

FESE response to the ESMA consultation on the methodology for the calculation of market capitalisation

Brussels, Friday 25th July 2025

Q1: Do you agree with the proposed approach of using the average of up to the last 100 transactions within the final 15 minutes before the last trade of the year of each share on the most liquid EU trading venue to determine end-of-year share prices? Alternatively, should a longer-term average be considered to better account for potential price volatility?

We prefer to maintain the current methodology of using the closing price from the last trading day of the year. The proposed methodology would require exchanges to implement technical changes and might overcomplicate the calculation. Moreover, considering only a sequence of transactions might be less representative of those less liquid shares that are not traded during the last 15 minutes of the trading day. Conversely, the closing auction phase (which determines the closing price) gathers substantial volume and should therefore ensure that the closing price reflects the most accurate market value.

Q2: Do you agree with the proposed methodology for calculating market capitalisation at the LEI level, including the grouping of multiple ISINs associated with a single LEI, such as in cases involving multiple share classes, and the exclusion of terminated ISINs to ensure that only the most recent, active instruments are considered in the calculation? If not, please provide your reasoning and suggest any alternative approaches you consider more appropriate.

We agree with the proposed methodology.

Q3: Do you agree with the approach of using the legal address as the basis for determining an entity's country for market capitalisation aggregation, instead of the headquarters address, which refers to the location of senior management and operational control? If not, please explain your preference.

We agree with the proposed approach.