

To:

**European Commission**

Directorate-General for Financial Stability,  
Financial Services and Capital Markets Union

1049 Bruxelles / Brussel

Belgium

Milan, 11 May 2026

**RE: Feedback on the European Commission’s Consultation on Private Equity Exit Barriers**

Dear Sirs,

The Italian Private Banking Association (*Associazione Italiana Private Banking*) (“**AIPB**”) welcomes the opportunity to provide its responses to the European Commission’s targeted consultation on private equity exits, which was published on 2 March 2026 (the “**Targeted Consultation**”).

Below you can find our main observations in relation to specific questions raised in the Targeted Consultation, along with some introductory remarks on AIPB’s involvement in the debate regarding the investment exits in private markets and the prospective pathways to facilitate the disposal of equity interests by investors in private companies, also in the context of the broader debate concerning the implementation of the Savings and Investment Union.

**1. INTRODUCTION**

As highlighted in prior consultations, AIPB recognises the strategic relevance of the initiative in supporting further integration and efficiency of EU capital markets, as well as in improving capital allocation and encouraging broader investor participation.

In this context, the Commission’s objective of strengthening investments is consistent with AIPB’s aim of fostering an efficient private banking sector, capable of supporting effective wealth management and long-

term financial planning. Addressing market fragmentation and facilitating access as well as exits to investment opportunities - particularly for high-net-worth individuals (“HNWIs”) - remains a key priority.

Investment in private markets by non-professional investors with substantial wealth and sophisticated investment needs represents a growing, yet still relatively limited, segment. This is largely due to the intrinsic features of such investments, including their long-term horizon and the challenges associated with achieving efficient and timely liquidity.

In light of the above, AIPB welcomes initiatives aimed at facilitating and expanding access to private market investments, as these may enhance the efficiency of portfolio construction and long-term investment planning within a wealth management framework.

## **2. OUR RESPONSES IN RELATION TO SPECIFIC QUESTIONS SET OUT IN PART I OF THE TARGETED CONSULTATION**

In the paragraphs below, we set out our observations on certain questions of the Targeted Consultation from the perspective of private banking institutions, which play a specific role in guiding sophisticated investors towards investment opportunities, including SME financing, through tailored advisory services and specialised financial products.

**QUESTION 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? IF SO, WHAT ARE THOSE BARRIERS? WHERE APPROPRIATE, PLEASE SPECIFY WHICH BARRIERS ARE RELEVANT FOR ACCESSING THE CAPITAL IN THE SAME MEMBER STATE AND WHICH BARRIERS ARE RELEVANT IN A CROSS-BORDER CONTEXT. PLEASE EXPLAIN YOUR ANSWER.**

As evidenced by the data shown in the charts below, barriers to access to capital for private companies arise from a combination of regulatory fragmentation, market structure limitations and investor-side constraints, affecting both the supply of and demand for private market investments. These barriers are particularly pronounced in a cross-border context, where divergences across Member States increase legal uncertainty, costs and operational complexity.

From a regulatory perspective, despite recent regulations, a current obstacle is the lack of a fully harmonised framework governing non-bank financing channels. In particular, the absence of a fully harmonised regime for credit provision by non-bank entities (as, for example, investment funds), coupled with divergent national rules on licensing, structuring and investor protection, limits the ability of market participants to operate

efficiently across borders.

