EUROPEAN UNION ROUNDTABLE OF FINANCIAL CENTRES (EU-RFC)

Communiqué

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The EU-RFC serves as a regional chapter of the World Alliance of International Financial Centers.

Tallinn, 22 October 2026:

The European Union Roundtable of Financial Centres (EU-RFC) convened in Tallinn on 22 October 2026, at the invitation of Finance Estonia, for its second meeting of the year in the Estonian capital. Representatives of Europe's leading financial hubs met in person and online, together with guests from TheCityUK, the Barcelona Finance Cluster, the European Digital Finance Association (EDFA), the World Alliance of International Financial Centers (WAIFC) and the Bank of Estonia, to discuss shared priorities for strengthening the EU's financial ecosystem in support of an innovative and competitive European economy.

The agenda covered the priorities of each EU-RFC member and broader economic themes, including the competitiveness of Europe and the development of the Savings and Investments Union (SIU). Participants also examined technology-related policy issues, including the implementation of the revised Consumer Credit Directive (CCD2), developments in distributed ledger technology (DLT) and central bank digital currencies (CBDCs), and the growing challenge of fraud, artificial intelligence (AI) and cybersecurity.

Priorities of the European Financial Centres

Centres confirmed simplification, regulatory proportionality and a level playing field in secondary legislation as common priorities. The political agreement on the securitisation package was welcomed as a step forward, although several members noted that it falls short of the original ambition and that open points should be taken up in the forthcoming banking competitiveness package. Other files followed closely include the Market Integration and Supervision Package (MISP), the review of MiCA, the digital omnibus and the AI Act, the revision of SFDR and the financing of innovation, including the treatment of intangible assets. Taxation and talent attraction were highlighted as factors in the attractiveness of financial centres.

Centres are strengthening their positioning through new national strategies and practical initiatives, such as an IPO information hub in Belgium and DLT-native sovereign issuance in Luxembourg. The classification of European centres in global indexes and their performance relative to centres from other regions reinforced the case for broader tools to measure their economic impact. Members stressed the need for coordinated cross-border preparation for T+1 settlement in October 2027, including outreach to non-European markets, and guests from the UK pointed to opportunities for

Internet: www.eufcrt.com
Mail: info@eurfc.com

closer EU-UK cooperation, notably in regulatory dialogue and defence financing. Across the board, members reiterated that collaboration among European centres is essential to resilience, credibility and the EU's strategic autonomy.

Competitiveness of Europe

Participants stressed that the competitiveness gap between Europe and its global peers has widened and is, at its core, an investment gap, including in defence, AI, cybersecurity and pharmaceuticals. They called for faster implementation of the Draghi report and a clear European roadmap with identified responsibilities, warning that without accountability for delivery the debate risks remaining declaratory. The prevailing view among members is that national interests, divergent implementation and uneven supervisory practices continue to hold back scaling in the single market, and that progress will require a willingness to accept trade-offs, including a common approach to elements such as employee stock options under the proposed EU Inc. (28th) regime.

The UK experience with a secondary competitiveness objective for regulators was shared as a reference: it was reported to have brought a material change in supervisory engagement with industry, while requiring cultural change and political support when greater risk-taking leads to adverse outcomes. Members regretted the reluctance to introduce comparable mandates at EU level and supported continued advocacy for them, while exploring alternatives such as regular reporting on competitiveness, systematic impact assessments and structural safeguards embedded in the regulatory process. Participants also cautioned that current market risks, including AI valuations and wider spreads, call for ambition to be paired with prudence, and that a sovereign financial sector should remain open to international capital as a precondition for competitiveness.

Savings and Investments Union

Stakeholders agreed that the SIU must deliver practical results. They noted that Europe's financing structure remains predominantly bank-based and has barely changed in a decade, which is ill-suited to fast-scaling companies. Emerging pan-European market structures, including a pan-European market operator and regional hubs, were welcomed by some participants, but members cautioned that harmonisation from the top will not by itself keep companies in Europe. A complementary approach is needed that lets companies grow in local and regional capital markets for as long as possible and gives them reasons to stay once they scale. Participants drew a parallel with payments, where pan-European solutions are emerging alongside national schemes, while noting that cross-border settlement links remain the main obstacle and require a business incentive.

