Council of the European Union
General Secretariat

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Brussels, 24 April 2026

Interinstitutional files:
2025/0381 (COD)
2025/0382 (COD)
2025/0383 (COD)

WK 5897/2026 INIT

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WORKING DOCUMENT

From:	Presidency
To:	Working Party on Financial Services and Banking Union (MISP) Financial Services Attachés
N° Cion doc.:	ST 16345 2025 INIT
Subject:	Market Integration and Supervision Package - COM presentation on funding and IT - working party on 20.04.2026



Market Integration and Supervision Package

Supervision – Funding & IT

CWP, 20 April 2026

European Commission

Topics

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1. Funding and implementation elements of the MISP Package
2. Overview of ESMA mandates on IT tools

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Funding and implementation elements of the MISP Package

Agenda

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- Context for MISP funding
- Funding architecture
- Financial sustainability
- Methodology for establishing staffing needs
- Resource needs
- Funding of IT systems and infrastructure
- Governance, budgetary control and accountability
- Implementation timeline

Context for MISP funding

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- Strong budget constraints: MFF discussion, including EU agencies budget & budget constraints at NCA level [→ increase fee-funding where legally possible]

Recommendations from the ESMA funding Task Force:

- **Simplify and consolidate the fee framework**, based on full cost recovery
- **Keep sector-specific fee calculations, but align payment rules in one delegated act**
- **Provide EU pre-funding for the preparatory phase of new supervisory mandates**
- **Provide more EU funding for major ICT / EU-wide IT projects**
- **Increase the EU share of public funding, moving from 40/60 towards 50/50 or beyond**

Funding architecture

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Hybrid Model (Fees, Co-Financing, EU Budget)

Fee-Funded Activities (100% Industry-Financed)

- direct supervision of supervised entities, as well as convergence tasks linked to direct supervision (e.g. supervisory handbooks, common supervisory actions, staff for the seamless passporting of UCITS funds/AIFs)

Co-Financed Activities (EU-NCA Shared Costs)

- **50/50 Split (EU-NCA):** new supervisory convergence tools, coordination of large cross-border asset management groups and DLT-related coordination
- **40/60 Split (EU-NCA)**: pre-existing co-financed ESMA activities, including regulatory work such as Level 2 and 3 measures, and pre-existing supervisory convergence activities

Note: The method for allocating budget contributions between NCAs remains unchanged and continues to be based on the weighted MS votes as defined in Article 3 of the Protocol No 36 on transitional provisions.

EU-Only Funded Activities

- Preparatory work for new direct supervisory mandates and upfront IT development

Total amounts (in EUR million) **only for MISP** in Period 2028-34: **EU**: 52.4, **NCA**: 25.9, **Fees**: 533.5

Financial Sustainability & Impact on Member States

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- Increased funding via fees from supervised entities
  - Fees fund direct supervision & related IT; fees proportional to annual turnover, possible flexibility for smaller entities
- Increased EU Budget Contribution
  - Covers preparatory IT/staff costs
  - 50/50 EU-NCA split for non-fee-funded new tasks (vs. previous 40/60), reducing NCA burden
- Efficiency gains
- Cost-savings for NCAs in areas where ESMA takes on supervisory responsibilities (medium to long-term)

Methodology for establishing ESMA's direct supervision staffing needs

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- calculations based on the existing supervisory practices and resources currently used across Member States
- staffing needs estimated sector-by-sector with the help of NCA responses to a survey, ESMA’s operational experience, and Commission analysis
- ESMA direct supervision of: around 8 CCPs, around 14 CSDs, around 10 trading venue groups (representing around 150-200 trading venues), and all CASPs (up to 600+ entities)
- overhead rate at the level of 20%

Resource needs

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- Staffing allocation in the steady state (Total: 480 new FTEs)
  - Direct supervision (up to 340 FTEs)
    - **Executive Board**: 5 FTEs
    - **CCPs**: 43
    - **CSDs**: 35
    - **Trading venues**: 100
    - **CASPs**: 157
  - Convergence in areas where ESMA would have direct supervisory powers (up to 13 new FTEs + 10 reallocated FTEs)
  - staffing in areas where ESMA would not have direct supervisory powers, like DLTPR and asset management, for convergence and regulatory tasks (up to 47 FTEs)
  - Management, administrative and support functions (up to 80 FTEs)

IT Systems and Infrastructure

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- Purpose:
  - Reduce **supervisory fragmentation** and enhance **convergence**
  - Avoid **duplication**, improve **data quality/interoperability**
  - Step towards **integrated reporting system** set out in the financial services supervisory data strategy and the Better data sharing regulation and towards 'once only' principle laid out in the European strategy for data
  - Facilitate **cooperation** (ESMA-NCAs) and **advanced analytics**
- Costs of the four pillars of MISP's IT Architecture
  - IT development costs estimated at **EUR 28.2 million** (2025 prices) in total
  - Annual maintenance costs from 2030 onwards are projected at **EUR 10.4 million** (2025 prices)

IT Systems and Infrastructure (EUR million)

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System	Development costs 2028 - 2029	Development costs 2030 - 2031	Annual maintenance 2030 - 2034	Annual maintenance 2032 - 2034
Central supervision system for CCPs, CSDs, TVs & CASPs	8.0		3.7	
Crypto-assets market surveillance platform	4.2		2.5	
System for cross-border notifications of funds	1.0		0.2	
Data Platform	-	15.0	-	4.0
Total	**28.2**		**10.4**	

Evolution of funding sources (%)

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The below **table** shows the evolution of funding sources for all ESMA activities **(traditional + MISP)**:

