

Targeted consultation on integration of EU capital markets – Part 2

Fields marked with * are mandatory.

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

This is part 2

Part 1 on **simplification and burden reduction, trading, and post-trading** is available [here](#):

[Respond to part 1](#)

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

Ben

* Surname

van der Velpen

* Email (this won't be published)

* Organisation name

255 character(s) maximum

Dutch Advisory Committee Securities Industry (DACSI)

* 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.

* Country of origin

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

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- Bangladesh
- Barbados
- Belarus
- Belgium
- Belize
- Benin
- Bermuda
- Bhutan
- Bolivia
- Bonaire Saint Eustatius and Saba
- Bosnia and Herzegovina
- Botswana
- Bouvet Island
- Brazil
- British Indian Ocean Territory
- British Virgin Islands
- Brunei
- Bulgaria
- Falkland Islands
- Faroe Islands
- Fiji
- Finland
- France
- French Guiana
- French Polynesia
- French Southern and Antarctic Lands
- Gabon
- Georgia
- Germany
- Ghana
- Gibraltar
- Greece
- Greenland
- Grenada
- Guadeloupe
- Guam
- Guatemala
- Guernsey
- Guinea
- Guinea-Bissau
- Guyana
- Haiti
- Heard Island and McDonald Islands
- Marshall Islands
- Martinique
- Mauritania
- Mauritius
- Mayotte
- Mexico
- Micronesia
- Moldova
- Monaco
- Mongolia
- Montenegro
- Montserrat
- Morocco
- Mozambique
- Myanmar/Burma
- Namibia
- Nauru
- Nepal
- Netherlands
- New Caledonia
- New Zealand
- Nicaragua
- Niger
- Nigeria
- Niue
- Singapore
- Sint Maarten
- Slovakia
- Slovenia
- Solomon Islands
- Somalia
- South Africa
- South Georgia and the South Sandwich Islands
- South Korea
- South Sudan
- Spain
- Sri Lanka
- Sudan
- Suriname
- Svalbard and Jan Mayen
- Sweden
- Switzerland
- Syria
- Taiwan
- Tajikistan
- Tanzania
- Thailand
- The Gambia
- Timor-Leste
- Togo

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- ☐ Democratic Republic of the Congo
- ☐ Lesotho
- ☐ Saint Kitts and Nevis
- ☐ Zimbabwe
- ☐ Denmark
- ☐ Liberia
- ☐ Saint Lucia

* 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

* Please specify your activity field(s) or sector(s)

Industry Association

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:

Please select as many answers as you like

- ☒ **4. Horizontal barriers to trading and post-trading infrastructures**
- ☐ **5. Asset management and funds**
- ☐ **6. Supervision**
- ☐ **7. Horizontal questions on the supervisory framework**

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

This is part 2

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[Respond to part 1](#)

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

4. Horizontal barriers to trading and post-trading infrastructures

This section seeks feedback on horizontal barriers to trading and post-trading infrastructures in four main areas:

- EPTF (European Post Trade Forum)
- cross-border operational synergies between entities
- issuance
- and innovation

Respondents are asked to provide concrete examples to support answers provided, and, where possible, quantitative and qualitative information.

4.1. EPTF barriers

Question 1. How do you assess the continuing importance and the urgency of their resolution of the barriers identified by the [EPTF report](#) and those put on [EPTF watchlist](#) (WL) in 2017?

a) Fragmented corporate actions and general meeting processes (EPTF 1)

- ☒ High urgency

- ☐ Medium urgency
- ☐ Low urgency
- ☐ No longer relevant
- ☐ Don't know / no opinion / not applicable

Do you agree with EPTF recommendations for barrier a)?

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

Please explain your answers on barrier a):

5000 character(s) maximum

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

- a. Still relevant: Fragmentation persists; affects shareholder rights and transparency across member states.
- b. Urgency Justification: Harmonisation is essential for investor engagement and efficient market operations.

b) Lack of convergence and harmonisation in information messaging standards (EPTF 2)

- ☐ High urgency
- ☒ Medium urgency
- ☐ Low urgency
- ☐ No longer relevant
- ☐ Don't know / no opinion / not applicable

Do you agree with EPTF recommendations for barrier b)?

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

Please explain your answers on barrier b):

5000 character(s) maximum

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

- a. Still relevant: Despite widespread ISO 20022 adoption, full standardisation remains incomplete.
 - b. Urgency Justification: Necessary for automation and straight-through processing but partially addressed.

c) Lack of harmonisation and standardisation of ETF processes (EPTF 3)

- ☐ High urgency
- ☐ Medium urgency
- ☒ Low urgency
- ☐ No longer relevant
- ☐ Don't know / no opinion / not applicable

Do you agree with EPTF recommendations for barrier c)?

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

Please explain your answers on barrier c):

5000 character(s) maximum

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

- a. Still relevant but limited in scope: Mostly affects ETF market participants.
 - b. Urgency Justification: Useful but not systemic for broader EU market integration.

d) Inconsistent application of asset segregation rules for securities accounts (EPTF 4)

- ☐ High urgency
- ☒ Medium urgency
- ☐ Low urgency
- ☐ No longer relevant
- ☐ Don't know / no opinion / not applicable

Do you agree with EPTF recommendations for barrier d)?

- ☒ Yes
- ☐ No

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

Please explain your answers on barrier d):

5000 character(s) maximum

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

- a. Still relevant: Differences in national implementation of CSDR create operational and legal uncertainties.
- b. Urgency Justification: Important for investor protection but not currently market disruptive.

e) Lack of harmonisation of registration rules and shareholder identification processes (EPTF 5)

- ☒ High urgency
- ☐ Medium urgency
- ☐ Low urgency
- ☐ No longer relevant
- ☐ Don't know / no opinion / not applicable

Do you agree with EPTF recommendations for barrier e)?

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

Please explain your answers on barrier e):

5000 character(s) maximum

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

- a. Still relevant: Impacts transparency, corporate governance, and cross-border shareholder rights.
- b. Urgency Justification: Vital for consistent application of the Shareholder Rights Directive (SRD II).

f) Complexity of post-trade reporting structure (EPTF 6)

- ☒ High urgency
- ☐ Medium urgency
- ☐ Low urgency
- ☐ No longer relevant
- ☐ Don't know / no opinion / not applicable

Do you agree with EPTF recommendations for barrier f)?

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

Please explain your answers on barrier f):

5000 character(s) maximum

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

- a. Still relevant: Multiple overlapping reporting regimes (e.g. CSDR, EMIR, SFTR) increase compliance burdens.
- b. Urgency Justification: A single, consolidated reporting framework is needed to reduce operational complexity.

g) Unresolved issues regarding reference data and standardised identifier (EPTF 7 (formerly Giovannini Barriers 8 and 9, redefined and combined))

- ☒ High urgency
- ☐ Medium urgency
- ☐ Low urgency
- ☐ No longer relevant
- ☐ Don't know / no opinion / not applicable

Do you agree with EPTF recommendations for barrier g)?

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

Please explain your answers on barrier g):

5000 character(s) maximum

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

- a. Still relevant: Inconsistencies in reference data hinder efficient post-trade processing and risk monitoring.
- b. Urgency Justification: Affects regulatory reporting, data quality, and transaction traceability.

h) Uncertainty as to the legal soundness of risk mitigation techniques used by intermediaries and of CCPs' default management procedures (EPTF 8) (formerly Giovannini Barrier 14)

- ☐ High urgency
- ☐ Medium urgency
- ☒ Low urgency
- ☐ No longer relevant
- ☐ Don't know / no opinion / not applicable

Do you agree with EPTF recommendations for barrier h)?

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

Please explain your answers on barrier h):

5000 character(s) maximum

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

- a. Partially addressed: EMIR revisions and supervisory convergence efforts have mitigated most concerns.
- b. Urgency Justification: Ongoing monitoring is needed, but not a current blocker.

i) Deficiencies in the protection of client assets as a result of the fragmented EU legal framework for book entry securities (EPTF 9) (formerly Giovannini Barrier 13)

- ☐ High urgency
- ☐ Medium urgency
- ☐ Low urgency
- ☐ No longer relevant
- ☒ Don't know / no opinion / not applicable

Do you agree with EPTF recommendations for barrier i)?

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

Please explain your answers on barrier i):

5000 character(s) maximum

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

j) Shortcomings of EU rules on finality (EPTF 10)

- ☐ High urgency
- ☐ Medium urgency
- ☐ Low urgency
- ☒ No longer relevant
- ☐ Don't know / no opinion / not applicable

Do you agree with EPTF recommendations for barrier j)?

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

Please explain your answers on barrier j):

5000 character(s) maximum

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

Improvements post-Brexit, but not complete harmonisation.

k) Legal uncertainty as to ownership rights in book entry securities and third-party effects of assignment of claims (EPTF 11) (formerly Giovannini Barrier 15)

- ☐ High urgency
- ☐ Medium urgency
- ☒ Low urgency
- ☐ No longer relevant
- ☐ Don't know / no opinion / not applicable

Do you agree with EPTF recommendations for barrier k)?

- ☐ Yes

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

Please explain your answers on barrier k):

5000 character(s) maximum

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

- a. Still relevant but complex: Tied to broader legal reforms on securities law.
- b. Urgency Justification: Important in principle, but progress likely through long-term legal convergence.

l) Inefficient withholding tax collection procedures (the lack of a relief-at-source system) (EPTF 12)

- ☒ High urgency
- ☐ Medium urgency
- ☐ Low urgency
- ☐ No longer relevant
- ☐ Don't know / no opinion / not applicable

Do you agree with EPTF recommendations for barrier l)?

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

Please explain your answers on barrier l):

5000 character(s) maximum

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

- a. Still relevant: Key barrier to cross-border investment, creates inefficiencies, and disincentivises investors.
- b. Urgency Justification: High compliance costs and lengthy refund procedures undermine EU capital markets integration.

m) National restrictions on the activity of primary dealers and market makers (WL1)

- ☐ High urgency
- ☐ Medium urgency
- ☒ Low urgency

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

Do you agree with EPTF recommendations for barrier m)?

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

Please explain your answers on barrier m):

5000 character(s) maximum

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

- a. Still relevant but narrow scope: Applies mainly to government bond markets.
- b. Urgency Justification: Important for liquidity but not a core barrier to integration.

n) Obstacles to DvP settlement in foreign currencies at CSDs (WL2)

- ☐ High urgency
- ☒ Medium urgency
- ☐ Low urgency
- ☐ No longer relevant
- ☐ Don't know / no opinion / not applicable

Do you agree with EPTF recommendations for barrier n)?

