quote			X			
d) Hybrid		X				
e) Other						X

#### Please explain your answers to question 40:

##### Answer:

An auction-based model would be the most suitable for a private intermittent trading facility, as these would be discrete trading events, rather than continuous ones. A central limit order book would resemble a more continuous, exchange-style market model, which would not sit well with the private, issuer-controlled and intermittent nature of the framework discussed here. A request-

for-quote model could be more suitable than a central limit order book, as it is closer to the structured and negotiated nature of private market transactions, but it would be less suitable than an auction for concentrating liquidity into defined trading events.

**41. Who should have discretion over deciding the frequency of the trading events?**

	Answer
Operator of the platform	
Eligible companies	X
Participants/investors	
Should be defined in EU law	
Don't know / no opinion / not applicable	

**Please explain your answers to question 41:**

**Answer:**  
Please see our answer to question 39.

**42. In terms of frequency of trading events, what should be the preferred model?**

	Answer
One window per day	
One window per week	
One window per month	
One window per quarter	
Bi-annual windows	
Other	X
Don't know / no opinion / not applicable	

**Please specify to what other frequency you refer in your answer to question 42:**

**Answer:**  
Frequency of trading events should not be fixed ex ante, but rather determined in a flexible and company-led manner, reflecting the specific characteristics of the company, stage of development, its shareholder base and the availability of investor demand – within the framework and rules of the platform. Setting a rigid frequency (i.e., daily, weekly or even monthly windows) risks creating artificial liquidity expectations that are not aligned with the episodic nature of private market transactions. Trading events would be most effective when they are organised on a case-by-case basis, often linked to specific liquidity needs, rather than following a fixed schedule.

The framework should set the perimeter and safeguards, such as clear start and end points, but should not impose a single uniform frequency across all companies.

**Please explain your answers to question 42:**

**Answer:**  
Please see the answer above.

**43. Eligible companies may want to limit the price range and trading volume before holding an intermittent trading event. On a scale from 1 (not beneficial) to 5 (highly beneficial) would allowing for this be beneficial to the success of such a trading event?**

	Answer
1 - Not beneficial	
2 - Rather not beneficial	
3 - Neutral	
4 - Rather beneficial	X
5 - Highly beneficial	
Don't know / no opinion / not applicable	

**Please explain your answers to question 43:**

**Answer:**

Allowing companies to set parameters such as price ranges and trading volumes would help ensure orderly transactions and protect against outcomes that could negatively affect valuation or shareholder structure.

Price parameters including a price floor (minimum) and a price ceiling (maximum) for transactions should be disclosed to eligible investors before the trading window opens. Companies should also set minimum or maximum total volume to manage their cap table and forecast participation.

## 2.5. Pre-trade and post-trade transparency

### 2.5.1 Pre-trade

**44. PRE-TRADE Limited disclosure obligations could be an element of a private intermittent multilateral trading regime. Yet, to facilitate price discovery, a certain amount of price and volume transparency might be required. On a scale from 1 (not required) to 5 (highly required), would you consider that some pre-trade transparency should be required for intermittent trading of private shares?**

	Answer
1 - Not required	
2 - Rather not required	
3 - Neutral	
4 - Rather required	X
5 - Highly required	
Don't know / no opinion / not applicable	

**Please explain your answer to question 44 PRE-TRADE:**

**Answer:**

Unlike public markets, where data is in fact public, the platform should only show disclosures, price and volume data to verified participants, meaning investors who have signed NDAs and meet eligibility criteria. For instance, price ranges should be disclosed to participants before the auction to guide bidding, but the final price should only be shared with those bidders in the trading window. Broad public dissemination would risk turning it into a quasi-public market, and threaten

competition by exposing sensitive company information, while reducing issuer willingness to participate.