On the investor side, members highlighted persistent home bias, limited research coverage of smaller companies and the growth of passive investment in large-cap indices that exclude most European SMEs. Concerns were raised that value-for-money benchmarks in the retail investment strategy may favour passive products, and that financial centres should engage more with consumer associations. Financial literacy and accessible information were seen as long-term drivers, and members called for the savings and investment accounts promoted at EU level to be aligned with existing national schemes.

Consumer Credit Directive 2 (CCD2)

The session was introduced by Enrique Velázquez, Chief Data and Policy Officer at Mifundo, who presented the key elements of the revised Directive, including strengthened creditworthiness assessments and non-discrimination in access to credit, as well as the current state of transposition. He also introduced Mifundo, a pan-European credit-data and open-banking infrastructure provider backed by the European Innovation Council, part of the European Commission, which aims to support access to credit and responsible lending, particularly for borrowers with financial histories spanning multiple countries.

16 Member States had yet to complete transposition of the CCD2 ahead of its application on 20 November 2026. Participants observed that larger Member States had generally transposed earlier, while some smaller markets, including Estonia, are still finalising legislation. They viewed CCD2 as a smaller-scale illustration of the need for practical convergence and timely implementation and discussed the rapid growth of buy-now-pay-later and fintech-provided credit, the need for consumer protection, particularly for young people, and the role of financial education.

Participants also recalled the earlier discussion on the Financial Data Access (FiDA) framework. Several members considered it too broad and insufficiently proportionate, while agreeing that the question of how consumer-consented financial data can be shared across borders remains open and merits a swifter, more proportionate approach. *[Note: On 4 November, the European Commission announced its intention to withdraw FiDA within the next six months.]*

DLT and CBDC

The session was introduced by Rainer Olt, Head of Payment & Cash Department at the Bank of Estonia, who outlined the Eurosystem's approach to tokenised markets. He explained that market feedback had pointed to the need for a risk-free settlement asset on DLT platforms, leading to the Pontes pilot, launched on 21 September 2026, which makes central bank money available for settlement on such platforms, and to the longer-term Appia roadmap, published in March 2026, which is to culminate in a blueprint for

an integrated tokenised ecosystem by 2028. He identified regulatory fragmentation, limited interoperability, cross-border collateral barriers and uneven access to safe settlement assets as the main frictions and stressed that the aims are euro-denominated tokenised markets, monetary sovereignty, strategic autonomy and a stronger European voice in global standard-setting. Central bank money should remain the monetary anchor, with stablecoins and tokenised deposits providing complementary functionality within a two-tier monetary system.

Participants noted that Europe trails in stablecoins but is ahead in settlement in central bank money. The preservation of the two-tier system, and the risk of deposit outflows to stablecoin platforms, were seen as central to financial stability. Members pointed to legal barriers that technology alone will not remove and suggested an optional EU legal framework for the issuance of securities on DLT. They also urged that the DLT Pilot Regime, retained and extended under MISP, be placed on a permanent, technology-neutral footing, as the pilot label discourages smaller institutions from engaging.

Fraud, AI & Cybersecurity

This session was introduced by Rainer Olt, joined by a Bank of Estonia expert on fraud statistics, who presented Estonia's national fraud report. Fraud losses in Estonia increased by almost 90% in 2025, with criminals shifting towards micro and small businesses and relying on impersonation of banks, authorities and police. Participants noted that, while fraud remains a small share of transaction value, it erodes trust in digital payments: in most cases customers are manipulated into authorising payments themselves, and fraud and cybercrime were reported to account for around half of all crime in the UK.

Participants welcomed the measures foreseen in the Payment Services Regulation (PSR) and Directive (PSD3), including the ability of banks to stop suspicious payments and freeze funds in mule accounts. Members called for broader accountability for online platforms, telecoms and other actors outside banking, and for interoperable cross-institution, cross-sector and cross-border data-sharing, since network-level data is needed to detect complex schemes and limit false positives. Agentic AI raises new questions of liability and legal certainty that Europe must address quickly, and education, while necessary, is insufficient without technical defences. Participants agreed that fraud, AI and cyber resilience will remain on the agenda of future meetings.