ESMA Funding Sources (%)	2028	2029	2030	2031	2032	2033	2034
EU contribution	36%	19%	17%	16%	13%	13%	13%
NCA contribution	33%	23%	21%	20%	22%	22%	22%
Fees	31%	58%	62%	64%	65%	65%	65%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

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Governance, budgetary control, and accountability

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- Budget Governance & Oversight
  - Full involvement of NCAs in programming and budget preparation
  - Adoption by BoS after approval by EB,
  - Stronger involvement of the Commission (Article 44b(3))
  - Final adoption by the budgetary authority (Council and EP)
  - Accounts audited by the European Court of Auditors
- Supervisory fees (Article 39n): full recovery of costs incurred by ESMA in carrying out its tasks. Methodology for calculating and allocating fees specified in a Delegated Act (Article 75a). Interim application of sectoral fee Delegated Acts.
- Transparency & Accountability
  - Annual fee transparency report and enhanced transparency towards paying market participants
  - Regular reporting on fee collection/use

Implementation timeline

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- **Phase 1: Preparatory Phase (~2028)**
  - Governance set-up, development of all IT systems except for ESMA Data Platform starts, transition activities
- **Phase 2: Governance changes enter into application and CCP Supervision starts (~T+1)**
  - Executive Board becomes operational, staff phased in, development of all IT systems, except for ESMA Data Platform continues
- **Phase 3: Expansion of direct supervision to CSDs, Trading Venues, and CASPs (~T+2)**
  - Staffing phase in continues, development of ESMA Data Platform starts
- **Phase 4: Steady-State Operation and Final Staffing**
  - Supervisory maturity, full staffing reached, all IT Systems in place

Key messages

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- Significant resources to cater for new mandates
- At steady state (from around 2031), ESMA's budget estimated to be ~65% fee-funded and ~35% co-financed by the EU and NCAs (currently ~35% fee-funded)
- Funding split for new tasks related to SIU 50/50, for previous tasks 40 EU/60 NCAs
- IT development paid by EU and recovered only when linked to fee-funded mandates (not recovered for ESMA Data Platform and 20% of central supervisory system)
- New direct supervisory mandates (CCPs, CSDs, Trading Venues, CASPs) fully financed by fees
- Budget Governance & Oversight improved

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Overview of ESMA Mandates on IT tools

Agenda

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- MISP objectives on IT
- Drafting principles
- ESMA central supervision system
- Cross-border funds notification system
- Crypto-asset market surveillance platform
- ESMA Data Platform (centralised data and analytics)

New IT tools - support of MISP objectives

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- Reduce fragmentation: Harmonise supervision across the EU, particularly for cross-border activities.
- Enhance efficiency: Replace duplicative national IT systems with **centralised ESMA-led solutions**.
- Improve data quality: Standardise data collection, storage, and sharing via **interoperable platforms**.
- Lower costs: Avoid redundant investments by NCAs and ESMA through **shared infrastructure**.
- Strengthen supervision: Enable **real-time collaboration**, advanced analytics (e.g., AI, SupTech), and risk-based monitoring.

Drafting principles - High-level legal text and technology-neutral design

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The legal text should:	• **provide a clear legal basis** • **define the objective of each tool** • **set out the main functions** • **identify the relevant actors, where needed**
The legal text should not:	• prescribe technical architecture • fix detailed workflows • lock in specific technological solutions
This approach allows:	• flexibility in implementation • future-proof design • proportionate development of the tools

The Four Pillars of MISP's IT Architecture

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System	Key Users
1. Central Supervision System	ESMA, NCAs, supervised entities
2. Cross-Border Funds Platform	NCAs, fund managers, public
3. Crypto-Assets Surveillance	ESMA, NCAs, AMLA, EBA, NCBs, ECB
4. Data Platform (Analytics Hub)	ESMA, NCAs, EBA, EIOPA, ECB, ESRB, NCBs, AMLA

ESMA central supervision system

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Purpose of the system:

- supports ESMA in carrying out supervisory tasks
- provides a structured environment for relevant supervisory processes, information exchanges and faster access to standardised data for NCAs
- reduces administrative burden for supervised entities
- streamlines data collection and access to information
- improves cost-efficiency with maintenance of only one system for the EU

Cross-border funds notification system

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Purpose of the notification system:

- streamlines UCITS/AIF marketing notifications
- supports home–host NCAs cooperation on cross-border matters related to funds (the exchange of information and documents; interaction between NCAs)
- supports more consistent supervision of cross-border fund distribution within the internal market
- limits duplication of data collection and promotes interoperability

ESMA crypto-assets market surveillance platform

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Purpose of the platform:

- provides an EU-wide overview of activities in crypto-asset markets
- monitors market abuse in crypto markets
- enhances cooperation between ESMA, NCAs and other relevant authorities
- removes the need for multiple national systems to collect and process the same type of CASP data

ESMA Data Platform (centralised data and analytics)

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Purpose of the ESMA Data Platform:

- gives access to the same Union-wide datasets, with standardised tools for analysis and monitoring (including SupTech solutions using AI)
- reduces fragmentation and the need for multiple separate analytical systems
- achieves EU-wide cost savings and economies of scales
- strengthens supervisory convergence
- supports implementation of the EU's financial data strategy

Key messages

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- The proposal envisages several IT tools to support implementation and supervision
- These tools respond to concrete legal and operational needs
- The Commission's approach is to keep the legal text:
  - principle-based
  - functional
  - technology-neutral
- Detailed technical design would be addressed at implementation stage



Thank you for your attention