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WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on Financial Services and Banking Union (MISP) Financial Services Attachés
N° prev. doc.:	WK 3694/2026
Subject:	MISP - after WP meeting of 4 March 2026 on trading - Consolidation of comments ddl 13.03.2026. Replies from 23 MS

Delegations will find attached the consolidated replies by AT, BE, BG, CZ, DE, DK, EE, ES, FI, FR, GR, HU, IE, IT, LU, LV, MT, NL, PL, PT, RO, SE and SK on the questions contained in the Presidency discussion paper on trading for the Working Party on 04.03.2026 (set out in doc. WK 3694/2026).

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Market Integration and Supervision Package - Presidency discussion paper on trading - Working Party on 04.03.2026 Deadline: **13.03.2026**
From: AT, BE, BG, CZ, DE, DK, EE, ES, FI, FR, GR, HU, IE, IT, LU, LV, MT, NL, PL, PT, RO, SE, SK **Updated: 20/03/2026 11:34**

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Thank you for your cooperation!

Questionnaire PCY	Comments
Q1: Do MS agree with the Commission proposal for the harmonisation of requirements applicable to trading venues? Do MS consider that the proposal should clarify any of the aspects (e.g., interplay with national laws, ability of a regulated market to impose stricter rules)?	AT (Comments): We ask for clarification in the level 1 text or at least in the Recitals: • that the maximum convergence only concerns authorisation and operation of regulated markets and • that regulated market may impose stricter rules. BE (Comments): We agree with the proposal of the Commission for the authorisation regime for regulated markets. BG (Comments): BG: We are generally positive to the proposal as regards questions 1-4, although we need to point out that we are currently in the process of

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	transposition of some of the provisions moved from the directive to the regulation, such as the Listing Act. We have a couple of questions for clarification which did not receive response by the Commission on the last working party: On Article 2a "Authorisation of a regulated market and applicable law", in particular para. 7, we would like to have clarification as to why the reference is to public law instead of to the national law of the MS? On Article 2q: Authorisation, ongoing supervision and withdrawal of authorisation of investment firms to operate MTFs or OTFs: We have a question for clarification regarding how para. 4 should be understood and applied, namely: "ESMA shall apply national transposition provisions interpreted in a manner consistent with EU law?". Same question to Article 2t, para 1. In addition, Article 2zg we are concerned as to the number of RTS that ESMA should develop. In particular letter f) which states that it will further specify requirements ensuring that a market operator has sufficient financial resources to facilitate the orderly functioning of the regulated market that it operates, in accordance with Article 2f - in case there is at all such RTS it should be mandated to be proportionate to the size and activities of the market. In addition, we are also of the view that the proposal should clarify the interplay with national law, as well as to clarify whether the regulated market could impose stricter rules. CZ (Comments): *We welcome the clarification provided by the PRES in the discussion note,*

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	In general, we are supportive to move the requirements from MiFID to MiFIR and have them on regulation level. Unfortunately, it could not be only copy paste as there is numerous situations that needed to be taken into consideration, and we would like the ***clarification regarding the relation to national law*** *to be added. With emphasis on how the members of management body would be approved by NCAs. This is national procedure and would stay national? So far, we have followed the situation for the IF that has been recently reviewed under CRD review (the last one I guess CRD VI). The interoperability with national law shall be clarified in a legal text. We also think the possibility for regulated markets to introduce requirements on admission to trading that are stricter than those laid down in MiFIR should be included in the legal text. We still see more problems with this proposal than solutions.* *We also have doubts regarding elimination of the space for national specifics as was mentioned by numerous MSs related to public interest and fact that RM fulfil also public interest role. We agree that harmonisation is a common goal, however, it should be well-tailored process, not on block word-by-word transcript of MiFID into directly applicable regulation. We also wonder whether the main barriers for the development of capital market does not lie elsewhere than in the nature of directive itself as MiFID is already in regime of maximum harmonisation.* *In this regard we also have serious doubts regarding the ESMA power to application of national law.* DE (Comments): DE supports the objective of further harmonisation of trading venue rules. For smooth and efficient application in MS it is important that the harmonized requirements are compatible with the existing legal framework of the Member States on the internal organization of regulated markets and should strictly avoid

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	any additional cost and administrative burden. In particular, regulated markets should be able to continue to operate as public sector entities. This is not yet fully reflectet in the proposal. To this effect further clarifications are needed. As foreseen in Art. 44 para. 1 subpara. 3 MiFID, it should be possible that the requirements for market operators can be fulfilled by the regulated market itself where the regulated market is a separate legal entity. The internal allocation of responsibilities between public-law and private-law entities does not affect the level of investor protection or the uniform application of substantive EU requirements. DE therefore suggests clarifying that MiFIR harmonises substantive obligations, while maintaining MS discretion as to the internal allocation of responsibilities for regulated marktes and their operators. Art. 2a para. 4 draft MiFIR could be amended in the following way: "4. The market operator shall be responsible for ensuring that it and the regulated market that it operates comply at all times with the requirements laid down in this Regulation. **In case of a regulated market that is a legal person and that is managed or operated by a market operator other than the regulated market itself the obligations on the market operator under this Regulation may be fulfilled by the regulated market itself.**" With regard to the supervisory centralization for significant trading venues, we reiterate our reservations including regarding the strict legal limitations to establish EU-level supervision. For more details please see our answers below, esp. to question 16. DK (Comments):

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	Denmark still has a parliamentary scrutiny reservation. Our comments are also preliminary and in some areas more general since a general election has been called in Denmark. Regarding Q1: Overall, Denmark is supportive of simplification and burden reduction. Denmark supports moving requirements on the authorisation and operation of regulated markets from MiFID II to MiFIR. Moving the provisions from a directive to a regulation could ensure further harmonisation across member states and contribute to a level playing field. EE (Comments): Yes. We can support bringing MIFID provisions over to MIFIR and ensuring more harmonisation ES (Comments): Support FI (Comments): We agree with moving the requirements from directive into regulation. Sentences like: “Member States shall not impose any additional requirements on the authorisation and operation of regulated markets than those set out in this Regulation.” need some form of clarification as national company laws, tax laws etc do apply to all legal entities within each member state. FR

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	(Comments): We fully support the Commission proposal regarding the harmonisation of requirements applicable to trading venues. GR (Comments): **EL:** We agree with the Commission's proposal to harmonize the requirements applicable to trading venues through the transfer of the relevant provisions from MiFID to MiFIR. Moving these rules to a Regulation will enhance consistency, reduce fragmentation, and promote a more uniform application of the framework across Member States. At the same time, it is essential that the legislative framework be drafted in a clear and precise manner, in order to avoid overlaps or inconsistencies with national legal frameworks to ensure legal certainty. Furthermore, the principle of proportionality is key: considering differences in market size and structure. IE (Comments): ***IE*** – We broadly welcome the harmonisation proposed by moving requirements from MiFID to MiFIR. However, we draw your atention to the following: There are a number of areas where IE applies its own domestic requirements for MOs/RMs; incldluing a) prudential requirements and b) corporate governance requirements. We consider that prudential requirements for MOs / PEMOs should be harmonised and not left to national regimes – we note that the capital regime for investment firms is set out in IFR / IFD (i.e. not in MiFiD / MiFIR) and therefore we would like to see a similar approach applied for

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	MOs / PEMOs – it is prefereable that such a regime be specified in standalone legislation, similar to the approach for IFR / IFD. Re corporate governance, we consider that the requirements in the Level 1 text should be further enhanced and that these would also benefit from an ESMA L2 mandate to prescribe the requirements further for MOs / PEMOs. We note that specific corporate governance requirements are often a tool that is deployed by supervisors to address firm-specific risks and that supervisors should therefore retain the ability to prescribe additional risk-specific measures where warranted. The discussion at the CWP meeting highlighted the ambiguity in relation to whether requirements apply at the level of the market operator or regulated market. We welcome any additional clarity that can be provided (and, insofar as possible, we take the view that "firm level" requirements should apply to the Market Operator whereas "market level" requirements should apply to the Regulated market). Lastly, we support the continuing ability of a market operator to specify its own standards for members/participants via its venue rulebooks. IT (Comments): IT: **We support the objective of enhancing harmonisation** by moving core requirements for trading venues from MiFID II to MiFIR, insofar as this shift can contribute to greater supervisory convergence, legal certainty and a more level playing field across Member States. Indeed, this is a pre-requisite for any effort to build a more centralised supervisory system.

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	At the same time, from an institutional and policy perspective, **it is essential to recall that regulated markets perform functions of clear public interest relevance**, including the organisation of orderly trading, the safeguarding of price formation mechanisms, the management of volatility and trading suspensions, and the overall protection of market integrity. These functions are not merely technical in nature but constitute core public-interest responsibilities that underpin investor confidence and the credibility of capital markets as channels for financing the real economy. **In several Member States, these public-interest functions are reflected in specific elements of national legal frameworks. Against this background, it is important that the harmonisation pursued through MiFIR does not inadvertently erode those aspects of national law that support the public dimension of regulated markets**. In particular, clarification would be welcome regarding the interpretation of the provision whereby Member States shall not impose additional requirements on authorisation and operation. Moreover, **clarification would be also welcome on the exact perimeter of harmonisation and the room for national flexibility: this would significantly enhance legal certainty. On this regard, we believe that adding a recital in order to clarify these aspects could be a way forward**. **The concept of listing/admission to trading.** In certain Member States, listing remains a function carried out directly by the regulated market as part of its public-interest role. Admission decisions often involve qualitative assessments of issuer governance, transparency standards and market suitability, and may reflect long-standing national practices aligned with investor protection objectives.

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	In this context, it would be useful to clarify the extent to which the harmonised MiFIR framework allows regulated markets to maintain or introduce stricter admission standards, where justified by market integrity, orderly trading or investor protection considerations, also depending on the type of market. See also below our comment on the need for regulated markets to maintain their microstructural characteristics. Such flexibility, where objectively justified and proportionate, should remain compatible with the harmonised framework, particularly in markets characterised by a strong SME presence, where qualitative assessment and proximity play a central role in supporting sustainable access to capital. More broadly, we consider that harmonisation should strengthen EU capital market integration while preserving those institutional arrangements that ensure effective market functioning and investor confidence. Regulated markets do not merely provide trading platforms; they perform institutional functions linked to listing scrutiny, ongoing issuer interaction, market surveillance and the orderly management of trading disruptions. In markets characterised by a significant presence of SMEs, these functions often require closer interaction between the market operator, issuers and the competent authority. Smaller issuers may rely more heavily on listing support, disclosure guidance and ongoing supervisory engagement. Ensuring that such institutional functions remain effectively anchored and supervised contributes to market quality and sustainable access to capital. Ensuring that maximum harmonisation does not translate into unintended centralisation or erosion of legitimate national interests is essential to preserve both legal certainty and market confidence across the Union.

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	More in general, we strongly believe that **regulated markets must keep their ability to define their micro-structural elements**, provided that such elements are in line with the legislative framework. Harmonisation efforts must be respectful of the diversity of business models of trading venues. We interpret the Commission proposal as being in line with this aim: for instance, market operators will set their own rules on access to the market (participation requirements), or on admission of financial instruments to trading, provided that such rules are in line with the principles laid down in Mifir. LU (Comments): While we acknowledge the need to limit gold-plating, we have concerns about moving substantial MiFID II provisions into MiFIR. Financial markets require stability to function effectively, yet the regulatory framework is continuously expanding, requiring market participants to repeatedly adjust to evolving compliance requirements. LV (Comments): Overall, we are supportive of the proposal regarding harmonisation of requirments. If any potential ambiguities have been identified - such as those mentioned in the question regarding the interplay with national legislation or the ability of regulated markets to impose stricter requirements - it would be beneficial to provide additional clarification on these aspects. MT (Comments): The Master Regulation proposes to transpose large parts of the MiFID II venue rulebook into MiFIR Title Ia to deliver a single, directly applicable

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	framework and reduce national "gold-plating." Malta supports the overall regulatory convergence objective, ~~especially for a small market with one operator;~~ however, we caution that the piecemeal technique of "lifting and shifting" select MiFID II provisions into MiFIR risks legal uncertainty, duplication during transition, and uneven repeal of national transpositions unless accompanied by clear sunset mechanics and detailed guidance. MT therefore asks to consider either (i) a comprehensive recast that converts the entire MiFID II directive into a regulation and or the trading venues chapters (including MTF/OTF operators authorisation) into a regulation in one step, or (ii) clear timed and mapped transition ~~an explicit, time-boxed "sunset" and cross-walk for all overlapping national provisions,~~ to avoid firms and NCAs operating under ~~two~~ overlapping regimes. MT also note that the current proposal does not expressly address the prudential (capital) expectations for regulated market operators, and request clarity on whether capital requirements are intended to remain entirely at national level or will be harmonised in Level 2/Level 3, so that supervisory expectations are consistent across Member States. In addition, application timelines appear compressed (often 12–24 months post-entry-into-force across the package); given the breadth of systems and procedural change, MT recommends a staged approach and targeted deferrals where necessary. Finally, clearer drafting should distinguish three cross-border concepts now scattered across the texts:

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	(a) "operating a ~~venue~~ regulated market in another MS" (PEMO licence; ~~venue~~ regulated market deemed located/operated in a specific MS), limited to operating RMs (b) "providing ~~activities~~ services in another MS" (passporting of an RM's services/branches to extend access to the same venue), and (c) "accessing resources/investors from another MS" (facilitation of remote members/issuers), to prevent mismatches between corporate structuring and supervisory anchoring. The latter, i.e. b) and c) being unclear and needed further defining, to comply with Art. 56 and seq. TFEU. Indeed, we fail to understand the passporting concept as explained by the EC, i.e. whereby accepting a member located in another MS to a RM amounts to passporting as the actual activity/provision of the service takes place in the home MS. Also, the Art. 56 and seq. clearly outline that proposing technical support or facilitation does not equal passporting/setting out a branch. These cautions are heightened by the concurrent, interlinked reforms already in motion: the MiFIR/MiFID Review is still phasing in (with multiple Level-2 packages into 2026 and MiFID transposition by 29 September 2025), the CSDR Refit settlement-discipline rewrites and related RTS are being finalised with an eye to T+1 settlement in Q4 2027, EMIR Refit reporting went live in April 2024 with further reconciliation expansions expected into 2026, and EMIR 3.0 introduces the Active Account Requirement via RTS entering into force in February 2026. At the same time, the EU Listing Act is staggering substantial Prospectus, MAR and MiFIR changes through 2026, and the system-wide move to T+1 will demand major operational change. Against this backdrop, any acceleration to conclude the MISP should proceed with due caution, ~~carefully weighing~~to ensure subsidiarity and, proportionality are dully considered in accordance with the TFEU principles

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	~~, and the disproportionate impact on smaller or less liquid markets, and~~ including recognising the rights of smaller markets/MS to build capacity. Moreover, one needs to take into account the social/public-interest role that certain infrastructures play in small Member States by necessity of market structure~~.~~ For the last aspect, i.e. authorising RM to impose stricter rules, MT sees this provision as being contrary to the outcome sought. MT believes that it is a tool that may be used to further promote distrust in respect of non-national stakeholders and jeopardise the fluidity of service provision across the EU. NL (Comments): The Netherlands would like to thank the Presidency for its comprehensive preparation. We welcome the current proposals of the Commission. We have previously expressed our support for removing barriers that stand in the way of an internal market for capital, as well as for harmonizing and, where necessary, centralizing the supervision of financial institutions at ESMA. With these proposals, the Commission makes a significant contribution towards achieving a genuine European capital market. We consider it of great importance that progress is made on all elements within this package. This means that selective choices should not be made within this package, and that it is important to rise above individual reservations on challenging points in order to achieve a good result. Only if progress is made on all elements can the anticipated benefits be realized. In the following we will comment on the specific questions the Presidency has put forward regarding the proposals on the subject of Trade. Concerning the question: Yes, we support the proposal on moving requirements on the authorization and operation of regulated markets from MiFID II to MiFIR as this will support further harmonization of the legal

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	requirements. Clarification of the interplay with national laws or the ability of a regulated market to impose stricter rules is strictly not necessary, but it could be helpful to do so, e.g. by including this in the recitals. PL (Comments): *We support the transfer of trading venue requirements (RMs, MTFs, OTFs) from a directive to a regulation to improve EU level harmonisation. This process should, however, be closely linked to the real simplification of excessive regulatory obligations and to a review of existing rules in terms of their actual necessity and proportionality.* *In its current form, Article 3 of the MISP largely reflects a mechanical transfer of MiFID II provisions into MiFIR, without a clear assessment of which obligations remain necessary, which could be simplified, and which could be removed. As a result, the proposal falls short of the objectives set out in the Budapest Declaration, in particular the commitment to reduce the number and complexity of regulatory obligations.* *Harmonisation should be clearly oriented towards the simplification of the regulatory framework; otherwise, it risks running counter to the objective of reducing regulatory burdens. The ongoing legislative work should be used as an opportunity to streamline the framework and to remove requirements that, after*

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	years of application, have proven to be overly detailed, disproportionate, or unnecessary. *Below are possible adjustments for consideration:* *Article 2f(3) MiFIR: consideration could be given to deleting the obligation for market operators to notify competent authorities of the full content of binding written agreements, thereby reducing administrative burdens while fully preserving existing supervisory powers.* *Article 2g(5) MiFIR: consideration could be given to aligning reporting requirements with the MiFID II framework by removing the additional obligation to notify ESMA, thus avoiding the introduction of a new reporting layer and supporting the objective of regulatory simplification.* *Do MS consider that the proposal should clarify any of the aspects (e.g., interplay with national laws, ability of a regulated market to impose stricter rules)?* *The new proposal should further clarify several issues, in particular the relationship between EU level provisions and national laws, to avoid regulatory gaps or legal uncertainty resulting from the transfer of key MiFID II requirements into MiFIR. For this reason, MiFIR should contain explicit clauses that clearly allow for differentiated approaches in specific situations, for example: appointment and removal procedures for*

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	management and supervisory boards, in line with established national company law frameworks; national provisions governing the management and corporate governance of companies with State Treasury or other public shareholdings, clarifying that, under MiFIR, regulated markets may continue to apply admission criteria that are more restrictive than the minimum EU standards for the admission of instruments to trading. . *(a) Ensuring a clear differentiation between appointment and removal procedures for management and supervisory boards, in line with established national company law frameworks.* *Under MiFID II, the definition of the "management body" in Article 4(1)(36) recognises that Member States apply different corporate governance systems, including monistic and dualistic models, and requires EU financial legislation to remain neutral towards national company law (Recital 55). This approach has not been carried over into MiFIR. As a result, MiFIR does not allow sufficient flexibility in the rules on the appointment and removal of the management and supervisory board members.* *Instead, Article 2d MiFIR applies a single model to all members of the management body, without distinguishing between management and supervisory boards. Although the wording of Article 2d MiFIR is similar to that of Article 45 of MiFID II, the effect is significantly different, as the rules are transferred from a directive to a direct applicable regulation. This shift removes the*

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	flexibility previously available under national law. Therefore, MiFIR should allow Member States sufficient flexibility to maintain their existing models for the appointment and removal of members of the governing bodies of market operators, which have been functioning effectively for many years under national law. *(b) Safeguarding the coexistence of national provisions governing the management and corporate governance of companies with State Treasury or other public shareholdings, insofar as such provisions apply to regulated markets operating under those ownership structures.* *(c) Clarifying that, under MiFIR, regulated markets may continue to apply admission criteria that are more restrictive than the minimum EU standards for the admission of instruments to trading.* *To date, the principle allowing regulated markets to impose stricter admission requirements than the minimum EU standards followed clearly from Recital 122 of MiFID II and was implemented in national legislation. Following the transfer of the relevant provisions from MiFID II to MiFIR, Recital 122 no longer has practical significance. For this reason, the possibility for regulated markets to apply admission requirements that are more restrictive should be expressly stated in MiFIR.* *We understand this to mean that regulated markets may themselves apply admission requirements that are stricter than the EU*

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	minimum standards, while Member States should refrain from imposing additional national rules on the authorisation or operation of regulated markets beyond the MiFIR framework. By way of practical example, in Poland national rules require supervisory approval for amendments to a market operator's statute. We understand that such requirements - where they go beyond MiFIR and relate to the functioning of the market operator as such - would no longer be allowed and would need to be removed. *Furthermore, we oppose the solution proposed in Article 2d(7) of MiFIR, which would allow for direct administrative interference by national competent authorities (NCAs) in shareholders' rights to determine the composition of a market operator's governing bodies.* *The right of shareholders to appoint and remove members of management and supervisory boards is a fundamental element of national company law and a core pillar of corporate governance. Granting NCAs direct powers in this area would blur the line between administrative supervision and internal corporate decision making. Supervisory authorities should ensure compliance with the law, not directly shape the composition of corporate bodies.*

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	At most, NCAs could be entitled to request that the relevant corporate body consider taking appropriate action, while the final decision must remain with the company's competent organs under national law. Although similar mechanisms exist in certain EU directives, these were implemented with national flexibility. Extending such powers through a directly applicable regulation represents a significant shift, limiting national discretion and risking an imbalance between administrative authority and established corporate governance frameworks. *In addition, consideration should be given to the regulatory treatment of Systematic Internalisers (SI) in the context of the broader transfer of provisions from MiFID II to MiFIR.* *In line with the regulatory logic applied to trading venues under the MISP proposal, the regime governing SI should be relocated to MiFIR in order to ensure coherence and consistency within the regulatory framework. This would involve transferring the definition of a Systematic Internalisers to MiFIR, introducing an explicit authorisation requirement, and requiring investment firms to provide a description of the functioning of the SI as part of the authorisation process. From a regulatory and economic perspective, acting as a Systematic Internalisers constitutes an alternative to operating a trading venue. While general licensing and prudential requirements for investment firms would continue to be governed by MiFID II, this specific activity should be regulated directly under MiFIR, in line with the framework applicable to MTFs and OTFs. Relocating the SI regime to MiFIR*

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	would address existing regulatory asymmetries and support consistent supervision across comparable market activities. PT (Comments): We broadly support the Commission's proposals to reduce fragmentation and harmonize requirements applicable to trading venues. Nevertheless, the work that will be required to implement this package will be considerable, both for the public and private sector. Therefore, appropriate implementation deadlines are required to ensure a smooth transition of all the requirements foreseen in this package. As a general remarque, it is indeed necessary that after this review both private and public sectors are allowed a genuine period of regulatory consolidation. There are also many empowerments given to ESMA and the Commission on trading which should also be assessed and discussed in light of the simplification objective and the overall political mandate to reduce the number of level 2 empowerments to what is strictly necessary. Therefore, we believe it would be important to have a dedicated discussion based on an assessment providing evidence of the adequacy of establishing the proposed mandates. Additionally, with regard to Article 2j of the Commission's proposal, it is important to emphasise the need for the threshold for admission to trading to be set at a fixed level. The threshold laid down in this article plays a pivotal role in ensuring that market operators—who naturally benefit from economies of scale—do not hinder the market entry of smaller issuers. By anchoring the admission criteria in a proportionate and predictable floor, we believe that Article 2j can contribute to safeguarding fair access to regulated markets and supporting a more diverse and competitive issuer base. Therefore, we consider that the floor of EUR 1 000 000 set out in Article 2j(1) should remain

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	a fixed criterion, so as to ensure that market operators do not impose a higher threshold. RO (Comments): Yes, we agree. Given the possibility that the market operator may be established in a Member State other than that of the regulated market, we consider that provisions should be introduced regarding the language of correspondence between the competent authority of the regulated market and the market operator. At the same time, we will be in favour of further clarifications regarding the interplay with the national laws SE (Comments): SE comment: Thank you for the opportunity to provide written comments. The Market Integration and Supervision Package (MISP) is an important file for SE. We apologize for the late submittal of these comments. Please note that absence of a comment should not be interpreted as support of a proposal. Sweden supports measures which aim at creating a more integrated market in the Union and harmonised rules which are clear and easily applicable. Thus, SE agrees with the Commission proposal to harmonise requirements applicable to trading venues. We consider that the proposal should clarify the interplay with national legislation. Furthermore, the proposal should clarify what is intended by the ability of a regulated market to impose stricter rules. In addition, transitional provisions should be introduced. SK (Comments):

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	We agree and strongly support this proposal. But we want to emphasize that this proposal will cause additional compliance costs. We have to be careful and avoid creating legal uncertainty. We would also welcome reducing regulatory obligations on regulated markets in authorization process. The proposal on passporting for regulated markets has to be clarified, how it should behave. The relation to DORA regulation is missing, we have to avoid double supervisions.
Q2: Do MS agree with the Commission proposal for the authorisation regime for regulated markets? Do MS consider that the proposed regime should further clarify any of the aspects? If so, which ones and how?	AT (Comments): If harmonized at EU level, the information and documents required for an authorisation as market operator need to be more specified (as it currently is in national laws), for example the name of the applicant, the legal form, the business plan, information about all members of the management body (names, proof of absence of a criminal record, proof of appropriate knowledge, skills and experience), description of the trading and settlement systems, etc. Some requirements shall be explicitly introduced at EU level, such as an initial capital requirement (e.g. 5 million euro) in addition to the general requirement of sufficient financial resources (Article 2f (1)(e) MiFIR) or requirements for shareholders or acquisitions of qualifying holdings. BE (Comments): We agree with the proposal of the Commission for the authorisation regime for regulated markets. CZ (Comments):

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	*We still strongly feel that for market infrastructures it is important that the **head office/main operations remain connected to the place of authorisation and supervision**.* *We understand the struggles that are related, but the paradigm of all EU financial acquis is that head office should be in the MS where the activity is taking place. From the practical standpoint, we cannot imagine how the supervisory would work in case, where head office of the operator in in state A while the trading venue is located in state B (or even also other in state C), unless it is PEMO.* *We would also like to ask for the clarification and distinction between regulated market and the operator in the proposal. We appreciate the endeavour to explain it on CWG, but further written elaboration would be very much appreciated and potential fine-tuning the text in order to clarify the new functioning and eliminating dichotomy might be beneficial further.* DE (Comments): DE principally supports the authorisation regime. In order to ensure compatibility of the existing legal frameworks of the Member States on the internal organization of regulated markets with the new regime, it should be clarified that that the authorization requirement under MiFIR is without prejudice to public law authorization requirements for regulated markets that operate as public sector entities. Art. 2a para. 3 subpara. 2 draft MiFIR could be amended in the following way: "**Without prejudice to the public law of the Member State where the the regulated market is situated or operated,** Member States shall not impose any

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	additional requirements on the authorisation and operation of regulated markets than those set out in this regulation." DK (Comments): In general, Denmark supports removal of barriers that prevent groups who are operating marketplaces in several Member States from achieving efficiency gains by pooling functions necessary for the technical operation of the marketplace. In order to ensure that the marketplace is operated in a safe and appropriate manner, it is important that the operator of the marketplace is required to seek authorization in all MS where it intends to operate (unless under supervision and authorization by ESMA). EE (Comments): In general yes. Hovewer we are open to additional clarifications as also mentioned in last WP meeting. ES (Comments): Support FI (Comments): Not a strong opinion, but requirements for third country members of regulated markets are to be defined in the rules of the trading venues. Is there need to harmonise these on EU legislative level?