**44.1 PRE-TRADE How should pre-trade transparency requirements (price and volume) be framed?**

**Answer:**  
Please see the answer above.

**44.2. PRE-TRADE To whom should pre-trade data be made available to?**

	Answer
All eligible participants (investors) of a given private intermittent trading facility	
Only participants in a given private intermittent trading event	X
Everyone (to the general public)	
Don't know / no opinion / not applicable	

**Please explain your answer to question 44.2 POST-TRADE:**

**Answer:**  
Please see the answer above.

**45.1 PRE-TRADE Do you see any benefits of making pre-trade data available to the general public?**

Question	Answer
Yes	
No	X
Don't know / no opinion / not applicable	

**Please explain your answers to question 45.1 PRE-TRADE:**

**Answer:**  
Please see our answer to question 44.

**45.2 PRE-TRADE Do you see any possible risks/drawbacks of making pre-trade data available to the general public?**

Question	Answer
Yes	X
No	
Don't know / no opinion / not applicable	

**Please explain your answers to question 45.2 PRE-TRADE:**

**Answer:**  
Please see our answer to question 44.

**46. PRE-TRADE How should pre-trade data be disseminated?**

**Answer:**

Through permissioned digital portals. Before a user can log into the platform to see disclosures, they should digitally sign an NDA that legally forbids them from sharing the data with the public.

### 2.5.1 Post-trade

**44. POST-TRADE Limited disclosure obligations could be an element of a private intermittent multilateral trading regime. Yet, to facilitate price discovery, a certain amount of price and volume transparency might be required. On a scale from 1 (not required) to 5 (highly required), would you consider that some post-trade transparency should be required for intermittent trading of private shares?**

	Answer
1 - Not required	
2 - Rather not required	
3 - Neutral	
4 - Rather required	X
5 - Highly required	
Don't know / no opinion / not applicable	

**Please explain your answer to question 44 POST-TRADE:**

**Answer:**

Similarly to pre-trade transparency, post-trade disclosures should be kept within a closed loop. Specifically, information on the executed price and total volume should be communicated to the buyers and sellers who participated in a specific window.

**44.1 POST-TRADE How should post-trade transparency requirements (price and volume) be framed?**

**Answer:**

Please see the answer above.

**44.2. POST-TRADE To whom should post-trade data be made available to?**

	Answer
All eligible participants (investors) of a given private intermittent trading facility	
Only participants in a given private intermittent trading event	X
Everyone (to the general public)	
Don't know / no opinion / not applicable	

**Please explain your answer to question 44.2 POST-TRADE:**

**Answer:**

Please see the answer above.

**45.1 POST-TRADE Do you see any benefits of making post-trade data available to the general public?**

	Answer
Yes	
No	X

Don't know / no opinion / not applicable	
--	--

**Please explain your answers to question 45.1 POST-TRADE:**

<b>Answer:</b> Please see our answer to question 44 on pre-trade.
--

**45.2 POST-TRADE Do you see any possible risks/drawbacks of making post-trade data available to the general public?**

Question	Answer
Yes	X
No	
Don't know / no opinion / not applicable	

**Please explain your answers to question 45.2 POST-TRADE:**

<b>Answer:</b> Please see our answer to question 44 on pre-trade.
--

**46. POST-TRADE How should post-trade data be disseminated?**

<b>Answer:</b> Please see our answer to question 46 on pre-trade.
--

**2.6. Disclosure of company-specific information**

**47. Do you believe there should be a requirement for minimum core information to be disclosed to investors?**

Question	Answer
Yes	
No	X
Don't know / no opinion / not applicable	

**Please explain your answers to question 47:**

<b>Answer:</b> This would not be consistent with existing private-market practice, where transparency is already supported through recognized, and voluntary, reporting frameworks, such as <a href="#">Invest Europe's 2024 Investor Reporting Guidelines</a> , or the <a href="#">Invest Europe's 2025 ESG Reporting template</a> . The information flows, even in an intermittent trading event, should remain proportionate and tailored.
--

**48. Should all investors be given the same information or, instead, bespoke information, depending on their needs or their status (e.g. institutions investors vs. high-net-worth individuals, please refer to types of investors set out in Question 21)?**

	Answer
Same information	
Bespoke information	X
Don't know / no opinion / not applicable	

**Please explain your answers to question 48:**

**Answer:**

Bespoke investor requests for disclosures should be allowed, provided the process remains efficient, in line with private markets' current standards.

