

Targeted consultation on integration of EU capital markets – Part 1

Fields marked with * are mandatory.

For technical reasons, the questionnaire has been divided into 2 parts.

This is part 1

Part 2 on **horizontal barriers to trading and post-trading infrastructures, asset management and funds, supervision, and horizontal questions on the supervisory framework** is available here:

[Respond to part 2](#)

Also note that the **question numbering might differ compared to the original pdf version** of the consultation document published on 15 April.

Introduction

Implementation of the [savings and investments union \(SIU\) strategy](#), as presented in the **Commission Communication of 19 March 2025**, is a top priority of the Commission. The [SIU](#) will be a key enabler of wider efforts to boost competitiveness in the EU economy by improving the way the EU financial system mobilises savings for productive investment, thereby creating more and better financial opportunities for citizens and businesses.

The development and integration of EU capital markets should be a market-driven process, but various barriers to that market-driven process must first be removed. Despite the harmonisation of regulatory frameworks and the existence of financial services passports, the persistent fragmentation due to these barriers is limiting the potential benefits of the EU's single market. Financial-market participants cannot fully benefit from scale economies and improved operational efficiency, or are not adequately incentivised to facilitate cross-border investments, raising the costs and restricting the choice of financial services available to businesses and citizens. By delivering better and cheaper financial services, the SIU will be a key element in boosting economic competitiveness.

More integrated and modernised EU capital markets should also allow us to explore and benefit from technological developments and innovation. The use of newer generation technologies such as distributed ledger technology, tokenisation of financial instruments, will allow us to empower our capital markets and equip them for the opportunities and challenges ahead.

The Communication on the SIU announced legislative proposals in the fourth quarter of 2025 to remove barriers to cross-border trading and post-trading, cross-border distribution of investment funds and cross-border operations of asset managers. This reflects [President von der Leyen's mission letter to Commissioner Albuquerque](#), which includes the task to “*explore further measures to [...] promote scaling up of investment funds, and remove barriers to the consolidation of stock exchanges and post-trading infrastructure*”. To this end, the Commission has already launched external studies to identify barriers affecting the consolidation of trading and post-trading infrastructures and the scaling up of investment funds in the EU. These barriers include those of an economic, legal (at national and EU level), technological, behavioural and operational nature.

Divergences in supervisory practices can also act as a specific barrier to capital-market integration, as financial-market participants operating across borders must manage different requirements across the single market. Accordingly, any strategy to integrate EU capital markets naturally leads to the need for more efficient and harmonised supervision. The aforementioned studies also seek to identify barriers to integration that are linked to supervision and the Commission will propose legislative measures in the fourth quarter of 2025 to strengthen supervisory convergence and to transfer certain supervisory tasks for capital markets to the EU level.

As part of implementing the SIU strategy, this targeted consultation seeks stakeholders' feedback on several issues and possible measures, legislative or non-legislative on 2 main areas:

- barriers in general to the integration and modernisation of trading and post-trading infrastructures, the distribution of funds across the EU and efficient cross-border operations of asset management
- and barriers specifically linked to supervision

In line with the [simplification communication](#), simplification will underpin all efforts to implement the SIU strategy and respondents are invited to indicate any areas in which regulatory simplification would be appropriate.

As a swift action is required under the savings and investments union strategy to untap EU enormous potential and give it the means to secure its economic future, this consultation must be completed within eight weeks. It is acknowledged that this consultation is extensive and to the extent that not all questions will be relevant to all stakeholders, respondents are invited to reply only to those questions that are most relevant to them.

Responding to this consultation

In this targeted consultation, the Commission is interested in the views of a wide range of stakeholders. Contributions are particularly sought from financial institutions and other markets participants, national supervisors, national ministries, the ESAs, EU institutions, non-governmental organisations, think tanks, consumers, users of financial services and academics. Market participants include operators and users of trading and post-trading infrastructures in the EU, notably trading venues, broker-dealers, issuers, institutional and retail investors, clearing counterparties (CCPs), central securities depositaries, trade repositories, other financial market infrastructure operators, asset managers, investment funds, regardless of where they are domiciled or where they have established their principal place of business.

This consultation should be seen as a distinct exercise from any targeted queries received by relevant stakeholders in relation to the currently ongoing external studies to identify barriers affecting the consolidation of trading and post-trading infrastructures and the scaling up of investment funds in the EU.

Responses to this consultation are expected to be most useful where issues raised in response to the questions are supported with a clear and detailed narrative, evidenced by data (where possible), concrete examples, legal references and qualitative evidence, and accompanied by specific suggestions for solutions to address them in the Regulation.

Urgent action is required to address persistent fragmentation that limits the benefits to be gained from the EU's single market and contribute to secure EU's prosperity and economic strength. All interested stakeholders are invited to reply by 10 June 2025 at the latest to the online questionnaires below.

Please note that to ensure a fair and transparent consultation process only responses received through the online questionnaires will be taken into account and included in the report summarising responses.

Recognising the comprehensive nature of this consultation, it has been decided to divide it into six key topics: simplification, trading, post trading, horizontal barriers to trading and post-trading, asset management and funds and supervision. This approach aims to streamline the response process and ensure each aspect is thoroughly addressed, thereby making it more manageable for respondents to engage with and contribute their insights effectively. By organising the consultation in this manner, the aim is to encourage detailed and focused feedback on each specific area, ultimately leading to a more robust and inclusive dialogue.

Please note: In order to ensure a fair and transparent consultation process **only responses received through our online questionnaire will be taken into account** and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact fisma-markets-integration-supervision@ec.europa.eu.

More information on

- [this consultation](#)
- [the consultation document](#)
- [savings and investments union](#)
- [the protection of personal data regime for this consultation](#)

About you

* Language of my contribution

- ☐ Bulgarian
- ☐ Croatian
- ☐ Czech
- ☐ Danish
- ☐ Dutch
- ☒ English
- ☐ Estonian
- ☐ Finnish
- ☐

- ☐ French
- ☐ German
- ☐ Greek
- ☐ Hungarian
- ☐ Irish
- ☐ Italian
- ☐ Latvian
- ☐ Lithuanian
- ☐ Maltese
- ☐ Polish
- ☐ Portuguese
- ☐ Romanian
- ☐ Slovak
- ☐ Slovenian
- ☐ Spanish
- ☐ Swedish

* I am giving my contribution as

- ☐ Academic/research institution
- ☒ Business association
- ☐ Company/business
- ☐ Consumer organisation
- ☐ EU citizen
- ☐ Environmental organisation
- ☐ Non-EU citizen
- ☐ Non-governmental organisation (NGO)
- ☐ Public authority
- ☐ Trade union
- ☐ Other

* First name

Lara

* Surname

Shevchenko

* Email (this won't be published)

Ishevchenko@fia.org

* Organisation name

255 character(s) maximum

FIA European Principal Traders Association

* Organisation size

- ☒ Micro (1 to 9 employees)
- ☐ Small (10 to 49 employees)
- ☐ Medium (50 to 249 employees)
- ☐ Large (250 or more)

Transparency register number

255 character(s) maximum

Check if your organisation is on the [transparency register](#). It's a voluntary database for organisations seeking to influence EU decision-making.

629345120630-12

* Country of origin

Please add your country of origin, or that of your organisation.

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- ☐ Democratic Republic of the Congo
- ☐ Denmark
- ☐ Lesotho
- ☐ Liberia
- ☐ Saint Helena
Ascension and
Tristan da Cunha
- ☐ Saint Kitts and Nevis
- ☐ Saint Lucia
- ☐ Zimbabwe

* Field of activity or sector (if applicable)

- ☐ Auditing
- ☐ Central bank
- ☐ Central Counterparty (CCP)
- ☐ Central Securities Depository (CSD)
- ☐ Clearing house
- ☐ Credit institution
- ☐ Credit rating agency
- ☐ Energy trading company (non-financial)
- ☐ European supervisory authority
- ☐ Insurance
- ☒ Investment firm
- ☐ Investment management (e.g. hedge funds, private equity funds, venture capital funds, money market funds, securities)
- ☐ Market infrastructure operation (except CCPs, CSDs, stock exchanges)
- ☐ Member State Authority other than a national supervisory authority
- ☐ Multilateral development bank
- ☐ National supervisory authority
- ☐ Organisation representing European consumers' interests
- ☐ Organisation representing European retail investors' interests
- ☐ Pension provision
- ☐ Public authority
- ☐ Publicly guaranteed undertaking
- ☐ Settlement agent
- ☐ Stock exchange
- ☐ System operator
- ☐ Technology company
- ☐

Other

☐ Not applicable

The Commission will publish all contributions to this targeted consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. **For the purpose of transparency, the type of respondent (for example, 'business association', 'consumer association', 'EU citizen') is always published. Your e-mail address will never be published.** Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected

* Contribution publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

☐ **Anonymous**

Only the organisation type is published: The type of respondent that you responded to this consultation as, your field of activity and your contribution will be published as received. The name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your name will not be published. Please do not include any personal data in the contribution itself if you want to remain anonymous.

☒ **Public**

Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published.

☒ I agree with the [personal data protection provisions](#)

Select the topics

To the extent that not all questions will be relevant to all stakeholders, respondents are invited to reply only to those questions that are most relevant to them within the questionnaires they have chosen to respond to.

Choose the section(s) you want to respond to:

- ☒ 1. Simplification and burden reduction
- ☒ 2. Trading
- ☒

3. Post-trading

For technical reasons, the questionnaire has been divided into 2 parts.

This is part 1

Part 2 on **horizontal barriers to trading and post-trading infrastructures, asset management and funds, supervision, and horizontal questions on the supervisory framework** is available here:

[Respond to part 2](#)

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1. Simplification and burden reduction

The focus of this targeted consultation is to remove barriers to enhance the integration of the EU capital markets and to support their modernisation. By doing so, it will contribute to simplify the framework of EU capital markets and support the Commission's initiative to make Europe faster and simpler. This section seeks stakeholders' view on general questions regarding simplification and burden reduction of the EU regulatory framework in the trade, post-trade and asset management and funds sectors. Respondents are asked to provide concrete examples to support answers provided, and, where possible, quantitative and qualitative information.

Question 1. Is there a need for greater proportionality in the EU regulatory framework related to the trade, post-trade, asset management and funds sectors?

- ☒ 1 - Strongly agree
- ☐ 2 - Agree
- ☐ 3 - Neutral
- ☐ 4 - Disagree
- ☐ 5 - Strongly disagree
- ☐ Don't know / no opinion / not applicable

Question 1.1 Please explain your answer to question 1 and provide suggestion on what form it should take:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The European Principal Traders Association (FIA EPTA) represents Europe's leading Principal Trading Firms (PTFs). Our members are independent market makers and providers of liquidity and risk-transfer for

markets and end-investors across Europe.

FIA EPTA members welcome the opportunity presented by the Savings and Investment Union project to launch ambitious policies that will unlock the EU's growth and navigate towards a more competitive Europe. In order to achieve these goals, EU policy-makers must focus on achieving competitive, deep, and integrated EU capital markets. This requires robust investment from global and EU-based institutional and retail investors. Additionally, it demands resilient, efficient and easily navigable market infrastructure, effective and consistent regulation and supervision and, crucially, will also greatly benefit from strong liquidity provision by PTFs.

Strengthening the global attractiveness and competitiveness of EU capital markets goes beyond simply adjusting rules and regulations; it is also a matter of values. The EU needs to cultivate a stronger investment culture, supported by a more pragmatic regulatory and supervisory approach. This will help mitigate risks of regulatory overreach, undue risk averseness and disproportionate compliance burdens that have, at times, marred otherwise positive EU policy action. What is needed then, is a disciplined and targeted EU regulatory reform program, driven by a coherent vision for more globally competitive EU capital markets.

Our members are global firms active on international financial markets. They are amongst the most active liquidity providers across centrally cleared financial instruments and as they trade solely using their own capital, are able to make agile decisions regarding capital allocation to a given region or market. In recent years, the costs of committing capital to EU markets have grown steadily with compliance costs and the overall complexity of EU capital markets weighing heavily as factors in determining their relative attractiveness. Our members would welcome steps towards enshrining an international competitiveness objective in all EU financial markets regulation and operationalising the competition and competitiveness responsibilities of EBA, EIOPA and ESMA.

From a market structure perspective, the objective should be to build an open framework that fosters competition and transparency, removes barriers to access and does not impose prescriptive burdensome rules that hinder innovation and privilege certain market participants or infrastructures. Regulation should support and advance the interests of investors and issuers by facilitating choice and access. The market should be left to innovate and provide incentives to participation. Attempting to force investors to be active in the EU, by creating artificial barriers with the aim of physically relocating markets or activities, will not be effective. Instead, EU regulatory policy should focus on making EU markets inherently more appealing and attractive, expanding opportunities for all participants.

Well-designed regulation can drive greater competition, safer and more efficient markets and better investor outcomes. The EC should actively assess the impact of new or revised regulations on the global competitiveness of EU markets and market participants. This assessment should be based on pre-agreed KPIs and supported by a more accountable cost-benefit analysis process that fully considers global competitiveness.

EU policy-makers should target new regulation to the areas most in need of improvement. A more targeted approach to regulatory reform will ease pressures on firms' resources caused by frequent regulatory changes. Overlapping or overly granular reporting requirements for firms, where a clear supervisory benefit is not evident, should be reduced. This will ensure that market participants can direct resources more effectively towards bolstering the competitiveness and resilience of EU markets.

More proportionate regulation is crucial across the overall EU regulatory framework where existing rules act as a constraint on EU growth and competitiveness. A prime example of this are the prudential rules applicable to investment firms under the IFR and CRR. The requirements in the CRR/CRD IV were largely calibrated to secure the lending and deposit functions of credit institutions and these requirements do not

effectively capture the actual risks faced by the majority of EU investment firms.

More proportionate prudential rules for PTFs can unlock additional liquidity to strengthen EU capital markets so that they can better support the economy to drive growth. The capital regime for PTFs should also be more aligned with the prudential approaches that other leading global capital markets jurisdictions apply to PTFs so as to ensure the global competitiveness of EU capital markets.

Question 2. In particular, in relation to question 1 above, should the [Alternative Investment Fund Managers Directive \(AIFMD\)](#) threshold for sub-threshold AIFMs take into consideration for instance the market evolution and/or the cumulated inflation over the last 10-15 years?

- ☐ 1 - Strongly agree
- ☐ 2 - Agree
- ☐ 3 - Neutral
- ☐ 4 - Disagree
- ☐ 5 - Strongly disagree
- ☒ Don't know / no opinion / not applicable

Question 3. Would you see a need for introducing greater proportionality in the rules applying to smaller fund managers under AIFMD?

- ☐ 1 - Strongly agree
 - ☐ 2 - Agree
 - ☐ 3 - Neutral
 - ☐ 4 - Disagree
 - ☐ 5 - Strongly disagree
 - ☒ Don't know / no opinion / not applicable
-

Question 4. Are there any barriers that could be addressed by turning into a Regulation (certain provisions of) the

- [Alternative Investment Fund Managers Directive \(AIFMD\)](#)
- [Financial Collateral Directive \(FCD\)](#)
- [Markets in Financial Instruments Directive \(MiFID\)](#)
- [Undertakings for Collective Investment in Transferable Securities Directive \(UCITSD\)](#)
- [Settlement Finality Directive \(SFD\)](#)

- ☐ 1 - Strongly agree
- ☒ 2 - Agree
- ☐ 3 - Neutral
- ☐ 4 - Disagree
- ☐ 5 - Strongly disagree
- ☐ Don't know / no opinion / not applicable

Question 4.1 Please explain which barriers and how a Regulation could remove the barrier:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Until more fundamental changes are made to the EU legislative framework, including introduction of a uniform insolvency regime, it is not appropriate to convert some key directives into regulation. In particular, the central provisions of the FCD and SFD concerning protection of settlement finality of orders and collateral and close-out netting against insolvency of market participants can only be implemented effectively via Member State transposition in to local law as insolvency regimes are determined by applicable member state law.

However, there are some areas where duplicative obligations could be removed or where parts of directives could be converted to regulation to aid in harmonisation and supervisory convergence.

Various pieces of EU legislation impose overlapping burdensome reporting obligations. For example, OTC derivative transactions may be subject to four separate reporting obligations under EMIR, MiFIR, REMIT and AIFMD. This imposes great costs on EU market participants but it is not evident there is any incremental benefit from the additional reporting obligations.

Converting the best execution provisions and the organisational requirements for Regulated Markets into a Regulation would support supervisory convergence as well as consistency in operating standards and

regulatory expectations in these two crucial areas. This consistency across Member States would also support more effective enforcement, where appropriate, particularly of cross-border business, enhancing the single market for EU financial services.

Question 5. Are there areas that would benefit from simplification in the interplay between different EU regulatory frameworks (e.g. between asset management framework and MiFID)?

- ☐ 1 - Strongly agree
- ☒ 2 - Agree
- ☐ 3 - Neutral
- ☐ 4 - Disagree
- ☐ 5 - Strongly disagree
- ☐ Don't know / no opinion / not applicable

Question 5.1 Please explain and provide suggestions for simplification. Also if possible present estimates of the resulting cost savings:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Below are a number of suggestions for simplification supporting the objective of making the EU more competitive with other regions as an attractive market for investors and issuers. Generally, simplification should not be limited to Omnibus Package which is a good first step but needs to be more ambitious from a scope perspective, covering not only sustainable finance but the full range of legislation applicable to EU capital markets activity:

1. Reduce reporting burden: remove duplicative or unnecessary reporting obligations such as under MiFIR, AIFMD, REMIT and EMIR. In particular, reducing duplicative reporting under these regulations for the buy side is key. Any reconciliation needed by NCAs can be done by direct inquiry to the relevant firms on an ad-hoc basis. Duplicative reporting is costly and burdensome with a damaging knock-on effect on returns for investors.
2. Empower ESMA to make adjustments to improve and simplify reporting regimes to enhance EU competitiveness in line with regions where regulatory agencies have been given these powers, making them more nimble and able to react promptly.
3. Remove duplicative or unduly burdensome operational resilience requirements such as those imposed under DORA which in some cases overlap with obligations on investment firms under MiFID II.
4. Amend MiFIR RTS 8 Specifying the requirements on market making agreements and schemes (Commission Delegated Regulation (EU) 2017/578) as it is unduly burdensome on both trading venues and market makers. RTS 8 should be replaced by a more simplified and harmonised regime across venues and market makers with respect to spread, size, presence and report delivery obligations. To support convergence and reduce operational burden, ESMA should create a single API for registrations and RTS 8 performance reports across all trading venues. A central register of designated market makers would also support simplified compliance and greater NCA transparency in relation to other related EU legislation including the Short Selling Regulation (SSR).
5. Adoption of consistently defined terms across EU legislation for legal certainty and operational efficiency. For example, a consistent and meaningful definition of "market maker" should be adopted for MiFID II/MiFIR, the SSR, UCITS, and the Transparency Directive. This would reduce complexity and

compliance burdens for market participants. It would also reduce interdependencies between various pieces of regulation in the event a specific definition from a single piece of regulation is adopted in another piece (such as adoption of the RTS 8 concept of “market maker” for the purposes of the market maker exemption under the SSR).

