Recommendations on Market Integration and Supervision Package (MISP) 03/2026

AFG's recommendations on Market Integration and Supervision Package

Executive summary

1. AFG strongly supports the introduction of a competitiveness mandate for ESMA, as a necessary counterpart to its increased regulatory powers. Developing more integrated and competitive EU capital markets should also be based on monitoring the respective market share of EU based financial industry in the EU and beyond, compared with non-EU headquartered financial market participants.

2. AFG supports many of the proposals made in favor of tackling barriers to cross-borders activities

3. AFG welcomes simplifications of intra-group and intra-EU delegation arrangements, namely the acknowledgement at Level 1 that intra-EU intra-group arrangements require lower oversight and substance than extra-group arrangements. Those simplifications need to encompass broadly all asset management business models, which is not the case of the current reference to the Accountability directive. Nevertheless, the current proposal continues to present areas of uncertainty and calls for additional clarification: therefore, **this paper explores different options** that could be contemplated.

4. AFG supports an enhanced role for ESMA but it should be based on an increased supervisory convergence as well as true Data Hub (to accompany ESAP development). But AFG cautions introducing a **top-down more integrated supervision**, as it could create an additional layer of oversight, undermining the aim of simplification of the SIU. AFG questions the opportunity of the ESMA periodic review, that should not translate in any additional burden for the industry and would not be in favour of proposals aimed at giving ESMA direct supervisory powers over asset management companies, as this may lead to an additional layer of supervision bringing the industry to face complexity, an unclear and inefficient supervisory architecture (overlap between national v. EU supervisors for instance) and costs, which would harm EU actors' competitiveness. Introduction of ESMA datahub to collect and share data between ESMA and NCAs should be a preliminary step before envisaging this type of review.

5. With respect to ESMA governance, AFG asks that supervisory costs be closely monitored and lowered (and not the opposite)

Introduction

AFG welcomes the initiative of the Market Integration and Supervision Package aiming at promoting simplification, tackling barriers to cross-border activities and contributing to shape a more integrated European Union. AFG takes the opportunity to develop its views on the various topics developed in this initiative.

Content

I. ESMA Regulation / supervision

AFG supports the supervisory convergence and possible enhancing the role of ESMA but cautions against introducing a more integrated supervision that could be a form of direct supervision or colleges, as it would create an additional layer of oversight, undermining the aim of simplification of the SIU and the broader official objective of promoting EU actors' competitiveness.

1. Competitiveness mandate

AFG requests as a necessary counterpart to increased regulatory powers for ESMA, the introduction of a competitiveness mandate for ESMA, both international and economic growth of the EU financial sector, following examples from all major jurisdictions, including UK, Japan or Singapore.

This specific mission would foster a more predictable legal environment for our industry and ensure a strong link between rule making and market practices, by:

- Ensuring a global level playing field
- Avoiding undermining EU asset managers competitiveness since other regulators from major completing jurisdictions do have "capital formation" or "competitiveness and medium to long term growth including of the [domestic] financial sector" in their mandates (SEC, FCA, FSC, MAS, FSA…)
- Avoiding hampering growth and long-term development of the region
- Avoiding an exclusive focus on investor protection and financial stability
- Aligning with major jurisdictions to avoid undermining EU asset managers' competitiveness
- Establishing systematic industry workshops and impact assessments led by experts' panels, before new regulations, ensuring both the essential link of the rule making to the market practices (and that lacks today) and a more predictable legal environment. Results should be publicly available in annual reports issued by such authorities.

2. An enhanced role for ESMA but from a bottom-up perspective

AFG centrally supports the development of the role of ESMA from a bottom-up perspective in various instances:

- Development of the ESAP tool, already progressively planned for the next few years, which would allow for simplified reporting and enhanced data-sharing
- To be reinforced by:

- ESMA becoming the single data collector at EU level for AIF and UCITS fund reporting. Thus, it would replace the current multiple fund reportings to be done by EU asset managers towards each NCA (in the various Member States in which their funds are domiciled) by a single EU reporting to ESMA, making obvious economies of scale, which would ultimately enhance the competitiveness of EU asset managers. Obviously, such EU single fund reporting to ESMA would not prevent NCAs from getting access to the fund data embedded in such a single fund reporting done at EU level.
- ESMA becoming the single data collector at EU level for transaction reporting (MiFID, EMIR). In that case, it would replace the current hurdle of reporting by EU market participants to trade repositories – with associated significant costs – by a single reporting to an EU public body, i.e. ESMA.

