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European Commission

MARIA LUÍS ALBUQUERQUE
FINANCIAL SERVICES AND THE SAVINGS AND INVESTMENTS UNION

Dear Chair, Dear Simon,

In 2026, the Commission has continued to pursue an ambitious agenda for simplification and implementation to boost competitiveness, prosperity, policy delivery and resilience in the EU. Achieving these goals requires a close partnership and shared ownership, notably with the European Parliament and the Council of the European Union. Furthermore, simplification is a shared endeavour, relying on the sustained cooperation of the EU Institutions and Member States, in addition to national competent authorities and the European Supervisory Authorities in my portfolio.

Thus, I am pleased to transmit to you my second Annual Progress Report on Simplification, Implementation, and Enforcement under my portfolio in Financial Services and the Savings and Investments Union. This report provides a comprehensive overview of our ongoing simplification efforts to enhance efficiency, ensure effective implementation, and maintain robust enforcement across our laws. Beyond the various achievements outlined in the accompanying Report, simplification by design stands as a horizontal element in each and every legislative proposal under my responsibility, notably the Market Integration and Supervision Package and the upcoming Banking Package. It is also being implemented through clear guidance and by pursuing non-legislative measures, if more effective.

This report covers the period from 1 August 2025 to 31 July 2026. I would therefore be pleased to attend a forthcoming meeting to present the report in person and exchange views on the results achieved and way forward. My services will be in contact with your secretariat to arrange a suitable time for the presentation or to discuss any specific areas of interest or concern.

Going forward, I will devote even stronger attention to fostering a more balanced, risk prone, supervisory culture, based on accountability towards the political level, and an effective simplification mindset, something I trust will also be of interest to the Council of the European Union.

Thank you for your attention and your continued support.

Yours faithfully,

Maria Luís Albuquerque

Mr Simon HARRIS
Chair of the Economic and Financial Affairs Council
Council of the European Union

E-mail : service.courrier-enregistrement@consilium.europa.eu

European Commission, Rue de la Loi 200, B - 1049 Brussels

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European Commission

2026
ANNUAL PROGRESS REPORT
Simplification, implementation & enforcement



Maria Luís Albuquerque
European Commissioner for Financial Services and the Savings and Investments Union

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1. Introduction

In the One Europe, One Market roadmap, the European Parliament, the Council of the European Union and the European Commission reaffirmed their commitment to prioritise key deliverables that will complete the Single Market, thereby, enhancing EU competitiveness and fostering growth and innovation. Within my portfolio, my overarching priorities remain the advancement of the Savings and Investments Union (SIU) including the removal of long-standing barriers hindering the Single Market for financial services.

Over the past year, I have intensified efforts to simplify the regulatory framework for financial services, placing particular emphasis on reducing unnecessary reporting burdens. This work supports President von der Leyen's vision outlined in the Political Guidelines for the next European Commission 2024-2029.

This second annual progress report on simplification, implementation, and enforcement covers the period from 1 August 2025 to 31 July 2026. It provides a comprehensive overview of the simplification measures I have initiated or advanced during this period. It also outlines the outcomes of the two implementation dialogues which I chaired, along with the key findings from the reality checks conducted by my services. Additionally, the report includes key implementation and enforcement actions undertaken during this reporting period.

2. Executive Summary

Simplification and burden reduction remained core priorities for the Commission during the reporting period, yielding tangible and measurable results. In the field of financial services, a key milestone was the adoption of the Omnibus I package on sustainability reporting, which entered into force in March 2026. Building on this simplification effort, I have proposed targeted and streamlined delegated and implementing acts to ensure proportionality and reduce administrative burdens in relation to related reporting standards. This will notably result in an estimated EUR 4.5 billion reduction in administrative burdens costs per year, as detailed in the section below. Other savings in the field of sustainable disclosure requirements will result in additional savings of EUR 86 millions annually. Beyond over-arching initiatives under omnibus proposals, I included simplification as a horizontal element in every legislative proposal ("simplicity by design") but also further by providing clear guidance and opting for non-legislative measures such as recommendations on Savings and Investments Accounts[1] or pensions[2].

I intensified efforts to identify and dismantle barriers within the Single Market for financial services. A major achievement under the Savings and Investments Union was the amendment to the Solvency II Delegated Act, which amongst others enhanced insurers' investment capacity and streamlined reporting and disclosure to reduce unnecessary complexity. It also ensured that smaller and less complex insurers are automatically subject to more proportionate rules.

Furthermore, the Commission pensions package puts forward proposals to amend the EU framework for occupational pensions (IORP II Directive) to strengthen it and ensure that citizens get higher returns on their savings. Alongside, the Commission proposed measures to simplify and make pan-European personal pensions products (PEPP) more attractive. To remove barriers and unlock the full potential of the EU Single Market for financial services, the Commission proposed the market integration and supervision package (MISP), designed to tackle cross-border regulatory and supervisory barriers and reduce market fragmentation. By harmonising rules, reducing gold-plating and streamlining overlapping regulatory requirements, the package empowers market participants to operate seamlessly across borders and effectively contributes to the simplification efforts.

In line with the Commission's commitment to screen the entire acquis for simplification purposes, and as specified in the Regulatory Deep Cleaning Action Plan and the One Europe, One Market roadmap, my services turned their attention to the banking sector. The Commission has adopted a Communication on the Competitiveness of the banking sector and the Single Market in banking, focusing on enhancing the capacity of the EU banking sector to finance the European economy while ensuring financial stability.

[1] C/2025/6800 final
[2] C/2025/9300

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Following last year's simplification screening of the financial services *acquis*, 115 Level 2 acts were deprioritised and will not be adopted before October 2027[3].

