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Dear Commissioner,

The European Union's competitiveness is our shared responsibility to ensure that Europe remains a global leader in innovation, economic resilience and sustainable growth. A strong and dynamic single market is the foundation for creating jobs, attracting investment and enabling European companies to compete successfully on the world stage.

In this regard, we welcome that the Commission intends to place a particular focus on clear, proportionate and streamlined obligations in all future EU legislation – while ensuring financial stability – and has mapped out initial steps for the banking sector in its work program. We are eager to contribute to these common goals and have identified several measures for simplification of EU Financial Services legislation that are attached to this letter.

We look forward to the further debate on how to improve European financial markets and banking regulation. When it comes to simplification, we remain committed to contributing constructively to further develop this agenda. Concerning the banking sector, we are currently preparing input and stand ready for detailed technical-level exchanges, ahead of the Commission's report expected this year, which should lay the groundwork for swift, ambitious, high-impact simplification and competitiveness measures.



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We will get back to you on the banking issues in due course.

Yours sincerely,

Lars Klingbeil

Roland Lescure

Simplify to strengthen: A competitiveness agenda for the financial sector

The Commission has – most recently in its Competitiveness Compass – committed to make EU rules more accessible and effective. The October 2025 European Council conclusions, which called on the Commission to swiftly bring forward further ambitious simplification packages, including in the area of Financial Services, constitute a concrete call for action along these priorities – while ensuring financial stability. The call to bring forward simplification in the area Financial Services has been subsequently echoed in the Council Conclusions of 12 December 2025.

We are convinced that both Member States and the EU institutions need to adopt an ambitious agenda to achieve our common goal. At national level, we have already successfully initiated several legislative efforts aimed at simplification, to help create a more attractive and competitive environment nationally, thereby supporting the EU's overall strength. To complement the national efforts of Member States, we need a **dedicated and comprehensive Financial Services Simplification Package at European level** that reviews the entire framework of European financial market regulation, ensuring coherence and effective implementation. Only such a holistic approach will allow Europe to fully live up to its self-set goal to further reinforce its economic strength and competitiveness. In addition, the forthcoming Competitiveness Report on the European banking sector should provide the strategic framework for swift, high-impact improvements beyond horizontal simplification efforts. We will get back to you on the banking issues in due course. To embed selective simplification measures along the way of future legislation to achieve a noticeable reduction in the actual administrative burden is important but not sufficient: we should also simplify the already applicable set of rules.

Such efforts should also contribute to strengthening the Single Market for financial services and ensuring a fair level playing field vis-à-vis global competitors, in particular in areas where EU financial institutions face structural disadvantages.

Making primary EU financial services legislation clearer and easier to navigate

Furthermore, progressing towards the development of a genuine Savings and Investments Union (SIU) will contribute to a clearer and more-easy-to-navigate regulatory framework. But simplification should go beyond the core SIU proposals, and especially the Market Integration and Supervision Package. For example, the new pensions package should not unduly complicate existing frameworks: new requirements need to be weighed against the need for simplification, following a balanced approach. In the same spirit context, the scope of the European Single Access Point (ESAP), in particular Phase 3, should be reassessed to ensure that only data with clear market value added are collected and centralized.

Less mandates to adopt delegated acts and reduction of complexity in delegated acts

We need less mandates to adopt delegates acts and to reduce the complexity of delegated acts. In addition, the principle of proportionality needs to guide the simplification process. To achieve this goal, we should include competitiveness into the mandates of the European supervisory agencies, which need to stick to their mandate, enhance accountability towards the co-legislators and strengthen the Commission's role to avoid unnecessary complexity and ensure the principle of proportionality effectively. When it comes to the number of mandates, the Commission's letter on the 115 delegated acts to deprioritize is a promising starting point to review the entire legislative universe. For a comprehensive and efficient approach, we need

to ensure that Level 2 depriorizations take place through amendments to Level 1 provisions rather than through sui-generis institutional processes and focus on texts whose removal would most benefit the industry in terms of effective simplification of its administrative life and compliance obligations. The aim should be to minimize uncertainty for industry and supervisors regarding how to apply existing Level 1 measures, both in terms of substance and timing. In addition, we need to tackle excessive complexity in supervisory guidance issued by the European Supervisory Authorities. Striking examples of possible simplifications for delegated acts among others are:

- Streamlining reporting obligations: Currently, a single transaction in certain financial instruments may have to be reported via different reporting channels to multiple supervisory authorities with differing data requirements stemming from up to five legislative acts. Ideally, a financial market transaction should only be reported once under a single set of requirements with authorities being able to access the dataset according to their mandates. We therefore support the work recently initiated by ESMA to streamline reporting requirements. We also support the work undertaken by EIOPA to simplify quantitative reporting for European insurers and reinsurers. Furthermore, we acknowledge and support the work carried out by the Commission to simplify insurance reporting under the Solvency II delegated act, which it recently adopted in October 2025.
- Relying on established market practice: Regulation should step in only where needed, not where real-world practice has already found the answer. For example: There is an established market practice with appropriate markers to identify multiple vote share structures. We therefore support the Commission to deprioritize a delegated act to make further specification on identification markers.
- Repealing unused delegated powers: A large number of delegated powers are drafted as optional (“may-powers”) or have not been used despite being drafted as mandatory (“shall-powers”). If such powers remain unused for an extended period, practice shows they are not needed. Some have been identified in the (re) insurance sector and is undoubtedly true more broadly. Detailed cross-sectoral identification work must therefore be carried out to remove them where relevant, while retaining such powers where flexibility may be needed in the future.
- Focus on evidence-based regulation: Rules must face the test of real-world results – and be revised when they fail to deliver their promised value. This should be honestly and comprehensively reflected in the proposals’ impact assessments. For example, disclosures by small banks: Bank regulation requires disclosure of data by small banks, although there is evidence that this data is not used by anyone.
- Simplifying cyber reporting: Current reporting obligations for cyber incidents (DORA) can be streamlined in certain cases to reduce the burden and to ensure proportionality. Targeted simplifications of DORA should thus be considered beyond the ongoing Digital Omnibus.

Avoiding disproportionate so-called trickle-down effects on the real economy

Simplification must be approached in a holistic and integrated manner to safeguard regulatory alignment between financial regulation and other areas of regulation. We urge the Commission in cooperation with the ESAs to conduct a holistic assessment of the financial services legislation also in order to ensure the consistency with the Omnibus I package and the scope and the reporting requirements set out there. This should ensure coherent and proportionate requirements and analyze where proxies or alternative data sources can be used.