

- To:** Ms Aurore Lalucq MEP (S&D, France), Chair of the European Parliament's Committee on Economic and Monetary Affairs (ECON)
- To:** Mr Simon Harris, Minister for Finance of Ireland, President of the Economic and Financial Affairs Council (ECOFIN)
- To:** Ms Maria Luís Albuquerque, Commissioner for Financial Services and the Savings and Investments Union, European Commission

30 October 2026

Subject: Ensuring single supervision delivers beyond the Council Compromise on MISP

Dear Ms Lalucq, Mr Harris, Ms Albuquerque,

Europe's financial market infrastructures have consistently supported the objectives of the Market Integration and Supervision Package (MISP) and the broader ambitions of the Savings and Investments Union to create deeper, more integrated and more competitive European capital markets. Central to these objectives is a supervisory framework that supports the efficient operation of European market infrastructures while ensuring consistent application of the Single Rulebook across the European Union. We believe single supervision by ESMA can help to deliver this, provided it is built on the right foundations: effective and accountable governance, a responsible and proportionate approach to supervisory costs, and a mandate that recognises the competitiveness of EU markets.

An effective supervisory framework must promote consistency, efficiency and predictability across the Single Market, ensuring that market infrastructures are subject to a uniform supervisory approach regardless of where they operate. Centralisation is a means, not an end: its value to the Savings and Investments Union depends on the quality of what is delivered, namely clear decision-making, a single and cost-based fee framework with no duplication, and a supervisory mandate that supports the competitiveness of European capital markets alongside financial stability. The European Commission's supervisory proposals represented a robust starting point towards achieving these objectives of one market, one rulebook, one supervisor and strengthening the supervision of significant and cross-border market infrastructures.

The approach adopted by the Council does not build sufficiently on these objectives and therefore, falls short of fully delivering on these ambitions. As a result, important challenges relating to inconsistent application, supervisory consistency, operational efficiency and market fragmentation are likely to remain, limiting the extent to which the reform can foster a truly integrated European capital market.

A credible single supervisory framework requires the ESMA Executive Board to act as the independent, accountable and effective default decisionmaker, ensuring timely, consistent and

accountable supervision across the Single Market. Supervisory decision-making should rest squarely with ESMA, and any role for National Competent Authorities in supervisory decisions should be limited to exceptional circumstances and should not undermine the Executive Board's ability to take decisions. Where safeguards are considered necessary, these should be exercised through a mechanism that would prevent a limited number of authorities from challenging, delaying or effectively blocking supervisory decisions. The proposed governance arrangements in the Council text risks introducing additional layers of governance and uncertainty rather than delivering a clear and efficient decision-making framework.

A successful move towards single supervision requires a clear long-term objective: supervision led by ESMA, supported by centralised expertise, consistent decision-making and equal treatment of market participants across Europe, thereby strengthening the competitiveness and attractiveness of EU capital markets. During the transition period, which should not exceed one-year, national authorities would facilitate an orderly handover while ESMA builds up its own supervisory capacity. To ensure supervisory consistency and the integrity of the Single Market, ESMA should exercise direct supervisory authority over all significant and cross-border entities, including all entities within cross-border groups, with significance determined through objective and harmonised criteria, providing market participants with legal certainty and equal treatment across the Union.

In addition, transitional arrangements should not result in the permanent embedding of Joint Supervisory/Cooperation Teams, or similar structures, within the supervisory framework. Upon completion of the transition, supervisory responsibilities should be fully consolidated within ESMA. The Council compromise does not establish a sufficiently clear trajectory towards this end-state, risking the continued fragmentation and complexity that the reform seeks to address.

The European Union has a unique opportunity to establish a supervisory framework that promotes consistency, efficiency and integration across the Single Market, while reinforcing the competitiveness and resilience of European capital markets. The reform should deliver a clear improvement on the current framework; however, the Council compromise risks moving in the opposite direction by entrenching existing fragmentation and complexity.

As legislative discussions continue, we trust that the European Parliament and, subsequently, all parties in the trilogue negotiations will seize this opportunity by building on the European Commission's proposal and delivering a framework that provides a credible pathway towards genuinely European supervision. Achieving this objective will require a supervisory model centred on ESMA decision-making that is streamlined, proportionately funded and competitiveness-minded, with a clear route towards the consolidation of supervisory responsibilities at the European level.

We stand ready to work constructively with the co-legislators to ensure that the final framework delivers a supervisory model that strengthens the competitiveness, resilience and integration of EU capital markets.

Sincerely,

Stéphane Boujnah

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Managing Board, Euronext*



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