I regard the implementation of EU law as a key priority and strongly believe that full compliance with EU law can only be achieved through proactive engagement with Member States. Robust enforcement is essential to ensuring market integrity and maintaining a level playing field within the Single Market. To this end, I am intensifying the effective enforcement of the Single Market *acquis*, with a particular focus on priority areas such as banking consolidation and savings and investment accounts as outlined in the Communication 'A Simpler, Clearer and Better Enforced EU Rulebook'. During the reporting period, the Commission initiated infringement proceedings in key sectors including banking, anti-money laundering and non-bank payment service providers.

Finally, strengthening of Europe's security remains a top priority for me and my services. I continued to support EU operators and national competent authorities in the implementation of EU restrictive measures, ensuring their consistent and uniform application.

3. Delivering Results: Key Measures

A. Simplification and costs savings

Sustainable finance

Over the reporting period, we achieved significant progress in simplifying the EU sustainable finance framework, with advancements across several key areas aimed at reducing administrative burdens, improving usability and ensuring the effectiveness of the rules.

In the area of corporate sustainability reporting, the Omnibus I Directive, which was part of the Omnibus I package proposal, entered into force in March 2026. This resulted in a significant simplification of the framework and reduced number of companies subject to mandatory reporting under the Corporate Sustainability Reporting Directive (CSRD) by about 85%. Under the revised framework, reporting obligations now focus on the largest companies, while smaller companies may opt to report voluntarily under a simplified standard. The package also establishes a "value chains cap", protecting value chain companies with up to 1000 employees from disproportionate requests for sustainability-related information from companies subject to mandatory reporting. To achieve further burden reduction, the Commission adopted a significantly simplified set of European Sustainability Reporting Standards (ESRS)[4] on 3 July 2026. The revised ESRS reduce the number of mandatory datapoints by over 60% and the total number of datapoints by over 70%. The new standards are shorter, clearer and provide greater flexibility for companies. Furthermore, the "materiality assessment" process has been simplified, making it easier for companies to determine which sustainability information is relevant to report. These modifications are estimated to reduce reporting costs per company by over 30%. Taken together, the changes to the CSRD and the ESRS are estimated to eliminate over EUR 4.5 billion annually in administrative burdens.

Our simplification of the EU sustainable finance framework also extends to the EU Taxonomy. In 2025, the Taxonomy Disclosures Delegated Act has already been simplified by addressing the most pressing concerns. A comprehensive review of the technical screening criteria and disclosures is now underway to enhance the EU Taxonomy's usability and comparability, and to further reduce the reporting burden. The revised Taxonomy Climate and Environmental Delegated Acts are expected to be adopted in Q3 2026 and an amended Taxonomy Disclosures Delegated Act is scheduled for Q1 2027.

Furthermore, in November 2025, the Commission adopted its review of the Sustainable Finance Disclosure Regulation (SFDR). The Commission proposed to streamline the framework by reducing disclosure requirements for

[3] Further details and list of deprioritised acts can be found here: https://finance.ec.europa.eu/publications/de-prioritisation-level-2-acts-financial-services-legislation_en

[4] The link to the Annex where the text of ESRS is can be found here: csrd-delegated-act-2026-5010-annex_en.pdf

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financial products providers while ensuring investors receive simpler and more usable information. This will enable them to make more informed investment decisions. The revised rules, as proposed by the Commission, are expected to deliver annual cost savings of EUR 86 million.

Savings and Investments Union

The One Europe, One Market roadmap underscores the pivotal role of the Single Market in enhancing the EU's competitiveness, fostering growth and promoting innovation. By addressing the persistent fragmentation of EU capital markets and channelling more savings into productive investments, the Savings and Investment Union (SIU) is a cornerstone of these efforts.

Delivering on a commitment outlined in our SIU communication from March 2025, the Commission adopted amendments to the Solvency II Delegated Act in October 2025. Concluding several years of extensive engagements with stakeholders and co-legislators, the reform aims to facilitate long-term investments by enhancing insurers' investment capacity, in particular in equity, smoothing valuation volatility to support long-term planning, and streamlining reporting and disclosure to reduce unnecessary complexity. It also significantly reduces administrative burden by ensuring that smaller and less complex insurers are automatically subject to more proportionate rules.

In November 2025, the Commission presented targeted revisions to the EU framework for occupational pensions (IORP II Directive) and proposals to refine the pan-European personal pensions product (PEPP) to make these vehicles more economically viable and the latter simpler. These measures aim at promoting diversification of investment portfolios and scale of pension funds by streamlining the management of occupational and private pension portfolios and by removing overly prescriptive rules and requirements. The IORP II review proposal aims to remove barriers to market-based consolidation of IORPs, by simplifying cross-border procedures and transfer rules and introducing regular supervisory dialogue about scale and performance of IORPs. The revision of PEPP improves its attractiveness for providers by removing the fee cap imposed on Basic PEPPs and the obligation to offer a basic PEPP along tailored PEPPs. The proposal includes further simplification measures such as the removal of the requirement to offer national sub-accounts and proposes to repeal the stringent and rigid quantitative requirements applicable to risk-mitigation techniques. We will continue supporting the Council and the European Parliament to achieve swift adoption of these key legislative files in line with the joint commitment reflected in the One Europe, One Market roadmap. These measures are accompanied by a recommendation on auto-enrolment, dashboards and pension tracking tools which aim at simplifying the navigation through the different schemes for citizens and offering them accessible overview of their pension entitlements.