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

Please explain your answers on barrier n):

5000 character(s) maximum

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

- a. Still relevant: Limits cross-border securities transactions and settlement in multi-currency environments.
- b. Urgency Justification: Addressing it would promote the EU's global market attractiveness.

o) WL3: Issues regarding intraday credit to support settlement (WL3)

- ☐ High urgency

- ☒ Medium urgency
- ☐ Low urgency
- ☐ No longer relevant
- ☐ Don't know / no opinion / not applicable

Do you agree with EPTF recommendations for barrier o)?

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

Please explain your answers on barrier o):

5000 character(s) maximum

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

- a. Still relevant: Especially affects smaller institutions and cross-border transactions.
- b. Urgency Justification: Important for settlement efficiency and liquidity management.

p) Insufficient collateral mobility (WL4)

- ☒ High urgency
- ☐ Medium urgency
- ☐ Low urgency
- ☐ No longer relevant
- ☐ Don't know / no opinion / not applicable

Do you agree with EPTF recommendations for barrier p)?

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

Please explain your answers on barrier p):

5000 character(s) maximum

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

- a. Still relevant: Fragmented legal and operational frameworks across EU reduce efficient collateral use.
- b. Urgency Justification: Critical for financial stability and market liquidity.

q) Non-harmonised procedures to collect transaction taxes (WL5)

- ☐ High urgency
- ☐ Medium urgency
- ☒ Low urgency
- ☐ No longer relevant
- ☐ Don't know / no opinion / not applicable

Do you agree with EPTF recommendations for barrier q)?

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

Please explain your answers on barrier q):

5000 character(s) maximum

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

- a. Still relevant: Affects trading cost efficiency, especially with FTT discussions ongoing.
- b. Urgency Justification: Political sensitivity limits scope for rapid resolution.

**4.2. Leveraging cross-border operational synergies between entities
(outsourcing, treatment of group structures)**

Question 2. Do you believe that the current regulatory and supervisory set-up as regards outsourcing is adequate, and captures the risks linked to outsourcing appropriately?

- ☐ 1 - Inadequate
- ☐ 2 - Rather inadequate
- ☒ 3 - Neutral
- ☐ 4 - Rather adequate
- ☐ 5 - Adequate
- ☐ Don't know / no opinion / not applicable

Please point to specific issues and to possible improvements, including, where relevant, any distinction between intra- and extra-EU outsourcing:

5000 character(s) maximum

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

The current regulatory and supervisory framework for outsourcing addresses key risks but remains fragmented and lacks full harmonisation across the EU. Key issues include:

- Supervisory divergence: Inconsistent application of outsourcing rules by national authorities creates uncertainty and uneven compliance burdens.
- Third-country (extra-EU) outsourcing risks: Legal, operational, and data access risks are harder to manage; clearer rules and equivalence standards are needed.
- Critical ICT and cloud outsourcing: The framework does not sufficiently address concentration risk or systemic dependencies on a few major providers.
- Intra-group outsourcing: Rules do not clearly distinguish between third-party and intra-group arrangements, leading to overregulation in some cases.
- Regulatory overlap: Multiple frameworks (e.g. CSDR, DORA, EBA/ESMA guidelines) lead to duplication and complexity.

Suggested improvements:

- Harmonise supervision at the EU level (e.g. through ESMA coordination).
- Introduce proportionate requirements for intra-group outsourcing.
- Establish clear standards for extra-EU outsourcing, including data access and supervisory cooperation.
- Enhance guidance on critical service provider risk, especially for ICT and cloud.

While the current regime provides a solid base, a score of 3 reflects the need for stronger coherence, supervisory convergence, and risk-sensitive refinements, particularly given the increasing digitalisation and globalisation of post-trade and critical market services.

Question 3. In case of groups that include trading and/or post-trading infrastructures, does the legislative framework adequately cater for intra-group synergies, notably by way of outsourcing?

- ☐ 1 - Inadequate
- ☐ 2 - Rather inadequate
- ☒ 3 - Neutral
- ☐ 4 - Rather adequate
- ☐ 5 - Adequate
- ☐ Don't know / no opinion / not applicable

Please point to which types of operations have been negatively impacted by the legislative framework, and what have been the costs (or alternatively: foregone cost synergies).

Please indicate which specific regulatory provisions or supervisory practices have hindered the ability to outsource functions within your group, notably across borders:

5000 character(s) maximum

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

The current legislative framework only partially supports intra-group synergies, especially in cross-border contexts within groups that include trading and/or post-trading infrastructures.

Key Issues:

- Lack of distinction between intra-group and third-party outsourcing: Regulatory frameworks such as CSDR, EMIR, and related ESMA guidelines often apply the same requirements to intra-group arrangements as to external providers, despite differing risk profiles.
- Cross-border barriers: Supervisory authorities may impose restrictive conditions or require duplicative approvals when functions are outsourced between group entities in different Member States, limiting efficiency gains.
- Operational impact: Critical functions such as IT, risk management, compliance, and back-office services face delays or added complexity in group-wide consolidation efforts.
- Foregone cost synergies: The inability to fully leverage shared services has led to increased operational costs, fragmented resource allocation, and underutilised infrastructure, particularly in technology and risk management functions.

Hindering Provisions/Practices:

- CSDR Articles 19 and 30: Strict requirements on CSD outsourcing apply without sufficient flexibility for intra-group arrangements.
- Supervisory scrutiny: Some national authorities treat intra-group outsourcing as high risk, requiring extensive documentation and local presence, limiting economies of scale.

Suggested Improvements:

- Introduce a proportionate and risk-based regime for intra-group outsourcing.
- Streamline cross-border approvals within regulated groups.
- Clarify in legislation or guidance the lower risk of intra-group arrangements to reduce compliance burden and improve operational efficiency.

If you consider that the current regulatory and/or supervisory framework should be adapted to more effectively facilitate intra-group operational synergies, please detail the specific legislative amendments that should be implemented, specifying whether you think any safeguards should be maintained in this process (e.g. for preventing/managing conflict of interests):

5000 character(s) maximum

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

Yes, the current regulatory and supervisory framework should be adapted to better facilitate intra-group operational synergies, while maintaining appropriate safeguards.

Recommended Legislative Amendments:

- Differentiate intra-group from third-party outsourcing in CSDR (e.g. Article 30) and related guidelines, introducing a proportionality principle based on risk and ownership.
- Amend ESMA and EBA outsourcing guidelines to provide simplified requirements for intra-group arrangements, especially where entities are subject to consolidated supervision.
- Streamline cross-border outsourcing approvals within regulated groups to reduce delays and duplicative processes.

Safeguards to Maintain:

- Conflict of interest management: Require clear documentation, segregation of duties, and independent oversight functions within the group.
- Regulatory access: Ensure supervisors retain full access to outsourced functions and relevant data, regardless of where they are located within the group.
- Operational resilience: Maintain business continuity planning and risk controls for all critical functions, including intra-group services.

These changes would reduce fragmentation, improve efficiency, and unlock cost synergies, while preserving financial stability and investor protection.

Question 4. What are the main barriers to consolidation at group level of CSDs' functions:

Please select as many answers as you like

- ☒ legal barriers in the CSDR
- ☒ legal barriers in other EU legislative acts
- ☒ legal barrier (incl. fiscal, tax-related regulatory requirements) in national law
- ☒ supervisory barriers
- ☒ technical/operational barriers
- ☒ market practice
- ☐ other barriers

Legal barrier in the CSDR - Consolidation at group level of CSDs' functions

	Describe the legal barrier in the CSDR
Explanation of the barrier	<div><div>a.</div><div>Strict outsourcing rules (e.g. Article 30) treat intra-group arrangements similarly to third-party outsourcing.</div><div>b.</div><div>Authorisation and supervision requirements are applied per entity, limiting shared service models.</div></div>
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 in the absence of a group perspective	

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 legal barriers in the CSDR:

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

Legal barrier in other EU legislative acts - Consolidation at group level of CSDs’ functions

	Describe the legal barrier in other EU legislative acts
Explanation of the barrier	<div><div>a.</div><div>Overlap with EMIR, MiFID II, and DORA creates duplication and regulatory complexity.</div><div>b.</div><div>A lack of harmonised rules on data localisation and operational resilience affects cross-border services.</div></div>
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 in the absence of a group perspective	

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 legal barriers in other EU legislative acts:

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

Legal barrier in national law - Consolidation at group level of CSDs' functions

	Describe the legal barrier in national law
Explanation of the barrier	<div>a. National laws may impose restrictions on asset servicing, withholding tax processes, and client asset protection.</div> <div>b. Differences in company law, securities law, and tax treatment hinder cross-border function consolidation.</div>
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 in the absence of a group perspective	

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 legal barriers in national law:

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

Supervisory barrier - Consolidation at group level of CSDs’ functions

	Describe the supervisory barrier
Explanation of the barrier	<div>a. Divergent supervisory approaches across Member States.</div> <div>b. Local authorities often insist on domestic presence or control of critical functions, impeding integration.</div>
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 in the absence of a group perspective	

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 the barrier due to supervisory barriers:

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

Technical/operational barrier - Consolidation at group level of CSDs' functions

	Describe the technical/operational barrier
Explanation of the barrier	<div><div>a.</div><div>Legacy IT systems and infrastructure fragmentation across CSDs.</div><div>b.</div><div>High cost and complexity of harmonising platforms and processes.</div></div>
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 in the absence of a group perspective	

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 the technical/operational barriers:

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

Barrier due to market practice - Consolidation at group level of CSDs' functions

	Describe the barrier due to market practice
Explanation of the barrier	<div><div>a.</div><div>Strong domestic market preferences and reliance on local processes.</div><div>b.</div><div>Resistance from participants to change established operational workflows or relationships.</div></div>
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 in the absence of a group perspective	

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 the barrier due to market practice:

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

Question 5. Are there barriers to consolidation due to the structure of the regulatory reporting mandated in the CSDR?

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

How many barriers to consolidation due to the structure of the regulatory reporting have you identified?

