
EACH Position – Master Regulation – Market Integration and Supervision Package (MISP)

March 2026

1. Introduction

The European Association of CCP Clearing Houses (EACH) represents the interests of Central Counterparties (CCPs) in Europe since 1992. CCPs are financial market infrastructures that significantly contribute to safer, more efficient and transparent global financial markets. EACH currently has 19 members from 14 different European countries. EACH is registered in the European Union Transparency Register with number 36897011311-96.

With this paper, EACH Members would like to put forward certain suggestions concerning the proposals included in the **Master Regulation**¹, published as part of the Market Integration and Supervision Package (MISP).

EACH Members fully support the MISP objectives of removing barriers and unlocking the full potential of the EU single market for financial services. In the sections below we detail a number of ideas that can complement the Master Regulation proposals in achieving those objectives.

2. EACH suggestions for an effective supervisory system

EACH Members believe there are a number of features that should characterise a workable, effective and efficient supervision model. An ideal supervisory architecture system should be effective in its supervisory tasks while efficient in doing so, both from a governance and cost point of view, include a clear definition of responsibilities of the authorities involved, foster innovation as well as competitiveness, and provide an adequate level of autonomy and flexibility for the supervised CCP. We include below a list of suggestions for the proposed regime in the Master Regulation to meet those goals.

Suggestion #1 – Significant CCPs

EACH agrees with the suggestion to **remove colleges** and understands that the level of detail around the involvement of authorities other than ESMA in cooperation arrangements is defined at a relatively high level in the legislation to allow the flexibility necessary for them to be adapted without having to change the Level 1 of the legislation.

EACH strongly believes that, **for the sake of clarity regarding the division of responsibilities among authorities**, the text should be clarified so that when an entity is directly supervised by ESMA, **decision-making powers rest exclusively with ESMA**

Suggestion #2 – Less significant CCPs

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52025PC0943>

The MISP reform aims for simplification and proportionality, yet less significant **(LS) CCPs would face a more complex setup** than significant CCPs under the proposed ESMA supervision-only-model.

LS CCPs would remain subject to two supervisory layers – the NCA and full college, resulting in duplicated procedures, slower decision making, and higher administrative burden. This two-tier structure fragments supervision: LS CCPs must prepare documentation for two authorities, respond to multiple information requests, and maintain parallel reporting channels. For such LS CCPs, the **additional supervisory burden is disproportionate** to their size, activity, and risk profile; supervisory convergence is naturally limited due to their narrow and local business model.

The proposed opt in mechanism in Art. 22 does not address these issues: small, purely local CCPs with a limited product scope and hence a low systemic risk are best supervised by their NCA, which holds the necessary market knowledge and niche expertise.

As a solution, we suggest **replacing the college for LS CCPs with a streamlined cooperation arrangement between the NCA and ESMA**, similar to and in line with the mechanism proposed in Art. 22d EMIR (and Art. 8a of the ESMA Regulation No 1095/2010²).

This approach both preserves national responsibility and at the same time ensures structured ESMA involvement, therefore providing the same level-playing-field, clarity and efficiency that significant CCPs would receive under the ESMA only-regime.

True proportionality requires that entities with lower systemic relevance do not face more complex supervision than those with higher relevance for the EU capital market. The current proposal risks creating a competitive disadvantage for LS CCPs.

Suggestion #3 – Ensuring an adequate resource allocation to ESMA while avoiding increased supervisory costs

The proposed legislation estimates³ that, by the year 2034, ESMA will be required to have a total of 480 officials between temporary agents, contract agents and seconded national experts, with 47 officials dedicated to the direct supervision and related convergence activities of CCPs.

In case of central supervision for significant CCPs, EACH would like to ensure that:

- **Fees should be proportionate** and therefore strongly call for ESMA to be cost-effective.
- CCPs do **not need to pay both ESMA and the NCA** for similar services.
- To ensure **adequate budget planning** by CCPs, we call for ESMA to estimate fees to be paid in Q3 of year 1 so that they are paid in Q1 of year 2.

² <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02010R1095-20251110>

³ pages 328, 329 and 378 of the Master Regulation

Suggestion #4 – ESMA competitiveness mandate

EACH considers that very few of the policy challenges are unique to Europe. Given that Europe competes globally, having ESMA's regulatory efforts focused on a harmonisation with the internal market is not enough. ESMA therefore needs to complement its mandate with the **promotion of the competitiveness of the EU globally**.

3. Reporting

Background

EACH Members overall **support** that **new Art. 35c** of the ESMA Regulation establishes that ESMA shall set up and maintain a **data platform** to facilitate the collection, storage, access to and processing of information as provided for under this Regulation or in other Union acts mandating to use of this platform.

While acknowledging that the data platform is intended for supervisory reporting purposes, EACH Members would like to stress the **three core objectives** that, in our opinion, any **simplification and harmonisation of reporting frameworks**:

1. Reducing **duplication and fragmentation** across regimes.
2. Enhancing **data quality and supervisory efficiency** through centralised access and streamlined reporting.
3. Balancing regulatory needs with operational feasibility, ensuring **cost-effective compliance** for market participants.