To remove barriers and unlock the full potential of the EU Single Market for financial services, the Commission proposed the market integration and supervision package (MISP) in December 2025. This package addresses cross-border regulatory and supervisory barriers, reducing fragmentation in trading, post-trading and asset management. By harmonising rules, reducing gold-plating and streamlining overlapping regulatory requirements, the package empowers market participants to operate seamlessly across borders while ensuring that all investors, including retail investors, benefit from consistent and predictable rules regardless of where they invest from. The package achieves its simplification impact by replacing fragmented national frameworks with streamlined requirements. For example, it delivers simplification by introducing new rules on intra-group synergies that eliminate the administrative burden of complex third-party outsourcing rules, allowing financial groups to freely allocate and share internal resources like compliance and IT functions across their EU entities. Furthermore, for groups managing trading venues across multiple Member States, the proposal establishes an optional Pan-European Market Operator (PEMO) status, which allows them to operate under a single license, through a single legal entity, and under streamlined supervisory arrangements. This structural consolidation is supported by the harmonisation of authorisation and operational rules alongside more effective passporting, which cuts through 'gold-plating' and redundant local hurdles so firms can scale cross-border seamlessly. Furthermore, the package simplifies the broader regulatory environment by fostering stronger supervisory convergence under ESMA for predictable, single-rulebook enforcement. In the area of digital finance, we proposed to update market structures to accommodate innovative technologies like Distributed Ledger Technology (DLT).

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In line with the joint commitment reflected in the One Europe, One Market roadmap, the Commission stands ready to support the Council and the European Parliament in achieving rapid progress on this pivotal initiative, which will unlock the full potential of the EU Single Market for financial services.

Finally, enhancing the competitiveness of the EU banking sector to better finance the EU economy while preserving financial stability is another critical objective and part of the One Europe, One Market roadmap. To this end, the Commission adopted a Communication on Competitiveness of the Banking Sector and the Single Market in Banking, published on 17 July 2026[5]. EU banks are essential to the success of the Savings and Investments Union: they channel savings into productive investments, support households and businesses, complement the development of capital markets and provide financing for Europe's strategic priorities. Building on the Communication, the Commission is assessing how to reduce persistent fragmentation in the Single Market in banking and how to simplify the EU banking rulebook where complexity does not deliver commensurate prudential benefits. We apply simplification as a principle across the board, from advancing integration in the single market, to reducing undue complexities in the banking framework, to adapting the implementation of international standards to EU specificities. This includes, for example, measures to facilitate a more efficient allocation of capital and liquidity within cross-border banking groups, subject to credible safeguards, increasing the transparency and predictability of Pillar 2 requirements, removing undue complexity in the microprudential, macroprudential and resolution requirements and simplifying the interaction among them.

Limiting regulatory burden

The Commission is also advancing simplification by reducing the use of legislation where appropriate. For example, in May 2026, following the assessment of the Money Market Funds (MMF) Regulation, the Commission opted for a non-legislative approach and issued guidance on MMFs' minimum liquidity levels and on how liquidity buffers may be used, particularly to meet rising redemption requests during times of market stress. Issuing clarifications through guidance has proved efficient to address implementation challenges in a timely way and ensured the proportionality of EU regulation, thus enhancing a framework that has functioned effectively since coming into force, without the need for legislative amendments.

Screening of the delegated and implemented acts

The simplification work of my services on delegated and implementing acts or technical standards (so called Level 2 measures) is an important part of the broader effort to assess and simplify the financial services *acquis*. In last year's simplification screening of 430 delegated and implementing acts stemming from the basic acts adopted during the previous Commission mandate, my services identified 115 as non-essential for the effective functioning of respective basic act and for the achievement of EU policy objectives. As a result, the Commission services announced in a letter to the chairs of the European Supervisory Authorities (ESAs) and the Anti-money Laundering Authority (AMLA) that these acts will not be adopted before October 2027. Out of these 115 acts, 41 acts with a mandatory deadline for 2026 are deprioritised this year. In future legislative proposals, following the Communication "A Simpler, Clearer and Better Enforced EU Rulebook" and as already implemented in proposals adopted at the end of 2025, the Commission will seek to only propose well-designed empowerments for delegated and implementing acts which are strictly necessary to effectively implement and enforce EU rules. I also call upon the European Parliament and the Council to apply the same discipline in this respect throughout the legislative process.

Simplification in the EU agencies and bodies

Finally, my services are also closely engaging with the ESAs and with the Single Supervisory Mechanism/European Central Bank, which have set up their own initiatives to ensure that they play their part in delivering simplification. Similar work is also ongoing with the new Anti-money Laundering Authority (AMLA), taking into account the phased implementation of the new framework and the Authority's recent set-up. On top of the deprioritisation of technical standards (so called Level 2 measures) referred above which are adopted by the Commission on the basis of drafts

[5] Accompanied by a Staff Working Document

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prepared by the ESAs and AMLA, engagements include efforts to simplify and modernise supervisory reporting, particularly in light of the Better Data Sharing Regulation which entered into force in November 2025. The regulation reinforces the ESAs' obligation to regularly review and eliminate redundant reporting requirements while advancing further integration. Beyond reporting, simplification also requires continued attention to the efficiency, proportionality and coherence of the broader regulatory and supervisory framework. This includes ensuring that regulatory products and supervisory expectations remain targeted and risk-based, that cost-benefit considerations are appropriately reflected in non-legislative measures, and that efforts are focused on areas where simplification can deliver the greatest practical benefit without undermining supervisory objectives. These measures, alongside others such as enhanced data-sharing and the development of a common data dictionary, form part of the Commission's broader strategy on supervisory reporting. The work is substantial, and I remain committed to delivering it in line with the agreed timeline and in partnership with all relevant stakeholders.

Stress-testing

As outlined in my first progress report, my commitment to simplification focused first on the frameworks that offered most potential for burden reduction. In this regard, sustainable finance has been identified as a key priority area, where the Commission has now delivered important progress. As outlined above, through the Market Integration and Supervision Package, the Commission has proposed to review most of its capital market framework. The Commission is now focusing on assessing the banking regulatory framework in view of a proposal in Q1 2027.