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	Article 2d.7 "In the process of authorisation of a regulated market, the person or persons who effectively direct the business and the operations of another regulated market already authorised in the Union are deemed to comply with the requirements laid down in paragraph 1." Perhaps there needs to be room for some discretion e.g. in a case where CA 1 is in the process of removing person A from Board of Directors of market operator X and CA B would have to skip fit and proper assessment due to person A still effectively directing the business. FR (Comments): We fully support the Commission proposal regarding the harmonisation of requirements applicable to trading venues. GR (Comments): **EL:** We agree in principle with the proposed authorization regime for regulated markets, as it supports further harmonization and legal certainty across Member States. Additional clarifications would be welcome to have a clearer view and position, taking also into consideration the case of an already authorized in a MS regulated market which is operated by a central bank. To ensure the efficiency and accomplishing the objective, a proportionate manner would be most appropriate, considering differences in market size and structure, so as not to create disproportionate burdens for smaller capital markets. HU (Comments): According to the Budapest Stock Exchange the current regime works well. IE

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	(Comments): ***IE*** - As per our prior comment, we consider that the proposed authorisation regime does not clearly specify the approach with respect to prudential requirements and we request additional clarity on the intended approach to these. IT (Comments): IT: While **we recognise the objective** of reducing structural barriers for cross-border groups operating regulated markets in multiple Member States, **we should also consider that the regime should be strengthened by restoring coherence between organisational control and supervisory accountability**. This could be achieved by **introducing strong corrective safeguards**, including: • **mandatory supervisory colleges and JSTs for cross-border market operators**, with clearly defined competences and structured decision-making procedures; • **binding cooperation and escalation mechanisms between the competent authorities of the jurisdiction where the market operator is located and those authorising and supervising the regulated markets managed**; • **explicit right of intervention for the authority responsible for the local market in respect of organisational and resilience-related arrangements affecting market integrity and orderly trading**;

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	• **retention at local level, for each regulated market, of <u>core institutional functions</u> such as <u>at least</u> market surveillance and listing/admission to trading;** • **corresponding retention by the local authority of effective supervisory and enforcement powers over those functions.** Such safeguards would ensure that integration does not translate into supervisory dilution, and that accountability remains aligned with the market's legal and economic anchoring and with the significant role and implications of market functioning on national ecosystems. In fact, we approach the proposal in a constructive spirit, with a view to ensuring that integration is achieved without weakening supervisory effectiveness or institutional coherence. Nevertheless, **the proposed regime introduces a scenario in which the market operator may be established in one Member State while operating a regulated market in another, without making use of the PEMO regime**, which envisages a dedicated supervisory mechanism. We would welcome additional clarifications on how the proposed regime would apply to cross-border groups that wish to operate regulated markets in different countries without making use of the PEMO regime. We note that, on the one hand, according to the discussion paper, a legal entity that is a market operator in 'MS A' could request authorisation from the competent authority of 'MS B' to operate a regulated market in 'MS B' without having to set up a separate dedicated market operator (legal entity) domiciled in 'MS B'; and a regulated market authorised and operated in 'MS B' would be, in all respects, anchored to that MS, notably in terms of applicable law ('nationality'), taxation, and supervision (unless the trading venue qualifies for ESMA supervision).

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	On the other hand, in view of Article 2a, para (2), it is not clear how the regulated market can be authorised to operate in 'MS B', since it seems that the competent authority of 'MS B has to assess that: (a) both the market operator and the regulated market that the market operator intends to operate comply with the requirements. This structural configuration deserves careful consideration from a supervisory perspective, in particular as regards the alignment between organisational control and supervisory accountability. In particular: 1. **Alignment between operator decisions and market supervision**. The structural decoupling between the market operator and the authorisation of the regulated market implies that key organisational decisions — including those concerning IT systems, surveillance tools, governance structures, risk management or incident handling — may directly affect the functioning of the domestic market, while the authority responsible for that market may not be effectively able to oversee and intervene on the operator's decision-making centre. In this regard, we would welcome additional clarification on the possibility of a company located in one MS to seek the authorization of a regulated market in another MS, even if this company does not already operate a regulated market in its country of establishment (and therefore it is not subject to any form of supervision). Should this be possible, it seems difficult to understand how a proper (and not purely formalistic) oversight of the market operator located in another MS could be performed by the competent authority of the regulated market.

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	2. Supervisory consistency and level playing field The separation between operator establishment and market location may also create incentives for operators to concentrate their organisational centre in jurisdictions perceived as offering comparatively more favourable regulatory conditions. In the absence of structured and binding coordination mechanisms, such dynamics could generate forum shopping dynamics, uneven supervisory expectations, possibly made more complex by the presence of several NCAs supervising regulated markets established in different jurisdictions with the same market operator. This consideration points to the importance of reinforced cooperation arrangements between home and host authorities. **3. Functional complementarity between listing, issuer supervision and market surveillance** The decoupling between operator and market authorisation may also affect the functional complementarity between issuer supervision, listing/admission functions and market surveillance, an interaction that is particularly relevant in the broader context of supervisory centralisation and the PEMO regime. In jurisdictions where official listing is regulated, supervision under the MiFID admission-to-trading framework and under the retained listing regime is closely interconnected. The synergy between listing functions and market surveillance, especially when exercised within the same institutional setting, is essential for the effective exercise of powers such as suspension or delisting of securities.

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	Effective supervision of regulated markets relies on the close interaction between issuer supervision, listing/admission functions and market surveillance. In several Member States, these competences are functionally interconnected and supported by proximity to issuers and deep knowledge of the domestic legal and economic environment, including insolvency and restructuring regimes, and awareness of the broader economic and shareholder context. Interventions such as trading suspensions or delisting decisions are not based solely on technical parameters but require continuous assessment of issuers' financial and disclosure situations. Preserving this complementarity is particularly relevant in markets with a strong SME component. **4. Operational resilience and crisis management** The cross-border configuration also raises significant coordination considerations in the area of operational resilience and crisis management. Where supervisory competences under Regulation (EU) 2022/2554 (DORA) are exercised in another Member State (or at Union level) with respect to the market operator, while the regulated market remains legally anchored in a different Member State, a structural misalignment may arise between: • the supervision of operational resilience, and • the nationally embedded cybersecurity and crisis-management framework under Directive (EU) 2022/2555 (NIS2). NIS2 assigns primary responsibility for the management of incidents affecting essential services, including financial market infrastructures,

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	to national authorities, CSIRTs and governmental crisis-management bodies. In the event of a serious incident affecting a systemic trading venue, the operator could therefore be subject to parallel reporting and supervisory interaction under DORA and under national NIS2 frameworks. Beyond possible duplication of reporting, this configuration raises a more substantive issue: **decisions concerning trading suspensions, emergency measures, coordination with national security authorities and communication to domestic market participants inevitably remain anchored at national level, given their implications for investor protection, public order and financial stability.** If organisational control and resilience-related decision-making are only exercised and supervised elsewhere, while market-intervention powers remain locally anchored, responsiveness in acute crisis scenarios may be affected. **Effective crisis management requires tight alignment between operational resilience oversight and the authority responsible for market integrity measures**. For this reason, organisational centralisation should be accompanied by robust and structured coordination mechanisms, ensuring that prudential resilience supervision, market-integrity oversight and national crisis-management responsibilities remain fully coherent and operationally aligned. **5. Supervisory proximity and need for structured safeguards** The current **vertical coordination between the market operator and the national competent authorities** involves daily information exchanges, real-time monitoring of trading sessions, coordinated interventions during highly dilutive capital increases, and continuous assessment of issuer communications before market opening. This

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	operational integration allows timely, balanced and context-sensitive decisions, which would be significantly more complex and less efficient if decision-making centre is located and supervised elsewhere. In this respect, supervisory proximity is not a merely organisational preference. It constitutes a functional safeguard ensuring coherent interaction between: • financial supervision, • national cybersecurity authorities under NIS2, • domestic crisis-management structures, and • the specific features of the local investor base and market microstructure. Against this background, the combined effect of: • the structural separation between operator and market authorisation; • the freedom to provide services or establish branches on a notification basis; and • the absence of a structured and binding supervisory coordination mechanism may lead to a dispersion of supervisory responsibilities among multiple competent authorities without sufficiently robust tools to ensure ex ante alignment and effective intervention. The objective should therefore be to combine structural efficiency with institutional robustness, ensuring that supervisory integration enhances, rather than compromises, market integrity and investor protection.

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	LU (Comments): We are still scrutinising the details regarding the authorisation process and its implications in practice, as not all the provisions of MiFID have been taken over unchanged to MiFIR. We note that some essential requirements, such as initial capital requirements or the obligation to have the annual accounts audited by a statutory auditor, are missing in the proposal. According to the current drafting, it would be easier for a market operator to receive an authorisation to operate a regulated market than for an investment firm to receive an authorisation to operate an MTF or OTF. LV (Comments): Overall, we agree with the proposed harmonised authorisation process, which remedies long standing fragmentation and removes national requirements obliging market operators to establish separate legal entities in each Member State. This question should also be considered from the perspective of the Commercial Law and the tax regime. MT (Comments): The proposal allows an EU market operator domiciled in MS-A to be authorised to operate an RM in MS-B without setting up a new local legal entity; the venue remains anchored to the host MS for applicable law and supervision (unless ESMA is supervisor).

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	Malta supports this simplification, with two clarifications: host NCAs must enjoy unfettered supervisory access (data, on-site rights, emergency intervention rights) and recital language should confirm tax/legal anchoring to the venue's MS irrespective of operator domicile, so a smaller venues can scale up or host remote operators without ambiguity. NL (Comments): Yes, the proposal removes barriers for operating or providing services cross-border. PL (Comments): *We would appreciate clarification of the following Commission statement contained on page 4 of the Presidency discussion paper (paragraph 2 under point 2 "Authorisation of regulated markets").* *"Under Article 2a, a legal entity that is a market operator in 'MS A' could request authorisation from the competent authority of 'MS B' to operate a regulated market in 'MS B' without having to set up a separate dedicated market operator (legal entity) domiciled in 'MS B'".* *In particular, it is unclear whether this statement implies that a single legal entity (market operator) could operate more than one regulated market in two different Member States? If so, would this entity (market operator) be subject simultaneously to supervision*

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	by the competent authority of Member State A (as the operator authorised there) and by the competent authority of Member State B (as the operator of the regulated market in that jurisdiction)? *If this is the case - how supervisory responsibilities would be allocated and how potential overlaps in supervisory powers between the two authorities would be avoided?* *Such an interpretation does not appear to be clearly supported by the current wording of Article 2a. We understand that Article 2a removes, inter alia, the requirement for the market operator to be established in the Member State where the regulated market is operated, but it does not clearly introduce a principle whereby a single legal entity may operate regulated markets in multiple Member States under separate authorisations.* *In other words, Article 2a appears to address the removal of a seat requirement, rather than the establishment of a framework allowing one operator to run several regulated markets across Member States.* *In this context, there is uncertainty about the intended regulatory model. It is not clear whether the Commission plans, in addition to the proposed PEMO regime, to introduce another mechanism that would allow a single legal entity (a market operator) to operate regulated markets across borders. Our understanding was that*

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	such an operating model, based on a single legal entity, was intended to be available within the proposed PEMO regime. Some clarification would be helpful to ensure a common understanding. PT (Comments): We can agree with the Commission's proposal to transfer the authorisation requirements from MiFID to MiFIR. However, it should be clear what are the requirements which will remain within the remit of national competent authorities' supervision. We obviously understand that it is not desirable to have an exhaustive list, but some guidance should be provided in this regard, contributing for legal certainty and clarity for both market operators and authorities. Therefore, we suggest that this could be clarified in a recital. As we read the note at the end of page 4 of the Presidency's Discussion Note, the main difference between the current framework and the one resulting from the Commission's proposal is that some market operators will be supervised by ESMA and will no longer be required to have a legal entity in all the Member-States where they operate. However, the trading venue as such will remain under the supervision of the National Surveillance Authority. For this reason, we believe it is crucial to clarify the distinction between the trading venue and the market operator, as it delimits the scope of the proposal. RO (Comments): Yes, we agree. Please see above. With regard to the proposal in Article 2m (2), we are of the opinion that it should be further developed to establish a deadline for the market operator to comply with the changes requested by the competent authority. SE

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	(Comments): SE comment: SE agrees with the Commission proposal for the authorisation regime for regulated markets. However, it should be clarified in the legal act what Member State is referred to by the Member State where a regulated market is "situated". Furthermore, we consider 20 working days too short for assessing an application and refer to previous comments. We believe the content of an application should be clarified on level 2. We are still analysing some details and will return with any additional requests for clarifications. SK (Comments): We agree and strongly support this proposal. But we would like to emphasize that this proposal will cause additional compliance costs. The possibility for MS to set additional requirements on authorization of regulated markets under national public law should be maintained.
Q3: Do MS agree with the Commission proposal on the activities that a regulated market would be allowed to perform? If no, which other main activities do MS believe a market operator should be allowed to perform (please consider flexibility for regulated markets versus the risk from a possible conflict of interest)? Do MS consider that the proposed regime for ancillary activities should be further clarified? If so, how?	AT (Comments): We agree that market operators should have sufficient flexibility to continue to perform the ancillary services they already provide and to perform (new) additional services they deem useful for their activity and their clients (markets participants). However, the term "ancillary activities" shall be clarified in the level 1 text. In addition, the list of possible ancillary activities (as outlined by the Commission) should be clarified in the level 1 text as non-exhaustive list. **Drafting suggestion:**

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	"The market operator may perform ancillary activities if they are linked to the operation of a regulated market, such as the provision of market data; the development and commercialisation of software, hardware and network solutions for the transmission of orders or other trading data; activities related to the promotion of regulated markets or companies admitted to trading on those regulated markets, for example, in order to foster the development of public markets or the management and maintenance of informational flows related to the placement and visualisation of orders placed by authorised entities acting on own account or on behalf of their clients." BE (Comments): We agree with the proposal of the Commission that a regulated market should be able to provide ancillary services. We are of the view that the activities should be linked to the operation of a regulated market such as the provision of market data, order rooting software, etc. No services related to banking or other investment services (e.g. investment advice, portfolio management, underwriting) should be allowed as these could lead to conflicts of interest. To complement this, we note that leaving the scope of permitted 'ancillary services' entirely open-ended or non-exhaustive in Level 1 could lead to legal uncertainty and regulatory arbitrage across Member States. We think that it would be useful to clarify the exact legal boundaries of these ancillary services. Furthermore, to ensure the legal security of current business models, the proposal should clarify whether transitional or 'grandfathering' arrangements will be put in place for activities that are currently lawfully carried out under existing national frameworks but would not be possible anymore in the future. CZ (Comments):

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	We do not agree with regulated market operators strictly to the operation of trading venues and narrowly defined ancillary activities. Market operators should be ***allowed to perform additional activities beyond the operation of trading venues, provided that such activities do not compromise financial stability, market integrity*** *or investor protection. If the ancillary activities regime is maintained, it should not restrict legitimate business models or duplicate existing safeguards under other EU legislation. We are thus supporters of much broader allowance and would prefer not to have closed list.* DE (Comments): The concept of "ancillary activities" linked to the operations of a regulated market is open-ended while the proposal simultaneously introduces a full-harmonisation approach. In view of the need for flexibility to enable innovation and development of the trading infrastructure and related services and a need for legal clarity on the scope of admissible activities an appropriate balance has to be found. DE therefore supports further clarification of the scope of ancillary activities within the remit of MiFIR e.g. by establishing a non-exhaustive list of ancillary activities inspired by the examples listed in the PCY Discussion Paper. DK (Comments): Denmark supports the proposed regime for ancillary activities that a regulated market is allowed to perform. These activities are already an integral part of the business model for several operators of regulated markets today. We consider that the list of ancillary services should be set out exhaustively at level 1.

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	EE (Comments): Yes. It is important to have as much clarity on what is allowed and what not at Level 1 as possible. However we would be open to additional flexibility as mentioned also in the last WP meeting. ES (Comments): Support FI (Comments): No strong opinion. Are we fixing a problem that hasn't existed? FR (Comments): We are supportive of the proposal on the activities that a regulated market would be allowed to perform, including when it comes to ancillary activities. GR (Comments): EL: We agree with the proposal, since we acknowledge the rationale behind the Commission's proposal to define more clearly the activities that a regulated market may perform, in particular with a view to preventing potential conflicts of interest and ensuring a clear focus on core trading functions. At the same time, it is important to preserve an appropriate degree of flexibility, allowing regulated markets to carry out activities that are closely linked to and supportive of their core operations. Further clarification on the scope and definition of "ancillary activities" would be beneficial. HU

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	(Comments): We believe clarification and simplification of regulated market activities, particularly a less cumbersome regime for outsourced activities is welcome. At the same time, we see limited reason for a too detailed regulation on EU level. IE (Comments): ***IE*** - we support restricting a market operator's activities to the operation of trading venues and ancillary activities and agree this restriction is important to prevent conflicts of interest. A list of ancillary activities for market operators / PEMOs may be beneficial, this will warrant further discussion once it is drafted. We raised comment at the CWP meeting that OTF operators in particular perform activities that are equivalent to Receipt&Transmit and Execution of client orders. In certain restricted scenarios, they may also perform limited proprietary trading and matched principal trading. This may partly explain why OTFs are often operated by investment firms rather than market operators. We welcome clarification that such activities may be performed in the context of the operation of a venue (where an OTF is operated by a market operator or PEMO). IT (Comments): IT: We understand the Commission's objective behind the introduction of the concept of "ancillary activities" that a market operator may wish to provide.

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	Nevertheless, as other MSs, we believe that it must remain possible for regulated markets to continue performing activities that they already perform, which are perfectly lawful and well supervised and for which we do not see any conflicts of interest. In this respect, we have doubts about laying down by law an exhaustive list of activities that regulated markets could perform, because a closed list of activities risks taking away flexibility and creating obstacles to innovation by market operators, which need to be able to adapt their activities in light of market or technological developments. In addition, and importantly, any such list risks excluding activities that are important at the national level and are not harmonised. Such specificities reflect the diversity of local markets and we find that it would be detrimental to lose these functions. Therefore, we are reluctant to an RTS with a closed list of activities, the RTS (or guidelines) could rather specify the criteria authorities have to follow to assess whether a given activity gives rise to conflicts of interest, so as to ensure that there are no such conflicts across the EU. The framework should also envisage: o robust governance, provision of organizational safeguards and conflict-of-interest controls, o transparency obligations vis à vis the competent authorities, o supervisory powers to intervene where risks materialise. LU (Comments): We agree with the proposal that a regulated market should be allowed to perform ancillary services.

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	To promote innovation, we insist on following a flexible approach and not to come up with a defined list of services. LV (Comments): We agree with definition of permitted activities, including listing, operating the venue, and other directly related services. Allowing broader group level synergies (e.g. technology, risk management, surveillance tools) is appropriate to streamline group operations at a EU level. MT (Comments): Title Ia permits market operators to run trading venues and ancillary services linked to venue operation (e.g., market data, connectivity tools, venue/issuer promotion), aiming to prevent conflicts of interest while allowing business enrichment. Malta supports codifying a non-exhaustive list of permitted ancillary services, grandfathering lawful existing activities, and requiring conflict-of-interest controls (clear fee policies and information barriers). This balances commercial flexibility with investor protection._ ~~in a small marketplace.~~ NL (Comments): Yes, the proposal aims to prevent conflicts of interest. We support this goal and can agree with the proposed list of activities that a RM is allowed to perform. PL (Comments):

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	We agree with the need to harmonise at EU level the range of activities that regulated market operators may perform. However, we consider that market operators should be allowed to carry out a broader scope of activities than only ancillary activities linked strictly to the operation of a regulated market (see answer below). In several Member States, including Poland, the scope of activities of market operators has traditionally been determined at national level, allowing for the development of diverse and well functioning business models. For example, regulated market in Poland may also be authorised to operate commodity exchanges (TGE). *The catalogue of activities proposed by the Commission appears too narrow. Under domestic law, a market operator may carry out a broader range of activities beyond operating a regulated market. In Poland these include, for example:* *- operating a commodity exchange,* *- disseminating information on financial instruments or commodities not traded on its trading systems,* *- perform tasks entrusted by entities within the same group or by market participants, where such tasks are consistent with the operator's business,* *- carry out educational, promotional and informational activities relating to the capital market in a broad sense.* *Under the proposed wording of Article 2a(3) of MiFIR, some of these activities may not qualify as "ancillary", which could lead to their unintended exclusion, even though they are lawfully*

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	performed, subject to supervision, and do not pose risks to market integrity. This creates a risk that future RTS will adopt an overly restrictive approach that does not reflect the range of activities currently permitted under national law. *We therefore propose replacing the term "ancillary" with "additional" and removing the requirement that such activities be "linked to the operation of a regulated market". This would allow activities arising from national law and remaining consistent with supervisory principles, to be appropriately reflected in RTS.* *We also see the need for transitional (grandfathering) provisions to ensure that market operators may continue activities lawfully carried out under national law prior to the entry into force of the new RTS. Without such safeguards, there is a risk that existing and legitimate business activities would have to be discontinued solely as a result of regulatory restructuring, rather than due to identified risks to market integrity.* *The current wording of Article 2a(3) of MiFIR does not sufficiently reflect the fact that market operators may perform additional activities on the basis of other sector specific EU legal acts. Certain activities may be carried out by market operators pursuant to separate EU regimes, such as crypto asset services authorised under Article 60(6) of MiCA, data reporting services under Article 27b(2) of MiFIR, or activities as a crowdfunding service provider*

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	under Article 12(14) of the ECSP Regulation. This may lead to unintended restrictions on legitimate and supervised activities performed by market operators. MiFIR should therefore clearly state that market operators may also carry out additional activities permitted under EU or national law, otherwise these activities would not be reflected in future RTS adopted pursuant to Article 2a(3), as their permissibility derives directly from the relevant sectoral legislation. PT (Comments): Under the current status quo, and in line with our national legal framework, the activities that may be carried out by a regulated market operator are clearly defined in law. Until this moment, MIFID has primarily focused on regulating trading venues rather than market operators themselves, which helps explain why the operation of a regulated market is not classified as a MiFID service or activity. Against this background, while we do not oppose the Commission's proposal, we consider that further clarification would be beneficial to ensure legal certainty and a level playing field across the Union regarding the activities that market operators may carry out. In this context, we recall the passport regime, for which proper harmonisation is essential to harvest its full benefits. Overall, we believe the ancillary services applicable should be expressly set out to clearly identified the scope of the activities that can be pursued. RO (Comments): Yes, we agree. We also consider that the proposed regime for ancillary activities should be further clarified. In our opinion there are other activities

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	that could be linked to the operation of a regulated market such as organizing professional training and qualification courses for staff working on trading venues operated by the market operator, holding courses, colloquiums, seminars, meetings aimed at improving the professional training of personnel involved in the provision of investment services, as well as educating the public and other categories of persons working in the field, publishing and marketing materials in the area of the capital market. As a consequence, we do not support an exhaustive list of activities that a market operator may perform. SE (Comments): SE comment: SE agrees with the Commission proposal in point 3 of Article 2a and the explanation submitted by the Commission in the Presidency note. It should be clarified if activities are considered for regulated markets or only for market operators. A list of activities should also be submitted for clarification. Furthermore, the division of supervisory powers between different competent authorities should be clarified. SK (Comments): The concept of ancillary services really needs more clarification in Preamble. The regulated market should be allowed to provide some ancillary services, but they not be allowed to do anything because there might arise some serious conflicts of interest.
Q4: Do MS agree with the Commission proposal for the passporting regime for regulated markets? Do MS consider that the proposed regime should further clarify any of the aspects? If so, which ones and how?	AT (Comments): We ask for clarification that national laws regarding official listing are not regarded as an impermissible restriction on the freedom to provide services

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	and the right of establishment of market operators from other Home Member States that are not acting with an official mandate of the Host Member State. BE (Comments): We agree with the proposal of the Commission for the authorisation regime for regulated markets. However, we would welcome further clarification on the interplay between the passporting regime and the PEMO regime in the recital. CZ (Comments): *We find this more complicated that clarifying. The regime should provide greater legal certainty regarding the practical* ***distinction between the freedom to provide services and the right of establishment, as well as the allocation of supervisory responsibilities between the "anchoring" Member State and host authorities.*** *In particular, the* ***interaction with national laws*** *that continue to apply by reference to the location where a trading venue is considered to be situated or operated should be clearly specified in the legal text to avoid legal ambiguity. Reverse solicitation should not be included as so far seems from the text that it is included. We could ultimately support passporting for branches as that makes sense, but* ***we do not see why passporting is required when the entity is given access to the regulated market*** *– reversed solicitation..That changes the perspective of provision of services as the service is provided on request of entity rather than on freedom of services in country the entity is from. We would appreciate clarification from Commission what is supposed to fall under passporting and what "passporting" actually means according to the proposal. We would similarly to post-trade try to avoid deviationg from set them of provision of services/establishment as it is valid for other area of*

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	financial services and would appreciate opinion on CLS on this matter. Reversed solicitation should not be covered. *In our view, activities that now do not fall under licencing according to MiFID cannot be passported. In some cases, they might be provided cross-boarder but no passporting as such might be needed – such as advertisement of investment services. Advertisement is not provision of investment services and thus is not in question of provision of services and passport. We would very much appreciate clarification on this matter further.* *In case where the scope of activities an operator/regulated market provide can differentiate across MS, an ESMA list with passporting entities with their cross-border activities (regardless if in regime of freedom of services or establishment) might be a helpful tool.* DE (Comments): DE supports the proposed passporting regime for regulated markets. In view of the need for flexibility in the operation of a regulated market and a need for legal clarity on the scope of admissible passporting activities an appropriate balance has to be found. DE therefore supports the non-exhaustive list of cross-border activities under Article 2o. DK (Comments): Denmark supports the idea of harmonizing rules for regulated markets with existing more beneficial rules for investment firms operating an MTF or OTF in order to obtain a level playing field. However, it should be better

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	understood, if the proposal is conflicting with the requirement to obtain authorization from the competent authority. EE (Comments): Yes, we can in general agree to having more clarity in passporting regime. ES (Comments): Support. A revision of the wording might be of use, aiming to clarify the practical differences, if any, between (i) operating a trading venue in the territory of another Member State, (ii) performing its activity within the territory of another Member State, and (iii) providing remote access to that trading venue to issuers and investors located in another Member State. FI (Comments): Generally we are ok with the suggestion. Almost all regulated markets are currently operating cross-border in the sense that they have members from multiple jurisdictions. When the changes become aplicable, shall all regulated markets/market operators passport their current sphere of activities or is this kind of covered by the transitional provisions of 54.1b? FR (Comments): The same applies to the passporting regime for regulated markets. GR (Comments):

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	EL: We agree with the Commission's proposal on the passporting regime for regulated markets, as it contributes to further harmonization and facilitates cross-border activity within the Union. It is beneficial for the implementation of the regime to remain proportionate, reflecting the diversity of market structures across Member States. HU (Comments): While removing barriers to entry is a valid goal, we believe it is important to ensure that the competitiveness of smaller regulated markets in individual Member States is not significantly impaired and that their business model of strengthening local primary markets and ecosystems is not jeopardized. Furthermore, local business and regulatory practices that serve the development of smaller Member States' markets should not be disrupted, and local NCAs should keep their ability to shape the development of local capital markets. IE (Comments): ***IE –*** We note the notification requirements set out in the new MiFIR Art 2o. In the interests of simplification and burden reduction, a central notfiication register / portal operated by ESMA would be preferable to individual MS registers and notifications that are sent bilaterally from NCA to NCA. Ideally, ESAP would be used in place of any such NCA / ESMA register. We consider that the text of Article 2o is not clear on whether a new RM can be established in another MS through this passporting regime. We understand from the clarification provided by the Presidency that this is not the case however we would welcome additional clarity in the legal text on this point.