6. Legislation should be made easily available in a consolidated and up to date format providing a true single rulebook. This will improve the accessibility of EU capital markets to all participants, including third country issuers and investment firms.

7. Establish a comprehensive EU Regulatory Initiatives Grid. Currently, there is no unified overview of the planned regulatory initiatives that are collectively undertaken by DG FISMA, the ESAs and the ECB. Creating such an overview would help market participants plan ahead and manage their resources efficiently. Such a tool will also enable better coordination among public authorities, preventing unnecessary overlaps and stimulating regulatory cooperation.

8. Consolidation of EU NCA databases to support application of EU regulation and monitoring for market integrity purposes and for related reporting obligations including those imposed under the SSR and the Transparency Directive (TD). This would ensure efficient access to consistent data across Member States reducing reporting and operational burdens on market participants and improving market integrity and supervisory processes.

9. Create a centralized reporting portal operated by ESMA as a single point of submission in respect of position reporting obligations under the SSR and the TD rather than requiring firms to submit separate reports via multiple separate non-standardised NCA portals.

10. Revisit systematic internaliser public quoting obligations. These are operationally burdensome, entail costly Public Quote Service fees for investment firms operating SIs and do not materially contribute to pre-trade transparency.

Question 6. Would the key information documents for packaged retail and insurance-based investment products (PRIIPs KID) benefit from being streamlined and simplified?

- ☐ 1 - Strongly agree
- ☐ 2 - Agree
- ☐ 3 - Neutral
- ☐ 4 - Disagree
- ☐ 5 - Strongly disagree
- ☒ Don't know / no opinion / not applicable

Question 7. Do you have other recommendations on possible streamlining and simplification of EU law, national law or supervisory practices and going beyond cross-border provision?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Question 7.1 Please list your recommendation and suggested solutions.

Please rank them as high, medium or low priority:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

FIA EPTA members make the following recommendations to further streamline EU law:

- 1) Grant equivalence for UK APAs – there is currently double reporting of OTC/SI trades where obligations are imposed on market participants under both UK and EU law in respect of MiFIR post-trade reporting obligations. This inflates trading volumes and is misleading to market participants.
- 2) EMIR Reporting:
 - Amend EMIR to move from activity reporting to position reporting for ETDs i.e. trades facing a CCP (as is done in the US under Dodd Frank). This would remove significant duplicate reporting for ETDs with MiFIR transaction reporting.
 - Move to UPI rather than ISIN for EMIR reporting purposes. Other jurisdictions are starting to embrace UPI for OTC derivatives reporting so this change would improve the quality of data reported.

Question 8. Does the EU trade, post-trade, asset management or funds framework apply disproportionate burdens or restrictions on the use of new technologies and innovation in these sectors?

- ☒ 1 - Strongly agree
- ☐ 2 - Agree
- ☐ 3 - Neutral
- ☐ 4 - Disagree
- ☐ 5 - Strongly disagree
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 8 and provide examples:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Many barriers to EU capital markets integration are structural preventing even the most technological advanced service providers from participating in the market or expanding their service offerings. This is particularly evidenced in the post-trade environment in relation to clearing and settlement interoperability. Commercial barriers to cash equities clearing interoperability, especially where infrastructure providers operating in silos refuse access or make it commercially or operationally burdensome, prevent otherwise fully functional infrastructure providers from offering a more comprehensive service regardless of the superiority of their technology or demand from users.

In relation to settlement, structural barriers such as different applicable laws and operational practices entrench fragmentation and complexity. Implementation of the recommendations in the 2017 European Post Trade Forum Report would materially improve the EU post-trade environment, creating a system where innovation and adoption of new technologies could be effectively deployed to improve EU capital markets integration. In particular, ratification of the Geneva and Hague securities conventions would be a significant step towards creating a more harmonized post-trade environment supporting interoperability of settlement

infrastructures. In addition, expanding the function of existing infrastructures such as T2S could pave the way for new technologies to provide solutions for existing gaps in the market, such as potentially adopting decentralized finance capabilities to support a broader range of settlement currencies outside the EU central bank framework.

Duplicative authorization requirements on investment firms under MiFID II who are also managing alternative investment funds under AIFMD create overlapping and burdensome compliance obligations particularly in regard to algorithmic trading. This hampers innovation and disincentivizes potential new entrants to European markets.

Finally, thought should be given when considering potential for additional regulatory frameworks to whether these will create burdens and restrictions on the use of new technologies in trading sector. For example, algorithmic trading is already subject to extensive regulatory requirements through RTS 6. If additional obligations were to be applied formally or informally on areas such as this, it would be duplicative, unnecessary and would impede technological innovation and adoption in EU capital markets. The technology agnostic nature of MiFID is appreciated and should be respected when discussing the scope of any potential new regulation.

Question 9. Would more EU level supervision contribute to the aim of simplification and burden reduction?

- ☐ 1 - Strongly agree
- ☒ 2 - Agree
- ☐ 3 - Neutral
- ☐ 4 - Disagree
- ☐ 5 - Strongly disagree
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 9:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Whether more EU level supervision would contribute to this goal would also likely depend on the structure adopted, whether it would increase the costs of operating the supervisory authorities involved and whether these costs were passed on to regulated entities and ultimately clients/investors. In addition, the governance structure of the approach adopted could increase costs through additional/repeated information requests or regulatory report submissions, either directly or indirectly.

EU level supervision may also pose issues in relation to which body/ies bear ultimate fiscal responsibility for major infrastructures. This important detail would need to be addressed in whatever structure was proposed to facilitate more centralised supervision, including a mechanism whereby a Member State would be required to step in to support default of an infrastructure provider.

2. Trading

This section seeks stakeholders' feedback in the trading space on the nature of barriers to integration, modernisation and digitalisation of liquidity pools and on several issues that can be grouped into two key objectives/areas, as well as their interplay: barriers to cross-border operations in the trading space and barriers to liquidity aggregation and deepening. Respondents are asked to provide concrete examples to support answers provided, and, where possible, quantitative and qualitative information.

Please note that regulatory barriers to the operation of groups and their capacity to leverage intra-group synergies is addressed in the separate questionnaire on horizontal barriers.

2.1. Nature of barriers to integration, modernisation of liquidity pools

Question 1. What is your assessment of the current level of integration of liquidity pools across the EU?

- ☐ 1 - Absent
- ☐ 2 - Inefficient
- ☐ 3 - Neutral
- ☒ 4 - Slightly efficient
- ☐ 5 - Efficient
- ☐ Don't know / no opinion / not applicable

Question 1.1 What are the barriers that limit the level of integration of liquidity pools in the EU?

Please select as many answers as you like

- ☐ Legal/regulatory barriers at EU level
- ☒ Legal/regulatory barriers at domestic level (including also insolvency law, tax, etc., and including barriers resulting from goldplating of EU law)
- ☒ Non-regulatory barriers (market practices)
- ☒ Supervisory practices
- ☐ Other barriers

Question 2. Please provide concrete examples of the identified barriers.

In case of legal barriers (excluding on the “group operations” dealt with in the section on horizontal barriers), please indicate the relevant provisions.

Where possible, please provide an estimate of resulting additional costs and /or impacts on execution quality:

5000 character(s) maximum

Our members believe that the degree of liquidity fragmentation in Europe is not materially problematic. Instead, they consider the complexity and fragmentation in post-trade infrastructure to be the main barrier to integration of EU capital markets. Nevertheless there are a number of factors that contribute to the relatively high cost of trading in Europe compared to other significant global markets:

- **Consolidated Tapes:** It is currently very challenging to get a complete picture of European liquidity, even amongst our membership who typically consume a very wide range of data sources, due to the current absence of a Consolidated Tape. Our members are connected to a wide range of trading venues and consume direct market data feeds from those venues in addition to other data sources. Despite this, they welcome the upcoming introduction of CTs to give a more comprehensive and accurate picture of available liquidity. The CT should support good execution outcomes for end investors and cater for a diverse liquidity ecosystem which facilitates choice for investors. Europe should still aim for inclusion of comprehensive pre-trade data (5 layers of attributed best bid and offer price and volume) to ameliorate fragmentation and support best execution. However, the focus should be on delivering the CTs decided on in the MiFIR Review first. The bond CT in particular will be a huge leap forward and we welcome steps towards greater transparency in European bond markets as a driver of growth and stability;
- **Inconsistent supervision and enforcement:** Whilst the EU already has a comprehensive single regulatory framework for financial markets, there are often gaps or discrepancies in supervisory practices and an apparent lack of enforcement of existing rules resulting in regional differences and complexity. This is particularly notable in respect of best execution rules and certain supervisory practices in relation to Single Market Maker venues which effectively operate as bilateral execution venues. For further information, see our responses to questions 55 and 56 below.
- **Barriers to access by international market participants:** Some recently introduced regulatory requirements create market access barriers for third country firms seeking to trade in EU capital markets. For example, the local agent requirement introduced under article 9 of REMIT II is disproportionate and unnecessarily burdensome. These requirements should be removed in the interests of maintaining open and accessible EU capital markets for international investors. In addition, the German HFT law, which operates in a way supplemental to MiFID II/MiFIR, is a Member State regulatory anomaly which acts as a barrier to entry to that Member State's trading venues and decreases the overall attractiveness of EU markets.
- **Post-trade name give-up:** Trading venues are required to provide non-discriminatory access to all market participants under Articles 18(3) and 53(1) of MiFID II. Unfortunately, the practice of "post-trade name give-up", which is employed by certain MTFs and OTFs that offer trading of centrally-cleared OTC derivatives, acts a discriminatory access barrier. "Post-trade name give-up" occurs when the identities of counterparties to an anonymous trade are subsequently disclosed. While necessary for non-cleared instruments, it serves no legitimate purpose for centrally cleared instruments: post-trade, the counterparties face the CCP, and do not have any ongoing exposure to each other (and under relevant straight-through-processing rules, counterparties face the CCP immediately post-trade). The continued use of "post-trade name give-up" serves the entrenched interests of incumbent dealers and blocks new entrants on relevant trading venues. We note that in the US the CFTC has proposed to prohibit "post-trade name give-up" for anonymously executed, cleared OTC derivatives, and we urge the Commission to follow suit.

2.2. Regulatory barriers to cross-border operations in the trading space

Question 3. What is your assessment of the current level of harmonisation of EU rules applicable to:

	1 (insufficiently harmonised)	2 (poorly harmonised)	3 (partially harmonised)	4 (sufficiently harmonised)	5 (fully harmonised)	Don't know - No opinion - Not applicable
Regulated markets and their operators	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other trading venues and their operators	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The provision of execution of orders on behalf of clients	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The provision of reception and transmission of orders	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Question 3.1 How necessary would you deem, for the purpose of fostering cross-border operations, an increase in the level of EU harmonisation of rules applying to:

	1 (not needed)	2 (rather not needed)	3 (neutral)	4 (rather needed)	5 (highly needed)	Don't know - No opinion - Not applicable
Trading venues and their operators	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
The provision of execution of orders on behalf of clients	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
The provision of reception and transmission of orders	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Question 4. For which areas do you believe that further harmonisation would be beneficial?

Please select as many answers as you like

- ☐ Rules of trading venues (i.e. exchange rulebook)
 - ☐ Approval of rules of trading venues and oversight over their implementation /changes
 - ☐ Governance of the market operator
 - ☒ Open/fair access provisions
 - ☐ Other areas
-

Question 5. Please explain and provide concrete examples of areas where a lack of harmonisation might hamper the full harnessing of the benefits of the single market and, where relevant, differentiate between regulated markets and other trading venues (notably, multilateral trading facilities (MTFs), small and medium enterprises (SME) growth markets and organised trading facilities (OTFs)).

Please provide an estimate of costs and benefits of greater harmonisation in each specific case, where possible:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Harmonisation of supervisory practices in relation to trading venues would improve the effectiveness of existing regulation, particularly under MiFID II and MiFIR including in relation to ensuring multilateral systems meet the operating requirements set out in article 48 of MiFID II (as amended).

Furthermore, trading venues should make all substantive rule changes subject to a reasonable and open public consultation process consistently across all EU Member States.

Significant gains could be realised by harmonising rules applicable to post-trade infrastructure. In particular, full implementation of open access for clearing in relation to both equities and listed derivatives would significantly boost EU capital markets growth and integration by mitigating systemic risk while enabling a more standardised and efficient secondary markets trading environment that benefits end-investors.

A lack of harmonisation in settlement laws and processes impedes the progress of the European single market. The fragmented and highly complex settlement landscape creates additional cost and inefficiency in relation to trading. This is particularly pronounced in relation to ETFs as there is no one single centralized place of settlement and primary creation of ETFs by liquidity providers to meet customer demand results in complex settlement requirements in relation to the instruments underlying the ETF, particularly for ETFs referencing global instruments.

FIA EPTA members wish to stress the importance of looking at the trading and post-trade environment

holistically and not in isolation when considering existing barriers and potential areas for harmonisation and simplification and ultimately when the Commission is considering legislative proposals. In particular, full settlement interoperability supporting competition between service providers would significantly enhance the functioning and integration of EU capital markets. Standardisation of post-trade processes will also support harmonisation, improve efficiency and reduce costs as well as facilitate an easier transition to a T+1 settlement cycle.

Integration will be further supported by the introduction of efficient and useful consolidated tapes and ensuring to the extent possible these are interoperable with other consolidated tapes in the region, namely the UK and Switzerland.

Product level harmonisation would be beneficial including consistency in the timings of closing auctions and levels of transparency.

Harmonisation of existing rule frameworks via enhanced supervisory convergence and enforcement practices including in respect of market structure regulation and best execution rules will further enable investors and issuers to benefit from the European single market. This consistency will improve confidence in EU markets and ease of access.

2.3. Non-regulatory barriers (market practices) to liquidity aggregation and deepening

2.3.1. Integrating liquidity pools across the Union

Question 6.1 Can the use of new digital technology solutions contribute to integrating liquidity pools or connecting different pools across the EU?

- ☐ Yes
- ☐ No
- ☒ Don't know / no opinion / not applicable

Please explain your answer to question 6.1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 6.2 What barriers do you face in implementing such technology-based solutions? Please explain:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Intermediaries and venues interconnections

Question 7. What is your overall assessment of the level of direct connection (i.e., ability to directly execute orders) of EU investment firms to execution venues across the Union, especially to execution venues located in a different Member State than that of the investment firm?

- ☐ 1 - Absent
- ☐ 2 - Inefficient
- ☐ 3 - Neutral
- ☒ 4 - Slightly efficient
- ☐ 5 - Efficient
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 7:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Our members are directly connected to a wide range of trading venues across the Union and maintain a consistent and active presence on those venues as liquidity providers. They do not experience any material impediments to their ability to directly access trading venues, however their ability to fulfill their function as independent market makers is in some cases restricted by the practices of certain venues.

In particular, certain trading venues that are authorised as Regulated Markets operate single market maker models whereby normally only one market maker per product segment is responsible for the entire order book. The ability to trade in a multilateral fashion is therefore limited to one participant, namely the single market maker, while all other participants are limited to bilateral trading within the system. This is contrary to regulatory expectations as to how these venues should function while ostensibly multilateral in nature, they de-facto operate as a bilateral system where the single market maker is (virtually) exclusive counterparty to all trades taking place within the same trading segment of that venue. These exclusionary practices are achieved through various means including via these venues' specific market models, restrictive rules catering for a single "specialist" per instrument/ISIN, technology/connectivity limitations and unwillingness to consider requests for participation from additional market makers. For further information, please see our response to questions 55 and 56 below.

As a general observation, the costs of connecting to venues' matching engines in the colocation sites are increasing as trading venues seek additional regular income streams to supplement revenues from trading fees. In addition, the lack of standardisation in venue connectivity requirements regarding, for example trade flags, add to the complexity and cost of connecting to multiple trading venues.

Question 8. What is your overall assessment of the level of indirect connection (i.e., ability to execute orders via another intermediary) of EU investment firms to execution venues across the Union, especially to execution venues located in a different Member State than that of the investment firm?

- ☐ 1 - Absent
- ☐ 2 - Inefficient
- ☐ 3 - Neutral
- ☒ 4 - Slightly efficient
- ☐ 5 - Efficient
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 8 and provide a comparison of cost efficiency of direct and indirect connection:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

For some smaller markets, larger Investment firms may use local brokers who are more likely to benefit from economies of scale in the local market.

Question 8.1. If you think therefore that there is room for improvement in terms of connection of investment firms to multiple execution venues across the Union, how big of a barrier to the creation of deeper and more integrated pools of liquidity in the EU would you consider this suboptimal level of connection?

- ☐ 1 - Not a barrier
- ☐ 2 - An insignificant barrier
- ☒ 3 - Neutral
- ☐ 4 - A significant barrier
- ☐ 5 - A very significant barrier
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 8.1 and provide an explanation and, where available, estimate(s) of costs that this drives:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Most investment firms can handle the different connectivity requirements. However, lack of standardisation of connectivity requirements, particularly in relation to post-trade increases the costs and complexity of connecting to multiple execution venues.

