

1 Market Integration and Supervision Package

Trading area

Post-Trading area

Asset management

Digital Finance

Supervision

Note: This deck contains general information only, and none of Deloitte Touche Tohmatsu Limited (DTTL), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this deck, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this deck, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this deck. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

What is the Market Integration and Supervision Package (MISP)?

Creating a more integrated, efficient and competitive financial system by easing the burden on pan-EU market participants and infrastructure

Composition of the package

Three legislative proposals:

- **Master Regulation: Seven main regulations would be amended** – ESMA (European Securities and Markets Authority) Regulation, EMIR (European Markets Infrastructure), MiFIR (Markets in Financial Instruments), CSDR (Central Securities Depositories), DLTPR (Distributed Ledger Technology Pilot), MiCA (Markets in Crypto-assets) and CBDR (Cross-Border Distribution of Funds)
- **Master Directive: Three directives would be amended** – UCITS (Undertakings for Collective Investment in Transferable Securities) Directive, AIFMD (Alternative Investment Fund Managers) and MiFID (Markets in Financial Instruments)
- **New Settlement Finality Regulation would** replace the Directive

Key areas

Trading

Post trading

Asset management

Digital finance

Supervision

Context

Key market challenges :

- 300+ trading venues in EU
- Divergent rules and burdensome requirements
- Fragmented supervision creating barriers to cross-border activity
- Obstacles to innovation, particularly DLT adoption

Strategic priority:

- To remove barriers and unlock capital markets potential with MISP as part of the **Savings and Investment Union Strategy (SIU)**

Next phase

Ordinary legislative procedure:

- The three legislative proposals will be examined by the European Parliament and the Council

Implementation requirements:

- Significant resources and infrastructure development at ESMA
- Direct supervision of significant trading venues CSDs (central securities depository), CCPs (central clearing counterparty) and CASPs (crypto asset service providers)
- Transition period to ensure continuity during supervisory transfer

Trading Area

Harmonizing rules to make it easier for trading venues to offer services and simplifying the membership process for brokers

○ Current State

- 300+ trading venues
- Divergent national rules
- Multiple required intermediaries
- High transaction costs

○ Objectives of the proposal

- ~9 trading groups under ESMA
- Reduced operational costs
- Enhanced consolidated tape measure (real-time visibility of the five best bid-ask prices across all EU trading venues ect..)
- Better price transparency
- Increased cross-border investment flow

○ Solutions

• **Single EU supervision (ESMA)**

Facilitate the cross-border operations of groups of trading venues by transferring supervision of significant trading venues to ESMA

• **Pan-European Market Operator (PEMO) status**

Allow groups with trading venues in multiple Member States to operate under a single license, through a single legal entity and under streamlined supervisory arrangements

- **Optional** — it does not replace the existing authorisation requirements for regulated markets but offers a voluntary alternative for operators seeking a more efficient pan-European model

• **Digital platform for authorisations**

Facilitate the submission and subsequent consultation of authorisations and other supervisory documents

• **Streamlined broker membership**

Allow fast-track membership applications for brokers that are already members of trading venues in the EU, thus simplifying the process of multiple memberships across the EU

Post-Trading Area

Streamlining cross-border settlement and harmonizing post-trade infrastructure with CSD hub-spoke model and mandatory T2S (TARGET2-Securities) connection

○ Current State

- 32 CSDs (vs. US: 2)
- 14 CCPs (vs. US: 8)
- Inefficient cross-border settlement
- Divergent supervisory approaches
- Limited interconnectedness

○ Solutions

- **CSD hub-spoke model**
CSDs providing services in several Member States and those processing a high value of settlement instructions relative to all settlement in the EU will act as hub CSDs
- **Mandatory T2S connection**
Promoted by requiring EU CSDs that settle in one of the platform's supported currencies to connect to T2S and offer T2S settlement to its participants
- **DLT integration**
Integrate Distributed Ledger Technology (DLT) into the CSD regulatory framework, updating definitions to make them technology neutral
- **ESMA direct supervision**
- **Clear pricing disclosures**
- **CCP interoperability**
Expands ESMA's role in handling open access requests to a CCP or to a trading venue and in approving interoperability arrangements between CCPs

○ Objectives of the proposal

- 15 CSDs under ESMA
- Nine CCPs under ESMA
- Enhanced inter-CSD connectivity
- Reduced settlement costs
- Seamless cross-border transactions

○ Settlement Finality Regulation

- **Convert Directive to Regulation**
- **Greater harmonisation**
- **DLT-based systems enabled**
- **Clearer conflict-of-law rules**
- **Central database for transparency**

Asset Management

Eliminating complex procedures to help Member States distribute cross-border funds more efficiently

○ Current State

- Complex, divergent notification rules
- Patchwork of national requirements
- Lengthy approval processes
- High compliance costs
- Limited fund scalability
- Stringent delegation requirements

