

# BETTER FINANCE feedback to Savings & Investments Union – EU rules to foster market integration and efficient supervision (Master Directive)

16 March 2026

## Executive Summary

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BETTER FINANCE supports the objectives of the MISP package, particularly its ambition to remove barriers to cross-border activity, improve market liquidity, streamline distribution, and reduce unnecessary intermediation while maintaining competitive and trustworthy markets. It agrees with the European Commission's aim to widen investment access and strengthen capital raising but stresses that retail demand and market supply must evolve together, with trust as a core requirement. From a retail perspective, simplification must focus on targeted harmonisation rather than deregulation, ensuring reforms deliver lower costs, clearer accountability, effective supervision, and improved access to well-functioning markets. BETTER FINANCE therefore supports harmonising UCITS and AIFM authorisation procedures and reducing national discretions, provided scrutiny of governance, delegation, conflicts of interest, and investor-facing conduct remains robust. It welcomes a stronger ESMA role, especially for large cross-border managers, but emphasises that convergence should enhance enforcement and accountability, not only operational efficiency. On trading venues, BETTER FINANCE supports further cross-border execution and stronger rule harmonisation where this benefits retail execution and reinforces lit-market liquidity over bilateral models. It also endorses post-trade unification, including an EU depository passport, paired with strong liability and cooperation rules. Finally, BETTER FINANCE urges caution on loosening diversification limits and calls for genuine pan-European market access supported by a strengthened ESMA framework.

[https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14667-Savings-Investments-Union-EU-rules-to-foster-market-integration-and-efficient-supervision\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14667-Savings-Investments-Union-EU-rules-to-foster-market-integration-and-efficient-supervision_en)

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## About BETTER FINANCE

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BETTER FINANCE is the European federation representing individual savers, investors, and financial services users. Dedicated to promoting transparency, fairness, and accountability, it works to ensure that Europe's financial system serves the real economy and the best interests of its citizens. BETTER FINANCE is a European federation consisting of 40 member organisations across 25 countries. It represents millions of individual investors and other users of financial services and has operated with EU support since 2012. We empower citizens with independent information and education, advocate for fair access to financial markets, and call for policies that place people at the heart of financial decision-making. Through participation in EU advisory groups, research-based advocacy, educational initiatives, and campaigns, we strengthen investor protection, enhance financial literacy, and advocate for effective supervision and governance.

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## General feedback

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BETTER FINANCE supports the objectives of the MISP package and broadly welcomes the effort to remove barriers to cross-border activity and liquidity, streamline distribution, and reduce unnecessary intermediation, while preserving competitive markets. We also support the EC goal of widening access to investment opportunities and improving capital raising across the EU. To achieve this, however, retail demand and market offer must develop together, and trust remains key. Here, we provide preliminary views on key Master Directive provisions.

From a retail investor perspective, simplification should not mean deregulation, but targeted convergence and harmonisation. The key test is whether the reform delivers lower costs, clearer accountability, consistent supervision, and better access to well-functioning and trustworthy markets. In that regard, BETTER FINANCE supports further harmonisation of authorisation procedures for UCITS and AIFMs, together with the reduction of unnecessary national discretions, to remove artificial barriers to the single market, reduce duplicative compliance burdens, and support genuine pan-EU distribution of products across market segments. Such streamlining, however, must not dilute scrutiny of governance, delegation, conflicts of interest or investor-facing conduct; rather, it should reinforce stronger and more consistent EU standards. We likewise welcome a stronger role for ESMA, notably over large asset management groups and cross-border fund marketing, where greater EU-level convergence can improve consistency and reduce arbitrage. But this should not be designed only for firms' operational efficiency: it should also deliver better enforcement, quicker intervention, and clearer accountability across the distribution chain. Similarly, while we support streamlined (de-)notification procedures, reduced gold-plating and ESMA-supported administrative efficiency, faster passporting must not weaken justified host-state safeguards or create accountability gaps. On MiFID II trading venues, we equally welcome the shift toward greater cross-border execution and stronger harmonisation of both rules and supervision, including moving key venue rules into MiFIR, provided this improves retail execution and lowers intermediation costs. Reinforcing lit market liquidity should support price discovery and IPO attractiveness, while avoiding excessive reliance on bilateral or internalised trading models where retail investors may be disadvantaged.

On post-trade, BETTER FINANCE supports greater unification and welcomes the proposed EU depositary passport, in favour of greater cross-border access to depositary services to improve competition and servicing across the EU, especially in smaller Member States, while recognising that the balance with consolidation will need to be monitored. As depositaries retain a core investor-protection function, any cross-border use must be accompanied by clear and effective rules on liability, supervisory cooperation and operational access, ultimately supporting better investor information, asset protection, and cross-border investor and shareholder rights.

On UCITS, we are cautious about increasing the issuer limit for securitisations from 10% to 15%. More broadly, any relaxation of single-issuer / holding safeguards should be assessed carefully against retail investor understanding (product clarity) and actual portfolio risk. Greater flexibility for managers should not weaken diversification safeguards but should favour simple, understandable products. A look-through approach should remain. In parallel, under AIFMD, white-label structures may obscure responsibility for product design and investor-facing accountability.

BETTER FINANCE is supportive of the general direction of the Directive amendments and calls for true pan-European scaling of access to markets and products, alongside an enhanced ESMA role that could be a more "multi-centric ESMA model" (working via NCAs) for balances.