

Pontes Enhanced: The need for an expanded participant scope from 2028

- To ensure Europe’s competitiveness in the digital capital markets age, the Eurosystem needs to expand Pontes eligibility criteria.
- Both DLT notaries or DLT account keepers or the comparable national entities such as the German crypto securities registrars (*Kryptowertpapierregisterführer*) should be allowed.

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1. Executive summary

Pontes Enhanced - the Eurosystem’s project for settling DLT-based securities in central bank money - has the potential to fundamentally modernise the European capital market infrastructure and advance the (digital) Capital Markets Union.

In its current form, eligible participants for securities use-cases under Pontes Enhanced are limited to DLT Settlement Systems (DLT-SS), DLT Trading and Settlement Systems (DLT-TSS) licensed under the DLT Pilot Regime, and traditional Central Securities Depositories (CSDs). Please see page 94 on the Pontes eligibility criteria ([Link](#)), which states that licensing under DLT PRR or CSDR is required for securities use cases. Under Pontes Pilot (or Initial Launch), there is no such limitation with regard to securities use-cases.

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The forthcoming Market Integration and Supervision Package (MISP) will introduce two new entities into the DLT Pilot Regime: DLT notaries and DLT account keepers. Excluding these categories from Pontes would structurally disadvantage innovative market participants relative to traditional CSDs. In addition, also comparable entities under national law, such as crypto securities registrars under the German eWpG should be accepted.

We argue that Pontes Enhanced should from 2028 on include DLT notaries, DLT account keepers as well as comparable national entities as eligible participants. This would ensure a legally sound path to achieving a coherent, competitive European market for settling wholesale transactions in DLT-based securities in central bank money.

2. Background and regulatory framework

2.1. Pontes Enhanced: The Eurosystem's DLT settlement project

Pontes Enhanced is the Eurosystem's DLT-based solution linking market DLT platforms with TARGET services to settle DLT-based wholesale transactions in central bank money.

2.2. The DLT Pilot Regime and its evolution under the MISP

The DLT Pilot Regime (Regulation EU 2022/858) created a regulatory sandbox for DLT-based market infrastructures. The MISP now introduces two new entity types specifically designed for DLT-native business models: the DLT notary (provides notary services in relation to DLT financial instruments such as initial recording of DLT financial instruments) and the DLT account keeper (which provides and maintains accounts of DLT financial instruments at the top tier level). MISP adoption is realistically expected by end of 2026 or early 2027.

2.3. German crypto securities registrars (*Kryptowertpapierregisterführer*)

Germany has taken a pioneering role with the Electronic Securities Act (eWpG, 2021), enabling electronic securities to be held in DLT-based crypto securities registers. These entities are licensed under eWpG/KWG and subject to ongoing Bafin supervision.

3. Gaps

3.1. No Pontes Enhanced access for DLT notaries and DLT account keepers

Once MISP enters into force (expected 2027/2028), DLT notaries and DLT account keepers will exist as independently recognised European entities. Yet without explicit inclusion in Pontes eligibility criteria, they will be unable to settle DLT-based securities in central bank money - creating a significant competitive barrier and a legal inconsistency within the European framework.

3.2. No bridge between eWpG crypto securities registrars and MISP categories

Even though the activities of German crypto securities registrars are functionally equivalent to what MISP defines as DLT notary or DLT account keeper, there is no formal recognition mechanism to map these national licences into the European framework. The result is regulatory fragmentation: institutions already lawfully operating DLT securities registers in Germany (or other member states with

similar legislation) will face a full re-authorisation process under MISP, causing duplicated compliance effort and potential market disruption. The role of a eWpG crypto securities registrar, which effectively anticipates the new DLT notary and DLT account keeper under the MISP, should not be 'penalised' by a lack of transitional or compatibility requirements in Pontes.

3.3. Timing synchronisation

Pontes enhanced launch is planned for Q3 2028. MISP adoption is expected by end 2026 at the earliest, realistically 2027. The first DLT notaries and account keepers might not be authorized before the start of Pontes Enhanced in 2028. For Pontes Enhanced access at that point, Eurosystem eligibility criteria must be updated in advance. Without timely planning, an operational gap will emerge that significantly disadvantages market participants.

4. Proposed solution

The Eurosystem should extend Pontes eligibility criteria to include DLT notaries and DLT account keepers no later than the formal adoption of MISP. This is the most systematic and legally coherent solution. It would create an EU-wide consistent framework, there would be no fragmentation between member states and it would strengthen the competitiveness of the European capital market.

For comparable national entities, that currently can legally operate under Pontes Initial Launch, to be able to continue seamlessly operating under Pontes Enhanced

- a fast track licensing approach needs to be included for national comparable entities in the DLT Pilot Regime (through the MISP); and
- as long as their application process for becoming a DLT notary and / or DLT account keeper is under way, they should benefit from a grandfathering rule.

The Association of German Public Banks (Bundesverband Öffentlicher Banken Deutschlands, VÖB) is a leading association within the German banking sector. It represents the interests of 64 banks, including the Landesbanken (the head institutions of the German Savings Banks Finance Group), as well as the promotional and development banks owned by the Federal Republic of Germany or the individual German federal states. With total assets of some 3,200 billion euros, VÖB's member institutions cover approximately one quarter of the German banking market. Public-sector banks honour their responsibility towards SMEs, other enterprises, the public sector, and retail customers; they are deeply rooted in their respective home regions, all over Germany. With a 57 percent market share, ordinary VÖB member banks are market leaders in local authority financing; in addition, they provide some 22 percent of all corporate lending in Germany. In 2024, development and promotional banks at federal and state level provided 60 billion euros in new development and promotional loans. VÖB is the only German banking association exercising the functions of an employer association for its member institutions: the Public-Sector Banks' Employer Association (Tarifgemeinschaft Öffentlicher Banken), which comprises VÖB member institutions with a total of 65,000 employees (as at financial year 2024) and which performs collective bargaining duties.

More information is available at www.voeb.de/en