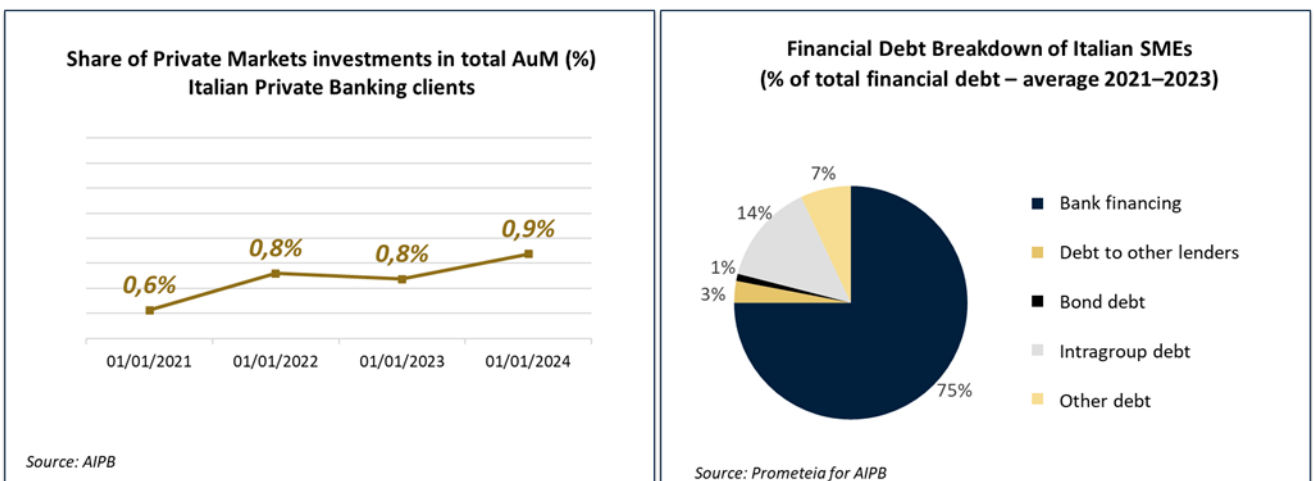
In addition, distribution and investor access frameworks may constrain the flow of capital from private companies. Existing rules on investor categorisation, suitability and product governance, while essential for investor protection, may limit the ability of non-professional but sophisticated investors, like HNWIs, to access private market opportunities.

From a market perspective, structural features of private market investments - including illiquidity, long investment horizons and limited availability of secondary markets - continue to represent a significant constraint. These are compounded by information asymmetries and limited standardisation of disclosures, which increase due diligence costs and may discourage cross-border investments in particular.

Furthermore, by way of example, at domestic level there remain constraints arising under national company law which hinder the development of secondary market liquidity for investments in companies incorporated as private limited liability companies (a corporate form widely used within the industry for small and medium-sized enterprises). This position persists notwithstanding recent developments at European level, which have begun to introduce a degree of opening with a view to facilitating investment in such corporate structures and to fostering trading mechanisms that extend beyond the traditional bilateral framework (see, for example, the measures introduced for crowdfunding offerings).

Overall, while some barriers are also present at domestic level, the most significant obstacles arise in a cross-border context, notably due to regulatory fragmentation and the lack of a harmonised framework for non-bank financing and private market activity.

Private Markets remain underrepresented in investors' portfolios,  
while at the same time SMEs continue to rely predominantly on bank financing.



**QUESTION 2: HOW COULD THE BARRIERS IDENTIFIED IN QUESTION 1 BE REMOVED OR MITIGATED THROUGH TARGETED REGULATORY OR OTHER MEASURES? PLEASE EXPLAIN YOUR ANSWER.**

As outlined above, a range of regulatory, distributional and market-related constraints limit the effective development of private market investment opportunities.

In practice, clearer and more uniform rules on cross-border distribution of all investment products - with particular reference to debt products - would allow intermediaries to structure products that can be offered efficiently across multiple jurisdictions without the need for tailored country-specific adjustments.

From a market standpoint, the establishment of a dedicated secondary platform for private market instruments could represent a step towards mitigating structural illiquidity and expanding investment opportunities, also for HNWI's. Such a platform should be expressly designed to accommodate qualified investors, offering simplified access requirements compared with those applicable to retail clients under MiFID II. This would entail lighter suitability and appropriateness obligations, calibrated to the financial sophistication and risk-bearing capacity of HNWI's. At the same time, operators admitted to the platform should be subject to streamlined entry and ongoing compliance requirements, differentiating these venues from existing regulated markets and trading facilities.

The prospective establishment of a dedicated secondary platform for private market instruments could serve as a mechanism for improving liquidity and expanding investment opportunities, including for companies incorporated as private limited liability companies, while also overcoming any national constraints on the negotiability of such instruments.