We do not believe frictions in connectivity are a barrier to creating deeper and more integrated pools of liquidity in the EU. The barriers for integration come from the other frictions like the costs associated with market data, the lack of interoperability in clearing and the lack of interconnectedness of CSDs.

Question 8.2.1. What are in your view the causes of this insufficient level of connection? Please explain:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Lack of standardisation across trading venues in connectivity requirements.

Question 8.2.2. Could the more advanced and developed use of new technology (e.g. API aggregation) and technology-based solutions contribute to achieving higher levels of connection?

- ☐ Yes
- ☒ No
- ☐ Don't know / no opinion / not applicable

Question 8.3. What is your overall assessment of the potential negative impact of that situation on retail investors in particular?

- ☐ 1 - No impact
- ☐ 2 - Almost no impact
- ☒ 3 - Slightly negative impact
- ☐ 4 - Significantly negative impact
- ☐ 5 - Highly negative impact
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 8.3:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Retail investors are most acutely impacted by the higher costs of trading in the EU which is a function of complexity, post-trade inefficiency and in some cases burdensome and/or duplicative regulation (such as in relation to reporting obligations). Simplification of regulation for MIFID firms including regarding capital requirements imposed under the IFR and removing duplicative reporting obligations, will reduce overall

trading costs with positive outcomes for retail investors.

In the event that the Commission determines specific models catering to retail investors need to be supported by regulatory measures, it is important to ensure that any models catering to retail investors are fair, transparent and open to competition, and create a measured tangible benefit for retail investors.

Question 9. Are there any barriers to the use of technology-based solutions that contribute to achieving higher levels of connection?

- ☐ Yes
- ☒ No
- ☐ Don't know / no opinion / not applicable

Question 10. Are you aware of instances where intermediaries charge their clients higher fees for executing clients' orders on a trading venue in a Member State that is different from the Member State of the intermediary?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Question 10.1. What are the reasons why intermediaries charge their clients higher fees?

Please select as many answers as you like

- ☒ It is more expensive for an intermediary to connect to a trading venue that is located in another Member State, because the trading venue charges more than to an intermediary located in its Member State;
- ☐ It is more expensive for an intermediary to connect to a trading venue that is located in another Member State, because of complex cross-border post-trading arrangements;
- ☐ Intermediaries are not directly connected to trading venues located in another Member State and therefore need to rely on other intermediaries, hence increasing the cost;
- ☐ It is a commercial policy at the intermediary's level to apply different fees to clients depending on whether the order is executed in another Member State, independently from what exchanges charge that intermediary;
- ☐ Other

Please explain your reasoning for your answer to question 10.1 and provide relevant data, where available:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Total cost of execution may be more expensive using intermediaries to access a remote market, but usually higher costs are derived from post-trade and market data, rather than just trading costs. Brokers can offer a bundled rate for execution and clearing.

Please specify where any of this could also be relevant in the context of the same Member State with multiple trading venues.

Please provide detail on costs incurred by intermediaries of establishing multiple connections to trading venues

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Some trading venues operate "local champion" structures which privilege access by local intermediaries who meet certain liquidity provision thresholds, operating as a disadvantage to intermediaries operating in other Member States. These structures appear inconsistent with the non-discriminatory access provisions of MiFID II.

Question 11. Are there any barriers that may limit the possibility for trading venues to offer trading in financial instruments that have been initially admitted to trading on another trading venue?

Please reply differentiating by type of trading venue:

	Yes	No	Don't know - No opinion - Not applicable
Regulated markets	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
MTF	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
SME Growth Markets	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 11.1 Please select one or more of the following options that would explain such situation:

Please select as many answers as you like

- ☐ Market practices pertaining to investment firms
- ☒ Market practices pertaining to trading venues
- ☒ Market practices pertaining to CSDs
- ☒ Barriers linked to interoperability between CCPs
- ☐ Supervisory practices
- ☐ Other barriers (including legal barriers at EU level, legal barriers at national level, tax).

Please explain your answer to question 11.1.

In case of legal barriers, please indicate the relevant provisions and what legislative measures you would recommend to solve this issue.

Please provide concrete examples, and where possible estimates of costs:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

High market data costs across Europe act as a disincentive for trading venues to offer trading in financial instruments that have been initially admitted to trading on another trading venue. These also act as a barrier to innovation in relation to new order types and trading mechanisms.

Post-trade silos, particularly in relation to settlement, make cross-border listing and trading more complex and expensive as there is typically only one CSD in which a security settles and this is based solely on the issuer's selection. Even if another venue in a different member state makes that share available for trading, it will typically only be able to settle in a single location. A lack of full clearing interoperability in shares further compounds this cost and complexity.

These issues are potentially the reason why primary markets seem unwilling to compete with each other in their primary listings and trading each others' domestic stocks. Several exchanges that opened an international segment (making their non-domestic stocks available for trading) after the implementation of MiFID I), have since discontinued this activity. Extra costs associated with market data which would need to be sourced from a competing venue, and increased post-trade and settlement costs due to a lack of interoperability may act as barriers preventing them from competing with each other. Unless these barriers are removed and/or some other incentive is created, competition on the secondary markets between primary exchanges will not take place.

In relation to listed derivatives, vertical silos exist due to there being no open access in clearing. Consequently there is no competition for the trading of listed derivatives. This barrier exists due to the exemption for listed derivatives to the open access provisions in MiFID II/MiFIR being introduced under the MiFIR Review in 2023.

For SME Growth Markets, where a financial instrument of an issuer is admitted to trading on one SME growth market, the financial instrument may also be traded on another trading venue only where the issuer has been informed and has not objected. This extra burden discourages MTFs and SME Growth markets from listing SME Growth Shares.

Focus on ETFs

Question 12. How would you rate the impact of multiple ETF listings in the EU on the attractiveness of the market in comparison to other third-country markets?

- ☐ 1 - Very negative
- ☐ 2 - Rather negative
- ☐ 3 - Slightly negative impact
- ☒ 4 - Rather positive
- ☐ 5 - Very positive
- ☐ Don't know / no opinion / not applicable

Question 13. In your view, which of the following are the most relevant drivers for multiple listings of ETFs in the EU?

Please select as many answers as you like

- ☐ Market practices pertaining to investment firms (e.g. lack of direct connection to venues situated in a different Member State than the one where the investment firm is located)
- ☐ Market practices pertaining to trading venues
- ☐ Market practices pertaining to CSDs
- ☐ Barriers linked to interoperability between CCPs
- ☐ Supervisory practices
- ☐ Other barriers (including legal barriers at EU level, legal barriers at national level, tax)

Please explain your answer to question 13. and provide concrete examples, and where possible estimates of costs.

In case of legal barriers to a more integrated trading landscape for ETFs leading to necessary multiple listings, please indicate the relevant provisions and what legislative measures you would recommend to solve this issue:

FIA EPTA members do not consider multiple ETF listings in the EU to be a per se negative feature of the market. Instead, our members consider this to be reflective of a market serving investor demand by offering choice and flexibility in the products made available to EU investors. For example, investors may have a preference for trading a product in their local currency even though it is in other respects identical to a product listed on a platform in a different Member State in respect of the underlying reference asset(s).

Whilst this may result in fewer concentrated pools of liquidity for these products, the way the ETF market has evolved in Europe nevertheless supports readily available liquidity for investors. Market makers play a key function in stitching together this liquidity and providing sufficient buying and selling interests to meet investor demand and facilitate risk transfer in ETF markets. Furthermore, the primary market function served by Authorised Participants through facilitating creations and redemptions supports efficient pricing and liquidity provision practices unique to ETFs.

Accordingly, our members do not consider the barriers mentioned above as relevant to assessing how to reduce or consolidate ETF listings. Investors in European ETF markets would be better served by focussing instead on ensuring a comprehensive and meaningful consolidated tape for ETFs is delivered, including meaningful pre-trade data in the form of five layers of best bid and offer prices, the volume available at these prices and full venue attribution.

In addition and quite fundamental to the issues facing European ETF markets is the importance of ameliorating post-trade fragmentation particularly in relation to settlement. Settlement complexity and cost in European ETF markets is currently very high due to the high degree of settlement fragmentation and lack of competitive fully interoperable service offerings. These issues are particularly acute in respect of ETF markets due to their structural complexity concerning settlement. These complexities include:

- no one single centralized place of settlement ; and
- primary creation of ETFs by liquidity providers to meet customer demand results in further complex settlement requirements in relation to the ETFs underlying instruments, particularly for ETFs referencing global instruments.

These costs are typically borne by the end investor.

Ideally the post-trade environment in Europe should be modified to address these structural issues and ultimately to better serve investors by reducing cost and continuing to support choice.

Means to improve the consolidation of liquidity through better interconnections

Question 14. In your view, should any intermediary offer its clients the possibility to trade, on any EU regulated market, MTF and SME growth market , in all shares and ETFs admitted to trading in the EU?

- ☐ Yes
- ☒ No
- ☐ Don't know / no opinion / not applicable

Please explain your reasoning for your answer to question 14 and provide

where possible estimates of costs and benefits:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Intermediaries should be not obliged by regulation to offer particular connectivity or services. This acts as an effective subsidy for trading venues and would undermine incentives for trading venues to compete with each other. This competition has beneficial effects for users and end investors, including lower transaction fees and incentives to innovate.

Question 14.1. Please specify if your answer would change if:

	Yes my answer would change	No my answer would not change	Don't know / No opinion
the scope of instruments was limited to only a subset of those shares and ETFs that an intermediary offers for trading to its clients, based on certain characteristics (e.g. market capitalisation above a certain threshold)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
the scope of trading venues was limited to only a subset of trading venues (e.g. only EU regulated markets and MTFs having a significant cross-border dimension)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Please explain your answers to question 14.1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 14.2. Do you believe any intermediary should ensure, in relation to those shares and ETFs it offers for trading to its clients, the possibility to trade such shares and ETFs on any EU regulated market, MTF and SME growth market?

To note, while the previous question concerned all shares and ETFs admitted to trading in the EU, this question limits the scope of instruments considered to those the intermediary decides to offer for trading to its clients.

☒ Yes

- ☒ No
- ☐ Don't know / no opinion / not applicable

Please explain your reasoning for your answer to question 14.2 and provide where possible estimates of costs and benefits:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Whilst intermediaries should ensure connectivity to a reasonably diverse range of trading venues to ensure they are able to meet best execution obligations, regulation should not mandate connection to a minimum number of markets. Intermediaries should be free to pursue the service model that best serves their clients, whether that is through offering broad market connectivity or specialising in certain geographies or instruments. This is the best way to support a diverse financial ecosystem in the interests of facilitating choice for investors and market resilience. Furthermore, regulation should not privilege specific venues, infrastructures or financial instruments through mandating service obligations for intermediaries. It should instead serve investors and issuers through removing barriers to access and facilitating competition between market infrastructures.

Market makers already facilitate efficient liquidity provision across a wide range of trading venues and financial instruments giving investors access to competitive pricing and readily available trading interests. This function will be further supported by the introduction of consolidated tapes across shares, ETFs and bonds and by the continued enhancement of EU post-trade transparency.

Question 14.2.1. Please specify if your answer would change if:

	Yes my answer would change	No my answer would not change	Don't know / No opinion
the scope of instruments was limited to only a subset of those shares and ETFs that an intermediary offers for trading to its clients, based on certain characteristics (e.g. market capitalisation above a certain threshold)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
the scope of trading venues was limited to only a subset of trading venues (e.g. only EU regulated markets and MTFs having a significant cross-border dimension)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Please explain your answers to question 14.2.1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As above, FIA EPTA members believe that intermediaries should be free to pursue the service model that best serves their clients, whether that is through offering broad market connectivity or specialising in certain geographies or instruments. The scope of this offering should not be mandated by regulation.

Question 15. Do you believe that intermediaries could improve clients' access to liquidity across the EU by using Smart Order Routing or other similar technologies?

- ☐ Yes
- ☐ No
- ☒ Don't know / no opinion / not applicable

What would be the potential costs associated with it and what are the most useful/promising technologies in your view?

Please explain:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 16. Beyond membership and execution fees, trading venues may charge connection fees.

To the extent this information is available to you, could you provide figures on the amounts charged by individual trading venues or types of trading venues (e.g. regulated markets, MTFs, etc.)?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 17 Increased access to financial instruments on a cross-border basis can also be ensured by improving the interconnection between all relevant EU regulated markets and MTFs.

To that end, would you consider important to ensure an increased level of interconnection between trading venues in the EU?

- ☐ Yes
- ☐ Yes, provided it is funded/co-funded by public funds
- ☒ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 17:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Whilst we believe that there should not be regulatory barriers to venue connectivity if venues wish to enter into commercial arrangements to offer such a service, this should not be mandated by regulation. Instead issuers and investors should be served by an environment that fosters competition and lowers barriers to access. If EU policy-makers wish to encourage multiple or cross-market listings, the better way to go about it is by ensuring there are standardised uniform listing and offering rules across EU Member States and full post-trade interoperability.

Mandating venue interconnectivity would effectively impose an order handling/routing obligation on venues and raises issues regarding best execution obligations which go beyond venues' function and concepts of best execution embodied in the existing regulatory framework. The existing framework in these regards serves the appropriate purpose and should not be redesigned to force interconnectivity.

Question 18. Which of the options referred to in questions 14 and 14.1 (better access to trading venues by intermediaries – option A) and question 17 (increased interconnection between trading venues – option B) would better achieve the following objectives?

	Option A (increased interconnection between trading venues)	Option B (better access to trading venues by intermediaries)	Don't know / No opinion
Increasing the level of liquidity for shares and ETFs	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Improving the quality of execution	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Increasing the speed of execution	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Reducing the cost of execution for clients	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Delivering a more efficient EU trading landscape	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please explain your answer to question 18:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

FIA EPTA members do not consider current levels of fragmentation in the trading environment to be a problem. Instead, they see real benefits from the introduction of competition in this area since MiFID I, as evidenced by narrower spreads in European markets. However, they continue to experience friction, high cost and complexity in post-trade processes, both clearing and settlement. Accordingly, we stress the importance of considering the challenges present in EU capital markets and any legislative proposals aimed at addressing these challenges holistically across trading and post-trade infrastructures.

Our members strongly believe that there does not need to be any regulatory intervention to address enhanced venue interconnectivity. If the market is seeking a solution to inter-venue connectivity (which we do not believe it is) a commercial solution will emerge. Some venues have attempted to offer these services already and they have not proven successful due to a lack of demand. Introducing prescriptive rules that force interconnectivity such as routing obligations will be more likely to create market distortions and additional layers of cost which are always passed on to end investors ultimately reducing the attractiveness of EU capital markets. Furthermore, such measures would be create uncertainty over best execution obligations making it unclear where responsibility for achieving the best execution outcomes for investors lies: with intermediaries or with venues.

Market Makers already play a crucial role in facilitating access to competitive pricing across trading infrastructures. Our members consume all possible data points to enable them to provide the most up to date prices possible on a consistent basis. Continuing to enhance post-trade transparency and supporting consistent access to accurate pricing across execution venues via efficient and comprehensive consolidated tapes will provide straightforward and established means of improving access to and the attractiveness of EU capital markets.

Question 19. In other jurisdictions, notably the US, an increased level of interconnection at the level of trading venues resulted from the application of the ‘order protection rule’ ([Rule 611 of the Regulation National Market System](#)) that established intermarket protection against trade-throughs for certain shares.

Do you have any experience with this rule?

- ☒ Yes
- ☐

No

☒ Don't know / no opinion / not applicable

Please explain your answer to question 19:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Many of our members have a significant US presence and provide material proportion of overall liquidity to US equity, bond and listed and OTC derivatives markets. As such, they have extensive experience with the order protection rule ("OPR") in relation to equities and the equivalent rule applicable to options.

Question 19.1 Please assess the effectiveness of this rule in terms of:

	1 (not at all effective)	2 (rather not effective)	3 (neutral)	4 (rather effective)	5 (highly effective)	Don't know - No opinion - Not applicable
Guaranteeing the best price for clients/investor protection	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Speed of execution	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Level of execution fees	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Split of liquidity	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interconnection between trading venues	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Efficiency of the price formation process	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Modernising trading protocols (e.g. digitalisation/electronic trading)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 19.2 Are you aware of any issues that can arise from this rule?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 19.2 and provide specific examples:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

This rule has a number of material downsides and accordingly our members strongly recommend that EU policy-makers do not waste time or resource on considering adoption of a similar framework in the EU.

These downsides include:

- There is no satisfactory definition of “best price” which incorporates all relevant sources of liquidity with a view to delivering a substantive best execution obligation to US investors. The EU concept of best execution delivers better investor outcomes due to the need to consider a variety of factors relevant to the client. Adopting an Order Protection Rule similar to that of the US would require a complete reconceptualization of EU best execution rules which we believe would result in sub-optimal outcomes for investors.
- This rule effectively imposes an order handling obligation on trading venues and raises issues regarding best execution obligations which go beyond venues’ function and concepts of best execution embodied in the existing regulatory framework.
- This rule poses a number of issues in relation to post-trade processes which would be exacerbated by the high degree of post-trade fragmentation in Europe and would make the transition to T+1 even more challenging.
- Intermediaries are forced to incur very high costs in connecting to all relevant venues in order to obtain market data even where there is minimal liquidity just to ensure compliance with the rule. This creates further barriers to entry for new market participants and privileges larger market participants who are better placed to absorb this cost and/or pass it onto clients.
- Additional latency is built into the system as an order must be routed to the relevant venue offering the best price rather than being executed at the venue to which it was sent based on the judgement of the relevant intermediary.

Open competition between execution venues facilitated by removing barriers to access and fully operable pre and post trade transparency is far preferable to imposition of an Order Protection Rule. This favourable environment would be further supported by a comprehensive Consolidated Tape offering substantive pre-trade data with full venue attribution alongside full post-trade interoperability in clearing and settlement.