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	We are open to reduction of the administrative burdens associated with Freedom of Services passporting notifications although we note that the Freedom of Establishment regime contains a notification / approval role for the Host NCA. If passporting rules for MOs / PEMOs were to be aligned with those for investment firms, we would suggest that RMs operated in a Host MS are accompanied by a physical presence; i.e. a Freedom of Establishment branch. The recent CWP discussion appeared to outline a divergence of views on whether clients "go to the market" to obtain services and that passporting is therefore not applicable. IE (and others) take the opposing view that service provision (including operation of a venue) "goes to the client" and that this is akin to passporting of services to the MS of the client. Notwithstanding that a passporing regime is not currently applicable to MOs / RMs, we welcome clarity on the divergent views offered by MS. IT (Comments): IT: **We support clarifying passporting rights for regulated markets**, in order to remove legal uncertainty and regulatory asymmetries vis-à-vis MTFs and OTFs. **However**, in light of the structural considerations highlighted above, **the design of the passport regime requires careful calibration in order to avoid unintended supervisory distortions, taking into account also the proposed amendments to MiFID II as regards the notion of host NCAs for trading venues and their powers**. The following aspects deserve particular consideration:

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	(i) Clear distinction from the PEMO regime: the passporting regime must remain clearly distinct from the PEMO regime. Passporting should enable cross-border access to the same regulated market, while preserving its national legal anchoring and supervisory framework. It should not become an indirect mechanism to replicate PEMO-like effects without the associated safeguards, as detailed below; (ii) **Protection of local investors and markets:** from an investor-protection standpoint, it is essential to ensure that the host authority retains effective tools to intervene without undue reliance on the home authority. Otherwise, corrective measures may be delayed, potentially prejudicing the protection of local investors. In this regard, we would welcome additional clarification on the rationale for the deletion of the notion of home and host MS for trading venues in the Master Directive and the proposed deletion of article 83(3) of MiFID II on the precautionary measures to be taken by host NCAs. Moreover, a passport regime based largely on notification could increase the risk of regulatory arbitrage or normative shopping, whereby market operators select as home Member State the jurisdiction perceived as comparatively more favourable; (iii) **Need for robust coordination mechanisms and safeguards**: cooperation mechanisms between home and host authorities should ensure that host authorities have access to sufficient information over cross-border activities impacting domestic investors and issuers. Such mechanisms should go beyond simple notification and include structured information-sharing arrangements, clearly

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	defined allocation of responsibilities, and, where appropriate, supervisory colleges capable of preventing gaps between organisational control and supervisory accountability. LU (Comments): We acknowledge the Commission's objective of aligning the rules applicable to the trading venues to ensure a more consistent and equitable competitive environment. We agree in principle with a clear legal framework (such as the explicit reference to the freedom to provide services and the possibility to set up a branch). However, as mentioned during the last meeting, we insist on a clarification in writing on the following point: o To which entity the possibility to set up the branch applies, the market operator or the regulated market itself. From the art. 2o (2), 3rd subpar: the RM, but which has no legal personality whilst in the PEMO regime the article 2ze (1): the Market Operator? We also seek clarity on the exact operational changes with regard to the currently applicable regime. LV (Comments): We agree with the proposed strengthened passporting regime, which finally resolves years of divergent interpretations about whether regulated markets may establish branches or perform certain activities cross border.

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	The regime could benefit from clarification on ensuring that passporting does not create de facto supervisory overlap or dual reporting obligations. MT (Comments): The text explicitly allows RMs to provide cross-border services and establish branches, not just place remote screens, thereby removing asymmetry with MTFs/OTFs. The Master Regulation proposes to confine market operators to running trading venues and ancillary services linked to such operation (e.g., market data, connectivity solutions, venue/issuer promotion), with the goal of preventing conflicts of interest while preserving business flexibility. Malta supports this objective but insist on the need to ensure explicit alignment with the MiFID II/MiFIR Review (now phasing in), MiFIR open-access provisions, and CSDR connectivity requirements—so that the categorisation of "ancillary services" and the cross-border provision of those services does not collide with or duplicate passporting mechanics elsewhere in the framework. In particular, it is important to clarify the interaction between (i) an operator's cross-border provision of ancillary services, (ii) passporting of a trading venue's activities, and (iii) the operation of a venue in another Member State under the PEMO regime, and to clarify whether any passporting element attaches to the market operator, the regulated market, or both, depending on the activity. For transparency and supervisory coordination, MT supports establishing an ESMA managed register capturing notifications and host contacts for cross-border ancillary-service provision where it relies on passporting channels or interfaces with venue passporting—complementing, not duplicating, existing ESMA registers. This register should be accessible on the ESAP.

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	~~These clarifications would avoid grey areas for small markets and participants and help ensure coherent implementation across regimes.~~ NL (Comments): Yes, the proposed regime promotes the level playing field between regulated markets and the operation of a MTF or an OTF by an investment firm. PL (Comments): *In our view, the passporting regime for regulated markets should, at the very least, mirror the one available under current legislation to investment firms operating a MTF or an OTF.* PT (Comments): We agree with the Commission's proposal. Nevertheless, as emphasised in the discussion paper, legal certainty on the list of activities would ensure higher convergence and legal clarity. Therefore, the word "at least" should be eliminated from paragraph 1 of article 2o. Regarding the set-up of branches, typically the under EU financial services law these are supervised by the NCA of the host Member-State. However, under the current proposal no such solution is provided. For trading venues under ESMA supervision this situation could be mitigated through the cooperation arrangements between ESMA and NCA, when it comes to trading venues supervised by national competent authorities how will the home NCA supervise the branch? As previous emphasised, until now operating a regulated market has never been considered an activity/service under MIFID. By comparison, the regime

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	set out on MIFID for the passporting of investment firms ensures legal clarity on the activities to be carried out by the entities that wish to benefit from the regime. RO (Comments): Yes, we agree. For the moment, we have not identified any issues that require further clarification. SE (Comments): SE comment: SE agrees with the Commission proposal for the passporting regime for regulated markets. However, it should be further clarified what information is to be communicated between competent authorities under point 2 of Article 2o. SK (Comments): Yes, we support this proposal.
Q5: Do MS agree with the Commission proposal on intra-group arrangements for resource or function allocation? If no, would the introduction of additional safeguards, such as the obligation to notify the competent authority of such arrangements, mitigate your concerns?	AT (Comments): We ask for clarification in Article 2f (1a) subpara 2 that such an intra-group arrangement does not circumvene the market operator's obligation according to Article 6 (10) DORA that "the financial entity remains fully responsible for the verification of compliance with the ICT risk management requirements." In this context, we think it may be helpful to clarify in the Recitals that intra-group arrangements do not constitute outsourcing for the purposes of MiFIR. However, these arrangements continue to constitute outsourcing according to other legal acts, such as DORA.

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	In addition, we are open to discuss additional safeguards, such as the obligation to notify the competent authority of such arrangements. BE (Comments): We agree with the proposal of the Commission on intra-group arrangements for resource or function allocation. However, we think that some additional safeguards should be introduced, such as the obligation to notify the NCA of such intra-group arrangements prior to their implementation. Furthermore, we see a risk of contradiction or incoherence between the regime proposed here and the way such arrangements are treated in other EU texts. We think that this point should be addressed. BG (Comments): BG: On Q5 we express support, but we are open to discuss an introduction of additional safeguards, such as notifying NCAs to mitigate the concerns expressed by some delegations. CZ (Comments): *We support **lessening the burden** as we always do, as long as it is in supervised group and to the supervised entity. We are baffled by inconsistency in the proposal and various arguments we hear across various parts of proposal **AIFMD/EMIR/MIFIR** as every different director of unit use different arguments to defend their angle of outsourcing requirement. We would prefer **alignment** with DORA and other relevant EU regulations and further clarification of the procedure. It is necessary to maintain liability with operator for any outsourcing.* DE

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	(Comments): DE considers it essential to ensure that authorised entities retain sufficient substance, effective control over critical functions, and full accountability vis-à-vis the competent authority. We would welcome alignment with the regimes in EMIR, CSDR and DORA to achieve an EU-wide consistent approach. DK (Comments): Denmark supports the idea that national legislation and inappropriate supervisory practices should not unnecessarily prevent groups who are operating marketplaces in several Member States from achieving efficiency gains by pooling functions and outsourcing the technical operation of the marketplace. However, this should be balanced with the need to ensure that the marketplace is operated in a safe and appropriate manner. Furthermore, we note that the proposal would be a shift from the common EU practice of not differentiating between intra- or extra-group outsourcing. Intra-group reliance may raise similar risks to outsourcing to external parties. Therefore, the proposal adds complexity as it conflicts existing regulation. Finally, we consider that there is a need for alignment with the EMIR, CSDR and DORA regimes, in order to avoid regulatory inconsistencies. EE (Comments): We strongly support simplification of intragroup outsourcing requirements. But we can also agree that interlinkage with some other legislative acts (MAR, DORA) could be clearer. ES

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	(Comments): Support. Consideration could be given to extending this approach to intra-group arrangements where the affiliate companies within the group are domiciled outside the EU, as long as there are proper MoUs in place with the authorities of the third country company (i.e. as it is the case today for arrangements between BME-SIX companies, subject to an MoU between FINMA and the CNMV). FI (Comments): Generally we agree. However certain areas merit clarification or modification: 1) interplay with DORA should be clearly explained e.g. in recitals 2) there are differences between suggestions for trading venues, CSDs and asset management. At least the requirements for TVs and CSDs could be more aligned. 3) Its should be stated clearly somewhere that letter-box entities are not allowed as authorised TVs. This is included in the asset management part of MISP but not here. FR (Comments): We support the Commission's proposal when it comes to intra-group arrangements for resources and functions. GR (Comments): EL: We agree with the proposal. Further, in our view the notification to the competent authority must remain. Existing collaboration is beneficial to be enhanced within the new framework.

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	HU (Comments): Yes, we support this proposal. IE (Comments): ***IE*** - On the outsourcing proposal, while we acknowledge that this proposal seeks to recognise substance over legal form and allow for greater EU group synergies, we echo the concerns raised by other MS that outsourcing is defined differently across different legislative frameworks (e.g. EMIR, CSDR and DORA). There would need to be consideration of these other regimes in order to avoid regulatory inconsistencies and complexities. Ideally, we would like to see a single definition of outsourcing and applicable requirements in cross-sectoral regulation which can be referred to by MiFID / MiFIR, EMIR, CSDR etc. We suggest that additional clarity could be provided by the addition of an explicit statement (e.g. via a recital or even a legislative provision in the L1 text) that outsourcing relates to the mere peroformance of an activity, but that reguataory responsibility for the outsourced activity remains with the outsourcing entity. We welcome further discussion on whether different approaches should be taken to intra-EU outsourcing versus non-EU outsourcing, and to whether the outsourcing of core operational functions warrants further attention (having regard to the new RTS7a which provides for a notification regime rather than an approval regime re the outsourcing of critical functions). IT (Comments):

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	IT: As already mentioned under our initial comments, we have **significant reservations regarding the proposed general exemption for intra-group resource/function allocations from the outsourcing framework**. While simplification is a legitimate objective, the proposed approach may: 1. **Reduce supervisory overview over critical dependencies:** intra-group arrangements may concern key functions (IT infrastructure, trading systems, surveillance tools, data management), which are often centralised at group level. Such centralisation may create significant concentration and dependency risks, particularly in large cross-border groups. These risks do not disappear solely because the service provider belongs to the same group. 2. **Create inconsistencies with DORA and other sectoral regimes:** A broad MiFIR exemption may unintentionally increase legal and compliance uncertainty for supervised entities when read alongside Regulation (EU) 2022/2554 (DORA). The boundaries between outsourcing and intra-group allocations are not always clearly defined, particularly in relation to critical or important functions. In practice, it may not always be straightforward to determine whether a given process or function falls within the scope of DORA — especially where ICT services, data management or surveillance tools are embedded within broader operational structures — or whether it is treated solely under the MiFIR framework. Applying divergent regimes depending on formal legal qualification, rather than on the underlying risk profile, may require firms to conduct parallel and potentially overlapping assessments, thereby increasing complexity and compliance risk; it may also end up encouraging

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	circumventions. By contrast, a coherent and aligned approach across MiFIR and DORA would better serve the objective of simplification, providing legal certainty and reducing the risk of inconsistent interpretations in relation to intra-group outsourcing decisions. 3. **Weaken accountability in cross-border infrastructure groups:** Unlike banking groups, market infrastructure groups are not subject to full consolidated prudential supervision and critical functions are often centralised and performed by entities that are not directly supervised. In this context, preserving supervisory visibility and intervention capacity at entity level is essential to ensure effective oversight of operational resilience and market integrity. **We would therefore support a calibrated approach including:** • **mandatory ex ante notification of intra-group arrangements concerning critical functions (we are open to set out in MiFIR a deadline for this ex-ante notification (e.g. 60 days, so that it would be the same across the Union);** • **minimum information requirements;** • **explicit intervention powers for the home competent authority of the market;** • **clear alignment with DORA and with the logic of EMIR/CSDR regarding critical outsourcing**. Intra-group arrangements should not be treated as automatically risk-free as acknowledged by the international principles on trading venues (IOSCO), which are part of the FSB standards (and we will be assessed against those principles). Supervisory experience shows that concentration and dependency risks may be even more significant within large cross-border groups.

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	LU (Comments): We insist on following a risk-based approach that remains fully embedded in the existing outsourcing framework, providing – where justified – for a more proportionate approach for intra-group outsourcing arrangements within that framework. We do not agree to create a completely separate outsourcing framework for intra-group arrangements that would co-exist with the current EBA guidelines. This is important in order to maintain clear responsibilities and coherent standards, and clear fall-back options in case deficiencies are identified as part of the intra-group outsourcing arrangements. We should however avoid creating an un-level playing field with reference to third-country outsourcing. LV (Comments): Agree. Today's rules treat intra group arrangements like external outsourcing, limiting the ability of multi venue groups to benefit from economies of scale. Removing these barriers appropriately reflects lower risk for intra group arrangements. MT (Comments): The Master Regulation proposes that EU-based intra-group allocations of resources/functions by a market operator are not treated as outsourcing under MiFIR Title Ia, while preserving the operator's full responsibility and leaving DORA to govern ICT third-party risk and contracts; several Member States have already requested DORA-alignment and additional safeguards.

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	Malta supports the proportionality under the express condition that the following clarifications and alignments (ref. Art. 24 CSDR revisited) are implemented (~~intent but asks for three clarifications and one alignment package~~ to ensure legal certainty across the single rulebook and comply with the "overarching principle of same activities, same risks, same rules":~~.~~ • First, the Commission ~~should~~ must define "letter-box entity"—by reference to established EU delegation/outsourcing doctrine, so that operators cannot reduce themselves to an "empty shell" with most core functions effectively performed elsewhere (~~; under the~~ AIFMD/UCITS frameworks provide for a clear and well know principles)~~acquis and supervisory writings, a letter-box arises where substance and decision-making retained in the EU are insufficient relative to the scope of delegated/allocated tasks~~. A crisp definition and indicators (e.g., internal control ownership, retained expertise, decision rights) would translate coherently to trading-venue supervision and avoid regulatory arbitrage. • Second, it is important to drive a harmonised concept of "outsourcing" across EMIR, MAR, DORA and other sectoral laws, or at minimum to publish Level-2/Level-3 cross-references that reconcile scope and terminology. Today, DORA regulates ICT third-party risk, registers of ICT arrangements, and contract content and oversight, including for trading venues, CCPs and CSDs, but it does not replace non-ICT outsourcing concepts; meanwhile MAR focuses on market-abuse controls and does not define outsourcing at all. A cross-framework note should spell out when an arrangement is (i) an ICT third-party relationship under DORA (Article 28 et seq.), (ii) an outsourcing under sectoral law, and (iii) an intra-group allocation that remains not-outsourcing only if EU-located and meeting MiFIR Title Ia conditions; this would close interpretive gaps flagged by Member States in the Presidency paper.

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	• Third, it is also important to clarify the treatment of non-EU intra-group allocations. Under the Presidency text, only EU-located group allocations qualify as not-outsourcing; by contrast, non-EU intra-group arrangements should be treated as outsourcing and subjected to a minimum, harmonised safeguard set: (a) mandatory supervisory access and audit/on-site rights for NCAs/ESMA; (b) data-location, logging and portability clauses, including incident-reporting synchronised with DORA timelines; (c) exit/transition plans and tested playbooks; and (d) co-operation arrangements/MoUs where local law could impede access. These safeguards mirror DORA's contract controls for ICT and the EBA Outsourcing Guidelines' expectations on intra-group outsourcing (registers, oversight, exit), and would keep EU venues' control environment consistent irrespective of corporate geography. ~~Finally, to eliminate definitional drift,~~This may take among other the form of ~~we propose an~~ a Annexed alignment package: (1) a MiFID/MiFIR "substance test" referencing the above letter-box indicators; (2) a consolidated glossary mapping "outsourcing," "delegation," "ICT services," and "intra-group allocation," with DORA Article 28 cross-links and examples of what is/what is not an ICT service (per the Commission's clarification issued in 2025); and (3) a once-only notification to NCAs for critical-function intra-group allocations (EU-located), plus full outsourcing notifications where non-EU entities are involved. This calibrated package would preserve the proposal's proportionality for EU-based group models while ensuring coherent, enforceable definitions across MiFIR/EMIR/MAR/DORA for all market operators, including those serving small or less-liquid markets and dispel any remaining ambiguity.~~.~~ NL

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	(Comments): Yes, we have no objection to outsourcing to an entity belonging to the same group within the EU without prejudice to the application of DORA. PL (Comments): *We fully agree with the Commission's proposal on intra-group arrangements and consider it sufficient. We do not see a justified need to impose additional requirements on trading venues, including additional reporting or notification obligations. Requiring notifications for every intra group arrangement could be counterproductive, as it may reduce flexibility and discourage more efficient internal allocation of resources or functions within groups.* PT (Comments): We are sympathetic with the proposal presented by the Commission on the use of intra-group arrangements for the reliance of functions within entities of the same group, given the efficiency gains it could entail. Nevertheless, we see merit in some of the aspects raised in the discussion paper, inter alia, further streamlining in order to ensure alignment with other regimes to ensure regulatory cohesion as well as further transparency with notifications to the competent authorities with a clear indication of the importance of such functions. RO (Comments): Yes, we agree.

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	SE (Comments): SE comment: We would welcome a clarification about the activities considered in this proposal. We agree that an obligation to notify the competent authority should be added. The notification should contain a description of any conflicts of interest and how they are addressed, as well as information on the identity of the service provider. The relation between the proposal and Dora should also be addressed. SK (Comments): We support intra-group arrangements under the prerequisite they are fully notified to the national competent authority.
Q6: Do MS support the PEMO regime as proposed by the Commission taking into consideration the clarifications provided?	AT (Comments): We support the introduction of a voluntary PEMO regime. However, we ask for clarifications (see also our answers to Q7 and Q10). With regard to group structures, we do not consider the concerns outlined in the discussion paper to have been conclusively addressed: Naturally, PEMO, as a legal entity, cannot simultaneously hold a license as an investment firm. However, we cannot clearly discern from the Commission's proposal why another group member should not be permitted to obtain a license as an investment firm. BE (Comments): We do not oppose the PEMO regime but consider that the supervision of PEMOs should build more on the expertise of the relevant NCAs and give a more important role to the relevant NCAs.

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	CZ (Comments): *In principle we **support the PEMO regime as a voluntary "single-licence" option**. Still, even with the clarifications provided, we consider that some key elements should be clarified for legal certainty. Like division of powers to NSA in case of PEMO.* DE (Comments): The PEMO concept could be in general an attractive option to voluntary oprate under a ESMA regime. At the monent, it raises questions regarding the cross-border operation of trading venues as well as regarding the strict legal limitations for supervisory centralization that require further clarifications (see below). DK (Comments): Overall, Denmark considers that centralized supervision of trading venues – whether they are labelled as significant or PEMO – may be merited when it is clearly demonstrated, that it provides added value, and that supervision continues to be risk based and non-bureaucratic. At the moment, we are still assessing whether this is the case with the proposal at hand. More concretely, we worry if the proposal could lead to the closing of national regulated markets, as this could have detrimental implications for national ecosystems. We support the idea that national legislation and inappropriate supervisory practices should not prevent groups who are operating marketplaces in several Member States from achieving efficiency gains by pooling functions and outsourcing the technical operation of the marketplace. However, this should be balanced with the need to ensure that the marketplace is operated in a safe and appropriate manner. In particular, we

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	are concerned about whether costs for the industry will increase, and how ESMA would handle a major failure which could have significant consequences for a member state. Some general remarks regarding ESMA overtaking the supervisory responsibility for a whole group including CSDs, CCPs and trading venues: • Transferring supervision of an entire group (including trading venues, CSDs, and CCPs) to ESMA solely because one entity is significant may be inappropriate, as supervisory synergies between these entities are limited and they are subject to different regulatory frameworks. • This is especially the case, if one entity primarily serves a national market. ESMA may not sufficiently consider national circumstances or specificities, which could undermine effective, risk-based supervision. Transaction reporting If, in the future, there might be less trading venues, and both the trading venue and most liquid market of a financial instrument might be far from the issuers and the investors. Also the CA might be transferred to ESMA. In order for NCA to be able to maintain an effective market surveillance we deem et necessary to add to MiFIR Article 26 the following in order to ensure sufficient and consolidated data for a given financial instrument: *in the second subparagraph point (e) and (f) is added:* *(e) the competent authority designated in accordance with article 22 of Regulation (EU) No 596/2014 responsible for supervision of the companies and nationals on its territory* *(f) the competent authority situated in the member state where the issuers headquarter is located.*

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	This means that a CA will have the necessary data for conducting an efficient surveillance. We deem that the costs associated with this are very limited, as is only requires minimal changes to NCAs systems, and that the necessary data (nationality and country of head quarter) is already available today (from national ID and from the established links to GLEIF). Denmark underlines that the proposed change will not affect the companies concerned in terms of reporting requirements. ES (Comments): Support. FI (Comments): We support. However, if there was a possibility to grant PEMO status so that local trading venues could keep separate legal entities, that might be useful. FR (Comments): We support the PEMO regime as proposed by the Commission GR (Comments): EL: We recognize the objective of the proposed framework for Pan-European Market Operators (PEMOs), in particular its aim to simplify supervisory arrangements, reduce operational complexity and facilitate cross-border activity within the Union. At the same time, particular attention should be given to the definition and application of the concept of "significant trading venue", especially where this may

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	entail direct EU-level supervision. It is essential that the definition of significance captures genuine cross-border relevance and does not inadvertently bring domestically focused or smaller markets under direct EU supervision. HU (Comments): PEMO poses a potential risk to the development of smaller capital markets, since large and capital-intensive players may disrupt local ecosystems. Although in theory greater competition may lead to certain efficiency gains, this should not come at the expense of the development of local primary markets, in particular local SMEs' access to capital market financing. IE (Comments): ***IE*** – we are broadly supportive of the introduction of the PEMO regime however we remain of the view that we do not support central supervision of such entities and instead we prefer to see an NCA-led supervisory approach, albeit with an enhanced role for supervisory colleges. We note that the regime appears to be applicable to the the business model currently applied by Market Operators, i.e. it would not be appropriate for investment firm-type activities (other than operation of an MTF/OTF). We would welcome further clarity regarding whether a PEMO may hold any additional licences and/or any restrictions thereto. We are of the view that any market operators who meet the significance threhsold will likely apply for the PEMO regime. This implies that any remaining significant venue operators will be investment firms operating MTFs / OTFs.

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	Given this likelihood, we note that introducing two new regimes (signficant groups and PEMOs) at this time goes against the principle of simplification. Have any alternative approaches been considered, e.g. introducing only one new regime (based on PEMO) with both mandatory and voluntary entry mechanisms? We remain of the view that a collegiate model of supervision will be required in order to address the aspects of supervision that remain within national competence (e.g. market surveillance and DORA) in a consistent, structured manner. Co-ordination via such colleges is particularly important in crisis / acute market stress scenarios, and can be used as a framework for defining clarity of supervision mandates (i.e. role of the lead supervision and other NCAs). Lastly, our comments in relation to prudential and corporate governance standards for MOs/RMs are also relevant to PEMOs. IT (Comments): IT: We reiterate our comments already shared during the previous CWP. While **we understand the objectives of the PEMO regime to simplify group structures**, and we support simplifications for group operators, **we have serious concerns as regard the current proposal** that gives rise to a number of policy and legal considerations that merit careful assessment. **We believe that the proposed regime should at least be improved by taking into account not only the legitimate interest of market operators in pursuing the most efficient business strategies, but also the public interests at stake and the need to ensure effective supervision across the Union**, while also carefully assessing the continuity and legal implications

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	that certain activation mechanisms of the regime may entail — including potential effects on the regulatory status of listed issuers and other legal consequences that do not appear to have been fully considered in the proposal. It is also of utmost importance to consider that trading venues play very important functions at the national level and they operate within specific domestic legal and market contexts. In addition, it may also not have been fully considered that obliging a group to operate only through branches or the freedom to provide services may have unintended consequences and we are not aware of other pieces of financial services legislation including similar provisions for groups. There may be good reasons why some entities of a group need to be established in a MS. If a PEMO wishes to buy an additional trading venue, according to the proposal, the PEMO would need to obtain a written statement from the market operator of such a trading venue stating that it is willing to entrust the PEMO with its activities. We wonder what would happen in case the market operator in question would not want to submit the statement, or its national authorities would not be in favour. We think this situation is not un-realistic and could end up with a loss of business opportunities (the local market could be sold to someone else). In this respect, we note that big banking groups, for example, operate through both subsidiaries (i.e., locally incorporated companies) and branches and this has not prevented their development and global reach. All these considerations, in our view, justify and support maintaining **an effective presence in the Member States where the PEMO operates a regulated market**, which could be ensured at least by **the presence of local branches with significant functions**. Such a structure would, in our opinion, be **aligned with the principles embedded in Treaties**, as it would be

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	proportionate and justified in light of the public interest involved and the role of regulated markets within the broader local financial ecosystem. Indeed, as already noted, the operation of a regulated market is closely linked to the application of national laws that are not fully harmonised and it is inherently interlinked with tasks attributed to NCAs (such as market abuse prevention and detection, the oversight of transparency obligations applicable to listed entities and residual national listing requirements, emergency intervention powers). **Allowing a regulated market to be operated solely under the freedom to provide services, without any physical presence in the Member State where the market is deemed to be situated or operated, would make it extremely difficult, if not impossible, for NCAs to perform their tasks. Such a situation would weaken market integrity and investor protection, as well as the ability of NCAs to tackle difficult situations which would still have significant repercussions at the national level. All this would run counter to the underlying objective of the PEMO, which is expressly intended to preserve local presence in recognition of its importance for both issuers and investors.** These **concerns are further amplified at the authorisation stage, due to the lack of an involvement of national competent authorities in the decision-making process**. The absence of mechanisms for a structured participation of "host" authorities, not least to grant the continuity of local markets, may generate legal issues, including potential impacts on the status of listed issuers and on the protection of domestic investors. Therefore, appropriate involvement of NCAs must be ensured and mechanisms to this purpose must be provided for in L1. Another fundamental issue in the proposal is the lack of clarity around what would happen should ESMA withdraw the authorization of a PEMO. As all

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	financial market infrastructures, it is essential that markets continue operating and there must be provisions to enable them to do so even in case of withdrawal of the authorisation of the market operator. This is a typical example of a critical situation of financial market infrastructures, which the proposal does not seem to address. In Italy we have relevant provisions in the national law, whereby national competent authorities are involved, for instance, in looking for alternative market operators to take on the business, or appointing a temporary administrator. The legislative text must be integrated with specific provisions to account for this situation. There should be provisions attributing specific functions to ESMA or clarifying that for each trading venue operated by the PEMO the national regime where a TV is deemed to be situated or operated would apply (i.e., the national authorities would face the situation and find an alternative market operator for their trading venues), or a combination of both. Other issues: From a prudential perspective, we wonder how the financial resources required by Mifir would be calculated for a PEMO. Today, this requirement concerns each market operator of a group. Tomorrow, with the PEMO, it is not clear how the perspective of the whole group (with the related operating costs and risks) would be taken into account in the calculation of financial resources (which will form the object of a new RTS). The PEMO regime should not end up lowering the prudential standards. We would also like to ask the Commission its views as to any forum shopping phenomena associated with the PEMO regime: has this aspect been assessed? In light of all the above, we reiterate our view that the PEMO regime should be made conditional upon the cumulative fulfilment of the following elements:

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	• **the establishment of reinforced supervisory colleges, with a key role played by ESMA, and JSTs**, ensuring joint supervision, a clear allocation of responsibilities and an effective alignment between decision-making powers and operational intervention capabilities; in line with our general position on the supervision topic, we do not believe that it is appropriate to split completely the supervision of the market operator from the supervision on the platforms: this supervisory system would be sub-optimal because the supervision of the market operator is strictly linked to the supervision of the trading venue; supervisory decisions on the market operator can thus have significant repercussions on the way a platform is managed and thus also significant repercussions for the national authorities and national ecosystems. On the structure of such colleges we will articulate better going forward. • the **retention by national authorities of appropriate supervisory responsibilities, including at the time of authorisation. over PEMO branches to avoid a disconnection between NCA's market surveillance tasks and actual ability to supervise the market; <u>the branch should maintain decision-making capabilities and resources to perform critical functions</u>** (such as, for instance, listing and market surveillance) also with a view to avoid pure letter-box entity, in order to preserve proximity , knowledge of local conditions and effective safeguards for market integrity, emergency intervention and investor protection; • **objective, transparent and binding access criteria**, not based solely on voluntary choice, anchored to the genuine cross-border nature of the activities performed; any access criteria should involve national competent authorities; • **appropriate ex post assessment mechanisms**, designed to monitor the effects of the PEMO regime on market structure, competition and

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	the allocation of supervisory competences, supported by review clauses allowing for adjustments where necessary. LU (Comments): The core objective of the SIU is to build a financial ecosystem capable of channelling household savings towards European companies and productive investments. However, we remain sceptical that the PEMO regime is aligned with this objective, noting that such platform-based operating models do not foster the emergence of trading venues that are fully embedded in local ecosystems (in view of serving local businesses' specific funding needs), and give rise to questions with regard to their longer-term commitment to serve investors. LV (Comments): No. Overall, this whole PEMO concept is still unclear. Is such a structure really necessary if the passporting regime is properly arranged? Moreover, from the explanation it seemed that a PEMO would also be able to passport one of its regulated market operator to another Member State, which makes this combination even more complex. MT (Comments): The proposal creates a single ESMA licence for an operator to run multiple venues in multiple MS (PEMO), while keeping each venue locally "anchored" for non-harmonised law; ESMA directly supervises the PEMO.