Within the digital finance framework, the MISP proposal already reviewed certain provisions, notably the reform of the Distributed Ledger Technology Pilot Regime (DLTPR) which would remove complexity and provide long-term certainty and thus enable the EU financial sector to harness new technologies and remain globally competitive. The MISP package also proposes more efficient and effective supervision of crypto-asset service providers.

In the areas of trading and post-trading, the package significantly elevates supervisory efficiency and effectiveness, replacing fragmented national actions with a unified regulatory approach. This is achieved by centralising the direct oversight of significant market infrastructures under ESMA and consolidating its enforcement tools into a cross-sectoral framework.

My services are consulting stakeholders on the wider review of the Markets in Crypto Assets Regulation (MiCA) with a public and a targeted consultation running until 30 September 2026. The consultation aims to take stock of first implementation experiences as well as market and regulatory developments that have occurred since MiCA started to apply. The consultation also seeks stakeholders' feedback on whether MiCA and its accompanying technical standards strike the right balance in terms of clarity and prescriptiveness or whether further simplification would be warranted.

For 2028, we are planning a digital fitness check and review of the EU's digital rulebook as well as a review of the Digital Operational Resilience Act (DORA). These initiatives will provide further opportunities to incorporate the lessons learnt from the DORA implementation. The secondary legislation on incident reporting was significantly revised already in April 2024 following public consultations, with the number of reporting fields reduced by 32%.

My services will continue screening the financial services *acquis*, building on past and ongoing efforts to review legislation and to deliver simplification and burden reduction. This exercise draws on multiple sources of evidence, including stakeholders' input gathered through consultations, implementation dialogues, reality checks and other forms of stakeholder outreach. By taking on board these inputs, we ensure a proper stress testing of our *acquis*. This approach will also deliver more stability and predictability over time.

Reality checks

On 19 September and 28 November 2025, my services organised stakeholder workshops on the economics of the Single Market in banking and the complexity of the EU banking regulatory framework, as part of the preparations for the Communication on the Competitiveness of the Banking Sector and the Single Market in Banking.

The first workshop focused on the economics of the Single Market in banking. Participants noted that, while the Single Market has improved significantly in recent years, fragmentation remains substantial and continues to limit integration. They stressed that a strong institutional and regulatory framework is essential to support the global

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competitiveness of EU banks and the wider EU economy, and that digitalisation offers opportunities to enhance competitiveness, provided it is accompanied by coordinated oversight and effective risk management. They underlined the need for a holistic policy approach to address both internal and external challenges to the competitiveness of EU banks.

The second workshop examined whether and how undue complexity across the EU's banking regulatory architecture affects efficiency, consistency and the functioning of the Single Market. Participants generally considered the EU banking framework to be fit for purpose but increasingly complex due to layered legislation, divergent national supervisory practices and interactions across multiple prudential regimes. While recognising that a degree of complexity is inherent to banking, they emphasised that unnecessary complexity that undermines efficiency, transparency and market integration should be reduced, without compromising financial stability.

Moreover, the targeted consultation between February and April 2026 generated significant feedback from stakeholders and provided input on how EU banks perform domestically and globally, how they support the financing of the European economy, how to further deepen the EU's Single Market and Banking Union, and how to simplify and improve the effectiveness of the regulatory and supervisory framework.

My services also hosted a reality check on the EU Taxonomy in the form of a workshop series held between September and December 2025. Across 11 physical and virtual sessions on various areas, practitioners shared ideas on how to possibly improve the technical screening criteria for activities covered by the EU Taxonomy. The input provided by almost 200 stakeholders informed our systematic review of all EU Taxonomy technical screening criteria, which we aim to conclude with the adoption of the revised act in Q3 2026.

The recent agreement by co-legislators on the Retail Investment Strategy (RIS) strengthens investor protection and enhances simplification for retail investors by offering less bureaucratic onboarding processes for well-diversified, non-complex and cost-efficient financial products, by reducing burdens for sophisticated investors and by improving disclosures, including facilitating digitalisation.

B. Implementation

Implementation support

I strongly believe that full compliance with EU law can only be achieved together with Member States. To this end, my services provided strong support to Member States in the implementation phase, including through transposition workshops, roadmaps and explanatory document templates for Directive (EU) 2025/1 - Insurance Recovery and Resolution Directive, Directive (EU) 2025/2 - Solvency II review, Directive (EU) 2024/1640 - Sixth Anti-money laundering directive and Directive 2026 (EU) 2026/470 – Omnibus I. My services also engaged in bilateral compliance dialogues with Poland, the Netherlands and Spain. These dialogues provide an opportunity to exchange views on implementation, discuss challenges, share good practices and identify appropriate solutions. Similar dialogues with other Member States will follow as appropriate. More broadly, I encourage Member States to maintain an open dialogue with the Commission throughout the transposition process and to engage proactively whenever uncertainties or practical difficulties arise, so that they can be addressed early on in the process. In this way, we can achieve a more consistent implementation of EU legislation.

The European Supervisory Authorities (ESAs) played an important role in facilitating the timely and faithful implementation of the different acts that are part of the EU's financial services framework. Their efforts focused on monitoring and promoting the consistent application of the frameworks and ensuring the effective implementation of regulatory requirements. Through a series of supervisory briefings, public statements, opinions and Q&As, the ESAs aimed at ensuring convergence in the implementation of the framework and upholding the level playing field across the EU. In particular, ESAs' Q&As[6] translate the EU Single Rulebook into a more uniform supervisory and operational understanding, ensuring consistency and supervisory convergence. Most recently for example, the Commission adopted a number of Q&As related to the implementation of the European Market Infrastructure Regulation (EMIR) Active Account Requirements that were overwhelmingly well received by market participants and helped to ensure reaching the overarching objectives of the co-legislators as intended. The ESAs also coordinated

6 From August 1 2025 - July 31 2026, COM has adopted 43 Q&As (potentially 49 as 6 ESMA Q&As are pending Cabinet approval for adoption - TBC upon finalisation of this Report)

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and monitored the implementation of Regulatory and Implementing Technical Standards and the application of guidelines.