Question 20. Where implemented, the order protection rules required technological adaptations, so to allow the swift rerouting of the orders.

What is your assessment of the ability of the current state of connections among trading venues in the EU to cater for the rerouting of orders to venues offering the best price, as required by the order protection rule in the US?

- ☐ 1 - Insufficient

- ☒ 2 - Rather insufficient
- ☐ 3 - Neutral
- ☐ 4 - Rather adequate
- ☐ 5 - Fully adequate
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 20:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 21. Do you consider that geographical dispersion of EU trading venues would pose issues to an effective implementation of similar rules?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 21:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 22. If the current set-up does not allow for it, what are in your view the necessary arrangements to allow for sufficiently fast connections, and what would be the associated costs?

Please provide cost estimates where possible:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Technology currently exists to facilitate these connections however it is typically only available at high cost. Imposing an Order Protection Rule would force smaller market participants to take upon this cost burden when they are less able to absorb it which would likely result in smaller participants exiting the market

resulting in less choice and competition to the detriment of investors. It would also make demand for these services largely inelastic resulting in greater pricing power for service providers with further negative impact on cost burden for consumers.

Question 23. Crypto-markets have seen the emergence of a market architecture whereby retail investors have direct access to a crypto-asset trading venue.

Do you see merit in allowing or promoting the direct access of retail participants to trading venues for financial instruments, without an intermediary?

- ☐ Yes
- ☒ No
- ☐ Don't know / no opinion / not applicable

Please explain the advantages and disadvantages of such a model, as well as the risks and how they could be mitigated:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

A significant factor in retail access to markets is navigation of the complex post-trade environment. Retail investors still need an intermediary to access central clearing and settlement facilities and to manage post-trade operational issues such as trade cancellations and fails. Direct retail access to markets would not materially improve the retail investor's experience of trading nor would it support market efficiency and resilience.

Improving access for retail investors would be more effectively achieved by removing barriers in the onboarding phase (such as burdensome suitability and appropriateness requirements) and facilitating access to a wide range of financial products through creating the right incentives from a tax and accessibility perspective.

2.4. Ensuring fair access to market infrastructure to foster deep and liquid EU-wide markets

Question 24. What is your assessment of the effect of the removal of exchange-traded derivatives from the so-called ‘open access’ to CCPs and trading venues provision under Articles 35 and 36 of the reviewed MiFIR?

Please include elements in terms of costs of trading and clearing, depth of market, switch to OTC.

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

FIA EPTA members strongly support open access and consider that this should become a reality as soon possible.

The absence of open access for exchange traded derivatives (ETDs) has materially hindered the growth of European ETD markets by fragmenting liquidity. This is in contrast to global ETD markets which have experienced impressive growth over recent years. Figures from the FIA indicate that US listed derivatives markets experienced 250% growth (by trade count) over the period from 2008 to 2023, whereas European listed derivatives markets have shrunk since 2012. In relation to options, the US has a single clearing house which supports contract fungibility across trading venues whereas European investors are limited to trading heterogeneous contracts on a single trading venue which constrains liquidity and ultimately hampers growth. FIA EPTA members recognise the importance of enabling investor choice to source the most appropriate type of liquidity that meets their needs. In ETD markets off-screen activity, whereby counterparties agree trades bilaterally and these are then brought on venue under the rules of the exchange, plays an important role in facilitating that choice. However, venues – where possible – should be encouraged to structure their incentive schemes in such a way as to promote a liquid and competitive on-screen market to support price discovery and provide opportunities for competitive price formation. In particular in products where today it is not an attractive alternative to the off-screen market.

These limitations have an impact on European capital markets more broadly. Robust derivatives markets are an essential component for a competitive capital markets ecosystem. ETDs, such as listed futures and options, are particularly valuable in this regard. ETDs offer end-investors and companies efficient ways to hedge and manage financial risk, while also supporting liquidity and price discovery for underlying assets, including green equities and bonds. Despite their importance, European ETD markets have lagged behind those in other global regions. To advance a successful SIU, it is essential to enhance the competitiveness of EU ETD markets and support their further development. Providing open access to clearing of ETDs is a crucial step in supporting growth of these markets.

FIA EPTA members strongly support central clearing as the cornerstone for high quality capital markets by mitigating systemic risk while enabling a more standardised and efficient secondary markets trading environment that benefits end-investors. We have consistently applauded the extension of central clearing following the 2011 G-20 commitments. However, FIA EPTA members at the same time hold a long-standing belief that enabling competition amongst CCPs is essential for balancing the extensive market power held by incumbent CCPs operating a silo model with their associated derivatives exchanges that are part of the same group. This market power has only grown with the greater reliance on central clearing after the last financial crisis.

Consequently, FIA EPTA members consider that Open Access to clearing must become available without

further delay. As a result of Open Access, new and innovative trading protocols can emerge across a wider range of trading venues facilitating price discovery and risk transfer among a more diverse set of counterparties. Collectively, these developments deliver better pricing, deeper liquidity, greater transparency while removing the existing single-point-of-failure risk.

Currently, FIA EPTA members experience hurdles stemming from legacy market structures and de-facto monopolistic practices by incumbent CCPs. Hence, FIA EPTA members consider that the MiFIR open access requirements should be reinstated as a priority amongst SIU measures. Such steps will minimise the impact of existing clearing fragmentation between silos, allowing for smoother cross border capital flows and easing market access as a consequence of being able to net across CCPs.

Question 25. What is your assessment of the effectiveness of the open access provisions under Articles 35 and 36 of the reviewed MiFIR on other financial instruments, notably equity?

- ☐ 1 - Not at all functioning
- ☒ 2 - Not functioning very well
- ☐ 3 - Neutral
- ☐ 4 - Functioning quite well
- ☐ 5 - Perfectly functioning
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 25:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

FIA EPTA members consider that in the cash (equities and bonds) markets more competition via widely applied open access and true interoperability facilitated by open access could help solve many hurdles that currently prevent the establishment of a true SIU.

As for listed derivatives markets, FIA EPTA members experience various hurdles stemming from legacy structures – and in some cases – protectionism. This renders the post-trading infrastructure unduly inefficient, stifles innovation and creates unnecessary risks to the financial infrastructure in the Union. These hurdles are becoming more pronounced and entrenched as market infrastructure providers seek to drive users into vertical silos through a combination of punitive fee structures and operational necessity. This trend undermines the efficiency gains from competition in trading.

Many of the problems identified by the European Post-Trading Forum⁴ have remained unresolved, in spite of improvements such as T2S and convergence practices in the ETF industry driven by private initiatives. We note, e.g., that shares which are traded simultaneously on different venues across Europe still retain different settlement prices where these price differences are not arbitrated away. Likewise, booking a transaction (realignment) in a single stock, bond or ETF from a CCP in one Member State to another in a different Member State is still highly time-consuming and operationally complex despite the instruments being identical with the same ISIN. These issues can only be explained by the non-harmonised nature of post-trading processes (including different securities or insolvency laws and/or settlement cycles). We observe that these discrepancies are oftentimes maintained in order to protect the position of incumbent

infrastructure operators.

Consequently, we would ask the Commission to consider ways to harmonise the securities law across the Union, potentially through ratification of the Geneva Securities Convention and The Hague Securities Convention at EU level. In EPTA members' opinion this would make the EU capital market more attractive and should result in lower trading costs for EU and non-EU investors.

Question 26. Have you identified any barriers to the proper functioning open access provisions under Articles 35 and 36 of the reviewed MiFIR?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please specify such barriers and, where appropriate, suggest the necessary legislative amendments to address them:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Regarding ETDs we observe the following:

- Article 35 MiFIR: Non-discriminatory trading venue access to CCPs will permit multiple derivatives exchanges to clear their listed derivatives through an incumbent CCP. Thus, their products will become fungible with those of the incumbent exchange associated with the incumbent CCP, introducing significant netting efficiencies, as those products can now be aggregated or off-set against each other. This will bring much needed competition to the listed derivatives market, where currently individual exchanges have a monopolistic market position, blocking competition by not allowing access to their own CCP to protect their silo model, leading to inefficiencies, hindering innovation and creating unnecessarily high (data) costs which weigh down EU capital markets development.
- Article 36 MiFIR: Non-discriminatory CCP access to trading venues will enable a derivative exchange's products to be cleared by multiple CCPs. FIA EPTA members are of the opinion that trading venues should allow multiple authorised CCPs to clear transactions in financial instruments traded on their trading venue if so requested by those CCPs. This would enable an extension of the equity market interoperability between CCPs which has worked well and created significant benefits for EU markets. We further consider that the number of CCPs that could request access to a particular trading venue should not be limited. We believe this will promote healthy competition and innovation while discouraging incumbent CCPs to use their dominant market power to set clearing fees in an arbitrary manner. It will also mitigate single-point-of-failure risk. We consider all of this to be in the best interest of the wider EU capital markets ecosystem including for end-investors and consistent with the original MiFID objectives. Any operational aspects which we observe mostly relate to the efficient handling of ad-hoc events during the lifecycle of the product (such as corporate actions in relation to underlying shares linked to equity derivatives). If, for instance, a corporate action was handled differently by various CCPs this could cause confusion and potentially market dislocation. To effectively mitigate such operational concerns, we would welcome ESMA guidance clarifying that all CCPs must follow the instructions of the incumbent CCP with regard to processing corporate actions and other lifecycle events. This should alleviate the main operational concerns that market participants may have about the introduction of the open access requirements.

Question 27. Have you identified other barriers in terms of fair access relating to trading infrastructure, beyond those addressed under Articles 35 and 36 of the reviewed MiFIR?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 27:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Please see our comments relating to Single Market Maker venues at questions 17, 55 and 56. These barriers could be effectively addressed through greater supervisory convergence of trading venues and enforcement of existing market structure rules under MiFID II and MiFIR. We note at present there is very little if any visible enforcement activity of such rules by NCAs. Whilst we appreciate there may be some matters dealt with via the supervisory relationship which are not visible to the public, where there is clear divergence from the single rulebook without public action then it is apparent that more assertive action may be warranted. This could be further facilitated by incorporating the MiFID II organisational requirements concerning Regulated Markets and MTFs in a directly applicable Regulation.

2.5. Enhanced quality of execution through deeper markets

Question 28. When the same financial instrument is traded on multiple execution venues, the best execution rule plays a key role. The rule seeks to protect investors, ensuring the best possible result for them, while also enhancing the efficiency of markets by channelling liquidity towards the most efficient venues.

What is your assessment of the effectiveness of the best execution rules in the EU?

- ☐ 1 - Insufficient
- ☐ 2 - Rather insufficient
- ☒ 3 - Neutral
- ☐ 4 - Rather efficient
- ☐ 5 - Fully efficient
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 28:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The best execution rules in the EU provide a desirable degree of flexibility in assessing whether an investor has received positive execution outcomes based on their individual requirements rather than being overly prescriptive and reductive to price, as is the case in some other jurisdictions. However, we observe that these rules are not applied uniformly. Accordingly, this is one area that would greatly benefit from supervisory convergence and having these rules converted into a Regulation to support more consistent application and enforcement.

We understand that one reason for apparent low levels of supervisory or enforcement action is the absence of appropriate data for benchmarking best execution outcomes. FIA EPTA members expect that the Consolidated Tape will provide a better reference than is currently available for this purpose. FIA EPTA members believe the CT has great potential as a means of supporting best execution outcomes for investors and the ability of NCAs to effectively supervise the EU best execution rules.

Question 29. There are important differences between best execution rules in the EU and in the US. In particular, in the EU, the obligation to obtain the best possible result for the clients lies on the intermediary. In the US, the quality of execution is guaranteed also through the aforementioned “order protection rule” that prevents trading venues from executing orders if a better execution price can be found on another exchange.

Which of the following options would most accurately reflect your assessment of the best execution framework in the EU vis-à-vis the US?

- ☒ The EU framework is better suited than the US framework to obtain the best results for clients
- ☐ The US framework is better suited than the EU framework to obtain the best results for clients
- ☐ Both models are equally effective
- ☐ Both models are equally ineffective
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 29:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 30. For equity instruments, the consolidated tape will disclose the European Best Bid Best Offer (EBBO) in an anonymised form. The tape will allow to have increased and integrated visibility on the different pools of liquidity available.

How effective would lifting the anonymity of the EBBO be in achieving the following objectives?

	1 (not at all effective)	2 (rather not effective)	3 (neutral)	4 (rather effective)	5 (highly effective)	Don't know - No opinion - Not applicable
Improving the ability of investment firms to assess the quality of execution	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ensuring a more integrated market whereby investment firms are able to direct their order to the most efficient options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Contributing to the efficiency of the price formation mechanism	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please specify to what other objective(s) you refer in your answer to question 30:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Other: market resilience in the event of a venue outage enabling market participants to identify where else liquidity is available and at what price.

Additional depth of pre-trade data would further support achievement of these objectives.

Please explain your answer to question 30, providing a cost/benefit assessment:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 31. For equity instruments, the consolidated tape will disclose the EBBO only in relation to one layer of quotes (i.e., show only the best bid and offer, but not the second, third, etc.).

How important do you deem expanding the depth of the EBBO displayed by the equity tape?

- ☐ 1 - Not needed
- ☐ 2 - Not really needed
- ☐ 3 - Neutral
- ☐ 4 - Rather needed
- ☒ 5 - Essential
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 31, providing a cost/benefit assessment:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

FIA EPTA members strongly support expanding the depth of the EBBO displayed by the equity tape to five layers of attributed pre-trade data.

The benefits are significant and currently not quantifiable. They have been discussed at length during the trilogue process for the MiFIR Review and include ameliorating the increasingly fragmented European trading environment, advertising European liquidity not only to European investors but also to international investors enhancing Europe's role as a truly international destination for capital raising, enhancing venue competition, contributing to price formation particularly in light of an increasingly diverse execution environment encompassing both bilateral and multilateral venues, ameliorating access issues (connectivity costs etc) by giving single point of reference for smaller market participants, benchmarking for best execution to support more effective supervision and enforcement resulting in better outcomes for end investors and more effective competition between venues. It is crucial that European financial markets deliver choice, transparency and competition to investors and the CT is an essential element in achieving that goal.

A comprehensive pre-trade consolidated tape would support a diverse range of liquidity delivery mechanisms facilitating choice for investors in how they access liquidity and the kind of liquidity they can access. This means of addressing issues with access to and transparency of differing market structures is far more preferable than introducing prescriptive rules to privilege one means of liquidity provision over others.

The cost of a pre-trade consolidated tape most commonly cited is that of the necessary market data inputs. The market for market data is subject to anti-competitive distortions due to a lack of competition between providers (pre-trade data relating to a specific market can only be sourced from that market) and inelastic demand on behalf of market participants. The consolidated tape will not be a direct substitute for the highest volume market data consumers (and therefore those paying most) which include FIA EPTA members. The ongoing resistance to contribution of pre-trade data to the CTP and debate over an appropriate revenue sharing arrangement illustrate the need for further scrutiny of transparency and pricing practices in this area.

Question 32. Under the current MiFIR, the speed at which core market data is disseminated by the equity consolidated tape is not regulated.

How important do you deem defining in legislation the speed at which core market data should be disseminated by the equity consolidated tape?

- ☐ 1 - Not needed
- ☐ 2 - Not really needed
- ☐ 3 - Neutral
- ☐ 4 - Rather needed
- ☐ 5 - Essential
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 32, specifying what should be the adequate speed:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As mentioned above at Q31, the CT is not intended to support use cases that require low latency such as trading applications which will continue to consume direct feeds from trading venues, delivered at a much faster speed.

As outlined in the February 2025 user recommendations for an EU equities CT published by Adamantia research institute, a broadcast speed of 100 milliseconds (ms) or faster end-to-end (e.g. from the data provider to the end user) is satisfactory for most use cases. While the CTP strives to maintain minimum operating standards for 100ms dissemination latency, ongoing investments must be made to improve CT speed over time with the intention of minimising processing latency as much as possible.

Question 33. Which of the following options reflects your assessment of the impact on the consolidated tape of requiring systematic internalisers to contribute to the equity pre-trade consolidated tape?

- ☐ It would improve the quality of the data displayed by the tape
- ☒ It would reduce the quality of the data displayed by the tape, also considering that systematic internalisers, under certain conditions, can trade at prices that are better than the quoted prices
- ☐ It would be irrelevant
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 33:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Whilst the amendments to the SI quoting regime recommended in ESMA's Final Report on the revised RTS 1 published December 2023 take steps towards ensuring SI quotes contribute meaningfully to the pre-trade transparency they do not go far enough for this data to make a meaningful contribution to the CT, acknowledging the constraints set at Level 1 that ESMA was operating under when making those proposals.

More importantly, FIA EPTA members believe revising post-trade reporting framework for SIs to require investment firms to trade report internalised hedging activity in relation to derivatives giving synthetic exposure to shares would materially improve the value of data reported to the CT by SIs. More information on this issue is set out in our research paper "Mind the Transparency Gap" which we have provided to the Commission separately.

Question 34. Which amendments to their regulatory framework would be required to effectively include systemic internalisers as contributors of equity pre-trade data?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 34.1. Are there other hurdles (e.g. technical)?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 34.1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

2.6. Building quality liquidity for EU market participants: impact of recent trends

2.6.1. Non-transparent ('dark') trading (for equity instruments)

Question 35. The EU's trading landscape is witnessing a decrease of lit order book equity trading (i.e. order book trading with pre-trade transparency).

In your view, what are the main reasons that explain such a trend?

Please select as many answers as you like

- ☐ Regulation
- ☒ Liquidity fragmentation
- ☐ Order flow competition (e.g. development of EMS/OMS)
- ☐ Technological developments (e.g. algorithmic trading/HFT)
- ☐ Surge in ETFs and passive management
- ☒ Other

Please specify to what other reason(s) you refer in your answer to question 35:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Internalisation of price forming trading activity to reduce explicit execution costs.