**49. What minimum disclosures do you deem indispensable to formulate a bid? Please list and explain:**

**Answer:**

Please see our answer to question 47.

**50. Do you believe there should be a common format/template for the disclosure of information?**

Question	Answer
Yes	
No	X
Don't know / no opinion / not applicable	

**Please explain your answers to question 50:**

**Answer:**

Disclosure practices in private markets are driven by contractual relationships and the specific needs of investors and companies. Imposing a standardised template would risk overriding this flexibility and could introduce a one-size-fits-all approach that is not suited to the diversity of private market transactions. For instance, [Invest Europe's 2024 Investor Reporting Guidelines](#), or the [Invest Europe's 2025 ESG Reporting template](#) provide widely used reference points while allowing sufficient flexibility for fund managers and investors to tailor reporting to their specific needs. In practice, disclosure requirements are typically defined through agreements between the fund manager and the investors, reflecting the negotiated and bespoke nature of private market investments.

Rather than requiring companies to follow a fixed template, it would be more appropriate to define voluntary high-level disclosure requirements and allow companies to determine how to present this information, supported by industry guidance.

**51. Should participants be allowed to ask for further information that is then to be shared amongst all trading participants?**

Question	Answer
Yes	X
No	
Don't know / no opinion / not applicable	

**Please explain your answers to question 51:**

**Answer:**

Please see our answer to question 47.

**52. Who do you think should disclose information?**

	Answer
Company	X
Investor holding and selling the stake in the company	
Other	
Don't know / no opinion / not applicable	

**Please explain your answers to question 52:**

**Answer:**

The company should be the primary source of information, as it is best placed to provide consistent, reliable and up-to-date information on its financial position, operations and strategy. A private company's financials and other information are not public record. A company-led approach ensures a common baseline of information for all investors, supports market integrity and allows for appropriate control over the disclosure of sensitive information.

**53. How should the company-specific information be shared with investors?**

	Answer
In a one-off sharing arrangement prior to a trading event	X
In a continuous stream of information, with updates if relevant, prior to a trading event	
In another arrangement	
Don't know / no opinion / not applicable	

**Please explain your answers to question 52:**

**Answer:**

Please see our answer to question 44 on pre-trade.

**54. Should the integrity (accuracy) of the information provided be the exclusive responsibility of the issuing company?**

Question	Answer
Yes	X
No	
Don't know / no opinion / not applicable	

**Please explain your answers to question 54:**

**Answer:**

Please see our answer to question 52. However, companies should not be overburdened – liability for untrue or misleading information or omissions should only arise in cases of clear negligence.

**55. Should investors be able to claim compensation for untrue or misleading information or material omissions?**

Question	Answer
Yes	X
No	

Don't know / no opinion / not applicable	
--	--

**Please explain your answers to question 55:**

<b>Answer:</b> Please see our answer to question 54.
---

**56. Do you believe that the civil liability regime applicable to disclosure for investors in the context of intermittent trading of private company shares should be set out at EU level or be left to national level?**

	Answer
Uniform EU level liability regime	X
Civil liability regime of the relevant Member State	
Don't know / no opinion / not applicable	

**Please explain your answers to question 56:**

<b>Answer:</b> Please see our answers to questions 1 and 25.
---

**57. Should infringements of disclosure requirements be subject to administrative sanctions?**

Question	Answer
Yes	X
No	
Don't know / no opinion / not applicable	

**Please explain your answers to question 57:**

<b>Answer:</b> The operator should have disciplinary procedures to handle companies that breach disclosure rules, such as postponing, suspending, or terminating a trading event if they believe disclosures are inadequate or misleading.
---

## 2.7. Market abuse

Trading on EU public markets is subject to the market abuse framework (ban on insider dealing, market manipulation and unlawful disclosure of inside information as well as certain disclosure obligations, including the obligation to disclose inside information as soon as possible). In contrast, private equity markets, given their largely bilateral and bespoke nature, are not subject to any market abuse rules. Private intermittent markets may display features of both private and public markets, and hence it is important to assess whether they should be subject to any safeguards against market abuse. To that end, it is necessary to note that multilateral markets with a low level of liquidity may be especially vulnerable to manipulative practices.