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	Malta supports in principle, as this can bring scale and liquidity to ~~small~~ less developed markets (e.g., subsidiarity, proportionality, recognition of the right of smaller MS to build capacity as per TFEU), provided ESMA–PEMO–NSA tripartite run-books and data-sharing SLAs are mandated to avoid supervisory gaps and to preserve local market-integrity and DORA oversight. We would support, to ensure coherence across the different sectoral legislations in particular as many of those groups may carry-out several types of activities, a similar arrangement implemented within the Banking Union framework were for Banking groups supervised directly by the ECB, national relevant NCAs are closely associated to the process. NL (Comments): Yes, we support the introduction of a PEMO regime in order to reduce costs and increase economic efficiencies for entities that operate local markets in more than one MS. PL (Comments): *We acknowledge the Commission's objective of fostering greater market integration and supervisory convergence within the EU. However, we approach the proposed PEMO regime with caution.* *From our perspective, while further integration may enhance cross-border efficiencies, the introduction of the PEMO framework raises some concerns regarding market structure balance, liquidity concentration and the long-term viability of smaller and mid-sized regulated markets.*

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	In particular: *1) Impact on market structure and liquidity distribution:* *PEMO regime may accelerate liquidity migration towards a limited number of large cross-border infrastructures* *This could structurally weaken local markets, especially in smaller Member States* *Liquidity concentration may reduce issuer visibility and investor access to domestic markets.* *2) Level playing field considerations* *The regime may create asymmetric competitive conditions between PEMOs and nationally licensed exchanges* *If supervisory, capital, governance or operational requirements differ, this may distort competition rather than enhance integration* *The framework must ensure full regulatory symmetry* *3) Supervision and accountability* *Centralized or hybrid supervision must preserve clear lines for accountability* *National competent authorities must retain effective oversight over activities materially impacting domestic financial stability* *Any supervisory reallocation should avoid fragmentation of responsibility in crisis situations* *4) Strategic autonomy and financial stability* *National exchanges play a role in financing domestic economies, SME access to capital and public policy objectives*

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	- *Excessive centralization of trading infrastructure could weaken the resilience and diversification of the EU financial ecosystem* *Therefore, we consider that, before any final decision is taken, additional analyses and further clarification of the regulatory implications are necessary, in particular with regard to local market ecosystems and on SMEs' access to finance.* *We could support further exploration of the PEMO regime provided that:* - *Existing regulated markets are not competitively disadvantaged* - *Safeguards against liquidity extraction from smaller marker are introduced* - *Supervisory competences are clearly define and preserve national financial stability mandates* - *Impact assessments demonstrate net benefits for capital formation process across all Member States, not only core markets.* PT (Comments): We welcome the Commission's proposal, and we hope the goal of strengthening the development of a genuine local presence is truly achieved. RO

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	(Comments): Yes, we support the PEMO regime. SE (Comments): SE comment: Before we can form a position about the PEMO regime, we deem it necessary to clarify how national competent authorities will have influence and insight into the considerations, interpretations and decisions in the ongoing supervision and authorisation of PEMOs, as discussed in the CWT on March 4. As an alternative to centralised supervision, we are open to explore the establishment of supervisory colleges or joint supervisory teams. Such models could contribute to supervisory convergence and a level playing field in relation to trading venues that continue to fall under national supervision. However, should the negotiations result in Esma supervision, transitional provisions and a phased-in approach should be considered, as it will take time for Esma to build up necessary competence and resources. Furthermore, irrespective of the PEMO supervision, to ensure effective national supervision of trading venues in a PEMO structure, it is important that national authorities are provided with the necessary information and tools to ensure supervision and detection of market abuse or other risks and are able to take swift action to remedy the situation. This is also important to ensure we have an efficient supervision structure in EU, avoiding duplication and unnecessary costs. SK (Comments): We generally support concept of PEMO as optional regime. But the rules and operation of PEMO have to be described in more details. We support voluntary PEMO. Applicable law for PEMO regime is not clear. Withdrawal of licence for PEMO is absent.

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Q7: Do MS consider that the PEMO regime provides for sufficient clarity on the applicable law? If not, how could it be clarified further?	AT (Comments): We ask for clarification that the applicable law for trading venues of a PEMO includes national rules on matters that are not yet harmonized at EU level, such as administrative rules on the admission of financial instruments to trading. BE (Comments): We welcome the clarifications on the applicable law. However, we believe certain elements would benefit from further refinement to ensure legal certainty and a level playing field. Following the Presidency's note, it appears that, for existing trading venues, the rule is relatively clear: the "nationality" of the trading venue remains that of the MS in which it originally obtained its authorisation. Consequently, the national law of that MS would continue to apply, particularly with regard to sanctions for breaches of the Market Abuse Regulation (MAR). However, we would like to raise a point that, in our view, remains insufficiently clear in relation to new trading venues created ex nihilo by a PEMO. To take a concrete example: an operator such as Euronext could become a PEMO and subsequently establish a new trading venue targeting the Belgian market, while operating it under the freedom to provide services from another MS. In such a scenario, Article 2ze appears to allow the PEMO, at the moment of authorisation, to choose the MS in which the trading venue is deemed to be situated or operated. Yet the provision does not set out objective connecting criteria, nor does it provide an explicit mandate for ESMA to assess the appropriateness of that choice. This gives rise, at a minimum, to legal uncertainty and, potentially, to a risk of forum shopping in areas that are not fully harmonised at Union level.

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	We would therefore suggest clarifying the text in order to (i) frame the choice of the MS of connection for new trading venues on the basis of objective criteria, and (ii) specify ESMA's role in validating that connection. CZ (Comments): *Despite the additional explanations, the PEMO regime does not yet provide sufficient clarity regarding the determination and practical application of the "Member State where the trading venue is considered to be situated or operated", particularly in areas not fully harmonised by EU law. Also allow me to note that very similar phrase was considered confusing in CSDR (art. 49, page 12 of CSDR non-paper). So, in case of CSDR, it is considered too confusing and needs to be abolished and here it is providing legal clarity? Also further clarification is needed in relation to the NSA – who will be doing what? In general, we support the voluntary model, but much more clarification is needed.* DE (Comments): On the basis of the explanations provided in the PCY Discussion Paper and by the Commission in the CWG meeting we understand that a PEMO operating trading venues in severals MS would be required to set up operations in every MS where it intends to operate a trading venue. As a consequence, for matters not covered by directly applicable Union law the national law governing the trading conducted under the systems of a trading venue operated by a PEMO (including public law) shall be that of the Member State where the trading venue is deemed to be situated or operated. This would imply that national public law requirements on the operation of regulated markets continue to apply. In addition, for each trading venue that the PEMO operates, it would be subject to the market surveillance of the national surveillance authority of the MS where the market is operated.

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	Art. 2ze draft MiFIR should be amended as indicated in the answer to question 8. DK (Comments): Denmark considers the applicable law around the PEMO reasonably clear. Furthermore, we appreciate the clarification that national requirements regarding listing, approval of prospectuses and corporate law would continue to apply. ES (Comments): clarification would be welcome regarding the reference to the preservation of the nationality of the local market and the continued application of national rules (takeover, tax rules, etc.). We refer to the part of the statement in the Commission's proposal, quoted by the Presidency, that says that the local markets 'would continue to be deemed to be located or operated in the MS where they were initially authorized'. FR (Comments): We would like to see, however, increased clarity on the grand-fathering clause, which specifies that trading venues shall be deemed situated in the Member States where they have been initially authorized. GR (Comments): EL: We consider that it is important to ensure a clear and well-defined allocation of responsibilities between ESMA and national competent authorities, to avoid overlaps, duplication of supervisory tasks, or legal uncertainty. More specifically, it

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	would be helpful to clarify the new scheme and the extent to which collaboration with national competent authorities is envisaged under the proposed framework, taking into account the expertise and knowledge of national specificities, to accomplish the objective of the proposed new centralized supervisory framework . IE (Comments): ***IE*** - We welcome the clarity provided by the Presidency on the applicable law, specifically that the national requirements of the MS in which a trading venue that is operated by a PEMO is deemed to be situated will apply to that trading venue, for instance with regard to listing rules, sanctions of breaches of MAR etc., although we reserve scrutiny in terms of how this will interact with our national law. As certain roles will remain for national MS supervision, can a clear inventory of these roles be provided? Can an ESMA / ESAP register specify the applicable NCA / NSA for each venue? As noted above, we consider that a collegiate model of supervision would appear to still be required in order to address those aspects of the supervision that remain within national competence (e.g. market surveillance and DORA) in a consistent, structured manner. This is particularly important in an acute market stress or crisis scenario, as is clarity of supervision mandates between the lead supervisor and other supervisory authorities. IT (Comments): IT: The idea of determining the territory where a given trading venue is deemed to be situated or operated, which stems from the lack of legal personality in the individual Member States, needs further analysis from a legal perspective

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	to understand the relevant implications and how it would work in practice. We are also wondering about any forum shopping phenomena. In general, we are still of the view that greater clarity on various aspects would be beneficial. We appreciate the initial clarifications in the Discussion Paper regarding certain elements of national legislation that would remain applicable, and we acknowledge the indications already provided in Recital 34. Nevertheless, we believe that additional clarity should be included directly in the legal text. In particular, it should be clarified - consistent with Directive (EU) 2024/2811 - that where a PEMO operates a regulated market in a Member State that prescribes a dedicated regime for admission to official listing on stock exchanges, that national regime continues to apply. All in all, we wonder whether the "branchification" of the group of trading venues raises more issues than it solves. LV (Comments): No. This should be scrutinized in relation to MAR, MiFIR, National legal acts. MT (Comments): Under the PEMO licence, each venue is deemed situated/operated in a specified MS, and that MS's national overlays (~~listing~~corporate and tax laws for instance or any other ~~, governance, sanctions~~ where not harmonised) continue to apply; existing venues retain their local ~~nationality if~~ anchoring where taken over. ~~Malta~~ MT supports the principle should ~~but requests a public~~ ESMA publish a "venue-map" listing each PEMO venue and its deemed MS, to give clear

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	legal anchoring to issuers, ~~and~~ investors operating in or through ~~small markets like ours.~~ those entities. NL (Comments): Yes. PL (Comments): *We acknowledge that the proposal rather establishes an explicit framework for determining the applicable law under the PEMO regime.* *First, for regulated markets in general, the proposal clearly provides that transactions executed on a regulated markets are governed by the public law of the Member State in which the regulated market is located or operated. This constitutes a clear baseline rule.* *Second, the proposal introduces a specific rule for PEMO. In matters not governed by directly applicable EU law, the national law applicable to trading in a system operated by a PEMO is the law of the Member State in which that system is deemed to be located or operated, The PEMO is required to designate for each system, the Member State in which the system is deemed to be located or operated, and this designation is reflected in ESMA's register. The explanatory provisions further clarify that this*

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	mechanism aims to ensure legal certainty in areas that are not fully harmonized at EU level. *On that basis, the proposal provides a structured and identifiable applicable-law framework.* *However, in order to further strengthen legal certainty and ensure consistent application across Member States, additional clarification could be considered in two areas:* *1. Criteria for determining the Member State in which a PEMO system is "deemed to be located or operated".* *The proposal indicates that the determination may depend on how the PEMO chooses to offer its trading system to issuers or to members and participants. While this approach provides flexibility, greater precision on the objective criteria guiding that designation could enhance predictability and prevent divergent interpretations. Clarifying the parameters or supervisory checks applicable to such designation would reinforce transparency and consistency.* *2. Scope of matters governed by national law in the PEMO context* *The proposal links the applicable national law to matters related to trading that are not directly harmonized at EU level. For the avoidance of doubt, further high-level clarification of the types of*

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	regulatory areas falling within that category could support uniform interpretation across jurisdictions. PT (Comments): Whilst we welcome the Commission's proposal, we share the concerns raised regarding the determination of the applicable law, in particular under Article 2ze(2). By stating that the PEMO, at the moment of authorisation has to indicate where the trading venues are deemed to be located, it seems to indicate that the PEMO operator can freely choose where the trading venues are located which we understand it is not the intention – this is of course in relation to already existent trading venues. The article should therefore be clearer that the PEMO cannot freely choose where the trading venues are located at the moment of authorisation or afterwards. The drafting could be improved by using a different formulation instead of "deemed to be". The procedure for extension of authorisation of the PEMO is also complex. We do not see the need for a statement from the market operator or investment firm which is not part of the PEMO group saying that it intends to transfer the operation of the trading venue to the PEMO does not make much sense. At what time should such a statement be produced? At the moment the respective shareholders agree to the merger? After the latter is approved by competition authorities? And what happens if the extension of authorisation is denied? In our view the PEMO should be able to acquire another market operator or trading venue as it does today, but the conversion or dissolution of the acquired market operator should only be done at a later stage once ESMA is satisfied that the acquired trading venue will operate smoothly under the PEMO regime. This approach is similar to the one foreseen in other contexts of the MISP's proposal, namely for the transition process between national and ESMA supervision.

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	The division of competences between ESMA and the NSAs must be clearly outlined in level 1. The question of supervisory fees that might be due to NSA for their supervision of the trading venues must also be discussed. Indeed, it must be clear if that activity is supposed to be refunded by ESMA or should the NSA charge that service to the PEMO directly – and if so, how would this happen in practice, as the PEMO will not be supervised by the NSA's where its trading venues operate? Finally, we question the need of an ESMA register for PEMOs. In our view ESAP should become the predominant platform for public available information. ESMA register is funded by NCA contribution and this multiplication of ESMA registers with ESAP represents an undue cost and reporting burden, which is not justified. RO (Comments): For the moment, we have not identified any issues that require further clarification. SE (Comments): SE comment: We welcome a clarification regarding what Member State is referred to by the Member State where a regulated market is "situated". Any other clarifications regarding applicable law will lead to increased clarity. Furthermore, it should be clarified that there is no corresponding group criterion in the proposed PEMO regime as in the regime for significant trading venues. SK (Comments): The conflicts between PEMO regimen and national laws have to be removed. We recommend reconsidering also the use of the 28th regime envisaged. The

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	PEMO structure has to be clarified in relation to standard passporting regime as well as existing authorisations of regulated markets. It is not clear what impact should have PEMO on smaller capital markets.
Q8: Do MS find the interplay between the PEMO regime for the cross-border operation of a trading venue and the 'standard' passporting regime for trading venues sufficiently clear? If no, how would MS clarify it?	AT (Comments): Yes, we find the interplay between the PEMO regime for the cross-border operation of a trading venue and the 'standard' passporting regime for trading venues sufficiently clear. BE (Comments): The explanation provided in the paper of the Presidency clarifies the difference between the PEMO regime for the cross-border operation of a trading venue and the 'standard' passporting regime for trading venues. Such clarification could be reflected in a recital. CZ (Comments): *As we understand it, the PEMO model restructures how multiple venues may be operated across Member States under a single authorisation.* *We are still not sure about the cross-border functioning of PEMO. – however, it might stem from our doubts regarding the new passporting regime as proposed by Commission for trading venues.* *In our view, there is no reason why PEMO should not also use the passporting regime (applicable for other operators) in case it wants to provide services in other state then is in the PEMO licence (as a branch), but we support the idea that PEMO to open RM at other MSs that is original RM is some interesting features. WE would need just little bit more clarification who will supervise in which RM MAR who will be approving prospects and who will supervised DORA and AML.*

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	Also we find passporting of trading venue to some extend going beyond of what is necessary. In our view eg. Provide access to client from other MS should not fall under passporting as it is not cross-border provision of services but de facto migrating client (it is the client who has a cross-border activity, not the operator). *We would also appreciate a clarification who benefits from the passporting – the operator of PEMO or the trading venue.* DE (Comments): On the basis of the explanations provided in the PCY Discussion Paper and by the Commission in the CWG meeting we understand that a PEMO operating trading venues in severals MS would be required to set up operations in every MS where it intends to operate a trading venue. This is without prejudice to make use of the passporting rights under Art. 2o and 2w draft MiFIR. As a consequence, a PEMO would NOT be able • to operate a trading venue in another MS on the basis of cross-border provision of services or of setting up a branch. • to determine for the operation of a trading venue another MS than the MS where the trading venue is actually operated. Art. 2ze draft MiFIR should therefore be amended as follows: "1. **Withou prejudice to to the public law of the Member State where a relevant trading venue is situated or operated,** Member States shall, without further legal or administrative requirements, allow a PEMO that is authorised pursuant to Article 2za to operate trading venues on their territory~~, through the freedom to provide services or through setting up a branch,~~ provided that the operation of those trading venues is covered by the authorisation of the PEMO.

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	2. The PEMO shall determine, in the application for authorisation pursuant to Article 2zb, or in the request for extension of the authorisation pursuant to Article 2za(3), for each trading venue that it intends to operate, the Member State in the territory of which the trading venue shall be ~~deemed to be~~ situated or operated. In cases where a PEMO becomes the operator of a trading venue that is already authorised, that trading venue shall be ~~deemed to be~~ situated or operated in the territory of the Member State where that trading venue was initially authorised. For matters not covered by directly applicable Union law, the national law governing the trading conducted under the systems of a trading venue operated by a PEMO shall be that of the Member State where the trading venue is ~~deemed to be~~ situated or operated." DK (Comments): Denmark considers the distinction between PEMO and passporting rights for trading venues sufficiently clear. ES (Comments): Yes. FR (Comments): We find this interplay sufficiently clear. GR (Comments): EL: Yes, we would welcome further clarification, especially regarding the MAD regime or national regimes for local issuers. It is important to ensure that there is no interaction, providing the appropriate legal clarity for the market participants.

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	IE (Comments): ***IE***- further to our prior commentary on passporting for MOs / PEMOs (see Q4) and the potential application of a freedom of establishment regime for cross-border branches, we would like to see transparency on the MS in which a PEMO actually operates (e.g. an ESMA / ESAP register). IT (Comments): IT: We appreciate the clarification provided in the Discussion Paper regarding the interplay between the passporting rights for PEMOs under Article 2za and those available to trading venues under Articles 2o and 2w. However, **we would welcome further clarification on the difference, if any, between the proposed PEMO regime and the "standard" regime under Article 2a**. Indeed, **based on Article 2a (as further explained by Recital 32), it already appears possible for a market operator established in Member State A to seek authorisation to operate a regulated market in Member State B**. **If this interpretation is correct, the distinction between the two regimes becomes less clear**, despite their different regulatory requirements and supervisory frameworks. As we have already mentioned in the previous section, **we do not believe that it should be possible to achieve the same or very similar results compared to the PEMO regime, under the "standard" regime**. This would create the **risk of regulatory arbitrage**, since the standard regime, notably in terms of supervision is not identical to the one proposed for PEMOs. Therefore, we would appreciate additional clarification on the rationale for having two separate regimes which might pursue very similar results; please see also our comment above that

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	constraining the structure of a group in the sense of eliminating the possibility of operating through establishments might not be future proof. LU (Comments): No, please see clarification request on question 4. We request written input by the Commission on that matter. LV (Comments): No. MT (Comments): The text distinguishes PEMO (authority to operate other venues) from passporting (remote access to the same venue) and confirms a PEMO may still passport each venue under Articles 2o/2w. Please refer to Q1 in relation to passporting/establishment/mere technical support. Again, MT fails to understand how accessing a trading venue on its own initiative from another MS amounts to "passporting"? For the avoidance of doubt, when a client on its own initiative contacts an IF in another MS, the IF can provide the requested services without having to notify its home MS of services on cross-border basis. MT expressively requests that those concepts are clarified and the definition provided are consistent with (1) TFEU rules and (2) MiFID/MiFIR rules on passporting as well as all the other sectorial frameworks including AIFMD/UCITs. Malta would suggest to ~~supports~~ annexing a decision guide clarifying when to use each route, confirming co-existence—so operators, including those engaging with MSE, can choose the correct legal pathway without confusion.

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	NL (Comments): Yes. PL (Comments): *The proposal establishes two legally distinct frameworks for the cross-border operations of trading venues:* *The existing passporting regime applicable to nationally authorized regulated markets* *The newly introduced voluntary PEMO regime* *The proposal explicitly clarifies that the PEMO regime does not replace the existing authorization system but operates as an optional alternative. From a structural and legal standpoint, the boundary between the two regimes is therefore identifiable.* *However, clarity must also be assessed beyond formal legal architecture.* *While the legislative structure is coherent, certain elements of the practical interplay between the two regimes could benefit from further clarification in order to ensure consistent supervisory application and legal certainty across the EU.* *In particular:* *1. Supervisory allocation in cross-border environments*

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	Under the passporting regime, primary supervisory responsibility remains with the home competent authority, with notification - based coordination mechanisms. *Under the PEMO regime, ESMA becomes the authorizing authority, and, in certain cases, the competent authority for the systems operated by PEMO.* *Where both models coexist in the same market environment- i.e. where some venues operate under national authorization and others under PEMO- the proposal could further clarify:* *The operational coordination mechanisms between ESMA and national competent authorities in situations involving market abuse, transparency supervision or systematic risk monitoring.* *How supervisory convergence is ensured where comparable trading activities are subject to different supervisory centers (national vs. ESMA).* *2. Transitional and conversion mechanics* *Although the proposal provides that existing authorizations are deemed withdrawn once a system is incorporated into a PEMO structure, further clarification could enhance certainty regarding:* *Transitional arrangements for market participants during conversion* *Continuity of regulatory obligations during the shift of supervisory authority* RO

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	(Comments): For the moment, we have not identified any issues that require further clarification. SK (Comments): The clarification of these two regimes, one for PEMO and second for EU passport, have to be clarified. We would like to request clarification on How could these two regimes will behave in practice, what we can expect from them and how they could influence the local and smaller markets?
Q9: Do MS consider that the PEMO regime should remain flexible or rather subject to stricter eligibility (access) requirements? If the latter, what those requirements should be and how would it affect the uptake?	CZ (Comments): *The PEMO regime should **remain voluntary and sufficiently flexible** to make it a genuine alternative for cross-border operators.* DE (Comments): DE supports that the PEMO regime should retain sufficient flexibility, but we see a need for additional claifications along the following lines: • In order to ensure that PEMOs actually operate markets in several MS it should be clarified that the intention to do so would need to be clearly documented and accompanied by a solid business plan. • If the PEMO fails to actually operate venues in multiple MS after a specified period, the PEMO status should be revoked. There should be no PEMO that only operates venues in one Member State. DK (Comments):

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	Should the PEMO be introduced in the legislation, Denmark welcomes the voluntary nature of the PEMO regime. We do not see a need for specific access conditions to the PEMO status. ES (Comments): Support. FR (Comments): We have no particular comment here. GR (Comments): EL: We are of the view that the PEMO regime must be carefully designed to reflect genuine cross-border activity. It should ensure that access to the framework corresponds to operators with substantive cross-border relevance. IE (Comments): ***IE*** – We agree with the views expressed in the DP that the introduction of stricter eligibility (access) requirements may limit the freedom of choice of operators and interfere with the market-driven focus of the proposed regime. Similarly, for "new" PEMOs (i.e. not grandfathering PEMOs), the NCA of the MS where the PEMO is to be headquarter should also be consulted for a non-binding opinion during the authorisation application process. IT

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	(Comments): IT: As already mentioned in Q6, we believe that objective, transparent and binding access criteria, anchored to the genuine cross-border nature of the activities performed would be necessary to be included. **In any case we believe it is essential to involve the NCAs of the Member States in which trading venues operated by a PEMO are located in the processes for the PEMO's authorisation, as well as for any extension or withdrawal of such authorisation**. This becomes even more relevant where a PEMO assumes the operation of an existing trading venue, since, under the current proposal, our understanding is that the original authorisation granted by the relevant NCA would be automatically revoked, with business and legal consequences on the impacted Member States. LU (Comments): / LV (Comments): - MT (Comments): The Commission proposes a voluntary Pan European Market Operator authorisation enabling a single legal person to operate more than one trading venue in more than one Member State under a single ESMA licence while each venue remains deemed situated or operated in a specified Member State for non harmonised matters.

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	Malta supports the voluntary access model and requests that authorisation be conditioned upon operational readiness attestations covering market surveillance connectivity consolidated tape data quality incident and business continuity arrangements and resolution or transition plans on withdrawal so as to ensure orderly operation from first admission. Malta considers that such attestations should not introduce implicit size or activity thresholds that would deter uptake by smaller operators. NL (Comments): We are still analyzing this issue. PL (Comments): *We consider that the PEMO regime should remain an optional and operationally flexible framework. Flexibility is necessary to ensure that the regime can effectively contribute to market integration and cross-border efficiency, which are core objectives of the proposal. However, given that PEMO centralizes authorization at EU level and allows a single entity to operate multiple trading systems across several Member States, eligibility criteria should ensure that only entities with sufficient operational capacity, governance robustness and risk management capabilities may access the regime.* *Rather than fundamentally restricting access, we consider that the regime should incorporate proportionate but clearly defined safeguards, in particular:*

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	1. Organizational and governance robustness *Eligibility should require demonstrable capacity to manage multi-jurisdiction operations, including consolidated risk oversight and effective internal control functions at group level.* *2. Operational resilience* *Given the systematic relevance that a PEMO structure may achieve, enhanced requirements on operational resilience, IT governance should apply, beyond minimum baseline compliance.* *3. Supervisory transparency and reporting* *Entities seeking PEMO status should demonstrate the ability to ensure transparent information flows to both ESMA and relevant national competent authorities* *4. Financial soundness and capital adequacy* *Given the cross-border scale of activities, clear and harmonized capital and prudential requirements should apply to prevent regulatory arbitrage and ensure financial stability.* *The above measures should ensure that the regime does not unintentionally create competitive distortions or systemic vulnerabilities* PT (Comments): Generally speaking, we think the framework should have a degree of flexibility. However, we note that many of the elements regarding the authorisation of a PEMO are left to an ESMA RTS, which by itself seems questionable, so it is difficult to assess how burdensome will this request be in practice. We hope that the six months will be enough for ESMA to conclude

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	the assessment for authorisation. Also, ESMA should leverage on the information that NCAs have in cases where a PEMO has already a national authorisation and should not request information to the entity which can obtain from the NCA in order to streamline the process. This safeguard should be included in level 1. RO (Comments): We do not have a strong opinion yet. SE (Comments): SE comment: If the negotiations result in the PEMO regime becoming a reality, it should be a voluntary regime. SK (Comments): We should avoid regulatory arbitrage.
Q10: Do MS agree that, given the single-licence feature of the PEMO regime, a PEMO should be subject to the ESMA supervision?	AT (Comments): Yes. However, ESMA shall be obliged to work in close cooperation with the national surveillance authorities (where each trading venue of the PEMO is situated). In our opinion, this requires extensive notification requirements from ESMA to the NSAs, e.g. if there are material changes to the conditions for authorisations. BE (Comments): We consider that the supervision of PEMOs should build more on the expertise of the relevant NCAs and give a more important role to the relevant NCAs.