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

Barrier 1 - Consolidation due to the structure of the regulatory reporting

	Describe barrier 1 to consolidation due to the structure of the regulatory reporting
Explanation of the barrier	<ul style="list-style-type: none">• Entity-based reporting: CSDR requires regulatory reporting at the individual CSD level, not allowing for consolidated group-level reporting, which limits operational integration.
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 in the absence of a group perspective	

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 consolidation due to the structure of the regulatory reporting:

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

Barrier 2 - Consolidation due to the structure of the regulatory reporting

	Describe barrier 2 to consolidation due to the structure of the regulatory reporting
Explanation of the barrier	<ul style="list-style-type: none">• Duplicative reporting: Groups operating multiple CSDs must submit similar reports multiple times, increasing administrative burden and cost.
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 in the absence of a group perspective	

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 2 to consolidation due to the structure of the regulatory reporting:

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

Barrier 3 - Consolidation due to the structure of the regulatory reporting

	Describe barrier 3 to consolidation due to the structure of the regulatory reporting
Explanation of the barrier	<ul style="list-style-type: none">• Inconsistent formats and interpretations: Lack of harmonisation in reporting standards and supervisory expectations across Member States adds complexity.
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 in the absence of a group perspective	

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 3 to consolidation due to the structure of the regulatory reporting:

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

Question 6. Are there barriers to consolidation due to the organisational requirements (e.g. on outsourcing) mandated in the CSDR?

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

How many barriers to consolidation due to the organisational requirements have you identified?

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

Barrier 1 - Consolidation due to the organisational requirements

	Describe barrier 1 to consolidation due to the organisational requirements
Explanation of the barrier	•Uniform treatment of outsourcing: CSDR (e.g. Article 30) applies the same stringent requirements to intra-group outsourcing as to third-party outsourcing, limiting the ability to centralise functions within CSD groups.
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 in the absence of a group perspective	

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 consolidation due to the organisational requirements:

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

Barrier 2 - Consolidation due to the organisational requirements

	Describe barrier 2 to consolidation due to the organisational requirements
Explanation of the barrier	<ul style="list-style-type: none">• Local presence requirements: Some supervisory authorities expect critical functions to be maintained locally, restricting cross-border consolidation.
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 in the absence of a group perspective	

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 2 to consolidation due to the organisational requirements:

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

Barrier 3 - Consolidation due to the organisational requirements

	Describe barrier 3 to consolidation due to the organisational requirements
Explanation of the barrier	<ul style="list-style-type: none">• Lack of proportionality: The framework does not sufficiently consider the lower risk profile of intra-group arrangements, leading to excessive compliance burdens.
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 in the absence of a group perspective	

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 3 to consolidation due to the organisational requirements:

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

Question 7. Are there obstacles to consolidation related to the current CSD supervisory and oversight framework?

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

How many barriers to consolidation related to the current CSD supervisory and oversight framework have you identified?

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

Barrier 1 - Consolidation related to the current CSD supervisory and oversight framework

	Describe barrier 1 to consolidation related to the current CSD supervisory and oversight framework
Explanation of the barrier	<ul style="list-style-type: none">• Fragmented supervision: Each CSD is supervised at the national level, with limited coordination across Member States, making group-level oversight and consolidation difficult.
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 consolidation related to the current CSD supervisory and oversight framework:

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

Barrier 2 - Consolidation related to the current CSD supervisory and oversight framework

	Describe barrier 2 to consolidation related to the current CSD supervisory and oversight framework
Explanation of the barrier	<ul style="list-style-type: none">• Lack of lead supervisor model: There is no central or lead authority for cross-border CSD groups, leading to duplicated processes and inconsistent supervisory expectations.
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 2 to consolidation related to the current CSD supervisory and oversight framework:

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

Barrier 3 - Consolidation related to the current CSD supervisory and oversight framework

	Describe barrier 3 to consolidation related to the current CSD supervisory and oversight framework
Explanation of the barrier	<ul style="list-style-type: none">• Divergent interpretations: Supervisory practices vary across jurisdictions, especially regarding outsourcing, risk management, and critical function location, creating legal uncertainty.
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 3 to consolidation related to the current CSD supervisory and oversight framework:

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

4.3. Issuance

Question 8. Please describe the steps and how long it takes to issue securities (and, if applicable other financial instruments) in your Member State, indicating which steps could work better, in particular if undertaken cross-border (i.e. CSD and/or trading venue is in another Member State):

5000 character(s) maximum

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

Steps to Issue Securities in the Netherlands

1. Pre-issuance preparation:

- a. Issuer's internal preparation: The issuer prepares financial statements, appoints legal advisors, auditors, and other relevant parties, and ensures compliance with regulatory requirements.
- b. Legal review and prospectus preparation: A legal review is conducted, and a prospectus (if required) is prepared and reviewed by regulators.

Duration: This step can take several weeks to months, depending on the complexity of the offering.

2. Regulatory approval:

- a. Filing with the Dutch Authority for the Financial Markets (AFM): If the securities are offered to the public or listed, a prospectus must be approved by the AFM. This includes a review of the prospectus to ensure compliance with EU regulations (e.g., Prospectus Regulation).
- b. Approval from European Securities and Markets Authority (ESMA): If the offering is cross-border, approval may also need to be obtained from ESMA for the prospectus, depending on the structure of the offering.

Duration: The approval process typically takes 10 to 20 business days for prospectus review. Cross-border offerings may take longer due to the need for coordination with authorities in other jurisdictions.

3. Issuance process:

- a. Allocation and pricing: The securities are priced and allocated, often through an investment bank or underwriter. This can be done through a public offering or private placement.
- b. Issuance of securities: Once pricing is finalized, the securities are issued, typically through a central depository (CSD). In the Netherlands, this is the Euroclear Netherlands CSD.

Duration: The issuance process itself can take anywhere from a few days to a week, depending on market conditions and the complexity of the offering.

4. Post-issuance:

- a. Settlement: After the issuance, the securities are settled through the CSD, typically via Delivery versus Payment (DvP) to ensure that the buyer pays for the securities and the seller delivers them.
- b. Listing on the exchange (if applicable): If the securities are to be listed on a trading venue, the listing process occurs, and the securities are admitted to trading.

Duration: The settlement usually happens within 2-3 days (T+2 for most securities), while the listing process can take a few additional days depending on the exchange requirements.

Obstacles and Areas for Improvement, Particularly for Cross-Border Issuances

1. Regulatory Coordination and Approval:

- a. Obstacles: When a CSD or trading venue is located in another Member State, issuers often face delays due to the need for cross-border regulatory coordination. Each jurisdiction may require different documentation, timelines for approval, and specific requirements for prospectus filings, leading to inefficiencies.
- b. Improvement: A harmonised EU framework for cross-border offerings could reduce time and complexity. Regulatory processes such as the Prospectus Regulation should allow more flexibility in cross-border approval, reducing duplication of efforts between Member States.

2. CSD Coordination:

- a. Obstacles: Cross-border settlement often requires dealing with multiple CSDs, which may have differing operational procedures, settlement cycles, and technical infrastructure. This can lead to delays and additional costs for issuers and investors.
- b. Improvement: Harmonising CSD procedures across the EU, particularly regarding settlement timelines and formats, could enhance cross-border efficiency. More interoperability between CSDs could be achieved through further alignment under T2S (TARGET2-Securities).

3. Market Practices:

- a. Obstacles: Differences in market practices (e.g., timing of pricing, offering methods, legal processes) across EU Member States can cause uncertainty and delays in cross-border offerings. There is also a lack of consistency in the acceptance of documents such as prospectuses or issuer reporting standards.
- b. Improvement: Clearer EU-wide guidance and standards for market practices and documentation could facilitate smoother cross-border issuances and eliminate delays caused by inconsistent interpretation of rules and procedures.

4. Tax and Fiscal Barriers:

- a. Obstacles: Different tax treatments for cross-border transactions (e.g., withholding tax, VAT, etc.) can complicate issuance and increase costs, especially when the issuer or investor is in a different jurisdiction.
- b. Improvement: A standardised EU tax regime for securities issuance and settlement could reduce the administrative burden and cost of issuing securities across borders.

Question 9. What are the main barriers to the smooth functioning of processes related to pre-issuance and issuance in an integrated EU market?

Please select as many answers as you like

- ☒ legal barriers in the CSDR
- ☒ supervisory practice
- ☒ differing or lack of data exchange standards (exchange of non-machine readable data)
- ☒ market practice
- ☒ differences in national requirements
- ☒ technical/technological aspects
- ☐ other barriers

Barrier due to legal requirements - Pre-issuance and 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 barriers to pre-issuance and issuance due to legal requirements:

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

Barrier due to supervisory practice - Pre-issuance and issuance

	Describe the barrier due to supervisory practice
Explanation of the barrier	<p>a. Fragmented supervision: Supervisory practices differ across Member States, even when the EU provides common regulatory frameworks. This leads to a lack of uniformity in how securities issuances are supervised, with national authorities having different processes for approvals, reporting, and monitoring.</p> <p>b. Cross-border coordination issues: In cross-border offerings, issuers often have to navigate multiple supervisory authorities, which can result in delayed approvals or contradictory feedback, further hindering the efficiency of the process.</p>
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 barriers to pre-issuance and issuance related to supervisory practice:

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

Barrier due to differing or lack of data exchange standards - Pre-issuance and issuance

	Describe the barrier due to differing or lack of data exchange standards
Explanation of the barrier	<p>a. Non-machine-readable data: A significant barrier is the continued use of non-machine-readable formats for certain types of regulatory data (e.g., legal documents, prospectuses, reports), which makes data exchange slow, error-prone, and difficult to process automatically.</p> <p>b. Lack of interoperability in data exchange systems: There is often a lack of interoperability between systems across EU Member States, particularly for the exchange of critical data related to the issuance of securities. This can lead to inefficiencies and delays when trying to ensure compliance with cross-border regulatory requirements.</p> <p>c. Inconsistent reporting formats: Different reporting standards or formats used by national regulators and CSDs make it harder to consolidate data from different jurisdictions, leading to increased administrative burden and delayed timelines.</p>
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	
<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>	
Data on the potential costs and benefits of the suggested solution(s)	

Assess the priority level for addressing barriers to pre-issuance and issuance due to differing or lack of data exchange standards:

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

Barrier due to market practice- Pre-issuance and issuance

	Describe the barrier due to market practice
Explanation of the barrier	<p>a. Variation in market practices: Different Member States have different market practices related to the issuance of securities, such as the timing of the pricing of securities, disclosure norms, and the process for listing and trading. These variations can complicate cross-border issuances, as market participants must adapt to a range of differing practices.</p> <p>b. Resistance to change in domestic practices: Market participants may be reluctant to adapt to EU-wide reforms, particularly where these involve significant changes to well-established domestic practices or systems.</p>
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 barriers to pre-issuance and issuance due to market practice:

