

ANNOUNCEMENT

The European Commission consults on proposed transformative amendments to the regulation and supervision of the financial services sector

The Cyprus Securities and Exchange Commission ('CySEC') wishes to draw the attention of interested parties to the European Commission's [targeted consultation on the integration of EU capital market](#) (the 'Consultation'), published on 15 April 2025, inviting contributions from financial institutions and other market participants¹. The Consultation aims to gather stakeholders' feedback on the obstacles to financial market integration across the European Union ('EU'), as envisaged in its [Savings and investments Union \('SIU'\) strategy](#), presented on 19 March 2025.

The Consultation covers a broad range of topics, some of which are materially transformative, comprising the following seven sections:

1. **Simplification and burden reduction:** This section discusses the issues of simplification of the existing regulatory framework and burden reduction, as regards a broad range of issues, including trading, post-trade and asset management.
2. **Trading:** The European Commission seeks stakeholders' feedback on prospective measures to improve the consolidation of liquidity across trading venues through better interconnections and access to trading venues, access to market infrastructures and quality of execution.
3. **Post-trading:** The European Commission has identified three main areas of concern and calls for concrete examples of barriers to cross-border settlement, barriers to the application of new technologies and new market practices, as well as of unharmonised or inefficient market practices.
4. **Horizontal barriers to trading and post-trading infrastructures:** The European Commission seeks feedback on horizontal barriers to trading and post-trading infrastructures in four main areas: those identified in the [2017 European Post Trade](#)

¹ Market participants include operators and users of trading and post-trading infrastructures in the EU, notably trading venues, broker-dealers, issuers, institutional and retail investors, clearing counterparties, central securities depositories, trade repositories, asset managers, investment funds, regardless of where they are domiciled or where they have established their principal place of business.

[Forum report](#), the cross-border operational synergies between entities, issuance of financial instrument and innovation. In addition, the supervision of outsourcing arrangements and the treatment of group structures, as well as the functioning of the DLT Pilot Regime and asset tokenisation are also discussed.

5. **Asset management and funds:** This explores the obstacles to accessing the single market and aims to gather insights on the cross-border management of investment funds and the potential barriers. The effectiveness of existing authorisation and passport systems and simplifying thereof are also discussed.
6. **Supervision:** The European Commission proposes the centralisation of supervision in certain cases (i.e. transferring the supervision of certain entities from the National Competent Authorities to European Supervisory Authorities) such as central counterparties, central securities depositories, trading venues, asset managers and crypto asset service providers.
7. **Horizontal questions on the supervisory framework:** This includes questions on the new direct supervisory mandates and governance models of the European Supervisory Authorities (ESMA, EBA, EIOPA and AMLA), and seeks feedback on current and potentially new supervisory convergence tools, as well as on a proposed enhanced role of ESAs and the funding thereof.

Next Steps

CySEC strongly encourages all interested parties to participate in the consultation process to help the European Commission in shaping a holistic view of the Union's financial services markets and its overall policy approach. Interested parties may submit their response [to the European Commission] through an online questionnaire, by **10 June 2025**.

Interested parties that are entities regulated by CySEC are encouraged to additionally send a copy of their response to the Policy Department of CySEC at policy@cysec.gov.cy to further inform CySEC's policy approach. The subject of the email should have the following form '**EC's Consultation on SIU – [the name of the Organization or the of legal person]**'. In the cover of the email please indicate the type (CIF, AIFM, CASP etc.) of the regulated entity in question.

Nicosia, 25 April 2025