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	CZ (Comments): *We generally are sceptical to the ESMA supervision and especially in trading venue where the **distinction of powers between ESMA and NSA** is inconsistent. Dominant role of NCA shall be ensured especially in case of applicability of national law (eg. Corporate law) as we are not fond of ESMA applying national law as it might lead to application inconsistencies with possible judicial consequences.* *Also, clarification who supervises what is needed – **what is the interplay with supervision under MAR/DORA**/AML/Prospectus regulation **and so on**? **There is a risk of double supervision and double administrative burden due to the uncertain division of powers which goes straight against the objective of simplification and reducing administrative burden.*** DE (Comments): In view of the inherent cross-border nature of the regulatory concept, PEMO could be a candidate for ESMA supervision. However, we reiterate that there are strict limitations under European law and German constitutional law to establish EU-level supervision. In particular, supervisory centralization is only possible in exceptional cases where there are unacceptable divergencies in national supervisory practices that can only be overcome by EU-level supervision. We thank the Commission for their oral explanations on supervisory divergencies in the area of trading venues in the CWG and look forward to receiving more detailed information in writing, also against the background of the strict legal

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	limitations. It should be noted that the existence of unacceptable divergencies in national supervisory practices that can only be overcome by EU-level supervision need to be properly documented in the proposal, e.g. in the recitals. DK (Comments): Denmark would consider ESMA supervision a necessary precondition for the PEMO regime to function. Without centralized supervision, the regime could create an unlevel playfield and risk of regulatory arbitrage. As mentioned previously, we are, however, still assessing the specifics of the PEMO regime. Denmark considers that the implication of the PEMO regime needs further clarification: • For instance, it should be clarified if it is possible for a trading venue that lives up to a criterion for being a significant trading venue to instead apply to be labelled as a PEMO? • Given the proposed changes to intra-group outsourcing rules, centralized supervision for significant venues, and the new passporting arrangements for regulated markets – what are the additional difference for market operators applying for PEMO license instead? • In case of a group operating both trading venues under a PEMO license and a CSD or CCP, would the whole group be under ESMA supervision? ES (Comments): Support. FI

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	(Comments): We agree that ESMA could take the lead of the supervision. However there would still be national responsibilities for DORA and MAR supervision and some form of college for the sharing of information and understanding should be established. This should not be left to the discretion of EB of ESMA to decide based on ESMAR article 8a but there should be a clear requirement either in MIFIR or ESMAR. FR (Comments): When it comes to the interplay between PEMO and ESMA supervision, needless to say that the centralisation of regulated market licenses towards on single legal entity in one jurisdiction must be accompanied by ESMA direct supervision, as it would not be desirable to see regulated markets being supervised by foreign national competent authorities. GR (Comments): EL: We support the view that, given the single-licence nature of the PEMO regime, centralized supervision at EU level by ESMA is appropriate. At the same time, the new supervisory framework should be clearly defined and proportionate, with a well-delineated allocation of responsibilities between ESMA and national competent authorities. HU (Comments): This issue needs to be carefully considered. Duplication of regulatory and administrative burdens should be avoided, and it appears that the current proposals – for example, with regard to market surveillance – do not address this issue. At the same time, local NCAs know local markets best, and depriving them of comprehensive market surveillance powers or limiting

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	their capabilities carries significant risks. It would be very useful to have more detailed impact assessments on this sensitive issue. IE (Comments): ***IE*** – we have previously outlined our opposition to a central supervision approach re PEMOs / MOs, and note the following comments which are also relevant to this position, in the context of this specific question. We refer to prior comments that certain supervisory functions will be retained at national level and would welcome clarity on how this will apply for PEMOs. We consider that a collegiate model of supervision would still likely be required in order to address aspects of the supervision of PEMOs such as market surveillance and DORA in a consistent, structured manner. Related to this, clarity of supervision mandates between the "lead" supervisor and any other supervisors will be important, particularly during a market stress event or crisis scenario. As an aside, we have had some industry engagement on PEMOs and note there may be a desire for the ability for PEMOs to be supervised by NCAs rather than ESMA. This is not possible in the current proposals. Has any thought been given to such an approach? IT (Comments): IT: As already stated, **we do not believe that it is appropriate to split completely the supervision of the market operator from the supervision on the trading venues: this supervisory system would be sub-optimal** and would not take into account the significant impacts of the operations of regulated markets at the national level; separating the two dimensions risks

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	creating additional risks. As extensively set out in our previous comments on Article 38fa, to which we refer, **we are in favour of a different supervisory framework based on the establishment of enhanced supervisory colleges chaired by ESMA and JSTs**. In such a setting, the expertise, operational proximity, and in-depth knowledge of national markets held by the competent authorities would constitute a structural component of the supervisory process. This framework would ensure an integrated European perspective for trading venues of cross-border relevance, while at the same time preserving the effective contribution, specific expertise and accountability of national authorities. LU (Comments): No LV (Comments): No opinion at this point. See Q6. MT (Comments): The proposal places PEMOs under ESMA's direct supervision for organisational and prudential aspects while national surveillance authorities retain powers over orderly trading and market abuse for each venue deemed situated or operated in their territory. Malta supports this allocation of competences and requests binding arrangements on data sharing incident management joint decision sequencing and a clear rule on which authority acts first in emergencies (disorderly markets) in order to avoid accountability gaps in cross border situations. As already stated, given the economic importance played by

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	trading venues it is of the upmost importance that a similar arrangement implemented within the Banking Union framework were for Banking groups supervised directly by the ECB, national relevant NCAs are closely associated to the process to mitigate risks of regulatory gaming were operators would use any gaps to avoid complying with the applicable requirements jeopardising market stability and investors protections. NL (Comments): Yes, although we have some concerns about the interaction with market abuse (MAR) supervision by NCAs and the cost of supervision by ESMA, that supposedly is more expensive than supervision by NCAs. It would be helpful if the Commission could clarify this by making a comparison between future expected cost of ESMA supervision and current cost of supervision by NCAs. PL (Comments): *From our perspective, we agree in principle that the single-licence and cross-border nature of the PEMO regime justifies a strong role for ESMA, including direct supervisory competences. However, such supervision should be carefully calibrated and appropriately balanced with the role of national competent authorities (NCAs).* *Given the potential impact of PEMOs on liquidity allocation, price discovery and the competitive position of smaller and less liquid markets, NCAs must retain meaningful supervisory powers.*

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	We would support a framework in which ESMA is responsible for authorisation, core prudential supervision and oversight of cross-border risks, while national competent authorities retain clearly defined responsibilities for local market monitoring, enforcement support and investor protection. *Such a balanced approach would help avoid excessive centralisation and ensure that supervision remains grounded in local market realities.* *Where PEMO-operated systems are materially relevant for a specific national market, national authorities should have appropriate mechanisms to ensure that risks affecting the local financial ecosystem and market stability are properly monitored and addressed.* *It is essential to ensure that ESMA supervision does not result in disproportionate supervisory fees and that the allocation of costs does not disadvantage smaller markets or their participants.* PT (Comments): Given the cross-border dimension centralized supervision is welcomed. RO (Comments): Yes, we agree.

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	SK (Comments): We would support supervision of PEMO by ESMA if PEMO is adopted and if cooperation arrangements among relevant NCAs are in place.
Q11: Do MS agree that the current MiFID/R provisions on open access do not achieve the intended policy outcome (e.g. in terms of competition)? Do MS support the streamlined open access provisions as proposed by the Commission? If not, where do you see issues and how would you address them?	AT (Comments): We do not support the streamlined open access provisions as proposed. We currently see the trend that entities requesting access only clear the most attractive parts of the market (most liquid stocks), to the detriment of other market participants and in the longer run of market stability. To us it is important that making use of the right to non-discriminatory access also means accepting non-discriminatory duties and to be treated in the same way as other trading venues/CCPs already having access. Accordingly cherry picking by the requesting entity to the detriment of incumbent entities must be avoided. The authority deciding on open access needs to duly take into account the interest of both parties. In addition, we think that NCAs (instead of ESMA) with their knowledge and experience of national market participants shall decide on open access matters. If the ESMA competence on open access matters is kept, we ask for clarification on how CCPs or trading venues may appeal an ESMA decision. BE (Comments): We do not oppose further streamlining of the process. We do remain of the view that it should be the NCAs that have the lead in the examination of access conditions and that a three month period is ideal as it gives sufficient time to conduct the analyses while is not overly long.

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	To avoid any supervisory or accountability gaps (especially in scenarios where an ESMA decision might contradict or override the strict prudential supervision imposed on a CCP or a trading venue by its NCA) the Level 1 text must be amended to make ESMA's consultation with the relevant NCA(s) strictly mandatory. Furthermore, the grounds for refusing access based on "systemic risk" should not be weakened and must be clearly maintained to ensure financial stability. Finally, regarding the obligation to grant access when counterparties choose alternative interoperable CCPs (Article 36(4)), adequate safeguards must be in place to ensure this does not threaten orderly market functioning if the interoperability arrangements between those CCPs face technical or financial stress. CZ (Comments): *We acknowledge that the current open access framework has not achieved its intended competitive effects in practice and we support a targeted simplification. However, any streamlining should be* ***coherent with related sectoral legislation (in particular EMIR and CSDR)****. Grounds for refusal of access should be strictly limited to clearly defined and objectively justified risk-based criteria. The revised framework should ensure that* ***ESMA's involvement remains limited*** *to clearly defined cases of conflict or cross-border relevance, while preserving the effective role and expertise of national authorities.* *We also have doubts regarding the technical viability of 3 month deadline and we propose to prolong it at least for creation of the link and the technical work on it. Also, a provision, who will bear the cost for setting up the link is necessary, especially for cases where the access was decided by supervisor and not voluntarily by CCP/TV.* DE (Comments):

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	In view of the fundamental differences in risk profiles between the clearing of transferable securities and money-market instruments on the one hand and OTC-derivatives on the other hand, there should be further restrictions on open access for OTC-derivatives. As foreseen in Art. 8 para. 4 EMIR today, CCPs should continue to have the possibility to deny a request for open access in the area of OTC-derivatives where such access would require interoperability. To ensure legal certainty, Art. 8 para. 4 EMIR and Art. 35 para. 4 MiFIR should be aligned in this point. In addition, in line with Art. 8 para. 4 EMIR today it should be clarified that a request for open access may be denied where it would lead to liquidity fragmentation. To ensure legal certainty, Art. 8 para. 4 EMIR and Art. 35 para 4. MiFIR should be aligned in this point, too. Art. 35 para. 4 draft MiFIR should therefore be amended as follows: "4. The CCP may deny a request for access only where such access would affect the smooth and orderly functioning of the markets, **in particular due to liquidity fragmentation,** or cause systemic risk, based on a comprehensive risk assessment subject to the conditions laid down in the delegated act adopted pursuant to paragraph 6 of Article 36. **The CCP may deny a request for access in the area of OTC derivatives where such access would require interoperability**. The CCP shall not deny a request on grounds of a possible loss of revenue in respect of itself or of another entity that belongs to the same group. DK (Comments): Denmark agree that the current provisions do not achieve the intended outcome.

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	We believe that the streamlined open access provisions, together with simplified interoperability arrangements, are more effective in promoting competition. We therefore support the Commission's proposal. ES (Comments): Support. Some clarification may be warranted regarding certain **timeframes**. For example, concerning the requirement that the trading venue granting access to a CCP must ensure that access is fully operational within three months of receiving a positive response to the request for access. It may prove challenging in practice due to technical issues, especially where this is the first such request received by the trading venue. Consideration could therefore be given to allowing for an extended timeframe (e.g. six months), or for additional flexibility when there is an agreement between the parties. Clarification may also be useful regarding the allocation of **costs** when the trading venue receives a request and is required to provide access, including whether and to what extent the applicant would be expected to contribute to the costs of implementing such access. FI (Comments): We have not evidenced difficulties in open access requests, so we have no opinion on whether the policy outcome of the current provisions has been achieved.

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	FR (Comments): We fully support the Commission's ambition to strengthen the open access framework which is a key lever to promote competition between market infrastructures. In practice, the current MiFID/MiFIR provisions have not fully achieved their intended objective, and there are clear examples of friction or delays in access that do not appear to be linked to financial stability or the smooth and orderly functioning of markets. GR (Comments): EL: In our view, MiFID/R provisions are especially efficient and strict in terms of investors' protection and prudential supervision. We acknowledge though that in terms of competition, there is room for improvement. Therefore, we support the Commission's efforts to simplify the open access provisions to enhance harmonization and ensure more consistent application across Member States. We need to strike the right balance. HU (Comments): We believe that the current system is fit for purpose and allows for competition. Therefore, we believe that the amendment could cause concern and constitute unnecessary interference. IE (Comments): ***IE*** - We broadly support the proposals clarifying and streamlining access provisions. These provisions need to be considered along with the related

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	proposals in EMIR and CSDR in order to ensure they all work effectively together taking into account developments such as T+1 and with T2S. IT (Comments): IT: We believe that the rules governing access between trading and post-trading infrastructures (together, "market infrastructures") - including MiFID II/MiFIR open access provisions and MiFID provision on the CSD choice - must be considered holistically. Given the intrinsic link between trading, clearing, and settlement, these processes must account for the needs of all market infrastructures involved and of their participants. Therefore, the responses regarding the access provisions between trading venues, CCPs, and CSDs - as well as the rights of their participants – to the questions included in the documents WK 3212/2026 INIT, WK 3220/2026 INIT, and WK 3218/2026 INIT, must be jointly considered as part of a single assessment. In our view, there are still important challenges to address regarding market infrastructure access, which hinder the full realization of the MISP and SIU goals and we agree that current MiFID/MiFIR provisions on open access fail to deliver the intended policy outcomes. **These challenges originate primarily from the fragmentation of rules across multiple frameworks** - MiFID II, MiFIR, EMIR and CSDR – which resulted in overlapping requirements, inconsistent interpretations and a lack of clarity regarding third-country (TC) regimes, making the overall regime of market access difficult to apply. In this respect, **some of these proposals by the Commission represent a step in the right direction**: for example, appointing ESMA as the single decision-maker, thereby improving consistency across the EU and reducing

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	procedural complexity, although we believe that national competent authorities should be formally consulted before ESMA issues a decision and that such a decision should be based on a predefined set of criteria. **However, all in all they might prove insufficient to resolve the issues** in the current legal framework and give rise to further interpretative doubts. With specific regard to MiFIR provisions, we note that conditions for access remain largely unchanged: they emphasize the need to avoid compromising the smooth and orderly functioning of the markets and prevent systemic risk. **We believe that robust and analytical conditions for access are necessary, as they guide market infrastructures in their assessments of access requests and enable the competent authority for access - ESMA - to adopt consistent decisions.** While the differences between the conditions for access in the current legal frameworks have been largely eliminated, by setting out general principles and deferring the definition of risk assessment conditions to delegated acts, the proposed amendments fail to fully clarify this point, leaving significant room for uncertainty, including for the purposes of drafting Level 2 measures. This point is of great importance. In past cases of disagreement between parties, authorities have struggled to assess refusals of access and the competing arguments of the parties due to the absence of detailed assessment criteria. Consequently, **granting the power to issue a decision solely to ESMA – without establishing clear criteria or, at the very least, providing guidance for defining such criteria in Level 2 measures – will not eliminate the risks of delays or unjustified refusals**. Furthermore, (i) the current reference to systemic risk may be too vague as an access criterion, while (ii) the deletion of references to liquidity fragmentation does not seem appropriate, as this criterion is of paramount importance to trading venues.

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	Regarding the proposed **new Article 36(4) MiFIR on access to trading venues by interoperable CCPs**, it must be clarified how such provisions reconcile with the "preferred clearing model" currently utilized by many infrastructures, and to what extent the provision amounts to an obligation to have interoperability. In addition, the proposal does not address the issue of reciprocity, which is highly relevant, as it could allow TC CCPs to access EU trading venues, provided that an interoperability arrangement is already in place, while EU CCPs may not be granted the same rights in those TC jurisdictions. In addition, **the Commission has not proposed any amendments to Article 38 MiFIR, which continues to present interpretative uncertainties** regarding the apparent dual regime for the access of TC CCPs and TC trading venues to EU trading venues and EU CCPs, insofar as it appears to provide for: (i) basic requirements consisting of an equivalence decision pursuant to Article 28(4) MiFIR for TC trading venues and recognition under EMIR for TC CCPs for access in the case of a bilateral agreement between market infrastructures (first and second subparagraphs of Article 38(1) MiFIR); and (ii) additional requirements consisting of an EC equivalence decision pursuant to Article 38(3) MiFIR where a TC market infrastructure intends to exercise the unilateral right of access referred to in Articles 35 and 36 MiFIR. Furthermore, it would have been advisable to amend Article 38(3) MiFIR, which refers to an equivalence decision that the Commission has never adopted, thereby creating interpretative and operational challenges at the EU level. Also, as a general note, a clear definition in an EU legal act of what constitutes a request for access – and, where applicable, a refusal of access – is essential to ensure the seamless application of the legal frameworks.

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	That said, **we are proposing to reorganise the provisions** into a unique, coherent, and organic regulatory framework, which should cover all access scenarios and: • **make ESMA the sole authority responsible for handling access refusals or non-response, with mandatory, yet non-binding, consultation of national authorities**, where the latter are the competent authorities under the relevant sectoral legislation; the provision for (non-binding) opinions by competent authorities should be accompanied by an obligation for ESMA to adopt a fully reasoned decision, with an explanation that addresses the competent authorities' opinions; • **defining clearly what constitutes an access request and a refusal**; • establishing who decides the CSD for the settlement of transactions and a consistent and coordinated set of access rights for market infrastructures and their members (addressing the issues under Q12 below); • **setting uniform and detailed access conditions**, including risk assessment criteria; • **establishing a coherent TC access framework** that takes into account reciprocity constraints and ensures a level playing field between EU and TC infrastructures. LU (Comments): / LV (Comments):

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	- MT (Comments): Malta supports the streamlining of open-access requests between EU trading venues and EU CCPs, subject to firm response and operationalisation deadlines and to ESMA arbitration where access is refused or unduly delayed, and reiterates the need for express alignment with EMIR and CSDR so that definitions, refusal grounds, and timelines are coherent across trading, clearing and settlement, including in view of the EU transition to T+1 settlement. To ensure that local risk specificities are duly reflected without undermining the efficiency of a single arbitrator, Malta requests that the legal text introduce a mandatory, time-boxed, but non-binding consultation duty on ESMA to seek written input from the relevant national competent authorities and, where appropriate, the central banks of issue in every access dispute. ESMA should be required to (a) conduct the consultation in all affected jurisdictions, (b) summarise in its reasoned decision how material NCA observations were assessed, and (c) explain any departure from such observations. This addresses Member States' concerns already recorded in the Council discussions that national input must not be discretionary in access disputes. For transparency and legal certainty, Malta further requests that the Commission and ESMA publish and maintain an arbitration procedural notice that contains, at a minimum, the following uniform, Union-wide specifications: (i) Objective and exhaustive refusal criteria, framed in risk-based and evidence-based terms and cross-referenced to EMIR risk

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	standards and to CSDR settlement-efficiency objectives, so that equivalent facts yield equivalent outcomes across the Union. (ii) A uniform definition of a complete request, specifying the documents, tests and attestations that must be delivered by the requesting entity at filing, and the date upon which statutory time limits start to run. (iii) A uniform definition of a refusal, clarifying when conditional or staged access constitutes a refusal for the purpose of escalation and complaint handling. (iv) Templates for request, acknowledgement, status updates and reasoned decisions, including a standard evidence matrix for risk assessments relied upon to grant or to refuse access. Malta also requests that the final text clarify the institutional consequences of any divergence between ESMA and an NCA during arbitration. The instrument should state that an ESMA decision adopted in the exercise of its arbitration function prevails for the specific case, without prejudice to statutory appeal rights to the ESAs' joint Board of Appeal and, subsequently, to the Court of Justice of the European Union, under the ESMA Regulation; and should cross-refer to ESMA's powers on settlement of disagreements and breach of Union law to ensure a predictable sequence from mandatory consultation, to ESMA's decision, to appeal or judicial review. Finally, to avoid divergent implementation and to protect smaller market participants, Malta reiterates its request for an explicit, non-discriminatory cost-allocation framework for connectivity, testing, model adjustments and operational changes required by an access grant, including audited cost-recovery where objectively necessary adaptations are demonstrably incurred, and ESMA competence to apportion costs in case of dispute, all aligned with EMIR and cognisant of approaches discussed under CSDR.

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	At last, a specific process should be designed to address instances were ESMA is the competent supervisory authority to manage conflicts of interest arising from a situation were it will have to statute on its own decisions. NL (Comments): Yes. We are of the view that EU financial services legislation (notably MiFID II/MiFIR and CSDR) emphasizes user choice, both on the issuer side (Art 49 CSDR) for the selection of CSD and the investor side (Art 37 MiFID II) to designate a CCP or CSD, supported by the open access provisions in MiFIR and CSDR to allow non-discriminatory access to FMIs. However, we note that a variety of reasons have hampered true choice for market participants and welcome a stronger involvement for ESMA. Especially when it comes to "preferred clearing models", we see that the current provisions are not effective enough to ensure the open access as intended in the legislation. Things that might boost this effectiveness are a more harmonised supervisory approach, possibly combined with a mandate for ESMA. We support initiatives that will result in a more harmonised approach across the EU as this will ultimately allow for meaningful choice. Mandating ESMA seems a good choice as these types of requests usually pertain to cross-border situations, hence the involvement of more than one NCA. We note that for a number of jurisdictions / trading venues, currently there is no choice possible (or: very limited) even considering MiFID II, MiFIR and CSDR are 10 years into force. On a further note and from a viewpoint of strategic autonomy, we do express some concerns regarding open access by third countries. These concerns could be addressed by limiting open access to EU institutions. PL

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	(Comments): *Non-discriminatory access of CCPs to trading venues under Article 36(1) and (3) should apply only to significant trading venues. Less significant trading venues should retain the right to refuse access where such a connection would result in sustained unprofitability.* *Mandatory access may lead to fragmentation and migration of trading in the largest domestic companies from smaller local venues to significant trading venues, particularly where the latter benefit from post-trade arrangements with significant CCPs. This could reduce liquidity on less significant trading venues, increase costs for local members who are not active on larger platforms, and ultimately weaken local market infrastructures.* *Smaller and mid-sized capital markets play a crucial role in providing equity financing to domestic companies, especially SMEs and growth companies, often in local currencies. Their functioning depends on the economic viability of local trading venues, CSDs, CCPs and the broader domestic ecosystem. Reduced activity or viability of these infrastructures — due to fragmentation of turnover between local and foreign venues — would diminish the attractiveness of local markets for issuers and limit SMEs' access to domestic IPO pathways.*

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	Similarly, less significant CCPs clearing less significant trading venues should retain the right to refuse an interoperability link with a significant CCP where such an arrangement would lead to sustained unprofitability. Otherwise, smaller local capital markets — and the SME ecosystems they support — risk being significantly weakened. PT (Comments): About the streamlining proposed by the Commission, we have some concerns regarding the cases in which a CCP has denied access, the trading venue may submit a complaint to ESMA, as set out on article 35/5. In our view, If ESMA is not the supervisory authority, involving ESMA at this level rather than the national competent authority responsible for day-to-day supervision may create a regulatory accountability gap and risks weakening the authority of the competent supervisor. ESMA may, in effect, override the judgment of the authority that bears legal responsibility for the prudential oversight of the CCP. Accordingly, where the entities concerned are non-significant and subject to NCA supervision, ESMA should at minimum be required to consult and coordinate with the relevant NCA. RO (Comments): We do not have a strong opinion on achieving the intended policy outcome. We share the opinions of other MS regarding further legal clarification as to what constitutes a formal request for access and, correspondingly, what qualifies as an access refusal. SE

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	(Comments): SE comment: We support the Commission proposal. The legal text should however be aligned with the proposal in Emir and CSDR. SK (Comments): We would support open access if this request is agreed by all parties involved. Open access shall remain voluntary because it has potential to significantly increase the costs of CCPs and trading venues. Economical aspects and proportionality principle have to be properly assessed.
Q12: Do MS agree that the current MiFID provision on the CSD choice does not apply in practice? Do MS support the streamlined provision on the CSD choice as proposed by the Commission? If not, where do you see issues and how would you address them?	BE (Comments): We are of the view that there should continue to be open and non-discriminatory access. Yet, it should be still possible to deny access if the connection would lead to an unorderly functioning of the market. It is indeed correct that this is a high-level principle. We therefore do not oppose to the proposal of the Commission. We request clarification on how this streamlined provision on CSD choice (Article 34c MiFIR) will practically articulate with the 'hub and spoke' model proposed in the concurrent CSDR amendments. It is crucial to prevent any conflicting regulatory requirements or technical incompatibilities between MiFIR and CSDR. CZ (Comments): *No, as it is not working and will not possibly work in practice as CSD is not CCP. We do not see purpose for this provision as it does not provide solution and denies one of the crucial roles of CSDs and that is consistency of emission.*

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	We also have serious doubts about viability of the right to designate a CSD in case of non-euro currencies or in case of smaller CSD. We at least have to insist on alignment of CSDR and MiFIR and correlating to the new model hub and spokes DE (Comments): The Commission proposal on freedom of CSD choice would presumably lead to a multitude of interlinkages between trading venues and CSDs thereby increasing complexity, operational risk and costs for the interlinked market infrastructures. In order to improve the current situation in a meaningful and practicable way, the requirements of Article 34c MiFIR shopudl be aligned with the requirements under Article 53 CSDR. As a consequence, trading participants should only be enabled to designate a CSD that has provided access to the trading venue under CSDR. Art. 34c draft MiFIR should therefore be amended as follows: "Market operators and investment firms operating a trading venue shall offer all their members or participants the right to designate any CSD established in the Union for the settlement of transactions in financial instruments undertaken on that trading venue **where the CSD has been granted access to that trading venue pursuant Article 53 of Regulation (EU) No. 909/2014.**" DK (Comments): Denmark agrees that the current provisions on CSD choice do not apply in practice. For the provisions on freedom of CSD choice to be effective, it is necessary for the CSDs to be linked through a functioning hub and spoke model. However, Denmark is still considering the economic implications of mandatory links between CSDs.