A unique channel for reporting would remove the current reporting burden and provide ESMA with necessary information to have a transversal view.

- This could also be reinforced by the development of cross-staffing between NCAs members of ESMA, to build trust in practice among NCAs
- This could be ultimately reinforced by the shift from "forebearance letter" to "no-action letter"

3. A clear and defined articulation of powers

AFG cautions against the growing supervision powers of ESMA, through indirect supervision or even direct supervision, as ESMA could suspend activities or services of players, as proposed in Article 110c.

Articulation of powers between ESMA and NCAs should be clearly defined (already at Level 1) and potential impacts on market participants should be closely monitored.

For instance, in Article 110b, ESMA may ask any data from NCAs on asset management companies. Although the latest public version of the text proposed by the EC mentions "existing data", we consider that it should be secured further by suggesting to draft "strictly already collected existing data".

In addition, we recommend that ESMA reviews are introduced only when ESMA datahub for data collection and sharing has been established and is live. Even if obvious, one of the prerequisites for giving any supervision power to ESMA in the future is to allow them to become a centralized EU datahub, as a way to them to be directly able to analyze data at pan-European level. And in the short term, that bottom-up approach should considerably reduce the work necessary to ensure effective exchange of information between ESMA and NCAs and ensure that same format is used by all NCAs for the information reported.

We therefore suggest the following amendments:

Article 110b (ESMA review of large EU group of management companies):

Para 3: "ESMA shall [...] carry out a review ***annually at most once the ESMA datahub for collection and sharing of data between ESMA and NCAs has been set up and is live***."

Para 5: "(a) [...] requested from the competent authorities ***strictly on the basis of competent authorities' information from asset management companies already collected in the context of the [UCITS Directive requirements] and in accordance with*** [...]"

Article 110c (Powers of ESMA to address cross-border issues):

Para 5: "[…] [***to be clarified***] ESMA may suspend the ability of that management company or depositary to carry out any functions and to provide any services within the territory of another Member State."

We propose instead "[….] ***in exceptional circumstances, ESMA may request without delay a decision by [ESMA's Board] to suspend*** […]"

4. ESMA resources

ESMA resources are a major point of attention for the industry, especially with respect to the financing of ESMA by market participants. It appears essential, from an EU actors' competitiveness perspective, to ensure that the potential new roles and powers from ESMA would not result in higher total regulatory fees for market participants (i.e., additional ESMA's resources should be funded by NCAs or regulatory fees requested by NCAs should decrease accordingly).

The current ESA's budget is an issue for the industry under direct supervision and for the NCAs who contribute to 60% of the budget, considering the very high cost of the ESAs' supervision.

As an example, ESMA HR budget already exceeds HR budget of some NCAs: the cost of one full-time equivalent employee at ESMA (€206K) is almost two and a half times the full-time equivalent employee of some NCAs.

Accordingly, it is essential that further information is provided on how ESMA reviews will evolve over time as resources necessary for the first review may not required on a "business as usual" mode.

5. Better use of existing tools

Simplification should also be addressed by a **more efficient use of existing tools,** many of which **being underused or misused, instead of creating new tools:**

Peer reviews: practical tool to provide for more trust in practice between NCAs. Use could be enhanced by corrective actions following conclusion of peer reviews.

Collaborative platforms: functioning to be further defined and to what extent it is intended to be different from colleges.

Breach of Union law: reinforcement of such tool could be **interpretated as de facto direct supervision**

Common supervisory actions (CSAs): could be improved, notably in relation to realistic deadlines and better coordination between NCAs.

Q&As: their use should be redefined and their legal status should be clarified.

Guidelines: their normative force raises difficulties and leads to unavoidable fragmentation. They should be limited to provide clarity but not lead to additional rules.

No-action letters: AFG welcomes the proposals made by the EC to reinforce the no-action letters mechanism.

6. Exchange of staff

To build better trust among NCAs, as well as between NCAs and ESMA, it would be highly beneficial for ESMA to set up and to organize exchange of staff among NCAs. On a case-by-case basis such exchanges of staff may already exist bilaterally among some NCAs, but a more

systematic approach would be beneficial for each NCA to better know each other. In addition, it might allow for taking on board best practices on a given topic, as well as facilitating supervisory convergence in practice.

II. Management companies

1. Harmonized authorization for UCITS funds and management companies

AFG supports many of the proposals made in favor of tackling barriers to cross-borders activities.

