Europe's ETF Horizon: Our 6 Predictions for 2026

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Europe's ETF market is entering a new phase of growth and evolution. With record inflows, accelerating product innovation, and regulatory developments on the horizon, 2026 promises to be a defining year for ETF issuers and investors alike.

From the rise of active ETFs to structural shifts in distribution, cross-border alignment, and tax policy, the landscape is expanding—and with it, new opportunities and challenges. Below are Waystone's 6 predictions for how the European ETF landscape will unfold in 2026.

Prediction 1:
20+ new issuers to launch UCITS ETFs in Europe

Europe's ETF market continues to attract new entrants, driven by strong investor demand, regulatory clarity, and the growing appeal of UCITS structures for global distribution. In 2026, we expect more than 20 new issuers to enter the European UCITS ETF space—a 20% increase from 2025. This surge reflects two key trends: active ETF momentum in both scale and sophistication, and globalisation of ETF issuance, as asset managers from North America and Asia target the European market.





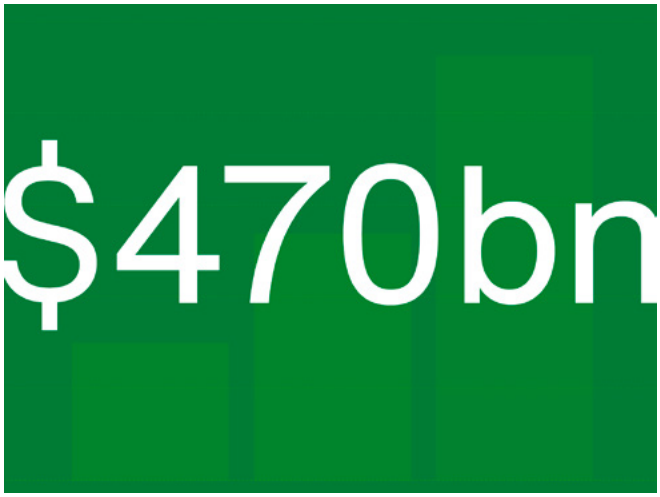
Prediction 2:
UCITS white-label platform AUM to double in 2026 to $11.2bn

White-label UCITS platforms are increasingly favoured by institutional- scale asset managers seeking speed-to-market, lower operational complexity, risk mitigation and reduced costs compared to building proprietary infrastructure. In 2026, we expect white-label platform AUM to double to $11.2bn. This growth reflects a broader market trend of managers outsourcing infrastructure to enable greater focus on distribution investor engagement, and product innovation.

Prediction 3:

European ETF inflows to hit a record $470bn, including $50bn in active ETFs

ETF adoption in Europe continues to accelerate and we expect to see record ETF inflows of $470bn in 2026 (up from $390bn in 2025). This growth reflects the ongoing shift toward ETFs as core investment products in both retail and institutional portfolios and issuers embracing ETFs for distribution and scalability.





Prediction 4:

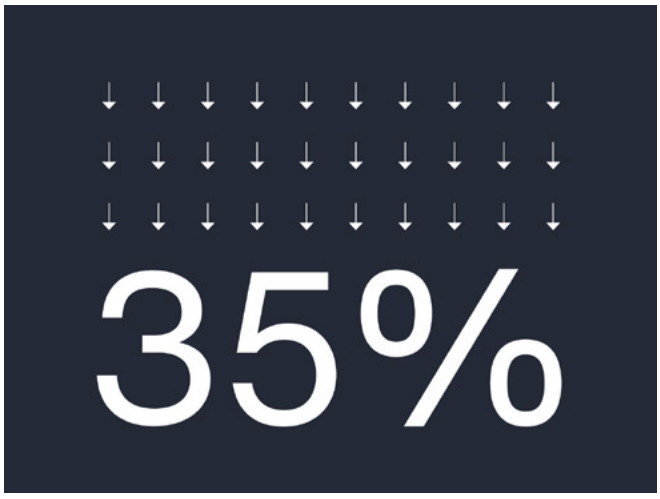
200+ active UCITS ETFs to launch in Europe

Active ETF innovation is gathering pace, driven by investor appetite for differentiated strategies and transparency. In 2026, we expect over 200 new active UCITS ETFs—a 50% increase from 2025—led by large asset managers seeking to diversify product ranges and capture flows. This trend signals a maturing market where active ETFs become a mainstream choice for European investors alongside passive products.

Prediction 5:

Ireland's ETF investor tax cut to decrease further from 38% → 35%

The Irish Government cut the ETF Investment Undertaking Tax for investors from 41% to 38% effective from 1 January 2026, as part of the EU Savings and Investments Union Initiative to help enhance Ireland's competitiveness and encourage long-term investing. While this was welcomed, Irish investors do not get full parity with other investment types on capital gains treatment. We predict the Irish Government to continue toward parity and announce a further 3% relief to investors in 2026. This would narrow this gap, making Ireland an even more attractive domicile for UCITS ETFs.





Prediction 6:
ETF share class adoption in Europe to be slower than industry expectations

While there have been promising recent developments, ETF share classes are not a universal solution for market entry in Europe. There are operational, tax, regulatory and commercial hurdles which need to be solved on a case-by-case basis. We expect slower uptake than anticipated for share class adoption in 2026, with issuers instead favouring easier ETF entry routes. This reflects the complexity of aligning regulatory frameworks with investor demand for flexibility.

Video Series on the 6 ETF Predictions

Our ETF specialists have provided further analysis and insights into what these predictions mean for issuers, investors and the wider ETF ecosystem in a series of short videos.

Find out more here →

How Waystone Can Help

Europe's ETF landscape is evolving rapidly—new paths, new peaks, and new possibilities.

At Waystone, we combine deep ETF expertise and proven institutional infrastructure to help issuers navigate this complexity with certainty, accelerate growth and stay ahead.

If you would like to discuss our predictions and broader European ETF market developments, please contact Paul Heffernan, Henry Glynn or our team via the below.

Contact Us →