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	Mandatory links may come with significant costs, especially on the IT side. We believe that the benefits must clearly outweigh costs, and fear that the demand for CSD links and choice may be lower than expected. There are several ways in which a transaction can be settled. This means that the establishment of CSD links does not necessarily result in increased use of these links, as market participants may choose alternative settlement methods depending on their preferences and operational considerations. Thus, there is a risk that the use of any new links is potentially over-estimated. ES (Comments): Support. FR (Comments): Regarding the freedom of CSD choice, we agree that the current provision has de facto not been applied in practice. We therefore support the Commission's proposal to strengthen and clarify this principle, extend it more broadly to trading venues, and ensure that the choice of CSD really lies with market participants rather than being indirectly imposed by trading venues. GR (Comments): EL: We support the Commission's proposal to simplify this provision, as it contributes to greater harmonization and consistency within the Union. HU

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	(Comments): In our view, the current framework is considered sufficient to promote competition, and appropriate market-based solutions are already operational, therefore the modification could cause risks and difficulties. IE (Comments): ***IE*** - Re proposals from a number of MS on mandatory consultation with the NCA of the relevant entities making an access request, we support that NCAs can provide a non-binding opinion to ESMA. In a significant group scenario, the legislation should be adequately clear re roles of NCAs and ESMA and e.g. not effectively require ESMA to consult with ESMA. IT (Comments): IT: We agree that current MiFID provisions on CSD choice can be difficult to apply in practice, due to the **fragmentation of rules** across multiple frameworks described in the answer to Q11 and, in particular, the lack of coordination between Article 37(2) MiFID and Article 53 CSDR. With regard to the proposals by the Commission, we welcome the introduction of Article 34c in MiFIR, as it shifts the obligation for regulated markets to allow members to designate the settlement system for their transactions from MiFID II to MiFIR - a Regulation directly applicable in every Member State. Furthermore, it extends this right, currently set out in Article 37(2) MiFID II, also to MTF and OTF participants. Nevertheless, it seems that some of the ambiguities inherent in the existing legal framework remain unresolved. As highlighted in the AMI-SeCo Report ("Remaining barriers to integration in securities post-trade services – issues

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	and recommendations"), the current frameworks do not explicitly grant securities account owners or principals the right to choose their preferred settlement location when multiple infrastructures are available. A clear definition in an EU legal act of who decides the settlement location (trading venues vs CCPs) is essential to ensure the seamless application of the legal frameworks. Furthermore, **the rights of trading venue members need to be coordinated with the rights of market infrastructures and, more precisely, with the links set-up of trading venues, in a way that** – contrary to what is the case today, whereby Article 37(2) MiFID and Article 53 CSDR are not coordinated – **the former rights may not be artificially restricted but risks remain properly contained**. In this respect, **the proposed new Article 34c of MiFIR seems to go too far as it eliminates altogether any condition**, without any form of coordination between the right of trading venue members and the links set-up of trading venues. Moreover, **this approach, when assigning a freedom of choice for the settlement of transactions to the trading venue participants, seems to impose all adjustment costs on the operator of the TV**, which will be all the higher the more diversified the participants' choices. **Furthermore, the operational risks for a trading venue would need to be taken into account**. **Finally, the right of trading venue members could be explicitly extended to the choice of CCPs**. That said, we believe that the resolution of the issues should entail reorganising the provisions into a unique, coherent, and organic regulatory framework, which should cover all access scenarios (in line with answer to Q11).

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	LU (Comments): While we understand, and support, the Commission's proposal to expand the freedom of market participants to designate their preferred settlement location, we consider that this freedom must be exercised in an orderly and appropriately controlled manner. Moreover, we believe that a link should only exist where it is commercially viable. As currently drafted, new Article 34c appears to grant an unconditional right to select any CSD. In fact, requiring trading venues to connect to any CSD purely on demand could be interpreted as prioritising convenience over the safety and stability of financial systems. However, Financial Market Infrastructures (FMIs) must retain the ability to assess counterparty, operational and legal risks before establishing new links. A mandatory requirement for trading venues to connect to any CSD upon request would undermine FMIs' risk-management responsibilities and override established due-diligence processes. To safeguard both freedom of choice and financial stability, the designation right should be explicitly anchored in the existing CSDR orderly-access framework (Article 53 CSDR), which already balances open access with robust supervisory safeguards. Alternatively, Article 34c MiFIR could refer directly to Article 53 CSDR, consistent with the structure of Article 35 MiFIR for CCPs, which

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	cross-references Article 7 of EMIR. Aligning the drafting style of Article 34c with Article 35 MiFIR would ensure coherence and legal clarity. LV (Comments): Agree with the assessment and the proposed reforms enabling: • Issuer choice of any EU CSD, enhancing competition. • Reciprocal links and interoperability, which are essential for cross border capital flows. MT (Comments): The proposal reasserts and extends the freedom for market participants to settle via their chosen CSD beyond regulated markets and links this with the evolving hub and spoke link fabric under the CSDR reforms so as to promote competition and lower settlement frictions. Malta supports this and requests legal clarity on who determines the settlement location in the chain (venue/CCP process) and a calibrated mechanism for time boxed extensions and cost recovery when non euro cash legs or material technical adaptations are demonstrably required in order to protect operational stability in small markets while preserving the principle of user choice. Additionally, MT would request the implementation of a calibrated mechanism to ensure that the freedom of choice cannot be impaired by administrative/technical aspects used as an excuse not to proceed with a clear arbitration solution for disputes. NL (Comments):

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	Yes. While we haven't experienced true competition on CSD level in practice yet, we believe that Art 37 MiFID II reflects one of the core elements of EU financial services legislation: it provides for choice for regulated market clients to designate the CSD of their choice. We note that implementation of Art 37 MiFID II could benefit from more harmonisation/convergence, and we believe emphasis should be put on the choice for market participants rather than focus on the criteria to limit choice. We support the proposal to extend the scope to include all trading venues. PL (Comments): *The proposed wording of Article 34c MiFIR — granting trading venue members the right to designate any CSD for settlement, together with Article 48a of CSDR raises some concerns, particularly for less significant trading venues operating outside the euro area.* *The proposal lacks clarity as to the operational and cost implications. Enabling settlement at any CSD designated by a trading venue member may require the establishment of new links and arrangements between infrastructures. These costs would not only be borne by local infrastructures, but also by the designated CSD, especially where settlement takes place in a non-euro currency outside the common EU settlement infrastructure. This creates material uncertainty regarding financial and operational burdens.*

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	Moreover, involving multiple CSDs in the settlement of transactions executed on a local trading venue may complicate risk monitoring, crisis management and default handling. It could also contribute to fragmentation of clearing, settlement and custody processes, reducing efficiency and increasing costs. *For these reasons, the "right to designate any CSD" should be conditional upon the prior existence of the necessary links and arrangements between the designated CSD and relevant infrastructures (in particular the primary CSD). The establishment of such links should be based on a genuine business case. Mandatory link creation — especially with less significant CSDs outside the euro area — may prove unprofitable and undermine their financial sustainability.* *In addition, where a trading venue member designates another CSD, it should be obliged to settle its transactions through that CSD. Otherwise, links may be created but not used in practice, leading to inefficient and costly duplication.* RO (Comments): We do not have a strong opinion. SE (Comments):

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	SE comment: We support the Commission proposal. The legal text should however be aligned with the proposal in Emir and CSDR. SK (Comments): We support CSD choice, it is allowed also under current regime. But economical aspects and proportionality principle have to be properly assessed therefore CSD choice should remain voluntary.
Q13: Do MS agree that, subject to cost minimization, the proposals should address deficiencies identified in the design of the CT now for implementation after the first 5 years of the current CT, in order to provide certainty to market participants to plan for future impact on their businesses?	AT (Comments): We do not agree that there are any deficiencies in the current design of the equity consolidated tape as there is neither practical experience with the current ruleset nor a proper analysis of the status quo. Therefore, we strongly oppose all proposed changes to the current rules on the equity consolidated tape. Instead, we propose to wait for the ESMA assessment and report according to Article 52 (14) MiFIR, which shall take place in the second half of 2026, as well as the Commission's report according to Article 52 (14a) MiFIR, which shall be submitted to the Council in 2028, before discussing any potential amendments to the current regime. If a proper evaluation and impact assessment are published and the legislators come to the conclusion that immediate legislative changes are necessary, there is still enough time for these changes to come into force in 2031. BE (Comments): We can agree with this proposal.

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	BG (Comments): BG: On questions 13 to 15, we are of the view that the consolidated tape framework should first become operational under the existing regulatory framework followed by the review process provided for in MiFIR before additional changes are introduced. CZ (Comments): *As we consider legal certainty and predictability to be important for market participants when planning investments linked to the consolidated tape (CT), any adjustments to the CT framework should be carefully sequenced and based on a thorough assessment of the functioning of the current model once it has been implemented and tested in practice. Addressing potential design deficiencies prematurely may create additional costs, operational complexity and regulatory and legal uncertainty, particularly given that recent MiFIR reforms are still being rolled out. It would be more appropriate to signal a structured review after an evidence-based evaluation, but fundamental recalibrations should follow a clear impact assessment to avoid undermining the stability and credibility of the framework.* *For sake of compromise, we might imagine this change to go further, but still, we have serious doubts about the 5 layers of SI, as they are not accessible for everyone. Also, as mentioned on the CWG we are not great supporter of including volume-weighted closing price.* DE (Comments):

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	The Consolidated Tape should start to operate under the existing regulatory framework and the review process provided for in MiFIR should be followed before introducing fundamental changes such as • de-anonymisation of the EBBO, • extension of the publication requirement to five attributed layers of the order book or • extension of the publication requirement to a volume-weighted closing price. Even if changes were only introduced after the first five years of operation of the CT, an appropriate ex-ante impact assessment based on data from the live CT would be required before changes should be envisaged. The Commission has so far not provided sufficient evidence that the CT as originally designed would be inappropriate and would require immediate change. DK (Comments): Denmark believe it is still too early to consider any changes to the scope of CTP data. We note that the scope of CTP data has been negotiated recently (MiFIR review) and any changes to the scope of CTP data should be based on an evaluation of this framework. As a CTP is yet not operational, we consider it premature to conduct such an evaluation. Secondly, we note that the current review clause for CTPs set out in MiFIR, art. 52(14a) – which was added as part of MIFIR-review in 2024 – is set to be three years after the first authorisation of a CTP. We believe current review clause provides adequate time to evaluate the current framework and accommodate any potential shortcomings but that it is premature to amend it be-fore it has even started. EE

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	(Comments): We should first have practical evaluation of CT operation in practice and then decide upon amending it. ES (Comments): Yes. However, we are also open for an early implementation. While there is still limited experience with the current legal framework, we agree with the Commission on the fact that the proposed measures will substantially increase the potential of the instrument. FI (Comments): CTP is going to be a costly exercise, so we think it makes sense to make the best possible out of it. 5 years is quite a long transition period and an option to shorten it could also be introduced. If the proposal is approved as such, what is the purpose of the review report in Article 52.14? The core condition for the CTP, to have purpose for its existence, is to distribute the data in a meaningful way so that as many users as possible are able to use it. FR (Comments): We have no particular comment here. GR (Comments): EL: We do not consider this an appropriate time to introduce such a change. The MiFIR review was concluded only recently, and it is still too early to properly evaluate its impact and fully assess.

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	HU (Comments): We do not support to re-open the equity CT at this point. The proposal is premature. We should first implement the current rules, and gain experience on its operation and then assess and review the rules before any substantial changes. IE (Comments): ***IE*** – we are supportive of proposals to enhance the functioning of the CT for equities / ETFs, in particular the expansion of the CT to 5 levels and the attribution of venue data. The changes bring benefits but are costly to set up and while we support the ambition to have a useful body of information, this has to be balanced with actually having a consolidated tape in place. We understand the proposals for revision of the CT will not apply during the mandate of the current CT provider (i.e. 2026-2031) as this entity was recently selected through a tendering process and the proposals to revise the operation of the tape may have an undue impact on their business model and operations. Accordingly, it appears difficult to introduce the expanded CT prior to 2031, however we are open to proposals on how this timeline could be expedited. Further, we understand that high-frequency traders and large proprietary trading firms will not use the public CT feed due to its high latency and will continue to purchase proprietary low-latency feeds. IT (Comments):

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	IT: As mentioned in our initial comments on the proposal, while any modification to the mechanism may appear premature, given that the equity CTP has not yet entered into force, we are open to discuss an expansion of CTP scope. **In fact, we view the Consolidated Tape as a potential structural instrument for advancing the Single Market in capital markets, as it enhances pan-European price vision and may contribute over time to a more integrated pool of liquidity across the Union. In this perspective, the CT can represent a more effective and market-driven integration tool than a structural centralisation of supervisory competences, as it empowers all market participants with consistent and comprehensive access to EU-wide trading data.** **At the same time, this objective must be carefully balanced against cost considerations and against the need to preserve incentives for trading venues to invest in market quality and price formation**. In this respect, the revenue redistribution mechanism should be calibrated in a manner that more adequately rewards venues that contribute most to transparent price discovery and primary listings, thereby ensuring that the development of the CT strengthens – rather than weakens – the economic foundations of EU trading ecosystems. We are open to further analyze the issues during the negotiation. LU (Comments): Even though we are sceptical regarding the appropriate timing of reopening discussions on the CT's scope, as the CT is not operational yet, we are not opposed to the COM proposal, as we recognise that market participants need

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	transparency regarding which trading venue displayed the volumes available at the best bid and offer prices. LV (Comments): Disagree. Any modifications to the consolidated tape regime is highly premature. Any proposals to change or complement the CT regime can only be made after having taking stock of the implementation of the current regime in practice. It will be necessary to observe the CT functioning and its consequences on market structure during the first term of operation the CT in order to determine possible deficiencies and adequate remedies. MT (Comments): Malta understands and supports the rationale of the Commission's proposal to legislate enhancements to the equity consolidated tape while deferring their application until after the expiry of the first five year operating period, in order to reduce implementation risk and protect smaller contributors and users during the initial standing up of the regime. This approach is consistent with the revised MiFIR framework under which ESMA selects a single consolidated tape provider per asset class for a period of five years, following which successor arrangements may be made, thereby evidencing an initial five year horizon for the equity tape operator. At the same time, Malta supports an ~~would be in favour of~~ earlier application of the legislated enhancements where, and only where, an earlier date is deemed appropriate by the co legislators and ESMA, and the decision is supported by a published, evidence-based record demonstrating readiness of the CTP and data contributors, the availability of conformance testing results, and the absence of material adverse effects on smaller market participants. To that end, Malta requests to include an explicit option in the

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	Master Regulation or the accompanying Level 2 measures to explore earlier application of the enhancements through a structured procedure, including public notice, objective readiness criteria, and a minimum lead time for market participants. This calibrated flexibility would respect the argument advanced by certain Member States that the consolidated tape regime is new and should first be observed in practice, while also recognising that a fixed five-year interval may be unduly long if operational maturity is reached earlier. For the avoidance of doubt, any advancement of the application date should be aligned with ESMA's CTP selection and authorisation timetable and with the technical standards package governing CTP input and output data, business clock synchronisation and governance, so that the equity tape's scope and quality obligations remain coherent throughout the Union. NL (Comments): Yes, we do not think it is a good idea to change the rules for the first 5 years of operation of the equity CT as the selection process has already been finalized and the authorization process has already been started. We have no objection to a change of the rules after this first 5 years period. PL (Comments): *We do not consider it appropriate to reopen the recently agreed CTP framework before we have had the opportunity to assess in practice how it functions. Any further expansion should be based on an evidence-based evaluation of the existing model.*

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	Additionally The expanded tape would create significant costs while offering limited added value. For contributors, especially smaller venues, it would not meaningfully increase visibility because users already access depth and attribution through vendors; instead, it could replace proprietary feeds and reduce a large portion of their market data revenues without adding clear value for the markets participants. For the CTP, demand for a five level, venue attributed tape is highly uncertain, forcing large upfront investment without clarity on whether users will adopt it. For data users, the tape raises licensing, infrastructure, and compliance costs, and may not replace proprietary feeds, creating a dual cost burden. *Considerations when assessing the costs for data contributors* *(a) Limited additional visibility for smaller markets* *Trading venues are already broadly accessible through major data vendors, which provide depth, attribution, and order book information. In this context, an expanded consolidated tape may not materially increase the visibility of smaller markets or lead to additional demand for their proprietary feeds. Firms requiring low latency data typically already subscribe to direct feeds, while others may view the tape as sufficient for their needs.* *(b) Uncertainty around the revenue redistribution mechanism* *While MiFIR provides for a redistribution scheme, the level of remuneration for data contributors depends on the consolidated*

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	tape provider's ability to recover its costs and generate sufficient demand. As consumption of the tape is not mandatory, revenues may vary, and in some scenarios the redistributed amounts may not offset potential reductions in proprietary data income. This creates uncertainty for trading venues, particularly smaller ones, regarding the net financial impact, whereas market data revenues constitute an important component of their overall income structure, supporting both operational costs and the development of market infrastructure. *2. Considerations when assessing the costs for CTP* *Demand for a five level, venue attributed equity tape is highly uncertain because there is no precedent for a product that is mandatory for venues to supply but optional for users to consume, and different market participants value depth data in fundamentally different ways. It is impossible to know whether the tape will be used as a trading tool, an analytics feed, or simply a transparency mechanism. This uncertainty forces the CTP to commit to significant fixed costs for infrastructure and data rights without knowing whether sophisticated users will switch from proprietary feeds, whether institutional users will see enough added value to justify the price, or whether retail focused firms will engage at all, making demand uncertainty one of the largest risks to cost recovery and system design.* *3. Considerations when assessing the costs for data users*

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	(a) Infrastructure and integration *Processing deeper, attributed data significantly increases message volumes and technical demands. Users may need to upgrade market data gateways, storage capacity, analytics systems, and network infrastructure.* *(b) Operational and compliance* *More granular data introduces stricter entitlement controls, reporting obligations, and audit requirements. Users must manage internal distribution carefully to comply with licensing terms, particularly where venue attribution is involved.* *(c) Strategic positioning* *Users must determine whether the expanded tape can replace or only supplement existing proprietary feeds. If it cannot substitute venue direct data due to latency or feature limitations, firms may face a dual cost structure. If it can substitute, users must consider the potential loss of venue specific detail or analytical functionality.* *The overall cost impact on data users depends on how central depth of book information is to their trading, analytics and compliance workflows. For some firms the financial effect may be limited, while for others (particularly those with latency sensitive or data intensive operations) the expanded tape could materially increase both direct and indirect costs.*

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	RO (Comments): Yes, we agree. SE (Comments): SE comment: We support measures that promote transparency and a level playing field on the capital market. However, to be able form a position regarding the CT proposal, we welcome further clarification from the Commission on how the proposal addresses concerns raised against it. A non-paper would be very beneficial for the analysis and further discussion. SK (Comments): Yes, we fully support equity consolidated tape which will be functional and can be useful for all groups of consumers.
Q14: In light of the presented above arguments, in particular on the level of cost, do you agree with the Commission's proposal for:	AT (Comments): No, see our answer to Q13. BE (Comments): We can agree with this proposal. CZ (Comments): *We support the long-term objective of improving the usefulness of the equity CT, but we have significant reservations about implementing the proposed extensions at this stage, given that the CT has not yet been launched and* ***the***

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	real-world cost/benefit and technical feasibility have not been validated. *We remain* ***critical to all 3 points*** *of the Commission's proposal. We have the* ***highest reservation to the point c)*** *on the operational perspective as SIs do not operate as order book so the quotes does not work the same way and thus we compare incomparable.* DE (Comments): While the direct cost implications of expanding the CT as proposed by the Commission are limited, it should be noted that there could be substantial indirect costs and second round effects that would need to be further assessed before fundamental changes to the design of the CT are envisaged. For example, while the CT due to latency issues will not serve as a trading tape for the most sophisticated market participants, there could nonetheless be substitution effects for a number of less sophisticated market participants, e.g. in the asset management sector, that would cease to rely on (more expensive) proprietary data feeds once the CT has evolved as proposed by the Commission. DK (Comments): Preliminarily, we do not agree with the proposals at this point in time as we believe it is still too early to consider any changes to the scope of CTP data. ES (Comments): We support the de-anonymization of the EBBO and we do not have specific objections with respect to the inclusion of five layers of best bid and order prices, while we do not oppose on discussion a different number of layers. With respect the inclusion of Sis quotes, given that such quotes

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	do not constitute accessible liquidity for all market participants, but rather for the specific clients of a given SI, it would be important clearly distinguished from order book and auction data, in order to avoid potential distortions of accessible prices. FR (Comments): We support the de-anonymisation of the EBBO, but are reluctant to see transparency being extended towards 5 layers at the pre-tade level. GR (Comments): EL: We do not consider this an appropriate time to introduce such a change. The MiFIR review was concluded only recently, and it is still too early to properly evaluate its impact and fully assess. HU (Comments): We do not agree with the Commission's proposal. We consider such substantial changes very premature. IE (Comments): ***IE –*** yes x3 – per rationales below. IT (Comments): IT: In light of the arguments on cost and market impact, any expansion in CT content should be strictly justified by incremental benefits, and designed to

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	avoid undermining existing incentives to invest in market quality and data production. LV (Comments): None of these alternatives are appropriate given the CT is not for trading. Moreover, due to geographical latency in the EU a full pre-trade tape will create a distorted vision of market reality as quotes visible on the CT will be stale and not accessible. MT (Comments): The proposal would require the equity consolidated tape to disseminate venue-attributed five best price levels with venue identifiers, in order to strengthen price discovery and facilitate verification of best execution, albeit with potential cost and implementation impacts for certain contributors and users. Malta supports this enhancement subject to additional clarifications and safeguards that ensure proportionality for smaller participants and operational predictability across the Union. In particular, Malta requests to: • Clarify the applicability and scope of revenue sharing. We ask that the final framework state unambiguously which asset classes and contributors are in scope of the revenue redistribution scheme, and set out the calculation base, allocation keys, eligibility conditions, and disclosure obligations. We note that the revised MiFIR empowers ESMA to assess revenue-redistribution aspects in the CTP selection and that draft technical standards have contemplated a

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	revenue distribution scheme for the equity tape; clear articulation at Level 1/Level 2 will provide certainty to venues and APAs that contribute data. • Publish explicit latency targets per stream. Beyond the MiFIR requirement to provide data as close to real time as technically possible, ESMA should set numerical, testable latency targets for (i) the EBBO-only stream, (ii) the five-level venue-attributed depth stream, and (iii) any separate SI quote stream, with accompanying business-clock synchronisation and timestamp quality tolerances, so that users can interpret each stream's timeliness and quality consistently. These targets should be codified in the RTS on input and output data and linked to the selection and authorisation conditions for CTPs. • Introduce small-participant glidepaths. To protect smaller venues and firms from disproportionate burdens at go-live, ESMA should provide time-boxed glidepaths and associated testing milestones for connection, schema conformance, and data-quality thresholds, aligned with the CTP selection and authorisation timeline. We note that ESMA has acknowledged transitional arrangements in the CTP rollout and that industry sources have flagged the concentration of major technical demands over 2025-2026; structured glidepaths would therefore be prudent and consistent with the deferral rationale. These additions should sit alongside proportional fee-tiering and stringent data-quality SLAs already envisaged under the MiFIR review package, thereby ensuring that the equity tape delivers the intended transparency benefits without unduly burdening smaller contributors and users. NL (Comments):

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	Yes, we support these three aspects of the proposal considering that the equity CT will have more added value for market participants with these three amendments. For c, our support is conditional on the SI stream will be on the same conditions as trading venues. RO (Comments): Yes, we support the Commission's proposal. SK (Comments): We agree. De-anonymization is prerequisite to have fully functional consolidated tape. The consolidated tape has to provide benefits for all groups of consumers/users, it should not serve only for high frequency trading. The biggest advantage of CT is expected from substantiall increase of transparency of all European capital markets.
a. de-anonymisation of the EBBO;	BE (Comments): We can agree with this proposal. DE (Comments): No DK (Comments): Preliminarily, we do not agree with the proposals at this point in time as we believe it is still too early to consider any changes to the scope of CTP data. FI

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	(Comments): Yes GR (Comments): Similarly, as previous answer. IE (Comments): ***IE -*** We support de-anonymisation of the EBBO. Users of the public tape are likely to be market participants who do not have real-time low-latency exchange feeds, including investment managers, funds and retail brokers. These users benefit when they know where liquidity is located, hence we are supportive of proposals to de-anonymise the "EBBO" top of order book price. As an aside, we urge caution in relation to popularising the notion that the top of book price (i.e. the EBBO) is the best all-in cost that an investor may obtain. Best execution requirements relate not just to the market price but also to other inherent exeuction costs, speed and likelihood of execution etc. We would welcome a recital emphasising this point and to clarify the role and purpose of the EBBO. IT (Comments): IT: We agree with the objective of improving transparency and accountability, but the potential impact of de-anonymisation should be carefully considered based on: • costs and operational complexity (especially for smaller venues/participants);

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	• market-making behaviour and liquidity provision. Therefore, we would support it if accompanied by: (i) a clear evidence-based justification (what deficiency it solves), and (ii~~i~~) safeguards on data usage and governance to prevent unintended commercial effects. LU (Comments): Yes see question 13 LV (Comments): no MT (Comments): MT is mindful in preserving Sis prudential position and requires that any such move is supplemented with clear ceiling to ensure that market stakeholders cannot reverse engineer Firms positions and unduly take advantage of such information. PL (Comments): *De anonymisation increases transparency, but it may also strengthen existing disparities between large and small venues. Most sophisticated users already access attributed data through vendors, therefore the additional visibility for smaller markets is limited. At the same time, making venue identifiers explicit on a consolidated tape brings a risk that the tape would be used for order routing, with a liquidity shift away from smaller lit markets,*

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	reducing their ability to attract order flow and potentially pushing more activity into dark or bilateral channels where execution quality is perceived as more predictable. In this context, mandatory de anonymisation may unintentionally contribute to greater fragmentation and a weakening of smaller exchanges (IPO venues), without delivering transparency benefits.
b. inclusion of five layers of best bid and order prices;	BE (Comments): We can agree with this proposal. DE (Comments): No DK (Comments): Preliminarily, we do not agree with the proposals at this point in time as we believe it is still too early to consider any changes to the scope of CTP data. FI (Comments): Yes GR (Comments): Refer to Q14. IE (Comments):

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	IE - We support the extension of the CT to 5 layers of market depth. However, the top 5 levels of liqudity on the tape could conceivably each contain little depth and therefore we wonder if instead of 5 levels, there should be a certain minimum amount of accessible liquidity made visible? We would welcome any suggestions on how this be achieved in practice. IT (Comments): IT: While we are open to have a broader scope, nevertheless we note that the five-level model is materially more invasive than the current CT policy choices agreed in the MiFIR Review and could: • materially increase implementation and ongoing data processing costs, • affect the economic value of venues' data and incentives to invest in trading technology and price formation, and • create complexity without clear evidence of proportional incremental benefit for end investors. A more proportionate approach would be: • start with the current baseline (as implemented under MiFIR Review) and evaluate real-world performance; • consider five layers only after a structured assessment (KPIs on execution quality, market efficiency, liquidity, costs) demonstrates real benefit. LU (Comments): Yes see question 13 LV

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	(Comments): no MT (Comments): Only when available PL (Comments): *Mandating five levels of depth with venue attribution significantly increases costs across the market, but the more consequential issue is how such a tape could reshape trading behavior. A depth rich, attributed tape would replicate much of the information currently available only through direct feeds. Over time, this may reduce the viability of smaller order books, and encourage brokers to seek execution in dark pools or systematic internalisers. The result could be more fragmentation, less lit transparency, and a market structure that diverges from the EU's objective of maintaining a balanced, competitive trading landscape.*
c. inclusion of five best bid and order quotes from different SIs in a stream separately from the order book/auction data?	BE (Comments): We can agree with this proposal. DE (Comments): See below DK

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	(Comments): Preliminarily, we do not agree with the proposals at this point in time as we believe it is still too early to consider any changes to the scope of CTP data. FI (Comments): Yes. (The non-paper refers to retail quotes. We assume it means quotes of the size where pre-trade transparency requirement applies according to Article 14 and not to retail as investors) GR (Comments): Refer to Q14. IE (Comments): ***IE -*** We support the extension of the CT to include SI quotes and that generally speaking these quotes are not regarded as accessible or firm liquidity, hence the need to provide this in a separate feed. However, we are open to providing an integrated feed (top 5 on-venue prices + top 5 SI prices) if suitable flags could be used to distinguish the SI prices and the accessibility / actionability of such prices. IT (Comments): IT: We recognise the policy intent of improving transparency for SI activity and generally supports the extension of CTP contribution to SI, however we deem it important that such measure is accompanied by complementary proposals to ensure further alignment of the regulatory treatment of such

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	entities vis à vis trading venues, for instance in terms of pre-trade transparency and tick-size rules. LU (Comments): We consider that Systemic Internalisers' contribution to the equity consolidated tape could potentially restore a level-playing-field between venues and bilateral platforms. LV (Comments): no MT (Comments): See small a) PL (Comments): *Improvements should focus on the integrity of SI reporting rather than introducing a new SI depth stream. Only firm, executable SI quotes should be permitted in pre trade reporting, with clear rules on minimum quote size, minimum resting time, and prohibitions on indicative or non actionable prices. SIs should also be subject to the same timestamping, identification, and audit requirements as venues. These measures would improve transparency and reporting quality while preventing SIs from gaining disproportionate visibility that could undermine lit liquidity.*

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Q15: If you consider that any of the above require improvements or clarifications, what should they be?	AT (Comments): See our answer to Q13. CZ (Comments): *Several elements would require further clarification before implementation. We have doubts regarding the methodology for constructing and ranking multi-layer pre data across TVs especially in SI world. In CLOB the input and standing of quote is clear… it is not so clear to us how to translate this to SI side of trading.* *If the de-anonymisation of the EBBO is pursued, the scope and format of the venue attribution should be defined in a way that avoids disproportionate system changes and protects smaller markets from excessive cost burdens.* *In regard to systematic internalisers, the framework should clarify that only firm quotes are included and reconsider the obligation to construct artificial multi-layer SI data, given its limited added value and operational complexity. In regard to systematic internalisers, the framework should clarify that only firm quotes are included and reconsider the obligation to construct artificial multi-layer SI data, given its limited added value and operational complexity.* DE (Comments):

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	In order to provide a fuller picture of the liquidity in European equity markets it could be beneficial to include SI data into the equity CT. The added value, the appropriate type of data and the best way to present the data would need to be further assessed. DK (Comments): We do not have further considerations at this point in time, although we would like to thank the Commission for clarifying the scope of SI-data (i.e. not all five levels to be reported by each SI). ES (Comments): we believe that further consideration may be appropriate regarding the volume-weighted closing price resulting from the aggregation of all closing auctions, as set out in point (iiia) of the definition of core market data for shares and ETFs. Given that most closing auctions take place at different times, the resulting metric may have limited practical relevance and could potentially introduce inconsistencies. FI (Comments): The definition in Article 2.1 (36b) (a)(iia) concerning publication of SIs quotes is not entirely clear. The separation of SI quotes from the TV orders is not explicitly said in the Article. Would the identity of the SI be available? And would the information on orders on TVs be separated from auction potential equilibrium price information? Is it clear enough what is the requirement for each SI to send to the CTP, as it could be one SI representing all five best layers or five different SIs? IE (Comments):

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	IE - we urge caution in relation to popularising the notion that the top of book price (i.e. the EBBO) is the best all-in cost that an investor may obtain. Best execution requirements relate not just to the market price but also to other inherent exeuction costs, speed and likelihood of execution etc. We would welcome a recital emphasising this point and to clarify the role and purpose of the EBBO, as well as to highlight that market participants are still subject to best exeuction reuqirements, even when trading at EBBO. COMM indicated at the CWP that the revenue distribution scheme for the CT - as currently devised – will not need to be altered to reflect the developments re expansion of the tape. We query whether the costs of the CTP will increase by virtue of an expanded tape and/or whether the venue providing an EBBO should receive a greater remuneration weighting. Will there be additional specification or restriction of how the CTP will be able to charge users for tape data? (e.g. different prices for real-time Vs delayed feeds, EBBO Vs full 5 layer feeds etc). IT (Comments): IT: If the above elements are pursued, we would recommend at least the following clarifications and safeguards: 1. **Timing and sequencing:** confirm that any “enhanced CTP” features (five layers, de-anonymisation, SI depth) are **not automatic**, but conditional on a **post-go-live evidence review**;

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	2. **Cost allocation and minimisation:** better define how costs are distributed (favouring primary markets and transparent venues) and controlled and possibly require a cost-benefit assessment that includes impacts on **venues' market-data economics** and incentives to invest in market quality; 3. **Consistency with market structure choices:** explicitly assess interactions with the evolving regime for SIs (including midpoint matching) and **ensure a level playing field** with trading venues, especially where venues face constraints not applicable to SIs. LV (Comments): We do not support early opening of the topic. MT (Comments): The proposal foresees that at any given time the tape shall disseminate the five best bid and offer quotes published by systematic internalisers across the Union in a separate stream distinct from continuous order book and auction data and that each of those five quotes shall come from different systematic internalisers. Malta supports the inclusion on this separate basis and requests codification of a single input and output schema with identifiers and flags timestamp tolerances aligned to the revised business clock rules an incident governance framework an industry testing calendar and a phased go live after the first five years so that contributors can implement the changes in an orderly manner.