In addition, in line with the Proposal for a Regulation of the European Parliament and of the Council on the 28th Regime Corporate Legal Framework ('EU Inc. '), the Association takes a favourable view of the introduction of an European regulation that sets uniform rules for the creation, governance, and activities of EU start-ups and SMEs. At present, the absence of a cohesive framework results in regulatory fragmentation, hindering startups' ability to grow and obtain cross-border financing. The regulation may provide for streamlined processes for EU start-ups and SMEs to issue financial instruments, within a wider initiative aimed at improving access to capital markets.

In addition, the forthcoming European Innovation Act is expected to further strengthen the EU innovation ecosystem by promoting regulatory sandboxes. These controlled environments would enable start-ups and

other innovative companies to test new technologies or services under regulatory supervision before their full market deployment, complementing broader efforts to reduce regulatory fragmentation and support scaling across Europe.

**QUESTION 3: WOULD A MORE TRANSPARENT VALUATION OF PRIVATE COMPANY SHARES SUPPORT PRIVATE EQUITY INVESTMENTS? IF YES, HOW COULD SUCH TRANSPARENCY BE ACHIEVED? PLEASE EXPLAIN YOUR ANSWER.**

Question not addressed.

**QUESTION 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? PLEASE GIVE EXAMPLES OF MEANS THROUGH WHICH IT COULD BE ACHIEVED. PLEASE EXPLAIN YOUR ANSWER.**

As already highlighted in the table “Financial Debt Breakdown of Italian SMEs” reported above, with respect to the necessity of diversifying the sources of financing for private companies, the introduction of a special regime for semi-professional investors - as HNWI - to support their access to private companies looking for funding outside the bilateral level, such as via multilateral marketplaces, would represent a supporting measure, enabling this kind of investors to play a more substantial role in enhancing European economic growth.

Such marketplace could be designed specifically for sophisticated investors and operate under access requirements that are simplified compared to the stringent obligations imposed on retail clients under MiFID II, reflecting the higher level of financial expertise and risk tolerance typically demonstrated by such investors. Likewise, market operators participating in the platform should be subject to streamlined admission and ongoing compliance conditions, distinguishing the venue from existing regulated markets.

From the perspective of eligible companies, enhancing the range of offerings on such platforms may require the introduction of a simplified disclosure regime within the relevant prospectus.

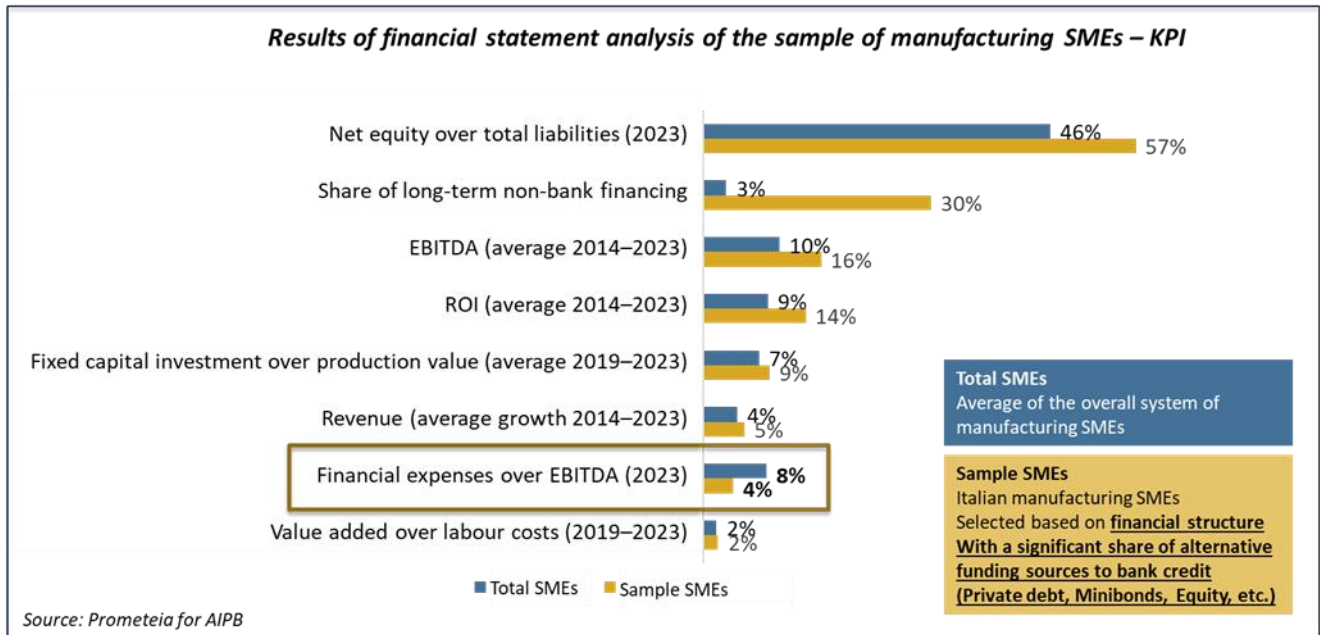
**QUESTION 5: WHAT ARE THE MAIN COSTS ASSOCIATED WITH PRIVATE EQUITY TRANSACTIONS VIA TRADITIONAL CHANNELS, SUCH AS A PRIVATE EQUITY, OR VENTURE CAPITAL FUND? PLEASE SPECIFY, IF DIFFERENT PER TYPE OF INVESTOR/FUND.**