**58. Should there be market abuse rules (or at least high-level principles) applying to trading of private shares via a private intermittent trading facility?**

	Answer
Yes	X

No	
Don't know / no opinion / not applicable	

**Please explain your answers to question 58:**

**Answer:**

We agree that a minimum framework addressing market abuse is necessary to ensure trust, credibility, market integrity and fair treatment of participants. These principles are already embedded in the industry, for instance the [Invest Europe Handbook of Professional Standards](#) is a demonstration of the association's commitment to developing and upholding the highest industry standards, including through the [Invest Europe Code of Conduct](#), which emphasises integrity, fairness and responsible handling of information in private market transactions.

Market abuse rules should apply, but in a targeted manner, with standards of transparency and fairness only applying to transactions occurring within the system's boundaries, and tailored to private markets and the intermittent and event-driven nature of trading.

In particular:

- prohibitions on insider dealing and market manipulation should apply to trading taking place within defined trading windows on the platform, reflecting the fact that trading is intermittent and controlled,
- restrictions on the unlawful disclosure of inside information should apply during the period in which information is shared with potential investors ahead of a trading event and until the conclusion of that event, consistent with established confidentiality practices,
- prohibitions on the dissemination of false or misleading information should apply more broadly where such information could affect trading outcomes during the same trading window, and
- prohibitions should take practical limitations related to awareness into account. Participants who are not directly involved in a trading event may not be aware that a company's shares are admitted to trading or of the timing of specific trading windows. The framework should therefore include appropriate safeguards and defences to ensure that obligations are applied proportionately and only where participants can reasonably be expected to be aware of the relevant context.

In this way traditional private negotiations or secondary transfers between shareholders are not burdened by the complex disclosure rules or legal liabilities of public markets.

**58.1 Which option do you favour?**

	<b>Answer</b>
Market Abuse Regulation should apply in full (as relevant)	
Only some, most critical parts of the Market Abuse Regulation (e.g. ban on insider dealing and market manipulation) should apply (e.g. not disclosures)	
New detailed rules (distinct from the Market Abuse Regulation) should be introduced	
New high-level rules/principles on market abuse should be introduced	X
Rules (detailed or high-level) on market abuse should not apply	
Don't know / no opinion / not applicable	

**Please explain your answers to question 58.1:**

**Answer:**

Please see our answer to question 34.

**59. In order to ensure that all investors make investment decisions on the basis of the information available to all eligible bidders (no asymmetric information), should participants in an intermittent trading event be required to make a declaration of honour stating that they do not possess any additional, materially relevant information affecting the value of the shares of the eligible company other than the information disclosed by the eligible company in the context of the trading event?**

Question	Answer
Yes	
No	X
Don't know / no opinion / not applicable	

**Please explain your answers to question 59:**

**Answer:**

Private markets do not operate on the basis of full information symmetry between all participants. Imposing a requirement for investors to declare that they do not possess any additional materially relevant information would introduce a public market concept that is not aligned with the functioning of private markets. It would also be difficult to define, verify and enforce in practice, creating legal uncertainty and potentially discouraging participation.

**60. If a participant is in possession of the information described in Question 59, should such participant be obliged to disclose it?**

	Answer
Only to the eligible company	X
Only to the operator	
Other	
Don't know / no opinion / not applicable	

**Please specify to what other option(s) you refer in your answer to question 60:**

**Answer:**

Requiring participants to disclose any additional information they hold would not be aligned with the principles governing private markets. Such information should be handled responsibly and in accordance with agreed restrictions, rather than disclosed indiscriminately.