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

Barrier due to differences in national requirements - Pre-issuance and issuance

	Describe the barrier due to differences in national requirements
Explanation of the barrier	<p>a. Varying approval processes: While the Prospectus Regulation sets out common rules, national regulators often impose additional layers of approval or conditions based on local laws or supervisory preferences, leading to delays in the issuance process.</p> <p>b. National exemptions or specific rules: Some countries may have national exemptions or additional rules for certain types of issuances (e.g., small offerings, non-listed issuers), which may create an uneven playing field across the EU, adding complexity for issuers who wish to access multiple markets.</p> <p>c. Local registration and reporting requirements: Additional local requirements for registering securities or reporting post-issuance data may increase the complexity of cross-border issuances, as issuers must navigate varying rules depending on where they are issuing the securities.</p>
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	
<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>	
Data on the potential costs and benefits of the suggested solution(s)	

Assess the priority level for addressing barriers to pre-issuance and issuance due to differences in national requirements:

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

Barrier due to technical/technological aspects - Pre-issuance and issuance

	Describe the barrier due to technical /technological aspects
Explanation of the barrier	<p>a. Legacy systems and infrastructure: Many national authorities, exchanges, and CSDs still operate legacy systems that are not easily compatible with newer technologies or cross-border systems. These outdated systems can cause delays, errors, or inefficient processing of securities issuances.</p> <p>b. Lack of standardisation in technology: Inconsistencies in technological infrastructure, such as CSDs, trading venues, and settlement systems, make cross-border securities issuance more complex. For example, differences in settlement cycles, technological interfaces, or even the type of systems used by CSDs can create friction.</p> <p>c. Insufficient integration of EU-wide platforms: While T2S (TARGET2-Securities) has helped streamline settlement processes, there is still a lack of fully integrated platforms for other parts of the issuance process, such as clearing and data reporting. This limits the ability to conduct smooth, cross-border issuances.</p>
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	
<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>	
Data on the potential costs and benefits of the suggested solution(s)	

Assess the priority level for addressing barriers to pre-issuance and issuance due to technical/technological aspects:

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

Question 10. Are there barriers relating to the settlement period of primary market operations?

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

How many barriers related to the settlement period of primary market operations have you identified?

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

Barrier 1 - Settlement period of primary market operations

	Describe barrier 1 related to the settlement period of primary market operations
Explanation of the barrier	<div>1. Cross-border Settlement Delays:<div>a. Cross-border settlements can be delayed due to differences in the operational readiness of CSDs and other settlement infrastructure. This is particularly problematic when issuers want to issue securities simultaneously across multiple jurisdictions, as discrepancies in settlement periods can create a mismatch between issuance and settlement.</div></div>
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 related to the settlement period of primary market operations:

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

Barrier 2 - Settlement period of primary market operations

	Describe barrier 2 related to the settlement period of primary market operations
Explanation of the barrier	<div>2. Inconsistent Interoperability Between CSDs:</div> <div>a. The lack of full interoperability between CSDs across EU Member States can cause delays and operational inefficiencies during settlement. Differences in settlement platforms, technical standards, and interfaces between CSDs contribute to the fragmentation of settlement periods.</div>
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 2 related to the settlement period of primary market operations:

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

Barrier 3 - Settlement period of primary market operations

	Describe barrier 3 related to the settlement period of primary market operations
Explanation of the barrier	<div>4. Operational Complexity in Multi-Jurisdictional Issuances:</div> <div>a. For issuers operating in multiple jurisdictions, coordinating settlement across different CSDs and settlement systems can be cumbersome, leading to additional settlement risk and potential delays.</div>
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 3 related to the settlement period of primary market operations:

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

Question 11. Are there barriers related to ISIN allocation, or relating to the length of ISIN allocation processes?

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

How many barriers related to ISIN allocation have you identified?

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

Barrier 1 - ISIN allocation

	Describe barrier 1 related to ISIN allocation
Explanation of the barrier	<div>1. Delays in ISIN Allocation:<div>a. The ISIN allocation process can be slow, particularly when a security is issued across multiple jurisdictions. Issuers may face delays in receiving ISINs due to the manual processes or administrative inefficiencies in some CSDs or national numbering agencies (NNAs).</div></div>
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 related to ISIN allocation:

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

Barrier 2 - ISIN allocation

	Describe barrier 2 related to ISIN allocation
Explanation of the barrier	<div>2. Lack of Standardisation Across Jurisdictions:</div> <div>a. The process for ISIN allocation can vary between countries, leading to inconsistencies and delays in cross-border issuances. Some jurisdictions may require additional documentation or approvals before assigning an ISIN, creating bottlenecks.</div>
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 2 related to ISIN allocation:

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

Barrier 3 - ISIN allocation

	Describe barrier 3 related to ISIN allocation
Explanation of the barrier	<p>3. Administrative Burden:</p> <p>a. Issuers must often engage with multiple entities to allocate ISINs, particularly for multi-jurisdictional offerings. This increases the complexity of the process and can result in longer timelines for securities to be fully operational in the market.</p>
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 3 related to ISIN allocation:

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

Could barrier 3 related to ISIN allocation be addressed through legislative changes?

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

Please explain how barrier 3 related to ISIN allocation could be addressed through legislative changes:

5000 character(s) maximum

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

1. Harmonisation of ISIN Allocation Process:
 - a. A legislative change could mandate a harmonised ISIN allocation process across EU Member States to ensure consistency and efficiency. This would involve standardising the administrative steps, documentation, and timelines for allocating ISINs across all jurisdictions.
 2. Centralised ISIN Allocation Authority:
 - a. Introducing a centralised authority or platform for ISIN allocation within the EU could streamline the process, reduce delays and ensure quicker issuance. This could improve the efficiency of the process, particularly for cross-border securities.
 3. Clear Timelines and Deadlines:
 - a. Legislation could establish specific timelines within which ISINs must be allocated after an issuance, helping to eliminate unnecessary delays and providing issuers with more predictable and efficient processes.
 4. Improvement of Technological Integration:
 - a. Encouraging or mandating the use of automated and interoperable systems for ISIN allocation across different CSDs and national numbering agencies could reduce administrative delays and improve the efficiency of the process.
- Barriers related to ISIN allocation, including delays, inconsistencies, and administrative burdens, could be addressed through harmonised procedures, clearer timelines, and centralisation of ISIN allocation processes across the EU. These legislative changes could improve the speed and efficiency of the ISIN allocation process, especially for cross-border issuances.

Question 12. Should the attribution of ISIN be further regulated, e.g. introduction of a 'reasonable commercial basis' clause, or the prohibition of entities active in closely linked activities (e.g. settlement-related activities) from performing tasks as national numbering agencies?

- ☒ 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.

Regulation of ISIN Attribution:

1. Introduction of a 'Reasonable Commercial Basis' Clause:

a. A 'reasonable commercial basis' clause could be introduced to ensure that the allocation of ISINs is done in a fair and transparent manner, avoiding monopolistic practices or discriminatory pricing by national numbering agencies (NNAs). This would ensure that the fees charged for ISIN allocation are in line with the actual costs and the services provided, preventing overcharging and improving market access.

2. Prohibition of Conflicts of Interest:

a. Prohibiting entities involved in closely linked activities (such as settlement, clearing, or trading) from performing tasks as NNAs could address potential conflicts of interest. Entities involved in settlement-related activities may have an incentive to prioritise their own interests over those of issuers or market participants, creating an unfair advantage. Such a prohibition could enhance trust and ensure that the ISIN attribution process is impartial and not influenced by the interests of a few market participants.

3. Competition in ISIN Attribution:

a. Introducing more competition in the ISIN attribution process could lead to improved efficiency, reduced costs, and better services for issuers. However, the market for ISIN allocation is currently monopolistic in many jurisdictions, with only one NNA operating per country. Measures to foster competition could include:

i. Allowing multiple entities to perform ISIN allocation within each jurisdiction, subject to regulatory oversight to ensure consistency and quality standards.

ii. EU-wide coordination: Encouraging a more competitive market at the EU level by introducing a centralised, independent platform that allows issuers to choose from various accredited entities for ISIN allocation.

iii. Certification of additional NNAs: Allowing alternative or private entities to be certified as NNAs, under EU regulatory oversight, could inject competition and innovation into the market.

Regulating ISIN attribution by introducing measures such as a 'reasonable commercial basis' clause and prohibiting conflicts of interest in NNAs could improve fairness and transparency. Additionally, fostering competition in the ISIN attribution process, potentially through the accreditation of multiple NNAs or a centralised EU platform, could drive efficiency, reduce costs, and enhance the overall functioning of the market.

Question 13. Should measures be taken to create more competition in the area of ISIN attribution?

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

Question 14. Are there barriers related to the lack of a harmonised approach for investor identification and classification?

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

How many barriers related to the lack of a harmonised approach for investor identification and classification have you identified?

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

Barrier 1 - Lack of a harmonised approach for investor identification and classification

	Describe barrier 1 related to the lack of a harmonised approach for investor identification and classification
Explanation of the barrier	<ul style="list-style-type: none">• Operational complexity: Different requirements across Member States create fragmented processes for identifying and classifying investors.
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 related to the lack of a harmonised approach for investor identification and classification:

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

Barrier 2 - Lack of a harmonised approach for investor identification and classification

	Describe barrier 2 related to the lack of a harmonised approach for investor identification and classification
Explanation of the barrier	<ul style="list-style-type: none">• Increased costs and inefficiency: Market participants must adapt to multiple national frameworks, leading to duplicative efforts and higher administrative burdens.
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).

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Assess the priority level for addressing barrier 2 related to the lack of a harmonised approach for investor identification and classification:

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

Barrier 3 - Lack of a harmonised approach for investor identification and classification

	Describe barrier 3 related to the lack of a harmonised approach for investor identification and classification
Explanation of the barrier	<ul style="list-style-type: none">• Reduced transparency: The lack of uniformity limits the ability of issuers, intermediaries, and authorities to have a clear view of the investor base.
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 3 related to the lack of a harmonised approach for investor identification and classification:

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

Question 15. Are there barriers related to the lack of automation and straight-through processing along the issuance value chain?

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

How many barriers related to the lack of automation and straight-through processing along the issuance value chain have you identified?

