

BSP's Feedback

Savings & Investments Union - EU rules to foster market integration and efficient supervision (Proposal for a Regulation)

March 20th 2026

1. Introduction

This is the second part of Business & Science Poland's (BSP) feedback in the latest consultation process concerning the legislative proposals comprising the Market Integration Package, and it addresses the proposals found in the Master Regulation part of the package. For input regarding the proposals found in the Directive proposal, please refer to our document (ref no. F33382028) submitted on 16th March 2026.

When providing the second part of our feedback, it is important to reiterate **that BSP and its sectoral members support the objective of improving the efficiency and integration of European capital markets**. At the same time, market integration should be pursued in a manner that remains proportionate, coherent and taking into account the specifics of smaller and medium-sized national capital markets. Based on input received from our sectoral members, we are concerned that certain proposed amendments to MiFIR, which are part of the regulation, would not merely harmonise rules across the Union, but would materially weaken domestic market infrastructures, reduce the resilience of local capital markets ecosystem and contribute to the gradual relocation of key market functions away from medium-sized exchanges. We stress the proposals relating to the consolidated tape and to access to trading and post-trade infrastructures as especially problematic in this respect.

BSP considers that the proposed Regulation is the appropriate place to raise concerns of a substantive and technical nature. The key questions are whether the proposed EU-level rules on market data, access rights, settlement configuration and post-trade organisation are properly calibrated, whether they reflect the economics and risk profile of medium-sized domestic markets such as Poland, and whether they may generate unintended fragmentation in areas that are formally presented as part of an integration agenda. In our assessment, **the current drafting does not yet strike the right balance**, and below we stipulate why.

2. Remarks on the Consolidated Tape proposals: withering of local markets

Based on input received from our sectoral members, BSP has serious concerns regarding the proposed redesign of the consolidated tape for shares and ETFs. Those concerns relate in particular to three elements of the draft:

- 1. the expansion of the disclosed data set from one best bid and offer to five best bids and offers¹,**
- 2. the removal of anonymity for the best quote through venue attribution,**
- 3. and the extension of data disclosed through the CTP to include the volume-weighted closing price resulting from closing auctions.**

Our sectoral members consider that these changes would not operate merely as neutral transparency enhancements but would alter the conditions of trading in a way that disproportionately disadvantages transparent markets.

The primary technical concern is that the move from the current anonymous 1 BBO model to an attributed 5 BBO model would significantly change the nature of the consolidated tape — from an informational tape to a trading-oriented one — and would therefore significantly lower the entry barrier for competing venues and intermediaries seeking to organise dark trading in instruments listed on lit trading venues.

The current model still preserves part of the economic value of proprietary exchange data, whereas the proposed model would allow other venues to source commercially valuable market information through the consolidated tape at substantially lower cost

This should not be framed, however, as an argument against transparency as such, but rather that the current calibration of the CTP proposal risks redistributing the value of market data in a manner that weakens the business model of lit IPO-venues that bear the costs of admitting instruments to trading, maintaining orderly markets and ensuring transaction security. A transparency tool should not, in practice, become mechanism for undermining the stability of the very infrastructure on which primary market development depends, and this is precisely what will happen with the new proposal. The primary consequence could be a shallowing of the local capital market ecosystem and worsened conditions for entities wishing to access liquidity locally, and in turn — a diminishing of the role of the capital market in the wider national economy, which would fundamentally go against the animating principles of the Savings and Investment Union.

¹ European Commission, Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) No 1095/2010, No 648/2012, No 600/2014, No 909/2014, 2015/2365, 2019/1156, 2021/23, 2022/858, 2023/1114, No 1060/2009, 2016/1011, 2017/2402, 2023/2631 and 2024/3005 as regards the further development of capital market integration and supervision within the Union, COM(2025) 943 final, 4 December 2025, recital 27.

Adding additional pre-trade layers, such as further depth-of-book levels, would not deliver meaningful incremental value for investors. Instead, it would increase the likelihood of misleading liquidity signals due to delayed or inaccurately sequenced data, add technical and operational complexity, and disproportionately impact the revenues and cost structures of smaller trading venues. As a result, it would exacerbate concerns around potential misuse of the tape for trading and further increase market-structure risks.

Our sectoral members have also highlighted a separate institutional concern: the proposed changes **reopen a compromise that was only recently achieved at EU level**. Based on that input, BSP considers that a particularly important issue is the preservation of the current MiFIR framework on the functioning of the consolidated tape, at least until the regime has been tested in practice. In this respect, the present proposal appears premature. A far-reaching redesign of the data model before the current framework has even become operational creates unnecessary uncertainty and may produce structural effects that are difficult to reverse once implemented. It is also worth mentioning that this is a proposal garnering unfavorable reviews from operators and sovereigns the likes of Germany and Italy, among other Member States (i.e. in Central and Eastern EU), which all but echo our concerns.

