Deutsches Aktieninstitut
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Stay Committed to the Competitiveness of the European Capital Market

Deutsches Aktieninstitut's comments on the amendments proposed by Members of the European Parliament to the Market Integration Package, 23 September 2026

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Introduction

The European Commission’s Market Integration Package (MISP) is a key element of the Savings and Investments Union.

We are contributing to the debate from the perspective of capital market-oriented companies that utilise the capital market for their funding needs, whose shares and bonds are traded, and which use derivatives to manage currency, interest rate and commodity price risks.

Based on our position paper on the Market Integration Package “Savings and Investment Union: embedding the Market Integration Package in a consistent strategy”, we comment as follows on the amendments proposed by the European Parliament to the European Commission’s proposal.

- Regarding future supervisory structures, we support those amendments that emphasise that a stronger role of ESMA should go hand in hand with a stronger focus on ensuring that the European financial market remains competitive and that undue burden for supervised entities is avoided.

- Regarding market structure, we welcome the emergence of a debate on a level playing field between different trading and execution platforms. Issuers, while seeing the benefits of a differentiated trading landscape, are also concerned that fragmentation could go too far and ultimately jeopardise the price formation process as well as the role of the exchanges where they are listed.

- Regarding the use of new technology in financial markets, we support those amendments that aim to better link the DLT pilot regime with existing regulation for market infrastructures, thereby improving the conditions for large-scale innovation.

- Regarding the UCITS regime, we are concerned that the proposal of the European Commission to increase the investment limits for actively managed funds to the level of passive funds could be watered down. In effect, fast growing and large companies would be limited in attracting European capital pools, also at the expense of their investors.

Our overall assessment is set out in more detail in the following chapters.

1 ESMA Regulation and ESMA’s powers

Establishing uniform and practical supervisory approaches is our key demand with respect to supervision, as improving supervisory convergence is a prerequisite for reducing market fragmentation. At the same time, harmonised supervisory practices must not place an undue burden on financial market participants in order to ensure a competitive European capital market.

We therefore support measures that lead to better coordination between authorities and a more uniform application of common rules within clearly defined responsibilities. At the same time, any transfer of powers to ESMA should go hand in hand with increased efforts to simplify rules. They should furthermore not increase costs or call into question established and efficient supervisory practices.

We therefore comment on the amendments relating to ESMA and its powers as follows:

- We support all amendments which would oblige ESMA and national competent authorities (NCAs) to also consider the effects of supervisory action on the competitiveness of the EU economy. The relevant amendments relate, amongst other things, to adjustments to the ESMA mandate (in particular 50, 345, 349, 352, 353, 354), the inclusion of competitiveness considerations when performing ESMA’s general tasks (52, 377) and, more specifically, in the development Regulatory Technical Standards and Implementing Technical Standards (e.g. 56 and 59), during coordinated supervisory action is (e.g. 51) and in the reports thereon (e.g. 78, 79, 355, 356, 359, 360, 361). The amendments support the political efforts to simplify rules and to avoid unnecessary burden. However, we take a critical view of the expansion of ESMA’s remit to include climate-related tasks (351), because this may blur the mandate.

- We support amendments 361 and 364, which call for an annual ESMA report on ‘gold plating’ by NCAs. A key prerequisite for a consistent and pragmatic supervisory practice is, above all, an overview of where individual NCAs have particularly broad interpretations of the EU regulatory framework. The report can facilitate an objective discussion on this matter.

- We support amendments 374 and 441 to 444, which allow ESMA to continue publishing Q&As, contrary to the European Commission’s proposal. Q&As are a tried-and-tested instrument for clarifying questions of interpretation and thus helping market participants to align their compliance with the expectation of supervisory authorities. Given ESMA’s strengthened role, they will become even more important than they are under the current arrangements.

- We support all amendments that strengthen ESMA's ability to issue no-action letters in various ways (e.g. through more flexible conditions, as set out in amendments such as 52 to 54 or 413 and 415, or at the request of a national authority, as set out in amendments 423 and 424). No-action letters can help to resolve complex compliance issues (such as in the case of conflicting requirements, upcoming regulatory changes, incomplete Level 2 acts, etc.). As a result, ESMA should have at its disposal, much like the SEC, an instrument with which it can provide market participants with legally certain assurance that a provision will not be enforced.

