The WFE Stock Exchange Manifesto

20th August 2025

What exchanges do for us

Exchanges make the future happen – for savers, for companies and for whole countries. They simultaneously support economic growth and household financial security, and provide the infrastructure on which all finance and economic activity are built. And they are there through the bad times (such as COVID) as well as the good, enabling capital raising and investment, even when a crisis strikes.

With new governments taking office around the world in the past year, it is timely to recall that exchanges uniquely combine 10 benefits for the countries they serve. They:

1. Give people a path to financial security, via inflation-beating shares
   They complete their offering with other products, such as fixed income

2. Help companies – new and old, large or SME – to prosper
   Listing is a platform for future funding, hiring and marketing – not just cash today

3. Provide a clear signal on the health of a country
   There is a mutually positive relationship with GDP increases

4. By supporting growth, contribute indirectly to tax revenues
   Also, financial services, with exchanges at the core, is a value-added industry

5. Channel funds in the necessary scale to strategic sectors (defence, medicine)
   Transitionals and new sectors benefit too (digitilisation, AI)

6. Form the foundation for other financial markets
   Exchanges have a 'halo' effect, that makes other financial markets more credible

7. Attract international investment
   The profile and integrity of organised markets brings in foreign investors

8. Underpin insurance
   Insurers need to invest in growth and value assets and manage asset-price risk

9. Promote public engagement
   Access to capital markets and data reinforces social inclusion

10. Ensure system-wide soundness and resilience
    This is funding and investment, without credit crunches

See also: 'Financing the future' (WFE 2023); and 'Stock markets and economic growth' (2025)

Annex – How exchange operators ensure healthy markets

Exchanges and CCPs operate efficient, rules-based market infrastructure: a full and coherent system of standards, which allows investors, issuers and intermediaries to have confidence in all traded-market activities, from listing to trading, to clearing, to settlement. They make market-based finance a meaningful and relatively safe way to finance the future, while avoiding over-reliance on banking.

Market Infrastructures (MIs) are crucial to the ability of the financial world to function, partly by maintaining a balance between the interests of all types of participant. And, in creating transparent markets that are accessible to all, exchanges serve the broader economy and society, supporting investment and risk management. This underpins economic growth and individuals' long-term financial security. CCPs support the reduction of related credit exposures, via mechanisms designed to hold market participants to account. MIs embrace efficiency through automation and digitisation.

Regulated MIs are essential to fair and orderly markets and to investor protection. In many cases, regulated exchanges also take on front-line supervisory duties, supporting the activities and objectives of securities and derivatives regulators.

The fact that standards exist around regulated MI reduces the assessment burden on all individual participants (who are themselves predominantly regulated wholesale entities), eliminating the uncertainty that can exist in relation to other forms of trading platform or in relation to OTC activity.

Regulators grant exchanges authority to operate their markets based on transparency and integrity.
- Transparency includes information provided to investors on the products traded, together with initial and on-going disclosure obligations in the case of issuers.
- Integrity entails a reliable and predictable process that leads to a trade and to an official price. This is of fundamental importance, supporting equal opportunity to trade and an undisputable traded price, which in turn embeds value in the market data that exchanges create.

The headline aspects of the rules-based environment at regulated exchanges consists of:

1. **Legal organisation, governance**
2. **Regulatory framework**
3. **Equal treatment for market access**
4. **Listing & admission to trading**
5. **Trading**
6. **Technical infrastructure, including security and cyber resilience**
7. **Supervision, surveillance & enforcement**
8. **Dispute resolution & complaint handling**

As alluded to above, while each item in the list above is important in its own right — requiring significant, continuous attention — what is even more important is the combined effect.[1] For more details, please see the following, July 2019 WFE paper: 'The importance of valuing stock market data correctly'

[1] These standards are among the criteria that exchanges or CCPs must satisfy to qualify for WFE membership. In other words, they constitute a consistent, global threshold of efficiency and integrity.

Background

Established in 1961, the WFE is the global industry association for exchanges and clearing houses.

Headquartered in London, it represents the providers of over 250 pieces of market infrastructure, including standalone CCPs that are not part of exchange groups. Of our members, 36% are in Asia Pacific, 43% in EMEA and 21% in the Americas. The WFE's 87 member CCPs and clearing services collectively ensure that risk takers post some $1.3 trillion (equivalent) of resources to back their positions, in the form of initial margin and default fund requirements. The exchanges covered by WFE data are home to over 55,000 listed companies, and the market capitalization of these entities is over $111tr; around $124tr in trading annually passes through WFE members (at end-2023).

The WFE is the definitive source for exchange-traded statistics and publishes over 350 market data indicators. Its free statistics database stretches back more than 40 years and provides information and insight into developments on global exchanges. The WFE works with standard-setters, policy makers, regulators and government organisations around the world to support and promote the development of fair, transparent, stable and efficient markets. The WFE shares regulatory authorities' goals of ensuring the safety and soundness of the global financial system.

With extensive experience of developing and enforcing high standards of conduct, the WFE and its members support an orderly, secure, fair and transparent environment for investors; for companies that raise capital; and for all who deal with financial risk. We seek outcomes that maximise the common good, consumer confidence and economic growth. And we engage with policy makers and regulators in an open, collaborative way, reflecting the central, public role that exchanges and CCPs play in a globally integrated financial system.

Website: www.world-exchanges.org
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If you have any further questions, or wish to follow-up on our contribution, the WFE remains at your disposal. Please contact:

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