Restrictive measures (sanctions)

In 2025 and 2026, the Commission continued to reinforce the effective implementation and enforcement of EU restrictive measures, a central element of the EU foreign policy. In doing so, my services ensured alignment with the Union's security objectives and core values. To address persistent challenges – particularly in response to Russia's illegal war against Ukraine – my services expanded its compliance support framework, building further on over 900 FAQs. The EU Sanctions Helpdesk project was renewed, offering a dedicated service with free, tailored assistance to SMEs on due diligence requirements and helping operators with limited resources navigate compliance obligations. Alongside these tools, the Commission maintained established outreach with industry stakeholders, including the European Banking Federation and other sectoral associations, while fostering close and regular dialogue with Member States, both bilaterally and through the Commission's Expert Group on Union Restrictive Measures, to ensure a coordinated and coherent approach. Concurrently, the EU Sanctions Whistleblower Tool remained active, enabling the secure reporting of potential breaches. The relevant intelligence is systematically shared with national authorities to strengthen enforcement. These measures underscore the Commission's commitment to closing compliance gaps, mitigating circumvention risks, and ensuring the consistent application of EU sanctions across all Member States. The Commission has also assisted Member States via multi-country projects tailored to support the national competent authorities' abilities to foster sanctions implementation and avoid their circumvention.[7]

In addition, the EU Sanctions Envoy conducts outreach to numerous third countries identified as potential hubs for the circumvention of EU sanctions and convenes a Sanctions Coordinators Forum on a biannual basis, bringing together Member States and G7+ countries to focus on implementation and enforcement of EU sanctions.

Monitoring national implementation

The 2024 Eurogroup statement on the future of Capital Markets Union launched an annual stocktaking exercise on the performance of European capital markets aimed at monitoring progress on shared priority areas. In 2025 and 2026, my services supported the Eurogroup in this task by systematically monitoring relevant measures planned or implemented by Member States, notably in the field of the recommendations issued by the Commission in the context of the SIU strategy, regarding savings and investment accounts and supplementary pensions. In addition, as Member States' actions are crucial to building an effective SIU, my services analysed national financial markets in the 2026 Semester cycle. This resulted in the adoption of 35 country specific recommendations on SIU related actions, all aimed at helping Member States develop financial markets at national level8.

Implementation Dialogues

On 2 December 2025, I co-chaired, together with Executive Vice-President Séjourné, an implementation dialogue on banking integration and competitiveness. The event brought together 25 representatives from individual banks, fintech companies and neobanks, European-level financial sector associations and civil society. Participants shared views on regulatory barriers to further EU banking market integration, including the implementation of EU and national rules, and explored how further integration could contribute to the simplification of the banking regulatory framework.

Participants broadly agreed that the EU banking sector is resilient and well-capitalised, but that integration and competitiveness remain insufficient. A recurring theme was fragmentation, notably through macroprudential measures, capital and liquidity ring-fencing, and non-aligned national discretions. Participants also underlined the

[7] Technical Support Instrument (TSI) project titled 'Enhancing border controls for preventing sanctions circumvention'. TSI is the EU programme that provides tailor-made technical expertise to Member States to tackle the challenges posed when implementing reforms. More information is available at: https://reforms-investments.ec.europa.eu/technical-support-instrument-0_en.

[8] https://reforms-investments.ec.europa.eu/publications-0/2026-european-semester-country-specific-recommendations-commission-recommendations_en

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declining market share of EU banks in certain activities, higher capital stocks due to EU-specific requirements and deductions, and uncertainty around the international level playing field. Across interventions, stakeholders converged on the need for holistic simplification of the regulatory and supervisory framework, greater harmonisation of macroprudential tools, reduced overlaps and clearer supervisory processes.

The feedback received during the discussion served as input for our Communication on the Competitiveness of the Banking Sector and the Single Market in Banking.

On 24 March 2026, I chaired an implementation dialogue on European venture and growth capital funds, bringing together 18 representatives of startup associations, venture capital fund managers, investors, consumer organisations, a trade union association and a think tank. The discussion focused on barriers to the scaling and cross-border flow of venture and growth capital in the EU, including possible adjustments to the European Venture Capital Funds (EuVECA) Regulation and the Alternative Investment Fund Manager Directive (AIFMD). Participants also explored ways to boost the competitiveness of European venture and growth capital fund managers while minimising compliance burdens.

In their interventions, participants highlighted a broad range of regulatory and non-regulatory barriers, including market fragmentation, regulatory complexity, lack of long-term capital, risk aversion, low levels of financial literacy, as well as limited secondary and exit markets. Several participants also shared practical examples that illustrated the mentioned obstacles, for example on dilemmas brought about by dependence on non-EU capital. Many also supported potential measures to simplify and reduce burdens for venture and growth capital fund managers stemming from the AIFMD, the EuVECA Regulation and national frameworks.

In a related context, my services consulted on barriers for exiting private equity investments in the EU, merits and possible design features of a platform for secondary trading of private company shares, and merits of an extended use of such a platform for raising new equity capital. The consultation confirmed a strong and widespread recognition that private companies currently face significant regulatory and non-regulatory barriers in accessing the capital necessary for growth.