- We support amendment 80 and amendment 577, which aim to ensure that ESMA's Executive Board comprises not only supervisory expertise but also market expertise. This facilitates the assessment of the practical consequences of supervisory decisions in complex situations.

- We support amendments that would prevent a double burden of costs on supervised entities resulting from the transfer of powers to ESMA (e.g. amendments 72, 75, 524, 527, 948). In addition, it should be stipulated that, for directly supervised entities, there should be a permanent mix of funding from supervisory fees and public funds. Financial market supervision is a public good and should therefore be financed, at least in part, from public sources.

- We support amendment 519, as the transfer of supervisory responsibility to ESMA should not lead to a loss of legal protections for supervised entities. It must be ensured that ESMA's powers are clearly defined and that sufficient appeal mechanisms exist. In this regard, the proposed deletion of ESMA's ability to take enforcement action in cases of suspected potential future non-compliance with regulatory requirements is an important step.

- We consider it important that the day-to-day supervision of trading activities, with regard to market manipulation and insider dealing, is carried out at a local level. This applies all the more to the supervision of listed companies and their obligations. Various amendments relate to the division of labour and competences between ESMA and NCAs. However, it remains unclear what exactly is envisaged. Some amendments (e.g. 275, 278) could even shift issuer supervision towards ESMA which we would oppose.

2 MIFIR and market structure

Issuers have a strong interest in efficient, liquid trading of their shares and in high-quality price formation that treats investors in an appropriately equal and transparent manner. We therefore support a framework in which regulated markets and other trading venues are subject to fair and balanced regulation, enabling transparent and reliable price discovery, recognizing specific needs of different investor groups and ensuring competition. Issuers are not opposed to a differentiated trading landscape which serves different needs (e.g. by allowing a special handling of large orders, where avoidance of market impact is important), but they also attach a high importance to maintaining a sufficiently high share of trading on transparent multilateral venues. They are concerned that a continued shift of trading volumes away from multilateral markets towards alternative platforms and/or a generally higher fragmentation may gradually undermine the status of the exchange in price formation and liquidity concentration where they are listed. Overall, the current development needs to be carefully evaluated and reflected not only against the interest of various investor groups in having the choice among different trading venues, but also against the overall objective of ensuring efficient price formation.

Against this background we

- … support amendment 952 (Art. 52(14ca) MiFIR), which mandates ESMA to conduct an in-depth empirical assessment within three years on the contribution of trading venues, systematic internalisers, and bilateral execution mechanisms to overall price formation and market quality. For issuers, a fact-based evaluation of how liquidity fragmentation and dark/bilateral trading impact capital allocation and equity valuation is a critical prerequisite for future policy decisions.

- … welcome that on the basis of the European Commission’s proposal a debate in the European Parliament is emerging on a level playing field between different trading and execution platforms. From our perspective proposals that make the trading and settlement conditions of SIs more transparent (amendments 819 to 822), define the boundary between bilateral SI trading and multilateral trading more clearly (amendment 850, 851), improve information of SI trading for supervisory authorities (e.g. 832, 835) or generally require SIs to offer price improvements within the framework of existing tick sizes (amendments 116, 823, 825, 826) deserve consideration to ensure a level playing field between execution venues, an overall efficient price formation and an appropriate recognition of investor’s needs.

- … consider that it is too early to evaluate the working of the Consolidated tape and therefore do not support any changes at this time and favour an evidence-based approach on the basis of experiences. This holds true for the core transparency elements, but also with regard to the aim to compel providers to offer a free index family (amendments 254, 867).

Regarding other specific issues of the MIFIR framework that we have commented in our previous position we would like to highlight the following:

- We welcome amendments 876 and 874 that make the choice of CSDs for the settlement of a securities transaction conditional upon the relevant CSD having undergone the processes set out in Article 53 of the CSDR. This serves to ensure the integrity and security of the settlement process in case market participants wish to use the option to designate a specific CSD.

- We take a critical view of amendments 884 and 885, which seek to abolish the existing exemption regarding the choice of CCPs for exchange-traded derivatives. The European Commission's proposal rightly retains this exemption, as ETD markets are fundamentally different from other asset classes such as shares and bonds (for example, because they do not settle on T+2 but may settle years later). This is why they operate under an integrated model, which allows for efficient risk management, for example.