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

Barrier 1 - Lack of automation and straight-through processing along the issuance value chain

	Describe barrier 1 related to the lack of automation and straight-through processing along the issuance value chain
Explanation of the barrier	<ul style="list-style-type: none">• Operational inefficiencies: Manual processes increase the risk of errors, delays, and reconciliation issues, especially in cross-border transactions.
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 related to the lack of automation and straight-through processing along the issuance value chain:

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

Barrier 2 - Lack of automation and straight-through processing along the issuance value chain

	Describe barrier 2 related to the lack of automation and straight-through processing along the issuance value chain
Explanation of the barrier	<ul style="list-style-type: none">• Reduced competitiveness: Markets with low levels of automation may be less attractive to global investors and issuers.
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 2 related to the lack of automation and straight-through processing along the issuance value chain:

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

Barrier 3 - Lack of automation and straight-through processing along the issuance value chain

	Describe barrier 3 related to the lack of automation and straight-through processing along the issuance value chain
Explanation of the barrier	<ul style="list-style-type: none">• Inconsistent data quality: Manual handling can lead to data discrepancies, affecting downstream processes like settlement and corporate actions.
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 3 related to the lack of automation and straight-through processing along the issuance value chain:

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

Question 16. Are there barriers related to the exchange of data between the stakeholders involved in the issuance?

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

How many barriers related to the exchange of data between the stakeholders have you identified?

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

Barrier 1 - Exchange of data between the stakeholders

	Describe barrier 1 related to the exchange of data between the stakeholders
Explanation of the barrier	Yes, barriers exist due to fragmented systems, lack of common data standards, and limited interoperability between stakeholders. These issues hinder seamless data exchange, create inefficiencies, increase operational risks, and reduce transparency across the issuance process.
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 related to the exchange of data between the stakeholders:

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

Question 17. Are there any **other barriers related to issuance which are not mentioned above?**

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

How many other barriers related to issuance have you identified?

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

Barrier 1 - Other barriers related to issuance

	Describe other barrier 1 related to issuance
Explanation of the barrier	<ul style="list-style-type: none">• Lack of standardised digital identities for issuers and investors, complicating onboarding and compliance.
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 other barrier 1 related to issuance:

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

Barrier 2 - Other barriers related to issuance

	Describe other barrier 2 related to issuance
Explanation of the barrier	<ul style="list-style-type: none">• Cybersecurity concerns related to digital issuance platforms.
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 other barrier 2 related to issuance:

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

Barrier 3 - Other barriers related to issuance

	Describe other barrier 3 related to issuance
Explanation of the barrier	<ul style="list-style-type: none">• High costs and resource demands for adapting legacy systems or integrating with new technologies like DLT.
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 other barrier 3 related to issuance:

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

Question 18. What is your assessment of the current procedures for issuing debt or equity instrument in the EU, in particular for the first time?

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

Please explain the reasoning for your answer to question 18, and point to the main difficulties you might have identified, if any:

5000 character(s) maximum

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

The current procedures are generally assessed around 2 to 3 (somewhat complex to moderately straightforward), depending on the Member State and the type of instrument.

Main difficulties identified:

- Diverging national rules: Variations in legal, regulatory, and documentation requirements across Member States create fragmentation and inefficiencies.
- Lengthy and costly approval processes: First-time issuers may face significant procedural burdens and delays, especially regarding prospectus approval and regulatory filings.
- Complex investor disclosure requirements: Compliance with differing national investor protection frameworks can be challenging.
- Limited access to cross-border issuance: Smaller issuers often lack the infrastructure, legal support, or financial intermediaries to issue beyond their home market.
- Lack of standardisation: Inconsistent formats and requirements hinder straight-through processing and automation.
- Insufficient digitalisation: Manual and paper-based processes remain prevalent in some jurisdictions, reducing efficiency and increasing costs.

Efforts to streamline, harmonise, and digitalise issuance processes across the EU could improve the situation and encourage more cross-border activity.

Question 19. In particular, what is your assessment of the level of competition in the area of underwriting, and of the level of fees for such services?

Do you perceive that they can be a significant barrier for those issuers considering issuing financial instruments (debt or equity)?

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

Please explain your answer to question 19, specifying what are the drivers for such difficulties:

5000 character(s) maximum

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

Competition in the underwriting market is relatively limited, especially for smaller issuers or first-time entrants, leading to high fees that can act as a significant barrier to issuing financial instruments.

Key drivers:

- Market concentration: A few large investment banks dominate the underwriting space, reducing competitive pressure.
- High fixed costs: Due diligence, legal, and compliance costs are substantial, particularly burdensome for smaller issuers.
- Risk premiums: Underwriters often charge higher fees to compensate for perceived risks, especially with less-known or lower-rated issuers.
- Lack of transparency: Pricing structures and fee components are not always clear, making it difficult for issuers to assess competitiveness.
- Regulatory complexity: Varying national rules increase transaction complexity and discourage new underwriters or alternative service providers.

As a result, underwriting costs can deter smaller or cross-border issuers from accessing capital markets.

Question 20. What is the level of transparency of fees structures in the area of underwriting satisfactory?

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

Question 20.1. Do you believe transparency on the prices billed to issuers and investors for such services should be provided on an ex post basis (e.g. publication of indicative prices for underwriting services) or on an ex ante basis (standard/average price lists)?

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

Please explain the reasoning for your answer to questions 20 and 20.1:

5000 character(s) maximum

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

The level of transparency of fee structures in underwriting is generally assessed at 2 (unsatisfactory).

Main reasons:

- Fee structures are often opaque, with limited breakdowns or comparability.
- Negotiated pricing lacks standardisation, making it hard to benchmark.
- Issuers often have limited visibility into what they are paying for each component of the service.

Recommendation:

There is a strong case for improving transparency, ideally through both ex ante and ex post disclosures:

- Ex ante: Publication of indicative/average price lists could help issuers understand market standards before entering negotiations.
- Ex post: Aggregated reporting or publication of historical pricing data would enhance market understanding and encourage competitive pricing.

Improved transparency would support better-informed decision-making, especially for smaller or less experienced issuers.

Question 21. Would a front-to-end pan European platform as proposed by the ECB in 2019 (European Distribution of Debt Instruments (EDDI) initiative) solve the barriers and obstacles identified in the previous questions?

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

Question 21.1 Should this front-to-end pan European platform focus on debts instruments solely or would this service also contribute to improving equities issuance processes too?

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

Please explain your answer to questions 21 and 21.1:

5000 character(s) maximum

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

Yes, a front-to-end pan-European platform, such as the EDDI initiative proposed by the ECB in 2019, could help address several of the key barriers and obstacles identified in previous questions, particularly for debt instruments.

How EDDI could help:

- Harmonisation: A single pan-European infrastructure would standardise issuance procedures, documentation, and workflows, reducing legal and operational fragmentation.
- Transparency: It could improve transparency around fees, processes, and investor participation.
- Efficiency & Automation: A centralised platform would promote straight-through processing and automation, reducing manual tasks and errors.
- Investor Identification: A unified system could enable better investor tracking and classification.
- Competition: More accessible issuance could lower reliance on large underwriters and encourage competitive pricing.
- Data Exchange: It would facilitate more seamless exchange of information between stakeholders in the issuance value chain.

Scope of Platform – Debt only or also Equities?

While the original EDDI focus was on debt instruments, such a platform could also benefit equity issuance by:

- Standardising issuer and investor onboarding;
- Providing tools for corporate actions and investor communications;
- Facilitating broader access to equity markets, especially for SMEs.

However, equity markets have different dynamics and complexities (e.g., voting rights, shareholder engagement), so full applicability would require tailored development.

If Not EDDI – How Else to Address the Barriers?

If a single EU-wide platform is not pursued, the following steps could help:

- Legal and regulatory harmonisation across Member States;
- Standardised fee disclosures and transparency rules;
- Promoting interoperable digital solutions, possibly via public-private partnerships;
- Creating an EU-wide issuer and investor ID framework;
- Regulatory incentives for the adoption of new technologies such as DLT to streamline issuance and settlement.

In summary, EDDI or a similar platform could be a significant step forward, especially for debt markets, and could evolve to improve equity issuance processes over time as well.

Question 22. Are you satisfied with the current level of digitalisation of the bookbuilding process?

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

Question 22.1. Is there any legislative measure that could be taken to support more digitalisation?

- ☒ Yes

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

Please explain your answer to question 22.1:

5000 character(s) maximum

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

The current level of digitalisation of the bookbuilding process is not satisfactory. The process still involves a significant amount of manual intervention, fragmented communication between underwriters and investors, and lacks real-time transparency.

Legislative measures that could support more digitalisation:

1. Standardisation Mandates: Introduce EU-level standards for digital bookbuilding tools and platforms to ensure interoperability and consistent practices across Member States.
2. Digital Infrastructure Incentives: Provide regulatory or financial incentives for the adoption of secure, digital infrastructure in primary markets (e.g. cloud-based platforms, eIDAS-compliant signature tools).
3. Real-Time Reporting Requirements: Mandate real-time or near real-time reporting of investor interest and allocations to increase transparency and reduce the risk of misallocation.
4. Legal Recognition of Digital Platforms: Clarify the legal status and enforceability of transactions and agreements made through digital bookbuilding platforms.
5. Encourage Use of DLT: Support pilot use of distributed ledger technology to enhance transparency, security, and efficiency in the bookbuilding process.

Such measures would contribute to a more efficient, transparent, and competitive primary market issuance framework.

Question 23. Do you believe that the DLTPR limit on the value of financial instruments traded or recorded by a DLT market infrastructure should be increased?

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

Question 23.1. Please provide details on the preferred changes to the DLTPR and explain your reasoning (how limits should be increased, which concrete assets should be eligible and why)

5000 character(s) maximum

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

Yes, increasing the DLTPR limit on the value of financial instruments traded or recorded by a DLT market infrastructure could help support greater adoption and scalability of DLT solutions. A higher limit would allow larger volumes and higher-value transactions to be processed on DLT platforms, making them more viable for mainstream market use. This would encourage innovation and competition while still requiring appropriate safeguards to manage risks effectively.

Question 23.2. Please provide a ranking of the importance of the issue:

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

Question 23.3. Please provide an estimation of the benefits and risks that result implementing the changes to the DLTPR that you propose.

For example, if you suggest extending the scope of instruments, or increasing the threshold, you are encouraged to estimate how much additional financial activity would the DLTPR attract, and opine on the associated risks:

5000 character(s) maximum

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

Question 24. Do you believe that the scope of assets eligible within the DLTPR should be extended?

