28 May 2026

Market Integration and Supervision Package (MISP): Input for Council negotiations by France, Germany, Italy, the Netherlands, Poland and Spain

Europe´s ability to safeguard its prosperity, security and capacity to act depends decisively on its economic and financial strength. To enhance Europe´s sovereignty and competitiveness creating a genuine Savings and Investments Union has become an obvious and immediate necessity. Deeper and more integrated capital markets would strengthen Europe´s growth potential, enhance its economic sovereignty and provide a stronger foundation for financing common priorities.

The Commission's proposal on Market Integration and Supervision (MISP) is a cornerstone of a well-functioning European capital market. The MISP contributes to strengthening Europe´s capacity to attract investment, foster growth and respond to global economic and geopolitical challenges.

The Council Presidency holds the important role of coordinating and steering inclusive discussions in the Council on MISP. We, the Finance Ministers of France, Germany, Italy, the Netherlands, Poland and Spain strongly support the objective of the Commission's proposal and want to use the current momentum for real progress. We aim to facilitate the ongoing negotiations in the Council with a joint contribution. Our input is intended to support the European process together with the European Commission, the Council Presidency and all Member States.

We have identified the following six key priority areas and developed a joint position in order to push forward discussions on MISP:

1. Strengthening cross-border distribution of funds: better financing for European businesses
2. Increasing transparency of equity markets: a level playing field for banks and trading venues
3. Strengthening Market infrastructures for Europe
4. Ensuring a sound Crypto market for Europe)
5. Enabling innovative financial technologies
6. Making ESMA fit for future

1. Strengthening cross-border distribution of funds: better financing for European businesses

Cross-border distribution of funds should be strengthened to make investment funds more accessible across the EU and lower the costs of fund administration. This can incentivise citizens and institutional investors to participate more actively in European capital markets – which in turn lowers the cost of financing for businesses and supports investments for growth, innovation and resilience.

We therefore support the following measures:

- Further harmonizing the cross-border distribution of investment funds, while maintaining adequate safeguards for investor protection. We commit to remove remaining national barriers or divergent national practices.
- On asset management, instead of a potentially overly resource-intensive, complex and formal system of periodic review mechanisms, we propose the formation of coordination colleges of national competent authorities (NCAs) and the European Securities and Markets Authority (ESMA) as a proportionate and flexible instrument to enhance supervisory convergence without creating complex and duplicative structures.

2. Increasing transparency of equity markets: a level playing field for banks and trading venues

Enhancing transparency in equity capital markets and ensuring a level playing field between banks and trading venues is essential to drive market efficiency, reduce fragmentation and strengthen liquidity.

To increase the transparency of equity markets we support the following measures:

- Require Systematic Internaliser to provide a meaningful price improvement for retail orders executed on shares subject to the share trading obligation (STO).
- Mandate enhanced posttrade transparency for Systematic Internaliser equity transactions to ensure clear market visibility.
- Increase transparency and support effective price formation on multilateral exchanges by reviewing both the waiver regime and non-price forming trading mechanisms.

3. Strengthening Market infrastructures for Europe

Significant European market infrastructures are essential for financial stability, efficient capital allocation and the strategic autonomy of European capital markets.

We therefore support the following measures on ESMA's scope of supervision:

- The supervision of significant central counterparties (CCPs) and significant central securities depositories (CSDs), as identified in the Commission´s proposal, is transferred to ESMA in a phased approach.
- The supervision of trading venues operated by Pan-European Market Operators (PEMOs) is transferred to ESMA in a phased approach. Trading venues above given thresholds will be considered as PEMOs.

The supervision is transferred to ESMA in a phased approach under the following assumptions:

- Supervisory responsibility and fiscal accountability should go hand-in-hand. We invite the Commission to review during the transitional period the regulatory framework for ESMA supervised entities. We also invite the Commission to ensure that an effective European crisis management framework for ESMA supervised entities is in place.
- A transitional period to phase-in ESMA direct supervision is required to allow ESMA to develop sound, recognized and robust supervisory expertise and resources. The objective of this period will be to prepare ESMA to meet the operational and resource-related requirements that will determine the transition to the steady state, which will be established on a technical and objective basis. During this period ESMA is closely embedded in the supervisory process alongside the NCAs through structured cooperation supervisory mechanisms. The respective roles of ESMA and NCAs and the division of tasks are clearly defined by the co-legislators.
- The transitional period should be appropriate and as short as possible.
- The regulatory framework is neutral with respect to existing organisational structures (e.g. the requirement for regulated markets to operate as public entities) and takes due account of the specific features of the wholesale sovereign debt markets.