Question not addressed.

**QUESTION 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?**

However, the comparison with other forms of financing requires a broader assessment, taking into account not only direct costs but also the impact on the financial structure and performance of the company over the medium to long term.

In particular, as illustrated in the charts below, empirical evidence shows that companies that diversify their sources of financing — including alternative instruments to bank lending — tend to exhibit lower overall financial burdens and stronger economic and financial performance.



**QUESTION 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? PLEASE EXPLAIN YOUR ANSWER.**

Transaction costs are not a limiting factor in themselves, provided they remain proportionate to the size of the transaction. The more substantive barriers operate at three distinct levels: first, the buyer’s level of experience in understanding the underlying business model and correctly assessing the financial fundamentals of the target company, which is critical for effective due diligence and risk assessment; second, the buyer’s capacity to bring concrete added value at the operational level, including improving efficiency, supporting growth and professionalising management structures; and third, the governance model agreed between the buyer and the target, which must allow the investor to implement its strategic priorities - such as internationalisation, add-on acquisitions or organisational restructuring - as a prerequisite for value creation and successful exits.

**QUESTION 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?**

**PLEASE EXPLAIN YOUR ANSWER.**

AIPB agrees that the process of selling and purchasing the financial instruments of private companies, both on primary and secondary markets, should be made more efficient. In this regard, certain measures could be envisaged to streamline the overall framework.

First, private companies would benefit from simplified procedures for issuing financial instruments, supported by standardised documentation and proportionate disclosure requirements whenever the offering is directed to professional or semi-professional investors (like HNWI or sophisticated retail clients that have financial resources and risk tolerance). Such an approach could reduce costs and execution times, making primary-market transactions more accessible and operationally manageable.

In parallel, the establishment of dedicated secondary trading platforms for instruments issued by private companies could enable more fluid negotiations and improve market depth. These platforms should be accessible exclusively to professional or semi-professional investors and potentially allow for the negotiation of instruments issued by private limited liability companies, thereby overcoming national constraints that currently restrict the transferability of such holdings. Complementing this, the adoption of a “light” disclosure regime - including proportionate prospectus obligations – could help facilitate the circulation of financial instruments within these venues while maintaining an adequate level of investor protection.

A further step could consist in introducing a dedicated regime for semi-professional investors (like HNWI or sophisticated retail clients that have financial resources and risk tolerance), enabling them to access private-market opportunities under simplified suitability assessments and streamlined onboarding processes. This would broaden the investor base without compromising the reliability of market standards and would allow private banking institutions to serve their clients more effectively. Additionally, greater attention should be devoted to enhancing liquidity-management mechanisms for inherently illiquid instruments, for instance through the use of liquidity windows, continuation funds or evergreen structures, in order to increase the attractiveness of private-market investments.