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

Question 24.1. Please provide details on the preferred changes to the DLTPR and explain your reasoning (how limits should be increased, which concrete assets should be eligible and why)

5000 character(s) maximum

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

extending the scope of assets eligible under the DLTPR would likely enhance the flexibility and usefulness of DLT market infrastructures. Allowing a broader range of asset types—beyond traditional securities—could foster innovation, increase market participation, and support the development of new financial products. However, this expansion should be carefully managed to ensure that regulatory oversight, investor protection, and market integrity are maintained.

Question 24.2. Please provide a ranking of the importance of the issue:

- ☐ High priority

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

Question 24.3. Please provide an estimation of the benefits and risks that result implementing the changes to the DLTPR that you propose.

For example, if you suggest extending the scope of instruments, or increasing the threshold, you are encouraged to estimate how much additional financial activity would the DLTPR attract, and opine on the associated risks:

5000 character(s) maximum

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

Question 25. Do you believe that the DLTPR should be extended to cover other types of systems, such as clearing systems?

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

Question 25.1. Please provide details on the preferred changes to the DLTPR and explain your reasoning (how limits should be increased, which concrete assets should be eligible and why):

5000 character(s) maximum

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

Expanding the DLTPR to cover clearing systems could enable a more integrated and efficient post-trade process using distributed ledger technology. It would support real-time clearing and settlement, reduce counterparty risk, and align with broader EU goals for financial market modernisation. However, this would also introduce regulatory and operational complexities, particularly around risk management and systemic stability. While the idea is gaining support, any such extension would require careful design and coordination with existing EU regulations like EMIR.

Question 25.2. Please provide a ranking of the importance of the issue:

- ☐ High priority

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

Question 25.3. Please provide an estimation of the benefits and risks that result implementing the changes to the DLTPR that you propose.

For example, if you suggest extending the scope of instruments, or increasing the threshold, you are encouraged to estimate how much additional financial activity would the DLTPR attract, and opine on the associated risks:

5000 character(s) maximum

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

4.4. Innovation – DLT Pilot Regime (DLTPR) and asset tokenisation

Question 26. Should the DLT trading and settlement system (DLT TSS), allowing for trading and settlement activities within a single entity, become embedded into the regular framework (CSDR, MIFID)?

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

Please explain your answer to question 26, noting in particular the risks and the benefits:

5000 character(s) maximum

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

embedding the DLT trading and settlement system (DLT TSS) within the regular framework, like CSDR and MiFID, could offer significant benefits but also poses certain risks.

Benefits:

- Increased efficiency: Combining trading and settlement in a single system can reduce settlement times and operational complexities.
- Cost reduction: Streamlined processes may lower costs for market participants.
- Transparency and traceability: DLT's immutable ledger can enhance transparency and reduce reconciliation issues.
- Innovation boost: Integration encourages adoption of new technologies, fostering market modernisation.

Risks:

- Concentration risk: Merging trading and settlement in one entity could create a single point of failure, increasing systemic risk.
- Regulatory challenges: Existing regulations are designed around separated functions; embedding DLT TSS requires careful adaptation to ensure compliance and investor protection.
- Technology risk: New technological risks, such as cyber threats and smart contract vulnerabilities, must be managed.
- Market readiness: Not all market participants may be prepared or willing to transition to a fully integrated DLT system, potentially causing fragmentation.

In conclusion, embedding DLT TSS into the existing regulatory framework is promising but must be approached cautiously, with updated regulations and robust risk management to balance innovation with market stability and investor protection.

Question 27. What other changes to the DLTPR are needed to ensure that it remains a framework that is fit for the purpose of allowing new entrants and established financial companies to deploy pioneering innovation with DLT in the EU, while also ensuring appropriate risk mitigation?

5000 character(s) maximum

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

Key changes needed for the DLTPR to remain fit for purpose include broadening eligible asset types, increasing transaction value limits, clarifying legal definitions, adopting proportionate and modular regulation, harmonising supervisory practices, supporting interoperability standards, enhancing cybersecurity and operational resilience, updating investor protection, simplifying market access, and ensuring legal certainty around issuance and custody of digital assets. These adjustments would balance innovation with risk mitigation in the EU's DLT framework.

Question 28. What type of below-specified changes to the DLTPR would improve business certainty and planning for businesses that are considering to join the DLTPR?

	1 (not important)	2 (rather not important)	3 (neutral)	4 (rather important)	5 (very important)	Don't know - No opinion - Not applicable
a) remove the references in the DLTPR to the limited duration of licenses	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) size-proportional requirements within the DLTPR, whereby the greater the size of the business of the DLTPR participant (e.g. measured in terms of volume of transactions traded/settled), the greater the compliance obligations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) clearer regulatory pathways to 'graduate' into the 'regular' CSDR framework	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
d) 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 set(s) of changes you refer in your answer to question 28:

5000 character(s) maximum

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

Please explain your answer to question 28, indicating, where possible, examples from other jurisdictions that can serve as a model:

5000 character(s) maximum

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

Here's a summary and ranking suggestion for the changes that could improve business certainty and planning for DLTPR participants:

1. (c) Clearer regulatory pathways to 'graduate' into the 'regular' CSDR framework — Rank 5 (Most important)

Clear and predictable steps to move from the DLTPR regime to the full CSDR framework provide businesses with a clear growth trajectory and reduce uncertainty. This encourages innovation by showing how companies can scale up while staying compliant. Similar "graduation" models exist in fintech sandbox regulations in the UK and Singapore.

2. (b) Size-proportional requirements within the DLTPR — Rank 4

Proportionate regulation based on business scale ensures that smaller entrants face manageable compliance burdens while larger players take on more responsibility, balancing innovation and risk management. This approach is used in the EU's existing proportionality principles under MiFID II and other financial regulations.

3. (a) Remove references to the limited duration of licenses — Rank 3

Removing temporary license limits would provide longer-term stability and certainty, allowing firms to plan investments better. However, this is less critical than clear regulatory pathways and proportionality, which more directly affect growth and compliance.

4. (d) Other — Rank depends on specifics

Other changes could include harmonising supervisory practices or clarifying legal definitions, but these depend on further detail.

Explanation:

Clear regulatory pathways (c) provide strategic clarity and confidence, essential for business planning. Proportionality (b) allows flexibility and risk-based regulation. Removing temporary license limits (a) improves stability but is secondary to understanding growth paths and compliance levels.

Examples:

- UK Financial Conduct Authority's (FCA) sandbox allows phased progression with clear steps.
- Singapore's MAS fintech regulatory sandbox includes graduated licensing approaches.

These models support innovation while managing risk and provide a useful reference for DLTPR improvements.

Question 29. Does the DLTPR create a sufficiently clear and flexible framework for the use of EMTs as a settlement asset, bearing in mind the overarching need to ensure high level of safety for cash settlement in DLT market infrastructures?

- ☐ Yes
- ☒ No
- ☐ 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.

The DLTPR currently provides a framework for the use of Electronic Money Tokens (EMTs) as settlement assets but may lack sufficient clarity and flexibility to fully support their widespread adoption. While the regulation aims to ensure a high level of safety for cash settlement in DLT market infrastructures, ambiguities remain regarding the classification, treatment, and operational integration of EMTs. This can create uncertainty for market participants about how EMTs fit within existing legal and regulatory boundaries, potentially limiting innovation and adoption.

To better support EMT use, the DLTPR could benefit from clearer definitions and guidelines specific to EMTs, including risk management standards, interoperability requirements, and conditions for ensuring settlement finality and consumer protection. Enhancing flexibility would also help accommodate technological advancements and different models of tokenised cash, balancing innovation with the imperative of maintaining robust safety standards.

In summary, while the DLTPR is a positive step, it requires further refinement to offer a sufficiently clear and flexible framework that both facilitates EMT use and safeguards the integrity and safety of cash settlements on DLT platforms.

Question 30. Do you think that in addition to, or instead of the current derogations-based approach (allowing switching off of certain MIFID and CSDR provisions), the DLTPR should take a principles-based approach whereby high-level provisions govern trading and settlement services, with the purported aim of creating more flexibility for deploying innovative DLT-based projects?

- ☒ 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.

adopting a principles-based approach in the DLTPR—either alongside or instead of the current derogations-based model—could provide greater flexibility for innovative DLT-based projects. A principles-based framework focuses on high-level, outcome-oriented rules rather than detailed, prescriptive requirements. This can better accommodate rapidly evolving technologies by allowing market participants and regulators to adapt practices without being constrained by rigid rules.

Such an approach could encourage innovation by reducing compliance complexity and enabling tailored solutions that meet regulatory objectives like investor protection and market integrity more flexibly. However, it requires strong supervisory oversight and clear guidance to avoid legal uncertainty and ensure consistent application across jurisdictions.

In contrast, the current derogations-based system can be too restrictive or slow to adapt, limiting the potential of DLT innovations. Therefore, a principles-based framework could strike a better balance between enabling innovation and maintaining appropriate risk controls.

Question 30.1 What would be the advantages and disadvantages of such an approach and how can the disadvantages be mitigated?

5000 character(s) maximum

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

Advantages of a principles-based approach in the DLTPR:

- **Flexibility:** Allows adaptation to fast-evolving DLT technologies without frequent regulatory amendments.
- **Encourages Innovation:** Facilitates creative solutions by not constraining participants with rigid rules.
- **Simplifies Compliance:** Focuses on outcomes rather than detailed prescriptions, reducing regulatory burden.
- **Promotes Harmonisation:** High-level principles can be applied uniformly across jurisdictions, enhancing consistency.
- **Risk-Based:** Enables tailored application based on the specific risks of a given DLT project.

Disadvantages:

- **Legal Uncertainty:** Lack of detailed rules may cause confusion or inconsistent interpretation among market participants and regulators.
- **Supervisory Challenges:** Requires strong, skilled supervision to ensure principles are applied correctly and consistently.
- **Potential for Regulatory Arbitrage:** Flexible rules may be exploited by some actors to circumvent controls.
- **Implementation Variability:** Differences in national supervisory approaches could lead to fragmentation and uneven playing fields.