This does not mean that the misuse of material non-public information in a way that would distort trading outcomes or disadvantage other participants should not be prevented. Disclosure to the eligible company should be considered, to supports the integrity of the trading process. The company is best placed to assess the relevance of such information in the context of the transaction.

**Please explain your answers to question 60:**

**Answer:**

Please see our answer above.

**60.1 Do you consider that it should be left to the eligible company to decide whether to share that information with other participants in the trading event or prohibit the participant in possession of that information from participating in the trading event?**

Question	Answer
Yes	
No	X
Don't know / no opinion / not applicable	

**Please explain your answers to question 60.1:**

**Answer:**  
Please see our answer above.

**61. Would your answers to Questions 59 to 60 differ in the case of employees of companies selling shares of their companies and if so how?**

Question	Answer
Yes	
No	X
Don't know / no opinion / not applicable	

**Please explain your answers to question 61:**

**Answer:**  
Please see our answer to question 60.

## 2.8. Eligibility requirements

It may be appropriate for the operator of the platform to determine the general eligibility criteria for access to its trading facility. It could then be for individual eligible companies to establish which investors, out of the pool of eligible investors on the facility, may participate in individual trading events.

**62. Should an intermittent trading facility be allowed to have a prescribed list of categories of investors (out of the list of eligible categories of investors – see Question 21) that are allowed to participate in the trading facility?**

	Answer
Yes	
No	X
Don't know / no opinion / not applicable	

**Please explain your answers to question 62:**

**Answer:**  
The model should remain restricted, private and tailored to participants capable of understanding private-market risk, in line with our answers to questions 21 and 23.

**63. Should an intermittent trading facility be allowed to limit the types of eligible companies or even pre-select individual eligible companies, the shares of which could be traded on its platform?**

	Answer
Should be allowed to limit the types of eligible companies	X
Should be allowed to pre-select specific companies	

**Please explain your answers to question 63:**

**Answer:**

Eligibility should not be defined strictly by company size or category, but rather by the presence of the necessary conditions for effective and orderly trading, including market readiness and use case, rather than a broad, unrestricted approach or rigid size-based criteria. Please see our answer to question 24.

By contrast, giving the facility broad discretion to pre-select individual companies on a purely discretionary basis would introduce unnecessary subjectivity and unpredictability.

**64. Who should have discretion over deciding which investors may participate in a given trading event?**

	Answer
Operator of the platform	X
Eligible companies	X
Should be defined in EU law (not at the choice of the operator nor eligible companies)	

**Please explain your answers to question 64:**

**Answer:**

This should be a shared model. The operator should determine the general eligibility perimeter for access to the facility – the categories of investors that are allowed to participate on the platform as a matter of overall framework design. But within that perimeter, the eligible company should have discretion to decide which investors may participate in a given trading event.

Companies will be cautious about their shareholder base, including who is allowed to enter or exit the capital structure. Allowing companies to retain control over participation would preserve the integrity and attractiveness of private markets.

**65. Should an eligible company be allowed to participate in an intermittent trading event to buy back its own shares?**

	Answer
Yes	
No	X
Don't know / no opinion / not applicable	

**Please explain your answers to question 65:**

**Answer:**

The platform should not be framed as a multi-purpose market infrastructure. Issuer buybacks would introduce additional issues around pricing, fairness, information and governance that go beyond

the use case for the platform itself – although allowing companies to participate in trading events to buy back their own shares would be particularly relevant for employee liquidity. For the sandbox, it would be preferable to keep such transactions outside the model.

**66. Should intermediaries be allowed to place orders received from clients, if their clients (third party) are eligible to participate in a trading event?**

	Answer
Intermediaries should be allowed to freely place third party orders	
Intermediaries should be allowed to place third party orders, except when the third party is the eligible company	
Intermediaries should only be allowed to place third party orders with prior consent of the operator	
Intermediaries should only be allowed to place third party orders with prior consent of the eligible company	
Intermediaries should only be allowed to place third party orders with prior consent of the operator and the eligible company	X
Other	

Please specify to what other option(s) you refer in your answer to question 66:

**Answer:**  
NA

Please explain your answer to question 66, indicating under which terms intermediaries should be allowed to place such orders:

**Answer:**  
The operator must retain responsibility for orderly functioning, eligibility and compliance, but the company must retain control over access to its cap table and over participation in the event. A dual-consent approach best captures that balance.