Harmonized authorization process may be efficient to fight gold-plating and preserve time to market but it should be clearly stated that such measures should bring simplification and not additional burden, especially with respect to templates, which should not be the sum of existing national templates.

AFG highlights the following points of attention:

- It is crucial that such measures will impact NCAs only and not market participants
- Such measures should bring simplification and not additional burden
- EU templates should aim at simplification and not be the sum of existing local templates

2. Regulatory framework for EU groups

AFG welcomes the objective of facilitating delegation arrangements within the EU for EU groups, so that European asset managers can benefit from economies of scale and grow. This being said, the Commission's proposal raises questions. In particular, AFG believes that such streamlining must encompass broadly all asset management business models and should not favour some of them, as the reference to the Accountability Directive does.

AFG acknowledges that within the framework of intra-group and intra-EU delegation arrangements, oversight level and substance differ from extra-group delegations: this should be clearly stated at Level 1.

AFG also underlines the importance to ensure that the alleviation of burden for intra-group delegation arrangements would not be jeopardized by other existing requirements stemming from other legislations / regulations, such as EBA Guidelines on outsourcing of critical activities[1] or current requirements on letterbox entities.

Nevertheless, the current proposal continues to present areas of uncertainty and calls for additional clarification.

AFG members believe various issues should be addressed, entailing **therefore several** options to be contemplated:

- **Reducing the burden in case of intragroup intra-EU arrangements** can be achieved:

[1] EBA BS 2019 xxx (EBA Draft Guidelines on outsourcing arrangements).docx

- either through a derogation to the delegation regime, for the intra-group and intra-EU delegation arrangements (with a reference, into Level 1 regulation, to the notion of group taking into account the diversity of business models)
- or **by staying within the delegation regime but with a more flexible risk-based approach to intra-EU intragroup delegation**. In this later case, the risk assessment performed internally by asset managers contributes to delineating which entities form part of the group and which level of oversight needs to be applied, helping asset managers to leverage on their human and technical resources. Such approach could apply to all sizes of asset managers. Thus there is no need to refer to a specific definition of group. This is what is applied in practice with CRR.

- **A possible alternative would be to set up an opt-in**[2]
  Introduction of a notion of group might reduce the burden in case of intra-group and intra-EU delegation arrangements. But the benefit of entering a group notion might not overcome the costs related to it as compared to the existing situation for some asset management companies, even if they might qualify as groups: EU asset management companies should remain free to decide to enter – or not – the group regime, depending on their optimal cost-benefit analysis related to their business model specificities.
  In particular, the current proposal based on the definition stemming from the Accountability Directive does not allow to encompass all asset management business models. That is why entering that group notion or not should remain a decision of EU asset management companies: we could imagine a pan-European asset management regime with associated benefits and costs but based on a voluntary basis (as it is proposed by the EC for pan-European market operators under the MiFIR review). That voluntary regime is even more important as it is not possible to anticipate what the final agreement will be in trilogue regarding the group regime and its related costs and benefits depending on each business model of EU asset management companies.

3. ESMA's periodic review of large cross-border asset managers

The reference to the notion of EU group is also used in the proposal regarding ESMA's periodic review of large cross-border asset managers. **AFG believes that it is important to dissociate the ESMA's periodic review from the recognition of the notion of EU group as it would give rise to confusion**. With respect to ESMA's periodic review, AFG suggests referring only to large cross-border asset managers, without maintaining the reference to the defined notion of EU group.

AFG is **extremely cautious toward this periodic review** of large cross-border asset managers by ESMA.

The industry may face the beginning of a stronger centralization at ESMA level, leading de facto to direct supervision. As mentioned above, this could be envisaged only if ESMA datahub has been introduced and is live.

[2] As proposed in MiFIR Review (Pan-European Market Operator PEMO opt-in regime)

Such review would lead to additional complications and burden whereby ESMA and national supervisors would challenge the set-up of asset managers, which have different business models, which would add unnecessary burden in terms of time and efforts.

III. Fund regulation and depository

1. Depositary passport

AFG does not support the principle of a "passport" benefiting automatically to any depositary established in the UE.

AFG, however, thinks useful for asset managers to be able to choose a depositary established in another Member State, upon stringent completion of certain necessary conditions, particularly in the context of ongoing market transformations, which reinforces our need for comprehensive and competitive service offering to guarantee the highest level of competitiveness for our members.