Mitigation Measures:

- **Clear Guidance and Standards:** Issuing detailed supervisory guidelines and Q&As to clarify expectations.
- **Robust Supervisory Dialogue:** Regular engagement between regulators and market participants to address uncertainties early.
- **Graduated Enforcement:** Using proportional sanctions and remediation measures aligned with risk severity.
- **Harmonised Supervisory Coordination:** Promoting cooperation among EU regulators to ensure consistent interpretation and application.
- **Transparency and Reporting:** Enhanced disclosure and monitoring to detect and prevent abuse or unintended consequences.

This balance can support innovation while maintaining market integrity and investor protection.

Question 30.2 Please provide examples of principles-based standards or regulation (EU or non-EU), in the financial or non-financial domain, that may serve as a useful model or inspiration for a principles-based DLTPR, and why you think these examples are insightful:

5000 character(s) maximum

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

Examples of principles-based regulation that could inspire a principles-based DLTPR include:

- UK Financial Conduct Authority (FCA) Principles for Businesses: Focuses on high-level outcomes and flexible compliance, promoting innovation while ensuring investor protection.
- Basel Committee Principles for Sound Liquidity Risk Management: Sets broad standards allowing flexibility across jurisdictions, useful for managing operational risks in DLT systems.
- International Standards on Auditing (ISA) by IAASB: Provides adaptable guidelines relying on professional judgment, relevant for diverse DLT applications.
- EU GDPR (principles like data minimisation and privacy by design): Balances legal certainty with flexibility, important for data handling in DLT infrastructures.
- Principles for Responsible Investment (PRI): Voluntary high-level principles encouraging market-wide behavioural change, illustrating how flexible frameworks can foster innovation.

These examples demonstrate how principles-based approaches promote innovation and adaptability while maintaining oversight and risk management, offering useful models for evolving DLT regulations.

Question 31. Do you believe that DLT is a useful technology to support trading services in financial instruments?

- ☒ 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.

DLT can be a useful technology to support trading services in financial instruments. It offers increased transparency, immutability, and real-time updating of transaction records, which can reduce settlement times and operational risks. DLT also enables automation through smart contracts, potentially lowering costs and improving efficiency. However, its effectiveness depends on addressing challenges such as scalability, interoperability with existing systems, regulatory compliance, and ensuring data privacy and security. When properly implemented, DLT can enhance trust and streamline trading processes in financial markets.

Question 32. Do you believe there are regulatory barriers beyond those addressed by the DLTPR that may hinder or prevent DLT-based provision of trading services in financial instruments?

- ☒ Yes

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

Please specify and explain these regulatory barriers:

5000 character(s) maximum

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

- Fragmented national regulations: Differences in how Member States implement EU rules can create inconsistencies and legal uncertainty for DLT-based trading platforms operating cross-border.
 - Lack of clarity on the legal status of DLT transactions: Unclear definitions of what constitutes a final and legally binding transaction in a DLT environment can cause risks around settlement finality and ownership.
 - Data privacy and protection rules: Compliance with GDPR and other privacy laws can be complex when transaction data is distributed across multiple nodes or jurisdictions.
 - Licensing and authorisation requirements: Existing frameworks may not be fully adapted to new business models enabled by DLT, limiting entry or innovation.
 - Limitations on asset types: Restrictions on what assets can be traded or tokenised using DLT can limit the scope of services offered.
 - Supervisory practices: Regulatory authorities may lack experience or clear guidance on overseeing DLT-based services, causing delays or inconsistent enforcement.
- Addressing these barriers would require further harmonization, clearer legal definitions, and tailored regulatory approaches to facilitate safe and efficient DLT adoption.

Question 33. For a financial entity using DLT to deploy its services, the distributed ledger is often an external platform on which services are run, and this platform may have a very distributed governance structure.

What are the benefits and risks of deploying financial services, including post-trading services, on distributed ledgers external to the financial service provider, and therefore outside its direct control?

5000 character(s) maximum

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

Benefits:

- Increased resilience and availability: Distributed ledgers with many nodes reduce single points of failure, enhancing system robustness.
- Cost efficiency: Using external DLT platforms can lower infrastructure and maintenance costs compared to building proprietary systems.
- Innovation and interoperability: External platforms may foster broader collaboration, standardisation, and easier integration with other market participants.
- Faster deployment: Leveraging existing platforms accelerates time-to-market for new financial services.

Risks:

- Loss of control: Reliance on external governance may limit the financial entity's ability to enforce policies, security standards, and operational decisions.
- Legal and compliance uncertainties: Accountability and regulatory oversight can become complex when the platform operates across multiple jurisdictions.
- Data privacy and confidentiality: Sharing data on external, decentralised platforms can raise concerns about data protection and access controls.
- Operational risks: Dependence on third-party platform stability, software updates, or changes in governance can disrupt service delivery.
- Security vulnerabilities: External platforms may expose the financial entity to risks from platform-wide security breaches or consensus failures.

Balancing these benefits and risks requires clear agreements, robust governance frameworks, and ongoing oversight to ensure that deploying services on external DLT platforms aligns with regulatory and operational requirements.

Question 34. How should the regulatory perimeter between a technological service provider and a financial service provider, especially a CSD, be drawn in the above described DLT context?

5000 character(s) maximum

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

In the context of DLT where financial services run on distributed ledgers often provided by external technology platforms, the regulatory perimeter should be clearly defined to distinguish responsibilities and risks between the technological service provider and the financial service provider (e.g., a CSD):

1. Financial Service Provider (CSD) Responsibilities:

- o Regulatory Compliance: The CSD remains fully responsible for compliance with financial regulations, including investor protection, settlement finality, custody, and market integrity.

- o Operational Control: The CSD should maintain control over core functions like issuance, settlement instructions, record-keeping, and risk management.

- o Governance & Accountability: The CSD is accountable to regulators and users for the delivery and integrity of services, regardless of the underlying technology provider.

- o Data Protection: Ensuring confidentiality, privacy, and proper use of client data.

- o Risk Management: Managing operational, legal, and financial risks arising from the use of the DLT platform.

2. Technological Service Provider Responsibilities:

- o Platform Maintenance: Providing reliable, secure, and resilient infrastructure for the DLT platform.

- o Technical Governance: Managing software updates, cybersecurity, network consensus mechanisms, and system integrity.

- o Service Level Agreements (SLAs): Clearly defined contractual obligations regarding performance, availability, and incident handling.

- o Compliance Support: Assisting the financial service provider in meeting regulatory requirements through appropriate tools and features, but not bearing responsibility for financial regulatory compliance itself.

3. Regulatory Perimeter and Coordination:

- o Regulators should recognize the distinction between technological infrastructure and financial service provision.

- o Financial providers should be regulated as primary entities responsible for market conduct and investor protection.

- o Technology providers may be subject to oversight related to operational resilience, cybersecurity, and data protection but not full financial regulation unless they provide financial services themselves.

- o The perimeter should encourage transparency and cooperation between providers and regulators, including clear roles in incident reporting and risk mitigation.

This division allows financial entities to leverage innovation from technology providers while ensuring that responsibility for safeguarding market integrity and investor interests remains with the regulated financial institutions.

Question 35. The Commission recently published a [study on the use of permissionless blockchains for enhancing financial services](#), which set out operational robustness criteria for assessing permissionless blockchains.

Do you believe that beyond the [Digital Operational Resilience Act \(DORA\)](#), additional legislative or non-legislative action is needed to ensure appropriate mitigation of risk stemming from decentralised IT systems such as permissionless blockchains?

☒ Yes

☐ No

☐ Don't know / no opinion / not applicable

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.

, beyond DORA, additional legislative or non-legislative actions may be needed to effectively mitigate risks from decentralised IT systems like permissionless blockchains. While DORA provides a strong framework for operational resilience in traditional financial entities and their ICT providers, permissionless blockchains present unique challenges due to their open, distributed, and often anonymous nature.

Key reasons include:

- Governance Complexity: Permissionless blockchains lack a central authority, making it difficult to assign responsibility or enforce compliance under existing regulatory frameworks.
- Security Risks: The open participation model increases exposure to attacks such as 51% attacks, smart contract vulnerabilities, and Sybil attacks, which require tailored risk management approaches.
- Transparency and Monitoring: The pseudo-anonymous and decentralized design complicates supervision and real-time monitoring of risks or illicit activities.
- Cross-jurisdictional Issues: The global, borderless nature of permissionless blockchains challenges traditional jurisdiction-based regulatory enforcement.

Therefore, additional measures could include:

- Specific Guidelines or Standards: Developing tailored operational robustness criteria and best practices specifically for decentralised networks.
- Enhanced Supervisory Tools: Creating new supervisory technologies or collaborative international frameworks to monitor decentralized ecosystems.
- Industry Codes of Conduct: Encouraging self-regulation and standards adoption among blockchain developers and operators.
- Legal Clarity: Defining liability, accountability, and consumer protection frameworks adapted to decentralised environments.

In summary, while DORA forms a solid base, permissionless blockchains' unique characteristics necessitate supplementary regulatory clarity and tools to ensure risks are appropriately mitigated without stifling innovation.

Question 36. Basel prudential standards on crypto exposures applicable to credit institutions assign group 2 status to tokenised assets, including tokenised financial instruments, that are issued and recorded on permissionless distributed ledgers. The transitional prudential treatment of exposures to tokenised assets in the Capital Requirements Regulation currently applicable does not make a distinction based on the type of underlying distributed ledger.

Do you believe that prudential rules should differentiate between permissioned and permissionless distributed ledgers?

☒ Yes

☐ No

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

Please explain your answer to question 36:

5000 character(s) maximum

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

prudential rules should differentiate between permissioned and permissionless distributed ledgers because the two types present different risk profiles and operational characteristics. Permissioned ledgers have controlled access, with identified and authorised participants, which generally reduces risks related to governance, security, and compliance. This controlled environment allows for clearer accountability, easier supervision, and potentially lower operational and counterparty risks. Permissionless ledgers, on the other hand, are open to any participant, often anonymously, which increases risks such as governance ambiguity, security vulnerabilities (e.g., 51% attacks), and regulatory challenges. The decentralised nature can complicate risk assessment and mitigation. Given these differences, prudential rules that treat all tokenised assets identically, regardless of the ledger type, may not adequately capture the varying levels of risk. Differentiation would enable more tailored capital requirements and risk management expectations, aligning prudential treatment with actual risk exposure. Therefore, introducing distinctions in prudential rules between permissioned and permissionless ledgers would improve risk sensitivity and promote financial stability, while supporting innovation under appropriate safeguards.

Question 37. Do you believe that risks from permissionless blockchains, in particular operational risks and other risks set out in the BIS Working paper on novel risks, mitigants and uncertainties with permissionless distributed ledger technologies, can be mitigated?