Allowing intermediaries to route orders without those safeguards would risk weakening issuer control. Banning intermediaries entirely could make participation unnecessarily cumbersome in cases where authorised intermediaries could play a legitimate operational role.

**2.9. Clearing and settlement**

**67. Should securities be traded on a private intermittent trading facility be mandatorily or optionally centrally cleared?**

	Answer
No central clearing	
Obligation to centrally clear	
Possibility to centrally clear	X
Should be left entirely to the discretion of the operator	
Don't know / no opinion / not applicable	

**Please explain your answer to question 67:**

**Answer:**

The platform is not expected to host a deep, continuously traded market. Central clearing is a feature of public markets designed to manage high volumes of continuous trading and counterparty risk. In the context of private intermittent trading, where transactions are periodic, participants are known and access is controlled, these benefits are less pronounced. Requiring central clearing in the proposed context would risk adding significant operational burden, cost and complexity, particularly for smaller participants.

This does not mean that settlement discipline is unimportant. It simply means that settlement mechanisms should be aligned with the private and episodic nature of the platform, rather than imported from public-market infrastructure. However, it should remain a possibility where appropriate, depending on the structure of the trading event, the level of activity and the preferences of participants.

**68. What benefits and risks do you see in the introduction of central clearing in the context of the intermittent trading of private companies?**

**Answer:**

Please see our answer to question 67.

**69. In your view, how could a private intermittent trading operator guarantee timely delivery of traded shares?**

**Answer:**

Settlement could be supported by the dematerialisation of shares, and delivery-versus-payment mechanisms, ensuring simultaneous exchange of cash and securities, combined with escrow arrangements to secure the transaction. Pre-trade verification of share ownership, use of paying agents to secure funds in advance, and coordinated completion of legal transfer documentation, with final settlement dependent on confirmation by the company (i.e., cap table updates) could also be helpful.

**70. Are there any considerations with respect to post-trade that would be relevant in the context of a private intermittent trading platform?**

**Answer:**

Please see our answer to question 69.

## 2.10. Financial promotion

**71. Should there be any rules on public advertisement/promotion of private intermittent trading events?**

	Answer
No rules	
Some rules are necessary (need to be defined at EU level)	X
National marketing rules should apply	
Other	
Don't know / no opinion / not applicable	

**Please explain your answer to question 71:**

**Answer:**

Without appropriate rules on promotion, there is a risk that such a platform could be perceived as an open investment opportunity, potentially leading to inappropriate marketing to ineligible or insufficiently sophisticated investors. A private intermittent trading facility should be intended to operate as controlled environment, with restricted participation and tailored investor access – and therefore marketing.

An EU-level baseline is preferable to reliance on national marketing rules, to avoid fragmentation.

### 2.11. Investor protection

**72. Beyond disclosures, should any additional investor protection rules apply in the context of the private intermittent trading regime?**

	Answer
Yes	
No	X
Don't know / no opinion / not applicable	

**Please explain your answers to question 72:**

**Answer:**

NA

### 2.12. Other: incentives

**73. What incentives (regulatory or otherwise) could encourage the emergence of a private intermittent trading facility?**

**Answer:**

Please see our answers to questions 2, and 17.

## 3. [PART III: Possible use of the platform for raising fresh equity capital](#)

**74. Within the current regulatory requirements, either at EU or national level, applicable to companies looking for fresh capital, what elements do you find the most burdensome for a private company? What alleviations would you find necessary in that regard?**

**Answer:**

Please see our answers to question 1.

