# European Commission package on market integration: main proposals in the review of the ESMA Regulation

**February 2026**

The European Securities and Markets Authority (ESMA) was established by Regulation (EU) No 1095/2010[1] (ESMA Regulation) in response to the serious shortcomings identified in the supervision of the financial sector in the European Union (EU) during the financial crisis of 2007 and 2008. Subsequently, its legal framework was revised through the adoption of Regulation (EU) 2019/2175[2], which established a new balance between the powers and functions assigned to this European authority and those of the national competent authorities (NCAs) of the Member States.

However, as pointed out in the Communication on the Savings and Investment Union, published in March 2025 by the European Commission (EC), the volume of funding that the EU needs to respond to the challenges it will face in the coming years requires the construction of deeper, more integrated and more competitive capital markets than at present, which in turn requires a more coherent, effective and uniform supervisory framework across all Member States.

In this context, on 4 December 2025, the EC published a regulatory package, known as the market integration package, which includes, among other proposals, a new revision of the ESMA Regulation aimed at granting it new powers and strengthening its mandate in the area of supervisory convergence. In addition, the EC has also revised its governance and financing framework.

The main amendments to the ESMA Regulation proposed by this institution are set out below. However, it should first be noted that the EC has proposed other amendments in certain sectoral rules, within this package, affecting this authority. Among these, it is worth highlighting the attribution to ESMA of new direct supervisory mandates over certain market infrastructures that are considered significant (trading venues, central counterparties, central securities depositories and a new entity called pan-European market operators – PEMOs)[3] and crypto-asset service providers[4]. In the area of asset management, although the supervision of investment funds and their managers will remain in the hands of NCAs, the EC proposes, among others, that ESMA participate, together with the relevant NCAs, in the supervision of large groups of asset management companies[5].

[1] Regulation (EU) No 1095/2010 of the European Parliament and of the Council, of 24 November 2010.

[2] Regulation (EU) 2019/2175 of the European Parliament and of the Council, of 18 December 2019.

[3] The competence for the supervision of infrastructures that are not considered significant will remain with the NCAs. They will also retain their competence as market surveillance authorities for significant trading venues.

[4] NCAs will retain their competence in the case of entities for which the provision of crypto-asset services is not their main activity, except in the case of credit institutions, for which the Single Supervisory Mechanism will always be the competent authority.

[5] Specifically, ESMA will be able, together with the NCAs, to carry out annual assessments of the largest asset management groups to identify and address divergent, duplicative, redundant or deficient supervisory practices in specific cases. It may also establish collaboration platforms. Similarly, its binding mediation role is strengthened, which it will be obliged to initiate in certain specific cases.

Pregunta

**What are the new powers and functions that the Commission proposes to assign to ESMA?**

Respuesta

The main amendments proposed by the EC, to ensure effective supervision, in the EU are as follows[6]:

1. *Duty of cooperation*. The EC considers that, in order for ESMA to exercise its direct supervisory powers effectively, it should be supported by the competent and/or relevant authorities. In fact, its objective is to share the knowledge and resources of all EU authorities in the financial sector in order to address new challenges. To this end, it proposes to empower ESMA to enter into cooperation agreements with them when, among other situations, supervisory powers are transferred from the competent authorities to the European authority, in order to ensure continuity and an orderly transfer of responsibilities. These agreements may range from the exchange of information to the establishment of joint supervisory teams or the conduct of joint inspections, but must also allow for gradual adaptation over time. (Article 8a, hereinafter Art.)
2. *Review of* "*No action Letters*". The EC proposes to include two new scenarios that will allow ESMA to address the EC and propose a regulatory amendment to resolve problems arising from the application of a rule to market participants[7]. The first one is when a temporary exemption, transitional rule or provision in a legislative act is due to expire before the entry into force of a new regulatory framework. The second one is when significant market developments mean that complying with certain requirements of a legislative act would be a disproportionate burden. (Art. 9a)
3. Two new supervisory convergence tools to improve investor protection in the cross-border provision of financial services:
    - *Failures in supervision on the approval of financial products, services or entities*. The EC proposes to empower ESMA to use a mechanism to correct serious failures in the supervisory activity carried out by NCAs, when these have been detected during a peer review or investigation, provided that they pose a risk to market integrity, financial stability or investor protection. In such cases, the European authority may require the NCA to seek its opinion prior to the approval of products, services, activities or entities in the sector concerned. However, it shall endeavour to reach an agreement with the NCA to resolve the situation beforehand, which may include the adoption of specific measures. (Art. 17aa)
    - *Suspension of rights to provide services on a cross-border basis*. The EC proposes to give ESMA the power to issue decisions to NCAs requiring them to order their entities to suspend the right to provide cross-border services whenever the European authority has reasonable grounds to believe that they have committed a serious infringement that could compromise market integrity, financial stability or investor protection. Furthermore, if NCAs fail to comply with ESMA's decision within the specified time limit, ESMA may adopt a binding decision to impose the suspension of the entity throughout the EU. The resumption of service will only be possible once the effectiveness of the corrective measures has been verified. (Art. 17aaa)
4. *Collaboration platforms between NCAs*, with the aim of improving cooperation and supervision of cross-border activities. Furthermore, the EC proposes to empower ESMA to resolve any disputes where two or more authorities, which are part of these platforms, disagree on the content of a measure to be taken. (Art. 19a)
5. *Mechanism for the mutual recognition of administrative fines and assistance in their recovery in a cross-border context*. The aim of this proposal is to resolve the difficulties encountered by NCAs when an administrative fine must be recovered in the jurisdiction of a Member State other than the Member State in which the fine was imposed. (Arts. 28a and 28b)
6. *Data platform*. The EC proposes that ESMA create a data platform to facilitate the collection, storage, access and processing of information required under the ESMA Regulation or other EU rules providing for the use of this platform[8]. (Art. 35c)

[6] The article focuses on the most notable amendments, but the package also includes improvements to other existing supervisory convergence tools, such as the breach of UE Law procedure, the settlement of disagreements between competent authorities and the delegation of tasks and powers.