This possibility should absolutely be subject to a framework ensuring that the depositary effectively has the means and expertise to safeguard/control the funds established in the other targeted Member State. The foreign depositary should therefore first demonstrate that it is able to comply with all the rules applicable to depositaries in the host country, subject to ex-ante and ex-post control by the fund's Member State's national competent authority. Without such a framework, this possibility would entail excessive legal, accounting and operational risks.

The current European regulatory framework does not allow for a "passport" for depositaries, as this concept is developed in the AIFM and UCITS Directives. Nevertheless, such possibility could be contemplated on the basis of the general principle of the freedom to provide services, which would ensure equal treatment between 'local' depositaries and depositaries wishing to benefit from the freedom to provide services, the latter being required to meet the same conditions as the 'local' depositaries of the Member State in which they intend to provide their services.

2. Investment limits for UCITS

Article 53

AFG suggests limiting the possibility of raising the investment limit to 20% to the securities belonging to the composition of the corresponding index by introducing the following amendment:

"*In Article 53, paragraph 1 is replaced by the following:*

(a) the introductory wording is replaced by the following:

'Without prejudice to the limits laid down in Article 56, Member States shall ensure that the limits laid down in Article 52 are raised to 20 % for investment in shares or debt securities issued by the same body when, according to the fund rules or instruments of incorporation, the aim of the UCITS' investment policy is to replicate the composition of a certain stock or debt securities index, or where the UCITS is managed by reference to an index, and this index is recognized by ESMA, on the following basis:';

(b) the following subparagraph is added

'The raise to 20% referred to the first subparagraph is restricted to shares or debt securities who belong to the composition of the corresponding index.

From [Please insert date = 18 months after the entry into force of this Directive] ESMA shall publish and keep up-to-date on its website a list of recognized indices referred to in the first subparagraph"

Article 56

AFG agrees that any proposal to modify UCITS ratios should be dealt within the MISP framework, not the securitization package – where it is currently discussed. In addition, this ratio is discussed within the securitization package without any impact assessment and at levels that would run counter to established risk management standards and would generally be deemed unacceptable from a governance and control perspective. AFG could be supportive of a limited increase, upon a thorough impact assessment that accounts not only for securitization issuance but for all types of eligible issuers/issuance covered by these UCITS ratios.

We believe that the UCITS label should be protected and that any clarification at Level 1 should be carefully considered.

IV. Passporting and marketing rules (deleted from the main UCITS/AIFMD framework and inserted in CBDFR)

AFG welcomes the overarching principle from shifting provisions from the CBDF Directive to the CBDF Regulation as it will contribute to facilitating regulatory convergence and harmonization across Member States.

On the substance, we also support aim of eliminating cross-border barriers and gold-plating to foster convergence, serving the objectives of the SIU.

AFG welcomes the proposals regarding simplified notification and denotification procedure, ESMA platform for marketing notifications and denotifications, to the extent they will not introduce additional complexity for market participants.

AFG also supports the proposals aimed at eliminating gold-plating, notably with respect to the harmonization of marketing documentation and the related interdiction for Member States to introduce additional requirements for other marketing documents.

AFG's recommendations on Market Integration and Supervision Package
Trading aspects of the MISP

Executive summary:

1. AFG strongly supports the European Commission's (EC) decision not to propose radical changes to the current equity market structure framework, which is effective for investors. Regulatory stability must come first and any adjustments should follow a rigorous, evidence-based impact assessment.
2. AFG also supports the EC's proposal to enhance pre-trade transparency on the equity and ETF consolidated tape by including the venue identification and the five levels of the order book. Moreover, to ensure strong user uptake from the start, we urge rapid implementation, rather than deferring these improvements until the next provider tender in 2031.
3. AFG welcomes measures to enhance interoperability between market infrastructure and trading venues. Moreover, we believe that interoperability between TVs and CCPs should be strengthened and mandated to deliver tangible benefits.

Content:

I. Stability is required for equity trading rules

AFG supports the Commission's approach not to embark upon significant changes on rules governing the trading of equities in the EU. This decision acknowledges the benefits of a stable regulatory environment when it comes to boosting EU competitiveness and attracting investment in EU companies.

It is important to consider that trading rules have been continuously reviewed and amended in recent years. MiFID II (2018) represented a significant overhaul of the existing regime and was followed by the MiFID Quick FIX (2021), MiFIR Review (2024), ESMA Level 2 reforms (2024/ongoing) alongside the significant upheaval introduced by Brexit.