In addition, we acknowledge the ongoing review of the Commission's guidelines on the assessment of mergers.

4. Ensuring a sound Crypto market for Europe

The European crypto market should be strengthened, including its supervision, to achieve a level playing field and effective cross-border oversight. Any changes to the supervisory framework of crypto-asset service providers (CASPs) must deliver clear added value for market integration while avoiding duplicative supervisory layers, unnecessary administrative burden, and additional costs for European businesses, in particular smaller market participants.

We therefore support the following measures:

- We propose a differentiated supervisory architecture in a phased approach under which significant CASPs are placed under direct ESMA supervision, while non-significant CASPs remain under national supervision. Moreover, ESMA should have a say, through a formal opinion, during the licensing process of any applicant CASPs within the existing MiCAR licensing period applicable to the national competent authority. Where ESMA's opinion identifies unaddressed significant risks to EU market integrity or investor protection, the national competent authority should not grant the license. Significance is determined through a combination of criteria assessed at group level, both within the Union and globally.
- Supervision by the European Banking Authority (EBA) will be expanded to cover stablecoins issued under multi-issuance models, accompanied by practical regulatory tools implementing the ESRB recommendations B to J for third-country multi-issuance models such as an equivalence regime, through the MISP with a view to the need of swift negotiations of MISP.

5. Enabling innovative financial technologies

In the global competition Europe must move beyond experimentation and promote the diffusion of the most effective technologies. This is important to shape the market infrastructures and financial services of tomorrow, as well as to support EU players competitiveness and improving financing conditions.

We therefore support the following measures:

- We support the Commission's ambitious proposal to make the DLT Pilot Regime without time limitations, broader and more innovation-friendly while at the same time enabling full scalability of DLT under CSDR and specifying a viable transition path from the Pilot Regime. This regime should include appropriate risk-based aggregate thresholds or equivalent safeguards, while allowing targeted case-by-case flexibility to allow for ambitious projects. This is needed to preserve a level playing field with the ordinary market infrastructure framework and avoid the emergence of a lighter parallel regime for systemically relevant activities.

- We welcome the Eurosystem's work on Pontes and Appia, which can provide a safe settlement asset for tokenisation across the Union. Transactions should be settled in central bank money, in traditional or in tokenised form, when practical and available. To support the rapid and pragmatic deployment of tokenization in the EU, the Union should also enable the use of MiCA-compliant E-Money Tokens (EMTs) for settlement, without undue constraints beyond what financial stability requires, so that the best instruments prevail on their merits.
- As EU competitiveness increasingly depends on the speed of regulatory adaptation to innovation, ESMA should be equipped with a clear innovation mandate and the tools to deliver swift legal clarity including the ability to issue interpretative opinions within its prerogative.

6. Making ESMA fit for future

In light of the new supervisory tasks of ESMA, its governance should be improved to ensure faster, clearer and more effective oversight across the single market.

We should improve ESMA´s governance by the following measures:

- Cooperation and responsibilities between ESMA and NCAs must be clearly defined to avoid duplication, ensure cost control and create legal certainty for supervised entities. The cooperation modalities should be further specified in MISP according to sector-specific needs, ensuring an effective utilization of local expertise. Such modalities should ensure data-sharing and an adequate involvement of the relevant national authorities.
- The composition of the Executive Board should be based on merit, skills, supervisory and market experience, independence and geographical balance, while adequately reflecting the different structure, specificities and size of the national capital markets.
- The internal checks and balances between the Executive Board and the Board of Supervisors should ensure a meaningful role for the Board of Supervisors, while preserving the Executive Board's ability to take timely and decisively action.
- ESMA needs robust arrangements for budgetary oversight and expenditure control. While ensuring high standards of supervision, ESMA should charge reasonable and fair fees for market participants.