Please explain your answer to question 35:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

European trading activity has experienced an evolutionary migration away from lit order books since 2007. The current liquidity environment has developed due to a variety of factors including response to investor demand for a variety of different means of accessing different kinds of liquidity, depending on trading and investment strategies, idiosyncratic features of relevant financial instruments, innovation by trading venues offering different order types and services such as periodic auctions and conditional LIS services, an acceleration of SI adoption due to changes introduced under MiFID II/MiFIR regarding mandatory SI status and the Share Trading Obligation. Our members have also observed a trend towards increasing internalisation of order flow (including hedging activity) by executing brokers, in part to reduce explicit costs. Prioritising internalisation of client orders before routing the remaining volumes to a trading venue decreases lit book quality over time.

In parallel with these developments has been the increasing adoption of technology and use of data analysis in trading which has facilitated greater speed and ease of access to markets and different liquidity sources. Whilst these technological developments have taken place concurrently with market structure evolution they have not been responsible in and of themselves for driving fragmentation. Use of low latency technology is simply a tool used to implement strategies. "HFT" is not a trading strategy in itself.

FIA EPTA members use HFT techniques primarily to ensure they are providing the best and most accurate price at a given point in time when implementing liquidity provision strategies. HFT techniques relate to messaging speed to and from an execution venue to ensure quotes posted by liquidity providers reflect precise supply and demand assessments to ensure investors can find a counterparty to trade with at a given point in time. Speed acts as a risk management tool in supporting accurate pricing and tighter spreads.

Question 36. What is your assessment of the impact of the current levels of dark trading in the EU on orderly markets and sound price discovery?

- ☐ 1 - Too low to harm price formation
- ☒ 2 - Sufficiently low to hardly harm price formation
- ☐ 3 - Neutral
- ☐ 4 - Slightly excessive and harmful for price formation
- ☐ 5 - Excessive and very harmful for price formation
- ☐ Don't know / no opinion / not applicable

Please explain the reasoning of your answer to question 36:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

FIA EPTA members recognize the evolution of European market structure has largely been in response to increasing levels of investor (particularly institutional buy-side) sophistication, access to data and demand for variety and choice in the way they access liquidity and the kind of liquidity they wish to access (benign passive liquidity, risk liquidity etc).

In discussing the impact of this evolution and how to address the challenges (intended or unintended) that may have arisen it is important that nuance is recognized. For example, it is not accurate to say that all activity taking place away from a Central Lit Order Book is “dark” nor should we undervalue the contribution of post-trade transparency to sound price formation and price discovery.

One consequence of this evolution has been the significant decrease in volumes on CLOBs which remain fundamentally important as a reference price (but not necessarily the only reference price) and the anchor on which much equity market structure still relies. The integrity and representative nature of this reference price should be supported rather than undermined by regulation. However, prescriptive regulation that seeks to curtail dark trading or mandate where trading takes place will not effectively support healthy lit markets, as demonstrated by the fact that the Double Volume Cap has not entirely delivered on its promise.

FIA EPTA members strongly support the application of pre-trade transparency as a key mechanism to ensure efficient price formation across execution venues. As such, pre-trade transparency is essential for ensuring effective liquidity aggregation that enables best execution for end-investors. For a balanced outcome, it is important that any exemptions from the pre-trade transparency regime are calibrated in a careful manner and that the ensuing waivers are used fairly and appropriately to their purpose. The MiFID II waiver regime is intended to protect market participants from undue adverse market movements following the execution of orders.

However, in the interests of supporting ongoing choice and innovation, we recommend policy initiatives to support lit markets and the growth of capital markets more broadly focus on exploring means of ensuring addressable liquidity is reported, accessible and readily identifiable.

One means of achieving this is by expanding the universe of reportable trades to include internalisation of hedging activity connected to derivatives giving synthetic exposure to equities as described in FIA EPTA’s “Mind the Transparency Gap” paper, which has been provided to the Commission separately.

Supporting development of a comprehensive pre-trade consolidated tape will also contribute to reaching this goal.

Question 37. In your view, how does a more sophisticated use of equity waivers by trading venues (i.e. the design of equity waivers is becoming more complex) affect the business model of these trading venues vis-à-vis bilateral trading systems?

Please explain your reasoning:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

FIA EPTA members strongly support the application of pre-trade transparency as a key mechanism to ensure efficient price formation across execution venues. As such, pre-trade transparency is essential for

ensuring effective liquidity aggregation that enables best execution for end-investors. For a balanced outcome, it is important that any exemptions from the pre-trade transparency regime are calibrated in a careful manner and that the ensuing waivers are used fairly and appropriately to their purpose. The MiFID II waiver regime is intended to protect market participants from undue adverse market movements following the execution of orders.

However, some of our members are concerned that the reference price (RPW) and negotiated trade (NTW) waivers have been overused since the application of MiFID II, in particular for trades in smaller sizes, leading to an undue deterioration of the price formation process.

By contrast, other FIA EPTA members support the continuation the RPW and NTW and consider that these afford greater flexibility in achieving best execution for end-investors while still ensuring that the price discovery process is not unduly compromised.

FIA EPTA members, on the one hand, believe that the application of the NTW should be as limited as possible to promote maximum transparency to support efficient price formation, particularly below wholesale sizes.

However, on the other hand, FIA EPTA members also recognise that illiquid instruments that cannot attract sufficient liquidity in the order book may benefit from the NT waiver and that limiting its use for such specific instances may not be desirable.

FIA EPTA members believe pre-trade waivers should be simple and capture the range of scenarios where activity should take place on exchange. Overall, the current regime creates a more complicated environment that makes it difficult for investors to interact with. However, available waivers need to be balanced with giving investors options to enable good best execution outcomes and in a way that supports bringing addressable activity on venue. Suggestions on how to better achieve this balance are included in our responses below.

Post-trade transparency is also crucial in supporting healthy price discovery and price formation and thus should be as comprehensive as possible with accurate and meaningful flagging. The current relatively poor quality of post-trade transparency hampers efforts to fully assess the size and nature of EU equities markets and creates obstacles to measuring the effectiveness of the original MiFID II rule changes. The minimal changes introduced under the MiFIR Review are unlikely to materially improve this. Accordingly, we recommend a thorough review of post-trade transparency flagging, introducing a new category of reportable activity as discussed in our “Mind the Transparency Gap” paper and working with industry (particularly the buy-side) on developing a common meaningful definition of addressable liquidity.

Question 38. Do you believe that the existing provisions on the reference price waiver (RPW) are fit for purpose?

- ☐ Yes
- ☒ No
- ☐ Don't know / no opinion / not applicable

Please specify what legislative amendments would be appropriate and why:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The general scope of the RPW is adequate and market participants have become accustomed to using it. However, we do not consider the reference price currently available (determined by the Most Relevant Market in terms of Liquidity) to reflect a comprehensive or accurate account of the market's "reference price". This is largely due to fragmentation of liquidity across different trading systems and mechanisms, including Systematic Internalisers, primary exchanges, MTFs and periodic auction services. Whilst this fragmentation supports investor choice it is important to ensure the regulatory reference price reflects market evolution and incorporates markets which provide tighter spreads and deeper liquidity.

We recommend that an alternative reference price be adopted, which reflects full picture of available liquidity in the EU and that does not privilege certain market infrastructures over others. In the interests of supporting innovation and reflecting a comprehensive view of the market, we believe that market operators should be free to determine their own methodology for arriving at an accurate and comprehensive reference price, provided they can demonstrate it is transparent, robust and offers the best execution result. The accuracy and validity of this reference price should be assessed by reference to a relevant external benchmark. A consolidated tape that includes comprehensive pre-trade data would be an appropriate benchmark. However, we note that a comprehensive pre-trade CT would not have sufficiently low latency to serve as the reference price itself (and nor should it be built to cater for this use case).

Question 39. Do you agree with the current criteria to determine the reference price?

- ☐ Yes
- ☒ No
- ☐ Don't know / no opinion / not applicable

Please specify what legislative amendments would be appropriate and why:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Amending the Delegated Regulation that specifies the most relevant market in terms of liquidity in line with the suggestion above at question 38.

Question 40. Do you believe that the existing provisions on the negotiated trade waiver (NTW) are fit for purpose?

- ☐ Yes
- ☒ No
- ☐ Don't know / no opinion / not applicable

Please specify what legislative amendments would be appropriate and why. If possible, provide estimates on the costs and benefits associated with the changes:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Before making definitive regulatory changes in relation to the NTW, it is essential to ensure more accurate post-trade flagging practices are adopted to enable market participants and NCAs to discern what kind of activity is taking place under this waiver. In addition, we recommend that the EU introduce a “market closing price” post-trade flag so it is clear what proportion of benchmark transactions are executed at the primary market closing price. The NTW appears to be currently used broadly by intermediaries for matching OTC client activity in a systematic way. FIA EPTA members do not believe that this is in line with the intention behind the waiver’s design. The NTW should be confined in application to trades which are negotiated between counterparties.

We would support measures that would prevent the NTW from being used in a systematic way to match client activity outside of the confines of a multilateral trading environment.

In the interests of ensuring as much on-venue activity is subject to competitive price improvement as possible, we also recommend that self-preferencing mechanisms in Frequent Batch Auction services be disallowed.

We recommend that article 4 of MiFIR be amended to make clear the NTW is not available for matching OTC client activity in a systematic way. FIA EPTA members do not believe that this is in line with the intention behind the waiver’s design. The NTW should be confined in application to trades which are negotiated between counterparties.

Question 41. The current state of EU legislation does not allow a trading venue to benefit from the negotiated price waiver for negotiated transactions that take place with the assistance of a system or trading protocol operated by the trading venue. This is in contrast to current trends observed in other jurisdictions (for example, in the United States, where “multilateral percentage of volume” or “trajectory crossing” venues are allowed).

Do you think that trading venues should be allowed to use the negotiated price waiver to execute negotiated transactions that take place with the assistance of a system or trading protocol operated by the trading venue?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain the reasoning for your answer to question 41, specifying what legislative amendments would be appropriate and explain:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

There is evidently demand from investors for this kind of service, as these offerings have proliferated in response to demand across regions. Restrictions on the interpretation of the NTW and within the pre-trade transparency and market structure regulatory framework more broadly have resulted in Europe now being an outlier compared to other major developed markets due to its inability to accommodate such services in a trading venue environment. One of the perhaps unintended consequences of this outcome is that trajectory crossing services are still being offered in Europe in response to investor demand, but the activity is taking place off-venue in a less transparent and competitive environment. It would be far more preferable for this activity to take place on venue than OTC or through a systematic internaliser.

In general, the pre-trade transparency waivers should not be formulated or construed in a manner that results in market participants being able to trade outside a trading venue in a way that they cannot do on a trading venue. It is preferable for the waiver regime to be structured in a way that supports as much on-venue activity as possible and does not result in trading that would otherwise be suitable to occur on venue, taking place OTC.

It is valid to question whether the NTW is the appropriate mechanism to facilitate this kind of activity. Consideration should be given to the fundamental purpose of the NTW and we refer to our comment above at Q40.

Question 42. Do you think that the existing provisions on the order management facility waiver (OMFW) are fit for purpose?

- ☐ Yes
- ☒ No
- ☐ Don't know / no opinion / not applicable

Please specify what legislative amendments would be appropriate and why. If possible, please provide estimates on the costs and benefits associated with the changes:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The OMFW is no longer necessary given the evolution of trading strategies and venue offerings available. We understand only a very small percentage of orders rely on this waiver and it adds unnecessary complexity to order types at the expense of transparency. In the interests of simplifying EU regulation and market structure, we recommend that this waiver be removed. In the event it is retained, we suggest that minimum size constraints for Iceberg orders are of less consequence than setting a minimum transparency level for these orders. This could be achieved not by way of standardised minimum order size, but by minimum display quantity of for example the larger of 10% of the order or 1 x Standard Market Size.

Question 43. In your view, what are the main reasons that explain the rising importance of closing auctions?

Please select as many answers as you like

- ☒ Rise of index investing/passive management
- ☐ Growing use of quantitative investment strategies benchmarked to the close
- ☒ Increased emphasis on best execution under MiFID II
- ☐ Move away/protection from HFTs
- ☐ Other

Please explain the reasoning of your answer to question 43:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 44. What is your assessment of the current level of competition on closing auctions, including between trading venues that offer trading for the same financial instrument?

- ☐ 1 - No competition
- ☒ 2 - Low level of competition
- ☐ 3 - Neutral
- ☐ 4 - High level of competition
- ☐ 5 - Very high level of competition
- ☐ Don't know / no opinion / not applicable

Question 44.1. Please point to the main causes for such a situation and to the main implications on the broader functioning of EU markets.

Please specify which changes to the EU legislation would increase competition?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The primary market auction remains the relevant price benchmark and also serves as the most significant liquidity event on the public markets during each day.

A consolidated tape will support market resilience in the event that a venue is not able to operate its closing auction due to an outage. It has potential to serve as an alternative reference price, but must be comprehensive in the data it consumes in order to serve as any kind of proxy for the primary auction closing price.

Question 44.2. Do you believe that the consolidated tape could play a role in that regard?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain the reasoning of your answer to question 44.2:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 45. What is your assessment of the level of fees charged by trading venues for orders submitted during a closing auction, compared to any other time of the trading day?

- ☐ 1 - Very low
- ☐ 2 - Rather low
- ☐ 3 - Neutral
- ☐ 4 - Rather high
- ☒ 5 - Excessive
- ☐ Don't know / no opinion / not applicable

Please explain the reasoning of your answer to question 45, in particular as regards the potential impact of these costs on the attractiveness of EU capital markets, should the concentration of trading in closing auctions continue to increase:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 45.1. Do you believe that measures should be taken to reduce costs for investors?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 45.1, specifying what would these measures be:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 46. Have you identified other challenges linked to the raising importance of closing auctions?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 46, specifying what these challenges are:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The growth of closing auctions and market interdependencies created by virtue of the prominence of the closing price as a benchmark raise the issue of systemic risk and impact on market stability in the event there is an exchange outage impacting the closing auction, particularly if this were to occur on a date when there is a heightened reliance on the closing price for other market events (e.g. "triple witch" dates when there's simultaneous expiry across 3 major index products).

This heightens the importance of establishing an alternative means of determining a benchmark price, as discussed in the context of e.g. ESMA's work on market outages. The Consolidated Tape can play a constructive role here in being the source of that alternative reference price. the development of an efficient European Consolidated Tape would help market participants to manage the consequences of an outage. A CT could enhance the resilience of European markets by ensuring the continued availability of a reference price whether there is an outage during continuous trading or during the closing auction phase. In this regard, we welcome the launch of the equities CT and encourage ongoing discussion about how to further

develop the CT so it best serves EU capital markets. A CT that aggregates both on-venue and OTC post-trade market data will lower the reliance of market participants that they currently have on a “most relevant market” for price discovery.

FIA EPTA members also recommend that the EU introduce a “market closing price” post-trade flag so it is clear what proportion of benchmark transactions are executed at the primary market closing price.

Question 46.1. Have you identified other measures to be taken to address such challenges?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 46.1, specifying what these other measures are:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

24-hour trading

Question 47. How positive do you deem extended trading hours / 24-hour trading for the development and competitiveness of EU markets?

- ☐ 1 - Not significantly positive
- ☐ 2 - Slightly positive
- ☒ 3 - Sufficiently positive
- ☐ 4 - Very positive
- ☐ 5 - Extremely positive
- ☐ Don't know / no opinion / not applicable

Please explain the reasoning of your answer to question 47:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

There is a spectrum of opinions held by FIA EPTA members in relation to the value of extended trading hours. Some consider that it may offer additional flexibility for retail investors making EU markets more attractive to trade outside traditional core trading hours. Others consider there being significant barriers to investors receiving good execution outcomes, particularly in the context of 24-hour trading given the high

likelihood of inconsistent and inadequate liquidity conditions during certain periods of the day.

In any event, our members agree that it is necessary to ensure the regulatory framework applicable to extended hours trading is clear, fit for purpose and consistent across trading venues and Member States. This is relevant to order handling, execution quality assessment and reporting and volatility controls.

Furthermore, there needs to be consistency in post-trade processes and assured resilience of other market infrastructures including the CT and transaction and trade reporting mechanisms so trading in extended hours is adequately supported.

Many of the challenges posed by extended hours trading should be left to venues wishing to offer such services to find commercial solutions such as ensuring consistent adequate liquidity, demand for such services and appropriate operational support. Our members consider market driven solutions to be the more appropriate response to these challenges rather than looking to regulation to support potential service offerings. Regulation should focus on driving consistency in approach rather than catering for demand.

Question 48. How advantageous or risky do you deem extended trading hours /24-hour trading for the orderly functioning of EU capital markets?

- ☐ 1 - Very advantageous
- ☐ 2 - Rather advantageous
- ☒ 3 - Neutral
- ☐ 4 - Rather risky
- ☐ 5 - Highly risky
- ☐ Don't know / no opinion / not applicable

Question 49. In your view, do the advantages of extended / 24h trading outweigh the potential risks?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 49:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As above, our members consider relevant risks in this area to include inconsistency in processing particularly post-trade which could result in a greater rate of settlement fails, inadequate liquidity at certain times of the day which would result in less favourable execution outcomes for investors and higher volatility impacting market stability. In addition, given the structural complexity and fragmented nature of the EU post-trade environment, any discussion of extending trading hours needs to take into account the potential impact on the EU transition to a T+1 settlement cycle. This process is already challenging given the current

lack of consistency in processes and timing in the EU post-trade environment and extending trading hours prior to this transition would be likely to add further complications.

Given the trend in the US and Japan to more extended trading hours, and taking a competitive perspective and buy-side momentum approach, the global markets moving to 24/5 trading in 3-5 years' time should be considered as the most likely situation.

The role of multilateral vis-à-vis bilateral trading

Question 50. Based on the current legal framework, and considering developments in technology and market practices (including the development of smart order routing systems), is the dividing line between multilateral trading facilities and bilateral trading sufficiently clear?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 50 and provide concrete examples:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

FIA EPTA members believe there is sufficient clarity between multilateral trading facilities and bilateral trading in existing regulation. However, there does not appear to be convergence in regulatory approaches to supervision and enforcement of these regulatory expectations. This results in certain anomalies continuing to exist in the EU trading environment which are not consistent with regulatory requirements or expectations.