Such objectives have also been extensively developed in the EACH Response⁴ to the ESMA Call for Evidence⁵ on a comprehensive approach for the simplification of financial transaction reporting.

A central database would in fact **reduce complexity and operational costs**, and could **minimise the risk of inconsistent data** submission.

EACH Members would also like to seize the opportunity to stress that **current overlapping data requirements and reports** create redundant effort. Examples include **identical or similar data fields** reported under Art. 9 EMIR and Art. 8 REMIT, and ETD transaction reporting under both Art. 9 EMIR and Art. 26 MiFIR. Further complexity arises from **redundant reporting regarding energy derivatives**. This is even more burdensome considering that many entities are in addition subject to overlapping non-EU regimes (US, Japan, Canada) since equivalence is only given one way. For each reporting obligation, several IT connections with numerous

⁴ <https://eachccp.eu/wp-content/uploads/2025/09/EACH-Response-ESMA-call-for-evidenceon-simplification-of-financial-transaction-reporting-Sept-2025.pdf>

⁵ <https://www.esma.europa.eu/press-news/esma-news/streamlining-financial-transaction-reporting-esma-calls-input>

supervisory authorities such as ACER, ESMA, EC, Trade Repositories (TRs) and national competent authorities (NCAs) or even non-EU authorities are necessary.

List of overlapping reporting requirements

Examples of **overlapping reporting requirements** identified by EACH **Members that should be addressed and harmonised:**

1. **EMIR Art. 9** – Obligation for counterparties and CCPs to report all derivative contracts (including lifecycle events) to a registered TR.
 - Overlap points – Can cover similar data fields as MiFIR/REMIT when derivatives intersect.
2. **MiFIR Art. 26** – Requires reporting of transactions in financial instruments to competent authorities, including trades executed on venue and OTC trades.
 - Overlap points – MiFIR reports on transactions (including some derivatives) often involve the same instruments and fields as EMIR reporting — e.g., unique trade identifiers.
3. **MiFID II Art. 25** – General transaction reporting obligations at Member State level, implemented alongside MiFIR reporting obligations.
 - Overlap points – MiFID II’s definitions and scopes feed directly into MiFIR reporting obligations (e.g., what constitutes a reportable “financial instrument”).
4. **MiFID II Art. 58** – Requires trading venues (and their participants) to submit complete position breakdowns, including positions held by members, their clients, and clients-of-clients. These positions come directly from CCP-cleared contracts.
 - Overlaps points – Overlaps with MiFIR, MiFID II and EMIR transaction reporting because positions are technically and legally only the result of an aggregation of concluded transactions
5. **MAR Art. 16 and 17** – Obligation to notify suspicious orders/transactions potentially indicating insider trading or market manipulation & obligation to report actual or attempted market abuse promptly to competent authorities.
 - Overlap points – CCPs and clearing members may need to report suspicious activity under MAR where conduct relating to cleared trades suggests abuse — this intersects with trade reporting data held under EMIR/MiFIR for surveillance purposes.
6. **REMIT Art. 8** – Sets the obligation for market participants to report wholesale energy market transactions to ACER through Registered Reporting Mechanisms.
 - Overlap points – Overlaps with EMIR Art. 9, which obliges counterparties and CCPs to report all derivative contracts (including lifecycle events) to a registered TR.
7. **SFTR Art. 4** – Requires reporting of all trades, even if the trade is guaranteed to be novated and hence always cancelled and replaced with trades with the CCP. In addition, cleared

SFTs need to be reported by counterparties and by the CCP (double sided reporting), unnecessary static collateral data needs to be reported although the ISIN should be sufficient. Finally, the low tolerances in the reconcilable fields leads to unnecessary and operationally burdensome reconciliation errors.

- Overlap points – Overlaps with EMIR Art. 9, as both require CCPs (and counterparties) to report trades to trade repositories.

EACH suggestion

EACH calls for the introduction of a platform that not only serves supervisory purposes, but also **streamlines and simplifies transaction reporting**.

In particular, EACH calls for **data to be reported only once (single-sided)** and sourced from the party best placed to provide it, ensuring efficiency and data quality across the reporting framework. We do note that the removal of dual-sided reporting could increase the risk of data inconsistencies which are made visible through the matching and pairing process. A **strictly single-sided reporting framework** would therefore need to be supported by robust validation and audit mechanisms. Such a framework would **streamline processes, reduce costs**, and **improve the overall quality and reliability** of reported data. It is also essential that any proposed data hub operates on a cost-neutral basis, ensuring that the charges imposed are strictly limited to the actual costs incurred. This approach would prevent unnecessary financial burdens on the entities involved and ensure that the system remains efficient and sustainable.