In order to achieve regulatory stability, we urge policymakers to avoid the inclination to intervene, once more, in trading rules and instead allow for the existing regime to become well established. This will both promote EU competitiveness through allowing both EU and international investors to better understand the regulatory framework, while also allowing policymakers to better judge the need for future reviews.

In any case, it is essential that any change to market structure be subject to a thorough and robust impact assessment, ensuring it does not introduce unintended disruptions or undermine the smooth functioning of the market.

II. Improving market transparency (Equity/ETF Consolidated tape) (MiFIR, article 36b (a) (i))

In the context of the Saving and Investments Union (SIU), strengthening retail investors and savers' participation in capital markets is a strategic priority to unlock Europe's vast pool of savings and channel it toward long-term financing of the real economy. Yet, Europe is a single market in theory but is many fragmented markets in practice. This fragmentation translates into opacity, friction and higher transaction costs, undermining trust and participation.

Against this backdrop, a truly ambitious CTP is not a "nice to have" but a core pillar of Europe's market competitiveness and attractiveness. Improving rapidly the quality of pre-trade information will help fostering investors' confidence in these markets by supporting better limit order placement and verification of execution quality.

As such, AFG strongly supports a deep, venue-attributed CTP. In particular, in line with the European Commission's proposal, and for the reasons described below, we advocate extending the scope of pre-trade data disclosed on the equity/ETF CTP to five levels of bids and offers, with associated volumes and the venue identification. In our sense, such proposals will strengthen the viability of the CTP without drastically impacting the current business model of trading platforms regarding market data.

A deep CTP fixes the asymmetry of information between market participants

Today's EU market data landscape forces larger, sophisticated market participants to purchase and aggregate multiple low latency data feeds from market data providers, in order to build consolidated views of price and liquidity. Meanwhile, smaller firms and, ultimately, retail investors remain at a structural disadvantage, as they depend on the partial and often fragmented data their brokers can provide. The emergence of a low cost, real-time consolidated tape will address this asymmetry of information., regardless of the sophistication.

The absence of a real-time, consolidated pre-trade view of liquidity across venues further hampers market efficiency by preventing participants from assessing true market depth and price formation. As a result, liquidity is often sought in dark pools or OTC markets, reinforcing opacity. From a global perspective, foreign institutional investors perceive EU markets as harder to access and navigate due to this fragmentation and the lack of a consolidated liquidity view. A pre-trade consolidated tape with venue attribution and multiple levels of order book would enable these investors to plan large trades more efficiently, better anticipate market impact and reduce slippage.

Finally, embedding venue attribution/identification within the CTP would enhance competitive dynamics across trading venues. By making liquidity visible across all venues, including smaller ones, a deep CTP improves discoverability and contestability. This, in turn, strengthens competition between venues, encourages innovation in execution services.

More pre-trade depth means better execution, tighter spreads and more resilient markets

The value of the CTP as an investment and execution-support tool depends on the richness of its content. Access to multiple levels of bids and offers, together with associated volumes, provides richer insights into supply and demand conditions. It enables better informed execution and investment decisions, contributes to tighter spreads, reduces slippage for large

orders and ultimately, supports the depth and growth of secondary markets. Beyond trading use cases, richer pre-trade data also improves portfolio valuation, index calculation and market abuse surveillance thereby reinforcing market integrity.

Five layers of bid and offer are also particularly valuable for risk management purposes. For example, they enhance the calibration of the anti-dilution liquidity management tools by facilitating asset managers to estimate implicit transaction costs, including any significant market impact, as laid out in Article 4 to 7 of the UCITS and AIFMD RTS specifying the characteristics of liquidity management tools. In volatile markets, top of book data alone is insufficient to assess true execution risk and market impact.

Crucially, the ability to trace pre-trade quotes to their contributing venues in real time is essential for informed order routing, for achieving best execution and for understanding how liquidity is distributed and evolves across the market. Without venue identifiers, pre-trade data loses a significant part of its operational and analytical value.

A deep CTP strengthens the European market data ecosystem

Enhancing pre-trade depth within the CTP does not undermine propriety market data revenues. The CTP functions as a complement rather than a substitute. Market participants will continue to rely on proprietary exchange data when ultra-low latency is required for execution-sensitive strategies. The CTP primarily serves broader transparency, investment decision making and strategic execution planning needs[3].

Furthermore, exchanges also benefit financially from the consolidated tape through the revenue-sharing mechanism for the data they contribute. The CTP is therefore not “free data for all”.

