



## Open Access and Interoperability in Cash Equities Clearing

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As leading participants in European capital markets, we urge policymakers to enshrine mandatory interoperability between central counterparties (CCPs) as a core pillar of the Market Integration and Supervision Package (MISP). Fragmentation of EU cash equity clearing continues to impose unnecessary costs on investors and acts as a structural barrier to the deeper, more integrated capital market that MISP seeks to deliver. The Commission's proposal to strengthen open access provisions is a step in the right direction, but we believe greater ambition is warranted, including through the introduction of mandatory interoperability among, at a minimum, significant CCPs for cash equities, which would further enhance competition and user choice.

### **The Case for Mandatory CCP Interoperability**

While open access arrangements exist, meaningful interoperability across EU cash equity markets remains only partially realised. This is largely a result of preferred clearing arrangements that do not offer true choice in clearing. As a result, firms are required to maintain multiple CCP relationships and fragmented clearing arrangements, limiting opportunities to consolidate positions, optimise collateral and achieve netting efficiencies. This creates additional operational complexity and cost that is ultimately borne by end investors, including pension funds and retail investors.

Effective interoperability facilitates cross-border equity trading, reduces settlement costs, and supports deeper and more liquid markets. These gains will benefit long-term savers, pension funds, and strengthen the EU's competitiveness.

## Our Specific Recommendations

We respectfully urge co-legislators to strengthen the MISP text to:

- **Mandate interoperability:** Mandate CCPs to interoperate with one or more CCPs when providing clearing services to the same trading venue.
- **Align with Articles 35 and 36 of MiFIR:** Establish interoperability as the default outcome and explicitly require trading venues to make necessary system changes to support it.
- **Review Article 51 of EMIR:** Ensure the framework does not unduly restrict new interoperability arrangements and applies irrespective of when arrangements were originally established.
- **Provide for consistent supervisory oversight:** Where necessary, subject mandatory interoperability arrangements to ESMA-level supervision to ensure consistent standards and implementation across the Union.
- **Deliver the benefits of open access:** Mandatory interoperability should ensure that the objectives underpinning Article 35 and 36 of MiFIR are realised in practice by enabling market participants to consistently clear through their CCP of choice, fostering competition and innovation in clearing services while allowing firms to realise collateral optimization and netting efficiencies.

We stand ready to engage in further dialogue and to provide technical input as the co-legislative process advances. We thank you for your consideration and urge you to seize this opportunity to deliver a genuinely integrated EU capital market.

## **Cboe**

Cboe is a leading operator of pan-European cash equity trading and clearing services, including the largest pan-European stock exchange by market share and the most connected open-access CCP. Through exchanges in the UK and the Netherlands, Cboe UK and Cboe NL, Cboe Europe provides a suite of equities trading services and solutions to meet the diverse needs of market participants. We also operate the largest pan-European equity trade reporting service, as well as low-cost European equity market data and benchmark equity indices services. Since our inception in 2008, Cboe has helped to promote investor choice and innovation in Europe's equity trading and clearing landscape – bringing significant benefits to all market participants, particularly end investors.

## **AFME**

The Association for Financial Markets in Europe (AFME) is the voice of the leading banks in Europe's financial markets, providing expertise across a broad range of regulatory and capital markets issues. We represent over 150 leading global and European banks and other significant market players. Our members play a vital role in Europe's financial ecosystem, underwriting around 90% of European corporate and sovereign debt, and 85% of European listed equity capital issuances. Importantly, AFME members are market makers, providing liquidity, which is essential for ensuring financial markets can function efficiently. We also represent law firms and other associate members which advise market participants and support AFME's legal and regulatory initiatives.

## **EBF**

The European Banking Federation is the voice of the European banking sector, bringing together national banking associations from across Europe. The Federation is committed to a thriving European economy underpinned by a stable, secure and inclusive financial ecosystem, and to a flourishing society where financing is available to support the ambitions of citizens, businesses and innovators alike.

## **EFAMA**

EFAMA is the voice of the European investment management industry, which manages around EUR 34 trillion of assets on behalf of its clients in Europe and around the world. Its membership consists of 29 national associations, 47 global asset managers, and 30 associate members. We advocate for a regulatory environment that supports our industry's crucial role in steering capital towards investments for a sustainable future and providing long-term value for investors. Besides fostering a Savings & Investments Union, consumer empowerment and sustainable finance in Europe, we also support open and well-functioning global capital markets and engage with international standard setters and relevant third-country authorities. EFAMA is a primary source of industry statistical data and issues regular publications, including Market Insights and the authoritative EFAMA Fact Book.

## **EPTA**

The European Principal Traders Association (EPTA) represents the leading Principal Trading Firms in the EU and UK. Our members are independent market makers and providers of liquidity and risk transfer across all asset classes — including shares, bonds, derivatives, ETFs and digital assets — serving markets and end-investors throughout Europe. EPTA advocates for European capital markets that are transparent, efficient and resilient, enabling them to deliver for the wider economy and drive growth. We unite our members around common priorities, turning shared perspectives into collective action. We engage constructively with policymakers, regulators and market stakeholders, bringing an informed industry perspective to the issues that matter for well-functioning, liquid and attractive capital markets in Europe.