**75. Do you see merit in also allowing for the raising of fresh capital through a private intermittent trading platform?**

	Answer
Yes	
No	X
Don't know / no opinion / not applicable	

Please explain your answer to question 75, in particular the upsides and down-sides of such a possibility:

**Answer:**

The platform should remain focused on facilitating secondary liquidity events, rather than being expanded into a broader infrastructure. The objective of a private intermittent trading platform should be to address liquidity constraints, not to replicate or replace existing primary capital-raising channels. Expanding its scope to include primary issuance would fundamentally change its purpose. Primary capital raising in private markets continues to take place through established channels, notably via PE/VC funds, as previously mentioned.

In addition, such an expansion could exacerbate negative selection bias. Companies that are able to attract capital through established private market channels – such as PE/VC funds – are unlikely to rely on such platforms for fundraising. As a result, opening the platform to primary issuance could lead to a concentration of companies that are less able to raise capital through traditional means, potentially affecting overall market quality and investor confidence.

The regime should remain targeted and proportionate. Allowing primary capital raising could also alter companies’ incentives by providing an additional alternative to public markets, potentially reducing the attractiveness of IPOs without addressing the underlying structural issues affecting them.

**77. What potential drawbacks do you see with offering the possibility to raise fresh capital through a private intermittent trading platform?**

**Answer:**

Please see our answers to questions 3, 4, 7, 8 and 75.

**78: Would the offering of the possibility to raise fresh capital through a private intermittent trading platform have interactions with other sources of financing, e.g. bank lending?**

	Answer
Could substitute bank lending and debt financing	
Could compliment bank lending and debt financing	
Would have no effect on bank lending and debt financing	
Other interactions with other potential sources of equity financing	
Don't know / no opinion / not applicable	X

Please explain your answer to question 78:

**Answer:**

Equity and debt are not interchangeable forms of financing, each playing a distinct role. Please see our answer to question 7.

**79: Would the offering of the possibility to raise fresh capital through a private intermittent trading platform have interactions with other sources of financing, e.g. bank lending?**

	Answer
Could incentivise listing on a public market	
Could disincentivise listing on a public market	X
Would have no effect on listing on public market	

**Please explain your answer to question 79:**

**Answer:**

Please see our answers to question 75.

**80. Do you see merit in having dedicated rules at EU level for the raising of fresh capital through a private intermittent trading platform?**

	Answer
Yes	
No	X
Don't know / no opinion / not applicable	

**81. Do you consider that the universe of investors that are eligible to participate in the raising of fresh capital through a private intermittent trading platform should be the same as for secondary trading?**

	Answer
Yes	
No	
Don't know / no opinion / not applicable	X

**Please explain your answer to question 81:**

**Answer:**

Please see our answer to questions 75 and 80.

#### 4. [Additional information](#)

**Are there any other issues in the context of private equity exits that you would like to share?**

**Answer:**

If the intent is to also open the regime to non-EU investors, careful consideration should be given to the legal and operational implications of their participation, as this may trigger the application of third-country securities laws. This is very important as concerning fundraising, in 2024, for all PE, around 32% of capital was committed by investors from outside Europe (19% from North America, 12% from Asia and Australia, and 2% from the rest of the world), while concerning investments, over the same year, 6.7% (or 17.6% in VC alone) has been invested by non-European PE firms into portfolio companies in Europe.

For instance, if we take investors based in the United States, it will be necessary to ensure that an appropriate private placement exemption is available under applicable U.S. law. This implies that the design and operation of the platform should allow for clear and robust processes to ensure compliance with such requirements, including appropriate investor eligibility checks and offering structures. In addition, shares acquired by these investors may be subject to transfer restrictions under U.S. securities law, which could affect their subsequent tradability, including on secondary markets. These constraints would need to be carefully reflected in the platform's operational framework, including in relation to settlement systems, record-keeping and transfer procedures.

More broadly, this highlights that cross-border participation raises complex legal and operational considerations that go beyond the EU regulatory framework. Ensuring legal certainty, clarity of and operational compatibility will be needed to avoid fragmentation, facilitate participation of international investors and support the development of a scalable European market.