○ Objectives of the proposal

- Faster market access
- Reduced compliance costs
- Seamless cross-border operations
- Better resource sharing in groups
- Stronger supervisory convergence
- Level playing field

○ Solutions

• **Automatic passporting at authorization**

The information and documentation submitted as part of the authorization process in the home member state (such as the prospectus, key information document and standardised marketing material) will be used to passport the UCITS into other Member States from the day of authorization

• **ESMA data platform (single access point)**

Interactive IT system, referred to as the data platform, serves as a single access point for the crossborder marketing of UCITS and AIFs, including European Venture Capital Funds (EuVEcAs), European Social Entrepreneurship Funds (EuSEFs) and European Long-Term Investment Funds (ELTIFs)

• **Simplified EU group rules**

Entities within the EU group will be able to share and rely on each other's human and technical resources and allocate functions within the group without being subject to the delegation requirements under the UCITS Directive and AIFMD

• **Depository passport**

UCITS and AIFs will be able to appoint a depository located anywhere in the Union, to the extent that such depository qualifies as a credit institution authorised under Directive 2013/36/EU or as an investment firm authorised under Directive 2014/65/EU

• **Removal of UCITS KIID**

It would be no longer necessary to provide a UCITS KIID (key investor information document) where there is no PRIIP (packaged retail and insurance-based investment product) KID (key information document)

• **Enhanced ESMA convergence role**

Digital Finance

Enabling DLT and Crypto assets to be sold and distributed as regular financial instruments

○ Current State – DLT Limitations

- €6 billion aggregate cap on financial instruments intermediated by DLT market infrastructures. Moderate uptake since 2023
- Restrictive scope (shares, bonds, UCITS only)
- Time-limited permissions
- Limited participant types
- Stifled innovation

○ Solutions

- **€6B → €100B threshold for DLT market infrastructure**
- **All financial instruments eligible for DLT Pilot**
Expand scope to all financial instruments including crypto-asset service providers (CASPs)
- **€10B simplified regime for small players**
Possibility to operate a DLT market infrastructure under a simplified regime, with obligations proportionate to their risk and size
- **Removal of time limits**
Removal of current time limits for the duration of the permissions granted
- **Novel settlement schemes**
Ensure robust settlement outcomes, supervised by ESMA against specified requirements
- **Distributed CSD services**
Modernise key regulatory definitions (i.e. book-entry form, securities account) and mitigate associated risks with introduction of DLT-specific requirements

○ Objectives of the proposal

- Large-scale DLT activities enabled
- Long-term regulatory certainty
- Tokenisation supported
- Multiple business models possible
- ESMA supervision of settlement schemes
- Unlimited scale for CSDs

○ CASP Supervision

- **ESMA becomes sole supervisor**
- **Authorisation & enforcement**
- **Market surveillance & abuse detection**
- **Transitional period for smooth transfer**
- **50% crypto turnover = main activity**

Supervision

Replacing fragmented national approaches with ESMA as the single EU supervisor for all significant market infrastructures (CCPs, CSDs, trading venues) and unified, consistent oversight and enhanced convergence tools

Current Fragmentation

- Divergent national supervisory approaches
- Inconsistent enforcement across Member States
- High costs of doing cross-border business
- Market fragmentation along national lines
- Limited tools and powers at EU level
- Weak investor confidence
- Duplicative national procedures
- Inconsistent investor protection

ESMA's Expanded Supervision

Direct Supervision

Significant CCPs, CSDs, Trading Venues, PEMOs
ALL Crypto-Asset Service Providers (CASPs)

New Governance

- Executive Board
 - 5 independent members + Chair
 - Appointed by Commission, Council, Parliament
 - Responsible for supervisory decisions
 - 5-year mandate (2-year extension possible)
- Board of Supervisors
 - Executive board members + national competent authority representatives
 - Main body for regulatory decisions
 - Oversees supervisory convergence
 - Non-objection power over key decisions
 - Receives twice-yearly activity reports

Enhanced Tools

- Unified supervisory powers
- Standardised procedures
- Binding mediation
- Collaboration platforms
- Corrective actions for serious shortcomings
- Suspension of cross-border service rights (last resort)

Benefits

For Market Participants

- Single authorisation point
- Clearer supervisory environment
- Reduced administrative burden
- Consistent treatment across EU
- Level playing field

For Financial Stability

- Consistent supervisory approaches
- Enhanced investor protection
- Stronger financial system
- Better risk management
- Improved market integrity

Cooperation & Transition

- Gradual shift to EU supervision
- Joint supervisory teams
- National authorities retain market surveillance
- ESMA local presence where operationally necessary
- Knowledge transfer and capacity building



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (DTTL), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

© 2026. For information, contact Deloitte Belgium