4. Outsourcing

Background

EACH notices that **Art. 2f** when a **trading venue** relies on another group entity within the same group and located in the EU, this is *not* considered outsourcing, provided certain conditions are met. Such conditions are the following:

- The group entity must be within the EU;
- The trading venue remains fully responsible for regulatory compliance;
- Internal controls must be shared or aligned.

Concerning **CSDs, recital 56** clarifies that *"To allow groups of CSDs to benefit from their consolidation, Regulation (EU) No 909/2014 should enable CSDs that are part of a group to outsource their core services to CSDs that are part of the same group. In addition, situations where a CSD wishes to provide its core services by using a DLT solution it developed should not be considered as outsourcing but rather as an extension of the CSD's authorisation."* The actual legal mechanisms for the above provisions are established in Art. 19a and Art. 30(6).

However, EACH notices that **CCPs have not been taken into account** when it comes to **simplifying outsourcing procedures**.

EACH suggestion

EACH calls for CCPs to benefit from the same simplifications concerning outsourcing that have been applied to trading venues and CSDs.

Furthermore, EACH would advocate for **CSPs to be allowed to be integrated** into the firms' existing Technology Strategy, Vendor Management, Procurement and Information Security processes to avoid the creation of a new and redundant cloud standalone structure.

Additionally, EACH believes that the **qualitative differences** between a firm outsourcing tasks to an unaffiliated third party and tasks being performed in connection with shared services among affiliates should be recognised. When tasks are performed as shared service, there is an alignment of the interest from the firm's side in meeting its responsibilities and those performing tasks because the ultimate shareholders are the same.

5. Incentives to clear

Background

Funds sectoral legislation still disincentivises central clearing with respect to counterparty limits for funds for centrally cleared repos.

For instance, the MMFR does not allow funds to re-use or raise margins on CCP repo markets, keeping cost of clearing higher than necessary for market participants (notably for the buy-side), and keeping them trapped in bilateral markets.

EACH suggestion

EACH therefore suggests **amending sectoral legislation** such as MMFR and UCITS Directive, in order to:

1. **Diversification requirements**
 - Exempt centrally cleared transactions from certain counterparty exposure limits.
 - Align treatment between MMFR and UCITS so CCP-cleared exposures are treated more favourably.
2. **Reuse of cash collateral**
 - Allow funds to reuse cash collateral when it's linked to centrally cleared transactions.
 - Ensure this is consistently allowed across Member States (via MMFR amendment or UCITS clarification).
3. **Pledge back of collateral**
 - Allow funds to re-pledge securities received in reverse repos to a CCP (if centrally cleared).
 - Again, ensure consistency across regimes.

4. Duplications between DORA and NIS2

Background

Concerning duplicative legislation, CCPs often comply with multiple pieces of legislation covering a single field, which leads to CCPs spending resources to source legal analysis to understand to what extent one regulation already covers another.

A particular example of this is in the cyber and operational resilience field, where NIS2 and DORA have a strong overlap and thereby result in CCPs sourcing legal analysis to see to what extent DORA already covers NIS2 and they can consider themselves compliant. We believe that this is an unnecessary compliance and cost burden which could be alleviated to simplify CCP compliance and help CCPs operate more efficiently.

EACH suggestion

EACH suggests **streamlining pieces of legislation such as NIS2 and DORA** in order to avoid the occurrence of redundant and duplicative requirements.

5. DLT

Background

DLT can bring significant benefits to financial markets, and the MISP rightly seeks to address regulatory barriers to the uptake of DLT including in CSDR and MiFID/R. However, it leaves EMIR, the core of the European clearing ecosystem, entirely untouched. This introduces a structural imbalance in the EU regulatory framework and may create legal uncertainty for CCPs looking to leverage DLT.

EACH will continue to work in the context of MISP and other initiatives to ensure that **DLT initiatives identified by CCPs** (e.g. potentially related to collateral and settlement models) **are supported from a regulatory perspective**.

6. T2S

Background

Whilst not specifically addressed with legislative proposals in this package, EACH is of the opinion that in the post-trading area, deeper integration of settlement markets and greater use of T2S are necessary to support cross-border activity by issuers, CSDs and investors.

EACH suggestion

EACH Members consider that this can be achieved with **CSDs facilitating cross-CSD settlement for all ISINs**, and by ensuring that **cross-CSD settlement functionality is equivalent to intra-CSD settlement**. This facilitation would, in our view, promote higher cross-border settlement volumes, particularly for cleared transactions.

7. Designation of a CSD

Background

We fully support providing market participants with freedom of choice of settlement location and are also in favour of bringing it with full clarity to market participants on how this freedom of choice of settlement location is to be exercised in order to achieve a more integrated and innovative market without compromising on its safety.

EACH suggestion

The most effective way to solve this common goal is not through an unconditional right given to market participants as proposed in Art. 34c, which introduces new risks and overlooks practical complexities, but to tweak this by embedding a **principle of structured choice and clear process how to proceed into the regulation**. This provides the sought-after clarity while reinforcing the market's stability and integrity.