

Basic information

2025/0381(COD)

COD - Ordinary legislative procedure (ex-codecision procedure)
Regulation

Banks and financial markets: settlement finality in payment and securities settlement systems

Repealing Directive 98/26 1996/0126(COD)
Amending Directive 2002/47 2001/0086(COD)

Subject

2.50.03 Securities and financial markets, stock exchange, CIUTS, investments
2.50.04.02 Electronic money and payments, cross-border credit transfers
2.50.10 Financial supervision

Legislative priorities

[Joint Declaration 2026](#)

Awaiting committee decision

Key players

European
Parliament

Committee responsible

ECON Economic and Monetary Affairs

Rapporteur

CROSETTO Giovanni (ECR)

Appointed

21/01/2026

Shadow rapporteur

FERBER Markus (EPP)

HEINÄLUOMA Eero (S&D)

KNOT Jaroslav (P/E)

KELLEHER Billy (Renew)

PETER-HANSEN Kira Marie
(Greens/EFA)

PEDULLA' Gaetano (The
Left)

Committee for opinion

JURI Legal Affairs

Rapporteur for opinion

The committee decided not to give an opinion.

Appointed

Committee for budgetary assessment

BUDG Budgets

Rapporteur for budgetary assessment

The committee decided not to give an opinion.

Appointed

Council of the European Union		
European Commission	Commission DG	Commissioner
	Financial Stability, Financial Services and Capital Markets Union	ALBUQUERQUE Maria Luís
European Economic and Social Committee		

Key events			
Date	Event	Reference	Summary
04/12/2025	Legislative proposal published	COM(2025)0941 	Summary
12/02/2026	Committee referral announced in Parliament, 1st reading		

Technical information	
Procedure reference	2025/0381(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Repealing Directive 98/26 1996/0126(COD) Amending Directive 2002/47 2001/0086(COD)
Legal basis	Rules of Procedure EP 58 Treaty on the Functioning of the European Union TFEU 114
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Awaiting committee decision
Committee dossier	ECON/10/04673

Documentation gateway				
European Commission				
Document type	Reference	Date	Summary	
Legislative proposal	COM(2025)0941 	04/12/2025	Summary	
National parliaments				
Document type	Parliament /Chamber	Reference	Date	Summary
Reasoned opinion	CZ_CHAMBER	PE785.272	04/03/2026	

Contribution	CZ_SENATE	COM(2025)0941	27/03/2026	
Contribution	PT_PARLIAMENT	COM(2025)0941	07/04/2026	
Contribution	IT_SENATE	COM(2025)0941	13/04/2026	

Additional information		
Source	Document	Date
EP Research Service	Briefing	17/03/2026
European Commission	EUR-Lex	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency				
Name	Role	Committee	Date	Interest representatives
CROSETTO Giovanni	Rapporteur	ECON	12/03/2026	FEDERCASSE - Federazione Italiana delle Banche di Credito Cooperativo Casse Rurali e Artigiane

Banks and financial markets: settlement finality in payment and securities settlement systems

2025/0381(COD) - 04/12/2025 - Legislative proposal

PURPOSE: to convert Directive 98/26/EC (the Settlement Finality Directive - SFD) into a Regulation to ensure more uniform rules across the EU.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Directive 98/26/EC of the European Parliament and of the Council on settlement finality in payment and securities settlement systems. The SFD, adopted in 1998, aims to reduce systemic risk in payment systems and securities settlement systems within the EU by ensuring the finality and irrevocability of transfer orders once entered into a designated system, even in the event of a participant's insolvency. Since its adoption in 1998, the SFD has been amended six times to reflect the evolving structure of EU financial markets.

A public consultation conducted in 2021 and the 2023 Commission report showed that the obligations laid down in Directive 98/26/EC were transposed differently by Member States. These divergent national approaches have resulted in the fragmentation of the single market and cause legal uncertainty, prevent market integration and inhibit cross-border transactions.

Strengthening the EU's economy and bolstering its international position are central to the European Commission's mandate. The Competitiveness Compass outlines how to achieve these goals, with the Savings and Investments Union (SIU) Strategy acting as a key enabler of this plan.

The European Parliament argued that capital market integration is a necessary pillar of the EU's investment strategy and supported the Commission's intention to propose measures to strengthen supervisory convergence tools and achieve more unified direct supervision of capital markets.

CONTENT: this Commission proposal seeks to **convert the Settlement Finality Directive (SFD) into a Regulation** and updates definitions of key concepts which would enhance legal certainty, consistency, and market integration across the EU. The proposed regulation also aims to ensure sufficient technological neutrality to help support the implementation of new technologies, such as **distributed ledger technology (DLT)**, to bring efficient solutions to the market while ensuring that risks are appropriately mitigated. Moreover, further harmonisation would align with broader EU initiatives such as the Capital Markets Union and the Savings and Investment Union, fostering investor confidence and improving the resilience and competitiveness of the post-trade ecosystem.

Its main objectives are to:

1. **harmonise the provisions on settlement finality;**
2. **modernise the provisions on settlement finality** to recognise new technologies and financial developments.

To achieve these objectives, the proposal sets out in a more precise way matters related to protections granted by the SFD to achieve a harmonised approach across the EU. This relates, in particular to:

- legal certainty for digital innovation;
- conflict-of-law rules;
- participation of EU entities in third-country systems;
- the scope of participants;
- the scope of eligible securities;
- designation practices for EU systems;
- transparency; and
- settlement finality moments.

Budgetary implications

The proposal is compatible with the Commission proposal for a multiannual financial framework for years 2028-2034, specifically as regards the budget of individual agencies. Therefore, figures are indicative pending the final adoption of the MFF.