



Position Paper

The Market Integration and Supervision Package (MISP)



April 2026

Introduction

The Market Integration and Supervision Package (MISP) represents a significant step towards advancing the European Union's Savings and Investment Union (SIU), with the objective of fostering deeper, more efficient, and competitive capital markets. The proposals aim to reduce fragmentation, enhance supervisory convergence and support innovation across trading and post-trading infrastructures.

SIX welcomes the initiative; however, there are still areas that require further clarification and adjustment to ensure proportionality, legal certainty and operational effectiveness. This paper outlines the key considerations across three core dimensions: Trading, Post-Trading and Supervision.

Trading



- Introduce qualitative and quantitative reports on Systematic Internalisers' (SIs) activity
- Enhance the consistency, completeness, and overall quality of off-venue data, including through the inclusion of appropriate trade flags
- Reinforce the authorization and supervision of SIs
- Expand the SI quoting scope, potentially via extended liquid-market definition
- Strengthen SI quote-update obligations for price improvement
- Remove Single Volume Cap and allow ESMA to call for cap upon evidence of price formation degradation
- Allow trading venues to use the full set of waivers within their execution mechanisms
- Assess the tick-size and midpoint regime
- Avoid reopening the Consolidated Tape (CT) until a proper assessment of the implementation of the tape is done

The role of public markets in supporting Europe's innovative and high growth companies does not end with a successful listing. Decisions to pursue an IPO – by companies, founders and venture capital investors alike – are shaped just as much by what happens after admission to trading as by access to primary capital itself. Expectations around post IPO liquidity, the quality of price formation, trading efficiency and regulatory consistency weigh heavily on valuations and on the long term attractiveness of public markets. Deep and visible secondary markets help sustain investor confidence, support fair pricing and provide credible exit routes for venture capital, while enabling companies to continue raising capital as they scale. In practice, strong domestic primary markets cannot exist in isolation: they rely on secondary markets that are sufficiently liquid, transparent

and resilient. The way Europe's equity trading ecosystem is structured and performs therefore has a direct bearing on IPO activity and on the broader SIU objective of anchoring companies, talent, strategic functions and value creation within the EU.

Therefore, strengthening Europe's capital markets requires a new balance between liquidity concentration, innovation and competitiveness, addressing fragmentation both within and across markets, while supporting lit price forming mechanisms. The growing role of SIs and other off-venues execution mechanisms weakens price formation and increases regulatory arbitrage. Without proper identification and reporting standards, it remains difficult to assess execution quality, liquidity distribution

and the broader impact on price formation. Enhanced reporting obligations – both qualitative and quantitative – are necessary to ensure meaningful contribution to market depth. In addition, harmonization of transaction flags is critical. Current inconsistencies in how trades are reported, particularly off-exchange, create data gaps and limit the ability of market participants to fully understand liquidity dynamics. Improved flagging would strengthen the usability of post-trade data and support more informed investment decisions.

We strongly support innovation in trading mechanisms as long as they deliver the best outcomes for investors while preserving efficient and transparent price formation. The central limit order book remains a cornerstone of efficient markets and complementary mechanisms such as periodic auctions can further support price formation.

The regulatory framework should also allow trading venues sufficient flexibility to innovate. Measures such as revisiting the single volume cap, ensuring appropriate application of tick-size rules and enabling full use of available waivers can help maintain competitiveness while safeguarding market integrity.

Furthermore, pre-trade transparency could be enhanced by expanding the quoting obligations of SIs, potentially through a broader definition of liquid markets. This would improve visibility of available liquidity and contribute to better execution outcomes.

Finally, reopening the scope of the CT at this stage would be premature. Any modifications should be informed by real-world implementation data and backed by a rigorous ex post evaluation. If the scope is nevertheless revisited, it should be within a broader reassessment of the Level 1 balance – covering revenue distribution and the Reasonable Commercial Basis (RCB) model regime for the consolidated tape provider, the framework for value-added services and safeguards against arbitrage. In particular, introducing more granular data risks turning the CT into a potentially misleading trading tape, with unintended consequences for market structure.



Post-Trading



- CCP interoperability is a positive step toward enhancing competition and user choice, particularly in equity markets
- Introduce further clarity on the fiscal responsibility and resolution of CCPs
- Introduce an exemption so that small markets are not forced to open up for CCP interoperability but are given the choice to opt in if desired
- Avoid the obligation requiring the establishment of a minimum number of bilateral links with specific CSDs
- Reassess the criteria to become a CSD hub and the timeframe to implement CSD links
- Modernize EU's core regulatory frameworks (CSDR, EMIR and MiFID) to allow all regulated entities to develop DLT based services
- Avoid preferential treatment for DLT Pilot Regime participants over established FMIs

Post-trading integration remains a critical pillar of the MISP, particularly in relation to clearing, settlement, and infrastructure connectivity. While the proposals aim to enhance efficiency and competitiveness, several operational and structural challenges must be addressed.

Central Counterparty (CCP)

In the clearing space, the push for CCP interoperability is a positive step toward enhancing competition and user choice, particularly in equity markets. However, mandatory interoperability may not be suitable for smaller markets, which could face disproportionate operational burdens. Introducing opt-in mechanisms or exemptions would help mitigate these risks. Furthermore, the issue of fiscal responsibility in case of default remains unresolved. While supervision may be centralized, resolution mechanisms remain largely national, potentially leading to misaligned incentives. Clear allocation of responsibilities – including the identification of a lender of last resort – is crucial for maintaining financial stability.