Lastly, encouraging the adoption of more flexible governance models within private companies would allow for quicker decision-making, particularly in connection with capital increases and extraordinary transactions. This would reduce procedural delays and improve the overall efficiency of the investment and divestment processes, ultimately supporting a more dynamic and accessible private-market ecosystem.

**QUESTION 9: WHAT ARE THE MAIN BARRIERS TO A MORE EFFECTIVE AND EFFICIENT SECONDARY MARKET FOR PRIVATE COMPANY SHARES? PLEASE EXPLAIN YOUR ANSWER.**

Secondary-market activity can help strengthen the reputation of private companies and increase the chances that they become attractive candidates for future M&A deals. These markets also offer useful indications on valuation and can operate as an informal due-diligence stage, helping potential purchasers identify suitable targets. In addition, access to secondary trading can allow companies to remain outside public markets for a longer period, enabling them to protect strategic information from competitors and to concentrate on expansion rather than on the administrative burdens associated with being publicly listed.

A number of factors hinder the development of an effective secondary market for the financial instruments of private companies. In many jurisdictions, the rules governing how private-company shares or quotas can be transferred may be complex and differ from country to country. This lack of harmonisation makes it difficult to operate efficiently across borders.

From an operational perspective, most secondary transfers still occur through bilateral, private and fragmented negotiations. This limits transparency, makes pricing less reliable, and discourages both investors and issuers from relying on secondary mechanisms. Companies may also be reluctant to support such transactions because they fear that sensitive information could circulate among parties who are not strategic investors and because secondary trades typically require a degree of information sharing.

A further challenge lies in the inherently illiquid nature of private-market instruments. Long time horizons, uncertain exit routes and a limited pool of potential buyers make it difficult to establish regular and predictable secondary activity. At the same time, many investors may have limited familiarity with secondary-market tools and practices, which restricts demand and reduces incentives for intermediaries to develop suitable solutions.

Finally, secondary transactions in private companies are still often viewed as exceptional or opportunistic rather than as a normal part of a company's capital-structure strategy. This perception, combined with concerns about ownership dynamics and valuation transparency, may further limit the willingness of issuers and investors to engage with secondary markets.

**QUESTION 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? YOU CAN SELECT SEVERAL OPTIONS.**

The difficulty of exiting private equity investments varies significantly depending on the sector and context: software companies, for example, may face more complex exit conditions in the current environment compared to sectors with more stable cash flow profiles and tangible asset bases. Cross-border exits to investors from other Member States are structurally more challenging, due to the limited number of buyers with sufficient willingness and knowledge to conduct such transactions with the required confidence, compounded by differences in legal, tax and regulatory frameworks across jurisdictions. More generally, while transaction-enabling infrastructure - including digital matching platforms, standardised documentation and dedicated secondary trading venues - can facilitate exits, advanced knowledge and well-defined governance models are considered to be equally necessary to enable a greater number of transactions and increased funding for private companies.