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	MT stresses that if the proposal is to be adopted, appropriate mechanisms should be designed and implemented to preserve SIs prudential positions PL (Comments): *For depth of book information, the priority should be helping improving the quality and consistency of current depth reporting rather than adding five layers to the tape. Better depth data at source would enhance transparency and support price formation while avoiding the market structure risks associated with expanding the tape.* RO (Comments): For the moment, we have not identified any issues that require further improvements or clarification. SK (Comments): -
Q16: Do MS agree with the thresholds proposed to determine:	AT (Comments): Yes. However, we oppose the possibility for the Commission to adopt a delegated act to amend any of the thresholds used to qualify a trading venue as a significant trading venue. In particular, we question the legal basis for such a provision that allows the Commission to unilaterally amend important aspects of a level 1 Regulation. Therefore, Article 38fb (8) MiFIR

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	shall be deleted. Instead, the competence to amend any thresholds with regards to significance criteria shall remain with the co-legislators. BG (Comments): BG:We do not have a firm position, but in our view the thresholds should not be envisaged in a delegated act. DE (Comments): The assessment of the criteria for determining the “significance” of trading venues is ongoing. Regarding the centralization of supervisory powers to ESMA for trading venues in general, we reiterate that there are strict limitations under European law and German constitutional law to establish EU-level supervision. In particular, supervisory centralization is only possible in exceptional cases where there are unacceptable divergencies in national supervisory practices that can only be overcome by EU-level supervision. We thank the Commission for their oral explanations on supervisory divergencies in the area of trading venues in the CWG and look forward to receiving more detailed information in writing, also against the background of the strict legal limitations. It should be noted that the existence of unacceptable divergencies in national supervisory practices that can only be overcome by EU-level supervision need to be properly documented in the proposal, e.g. in the recitals. DK (Comments): Overall, Denmark is supportive of the proposed combination of criteria. However, we still need to better understand the implications of the specific

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	thresholds and how it would affect the number of trading venues under ESMA supervision if the threshold is either increased or decreased. Furthermore, Denmark considers it important that the division of supervisory competence between ESMA and national authorities is completely clear, in order to avoid duplication of costs and creation of additional administrative burdens. EE (Comments): We do not support the criteria according to which the less significant/local FMI-s go under ESMA supervision merely because they belong to a group where one FMI goes under EMSA supervision due to its significance. I our opinion only large/significant cross-border FMI-s should go under ESMA direct supervision. ES (Comments): Agree. FR (Comments): We fully support the Commission's proposal when it comes the significant trading venue criteria. When it comes the quantitative thresholds identified by the Commission, we consider that they would allow to have all relevant trading venues in scope, while respecting the principle of proportionality. GR (Comments):

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	EL: The proposed thresholds for determining a "significant trading venue" should appropriately reflect genuine cross-border relevance and the actual importance of a venue within the Union. IE (Comments): ***IE*** **–** the thresholds set out in the proposals have the advantage that they are relatively simple to understand and implement. However we reserve scrutiny on the proposals re centralised supervsion of signficant venues and therefore have not provided a definitive response on the specific thresholds proposed. We strongly agree with comments made by certain MS at the CWP meeting that a supervisory college approach would be preferable to centralised supervision., As we have outlined, such a model will still be needed in any case under the current proposals given that certain supervisory tasks (e.g. MAR / DORA etc) will remain within national competence. IT (Comments): IT: We welcome the effort to define "significance" through objective and transparent criteria and we generally support the proposed approach. We strongly believe that the regime should be fair, meaning that the relevant operators need to be captured in an objective manner. However, we believe that the proposed framework requires further refinements in order to ensure legal certainty, operational stability and proportionality.

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	In particular, attention should be paid to the **mechanism of periodic reassessment of "significance" status**. In this respect, the introduction of recurring threshold reviews may generate **operational and institutional complexities**, notably: • **Regulatory uncertainty for infrastructures positioned close to the thresholds**, which could be subject to frequent changes in supervisory status. This may require continuous monitoring by both authorities and venues and could create discontinuities in supervisory relationships and compliance planning. • **Operational impacts for both authorities and supervised entities**, including new reporting flows, adaptation of compliance frameworks, recalibration of governance arrangements and potentially higher supervisory costs. These elements suggest that the regime should incorporate: • clear stabilisation mechanisms (e.g. minimum duration periods or transitional arrangements before a change in status becomes effective); • transparent and predictable methodologies for calculating market share and cross-border relevance. Lastly, we believe that the use of delegated acts should be limited to what is strictly necessary; leaving important details (e.g., in the significance calculation) to delegated acts should be avoided because it does not enable MSs to properly assess the impacts. As regards objecting to a delegated act, we note that this is not so easy for Member States. LU (Comments):

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	LU disagrees with the introduction of central supervision of significant trading venues. We consider that centralising supervision is unlikely to address fragmentation, which is rather shaped by competition law considerations and political choices. Besides, evidence shows that fragmentation in the trading area is not an issue, as a fragmented trading structure can enhance efficiency, competition and innovation. Furthermore, ESMA does not have prior supervisory experience with trading venues and would therefore need to establish a new supervisory framework. According to the Commission's own resource estimates, it is highly unlikely that a centralised supervision model would prove more efficient than the existing NCA-led system, especially in terms of costs (which are likely to increase substantially). Competent authorities need to remain central in the framework of supervision, instead of being left aside with just emergency tasks while decisions are taken by ESMA. Indeed, they understand their domestic market best and shifting significant responsibilities to ESMA could result in market participants having to engage with different competent authorities for similar aspects of regulation, potentially creating uncertainty and inefficiency. The combined effect of higher supervisory costs, reduced proportionality, and increased rigidity may make the EU less attractive for new trading-venue initiatives. Consequently, we still consider that all the provisions relating to the direct supervision by ESMA of "significant trading venues" should be removed from the proposal.

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	LV (Comments): - MT (Comments): The proposal introduces a new category of Significant Trading Venues to be placed under direct ESMA supervision, with the stated policy objective of centralising oversight where a venue's scale and cross-border footprint render it relevant to the Union as a whole, while leaving smaller or primarily domestic venues under national supervision. This sits within the wider supervisory centralisation architecture of the Market Integration and Supervision Package, under which ESMA would assume direct supervision of a limited subset of major, cross-border market infrastructures. This cross-border footprint must be material, i.e. represent a *meaningful portion* of the trading venue activity and form part of its established business model. Malta supports the introduction of Significant Trading Venues on the express understanding that significance must be tightly and exclusively linked to the systemic relevance or importance of the trading venue at the European level. ~~, and not to national or purely domestic prominence.~~ To that end, Malta requests (i) a recital clarifying that designation is reserved for venues that are Union-relevant in terms of market functioning, financial stability, or pan-EU price formation, and ~~(ii)~~ Regulatory Technical Standards setting out an objective methodology that measures significance on a Union-wide basis, rather than by reference to national market conditions. The RTS should specify transparent and reviewable tests, including

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	Union-wide market-share metrics over a defined reference period, cross-border activity indicators such as the proportion of non-domestic members, non-domestic order-flow and the share of instruments admitted where the issuer is non-domestic, and systemic role indicators such as centrality to EU price discovery and substitutability in the event of disruption. These criteria should ensure that only venues with genuine EU-level systemic importance are designated as Significant Trading Venues, thereby aligning the supervisory perimeter with the Package's stated goal of Union-scale supervision for Union-relevant entities. To preserve proportionality and subsidiarity in line with TFEU principles and allow for genuine capacity building, Malta further requests that: 1) ESMA publish the methodology, data sources and calculation windows applied in designations and re-assessments, together with a Union-wide list of designated venues and an annual review clause to recalibrate parameters as market structure evolves; and 2) the legal text maintain the clear division whereby national surveillance authorities retain market-integrity and orderly-trading powers for venues deemed situated in their territory, while ESMA's direct supervision addresses the organisational and prudential oversight precisely because of EU-level systemic relevance. This calibration will anchor the Significant Trading Venue regime in its intended EU-systemic focus, avoid the over-capture of venues whose relevance is confined to a single Member State, and deliver the Package's aim of more integrated and consistent supervision where it objectively matters at the European level.

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	Additionally, as stated above MT agrees in principal with the 5% established threshold, but retains the right to deliberate further as the granularity of what the asset class will be has not yet being defined at that stage and therefore fully supporting the above thresholds seems delicate. NL (Comments): Yes, but we suggest that in addition to the threshold related to secondary market trading volume, the primary market function of trading venues should be considered as the primary market function is of direct importance to the real economy. So, for equity market capitalization should be taken into account and for bond markets the outstanding issuance size. PL (Comments): *On general note, as already reflected in the non-paper circulated by the Presidency, we share the concerns expressed by several Member States regarding the automatic allocation of supervisory powers to ESMA solely on the basis that a market operator or an investment firm belongs to the same group as a CSD or CCP supervised by ESMA.* *In our view, the allocation of supervisory powers should reflect the actual size, risk profile, scope of cross-border activity and systemic relevance of a given market, rather than follow automatically from group relationships.* *Against this background, we would support an approach under which ESMA competences based solely on group affiliation with a*

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	CSD or CCP would be optional and exercised at the request of the market operator or investment firm. This would ensure flexibility and proportionality, while preserving the possibility of centralised EU-level supervision where justified from an operational or prudential perspective. SE (Comments): SE comment: The Swedish market for small and medium size companies, which consists of three SME growth markets operated by different operators is well-functioning. On those markets SMEs have access to growth capital from retail investors. Some of the success-factors for these markets are considered to be the competition between them but also the specific expertise held by the Swedish NCA regarding the Swedish market structure with its high proportion of listed SMEs and retail investor participation. In this light, one of the important issues for SE is to maintain the well-functioning capital market with its high level of trust by retail investors. We are concerned that the current draft of the proposal does not meet our requirements to maintain a market which is already well-functioning. We do not consider that the fact that a trading venue is part of a group is in itself an indicator of significance for the economy in the EU. We do not see how the proposed group criterion will improve the efficiency in supervision. On the contrary, we see greater advantages in small trading venues remaining under national supervision. One should bear in mind the option to apply for a PEMO structure. SK (Comments):

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	Yes, we agree.
- Importance of a trading venue to the economy of the European Union; and	CZ (Comments): . FI (Comments): No FR (Comments): We support the threshold proposed IE (Comments): ***IE –*** no detailed comment on this – however we note that COMM does not wish to incorporate issuance activity in these thresholds. We consider that primary market activities of a trading venue are integral to a consideration of "economic importance" of a venue and therefore we are open to inclusion of such a factor. IT (Comments): IT: We consider it important that the cumulative criteria **are retained within the framework**, in a way that ensures that venues meeting the two criteria (i.e. importance to the economy of the EU and cross-border dimension) are appropriately captured. RO

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	(Comments): Yes.
- Whether that venue has a significant cross border element	DE (Comments): The introduction of a group-based criterion to determine the cross-border dimension of a trading venue as well as the proposed group-based supervision of trading venues by ESMA needs further explanation. In our understanding a group-based criterion to determine the cross-border dimension of a trading venue would mean that a trading venue is considered to be cross-border relevant only because it is part of a group that includes a significant market infrastructure or a trading venue or market infrastructure that is operated in another MS. Group-based ESMA supervision would mean that two entities in the same Member State performing identical activities may be supervised by different authorities solely because one belongs to a group with a significant trading venue. This would lead to supervisory fragmentation. In general, supervisory competence should be determined by the nature, scale and risk profile of the entity itself. It should also be considered that, in contrast to similar sectoral regulation (e.g. in the banking sector) there are no rules on consolidated supervision that would require a group-based supervision. FI (Comments): No FR (Comments):

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	We support the threshold proposed IE (Comments): ***IE –*** no detailed comment on this – however note the linkage with the conceptual discussion re passporting and whether a venue is considered to be providing services cross-border to a client. IT (Comments): IT: For assessing the cross-border dimension, we deem it essential to keep all the conditions included in article 38fb(2), as well the one in article 38fb(3), so that all the trading venues that are relevant for the EU are treated in the same way. As further detailed below, in an increasingly integrated European market, the notion of purely geographic localisation progressively loses significance. A trading venue that is sufficiently large in EU market-share terms is, by definition, more interconnected, more systemically relevant and more likely to generate spillovers beyond its Member State of establishment, even if physically located in a single jurisdiction. **In other words, the larger the venue, the greater its interconnections and potential cross-border impact, irrespective of formal geographic footprint.** Eliminating either of the two thresholds or some of the conditions proposed for assessing the cross-border dimension would risk creating a misalignment with the broader policy narrative of market integration and could exclude infrastructures that are economically significant at EU level, even if they do not meet a narrow geographic test.

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	LU (Comments): LU disagrees with the introduction of central supervision of significant trading venues. On the criteria for selecting significant trading venues, should the legislator nevertheless decide that significant trading venues are to be supervised by ESMA, we consider it is essential that ESMA's supervisory powers remain strictly confined to those market operators with a truly systemic footprint. However, the thresholds envisaged under the proposal for determining the scope of ESMA's direct supervision raise concerns of coherence and regulatory appropriateness when measured against the natural evolution of market operators. In fact, the proposal is relying on relatively low quantitative business thresholds, which are by nature volatile, cyclical, and hugely sensitive and dependent to market conditions. MT (Comments): As already stated above the cross-border footprint must be material, i.e. represent a meaningful portion of the trading venue activity and form part of its established business model. Indeed, having few non-domestic issuers and/or non-domestic members, irrespective if they are scattered across the EU does not establish "materiality". Accordingly, MT strongly opposes any group level aggregation, in particular in respect of entities carrying out different activities: trading venues, CSDs

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	or CCPs among others. A common capitalistic element is not necessarily the sign of common infrastructures, operational processes or common oversight. In particular when one considers that most of the latter activities have to be functionally separated as per the relevant regulatory frameworks. RO (Comments): Yes.
If not, what other criteria could be considered in addition to or instead of the above?	CZ (Comments): *With disclaimer that we do not support shift of supervisory powers to ESMA, we consider that **quantitative thresholds** can provide an objective starting point for identifying venues of Union-wide relevance. However, we are still assessing the particulars of those. In addition, it may be appropriate to consider also **qualitative and structural criteria**. Cross-border significance test should also capture the effective geographic distribution of participants and liquidity, not merely formal establishment or remote access. Cross-border element itself shall not be the sole determinant for the supervisory shift. The significance of the TV should focus on a **systemic importance for the EU as a whole**. Also being part of the group where one entity is under ESMA supervision shall not automatically itself lead to the centralised supervision of the TV especially with infrastructure.* FI (Comments): The 5 % market share should be assessed on TV or entity level, not on group level. IE

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	(Comments): ***IE -*** Other criteria that could also be considered include those related to the essential functioning of the market, for example whether venues have an essential primary market listing function or are determined to be critical to price formation purposes. MT (Comments): MT wishes a clear explanation of "asset class" concept used for determining the systemic importance of a trading venue? The granularity of this has not yet being defined at that stage and therefore fully supporting the above thresholds seems delicate. As a side note, MT fails to understand how the "initial" ESMA assessment shall be carried out when an applicant intends to seek authorisation to determine whether it will fall under ESMA supervision or shall be authorised a NCA? Indeed, by design when an applicant seeks to be authorised the activity has not yet started and therefore no threshold can be yet met? PT (Comments): On thresholds for significant trading venues, we do not oppose to the criteria suggested by the European Commission. That being said we are open to discuss other criteria provided all the following conditions are met: 1. No additional criteria are included. The framework should remain simple; 2. Trading venues which are located in only one Member-States but service clients across the Union can be considered significant: 3. If one infrastructure of the group is under ESMA supervision, then the remaining entities of the group should also be supervised by ESMA.

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	In summary, we can reflect on other thresholds if other Member-States have ideas as long as the proposal doesn't become overly complex and the logic of the Commission's proposal is retained. RO (Comments): -
Q17: In the case of a venue located in a single MS but meeting the "significant" criteria, do MS believe that central supervision is still appropriate? If yes, how to adhere to the principle of proportionality?	AT (Comments): We support the proposed cumulative criteria for the definition of significant trading venues. ESMA supervision shall only be introduced if it is advantageous to national supervision. This advantage is particularly evident in cross-border matters. Therefore, we do not support the deletion of the significant cross border element criterion. CZ (Comments): *Meeting quantitative "significant" criteria should not automatically lead to central supervision where a trading venue is located and predominantly operates within a single Member State. Central model may be justified where genuine cross-border relevance and supervisory externalities are demonstrated, taking into account the venue's actual cross-border activity, its interconnectedness with other EU infrastructures, and the capacity of the national authority to exercise effective supervision. It has to be ensured that* ***centralisation does not exceed what is necessary*** *to address identified Union-wide risks.* DE (Comments): The rationale for EU-level supervision of the operators of stock exchanges and other trading venues that only operate trading venues within one Member State is

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	unclear. Unlike operators of trading venues that operate markets in several Member States, such operators are already supervised by only one supervisor. DK (Comments): Yes, this is a logical consequence if supervision of significant trading venues is to be transferred to ESMA. A trading venue may be located in only one member state but still offer trading in shares listed on other European markets. Such pan-European exchanges will compete with venues located in several member states. In order to ensure fair competition, the venue located in a single member state should also be subject to centralized supervision. ES (Comments): Support. FI (Comments): No. The 5 % market share should be assessed on TV or entity level, not on group level. FR (Comments): We strongly support having significant trading venues present in one single Member States, being supervised at ESMA's level: to be very clear, the largest trading venue in Europe by trading volumes is currently operated from a single Member State, and offers trading on mostly non domestic, EU equities, with a majority of non-domestic, EU market participants. Given its nature, a European level supervision is the most relevant option for such trading venues, despite the single location in one Member State.

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	GR (Comments): EL: We believe that such cases it is not appropriate to be under central supervision, due to the systemic significance on a national level. Accordingly, central supervision should reflect genuine cross-border relevance and not to be based solely on the basis of quantitative thresholds. This is crucial issue. IE (Comments): ***IE*** - We note the examples of market and supervisory failures, as outlined by COMM but consider that central supervision is not the only possible answer to address some of these concerns. We think that there is merit in a supervisory college model, and that enhancing such mechanisms with more formalised powers could be used to address situations where supervisory convergence is not occurring. ESMA's role as a mediator in cases of dispute would be relevant in this regard. In any case, even under the current proposals, colleges will still be needed in order to address aspects of the supervision such as market surveillance and DORA in a consistent, structured manner. We reiterate that for venue supervision, operational resilience and market integrity are key areas of supervisory focus. Further to the request made by a number of MS at CWP, we would welcome an indicative list of current firms / venues that are projected to meet the significant threshold, and clarification of whether they are presently investment firms / market operators IT (Comments):

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	IT: As a general remark, we reiterate that for all significant trading venues, we **support a differentiated supervisory framework based on reinforced supervisory colleges chaired by ESMA and JSTs**. On this topic we will articulate better going forward. That said, we believe that such a framework would **also be appropriate for trading venues located in a single Member State that meet the "significant" criteria, where their economic relevance and cross-border impact extend beyond their home jurisdiction**. **The cross-border dimension of a trading venue should not be assessed solely on the basis of its corporate structure or group affiliation. A venue situated in a single Member State may nevertheless be significant at Union level where its activity plays a material role in price formation, liquidity allocation or risk transmission across markets**. It would be unfair to treat those trading venues differently, only considering their geographic localisation, irrespective of the broader implication of their functioning on the Union as a whole. In particular: • Trading venues contribute to price discovery mechanisms that often serve as reference points for investors, intermediaries and trading strategies operating across the Union. Price formation in one venue may influence valuation, hedging strategies and funding conditions in other markets, even where the venue itself is geographically concentrated. The relevance of such venues derives from their role in generating benchmark prices and liquidity signals that are incorporated into broader investment and risk management decisions.

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	• This functional dimension is especially evident where close linkages exist between cash and derivatives markets, where pricing dynamics in one segment may directly affect trading, margining and risk management in another. The economic interdependence of these segments underscores that market significance cannot be assessed solely on territorial criteria. Trading venues form part of a complex and interdependent ecosystem. Their activity is connected not only technically — through clearing and settlement infrastructures — but also functionally, through liquidity channels, cross-market arbitrage, collateral use and risk-transfer mechanisms. Disruptions, volatility episodes or structural changes in a venue that plays a central role in such interconnections may have spillover effects across Member States, irrespective of the venue's formal location. EU financial market regulation already reflects this broader understanding of interconnectedness, and the ongoing integration initiatives — including enhanced passporting opportunities — further reinforce the likelihood that venues located in a single Member State operate within a genuinely Union-wide market environment. From a proportionality perspective, the decisive criterion should therefore be the venue's actual economic and systemic relevance, including its contribution to Union-wide price formation and its embeddedness within cross-border market infrastructures and functional linkages. In this context, JSTs and a reinforced ESMA-chaired supervisory college would provide an appropriate and proportionate response. It would ensure

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	coordinated oversight reflecting the venue's Union relevance, while preserving national expertise and supervisory proximity. **This approach avoids both automatic centralisation and purely formal criteria based on group structure and instead aligns supervisory arrangements with the venue's real economic footprint within the Union market ecosystem**. LU (Comments): Cf. Q16. We consider that all the provisions relating to the direct supervision by ESMA of "significant trading venues" should be removed from the proposal, irrespective of whether they are active in single or multiple MS. LV (Comments): We are not in favour of central supervision approach. We prefer to strengthen supervisory convergence for more efficient cross-border operations. MT (Comments): Malta agrees that a trading venue established in a single Member State may appropriately fall under direct ESMA supervision where, and only where, it meets the Significant Trading Venue criteria by reference to its systemic relevance or importance at Union level, not on the basis of national prominence. In line with the policy logic set out for Q16, designation should therefore be contingent on objective, Union-wide measures of cross-border footprint and systemic role in EU price formation and market functioning, as specified in

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	transparent RTS (including, inter alia, Union-wide market-share calculations over a defined reference period, cross-border participation indicators, and substitutability metrics). Where a single-MS venue is so designated, Malta supports ESMA's direct organisational supervision while expressly preserving national surveillance authorities' powers over orderly trading and market-abuse interventions for venues deemed situated in their territory. To ensure effective coordination consistent with subsidiarity and proportionality, Malta requests binding cooperation arrangements comprising (i) data-sharing service levels, (ii) joint incident and crisis playbooks with clear first-mover rules, and (iii) periodic method reviews and de-designation procedures where EU-level significance is no longer met. This calibration aligns with the Package's stated aim to centralise supervision only for infrastructures relevant to the Union as a whole, while maintaining robust local market-integrity oversight. NL (Comments): Yes, to ensure a level playing flied between the most significant trading venues in the EU, for these entities to have the same supervisory authority. RO (Comments): We do not have a strong opinion. However, in our view the market capitalisation can be taken into account as an element for the principle of proportionality. SK (Comments): Yes, if trading venue is significant, the same rules for supervision should be applied.