In particular, there are a number of retail focused ("regional") exchanges in Germany which are registered as Regulated Markets operate single-market maker ("SMM") trading models, whereby normally only one market maker per product segment is responsible for the entire order book. While these venues are ostensibly multilateral in nature (being authorised as Regulated Markets), they de-facto operate as a bilateral system where the single market maker is (virtually) exclusive counterparty to all trades taking place within the same trading segment of that venue. Multiple buying and selling interests are not interacting within the system and consequently, retail investors are not able to benefit from the competitive price formation process expected of a multilateral system. Whilst there is nothing wrong per se with retail investors having access to bilateral trading facilities, there is a clear failure of these systems to meet regulatory and investor expectations as to how they will operate as they are clearly designated Regulated Markets and therefore multilateral systems.

FIA EPTA members also observe high levels of systematic matching of client trading interests within some systematic internalisers, particularly in relation to hedging activity connected to synthetic equity derivatives (such as a swap giving economic exposure to a share). Whilst we believe the existing regulatory framework makes clear the expectations of how a SI will operate, this activity may not meet those expectations.

Accordingly, we see a greater role for supervisory convergence and consistency of supervisory action in relation to market structures that are not operating in a manner consistent with regulatory expectations.

Question 51. In your view, what are the benefits stemming from competition between bilateral and multilateral execution venues?

Please explain your reasoning and differentiate between different categories of clients (professional investors vs retail investors)?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Collectively, FIA EPTA members provide liquidity across all types of MiFID II execution venues (RMs, MTFs and SIs) and trading protocols (CLOB, RFQ, auction-based) across all centrally cleared financial instruments. Our members welcome the competition and innovation amongst execution venues that has emerged in European markets over recent years. This evolution has largely been in response to investor demand for access to more diverse sources of liquidity.

FIA EPTA members support a market structure where the trading of financial instruments takes place, to the greatest extent, in an organised trading environment which is subject to calibrated transparency requirements. FIA EPTA members consider that optimising transparency is essential for facilitating efficient price formation and enabling best execution in a competitive execution market. All of this benefits end-investors by enabling trading interest to effectively interact, reducing search and trading costs.

In assessing the question of benefits of competition between bilateral and multilateral venues, we must remember that these were incorporated into EU regulation to address different kinds of liquidity provision. In particular, the SI regime was introduced to formalise an existing construct and enhance transparency in relation to genuine bilateral risk facilitation. Accordingly market structure regulation and associated supervisory efforts should continue to recognize this purpose in contrast to the systematic and immediate transfer or netting of underlying client risk exposure. In this sense, bilateral and multilateral execution venues shouldn't be seen as per se in direct competition with each other. Instead, their different purposes and functions should continue to be recognized with measures taken to ensure multilateral venues genuinely support competitive price formation and non-discriminatory access (see our comments on Single Market Maker venues below) and bilateral execution venues undertake genuine risk facilitation.

Ultimately, European capital markets should support investor choice and facilitate well informed decision-making. In this regard, we emphasize the importance for continuing to improve post-trade transparency in particular to ensure it is comprehensive, timely, consistent and accurately flagged. Working towards this goal will support more meaningful data being made available via the consolidated tapes which will benefit both institutional and retail investors.

Question 52. In your view, what are the main drawbacks stemming from competition between bilateral and multilateral execution venues?

Please explain your reasoning and differentiate between different categories of clients (professional investors vs retail investors)?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

There has been an overemphasis on reducing or avoiding explicit costs which has favoured some liquidity sources over others and led to activity which would be better suited to one kind of execution venue being pushed into alternatives with lower explicit costs.

Question 53. In your view, do benefits stemming from competition between bilateral and multilateral execution venues outweigh the associated drawbacks?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain the reasoning of your answer to question 53 and differentiate between different categories of clients (professional investors vs retail investors):

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Yes, they do. However, it is crucial that post-trade transparency is effective through consistent application of meaningful flags that provide a distinction between addressable and non-addressable liquidity and clearly identify purely technical trades.

Question 53.1 Do you believe that any measures would be necessary to avoid an increase in execution costs for retail orders?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain the reasoning for your answer to question 53.1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We do not see merit in mandating where retail orders should be executed. Generally, prescriptive regulation that seeks to force activity into certain execution venues or limit execution via certain means should be avoided. Investors, including retail investors should be given choice in how they trade. This is best supported by creating an environment that allows trading infrastructures to compete and innovate.

However, it should be clear to investors how their orders will be handled and how a given execution venue will function in terms of transparency, competitive price formation and interaction with other trading interests. This is best achieved via ensuring that execution venues operate as intended under regulation and according to investor expectations. In particular, multilateral markets in all cases should support transparent price competition between participants as envisaged by article 47.h.1 of MiFID II, as amended. We encourage effective supervisory convergence, including through Level 3 guidance where appropriate, and consistency in enforcement practices across the EU to ensure EU regulation is being applied as intended for the benefit of end investors.

To further reinforce the role of market structures in supporting positive investor outcomes, best execution obligations should emphasise intermediaries' responsibilities to offer access to a variety of execution venues or, at a minimum, to one openly competitive multilateral venue. There does not need to be access to the whole market, rather an appropriate balance that supports choice, competition and resilience. For example, if a broker is connected to only a Single Market Maker venue, there is no alternative source of liquidity to enable a retail investor to manage their investment risk by entering or exiting an investment.

The most effective and impactful means of reducing execution costs for retail investors would be reducing post-trade complexity in EU markets, which adds friction, cost and reduced efficiency.

Question 54. Does the emergence of DLT-based/tokenised asset markets bring in a new element or dynamic, compared to bilateral versus multilateral venues?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Question 54.1 Should our regulatory framework be adapted to reflect this change?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

2.6.2. Single market maker venues

Question 55. In your view, what are the main benefits and drawbacks associated with so-called “single market maker venues” (i.e. where the venue operator limits market making to one participant)?

Please explain your reasoning, in particular when it comes to quality of execution:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

A number of retail focused (“regional”) exchanges in Germany which are registered as Regulated Markets (“RM”) operate single-market maker (“SMM”) trading models, whereby normally only one market maker per product segment is responsible for the entire order book. These structures imbed conflicts of interest which undermine market and price transparency and lead to worse best execution outcomes for investors.

The status of a Regulated Market is fundamental to investors’ understanding of the market they are accessing and how their orders will be handled and executed. For example, it should be clear to market participants when their orders are sent to a multilateral system operated by a Regulated Market and, in contrast, when their orders are being executed in a bilateral system. This is because differing levels of transparency, competition and price improvement apply to these respective systems. This should inform NCAs’ approach to article 47(1)(h) of MiFID II and the requirement that a Regulated Market have at least three materially active members or users, each having the opportunity to interact with all the others in respect of price formation. A Regulated Market should in all areas of its operations adhere to the MiFID II organisational requirements, not just on one discrete segment/offering.

While Articles 18(3) and 53(1) of MiFID II require regulated markets, MTFs and OTFs to have transparent and non-discriminatory rules governing access which are based on objective criteria, in the case of these arrangements, the criteria governing access are based market rules which consciously limit the ability of both additional market makers to access that venue and of buyers or sellers to interact with more than one buying or selling interest.

The ability to trade in a multilateral fashion is therefore limited to one participant, namely the single market maker, while all other participants are limited to bilateral trading within the system. Furthermore, Recital 7 of MiFIR notes that the definitions of regulated markets, MTFs and OTFs should exclude bilateral systems where an investment firm enters into every trade on its own account, even as a riskless counterparty interposed between the buyer and seller.

We consider that this describes exactly the way in which the single market maker venues operate – while ostensibly multilateral in nature, they de-facto operate as a bilateral system where the single market maker is (virtually) exclusive counterparty to all trades taking place within the same trading segment of that venue. To be clear, there is nothing wrong with retail investors having their orders executed on bilateral execution venues if that leads to the optimal execution outcome from a best execution perspective. The problem lies in these venues not operating in the way intended under legislation nor in the way retail investors understand them to operate when seeking to access a Regulated Market. Furthermore, the lack of competitive price formation on these venues consistently results in poor execution quality outcomes for investors, as evidenced in studies published by the AFM and the CNMV.

Question 56. Are you aware of any existing practices that may restrict the presence of multiple market makers/liquidity providers on these venues?

- ☒ Yes
- ☐ No
- ☐ Don’t know / no opinion / not applicable

Please explain your answer to question 56 and provide concrete examples and specific restrictions or costs obstacles:

These venues adopt a variety of practices in respect of their market model and rules which restrict the presence of competing market makers. Typically, a retail broker will send all or most of their customer orders to trading venues with one market-maker per instrument or product class. In return, the market-maker, often affiliated with the exchange, pays a per-order fee to the retail broker. However, these types of venues prohibit other liquidity providers from accessing the exchange through policies/rulebooks, which we believe is to the detriment of retail investors, while being inconsistent with the non-discriminatory access and competition principles informing MiFID II/MiFIR.

In all cases, there is a distinct absence of clearly publicised transparent objective criteria and procedures for admission and participation of additional market makers. This is in contrast to other multilateral venues who actively seek and incentivise competitive liquidity provision to support efficient market functioning.

Examples from SMM venue rulebooks:

Prohibition on algorithmic market-making strategies: Participants are required to abstain from pursuing a market making strategy by means of algorithmic trading unless that firm is the single market maker entity:

The authorization to participate in electronic trading according to paragraph 1 issued by the Management Board may, also subsequently, be

1. limited to the transmission of certain order types and/or orders marked with certain order instructions and /or
2. marked with the condition to
 - a) observe an appropriate minimum holding period of orders and/or
 - b) abstain from using certain high frequency and/or algorithmic trading techniques to generate and/or transmit orders and/or
 - c) abstain from pursuing a market making strategy by means of algorithmic trading in financial instruments for which the company does not act as Specialist.

Practical barriers:

AON market model: While order execution ostensibly takes place within a multilateral system, SMM venues' market models are configured so that in practice retail orders are matched bilaterally against only the one market maker who is the exclusive counterparty to the retail orders. For orders entering the orderbook which are not of the exact same size as a resting order on the other side of the book will automatically be tagged as an "all or none" (AON) order which is not subject to pre-trade transparency (and hence not visible to other participants, i.e., retail brokers) (This AON is specifically used by one SMM venue in particular but similar methods apply within the other exchanges).

Such orders are then executed by the single market maker (who alone does have visibility of AON orders). As a consequence, the only way in which a transaction could happen with anyone other than the single market maker would be if two retail broker orders come in on both sides of the orderbook at the same time, for the same price and for the exact same size as the other. Given that such instances are so rare as to be negligible, the exchange operates on a de-facto purely bilateral basis.

Artificially low OTR: we understand from members that there is an artificially low order-to-trade ratio (OTR) in place on one SMM venue that would not allow for the continuous provision of liquidity without incurring significant costs due to the associated process of updating orders on a regular basis to reflect market movements. This very low order-to-trade ratio does not apply to the single market making firm. However, as stated above, this material has not been made public from what we have been able to establish but our

knowledge of the low OTR is based on firms feedback.

Verbal feedback received by members from the exchange upon making informal inquiry about joining as a market maker has included that the Regulated Market operator has no interest in adding other market makers. On another similar venue, the response to a request for information on the process to become a market maker was that it is not possible to admit additional brokers as the exchange is based on a single broker model. Venues also raise a variety of practical barriers to participation. For example, upon inquiring about participating as a market maker on another Single Market Maker venue an FIA EPTA Member was told not it was not technologically possible to add a second market maker.

Question 56.1. In your view, are these practices justified?

- ☐ Yes
- ☒ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 56.1 and flag any potential risks in terms of efficiency of trading:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

FIA EPTA members strongly believe these practices are not justified. They consistently result in worse outcomes for retail investors as there is no opportunity for competitive price formation. This has been clearly evidenced in studies conducted by the AFM and the CNMV.

These poor outcomes are compounded by the lack of an available benchmark for assessing performance for a wide variety of shares. For example, several of these venues use Xetra as the relevant benchmark in relation to US shares when not an appropriate reference given the very low levels of liquidity and trading activity in US shares on Xetra. This appears to be consistent with a process of selective benchmarking.

Routing to a single venue with very limited market participants also poses a business continuity risk from perspective of the relevant brokers routing client orders to these venues. If one of these venues is subject to an outage, there is no alternative execution venue accessible to these clients leaving them unable to manage their own risk exposure.

These models also pose a number of efficiency risks:

- Fragmented liquidity: Concentrating all bilateral trades with one entity fragments the overall market, preventing pooling of supply and demand.
- Opaque pricing: Opaque “all-or-none” executions bypass pre-trade transparency, reducing overall market visibility and hampering best-execution monitoring.
- Entry barriers: Restrictive admission rules and bespoke OTR thresholds stifle competition, entrench the incumbent's position and discourage innovation in trading protocols.

For a healthy, competitive market—and especially to safeguard retail investors—multilateral venues must support multiple liquidity providers and transparent order books, ensuring robust price formation, reliable benchmarks and resilient business-continuity.

2.6.3. Ghost liquidity

Question 57. Market developments have led to changes in the order submission strategy by certain high frequency traders, such as the submission of more orders than the amount that is really intended to be executed. This may imply that ‘consolidated’ liquidity (measured as the simple aggregate of a given financial instrument available across all trading venues) is likely to be an overstatement of the actual liquidity that an average trader can access. The difference between measured liquidity and tradeable liquidity is often referred to as ‘Ghost Liquidity’.

Do you believe that practices associated with Ghost Liquidity are conducive to adequate levels and ‘quality’ of liquidity and price formation on trading venues?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain the reasoning for your answer to question 57:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Market makers often post prices across a number of markets in the same instrument or a related instrument. At the time of placement, these quotes are valid, bona fide, liquidity provision and all are available to be executed against.

Market makers often modify or replace bids and offers in response to new information. This is an essential risk management tool. The longer a bid or offer sits in the market without being updated, the more likely there will be new information, often obtained from another market, which may render it obsolete. Where a market maker has posted prices on multiple markets, if one of these orders is filled on one venue, they will update the prices shown on other venues so ensure they remain accurate and up to date, reflecting the most recent price forming activity.

Some FIA EPTA members use HFT techniques in the course of their liquidity provision activities, although not exclusively. As liquidity providers, our members maintain a consistent presence on markets including in volatile conditions and consume low latency data from various sources to ensure they are providing the most accurate pricing and therefore the tightest possible spreads in order to facilitate efficient risk transfer by investors. Low latency times allow traders to manage their risk more effectively and thereby offer narrower bid-ask spreads, quote for larger size, and publish up-to-date prices, which drives prices toward fair value more rapidly.

As far as we are aware so-called “ghost liquidity” is not an issue that impacts the availability or quality of liquidity on pricing venues. FIA EPTA members are not aware of trading venues identifying this as a factor impacting the way they function or the quality of their markets and it is not clear exactly why this concept is being raised under the SIU consultation as it is not relevant to questions of how to grow European capital markets.

We are, also, not aware from any supervisory discussions with NCAs or with trading venues of there being concerns or questions about how liquidity providers operate when providing liquidity through HFT methods. MiFID II/MiFIR OTR requirements remain fit for purpose as does the Market Abuse Regulation in terms of identifying inappropriate behaviour and no further legislative changes are required.

2.7. Other issues on trading

Question 58. Please provide any further suggestions to improve the integration, competitiveness, simplification, and efficiency of trading in the EU.

Please provide supporting evidence for any suggestions:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The competitiveness and efficiency of trading in the EU would be substantially improved by creating an environment that enables and supports competition and interoperability between post-trade infrastructures for clearing and settlement. The highly complex and fragmented nature of the EU post-trade environment creates unnecessary cost, complexity and inefficiency.

In addition we recommend the following measures:

- Urgently revise the prudential regime for investment firms (IFR/IFD) to unlock additional liquidity; Implement targeted reforms to IFR/IFD as part of an ambitious Quick Fix Package to boost EU capital market functioning;
- Continue to enhance EU market transparency by:
 - o Adopting a pragmatic and ambitious approach to the continual downwards adjustment of post-trade deferrals for bonds to bolster liquidity, competition and resilience in these markets;
 - o Ensuring post-trade transparency in equities is comprehensive, accurate and consistent to support efficient price formation, improve confidence in EU equities markets and contribute to a useful and efficient consolidated tape that supports EU capital markets growth. This goal can be furthered by closing the “transparency gap” in EU equities by ensuring systematic internalization of hedging activity in relation to European shares is captured by post-trade reporting obligations. For more information, see FIA EPTA’s “Mind the Transparency Gap” paper, which has been provided to the Commission separately as an addendum to this response.

3. Post-trading

Issues with respect to post trading identified to date fall into three main areas:

- barriers to cross-border settlement
- barriers to the application of new technology and new market practices
- unharmonised and inefficient market practices and application of law, as well as disproportionate compliance costs.

This consultation aims to further specify the above barriers, as well as understand current market practices and costs borne by market participants, be they fees or other compliance costs. This section seeks feedback on possible

measures, legislative or non-legislative, to achieve more integrated, modern post-trading infrastructures. Respondents are asked to provide concrete examples to support answers provided, and, where possible, quantitative and qualitative information.

3.1. Barriers to cross-border settlement and other CSD services

3.1.1. Cross-border provision of CSD services and freedom of issuance

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 1. What are the main barriers to the provision of cross-border CSD services in the EU and to freedom of issuance in any CSD in the EU?