The input received has been supporting our policy work under the SIU and in particular, it has informed the preparation of our venture and growth capital reform.

C. Enforcement

The effectiveness of the financial services' legislation ultimately depends on its correct and timely implementation across Member States. Robust enforcement is essential to ensuring market integrity and maintaining a level playing field within the Single Market. I am committed to ensuring the Commission fully exercises its enforcement powers as Guardian of the Treaties to ensure the correct and uniform implementation of EU financial services legislation across the Union. In this regard, I highly value the input provided by citizens and businesses, whether through complaints or *via* the reporting tool on the Barriers to financial market integration. Such information is instrumental in helping the Commission identify shortcomings, remove barriers to the internal market and target its enforcement action where it is most needed. I encourage all stakeholders to actively use this reporting tool to bring barriers to financial market integration to the Commission's attention.

Single Market focus areas for enforcement

The Commission is intensifying its efforts to ensure the effective enforcement of the Single Market *acquis*, focusing on priority areas, such as banking consolidation and Savings and Investment Accounts as announced in the Communication 'A Simpler, Clearer and Better Enforced EU Rulebook'. As noted in Annex II of said communication, the Commission will proactively investigate and pursue these focus areas for all Member States, if necessary, through infringement procedures.

Banking consolidation

On 21 November 2025, the Commission launched an infringement proceeding against Italy to ensure that its national laws on government interventions in banking transactions are targeted, proportionate and clearly defined. Such interventions must comply with EU law, including the exclusive competences of EU prudential supervisors to decide on prudential aspects of bank acquisitions and to supervise credit institutions.

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On 4 June 2026, Commission continued to call on Spain to comply with EU banking regulations and Single Market's fundamental freedoms by sending an additional letter of formal notice. Since the Commission sent its letter of formal notice on 17 July 2025, Capital Requirements Directive (CRD VI) has entered into force and the deadline for its transposition has expired. As a result, the Commission considers that the Spanish lack of transposition of the CRD VI further reinforces the concerns already set out in the 2025 letter of formal notice.

Savings and Investment Accounts

I remained focused on creating better opportunities for citizens to invest. Following the publication of a Commission recommendation in September 2025 aimed at increasing the availability of Savings and Investment Accounts (SIAs), my services have continued supporting Member States in the implementation of national SIA frameworks and by sharing best practices with the Expert Group of the European Securities Committee. In monitoring the uptake of national SIAs, my services have also engaged in dialogues with Member States where certain features of these schemes may contain geographic or currency limitations affecting investment opportunities within the Union as well as potentially breaching freedom of capital movements. Addressing such barriers, in line with the Commission recommendation, will help increase retail participation in capital markets and support more integrated and liquid European capital markets capable of financing the growth of European companies.

Gold-plating

My services paid increased attention to possible instances of gold-plating, namely where Member States introduce national requirements that go beyond what is required under Union law, and other regulatory divergences that may affect the consistent and proportionate application of Union law across Member States. To promote a more harmonised approach, my services raised awareness of these issues during transposition workshops with Member States and systematically scrutinised them as part of the compliance assessment of national transposition measures for Union directives and certain provisions in regulations.

Petitions

Petitions are an important channel through which citizens can raise concerns about the application of EU law and contribute to the effective functioning of the Single Market. I greatly value these contributions and ensure that the issues raised are carefully examined. Several petitions have addressed matters relating to the financial services sector. Some of the concerns identified, including those raised in a petition concerning Cyprus on the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) framework, are being followed up through ongoing enforcement work and monitoring of transposition measures. Other issues are being addressed through ongoing legislative initiatives, such as the case raised in a petition against Romania on protection of victims of traffic accidents linked to the insolvency of insurers responsible for third-party liability policies. This matter is now covered through the sixth Motor Insurance Directive.

Monitoring transposition of financial services *acquis*

The transposition of directives reduces regulatory fragmentation and compliance uncertainty, supports cross-border investment and competition, and enhances the credibility and efficiency of the Single Market for financial services. In the reporting period, the Commission started 138 infringement cases for late transposition of seven directives that fall under my portfolio[9].

Notably, in the banking area, 22 cases concerned the Sixth Capital Requirements Directive that aims at strengthening the resilience of the EU banking sector, promote supervisory convergence, impose stricter conditions for market

[9] Directive (EU) 2023/2864 – European Single Access Point Directive, Directive (EU) 2024/1640 – Sixth Anti-Money Laundering Directive, Directive (EU) 2024/790 – Consolidated Tapes, Directive (EU) 2024/1619 – Sixth Capital Requirement Directive, Directive (EU) 2024/927 – review of the Alternative Investment Fund Managers and UCITS Directives, Directive (EU) 2024/2811 – Listing Act, Directive (EU) 2024/2994 – European Market Infrastructure Regulation targeted review

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access by third country banks and embed environmental, social, and governance (ESG) consideration into risk management.

To strengthen the fight against money laundering, 11 cases were initiated concerning the Sixth Anti-money Laundering Directive to ensure comprehensive access to information on beneficial ownership of legal entities, trusts or similar arrangements (including access by persons with a legitimate interest) to prevent money laundering and terrorist financing.

In the capital market sector, 13 cases were about lack of transposition of the amendments to the Markets in Financial Instruments Directive (MiFID II), which aim to allow firms greater flexibility in paying for research and execution services and to facilitate the development of more reliable and objective issuer-sponsored research. The Commission opened 35 cases to ensure investors' access to corporate public information contributing to the integration of EU capital markets, in line with the SIU objectives. 18 cases were initiated to ensure full transposition of an important update to the EU framework concerning the Alternative investment fund managers (AIFMs). Furthermore, the Commission opened 18 cases to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises (Listing act) and 21 cases to ensure full transposition of European Market Infrastructure Regulation targeted review Directive (EMIR targeted review Directive) to strengthen the EU clearing market by reducing barriers, promoting EU Central Clearing counterparties, and enhancing financial resilience. The Commission referred Spain and Malta to the Court for late transposition of the amendments to the Accounting Directive concerning revised size thresholds for undertakings.

