

To:

Brussels, 19 March 2026

Commissioner Maria Luís Albuquerque

European Commissioner for Financial Services and the
Savings and Investments Union
European Commission

Mr John Berrigan

Director-General
Directorate-General for Financial Stability, Financial Services
and Capital Markets Union (DG FISMA)
European Commission

EDFA Open Letter on Proposed Amendments to the EU DLT Pilot Regime and MiCAR

In response to the Market Integration Package published on 4 December 2025

Dear Commissioner Albuquerque,

Dear Director-General Berrigan,

With respect to the new proposals for the DLT Pilot Regime and MiCAR within the Market Integration Package published on 4 December 2025, we would like to contribute to public discussion on this topic from the fintech businesses' perspective.

DLT Pilot Regime

The proposed amendments to the DLT Pilot Regime represent an important opportunity to enhance its usability, market uptake, and long-term regulatory stability across the EU.

We believe that there is a clear value in allowing earlier application of certain elements of the DLT Pilot Regime, in particular the extension of the scope to more (or all) financial instruments and the removal of product-specific thresholds. These changes are broadly supported and low-risk and would improve market uptake of the regime. For the market, DLT systems must feel alike to be adopted in larger measures.

Replacing product-specific limits with a single overall threshold is strongly supported. Stable and clearly defined thresholds are necessary to ensure regulatory certainty and support long-term investment and development of DLT market infrastructures.

We want to emphasise that generally, the businesses are keen to see and support:

- 1. The Flexibility of Financial Instruments**
- 2. The increased volumes**

We specifically welcome the proposed extension of the scope of the DLT Pilot Regime through the deletion of Article 3(1). This will significantly broaden the regime’s applicability.

First, it will eliminate the instrument-specific value limits previously imposed on individual DLT financial instruments. And it will expand the scope of DLT financial instruments that may be traded or booked on DLT market infrastructures — this currently applies primarily only to shares and bonds.

We believe that the broadened scope of the DLT Pilot Regime should be complemented by mandatory interoperability standards between DLT market infrastructures and existing regulated markets and CSD infrastructures. ESMA should be mandated to develop technical standards ensuring cross-border connectivity between DLT and traditional market infrastructures, in order to avoid liquidity fragmentation across EU capital markets. Without such standards, the expansion of the regime’s scope risks producing isolated DLT ecosystems that cannot effectively interact with the broader EU financial market infrastructure.

DLT Notary and Central Maintenance Services

The Market Integration and Supervision Package (MISP) proposes to open DLT Notary Services (initial recording of DLT-based securities) and DLT Central Maintenance Services (maintaining the authoritative ownership register on DLT) to entities beyond traditional CSDs. We strongly support this liberalisation as a key step towards a competitive European capital market infrastructure.

However, the current draft creates a significant regulatory gap: it recognises “investment firms” and “CASPs” as eligible applicants for these new service categories, but fails to capture entities that already perform these exact functions under dedicated national DLT registrar licences.

In Germany, Kryptowertpapierregisterführer licensed under the Electronic Securities Act (eWpG, § 16) have been providing precisely these services since 2021 — initial registration and ongoing maintenance of crypto securities registers — under comprehensive BaFin supervision, including DORA compliance, AML obligations, and a statutory liability regime (§ 18 eWpG). These entities operate as standalone Finanzdienstleistungsinstitute under the German Banking Act (KWG) without MiFID services, which means they fall outside both the “investment firm” and “CASP” categories in the current MISP draft. Similar dedicated authorisations exist in Luxembourg and Italy, as confirmed by AFME.

The result is an unjustified asymmetry: CASPs or investment firms without any track record in securities registration could apply for DLT Notary and Central Maintenance authorisation, while the very entities that pioneered these activities under rigorous national supervision are excluded from the framework.

We therefore call on the Commission to address this gap through four measures:

1. **Recognition pathway.** The MISP should include an explicit recognition or simplified authorisation pathway for nationally licensed DLT registrars, including an opening clause for “or equivalent regulated entity under national law”, to ensure that standalone entities performing functionally identical activities are not excluded on purely categorical grounds.
2. **Grandfathering provisions.** Existing national DLT registrars should benefit from transitional arrangements that ensure operational continuity for their issuers and investors during the transition to the EU framework.
3. **ESMA equivalence assessment.** ESMA should be mandated to assess the equivalence of existing national DLT registrar authorisations (eWpG and equivalent regimes in Luxembourg and Italy) against the new DLT Notary and Central Maintenance requirements, with the objective of simplified recognition.
4. **Proportionate requirements.** Authorisation standards for DLT Notary and Central Maintenance Services should be calibrated to actual risk profiles and should not impose full CSD-grade requirements where the scope of services is limited.

These adjustments would avoid unnecessary duplication of regulatory processes, reward early movers who have invested in compliance infrastructure, and accelerate the availability of DLT Notary and Central Maintenance Services across the EU — directly serving the Commission’s objective of a deeper and more integrated Capital Markets Union.

Beyond the recognition of eligible entities, we believe it is equally important to explicitly recognise tokenised settlement assets — including tokenised commercial bank money and e-money tokens regulated under MiCA — as eligible settlement mechanisms within DLT infrastructures. Efficient and legally certain settlement arrangements remain a key condition for institutional adoption of the regime. The absence of such explicit recognition creates unnecessary uncertainty for market participants and risks undermining the broader objectives of the DLT Pilot Regime.

MiCAR

The proposed transfer of CASP supervision from national competent authorities to ESMA raises important considerations regarding supervisory consistency, market integration, and operational feasibility.

We wish to offer general comments on the proposed transfer of CASP supervision from national competent authorities to ESMA. A single regulator could bring consistency of approach and policy throughout the EU, as we have observed significant divergence in national approaches during licensing and compliance processes. Centralising CASP

supervision at ESMA level is a logical step to ensure consistency and clarity across the EU. Our biggest concern is whether ESMA will be available for face-to-face meetings with regulated entities and, above all, whether ESMA will have the operational capacity to manage the whole market.

In addition, the current MiCA framework permits traditional financial institutions — including credit institutions, investment firms, and payment service providers — to offer crypto-asset services under a simplified notification regime, without obtaining a dedicated CASP authorisation. These entities remain subject to supervision by their existing national competent authorities under sectoral legislation (CRD/CRR, MiFID II, PSD2), rather than falling within ESMA's expanded direct supervisory mandate. This risks perpetuating regulatory gaps, uneven supervision, and competitive imbalances.

Therefore, it is unclear how providers with multiple licences (e.g. MiCA and MiFID) will be dealt with.

This would create a fundamental asymmetry: crypto-native entities will be subject to centralised, harmonised EU-level supervision, while traditional institutions conducting materially identical crypto-asset activities will continue to be supervised at the national level under divergent supervisory practices and priorities.

In light of this, we propose introducing an opt-in mechanism allowing CASPs to elect whether to remain under their national competent authority or transition to ESMA-level supervision.

We trust that these comments will be given due consideration and remain available to discuss them further at your convenience.

Thank you.

Yours sincerely,

European Digital Finance Association

on behalf of its members and the undersigned companies

Signatures

Associations



Companies



About EDFA

The European Digital Finance Association (EDFA) is a pan-European federation of fintech associations striving for an innovative financial ecosystem in Europe, one that empowers citizens' well-being and enables enterprises to prosper. Our membership spans fintech associations and ecosystem actors from across Europe. We welcome direct engagement with the Commission on these topics and are happy to facilitate exchanges with relevant firms across Europe.

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