Please select as many answers as you like

- ☐ procedures mandated by EU or national laws (e.g. passporting)
- ☐ other legal or regulatory requirements (national or EU)
- ☐ lack of clarity and/or complexity on the applicable legal or regulatory framework (national or EU)
- ☐ supervisory practice (national or EU)
- ☐ market practice (national or EU)
- ☐ operational requirements (national or EU)
- ☒ differences in national legal, regulatory or operational requirements
- ☐ technical/technological aspects
- ☐ language
- ☐ Other

Please explain the reasoning for your answer to question 1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The EU post-trade infrastructures for securities settlement (CSDs) currently suffer from inefficiencies that fragment liquidity and hinder the creation of a true single market for capital. Issuers often remain registered with domestic settlement systems that are not harmonised and lack interoperability in the Union. Despite recent efforts at reform, many processes remain manual and contain localised idiosyncrasies intended to limit competition, resulting in unnecessarily high costs for retail investors and other market participants. These issues stem from the non-harmonised nature of post-trade processes, inconsistent insolvency laws, and the local gold-plating of securities laws in Member States, which often protect incumbent infrastructure operators at the expense of investors. We recommend the following actions:

- Address the barriers identified by the European Post-Trade Forum (2017), to reduce counterparty and systemic risks and increase market efficiency.
- Ensure full harmonisation of the rules and requirements underpinning EU post-trade practices, enabling greater integration and consolidation of these infrastructures.

To remove the most significant barrier to the efficient settlement of intermediated securities – i.e., immobilised or dematerialised securities, not only in the EU, but globally, the EU should adopt two international legal tools – the Hague Securities Convention (the Convention of 5 July 2006 on the Law Applicable to Certain Rights in Respect of Securities held with an Intermediary <https://assets.hcch.net/docs/3afb8418-7eb7-4a0c-af85-c4f35995bb8a.pdf>) and the complementary Geneva Securities Convention (the Convention on substantive rules for intermediated securities, <https://www.unidroit.org/wp-content/uploads/2021/06/convention.pdf>).

Both Conventions were negotiated and agreed not only by Member States and the EU, but also by the US, China, India, South Africa, Japan, Australia and many other third countries so they represent global solution for intermediated securities.

Question 2. Are there barriers to the freedom of issuance in the EU (e.g. requirements to use domestic CSDs for issuance/immobilisation/dematerialisation of securities, requirements in the corporate or similar law of the Member State under which the securities are constituted)?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

How many barriers to freedom of issuance have you identified?

- ☒ 1 barrier
- ☐ 2 barriers
- ☐ 3 barriers

Barrier 1 - Freedom of issuance

	Describe barrier 1 to freedom of issuance
Explanation of the barrier	
Reason(s) why it is a barrier	
Specific legal requirement(s) that create(s) the barrier, if relevant (national or EU level)	
Supervisory or market practice(s) (national or EU level) that create the barrier, if relevant	
Operational requirements that create the barrier (national or EU level)	
Technical/technological aspect(s) related to the barrier, if relevant	
Member State(s) in which the barrier exists, if relevant	
Estimation of the costs of the barrier	
Potential solution(s) to remove or lower the barrier, in descending order of importance	

Suggestions for solutions can include for instance legislative changes (specifying which changes are being suggested), use of supervisory convergence tools (specifying which tools are being suggested), centralised EU supervision, adoption of market practice(s).

Data on the potential costs and benefits of the suggested solution(s)

Assess the priority level for addressing barrier 1 to freedom of issuance:

- ☐ High priority
 - ☐ Medium priority
 - ☐ Low priority
 - ☐ Don't know / no opinion / not applicable
-

Question 3. Are there barriers to cross-border asset servicing and processing of corporate actions, e.g. how Member States compile the list of key relevant provisions of their corporate or similar law, which apply in the context of cross-border issuance (Article 49, [Central Securities Depositories Regulation \(CSDR\)](#))?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

How many barriers to cross-border asset servicing and processing have you identified?

- ☒ 1 barrier
- ☐ 2 barriers
- ☐ 3 barriers

Barrier 1 - Cross-border asset servicing and processing

	Describe barrier 1 to cross-border asset servicing and processing
Explanation of the barrier	The main issues FIA EPTA members face regarding asset servicing and processing of corporate actions is the divergence of national tax regimes for dividend payments and other corporate action events. Tax rules differ by country especially where withholding tax reclaims are possible.
Reason(s) why it is a barrier	Lack of harmonisation adding complexity, inefficiency and cost.
Specific legal requirement(s) that create(s) the barrier, if relevant (national or EU level)	
Supervisory or market practice(s) (national or EU level) that create the barrier, if relevant	Our members have seen ambiguous guidance from some Member States (for example, Austria), changes of guidance and generally a lack of clarity when cross-border withholding tax reclaims are to be administered.
Operational requirements that create the barrier (national or EU level)	We have also witnessed inconsistencies of dividend entitlements recently when certain pan-European clearing platforms applied different ex-dates to a dividend distribution in STELLANTIS. This arose due to a relevant clearing platform linking the entitlement to the US listing which settles on a T+1 basis.
Technical/technological aspect(s) related to the barrier, if relevant	
Member State(s) in which the barrier exists, if relevant	
Estimation of the costs of the barrier	

Potential solution(s) to remove or lower the barrier, **in descending order of importance**

Suggestions for solutions can include for instance legislative changes (specifying which changes are being suggested), use of supervisory convergence tools (specifying which tools are being suggested), centralised EU supervision, adoption of market practice(s).

Data on the potential costs and benefits of the suggested solution(s)

Harmonisation of the definitions of “shareholder” and “beneficial owner” across relevant EU and (where necessary) Member State legislation (including, relevant corporate law and securities laws) to determine the precise rights and powers of ownership would be a constructive step towards overcoming these barriers.

Assess the priority level for addressing barrier 1 to cross-border asset servicing and processing:

- ☒ High priority
 - ☐ Medium priority
 - ☐ Low priority
 - ☐ Don't know / no opinion / not applicable
-

Question 4. Are there barriers stemming from national laws, regulatory /supervisory or operational requirements?

For example:

- setting out **restrictions for the place of settlement** for primary or secondary market transactions
 - preventing securities issued by entities from **other EU Member States** from being issued, maintained or settled in the national CSD
 - imposing **additional requirements on CSDs**, established in another Member State, wishing to provide services to national issuers and/or participants)
- ☒ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable

How many barriers stemming from national laws, regulatory/supervisory or operational requirements have you identified?

- ☒ 1 barrier
- ☐ 2 barriers
- ☐ 3 barriers

Barrier 1 - Stemming from national laws, regulatory/supervisory or operational requirements

	Describe barrier 1 stemming from national laws, regulatory/supervisory or operational requirements
Explanation of the barrier	As mentioned above, one of the most significant barriers to the efficient settlement of intermediated/dematerialised securities is a lack of harmonisation in Member State laws governing the effectiveness of debit and credit mechanisms in relation to securities accounts.
Reason(s) why it is a barrier	Lack of harmonisation
Specific legal requirement(s) that create(s) the barrier, if relevant (national or EU level)	
Supervisory or market practice(s) (national or EU level) that create the barrier, if relevant	
Operational requirements that create the barrier (national or EU level)	
Technical/technological aspect(s) related to the barrier, if relevant	
Member State(s) in which the barrier exists, if relevant	
Estimation of the costs of the barrier	

Potential solution(s) to remove or lower the barrier, **in descending order of importance** Suggestions for solutions can include for instance legislative changes (specifying which changes are being suggested), use of supervisory convergence tools (specifying which tools are being suggested), centralised EU supervision, adoption of market practice(s).

Data on the potential costs and benefits of the suggested solution(s)

This barrier could be overcome through the EU adopting the Hague Securities Convention (the Convention of 5 July 2006 on the Law Applicable to Certain Rights in Respect of Securities held with an Intermediary and the complementary Geneva Securities Convention (the Convention on substantive rules for intermediated securities. These conventions have been adopted by some of the world's largest capital markets, including the US. Thus this approach represents a path towards not only integrating EU capital markets across the 27 Member States, but also offers a means of greater integration of global capital markets.

In relation to the other barriers referred to, FIA EPTA members strongly support implementation of the recommendations set out in the 2017 report of the European Post Trade Forum.

Assess the priority level for addressing barrier 1 stemming from national laws, regulatory/supervisory or operational requirements:

- ☒ High priority
 - ☐ Medium priority
 - ☐ Low priority
 - ☐ Don't know / no opinion / not applicable
-

Question 5. Are there any **additional barriers to the provision of cross-border CSD services which are not mentioned above?**

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

3.1.2. Links

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 6. What are the main barriers to building an efficient network of links between EU CSDs?

Please select as many answers as you like

- ☐ legal or regulatory requirements (or lack thereof)
- ☐ fiscal requirements
- ☐ supervisory practice
- ☐ market practice
- ☐ operational requirements
- ☒ differences in national legal, regulatory or operational requirements
- ☐ technical/technological aspects
- ☐ other

Barrier due to differences in national legal, regulatory or operational requirements - Links

	Describe the barrier due to differences in national legal, regulatory or operational requirements
Explanation of the barrier	In addition to the matters raised above, particularly concerning necessary harmonisation of relevant securities laws across EU Member States, FIA EPTA members observe a lack of harmonisation in post-trade timings and processes which create an overly complex and inefficient post-trade environment.
Reason(s) why it is a barrier	
Specific legal requirement(s) that create(s) the barrier, if relevant (national or EU level)	
Supervisory or market practice(s) (national or EU level) that create the barrier, if relevant	
Operational requirements that create the barrier (national or EU level)	
Technical/technological aspect(s) related to the barrier, if relevant	
Member State(s) in which the barrier exists, if relevant	

Estimation of the costs of the barrier and an explanation of how these costs could be reduced	
<p>Potential solution(s) to remove or lower the barrier, in descending order of importance</p> <p>Suggestions for solutions can include for instance legislative changes (specifying which changes are being suggested), use of supervisory convergence tools (specifying which tools are being suggested), centralised EU supervision, adoption of market practice(s).</p>	<p>Accordingly, we strongly recommend that steps be taken to establish a single European operating model in relation to post-trade timings and processes.</p>
Data on the potential costs and benefits of the suggested solution(s)	

Assess the priority level for addressing the barrier due to differences in national legal, regulatory or operational requirements:

- ☒ High priority
 - ☐ Medium priority
 - ☐ Low priority
 - ☐ Don't know / no opinion / not applicable
-

Question 7. Are there barriers related to the establishment of links?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 8. Are there barriers related to the maintenance of links?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 9. Are there barriers related to the classification (i.e. customised, standard indirect, interoperable) and/or whether they are unilateral or bilateral links?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 10. Are there barriers related to the improper use of existing links?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 11. Is the cost of settlement via links taken into account when negotiating securities transactions?

- ☒ Yes
- ☐

No

☐ Don't know / no opinion / not applicable

Please justify your answer to question 11, in particular identifying potential risks:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Yes, where there are known increased costs associated with cross-border (cross-CSD) settlements these may be taken into account, dependent on circumstances. Any harmonisation that reduces these costs will result in better pricing for end-investors.

Question 12. In view of the growing use of 'relayed links', does Art. 48, CSDR adequately capture current market practice?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 12:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 13. Is the use of relayed links creating barriers to cross-border settlement?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Question 14. Does the use of relayed links improve cross-border settlement?

- ☐ Yes
- ☐ No
- ☐

Don't know / no opinion / not applicable

Please explain your answer to question 14:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 15. Who should be involved in the process for the authorisation of establishing a link as well as the ongoing supervision thereof?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 16. Should all links be standard links?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 16:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 17. Should all links be interoperable links?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 17:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 18. Should all links be bilateral?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 18:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 19. Should all CSDs be mandated to establish a minimum number of links with other EU CSDs?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 19:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 20. Should the comprehensive risk assessment for the validation of a link be carried out by ESMA?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 20:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 21. Are there any barriers or material challenges to the establishment of links between CSDs and other infrastructures?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Question 22. Have you had a request for a link refused?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

3.1.3. Settlement services in the EU

Question 23. How could settlement in T2S be further enhanced in order to build a deeper and more integrated market in the EU and facilitate cross-CSD settlement?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

FIA EPTA members believe that T2S holds great potential for supporting the integration of post-trade processes in the EU. In particular, expanding its scope and functionality to better serve the market should be prioritised. It should be mandatory for all EU CSDs to connect to T2S. All EU central banks should be able to work together to support all EU currencies in T2S whether via regulatory fiat or enforceable cooperation agreement. Whilst there may be greater complexity in incorporating facilities for settlement of other

currencies including USD, we believe opportunities could be presented by new technologies and innovation to support non-EU currencies, such as stablecoins.

Providing autopartialling functionality and implementing it as the default on realignments between CSDs would also be an enhancement.

Question 24. Should links between CSDs participating in T2S no longer be required to enable settlement in T2S in any of the financial instruments available in T2S?

- ☐ Yes
- ☒ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 24:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Links should be required to facilitate realignments

Question 25. Are there any national market practices, laws, rules/regulations, or operational requirements which hinder the participation in T2S or cross-CSD settlement?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 25 and provide details:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 26. What can be done to ensure progress and take-up by T2S participants of already agreed harmonised standards and market practices (e.g. market standards for corporate actions, SCoRE corporate actions standards, T2S corporate action standards, other T2S harmonisation standards, other relevant global or European market standards and market practices)?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 27. Do you comply with the abovementioned standards and market practices (e.g. market standards for corporate actions, SCoRE corporate actions standards, T2S corporate action standards, other T2S harmonisation standards, other relevant global or European market standards and market practices)?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Question 28. Should T2S harmonisation standards be applied more widely across the EU, in order to create a more harmonised settlement environment across the EU?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Which standards are most needed in the non-T2S EU settlement environment?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Yes, harmonised standards should be applied across the EU to reduce complexity and burden of meeting differing requirements. In particular, FIA EPTA members support the development of a single operating standard for all CSDs for consistency and efficiency.

Please explain your answer to question 28:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 29. Should the costs of settlement be reduced?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain what could be done to reduce the costs settlement?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In the event that CSD interoperability is enabled by greater harmonisation of relevant laws and market practices, we believe that this will significantly reduce the cost of settlement. These cost savings will arise from greater efficiency in settlement practices, fewer (if any) depot transfers when moving settlement location (which typically incur very high fees) and through downward pressure on costs generally brought about through competition. In addition, minimising or removing autopartial costs by CSDs would encourage participants to autopartial, which would improve settlement rates.

Question 30. Should the transparency of settlement pricing and CSD services be improved (in substance and format), for example with a standard template that would facilitate comparison of prices and service offering?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 30:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 31. Should all CSDs settling the cash leg in Euro be required to connect to T2S?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 31:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 32. Are there difficulties in accessing settlement in foreign currencies, not only in the T2S environment?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Question 33. Is there a need for additional currencies to be settled in T2S?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 33:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We believe opportunities could be presented by new technologies and innovation to support non-EU currencies, such as stablecoins.

Question 34. Should T2S be able to provide other CSD services, including issuance services and asset servicing services?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 34:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 35. What improvements (e.g. organisational, operational, contractual, etc.) could be introduced to T2S to support a broader and more resilient use of it?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

3.1.4. Legal certainty

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 36. Are there barriers from national legal or regulatory requirements that affect legal certainty of acquisitions and dispositions in financial instruments, or cash or cash equivalent cross-border?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

How many barriers that affect legal certainty of acquisitions and dispositions have you identified?

- ☒ 1 barrier

- ☐ 2 barriers
- ☐ 3 barriers

Barrier 1 - Legal certainty of acquisitions and dispositions

	Describe barrier 1 that affect legal certainty of acquisitions and dispositions
Explanation of the barrier	As mentioned above, one of the most significant barriers to the efficient settlement of intermediated/dematerialised securities is a lack of harmonisation in Member State laws governing the effectiveness of debit and credit mechanisms in relation to securities accounts.
Reason(s) why it is a barrier	
Specific legal requirement(s) that create(s) the barrier, if relevant (national or EU level)	
Which financial instrument the barrier refers to	
Supervisory or market practice(s) (national or EU level) that create the barrier, if relevant	
Operational requirements that create the barrier (national or EU level)	
Technical/technological aspect(s) related to the barrier, if relevant	
Type of intermediary structure(s)/chain(s) that create(s) the barrier, if relevant	

Estimation of the costs of the barrier and a description of where the additional costs come from and how much they are	
<p>Potential solution(s) to remove or lower the barrier, in descending order of importance</p> <p>Suggestions for solutions can include for instance legislative changes (specifying which changes are being suggested), use of supervisory convergence tools (specifying which tools are being suggested), centralised EU supervision, adoption of market practice(s).</p>	<p>This barrier could be overcome through the EU adopting the Hague Securities Convention (the Convention of 5 July 2006 on the Law Applicable to Certain Rights in Respect of Securities held with an Intermediary and the complementary Geneva Securities Convention (the Convention on substantive rules for intermediated securities).</p>
Data on the potential costs and benefits of the suggested solution(s)	

Assess the priority level for addressing barrier 1 that affect legal certainty of acquisitions and dispositions:

- ☒ High priority
 - ☐ Medium priority
 - ☐ Low priority
 - ☐ Don't know / no opinion / not applicable
-

Question 37. Does the law applicable to the assets and to the CSD influence a decision to acquire or dispose of financial instruments cross-border?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 38. Are there barriers for issuers to obtain legal certainty on the ownership of the securities issued in a CSD or any other registrar?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 39. Are there barriers for investors to obtain legal certainty on their rights and powers (e.g. ownership rights, rights in relation to corporate events) and for intermediaries to have legal certainty on their duties in relation to financial instruments, cash or cash equivalent, issued in /maintained in/settled by a CSD?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 40. Are there any barriers to pool assets from different jurisdictions?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Question 41. Are there barriers, e.g. due to the lack of certainty on the applicable law, to the cross-border provision of services (e.g. issuance or asset servicing) and/or use of services?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 42. Are there barriers to the cross-border provision or use of CSD services due to the lack of certainty on the applicable law?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 43. Are there barriers to pooling assets from different jurisdictions?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 44. Are there legal certainty barriers to the provision of cross-border asset servicing?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 45. Are there barriers stemming from national laws affecting the legal certainty of acquisitions and dispositions in financial instruments, or cash or cash equivalent?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 46. Are there new barriers that create legal uncertainty in the provision of issuance / maintenance / settlement services via new technologies (e.g. where bridges are used between different distributed ledgers in the issuing and minting process)?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 47. Is there a legal certainty barrier due to the absence of a conflict of law rule, related to proprietary, contractual and system-related aspects, under the CSDR (to complement those under the SFD/FCD etc.)?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 48. Can the existing approach to conflict of laws under the SFD and the FCD be applied to DLT based networks/systems and collateral transactions?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 48:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 49.1. What is the preferred connecting factor in relation to proprietary aspects related to transactions on a DLT system?