3. CCPs Open Access proposal

In line with the feedback we have provided in the part concerning the Master Directive, BSP and its sectoral members **have very serious reservations regarding the proposed amendments on open access in relation to CCPs and trading venues**. We fully support maintaining the current exemption for exchange-traded derivatives from the open access regime, considering this essential for the stability and development of domestic derivatives markets. At the same time, the strengthening of ESMA's direct powers in relation to granting CCP access to exchange transaction data², and the further harmonisation of access conditions and fees, would materially reduce the role of national authorities and diminish the flexibility of local markets in managing systemic risk and protecting the integrity of domestic clearing infrastructure.

Decisions on whether CCPs should be granted access to domestic cash markets **should remain with the relevant national authorities**, taking into account the effect on the domestic CCP, the structure of market liquidity and the strategic autonomy of the capital market concerned. A more centralised access model may appear integration-friendly at a high level of abstraction, but in practice it may weaken the ability of domestic supervisors and infrastructures to respond to market-specific vulnerabilities.

² Ibid., Art. 36.

4. EU CSD proposal risks fragmenting the Post-Trade Chain

Input received from our sectoral members indicates that proposed Article 34c MiFIR gives rise to particularly serious concerns.³ By allowing members of a trading venue **to choose any CSD in the EU** for the settlement of transactions executed on that market, the proposal risks **undermining the coherence and stability** of domestic post-trade chains. Based on the sectoral input received, BSP considers that the introduction of a multi-CSD model would not simply increase optionality for users, but it would also **disperse settlement volumes, reduce netting efficiency and increase operational complexity**, while weakening the role of the domestic CSD as the central node of the local capital market infrastructure.

Modifications to the rules governing CSD choice should be made strictly within a risk-based process and the existing access procedures under Article 53 CSDR. The right to designate a CSD should apply only where the CSD has already been granted access and has undergone supervisory assessment. It is necessary to clarify objective operational and supervisory criteria, clearly identify the party entitled to designate a CSD, and establish transparent rules on cost recovery for the required technical and operational work.

Our sectoral members have further stressed that the transfer of part of the settlement activity to other CSDs would make it more difficult to monitor risks and coordinate action in emergency situations. In the event of incidents or defaults, the existence of multiple settlement venues may delay stabilising measures and complicate response mechanisms. In our view, this is a highly material technical concern. The post-trade chain is a core part of how market stability, continuity and supervisory coordination are maintained. A proposal that disperses that chain should therefore be assessed not only in terms of formal user choice, but also in terms of its consequences for netting efficiency, crisis management and infrastructure resilience.

BSP also considers that the **proposed settlement model may create significant additional burdens for brokers and financial institutions**. Maintaining operational relationships with multiple CSDs would increase transaction costs, operational complexity and operational risk for market participants. This is particularly relevant in smaller domestic markets, where the cost of additional interfaces, reconciliations and legal-operational arrangements may be proportionately more significant than in large, pan-European settings.

Our sectoral members have underlined that the effects of this model may not stop at settlement. In their assessment, it would open the way to fragmentation not only in settlement and clearing processes, but also in the custody layer, with further consequences for market liquidity and the scale of cash equity trading on domestic markets. For BSP and its sectoral members, this is a particularly important point: a measure formally presented as

³ Ibid., Art. 34C

enhancing integration may, in operational terms, result in greater fragmentation of liquidity and weaker transaction conditions for domestic market participants.

5. Conclusion

On the basis of the input received from our sectoral members, Business & Science Poland considers that the proposed Regulation requires **significant revision in the areas of consolidated tape, open access, settlement choice and the technical design of the new trade and post-trade framework**. The core concern is that several proposed measures, while formally presented as part of a market integration agenda, would in practice weaken the competitiveness and resilience of domestic infrastructures, fragment settlement and liquidity, and reduce the capacity of national authorities and market institutions to manage risk in a manner adapted to local market conditions.

In the CTP area, the current proposal appears insufficiently sensitive to the way in which attributed 5 BBO, venue attribution and additional market data elements could alter the competitive balance between lit markets and dark or semi-dark execution venues. **In the open access and post-trade area, the proposal risks weakening national risk-management capacity and fragmenting the settlement chain** through the introduction of a multi-CSD model that may reduce netting efficiency, increase costs and complicate crisis coordination.

For these reasons, BSP and its sectoral members consider that the MiFIR part of the package should be amended in the ongoing legislative process around the MIP package, so that integration does not come at the expense of infrastructure resilience, market coherence and the continued viability of smaller domestic capital markets within the Union.