In addition, in the payment segment, the Commission called 8 Member States to implement the amendments necessary to ensure that certain non-bank payment service providers can settle payments in an efficient and competitive manner when providing services such as instant payments to their clients.

During the period, the Commission closed 68 infringement cases after the Member States concerned rectified delays in transposing 9 financial services directives into national law[10].

The Europa webpage on infringement cases, pre-infringement dialogues and transposition of directives provides up-to-date statistical information on the Commission's enforcement activities and Member States' compliance with EU law, including trends per policy area, topic and Member State.

4. Way forward

Looking ahead, my services will regularly assess progress on delivering the measures of the SIU strategy. An SIU mid-term review will be published in the course of 2027, providing a comprehensive assessment of overall progress.

The Commission will propose in the first quarter of 2027 a package of measures to amend the banking regulatory framework and deliver on its Communication on the Competitiveness of the Banking Sector and the Single Market in Banking, in line with the objectives of the One Europe, One Market roadmap. The Commission remains firmly committed to optimising the EU banking framework, while upholding the high-quality standards that have effectively safeguarded the EU from recent financial markets turbulences.

Additionally, the Commission will complete its review of Taxonomy reporting in the first quarter of 2027. These measures, initially excluded from the Omnibus 1 Delegated Act due to their technical nature, will aim to enhance simplification, consistency, interoperability and clarity across the sustainable finance framework. This work will proceed in parallel with the Commission's ongoing efforts to scale up transition finance, in alignment with the SFDR proposal.

As required by the MiCA Regulation, we will issue a report to the European Parliament and the Council on the application of this Regulation in 2027 and if necessary, we will accompany it with a legislative proposal.

[10] Directive (EU) 2023/2864 – European Single Access Point Directive, Directive (EU) 2022/2556 – Digital Operational Resilience Act, Directive (EU) 2024/1174 – Daisy Chains Act, Directive (EU) 2024/1640 – Sixth Anti-Money Laundering Directive, Directive (EU) 2021/2118 – Motor Insurance Directive, Directive (EU) 2021/2167 – Non-performing Loans Directive, Directive (EU) 2022/2464 – Corporate Sustainability Reporting Directive, Directive (EU) 2023/2775 – Delegated directive on the adjustments of the size criteria for micro, small, medium-sized and large undertakings or groups, Directive 2014/59/EU – Bank Recovery and Resolution Directive (2014/59/EU) as amended by Daisy chains Regulation (EU) 2022/2036

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Furthermore, my services are preparing a review of EU rules for venture and growth capital funds, including a review of the EuVECA Regulation. We are also assessing potential policy action to facilitate investors' exits in private companies. These initiatives aim to strengthen financing channels, thereby also contributing to the broader Commission efforts to support European start-ups and scale-ups.

Too many directives within my portfolio are still not transposed on time. To address this, my services will strengthen implementation support to Member States, notably through transposition workshops for the Deposit Guarantee Schemes Directive (DGSD II) and the Bank Recovery and Resolution Directive (BRRD III). At the same time, enforcement actions will be accelerated where transposition delays persist, and my services will not hesitate to propose enforcement action. This is particularly relevant in areas with significant implementation shortcomings, such as the Sixth Capital Requirements Directive and in the capital market sector[11]. Timely and correct transposition is essential to ensure a level playing field and legal certainty for citizens and businesses across the Single Market.

I remain committed to progressing the work on enforcing the Single Market rulebook in the focus areas. My services will promptly propose enforcement actions to the Commission to remove geographic and currency restrictions in national savings and investment account schemes, and to address cases where national governments' interventions in banking consolidation do not comply with EU law. I will also continue to reduce unlawful gold-plating in financial services and decide on the most suitable follow-up when significant issues arise. My services will also keep working with Member States and increase their awareness so they avoid introducing national rules that go beyond what Union law requires, and other regulatory differences that may affect the consistent and proportionate application of Union law across Member States.

To build a more resilient, competitive and integrated financial ecosystem in the EU, we must prioritise simplification, robust implementation, and rigorous enforcement for the benefit of businesses, investors and citizens alike.

[11] Such as Directive (EU) 2023/2864 – European Single Access Point Directive, Directive (EU) 2024/790 – Consolidated Tapes, Directive (EU) 2024/927 – review of the Alternative Investment Fund Managers and UCITS Directives, Directive (EU) 2024/2811 – Listing Act, Directive (EU) 2024/2994 – European Market Infrastructure Regulation targeted review

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Annex: examples of simplification and implementation results

1. Market Integration and Supervision Package (MISP)

In developing its proposal, the Commission drew on extensive stakeholder engagement, including contributions from industry associations, academia, and reports, notably the report on EU competitiveness by Mario Draghi, and the report on the Single Market by Enrico Letta (Much more than a market). These inputs were complemented by targeted consultation activities to ensure a robust evidence base and shape the content of this proposal accordingly.

My services organised the call for evidence, running from 8 May to 5 June 2025, aimed at (i) gathering stakeholders' views on barriers that prevent the EU's trading and post-trading infrastructures from reaping the benefits of a truly frictionless Single Market, (ii) examining whether the current regulatory and supervisory setting is fit for the capital markets and in particular for market operators with strong cross-border activities or operating in new or emerging sectors; and (iii) reviewing the European Supervisory Authorities' toolbox to assess areas where its effectiveness and efficiency could be strengthened and improved. The call for evidence generated 53 responses from a broad range of stakeholders.