Please select as many answers as you like

- ☐ The law chosen by the participants to a transaction

- ☐ The law chosen by the network participants
- ☐ The law of the legal entity operating the DLT-based system on which digital assets are recorded
- ☐ In relation to a digital asset of which there is an issuer, the domestic law of the State where the issuer is established
- ☐ The place of the relevant operating authority/administrator (PROPA)
- ☐ The primary residence of the encryption private master keyholder (PREMA)
- ☐ Other

Question 49.2. What is the preferred connecting factor in relation to contractual aspects related to transactions on a DLT system?

Please select as many answers as you like

- ☐ The law chosen by the participants to a transaction
- ☐ The law chosen by the network participants
- ☐ The law of the legal entity operating the DLT-based system on which digital assets are recorded
- ☐ In relation to a digital asset of which there is an issuer, the domestic law of the State where the issuer is established
- ☐ The place of the relevant operating authority/administrator (PROPA)
- ☐ The primary residence of the encryption private master keyholder (PREMA)
- ☐ Other

Question 49.3. What is the preferred connecting factor in relation to system-related aspects related to transactions on a DLT system?

Please select as many answers as you like

- ☐ The law chosen by the participants to a transaction
- ☐ The law chosen by the network participants
- ☐ The law of the legal entity operating the DLT-based system on which digital assets are recorded
- ☐ In relation to a digital asset of which there is an issuer, the domestic law of the State where the issuer is established
- ☐ The place of the relevant operating authority/administrator (PROPA)
- ☐ The primary residence of the encryption private master keyholder (PREMA)
- ☐ Other

Question 49.4. Would the differences between permissioned and permissionless DLT systems, warrant different rules on conflict of laws)?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 49.4:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 50. Considering various new types of settlement assets (including tokenised central bank money, electronic money tokens and tokenised commercial bank money) and the different nature of native (only created and represented on the DLT) and non-native (existing outside of the DLT) assets, should the same conflict of law rules apply to all these settlement assets?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 50:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 51. Are there any other barriers to legal certainty which are not mentioned above?

- ☐ Yes
- ☐ No
- ☐

Don't know / no opinion / not applicable

3.1.5. Barriers and other aspects under the SFD

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 52. What are the main barriers to the smooth operation of the settlement finality framework in the EU?

Please indicate how many barriers have you identified?

- ☐ 1 barrier
- ☐ 2 barriers
- ☐ 3 barriers

Please justify your answer to question 52, in particular identifying potential risks:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 53. Are there any aspects of the SFD that have created barriers for the market or market participants, in particular in a cross-border environment?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Question 54. Do the definitions, in particular the definition of a “system” and “transfer orders”, result in barriers related to the change in market practice in the set-up of systems as well as the use of DLT?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 55. Is SFD protection important for settlement systems, such as those based on DLT, that settle trades instantly and atomically, and not on a deferred net basis or in settlement batches?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 55:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 56. Should settlement systems that achieve probabilistic (operational) settlement finality be designated and benefit from SFD protections?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Question 57. Are the criteria that need to be met for a system to be designated under the SFD creating unjustified barriers to entrance?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Question 58. Do diverging national practices for notifying systems create an uneven level playing field or legal uncertainty?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 59. For the purposes of designating a system under the SFD, are the current list of participants, the designation process and the focus on entities rather than on the service provided creating barriers for new entities to provide settlement services in a system designated under that Directive?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 60. Does the non-aligned definition of 'collateral security' (SFD) and 'financial collateral' (FCD) create complexities for efficient collateral management?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 61. Is there legal certainty on the scope of the settlement finality protection under SFD?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 61:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 62. Is the lack of harmonised settlement finality moments in SFD (i.e. leaving it to the rules of the system or national law) creating legal uncertainty and preventing the development of a single capital market?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Question 63. The SFD does not apply to third-country systems, however, Member States can extend the protections in the SFD to domestic institutions participating directly in third-country systems and to any relevant collateral security ('extension for third-country systems').

Is the lack of transparency related to Member States extending for third-country systems creating barriers to the provision of services in the single market or creating a non-level playing field for EU entities?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 64. Stakeholders have indicated they would like to have an overview of all participants in different SFD designated systems, e.g. shared on one website publicly accessible.

Is the lack of transparency related to the participants of designated systems creating barriers to the single market?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 65. Has the fact that SFD designation is not mandatory for all systemically important systems (except when mandated under Art. 2(1) and 2 (10) CSDR and Art. 17(4)(b) EMIR), including payment systems, created barriers to the single market?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 66. Are there any national barriers in relation to legal certainty arising from how the SFD is transposed in the Member States?

- ☐ Yes

- ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 67. Some stakeholders suggested a centralised overview over the insolvency of participants of all SFD designated systems is needed, ie. published on a common centralised website.

Is a lack of transparency related to the insolvency of participants of designated systems creating barriers to the single market?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 68. Are there any other barriers created by the SFD which are not mentioned above?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 69. How should irrevocability of “reserved” or “booked” digital assets be achieved?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 70. Is the point in time when a disposition becomes irrevocable problematic to pinpoint in DLT-based settlement systems, and in particular those with probabilistic settlement?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 70:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

3.2. Barriers to the application of new technology and new market practices

3.2.1. Applicability of the CSDR to DLT-based CSDs and the provision of services

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 71. Considering the core functions of a CSD, i.e. those of notary, central maintenance and settlement, is the current legal framework appropriate to mitigate and control risks that could arise from the use of DLT?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 71:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 72. What are the main barriers in the EU framework to the use of DLT for the provision of CSD services, also in light of the experience gained through the DLTPR?

Please select as many answers as you like

- ☐ legal or regulatory requirements (or lack thereof)

- ☐ fiscal requirements
 - ☐ supervisory practice
 - ☐ market practice
 - ☐ operational requirements
 - ☐ differences in national legal, regulatory or operational requirements
 - ☐ technical/technological aspects
 - ☐ other
-

Question 73. Are there any legal barriers to ensure the integrity of the issue, segregation and custody requirements also in the context of DLT-based issuance and settlement?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 74. Does the definition of cash need to be refined to take into account technological developments affecting the provision of cash, in particular the emergence of tokenised central bank money, tokenised commercial bank money and electronic money tokens?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 75. Could the use of DLT help reduce the reporting burden?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 75:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 76. Would a per-service authorisation of CSD services, with compliance requirements proportionate to the risk of the individual service, make the CSDR more technologically neutral and contribute to removing barriers to adoption of new technologies, such as DLT?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 76:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 77. Are there any legal barriers for DLT service providers in providing trading, settlement and clearing in an integrated manner, within one entity?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Question 78. Are there any other barriers that you consider relevant for the DLT based provision of CSD services?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 79. In particular in permissionless blockchains, validators have the ability to choose which transactions to prioritise for validation and decide on the order of transaction settlement.

Can this feature negatively affect orderly settlement and how can it be mitigated?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 79:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 80. Does the emergence of DLT-based tokenised financial instruments require changes to the provision of CSD services or the requirement to use a CSD?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Question 81. Can certain functions normally assigned to or reserved for a CSD be safely, securely and effectively be performed by other market participants in a DLT environment?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

3.2.2. Detailed questions on the applicability of the CSDR and SFD to DLT-based CSDs

Question 82. Are there barriers or concerns with the technological neutrality of the CSDR definitions listed below or any other definitions or concepts included in CSDR and SFD in particular in the context of DLT?

	1 (not a concern)	2 (rather not a concern)	3 (neutral)	4 (rather a concern)	5 (strong concern)	Don't know - No opinion - Not applicable
Central securities depository	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Securities settlement system	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Securities account	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Book entry form	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dematerialised form	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Settlement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Delivery versus payment (DVP)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Any other definitions or concepts in CSDR and SFD	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 83. Would you have any concerns about the technological neutrality of the following CSDR rules?

	1 (not a concern)	2 (rather not a concern)	3 (neutral)	4 (rather a concern)	5 (strong concern)	Don't know - No opinion - Not applicable
Rules on measures to prevent settlement fails	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rules on measures to address settlement fails (e.g. cash penalties, monitoring and reporting settlement fails)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rules on organisational requirements for CSDs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rules on outsourcing of services or activities to a third party	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rules on communication procedures with market participants and other market infrastructures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rules on the protection of securities of participants and those of their clients	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rules regarding the integrity of the issue and appropriate reconciliation measures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rules on cash settlement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rules on requirements for participation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rules on requirements for CSD links	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Rules on access between CSDs and access between a CSD and another market infrastructure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rules on legal risks, in particular as regards enforceability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Any other rules	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3.3. Barriers and other aspects under the FCD

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 84. What are the main barriers to the integration of EU markets and /or consolidation of financial market infrastructures related to the FCD?

How many barriers have you identified?

- ☐ 1 barrier
 - ☐ 2 barriers
 - ☐ 3 barriers
-

Question 85. Is there sufficient clarity regarding the use of tokenised assets as financial collateral in the context of financial collateral arrangements under the FCD?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 85:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 86. In the last FCD consultation, the addition re-insurers, alternative investment funds (AIF), institutions for occupational retirement provision (IORPs), crypto-asset service providers, all non-natural persons, non-financial market participants which regularly enter into physically or financially settled forward contracts for commodities or EU allowances (EUAs) was suggested by stakeholders. It was also asked if payment institutions, e-money institutions and CSDs should be added to the scope.

Please provide any views you may have of one or several of the suggested potential additional participants:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 87. Are there barriers **related to the scope of the FCD** (i.e. parties eligible as collateral taker and collateral provider, definition of financial collateral, definition of cash)?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Question 88. Do you see legal uncertainty related to the recognition of tokenised financial instruments as collateral under the FCD?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 88 and describe these uncertainties:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 89. Do the definitions and concepts in the FCD, including the notion of ‘possession and control’, ‘accounts’ and ‘book-entry’ result in barriers or legal uncertainty, e.g. due to the change in market practices, the use of DLT?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 89:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 90. Is the list of collateral providers and collateral takers limiting the applicability of the FCD in a detrimental manner for DLT-based financial collateral arrangements?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 90:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 91. Do you think that collateral other than cash, financial instruments and credit claims should be made eligible under the FCD, in particular in light of DLT based financial collateral arrangements?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 92. Do you see the need to change the current approach that only financial collateral arrangements should be protected where at least one of the parties is a public authority, central bank or financial institution?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 92:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 93. Is the non-aligned definition of 'collateral security' under the SFD and 'financial collateral' under the FCD creating barriers?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 94. Are the opt-out provisions for Member States creating any barriers to the single market?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 95. Have you encountered problems with the recognition /application of close-out netting provisions under the FCD (both national and cross-border)?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 96. As noted in the [Commission report on the review of SFD and FCD \(COM\(2023\)345 final\)](#), given the FCD deals primarily with financial collateral and only peripherally with netting (only as one of the methods that can be used to enforce collateral arrangements), do you consider that there is a need for further harmonisation of the treatment of contractual netting in general and close-out netting in particular?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 96:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 97. Are there any other barriers created by the FCD which are not mentioned above?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 98. If there is any other issues you would like to address regarding FCD financial collateral in a DLT environment, please describe them:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

3.4. Uneven/inefficient market practices and disproportionate compliance costs

3.4.1. Internalised settlement

Question 99. Does the current reporting obligation of internalised settlement allow for an accurate identification of the risks stemming from settlement outside of a CSD?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Question 99.4. What would be the cost implications of such additional reporting?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 100. Should settlement internalisers with very high internalised settlement activity (in terms of value and volume) be required to publish information on their internalised settlement activity including settlement fail rates (similar to the annual data on settlement fails published by CSDs)?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 100:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 101. Would you identify additional risks other than operational and legal risks stemming from internalised settlement?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 101:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 102. Should some/all rules pertaining to settlement discipline and /or other CSDR requirements currently applicable to settlement at CSD level be also applicable to internalised settlement?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 102:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

3.4.2. Information sharing

Question 103. Is the role of the CSDR college as envisaged in CSDR refit sufficient to ensure efficient and complete information sharing between different authorities under CSDR?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 104. Are there barriers to information sharing between authorities and/or authorities/market participants that hinder the smooth provision of CSD services and the supervision thereof?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 105. Are there duplications and/or overlaps in the reporting requirements between national, European competent or relevant authorities?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

3.4.3. Authorisation procedures

Question 106. Is the authorisation procedure for CSDs too long and/or burdensome?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 107. Is the procedure for the extension of CSD authorisation and for outsourcing of services and activities too long and/or burdensome?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 108. Is the procedure for the authorisation to provide banking ancillary services too long and/or burdensome?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 109. Are the current authorisation/supervisory approval processes under CSDR suitable, or could it benefit from some refinements/streamlining and/or clarifications?

- ☐ the current approval processes are suitable
- ☐ the current approval processes could benefit from some refinements /streamlining and/or clarifications
- ☐ Don't know / no opinion / not applicable

Please explain your answer to question 109.

If you consider that there is an issue, please clearly describe the issue, which legal, regulatory or operational requirements should be amended to resolve it, the solution(s) you have in mind to resolve it (including drafting suggestions, where possible), and the potential impact of the solution(s) you propose:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 110. Are the current authorisation processes/supervisory approval under CSDR creating legal barriers for (potential) new entrants wishing to provide CSD services?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 111. Do you consider that market participants, who provide only one core service (for example, notary, central maintenance or settlement) should be covered by some/all elements of CSDR?

- ☐ Yes
 - ☐ No
 - ☐ Don't know / no opinion / not applicable
-

Question 112. Could there be benefits to a tiered authorisation (i.e. per service) for CSDs being introduced, e.g. to enable the requirements to reflect the different nature of different core services?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

3.5. Interaction between the CSDR and other EU legislation

Question 113. Are there are issues between the CSDR and other EU legislation?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion / not applicable

3.6. Other issues on post-trading

Question 114. Other matters that could potentially contribute to removing barriers to the consolidation of post-trading infrastructure, to improving the EU's capital markets attractiveness while reducing fragmentation and to improving integration in post-trade services might also be important.

Please provide any further suggestions to improve the integration, competitiveness, and efficiency of post-trade services (including clearing and settlement) in the EU. Please provide supporting evidence for any suggestions:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

FIA EPTA members strongly believe that the best solution for ameliorating the negative impact of post-trade fragmentation in EU capital markets is by pursuing fully functional interoperability of post-trade infrastructure

across both clearing and settlement in a manner that creates a competitive environment for the provision of these services.

We forcefully warn against viewing consolidation of post-trade infrastructure as the solution to problems posed by post-trade fragmentation. Consolidation of infrastructures is more likely to result in a trading and post-trade environment characterised by vertical silos. Vertical silos by their nature represent a market failure and commonly result in negative outcomes for consumers in the form of high costs, minimal choice (if any) of service provider and very little innovation. Such a development would only add the high costs, complexity and inefficiency of EU capital markets. If for some reason it was determined that consolidation were the preferred way forward for Europe (although we would find this extremely difficult to justify given the stated objectives of the SIU project), it would be imperative that post-trade infrastructures (and any connected trading infrastructure forming a vertical silo) be regulated as a public utility.

In addition to full interoperability across settlement infrastructures, FIA EPTA members also believe it is crucial that open access in clearing be fully realized to realise the SIU. FIA EPTA members consider that in the cash (equities and bonds) markets more competition via widely applied open access and true interoperability facilitated by open access could help solve many hurdles that currently prevent the establishment of a true Savings and Investment Union.

As for listed derivatives markets, FIA EPTA members experience various hurdles stemming from legacy structures – and in some cases – protectionism. This renders the post-trading infrastructure unduly inefficient, stifles innovation and creates unnecessary risks to the financial infrastructure in the Union. These hurdles are becoming more pronounced and entrenched as market infrastructure providers seek to drive users into vertical silos through a combination of punitive fee structures and operational necessity. This trend undermines the efficiency gains from competition in trading.

FIA EPTA members consider that Open Access to clearing must become available without further delay.

Currently, FIA EPTA members experience hurdles stemming from legacy market structures and de-facto monopolistic practices by incumbent CCPs. Hence, our members consider that the MiFIR open access requirements should be reinstated as a priority amongst SIU measures. Such steps will minimise the impact of existing clearing fragmentation between silos, allowing for smoother cross border capital flows and easing market access as a consequence of being able to net across CCPs.

Additional information

Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) below. **Please make sure you do not include any personal data in the file you upload if you want to remain anonymous.**

The maximum file size is 1 MB.

You can upload several files.

Useful links

[More on this consultation \(https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/targeted-consultation-integration-eu-capital-markets-2025_en\)](https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/targeted-consultation-integration-eu-capital-markets-2025_en)

[Consultation document \(https://finance.ec.europa.eu/document/download/8c77fb5f-4fe6-4fa0-8fe6-293a94c43b26_en?filename=2025-markets-integration-supervision-consultation-document_en.pdf\)](https://finance.ec.europa.eu/document/download/8c77fb5f-4fe6-4fa0-8fe6-293a94c43b26_en?filename=2025-markets-integration-supervision-consultation-document_en.pdf)

[More on savings and investments union \(https://finance.ec.europa.eu/regulation-and-supervision/savings-and-investments-union_en\)](https://finance.ec.europa.eu/regulation-and-supervision/savings-and-investments-union_en)

[Specific privacy statement \(https://finance.ec.europa.eu/document/download/0509b999-58ff-40e0-a1d0-dd723da2b7df_en?filename=2025-markets-integration-supervision-specific-privacy-statement_en.pdf\)](https://finance.ec.europa.eu/document/download/0509b999-58ff-40e0-a1d0-dd723da2b7df_en?filename=2025-markets-integration-supervision-specific-privacy-statement_en.pdf)

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