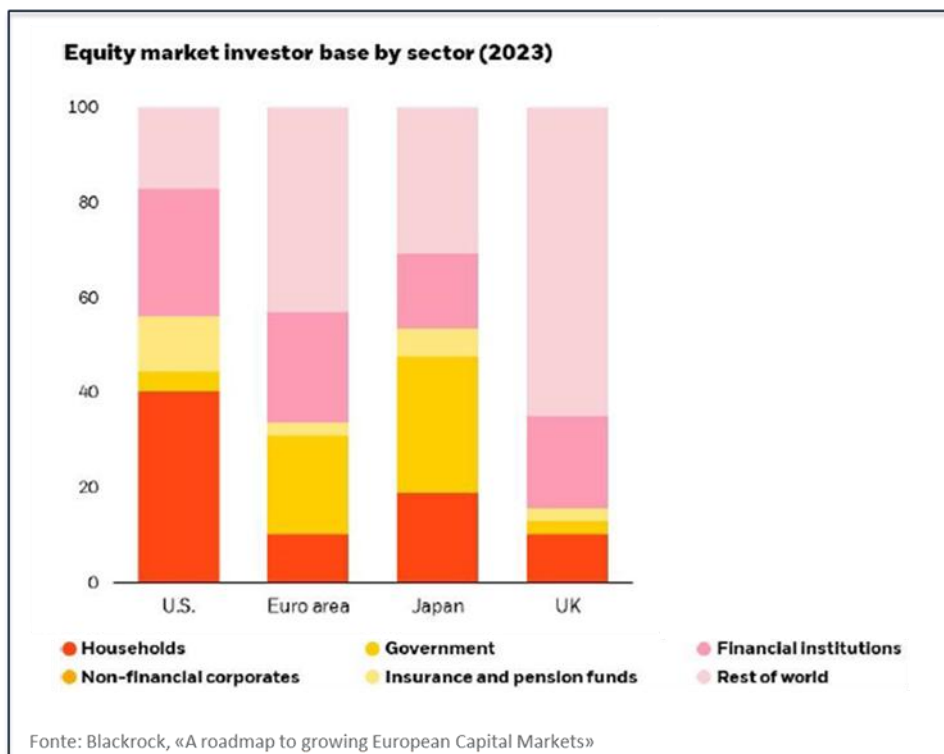
**QUESTION 11: ON A SCALE FROM 1 (COMPLETELY UNIMPORTANT) TO 5 (VERY IMPORTANT), TO WHICH EXTENT DOES THE LACK OF SUITABLE EXIT OPTIONS PREVENT INSTITUTIONAL INVESTORS FROM PROVIDING FUNDING TO PRIVATE COMPANIES? PLEASE EXPLAIN YOUR ANSWER.**

While the lack of suitable exit options does not entirely prevent institutional investors from allocating capital to private companies, it significantly constrains both the scale and the conditions of such investments, particularly for investors subject to liquidity, duration and portfolio-rebalancing requirements.

As illustrated in the chart below, AIPB considers the creation of effective exit mechanisms to be of central importance, as the availability of clear and realistic divestment options is a key precondition for encouraging capital to flow into private markets. In the absence of reliable exit pathways, investments in private companies tend to be perceived as excessively illiquid and long-dated, limiting their appeal even to sophisticated investors. By contrast, well-designed exit solutions - whether through secondary transactions, structured liquidity windows or other market-based mechanisms - can improve investor confidence and support a more dynamic private-market ecosystem.

As highlighted in previous sections, consideration should be given to the position of semi-professional investors, as HNWIs, whose financial sophistication and risk-bearing capacity distinguish them from retail clients. Evidence from more developed and liquid markets, as reflected in the chart below, shows that deeper capital markets are typically characterised by a more diversified investor base, including a stronger presence of intermediate investor categories. This suggests that expanding the investor spectrum in the Italian market could play a key role in strengthening market depth and liquidity.

In this context, the introduction of a more streamlined and flexible regulatory framework tailored to semi-professional investors would represent an important enabling measure. By calibrating disclosure, suitability and operational requirements to the characteristics of this investor category, such a framework could lower unnecessary barriers to participation while preserving market integrity and investor protection. Ultimately, improving access to efficient exit mechanisms for semi-professional investors has the potential to unlock significant additional investment flows into SMEs and innovative companies, thereby supporting the broader objectives of European capital-markets development and sustainable economic growth.



**QUESTION 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.**

AIPB observes that, at domestic level, the exit options most commonly used by investors are primarily represented by merger and acquisition transactions and secondary buyouts. These include, in particular, trade sales, such as the transfer of shareholdings to other non-financial companies or competitors, as well as secondary buyouts involving institutional investors, for example through the sale of stakes to other private equity firms.

Additional exit options frequently observed in practice consist of secondary transactions whereby part of an investor's shareholding is sold either to other existing shareholders within the company or to new external investors. By contrast, initial public offerings appear to have experienced a moderate decline in recent years, although IPOs continue to represent one of the main and most widely recognised exit mechanisms in the

market.

