

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

20 March 2026

## Executive Summary

BETTER FINANCE supports the Master Regulation's goal of deeper EU capital-market integration, with yet some reserves. While reducing cross-border friction and strengthening supervision are broadly welcomed objectives, BETTER FINANCE highlights specific pathways to their achievement.

While ESMA's stronger role is welcomed to curb regulatory arbitrage and uneven supervision, BETTER FINANCE stresses the importance quick supervisory action, clearer accountability and enhanced investor protection across the distribution and execution chain, beyond just operational efficiency. In the same guise, harmonisation is supported to improve integrated liquidity, but trading should not rely excessively on SIs, which undermine transparent price formation. Moreover, BETTER FINANCE endorses post-trade reforms aimed at reducing settlement fragmentation and improving interoperability, provided investor rights and asset protection remain central. Accordingly, the Consolidated Tape is welcomed in the measure in which it prioritises post-trade data to strengthen best-execution monitoring and calls for clear visibility of SI activity. In fund distribution, BETTER FINANCE supports simpler passporting without diluting safeguards. Finally, it recognises the potential of DLT but calls for caution to avoid new fragmentation and protect investors.

[https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14673-Savings-and-Investments-Union-Regulation-fostering-EU-market-integration-and-efficient-supervision\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14673-Savings-and-Investments-Union-Regulation-fostering-EU-market-integration-and-efficient-supervision_en)

**Keywords :** MiFIR, CSDR, CBDR; DLT: Market structure, Consolidated Tape, Trading, post-trading, best execution; intermediation, financial markets better access, and investor rights

## 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 direction of the Master Regulation to integrate EU capital markets, with less cross-border friction and a stronger supervisory architecture. From our perspective, its value should lie in lowering costs through less intermediation, more efficient post-trade/trading structures, and better access to products and markets across borders. A key proof point would be the scaling-up of (much-needed) EU total stock index funds to widen investor exposure and better channel funding toward EU listed companies/SMEs.

On ESMA's role, we broadly support this to reduce arbitrage and inconsistent supervision. But stronger EU-level convergence should not only serve firms / infrastructures operationally; it should keep quicker intervention, clearer accountability, and more reliable investor protection across the distribution and execution chain as core objectives. Ultimately, offer and demand should be stimulated together, not treated in isolation.

We also support the incremental steps harmonising of trading rules toward more integrated liquidity. As fragmentation remains problematic, especially where liquidity is diverted into bilateral / internalised models; competitiveness should not mean over-reliance on SIs (or other bilateral channels) weakening fair and transparent price formation. Reform should instead foster lit-market innovation and competitiveness via less intermediation, a more level playing field to lower explicit / implicit trading costs while enabling EU access. To this end, we welcome the envisaged post-trade CSD / CCP reforms. As reform progresses, it should also call for more prescriptive best execution rules, rather than mainly discretionary/policy-based approaches, especially as removal of broker's execution venue report RTS create transparency gaps.

For post-trade, we support reducing settlement fragmentation by simplifying cross-border servicing, and enable cross-infrastructure access. Such fragmentation is not merely technical: it directly affects the cost and feasibility of cross-border investing, holding and exercising rights. Measures improving efficiency, competition and protocol consolidation, (including through T2S), are thus welcome – provided asset protection, legal certainty, investor information and cross-border investor / shareholder rights remain central.

On the CT, we see post-trade checks as the immediate priority, notably for best execution assessment, while pre-trade data may support execution assessment but remains limited as a retail tool (notably due to latency). Clear inclusion / identification of SI activity is essential. Importantly, the CT should support brokers' execution monitoring and, over time, evolve into a comparative best execution standard / metric, rather than remain optional.

On cross-border fund distribution, we support streamlined notification / de-notification procedures, reduced gold-plating, and ESMA-based infrastructure to ease passporting. This should improve EU-wide product comparability and foster a genuine single market for investment products. Yet faster passporting must not

weaken justified safeguards or create accountability gaps: simplification should aim to reduce friction, not weaken protection against misleading marketing or weak conduct controls.

Further scaling of the DLT framework could be beneficial, but requires caution and further assessment to ensure interoperability and avoid new proprietary / local fragmentation. Removing legal uncertainty should support market-infrastructure innovation and, over time, better EU integration. However, investor-protection issues remain central, notably ownership records, settlement efficiency, asset segregation while avoiding confusion around new models/services. A later debate on tokenised securities is also warranted, including to ensure derivative exposures are not sold as fractional shares. Finally, we will return to these points as we assess the detailed provisions and retail implications.