3 CSDR, DLT Pilot Regime

Digitalisation and in particular the distributed ledger technology (DLT) offers significant potential to transform the processes regarding issuance, trading and settlement of securities and increase their efficiency. While the evolution so far has been gradual, the structural changes underway have the potential to become significantly more transformative. The regulatory framework should therefore be open to the testing and the adaptation of new technologies.

We support making the DLT Pilot Regime more flexible, so that DLT-based market infrastructures can operate at a larger scale than the current thresholds allow, while remaining within a defined set of rules. At the same time, the DLT Pilot Regime should not become a permanent parallel regime for large market segments. This would risk fragmenting markets and blurring the line between piloting DLT-based securities services and providing them at full scale. A clear boundary between the two should be maintained; where activity moves beyond piloting, it should migrate into the general frameworks of CSDR, EMIR, MiFID/MiFIR.

Furthermore, it is necessary to efficiently link the DLT Pilot Regime with these existing regulatory environments by (i) defining clear transition paths for DLT providers if they wish to switch to full CSDR, EMIR or MiFID licences once they have passed the volume thresholds of the DLT pilot and (ii) by making the use of new technologies legally possible and secure within these frameworks.

Against this background we comment on the amendments as follows:

- We support the extension of volume limits as well as the scope extension of instruments covered by the DLT Pilot Regime in the Commission's proposal. It should however be carefully considered which volume limits are appropriate to balance both the need to allow for innovation from smaller market participants while ensuring a level playing field with those operating under full licences of CSDR, EMIR or MiFID. Though defining the right balance is not an easy task, amendment 1231 goes too far in that respect as it sets the limit for triggering the transition regime at 2,000 billion.

- We support amendments 50, 105, 706, and 707 which allow central counterparties (CCPs) to settle transactions in e-money tokens, tokenised commercial bank money and – once available – wholesale central bank digital currencies and thus establish consistency with the Commission's proposal with regard to the use of digital money under the CSDR. Furthermore, amendments 85 and 86 ensure that the definitions for financial instruments and central bank money are technologically agnostic.

This would support innovation also in the existing frameworks and for existing large market segments.

- We support amendments 315, 1016, 1022, 1023 that establish a simplified authorisation mechanism for operators transitioning from the DLT Pilot Regime to the regimes under CSDR and related legislation. These amendments give operators of DLT trading-only and DLT settlement-only infrastructures that already hold a DLT Pilot Regime permission a faster route to full CSDR authorisation, since their activities and systems have already been assessed by the national competent authority.

- We percieve it as positive that several amendments (e.g. 1336, 1340, 1342) pick up the EU Commission's proposal to assess whether the DLT Pilot Regime should be transposed into existing sectoral legislation. If appropriately designed, this could have the advantage of a generally simpler regulatory framework without undermining the idea of promoting the piloting of new solutions with new technologies under regulatory requirements that recognize specific technological needs. In any case, the EU should envisage a common framework for the use of new technologies in finance to avoid increasing legal fragmentation. A 28th regime would be an alternative to fully harmonising national frameworks.

4 UCITS

For the success of the Savings and Investments Union, it is important that listed companies are able to make optimal use of existing pools of capital.

We therefore strongly support the European Commission's proposal to raise the investment limits for actively managed equity funds in relation to a single company to 20 per cent (provided that they are "managed by reference to an index"), in order to establish a level playing field between actively and passively managed UCITS(Art. 52 UCITs Directive). The proposal of the EU Commission prevents the selling pressure to the detriment of companies and investors which particularly fast-growing companies currently face when they assign an index weighting of over 10 per cent, and, as a result, cannot be replicated by actively managed funds in the same way as by passive index funds.

Against this background, we oppose amendment 152. The amendment would narrow the scope of the extended 20 per cent threshold by excluding UCITS that utilise the benchmark solely as a performance indicator and thus de facto run counter the intention of the proposal of the EU Commission which wishes to create a level playing field between active and passive funds. The very nature of active funds is that they aim to achieve better returns for investors – even beyond the chosen benchmark – through the targeted selection of individual companies. To do so, they must be able to deviate from a performance benchmark by including shares other than those contained in the index. Amendment 152 de facto makes this impossible.

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