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

Please explain your answer to question 37:

5000 character(s) maximum

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

risks from permissionless blockchains—especially operational risks and others identified in the BIS working paper—can be mitigated, but mitigation is complex and requires a multi-layered approach.

Operational risks like security vulnerabilities, network attacks (e.g., 51% attacks), software bugs, and scalability issues can be reduced through robust technical measures such as improved consensus algorithms, enhanced cryptographic techniques, regular security audits, and resilience testing.

Governance risks arising from decentralised control can be managed by establishing clear governance frameworks, including well-defined roles for key participants, transparent decision-making processes, and community-driven standards.

Legal and regulatory risks require adaptive and clear regulatory frameworks that recognise the unique features of permissionless blockchains while enforcing compliance, monitoring, and consumer protection.

Uncertainties related to technology maturity and evolving threats necessitate ongoing research, collaboration among stakeholders, and dynamic risk assessment practices.

However, full mitigation may not be possible due to the inherent openness and decentralisation of permissionless blockchains, which introduce unpredictability and reduced control. Therefore, while risks can be substantially mitigated, they cannot be entirely eliminated, and cautious, risk-based approaches should be applied when integrating permissionless blockchain technologies into financial services.

Question 38. Asset tokenisation concerns the use of new technologies, such as distributed ledger technology (DLT), to issue or represent assets in digital forms known as tokens.

Where do you see most barriers to asset tokenisation in Europe?

	1 (not important)	2 (rather not important)	3 (neutral)	4 (rather important)	5 (very important)	Don't know - No opinion - Not applicable
a) Member State securities and corporate law	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Member State laws other than securities and corporate law	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) EU laws that relate to trading and post-trading	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) EU laws other than laws that relate to trading and post-trading	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please explain your answer to question 38, pointing to concrete examples in areas beyond the SFD, FCD and CSDR:

5000 character(s) maximum

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

(a) Member State securities and corporate law (4):

Significant barriers arise from fragmentation in national securities and corporate laws, which govern issuance, transfer, and ownership rights of tokenised assets. Differences in how tokens are legally classified—whether as securities, property rights, or digital assets—create legal uncertainty. For example, some Member States require securities to be issued through specific domestic entities or CSDs, limiting cross-border token issuance.

(b) Member State laws other than securities and corporate law (3):

Other national laws, such as property law, insolvency law, or data protection regulations, may also impact tokenisation. For instance, uncertainty about how tokens are treated in insolvency proceedings or unclear rules on digital asset custody create operational and legal risks.

(c) EU laws relating to trading and post-trading (4):

Regulations like CSDR and MiFID II impose detailed requirements on trading venues and settlement infrastructures that were designed for traditional assets. These may not fully accommodate DLT-based tokens, causing compliance challenges and slowing innovation. For example, settlement finality rules may not clearly apply to tokenised securities settled on DLT platforms.

(d) Other EU laws (3):

Additional EU legislation, such as AMLD (Anti-Money Laundering Directive) and GDPR, affects tokenisation by imposing strict rules on data handling and customer verification. Although essential, these can be complex to implement in DLT environments, especially for anonymous or pseudonymous transactions.

Beyond SFD, FCD, and CSDR:

- Data protection (GDPR): Challenges in reconciling blockchain's immutability with data subject rights (e.g., right to be forgotten).
- Anti-Money Laundering (AMLD): Compliance complexities in verifying token holders and transaction monitoring.
- Insolvency law: Lack of clarity on how tokenised assets are treated in bankruptcy across jurisdictions.

In summary, the greatest barriers lie in fragmented national securities and corporate laws and in adapting existing EU trading/post-trading regulations to the realities of tokenised assets on DLT platforms, while other legal areas also pose notable challenges.

Question 39. Should public policy intervene to support interoperability between non-DLT systems and DLT systems?

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

Please explain how this can be done in a manner that is cost-efficient for the industry:

5000 character(s) maximum

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

Interoperability between different distributed ledgers (DLs) is crucial to unlock the full potential of DLT by enabling seamless transfer of assets, data, and information across diverse platforms. Without interoperability, the ecosystem risks fragmentation, reduced liquidity, and inefficiencies that could hinder innovation and market growth.

How to do this cost-efficiently:

- Develop and promote open, standardised protocols for cross-ledger communication, ideally through industry-led consortia supported by regulators.
- Encourage the use of interoperable middleware solutions that act as bridges between different DLs without requiring a complete redesign of existing ledgers.
- Facilitate shared infrastructure or utilities that multiple DL platforms can use to reduce duplication and lower costs.
- Provide clear regulatory guidance that supports interoperability efforts while addressing security, privacy, and compliance risks.
- Support pilot projects and collaboration hubs to test interoperability models and spread best practices.

This approach leverages collaboration and standardisation to minimise cost and complexity, ensuring the industry can innovate while maintaining efficiency and security.

Question 40. Should public policy intervene to support interoperability between distributed ledgers?

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

Please explain how this can be done in a manner that is cost-efficient for the industry:

5000 character(s) maximum

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

Interoperability between different distributed ledgers (DLs) is crucial to unlock the full potential of DLT by enabling seamless transfer of assets, data, and information across diverse platforms. Without interoperability, the ecosystem risks fragmentation, reduced liquidity, and inefficiencies that could hinder innovation and market growth.

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- Support pilot projects and collaboration hubs to test interoperability models and spread best practices.

This approach leverages collaboration and standardisation to minimise cost and complexity, ensuring the industry can innovate while maintaining efficiency and security.

Question 41. Lack of standardisation acts as a hindrance to interoperability. This is especially the case with a relatively new technology such as DLT.

Where is the greatest need for standardisation in the area of DLT?

	1 (not important)	2 (rather not important)	3 (neutral)	4 (rather important)	5 (very important)	Don't know - No opinion - Not applicable
a) Business standards applicable to digital assets (for example data taxonomy to describe digital assets)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Technical standards applicable to digital assets and smart contract-based applications	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Technical standards applicable to links (bridges) between DLTs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
d) 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 need(s) for standardisation you refer in your answer to question 41:

5000 character(s) maximum

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

Here's a ranked summary based on the importance of standardisation needs in DLT:

1. Technical standards applicable to links (bridges) between DLTs – 5 (Most important)

Interoperability between different DLT platforms depends heavily on reliable, secure, and standardised bridging solutions. Without these, cross-ledger communication is fragmented, limiting ecosystem growth.

2. Business standards applicable to digital assets (e.g., data taxonomy) – 4

Consistent business standards ensure clear definitions, descriptions, and classifications of digital assets, which are vital for market participants to understand, value, and process assets uniformly across platforms.

3. Technical standards applicable to digital assets and smart contract-based applications – 3

Standardising the technical implementation of digital assets and smart contracts helps improve compatibility, security, and auditability, but these often build upon foundational standards like interoperability and business standards.

4. Other – depends on context

Other potential areas might include regulatory standards, security frameworks, or privacy protocols, whose importance can vary depending on specific use cases or regulatory environments.

Standardisation is crucial to enable seamless interaction across the DLT ecosystem. Prioritising technical standards for bridging ensures networks can connect effectively. Business standards then harmonise asset definitions and workflows, supporting transparency and trust. Technical standards for smart contracts ensure reliability but often come after foundational interoperability and asset definitions. This layered approach reduces fragmentation, enhances security, and promotes wider adoption.

Please explain your answer to question 41:

5000 character(s) maximum

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

Here's a ranked summary based on the importance of standardisation needs in DLT:

1. Technical standards applicable to links (bridges) between DLTs – 5 (Most important)

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Question 42. Given how you foresee DLT-based financial market infrastructure to develop, what do you think is the best way of providing interoperability between distributed ledgers?

	1 (not important)	2 (rather not important)	3 (neutral)	4 (rather important)	5 (very important)	Don't know - No opinion - Not applicable
a) regulated financial entities, such as a CSD, that are present on multiple ledgers, acting as a distributed ledger hub for clients	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) pure technology companies that focus on sending messages securely across distributed ledgers for clients that are regulated financial companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) regulated financial entities that focus on sending messages securely across distributed ledgers for clients that are regulated financial companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) some other model	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please specify to what other model(s) you refer in your answer to question 42:

5000 character(s) maximum

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

Here's an assessment of the options for providing interoperability between distributed ledgers (DLs), with a recommended approach:

1. Regulated financial entities (e.g., CSDs) present on multiple ledgers acting as a distributed ledger hub for clients

Pros:

- Trusted intermediaries with regulatory oversight
- Ability to ensure compliance, security, and operational resilience
- Can provide a centralised access point to multiple DLTs, simplifying client integration

Cons:

- May introduce centralisation, reducing some benefits of decentralisation
- High operational complexity and cost

2. Pure technology companies focusing on securely messaging across DLTs for regulated financial clients

Pros:

- Specialised tech expertise, potentially more innovation and agility
- Can remain neutral and interoperable across many platforms

Cons:

- Lack of regulatory status may raise trust and compliance concerns
- Coordination with regulated entities is needed to ensure legal and operational standards

3. Regulated financial entities focusing solely on secure messaging between DLTs for regulated clients

Pros:

- Regulatory oversight combined with a narrower focus on messaging and interoperability
- Balances trust and specialisation

Cons:

- May limit innovation if the scope is too narrow
- Needs strong technical capabilities in addition to regulatory compliance

4. Some other model (e.g., a consortium or standard-setting body managing interoperability layers)

Pros:

- Collaborative governance can align incentives across stakeholders
- Potential for industry-wide standards and shared infrastructure

Cons:

- Governance complexity and slower decision-making
- Risk of diluted accountability

A hybrid model where regulated financial entities such as CSDs act as hubs for interoperability, supported by specialised technology providers that develop and operate secure messaging and bridging solutions, seems optimal. This ensures regulatory compliance, operational security, and technical innovation. The CSD hubs can provide trusted access points and ensure adherence to legal frameworks, while tech companies supply advanced tools for efficient and secure interledger communication.

This model balances trust, oversight, technical excellence, and flexibility, which is essential for the evolving landscape of DLT-based financial market infrastructures.

Please explain your answer to question 42:

Here's an assessment of the options for providing interoperability between distributed ledgers (DLs), with a recommended approach:

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Cons:

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This model balances trust, oversight, technical excellence, and flexibility, which is essential for the evolving landscape of DLT-based financial market infrastructures.

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.

Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

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)

Contact

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