Finally, the commercial and operational success of the CTP will depend on the richness of its content and its attractiveness to the broadest range of market participants. Adoption will only materialise if it delivers meaningful and actionable information. A shallow or incomplete CTP risks limited take-up and muted impact, whereas a deep, venue attributed CTP can become a cornerstone of Europe’s market data infrastructure, supporting competitiveness, transparency and the participation of retail and institutional investors alike.

On that final point, when legislating, it is crucial for authorities to remain attentive to ongoing regulatory and market developments in other jurisdictions in order to preserve the European Union’s competitiveness. In this regard, it is well known that the US Securities and Exchange Commission (SEC) has mandated, within the US consolidated tape framework, the disclosure of five levels of best bid and offer, with implementation expected to begin mid-2026. This development reflects a broader international trend toward enhanced market transparency and data granularity. The European regulatory framework should therefore take such evolutions into account to avoid regulatory lag and potential competitive disadvantages vis-à-vis major global financial markets. From a policy perspective, we believe that both measures proposed by the European Commission should not be postponed until the next tender for the CTP provider in 2031, but should instead enter into force at the same time as the MISP package.

[3] *See. market structure report*

III. Preserving fair competition between trading venues (Against the introduction of a VWCP)

The volume weighted closing price (VWCP) is not a tradable price but rather a synthetic or "artificial" construct. As such, it could create significant challenges, particularly for ETFs and index funds that rely on benchmarks that are both observable in the market and practically executable. Using a price that cannot be directly traded as a benchmark can lead to tracking difficulties, reduce transparency, and increase the risk of performance slippage relative to the intended reference. Maintaining the closing auction as the reference benchmark is essential, as it provides for:

- a measurable price, determined through a transparent and widely observed market mechanism;
- an achievable execution point, where investors can realistically transact at scale; and
- and a robust reference for performance evaluation, index calculation and portfolio valuation.

As such, we oppose the EC proposal to add this notion of VWCP.

IV. Strengthening market integration through interoperability between trading venues & market infrastructures

In recent years, capital markets infrastructures have undergone a significant wave of consolidation. However, this process has failed to deliver the expected benefits in terms of stronger competition, wider user choice, or lower costs. On the contrary, consolidation, driven primarily by mergers among private actors, has further entrenched the dominance of a small group of five major players. These groups often operate across multiple layers of the market ecosystem at once, acting simultaneously as trading venues, central counterparties (CCPs), central securities depositories (CSDs), and data service providers (including benchmarks, ratings, and ESG data).

This concentration of market power has not resulted in meaningful technical or operational interoperability between infrastructures. Nor has it led to greater regulatory convergence across the European Union. Each Member State continues to apply its own legal, tax, and supervisory frameworks, which creates persistent barriers to genuine market integration. Consequently, the user experience remains fragmented, with de facto local monopolies or oligopolies emerging. This fragmentation increases costs for market participants and ultimately hampers competition and innovation.

Against this backdrop, AFG strongly supports measures proposed by the European Commission to promote and facilitate interoperability between CSDs, CCPs, and trading venues. These initiatives represent an important step toward a more integrated, competitive, and efficient European capital market.

Open access between TVs and CCPs (*MiFIR, arts. 35 & 36*)

In that sense, we support the fact that any trading venue must be able to request clearing services from any CCP, and conversely that CCPs should be required to offer clearing for transactions executed on any trading venue ("open access"). However, we believe that the current proposal could leave room for situations where a trading venue may limit a CCP's access or delay the provision of transaction information, even when the parties to the transaction have made a clear choice of CCP.

Indeed, as proposed, these measures are subject to appropriate risk management and supervisory safeguards (conditions that need to be further developed by ESMA) and the market practice known as “preferred clearing” would only be prohibited where two parties choose to clear at different CCPs that have already been granted access to a given trading venue and have already put in place interoperability arrangements.

To preserve the integrity of the open access principle and promote competition among CCPs, we call for the following enhancements:

- Mandatory access: All CCPs that meet prudential and supervisory requirements should be granted immediate and unconditional access to transaction data on any trading venue chosen by the parties;
- Clear prohibition of discretionary limitations: Trading venues should not have discretion to favor certain CCPs or delay access to information once the CCP meets regulatory requirements;
- Transparent access criteria: Any risk management or operational requirements applied by trading venues should be fully transparent, objective, and non-discriminatory.

Strengthening these provisions will ensure that open access is effective in practice, prevent market fragmentation while breaking down vertically integrated silos, reduce costs for end users and uphold their choices which in term will encourage innovation across the market value chain.