[7] This is without prejudice to the fact that the problem has been identified in guidelines, and ESMA modifies them directly.

[8] ESMA shall ensure that the platform is designed and managed efficiently, avoiding duplication of data collection and ensuring the accuracy and interoperability of data.

Pregunta

### What is the main change proposed by the Commission with regard to ESMA's supervisory and enforcement powers?

Respuesta

In order to ensure effective and consistent supervision across all sectors, the EC proposes to introduce a new Chapter, IIa, into the ESMA Regulation, consolidating all the supervisory and enforcement powers conferred on ESMA, which were previously scattered across different sectoral rules. This framework will apply to all financial market participants subject to its supervision, except for third-country central counterparties (Tier II) or where otherwise specified in a regulation[9].

[9] Specifically, this chapter refers to rules relating to requests for information (Art. 39b), investigations (Art. 39c), on-site inspections (Art. 39d), and supervisory measures and the imposition of penalties (Arts. 39e, 39f, 39g, 39h, 39i, 39j, 39k and 39l).

Pregunta

### What is the new funding model proposed by the Commission for ESMA?

Respuesta

In order to ensure that ESMA has the necessary resources to efficiently fulfil the new direct supervision and supervisory convergence mandates assigned to it by this new revision, the EC proposes the following measures in its financing model: (1) the new direct supervision mandates will be financed entirely by fees; (2) the new tasks assigned to ESMA, that do not involve direct supervision, will be financed 50% by the EU and 50% by the NCAs. However, tasks already being carried out in this last area will continue to be financed according to the current model (40% by the EU and 60% by the NCAs).

Furthermore, in order to ensure that ESMA's supervisory activities are financed in a fair and transparent manner, the EC proposes to harmonise the principles governing the fees to be charged to financial market participants subject to its supervision (Article 39n). ESMA will, therefore, charge fees to financial market participants subject to its supervision for the costs incurred in the performance of its tasks, which must in any case be proportionate to their annual turnover. In addition, where this authority has requested assistance from a competent authority, the fees will also cover the reimbursement of any costs incurred by the latter.

[10] In particular, registration, authorisation, certification, recognition, enforcement or supervision activities, as well as other activities related to supervision – specifically, supervisory convergence or the development and maintenance of tools –.

Pregunta

### What is the new governance framework proposed by the Commission for ESMA?

Respuesta

In terms of governance, the main change introduced by this proposal is the replacement of the current Management Board with an Executive Board (Articles 44a and 46a). The aim is to provide this authority with a more effective and professional governance structure, so that it can take on the new challenges entrusted to it. To this end, the EC proposes that this body be composed of the ESMA Chair and five independent full-time members with diverse supervisory experience, but in such a way that, together, they have comprehensive and adequate knowledge of the sectors supervised by ESMA. Each member will have one vote, and the chair will have a casting vote in the event of a tie. The term of office of its members will be limited to five years, with the possibility of a two-year extension[11].

The executive board will be primarily responsible for decisions that ESMA has to take in relation to the direct supervision of those financial market participants subject to its remit. In addition, the proposal assigns to it the adoption of decisions relating to (1) product intervention powers, (2) breach of EU law, (3) failures in the supervision on the approval of financial products, services or entities, (4) suspension of rights to provide cross-border services, (5) action in emergency situations, (6) settlement of disagreements in cross-border situations, (7) collaboration platforms, (8) systemic risk and (9) independent evaluations. The EC considers that assigning these powers to the executive board will enable the European authority to take decisions that ensure a better balance between national specificities and the interests of the Union than is currently the case[12].

It will also take on the current responsibilities of the management board, such as those relating to the preparation of work programmes, ESMA's budget, staffing and the establishment of coordination groups. However, the proposal also provides for the executive board to be able to delegate specific tasks entrusted to it to internal

committees, the chair or the executive director.

The board of supervisors will continue to be ESMA's main body, responsible for general guidance and decision-making on mainly regulatory or organisational issues (e.g. the work programme or budget). This body may object to the main supervisory decisions taken by the executive board within ten days or 48 hours in urgent cases[13]. On the other hand, the members of the executive board will be integrated into the board of supervisors and will have the right to vote on general issues related to supervisory convergence.

[11] This limit is also set for the terms of office of the ESMA Chair and Executive Director.

[12] Currently, these decisions are taken by the board of supervisors.

[13] Specifically, decisions taken in accordance with Arts. 17(3) and (6), 17aa, 17aaa, 18(3) and (4), 22(4), 30(4) and (8), 39h(a), (b, (f), (g), (i), 39i and 65, as well as any decision indicated in the sectoral regulations.

**Link of interest:**

Market integration package - Finance - European Commission

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