Central Securities Depository (CSD)

For achieving an efficient and competitive European post-trade integration, it is paramount to focus on a coordinated, market-driven and operationally realistic approach to CSD connectivity. This integration should be led by business rationale, with a strong focus on strengthening efficiency, competitiveness and scalability. However, mandating connections that do not reflect genuine market demand or participant needs could lead to inefficiencies and unnecessary burdens. A more effective framework would recognize the differentiated roles of CSDs – some serving mainly domestic markets, while others facilitate cross-border activity – thereby enabling a more coherent yet flexible European post-trade landscape.

As roles within the network become clearer, CSDs will need to either establish new connections or adapt existing infrastructures, often alongside ongoing IT modernization and regulatory initiatives. Ensuring that these developments are aligned with operational realities is essential to maintaining continuity and avoiding excessive strain on the sector. Importantly, connectivity should remain driven by market needs, allowing CSDs to determine which asset classes are supported through specific links based on liquidity, risk and demand considerations.

Ultimately, the objective should not be to increase the number of links indiscriminately, but to foster meaningful connections that genuinely strengthen European markets. Imposing mandatory bilateral links or rigid and technically unrealistic implementation deadlines – such as a 12-month timeframe – risks creating operational challenges, higher costs and misalignment with business realities. A more flexible and pragmatic approach would better support sustainable integration and long-term market efficiency.

The concept of CSD hubs also merits reconsideration. Current thresholds may unintentionally limit the ability of local CSDs to evolve into hubs, thereby restricting competition and reinforcing existing structures. A more flexible framework would better support cross-border integration and client choice.

Distributed Ledger Technology (DLT)

Innovation in post-trading is also strongly linked to the DLT Pilot Regime. Expanding its scope and thresholds is welcome, but it must be accompanied by a clear

and harmonized transition into existing regulatory frameworks such as CSDR, EMIR, and MiFID. Without such clarity, there is a risk of fragmentation, regulatory arbitrage, and operational instability.



Supervision



- Avoid a hybrid framework that splits responsibilities between ESMA and the NCAs
- Clarify the weak spots of the new supervisory framework for significant FMIs
- Introduce clear delineation and guidance on the supervisory roles of ESMA and the NCAs
- Enhance transparency around the methodology and parameters for fee calculation
- Introduce further clarity on ESMA's sanctioning powers and clearer safeguards

The supervisory dimension of the MISP is one of its most transformative aspects, proposing an expanded role for ESMA. However, the proposed framework raises significant concerns regarding clarity, proportionality and effectiveness.

A central challenge is the division of responsibilities between ESMA and National Competent Authorities (NCAs), especially in the trading landscape. A hybrid model risks creating duplication, unclear accountability, and slower decision-making processes, hence undermining the competitiveness of the financial sector compared to other regions globally. Clear delineation of roles, supported by well-defined procedures, is essential to avoid legal uncertainty and ensure efficient supervision.

At the same time, NCAs play a vital role in maintaining local market expertise, particularly in supporting SME markets and addressing jurisdiction-specific characteristics. A balanced approach that leverages both centralized oversight and local knowledge is therefore necessary.

The calculation of supervisory fees merits deeper guidance. The proposed funding model (50% NCAs and 50% EU funds), combined with ESMA's expanded role, suggests that supervisory fees are likely to materially increase. Greater transparency around the methodology and parameters for fee calculation is therefore necessary to reduce uncertainty, particularly for budgeting purposes, and ultimately to ensure that supervised infrastructures can remain competitive even if changes in budget occur.

The framework for supervisory powers and sanctions also requires refinement. Sanctioning mechanisms must be proportionate and tailored to the specific regulated activity. Linking fines to total entity turnover may result in disproportionate penalties, especially for firms operating across multiple regulatory regimes. A more targeted approach – based on the turnover of the relevant activity – would enhance fairness and legal predictability.

Conclusion



The MISP represents a pivotal opportunity to strengthen the global competitiveness of European capital markets. However, the complexity of the proposals requires careful calibration. As outlined throughout this paper, several elements of the package would benefit from further clarification, greater proportionality and closer alignment with market and business realities to ensure that the framework is both effective and operationally viable in the long-term.

In this context, it is important to acknowledge the European Commission's clear sense of urgency in advancing and finalizing the package as soon as possible. While this momentum is understandable given the strategic importance of the SIU, an accelerated legislative process risks leading to suboptimal outcomes.

It is essential that co-legislators take the necessary time to thoroughly assess the proposals, engage with stakeholders and introduce the appropriate adjustments with a long-term perspective. A well-calibrated framework should aim not only to deliver immediate progress, but also to ensure meaningful and durable implementation. This will help avoid the need to reopen the framework within a few years due to unintended consequences or structural shortcomings.

About SIX

SIX provides and operates stable and efficient infrastructure for the Swiss and Spanish financial centers, thus ensuring access to the capital markets and the flow of information and money between financial market players.

SIX is a unique European primary exchange group, being the only one to operate listing and trading venues in all major European financial markets, including Switzerland, the EU, and the UK. Across SIX Swiss Exchange, BME Exchange, and Aquis Exchange, we offer our clients access to 16 capital markets across Europe, with an aggregated pan-European equity trading market share of 15%.

SIX covers the entirety of post-trading: from clearing through settlement and custody to securities finance, and trade repositories. We understand the value of stable and reliable services, and this is why we continuously invest in new technologies and innovative solutions.

SIX Group Ltd
Hardturmstrasse 201
P.O. Box
CH-8021 Zurich

www.six-group.com