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| **Press release**  **Banks Urge Simplification of EU Digital Rules to Unlock Innovation and Boost Competitiveness**  24 September 2025 |

* **The rapidly developing European digital finance sector is facing considerable regulatory complexity that threatens innovation, competitiveness, and operational efficiency.**
* **The Association for Financial Markets in Europe (AFME) today sets out key proposals to help prioritise simplification across digital finance, cybersecurity, AI, and data access regulations, ahead of the Commission’s upcoming Digital Omnibus.**

**Adam Farkas, CEO of AFME, said***: “Europe’s financial sector cannot compete globally under unnecessary regulatory complexity. Simplification must become a central pillar of EU financial policy — cutting duplication, aligning rules with expected outcomes, and providing clarity to support innovation, operational resilience, and global competitiveness*. *This is even more important in a context where financial institutions need to mobilise extensive resources to implement their digitalisation strategies. AFME welcomes the Commission’s commitment to address these issues through the upcoming Digital Omnibus, it is a major opportunity to address the important points highlighted in our position paper on proposed simplification of digital finance rules.*”

In a new paper published today, AFME sets out concrete proposals to simplify EU digital finance policy, including:

* **Harmonising Cybersecurity and Incident Reporting Challenges**  
  The Digital Operational Resilience Act (DORA) has set a high standard for ICT and cyber risk management. However, overlaps with the Cyber Resilience Act (CRA) and other horizontal rules are creating duplicate reporting obligations, inefficiencies, and operational strain. AFME urges authorities to harmonise these frameworks and simplify incident reporting, focusing only on information relevant to risk management.
* **Clarifying Artificial Intelligence (AI) Regulation**  
  Ambiguities in the EU AI Act — including definitions of high-risk AI, general-purpose AI, and substantial modifications — risk creating legal uncertainties resulting in slower AI adoption and unnecessary compliance burdens for financial services. AFME calls for clear, proportionate guidance to ensure financial institutions can deploy AI responsibly and effectively without being hampered by overlapping rules and requirements.
* **Europe must rethink Financial Data Access (FiDA)**   
  The current FiDA proposal imposes disproportionate burdens, lacks alignment with market demand, and risks undermining the EU’s simplification and competitiveness objectives. AFME recommends a market-driven, gradual, and targeted approach to data sharing, with a focus on mass retail clients. If this is not achieved, the proposal should be withdrawn.

The upcoming digital simplification package announced by the European Commission for Q4 2025 provides a key opportunity to reduce administrative burdens and foster a more agile, innovation-friendly regulatory environment.

AFME looks forward to engaging and working with policy makers to ensure these reforms deliver real, tangible benefits.

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**Notes:**

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.

For more information, please visit the AFME website: [www.afme.eu](http://www.afme.eu)