Across all stakeholder groups, there was broad agreement on the need for more integrated capital markets and enhanced supervisory convergence. This was accompanied by a shared call for simplification, proportionality and legal certainty. Stakeholders widely recognised that a more integrated and efficient financial ecosystem would enhance Europe's competitiveness, improve access to finance, and expand investment opportunities.

In addition to the call for evidence, the targeted consultation running from 15 April to 10 June 2025 gathered views from a broad group of stakeholders on various aspects of the EU capital markets. In total, 297 stakeholders replied to the targeted consultation through the Commission website.

Overall, stakeholders called for a more proportionate and harmonised regulatory framework that reduces burdens, particularly on smaller institutions, and supports innovation, while maintaining investor protection and market stability. An overwhelming majority of respondents called for simplification in the EU *acquis*. A clear majority of respondents highlighted inefficiencies in the way open access functions today, failing to deliver on a fully integrated and interoperable trading and post-trading infrastructure landscape. The targeted consultation also identified divergent supervisory practices and ways of implementation between Member States for a variety of reasons, including different national legislation, local specificities, and different supervisory approaches. Respondents also highlighted the need for increased standardisation, harmonisation, and digitalisation of processes, as well as the adoption of common data standards and regulatory requirements across Member States.

In parallel, bilateral meetings were held with selected stakeholders to gather additional input and explore specific concerns in greater depth. The Commission also exchanged on various aspects of the review with representatives of the European Parliament and Member State financial services attachés in October and November 2025.

The Commission's proposal greatly benefited from the inputs received in the call for evidence and targeted consultation. It ensured that the diverse stakeholder inputs received have been considered and taken into account. The most significant areas where respondents identified scope for improvements were examined and have been included in the proposal. These included calls for a more proportionate, simpler and more harmonised regulatory framework that reduces burdens and eliminates barriers in the areas of trading, post-trading and cross-border distribution of investment funds, as well as increasing the efficiency and convergence of supervision of financial entities. The Commission took these suggestions into account when preparing the package, which replaces certain directives with directly applicable regulations, thereby reducing the scope for gold-plating. It also streamlines empowerments for delegated legislation, harmonises rules for trading venues and simplifies complex passporting and marketing rules for investment funds (UCITS and AIFs). Supervisory processes are streamlined by expanding ESMA's direct oversight of certain significant cross-border entities in trading and post-trading. Furthermore, reforms to the DLTPR reduce complexity to help the EU financial sector adopt new technologies and remain globally competitive.

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Following the adoption of the legislative proposals in December 2025, a call for evidence was conducted on the full scope of the MISP proposals. It generated a significant volume of feedback from a broad range of stakeholders. There was a strong convergence on MISP's core objectives of addressing fragmentation in EU capital markets, enhancing the interoperability and efficiency of market infrastructures, facilitating the uptake of DLT-based innovation, reducing administrative and compliance burdens, and strengthening the consistency of supervisory practices across the Union. Some criticisms were expressed on certain topics, such as the depositary passport, reopening the rulebook for the consolidated tape, mandatory bilateral CDS connectivity or the risks of dual supervision. The feedback received through this consultation will inform the Commission's continued work on the MISP with the European Parliament and the Council in the course of the ordinary legislative procedure.

2. Banking report

The Commission communication on the Competitiveness of the Banking Sector and the Single Market in Banking adopted on 17 July 2026 has been informed by a wide range of reports, consultations and dialogues with stakeholders.

A comprehensive targeted consultation ran between February and April 2026. More than 220 stakeholders replied to this consultation, offering views across a broad spectrum of issues. This work was also informed by two workshops with stakeholders – one held in September and one in November 2025 – which focused on the competitiveness of the banking sector and the banking regulatory framework. Banks, industry associations, EU institutions, Member States, analysts, academia and civil society took part in these events. Executive Vice-President Séjourné and I engaged with high-level bank representatives and civil society on banking integration and competitiveness as part of an implementation dialogue organised in December 2025.

The European Central Bank High Level Taskforce on Simplification issued its report to the Commission in December 2025 including a number of recommendations to simplify the regulatory framework. The European Banking Authority has also been working on this topic and published a report on the simplification of the stacking order in the bank prudential and resolution rules in June 2026. The need for enhanced market integration and simplification of the regulatory framework has also been recalled by many other reports, letters and position papers prepared by various stakeholders from across the financial industry spectrum.

3. Sustainable finance: revised Taxonomy Delegated Acts

My services hosted reality checks on the EU Taxonomy, and more specifically on the activities as defined in the Climate and Environmental Delegated Acts. These were organised in workshop series held between September and December 2025. The session addressed, notably, transport, information and communication technologies, forestry and environmental protection, low-carbon manufacturing activities, construction and real estate, water and waste, services, energy, transitional manufacturing activities, pharmaceutical activities and generic "do no significant harm" criteria.

Almost 200 stakeholders participated in the meetings. Across 11 physical and virtual sessions, practitioners shared ideas on how possible improvements to the technical screening criteria for activities covered by the EU Taxonomy. The input informed our review of all Taxonomy criteria, which we aim to conclude with the adoption of the revised criteria in Q3 2026.

As a result, over 80% of the 242 economic activities covered by the Climate and Environmental Delegated Acts are to be simplified, alongside the horizontal *Do No Significant Harm* (DNSH) Appendixes. For instance, climate hazard screening, which previously costed companies EUR 150–200 on average per location using commercial providers, could in the future be done at no cost using the EU's own Climate Hazard Screening tool (European Investment Bank (EIB)/ European Centre for Medium-Range Weather Forecasts (ECMWF), Copernicus), to which the revised Appendix A will be explicitly aligned.

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