**QUESTION 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 ANSWER.**

The main exit options currently available to investors in private companies - such as mergers and acquisitions, secondary buyouts, secondary share sales and IPOs - are all affected by limitations that reduce their effectiveness and predictability.

M&A transactions and trade sales remain widely used but depend heavily on market conditions and the availability of interested buyers. These processes are often complex and time-consuming, may involve regulatory approvals, and usually result in a full exit rather than allowing investors to divest gradually.

Secondary buyouts by institutional investors offer an alternative exit route but are typically limited to a small pool of financial sponsors, constraining competition, pricing transparency and valuation. These limits reflect broader structural gaps, as EU funds often lack the scale to write large tickets, leaving EU companies reliant on foreign lead investors, particularly in scale-up and exit stages. In a context of tighter monetary conditions and reduced risk appetite in venture capital markets, enhancing governance standards, valuation practices and access to a broader investor base could strengthen the effectiveness and credibility of secondary buyouts.

Secondary sales of shares - either to existing shareholders or to new investors - offer increased flexibility but remain underdeveloped due to legal and operational barriers. These include restrictions on transferability, lack of standardised processes, concerns over confidentiality and the absence of structured trading venues. The creation of dedicated secondary platforms with proportionate disclosure and clear transfer rules could reduce these frictions and improve liquidity.

IPOs continue to be one of the best-known exit mechanisms but have become less attractive in recent years due to high costs, market volatility and onerous disclosure and compliance requirements. Simplifying listing procedures for smaller issuers and promoting hybrid solutions at European level could help restore their role as a viable exit option.

Across all exit routes, broader structural issues persist, including limited liquidity, uncertainty over timing and insufficient solutions tailored to different investor profiles. Introducing a dedicated regulatory regime for specific investor categories (like HNWIs), together with wider use of liquidity-management tools could improve exit options and support greater investment in private companies.

**QUESTION 14: WHAT CAN THE EU DO TO SUPPORT THE SOLUTIONS IDENTIFIED IN QUESTION 13? PLEASE EXPLAIN YOUR**

**ANSWER**

The EU can play a decisive role by using regulation, public financing and institutional coordination to mobilise private capital and address structural barriers in Europe's innovation and scale-up ecosystem. EU-wide regulatory frameworks can help direct investment towards strategic sectors while reducing fragmentation and ensuring common safety and social standards. At the same time, simplifying and harmonising rules - particularly across capital markets - would improve certainty for investors and lower the cost of raising equity, including through IPOs and secondary markets.

Public intervention should be primarily catalytic. As highlighted in the EIB's thematic studies, EU-level funding combined with technical expertise can significantly improve exit outcomes, innovation and access to finance by crowding in private investors. Through instruments such as venture debt, funds-of-funds and co-investment schemes, the EU can help bridge financing gaps, support company scaling with lower dilution, and mitigate risk in periods of reduced private risk appetite.

Strengthening EU capital markets is equally critical. Mobilising long-term institutional investors - such as pension funds and insurers - as well as semi-professional investors as HNWIs would help address the scale-up gap and retain high-growth companies in Europe.

Finally, coordinated EU-wide action is essential. Relying on European rather than purely national instruments would reduce geographical fragmentation, ensure sufficient scale, and align investment with common strategic priorities. Complementary support for EU-wide incubators, accelerators and the development of new financial instruments and venture capital/private equity investment funds can further strengthen the pipeline of innovative companies and help their growth within the Union.

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We welcome the European Commission's initiative to gather market participants' views on exits in private equity, an area that is critical to the depth and resilience of Europe's capital markets.

Drawing on operational experience, this response highlights structural and regulatory factors affecting exit options, including scale, market fragmentation and investor participation. We believe that addressing these issues through coordinated EU-level measures can improve exit efficiency, valuation outcomes and capital

recycling, strengthening the attractiveness of the European private equity ecosystem.

Yours faithfully,

AIPB – Associazione Italiana Private Banking