

## Press release

### AFME Calls for Bold Action on Post-Trade, DLT, and Simplification in EU Capital Markets in response to EU Markets Integration Package

4 December 2025

Commenting on the EU Commission Market Integration Package, published today, **Adam Farkas, CEO of the Association for Financial Markets in Europe (AFME)**, said:

*“The Market Integration Package should represent an important step towards more integrated and scalable EU capital markets. Europe urgently needs to unlock greater competition, reduce costs, and improve returns for investors.*

*The European Commission is right to recognise that the European equity market structure works well for investors. However, in its current form, the proposals on post-trade risk being a missed opportunity. The lack of ambition on tackling fragmented and costly post-trade infrastructure, along with legacy EU-specific equity market rules, remain major obstacles to greater integration and do little to promote choice or competition.*

*In the spirit of the EU’s simplification agenda, it is also crucial that co-legislators avoid inadvertently adding further layers of complexity or limiting competition and investor choice. Given the scale of the Package - a comprehensive initiative amending more than ten legal acts - rules must focus on real problems and deliver practical, workable solutions. Adding new regulatory layers could ultimately hinder, rather than support, effective market functioning.”*

#### **AFME’s position on specific parts of the proposals:**

##### **Equity Market Structure - preserve stability, encourage investor demand**

- Overall, we welcome the Commission’s decision not to pursue radical changes to the EU’s equity market structure recognising that the current framework is delivering positive outcomes for investors. A stable regulatory environment, alongside efforts to boost investor demand, remains the most effective way to enhance the EU’s competitiveness.
- Further analysis will be required to assess the technical feasibility of some aspects of the proposals, particularly new requirements which may increase regulatory complexity for banks that provide vital liquidity to the market. It also remains unclear whether the proposed design will deliver the positive outcomes intended for retail investors. We urge co-legislators to carefully weigh the potential benefits against the implementation costs, in line with the EU’s simplification agenda.

##### **Post Trade – greater ambition is needed to promote better competition**

- While several high-level reports (Draghi, Letta and Noyer) have identified clearing and settlement as an area requiring fundamental reform to streamline and improve the efficiency of Europe’s capital markets, we regret that the proposals do not adequately address the root causes that hinder greater interoperability and competition between central market infrastructures.
- While the proposed changes to MiFIR open access provisions are a step in the right direction towards promoting competition between clearing houses, they fall short of mandating full interoperability.
- Regarding CSDs, we would have welcomed stronger proposals to tackle the lack of competition among these market infrastructures. Fostering a genuinely competitive environment is critical to reducing the high cost of transacting in EU securities markets and robust data must underpin any policy decisions.

##### **DLT – EU must build on welcome progress to drive wider DLT adoption**

- New technology will be a critical driver of European market integration and Distributed Ledger Technology (DLT) provides a significant opportunity in linking and innovating European capital markets.

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- We welcome the Commission's focus on boosting DLT adoption through proposed changes to the pilot regime. Now is the time for Europe to demonstrate its leadership and capitalise on the chance to leapfrog existing fragmentation issues and give market participants the scale and certainty needed to build genuinely future-facing infrastructure. Given the rapid pace of global DLT innovation and adoption, co-legislators should be more ambitious – raising transaction limits, broadening trading and post-trading capabilities, and lowering barriers to participation for regulated institutions - so the EU can fully seize the potential of bringing capital markets on-chain.

### Supervision and rule making

- The current proposals primarily concern the centralised supervision of systemic infrastructure providers, such as EU central counterparties (CCPs), EU central securities depositories (CSDs) as well as crypto asset service providers. For market supervision powers applicable to AFME members, such as market surveillance, supervision will remain with National Competent Authorities
- We look forward to reviewing the proposals in greater detail, including the proposed functioning of ESMA governance as well as the potential implications of its enhanced powers. We hope these changes will contribute to greater flexibility and efficiency of EU rule making for capital markets as this would be a key lever for strengthening the attractiveness and competitiveness of EU capital markets.

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### Notes:

1. 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)
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