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Q18: Do you agree that the combination of a 5% EU market share threshold and a cross-border relevance criterion appropriately reflects the principles of proportionality and subsidiarity?	AT (Comments): Yes, we agree that the combination of a 5% EU market share threshold and a cross-border relevance criterion appropriately reflects the principles of proportionality and subsidiarity. CZ (Comments): *Combining a quantitative EU market share threshold with a cross-border relevance criterion is conceptually consistent with the principles of proportionality and subsidiarity. However, a fixed 5% EU market share threshold should not operate as an automatic trigger for supervisory reallocation without assessing the actual cross-border impact. The cross-border criterion should reflect genuine economic interconnectedness and supervisory externalities rather than formal metrics alone. Central supervision should only be envisaged where Union-wide risks cannot be adequately addressed at national level, and the framework should include safeguards against disproportionate concentration effects or unintended weakening of smaller domestic markets.* DE (Comments): DE principally supports the combination of a criterion for the size of the trading venue and a criterion for its cross-border dimension. Relevant quantitative and qualitative sub-criteria are currently assessed. DK (Comments):

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	Denmark is supportive of the proposed combination of criteria (although we are still scrutinizing the specific thresholds) but notes that the objectives of proportionality subsidiarity may also be reached through other means. On one hand, centralised supervision may ensure supervisory convergence and limit the possibility for regulatory arbitrage. On the other hand, ESMA may not sufficiently consider national circumstances or specificities, which could undermine effective, risk-based supervision. Therefore, it could also be worth considering if the objectives could be achieved by less far-reaching initiatives, including for instance an increased role for ESMA in selected areas of supervision of all trading venues. Examples could be granting pre-trade transparency waivers. Also, an increased role for supervisory colleges could be considered. ES (Comments): Agree. FI (Comments): We disagree. The 5 % market share should be assessed on entity level, not on group level. Existence of another group entity in another country operating under different sector legislation does not itself create cross-border relevance for a trading venue. FR (Comments): The criterion of 5 % of total market share over the continent on an asset class is also extremely relevant, as it allows to keep the supervision of smaller, purely domestic trading venues at the European level. Yet, it is important that large, though more domestically focused trading venues are supervised at the

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	European level, as it will allow for a much stronger convergence of regulatory practices across all liquidity pools which are relevant for international investors, leading to a more integrated, and therefore more attractive single market; GR (Comments): EL: We have not finalized our view yet. IE (Comments): ***IE*** **–** as above, the thresholds set out in the proposals have the advantage that they are relatively simple to understand and implement. However we do not support the proposals on centralised supervsion of signficant venues and therefore have not provided a definitive response on the specific thresholds proposed. IT (Comments): IT: **We consider that the combination of a 5% EU market share threshold and a cross-border relevance criterion is, in principle, directionally coherent with the objectives of the Market Integration Package**. From an empirical perspective, according to available data on EU trading venues, a 5% threshold appears sufficiently selective to identify infrastructures that, by scale alone, are likely to be significantly interconnected and capable of generating cross-border spillovers, even if physically located in a single Member State.

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	In an increasingly integrated market, geographic footprint alone is no longer a sufficient proxy for relevance. A venue with a substantial EU trading share is, by definition, more interconnected and systemically relevant. **For this reason, maintaining both dimensions – EU market share and cross-border relevance – is important to ensure that economically significant infrastructures are appropriately captured. Removing either criterion would risk misalignment with the broader integration narrative**. That said, proportionality and subsidiarity require that these thresholds primarily function as objective triggers for enhanced and structured EU-level coordination – for instance through JSTs and supervisory colleges chaired by ESMA – while preserving operational proximity and effective intervention capacity at national level. In conclusion, **while the dual-threshold model is conceptually appropriate, its application should remain stable, predictable and calibrated so as to strengthen integration without generating unnecessary supervisory discontinuities**. LU (Comments): We consider that all the provisions relating to the direct supervision by ESMA of "significant trading venues" should be removed from the proposal, irrespective of whether they are active in single or multiple MS. In case where the choice for central supervision is maintained, it needs to be limited to trading venues with a genuinely systemic footprint. The two criteria - namely, the importance of the trading venue for the EU economy and the

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	existence of a significant cross border dimension - must hence remain cumulative. Moreover, the ratios set out in Article 38fb(2)(b) and (c) do not appear appropriate for assessing the cross-border dimension, as they risk capturing illiquid instruments. Notably bonds are mostly traded on a bilateral basis; therefore, a single transaction on a regulated stock exchange can trigger the thresholds foreseen in points (b) and (c) without any cross-border dimension. We therefore propose either maintaining only point (a) or making points (a), (b) and (c) cumulative. LV (Comments): No. We would only consider quantitative market share threshold. MT (Comments): The proposal relies on a threshold of five percent Union market share together with a cross-border relevance test to target ESMA supervision to venues of Union importance while leaving smaller or purely domestic venues at national level. Malta considers this combination appropriate and requests an express review clause to allow recalibration if market structure evolves materially. This position is subject to further clarifications in respect of the granularity and definitions of "asset classes". NL (Comments): Yes, this sounds reasonable. This should be set at level 2 (not at level 1), so that amending the threshold is relatively easy.

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	RO (Comments): Yes. SE (Comments): SE comment: We would welcome a clarification of the analysis supporting the chosen thresholds. SK (Comments): No, we do not see the sense for cross-border relevance criterion. It will complicate calculations.
Q19: Do you consider the additional absolute 50% market share criterion necessary to avoid the exclusion of highly significant venues?	CZ (Comments): *We are still evaluating this criterion.* DE (Comments): The assessment of the criteria for determining the "significance" of trading venues is ongoing. DK (Comments): Denmark is supportive of the supplementary 50% criteria for specific asset classes. Without this criteria, significant venues in derivative trading may fall out of scope.

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	ES (Comments): Support. FI (Comments): The criterion on 38fb (8)(c) is not clear. By counterparty, would one mean a) the member or participant responsible for the trade b) DEA user, if applicable c) end investor? Who would take care of all this calculation and is it really worth it? FR (Comments): The criterion of 50 % non-domestic instruments being traded on a platform is extremely relevant: when instruments being traded on a platform are by nature pan-European, the supervision of the platform should be conducted at the European level. GR (Comments): EL: No final view yet. We tend to support. IE (Comments): ***IE*** **–** as above, the thresholds set out in the proposals have the advantage that they are relatively simple to understand and implement. However we do not support the proposals on centralised supervsion of signficant venues

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	and therefore have not provided a definitive response on the specific thresholds proposed. IT (Comments): IT: We understand the rationale (avoiding the exclusion of a venue that is clearly dominant in a segment), and could accept an absolute dominance criterion, based on the considerations made above on the new supervisory architecture, which should be based on **JSTs and enhanced colleges of supervisors**. LU (Comments): We do not see the need to add an extra criterion. LV (Comments): - MT (Comments): The proposal adds an absolute market share backstop at fifty percent in order to ensure that no venue of commanding size is excluded from ESMA supervision due to the operation of other criteria. Malta supports retention of the backstop and requests that the asset class scope and the calculation window be specified in technical standards to promote consistent application. NL (Comments): Yes, for the same reason as Q18.

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	RO (Comments): Yes SK (Comments): We are open in this question.
Q20: Would you require further technical clarification on the methodology for calculating market share or cross-border activity?	AT (Comments): No, we do not require further technical clarification on the methodology for calculating market share or cross-border activity. CZ (Comments): *We believe the criteria should be easily to understand thus we are slightly concern about further complicating them., There should be some flexibility in the criteria, however we are not fond of the possibility for Commission to do it by delegated act we would prefer to have it in level 1 text. Should it really be lvl 2 the balance of possible objection on MSs side should change substantially.* DE (Comments): Given that the determination of „significant“ status entails a substantial shift in supervisory competence, DE considers that the Level 1 text should contain sufficiently clear guiding parameters to ensure that the RTS remain of a genuinely technical nature and do not involve substantive policy choices. In particular, the Level 1 framework should clarify:

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	• the methodology for aggregating and avoidance of double counting, • the reference period and the use of multi-year averaging to avoid volatility driven reclassification, • the precise definition and minimum materiality threshold for "cross-border relevance", • the data sources to be used and the hierarchy of data in case of inconsistencies, and • the frequency and procedural safeguards for review of the significant status. DK (Comments): We do not have comments on the methodology as such at this moment. FI (Comments): The criterion on 38fb (8)(c) is not clear. By counterparty, would one mean a) the member or participant responsible for the trade b) DEA user, if applicable c) end investor? GR (Comments): EL: We would welcome further technical clarification. IE (Comments): ***IE –*** we do not support the proposals on centralised supervsion of signficant venues and therefore have not provided a definitive response on the specific thresholds proposed.

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	IT (Comments): IT: Yes. We consider that substantial technical clarification at level 1 would be necessary to ensure legal certainty, stability of the regime and consistent application across Member States. In light of the considerations raised under Q16, particular attention should be paid to the following aspects: **Reference period and volatility** • Clearer definition of the reference period. • Mechanisms to avoid pro-cyclical effects or mechanical status changes due to temporary market spikes or exceptional events. • Introduction of stabilisation tools (e.g. minimum duration periods before a change in supervisory status becomes effective), to prevent regulatory instability for venues positioned close to the thresholds. Overall, given the potential operational and institutional implications of crossing the "significant" thresholds, the methodology must be precise, predictable and resistant to mechanical or short-term fluctuations. Clarity in this area is essential not only for legal certainty, but also to avoid supervisory discontinuities and unnecessary compliance costs for both authorities and trading venues. LV (Comments): - MT

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	(Comments): The proposal envisages further clarification through delegated or implementing acts and guidance and Member States have requested detail on formulas periods and the handling of transitions when venues enter or exit the list. In order to ensure that the perimeter of direct ESMA supervision is confined to Union relevant venues and not to nationally prominent but domestically confined platforms, the methodology should specify in legal-certain terms the following elements. First, Union wide market share formulas with clear reference periods, instrument scopes and calculation windows, including the treatment of on book and off book activity, auctions, and relevant derivatives or equity segments, together with a published data source hierarchy and data quality assurance procedures. Second, cross-border activity tests that are genuinely European in nature, such as the proportion of non-domestic members, non-domestic order flow, non-domestic end investor participation where measurable, and the share of instruments admitted where the issuer is non-domestic, accompanied by substitutability and centrality indicators to evidence a venue's role in EU price formation and market functioning. Third, group aggregation rules that prevent artificial fragmentation or consolidation of activity, aligned where appropriate with prudential consolidation concepts, together with anti-circumvention provisions and objective de minimis thresholds. Fourth, procedural provisions for initial designation, periodic reassessment and de designation, including frequency of assessment, symmetry of transitions into and out of ESMA supervision, publication of methodology notes and lists, advance notice and lead times, rights to be heard, and the identification of the competent authority during adaptation periods, without prejudice to the reserved market integrity and orderly trading powers of

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	national surveillance authorities for venues deemed situated in their territory. Fifth, transitional, cooperation and information sharing arrangements that set binding service levels for data exchange and joint incident handling between ESMA and national authorities, and that clarify how designation interacts with other market structure features introduced by the Market Integration and Supervision Package, including Pan European Market Operators where applicable. These clarifications should be anchored in Level 2 and Level 3 measures and accompanied by a public register and an annual review clause to recalibrate parameters as Union market structure evolves. Malta also recalls that ESMA decisions taken under the methodology should follow due process, thereby ensuring legal certainty and accountability while delivering the Package's aim of Union level supervision only for infrastructures that are systemically relevant at European level. NL (Comments): No, provided the rules are set at level 2. RO (Comments): Any further technical clarification is welcome. SE (Comments): SE comment: It should be clarified which types of transactions constitute relevant indicators for determining cross-border activity, e.g. only trading on the trading venue in question, or also bilateral but reported trading. SK (Comments):

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	We do not support calculation of significance of trading venues on the basis of cross-border activities, it will only add complications and unnecessary complexity. Calculations based on market share are enough.
Q21: Do MS see merit in enabling trading venues running frequent batch auctions (FBAs) to match at midpoint off-tick, irrespective of the size of the trade?	AT (Comments): While we are aware of the ongoing discussions between NCAs and ESMA on the general supervisory treatment of FBAs, we remain sceptical on further exceptions to the tick size regime. We advocate for a level playing field between FBAs and the other trading protocols (CLOBs, auctions). BE (Comments): We do not oppose to enabling trading venues running frequent batch auctions (FBAs) to match at midpoint off-tick, irrespective of the size of the trade. However, we must highlight the root cause of this debate: the unlevel playing field created by Systematic Internalisers (SIs). Trading venues are requesting these off-tick execution mechanisms primarily to compete with SIs, who are currently allowed to execute at the midpoint off-tick below the Large In Scale (LIS) threshold. Rather than continually complexifying the systems of transparent trading venues to compensate for this regulatory asymmetry (which poses inherent risks to pre-trade transparency (RTS 1) and overall price formation) we advocate for a simpler and safer structural solution: withdrawing this off-tick privilege from SIs. Reimposing strict adherence to the tick size regime for SIs below the LIS threshold could restore fair competition while safeguarding the quality and integrity of public price formation. CZ (Comments): Yes, we do.

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	DE (Comments): DE generally supports a level-playing field between different types of execution venues in terms of transparency and execution conditions. To that effect the transparency beyond lit, multilateral venues, should be strengthened and the execution conditions should be further harmonized. Potential measures that should be further assessed include: • Improving the transparency of systematic internaliser trades by identifying them through an individual market-identifier code (MIC). • Reviewing the waiver system with a view to reduce complexity and to ensure that the use of waivers, including in combination do not undermine lit trading. • Reviewing the application of the tick-size regime in periodic auctions and to ensure meaningful price improvements by systematic internalisers. DK (Comments): We believe that the tick size regime should be aligned across all execution mechanisms. This includes allowing trading venues to have the same flexibility as SIs and third country trading venues to match orders at the midpoint, not only for large in scale-orders (LIS), but also in frequent batch auctions (FBA). Such harmonisation would reflect evolving market practices, reinforce transparency, investor protection, and the integrity of EU capital markets. The proposed change also aligns with the simplification and burden reduction agenda. ES (Comments): We believe that the tick size regime is an essential tool to support orderly trading, protect displayed liquidity, and safeguard price discovery.

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	However, the current framework creates uneven incentives across execution channels: - In principle (excluding large orders) lit venues are subject to tighter tick-size constraints in both the lit order book and lit auction mechanisms, while other execution channels can systematically deliver midpoint or off tick outcomes. - Given this incentive, it is therefore unsurprising that these less transparent systems are drawing order flow away from transparent markets and weakening public price formation. We believe that action is needed to reinforce transparency and price formation. - Frequent Batch Auctions can be structured in ways that undermine price formation, acting in practice as dark trading —for example, through pegged/adjusted orders, or price "lock-in" mechanics not driven by genuine limit-order interaction. - We believe that, as ESMA set out in the 2019 opinion paper that was very opportunely just mentioned, non-price forming FBA systems should, in principle, operate under a waiver from pre-trade transparency —since, it is economically closer to dark/reference-price trading than to a lit auction. - Therefore, there is need for explicit clarification: if an auction is price-forming, it should comply with the tick-size regime. Otherwise, if the FBA is economically dark-like, it should operate under a pre-trasparency waiver and thus be subject to the SVC. FI (Comments):

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	In general, the tick-size regime is quite complicated. Introducing a whole lot simpler framework, like e.g. in the U.S. would contribute to the simplification and burden reduction agenda. Level playing field between trading venues and SIs is highly desirable. Allowing frequent batch auctions to execute at better price than CLOB drives trading into auctions where pre-trade transparency is more limited than in central limit orderbooks. If we want to encourage lit trading, we should encourage trading in CLOBs, not FBAs. FR (Comments): When it comes to the tick-size regime, we are in favour of its implementation to Frequent Batch Auctions. Indeed, our reading of the current regulatory framework is that FBAs should already apply this regime, as they benefit from no explicit exemptions. Alternatively, it could considered to integrate FBAs under the single volume cap, as they constitute an execution mechanism relatively close to the reference price waiver. GR (Comments): EL: We have reservations about whether the proposed change would have a positive impact on the market. Given the important role that tick sizes play in maintaining a level playing field, supporting orderly markets and harmonized price increments across venues, further data, impact analysis, or market evidence would be welcome to substantiate the proposal of introducing more flexibility regarding off-tick execution on trading venues, including trading venues running FBAs. IE (Comments):

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	IE - We are very supportive of these proposals. We consider that there is a need to balance the objectives of the tick size regime with the benefits for underlying investors of executing transactions at tighter spreads – improving liquidity and reducing cost. IT (Comments): IT: **We acknowledge that after the MiFIR Review, a significant regulatory asymmetry between SIs and trading venues has been introduced with respect to midpoint execution**. **This affects the fair competition between on-venue trading and internalised trading**, enhancing the attractiveness of SI execution, particularly for small-sized or retail orders, and potentially incentivising a shift of liquidity away from regulated markets, with negative effects on the overall quality of price formation, and the expansion of these frequent batch auctions. In this context, **in order to preserve the price formation process, we reiterate that our preferred option would be to reintroduce limits to the midpoint execution regime applicable to SIs by subjecting SIs off-tick execution to more restrictive conditions**, for example by limiting it to orders above a certain size threshold or to professional clients, in order to reduce the impact on retail trading and on "lit" liquidity. **Should this option not be the preferred one** by the majority of the other delegations, **we are open to consider alternatives to rebalance the level playing field between SIs and trading venues**, including the possibility to allow midpoint off-tick matching in FBAs, **provided that adequate safeguards are introduced to avoid unintended consequences on the overall quality of price formation and discovery. In this regard, the size of the trade might be an element worth considering**.

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	Given the absence of sufficient data to form a carefully evaluated decision, it could also be worth introducing a **review clause** (e.g. within 24–36 months), mandating ESMA to assess the impact of the new rules on liquidity, price formation and competition, with the possibility of proposing regulatory or technical adjustments in light of the evidence collected. LV (Comments): Yes, this is necessary to ensure a level playing field between SIs and trading venues. MT (Comments): The Presidency invites views on enabling midpoint off tick matching in lit frequent batch auctions irrespective of size where the best bid and offer are one tick apart with a view to improving execution on lit venues while safeguarding price formation. Malta supports a calibrated permission coupled with post implementation monitoring of quoted spreads top of book depth and turnover for less liquid and SME instruments so that market quality is preserved in small markets. NL (Comments): Yes. When two parties engage in a transaction with each other and neither is doing so in the capacity of liquidity provider, then there is no reason to mandate that one of them pays the other a fee (in the shape of crossing the spread). Matching at midpoint is a legitimate pricing strategy that should be available on a venue at a minimum on the same conditions as off-venue. With regard to orderly trading (the aim of the tick size regime) there is no difference between matching at midpoint on-tick or off-tick. In addition, it allows for more innovation and for a more level playing field between SIs

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	and venues and between the EU and the UK. More generally we note that MiFIR provides for incentives to trade off venue on various instances. In addition to the mentioned mid-point matching, the Negotiated Trades mechanism is the main example. In order for a venue to be allowed to execute negotiated trades (without pre-trade transparency) it needs to satisfy the conditions that the trade is 1) privately negotiated; and 2) in accordance with one of three pricing conventions. MiFIR is often interpreted as not allow a trading venue to facilitate the negotiations in a multilateral manner under its oversight or to apply innovative pricing strategies (such as certain VWAP strategies). SIs do not have such restrictions. While we are in the process of researching if increased SI trading leads to worse market conditions, we see obvious benefits for multilateral trading compared to bilateral trading. Firstly, such trading allows for direct competition and secondly the trading venue provides monitoring and oversight of the markets aiming at orderly markets and preventing/addressing market abuse. PT (Comments): Despite the broader assessment that we are still conducting, we would like to share some considerations regarding the possibility of allowing midpoint off-tick matching in FBAs. We acknowledge that such flexibility may, in certain circumstances, support liquidity. However, we also see a number of aspects that warrant careful reflection. In particular, midpoint off-tick execution within FBAs may risk obscuring price formation, weakening transparency, and creating inconsistencies with the MiFID II tick-size regime. It could also lead to divergent supervisory practices across Member States, thereby increasing the risk of regulatory fragmentation.

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	We consider it important to ensure that any adjustment to the FBA framework remains fully aligned with transparency requirements, contributes effectively to price discovery, and avoids creating competitive imbalances between trading mechanisms. RO (Comments): We do not have a strong opinion. SE (Comments): SE comment: We support measures that promote level playing field between trading venues and SIs. To ensure a fair and competitive market structure, we recommend the tick size regime to be aligned across all execution mechanisms. Such harmonisation will reinforce transparency, investor protection, and the integrity of EU capital markets. We also note that ESMA is expected to submit a report on this matter in April, which may shed further light on the importance of this proposal. SK (Comments): No. Such approach will have negative impact on the trading venues.
Q22: In the affirmative response in question 1, would MS see merit in exploring further the possibility to introduce more flexibility as regard off-tick execution for all trading protocols (e.g., CLOBs, auctions) on lit venues?	AT (Comments): Although we are skeptical regarding Q21, we support a larger, in-depth discussion on whether the current tick size regime, which was introduced in a specific context to hinder a race to the bottom as regards tick sizes, is still adequate and useful. This could also mean introducing more flexibility, while providing a level-playing field for all trading protocols and markets participants as well as avoiding supervisory arbitrage.

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	BE (Comments): We see merit in exploring further the possibility to introduce more flexibility as regard off-tick execution for all trading protocols (e.g., CLOBs, auctions) on lit venues. However, we are strongly supportive of a simpler solution, which is the reintroduction of the tick size regime to SIs for orders below the Large In Scale (LIS) threshold. CZ (Comments): Yes, we would. DE (Comments): It is in our view doubtful that introducing more flexibility as regards off-tick execution for all trading protocols (e.g., CLOBs, FBAs) on lit venues would achieve a more level playing field between CLOBs and FBAs. Before going in this direction a thorough impact assessment would be needed that clearly shows that the benefits outweigh the costs. DK (Comments): Yes, we believe there is merit aligning the tick size regime across execution mechanism by for instance allowing half tick midpoint matching in the CLOB (Central limit order book). ES (Comments):

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	- A broad permission for off-tick execution on lit venues may look attractive, but it would create perverse incentives: o **Breakdown of public price formation:** Without tick-size constraints, prices would become noisy and unstable, moving in infinitesimal increments with no economic meaning. o **A "Race to the Bottom":** Removing the tick-size regime would trigger competition through meaningless price improvements aimed solely at gaining queue priority. High-frequency traders would gain a structural advantage by micro-improving prices ahead of any transparent order. Market makers would be discouraged from displaying quotes if they can be bypassed by economically irrelevant price improvements. o **Finally, from an operational point of view, it is a complex reform:** allowing unrestricted mid-point execution would remove the current limitations applicable to trading venues, where mid-point matching is only permitted when pre-trade transparency does not apply and is subject to the Article 5 volume cap through the reference price waiver. If mid-point execution were to be allowed across all types of trading systems, the role and justification of the Article 5 volume cap would need to be reconsidered. FI (Comments): We are not against introducing more flexibility in the way described, but it would further add complexity to trading, and we wonder whether benefits outweigh the costs. FR

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	(Comments): We don't see merit in exploring further flexibility in this regard. IE (Comments): ***IE -*** We agree with the proposals to allow mid-point matching to occur off-tick across all venue types. IT (Comments): IT: See our response to question 21. **Given the novelty of this proposal, and the absence of specific evidence in the impact assessment, it would be premature to form a view**. While we would continue to support the initial objectives of the tick size regime application to both orders and transactions, **should this idea gain enough support by other delegations, we would invite the Commission to prepare a dedicated paper aimed at analysing the current market structure and providing proposals to ensure that price formation is preserved, while allowing fair competition between SIs and trading venues**. LV (Comments): Yes. MT (Comments): Malta supports pilot implementation through regulatory technical standards with explicit opt in flags transparency and ex post assessment and with safeguards for less liquid instruments to mitigate unintended effects such as queue jumping.

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	NL (Comments): Yes. We see no reason to prohibit this. It allows for more innovation and for a more level playing field between SIs and venues and between the EU and the UK. As regards CLOBs, such a possibility would imply that: a) orders would be matched when the spread is at one tick, by splitting equally the spread between the buyer and the seller (see below graph); b) a new type of order that allows market participants to add a flag to their orders to signal their openness to seeing their orders being executed at half a tick higher (for buyers) or lower (for sellers); c) such a flexibility would preserve the objective of the tick-size regime, as orders would still need to be placed on tick and the flexibility would only allow to signal openness to matching halfway within the tick, when the spread is of one tick. PL (Comments): *We do not see a need to introduce new order types allowing execution at half tick increments. In our view, the tick size regime should apply uniformly and should not be subject to exceptions. Maintaining a strict and consistent tick size framework is important to ensure market transparency, price formation and a level playing field across trading venues and other market participants.* RO (Comments):

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	We support the idea of exploring further possibilities to introduce more flexibility regarding off-tick execution for all trading protocols on lit venues. SK (Comments): No. We do not support further exploration of these possibilities.
As regards CLOBs, such a possibility would imply that:	
a) orders would be matched when the spread is at one tick, by splitting equally the spread between the buyer and the seller (see below graph);	IE (Comments): ***IE -*** Another way of approaching this would be to provide clarity that the tick-size regime applies to orders only and not to executions. This would perhaps be a simpler way of providing clarity and aligns with practice elsewhere such as the US.
b) a new type of order that allows market participants to add a flag to their orders to signal their openness to seeing their orders being executed at half a tick higher (for buyers) or lower (for sellers);	IE (Comments): ***IE*** – RTS1/2 and the transparency regime provide some distinctions of different trading system types (CLOB, RFQ, FBA etc). The specific functioning of an order type is relevant to the application and permissibility of waivers. However, we are of the view that the legislative framework does not otherwise explicitly and directly proscribe or permit how order types (e.g. iceberg, limit, stop/loss, dark-lit sweep etc) should operate. We do not think it is in the spirit of simplification and burden reduction to legislate a taxonomy of order types. The functioning of the trading system should determine whether midpoint matching is relevant, rather than mandating that this be a required order entry criterion.

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c) such a flexibility would preserve the objective of the tick-size regime, as orders would still need to be placed on tick and the flexibility would only allow to signal openness to matching halfway within the tick, when the spread is of one tick.	IE (Comments): ***IE*** – As per above comment, clarity could be provided that the tick-size regime applies only to orders and not to executions.
Q23: *If MS disagree with question 1 and 2, do MS believe that the* application of the tick-size regime should be re- introduced for SIs?	AT (Comments): As outlined in our answer to Q22, we are open to discuss adaptations to the current tick-size regime. This includes the application of such regime on SIs. BE (Comments): Yes, we strongly support the reintroduction of the tick-size regime for Systematic Internalisers (SIs) for orders below the Large In Scale (LIS) threshold. DE (Comments): In order to achieve a level-playing field between different types of execution venues we would be open to require systematic internalisers to provide meaningful price improvements. DK (Comments): Not relevant, cf. above. ES (Comments): a. Imposing tick-size on SIs for below-LIS trades would be a blunt tool to ensure a level-playing field. However, that would effectively eliminate SIs as viable competitors in the segment. We think this is not proportionate and could reduce

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	execution choice for smaller orders, ultimately harming their experience. b. However, the current SI advantage below LIS—midpoint execution with limited pre-trade transparency—must be justified by measurable investor benefit. c. We therefore support stronger scrutiny and safeguards by requiring SIs to demonstrate meaningful and consistent price improvement for retail orders, and by mandating reporting so supervisors can verify outcomes. FI (Comments): Yes. FR (Comments): When it comes to Systematic Internalisers, we are not in favour of removing the possibility to match at mid-point, but would rather support the introduction of a mandatory price enhancement of half a tick for orders under the Standard Market Size instead. GR (Comments): EL: Yes, we could consider such a case. IE (Comments): ***IE -*** We agree with the proposals therefore we do not advocate for re-introduction of the tick-size regime for SIs. IT

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	(Comments): IT: See our responses to questions 21 and 22. LU (Comments): We believe that the tick-size regime should be reinstated to ensure a level playing field among trading venues. LV (Comments): There needs to be a level playing between SIs and trading venues. MT (Comments): Because Malta supports calibrated off tick mechanisms on lit venues under Q21 and Q22 Malta does not support tightening the systematic internaliser regime by default and would prefer evidence-based calibration only if pilots show adverse effects on execution quality or liquidity in small cap segments. PL (Comments): *Yes. The tick size regime should be re introduced for systematic internalisers (SIs).* PT (Comments):

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	In principle, we favour re-introducing the tick-size regime for SIs. Despite it may limit SIs' flexibility, widen spreads, increase operational costs, and reduce liquidity provision for less liquid or SME instruments, it would also: a) Enhance a level playing field, aligning SIs with trading venues, b) Improve pre-trade transparency, c) Reduce opportunities price manipulation (since standardised price increments make it harder to engage in predatory or high-frequency strategies that exploit ultra-small price steps), and d) Ensure more consistency with MiFID/R goals, supporting the original intent to harmonise EU trading conditions and enhance market integrity. RO (Comments): We do not have a strong opinion. SK (Comments): No. Systematic internalisers should play different roles than regulated markets and allowing the systematic internalisers to behave like regulated markets is not appropriate way of regulation what has negative impact on regulated markets.