

# FESE response to the ESMA consultation on guidelines on standard forms, formats and templates to apply for permission to operate a DLT market infrastructure

1<sup>st</sup> September 2022, Brussels

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**Q1** - Do you have any comments or suggestions regarding the proposed guidelines? If so, please provide arguments supporting your comments and suggestions.

FESE welcomes ESMA's proposed guidelines on standard forms, formats and templates to apply for permission to operate a DLT market infrastructure. More specifically, we fully support the approach where applicants have to be authorised, under the relevant investment firm, market operators and/or central security depository operator licenses, before benefiting from their application for specific permission to operate a DLT market infrastructure, as stated in point 20(a) and point 20(b) of the consultation document.

In addition, FESE supports ESMA in taking a prominent role in issuing non-binding opinions, guidelines, and additional compensatory measures under the DLT Pilot Regime to ensure investor protection, market integrity, and financial stability. This includes ESMA's role to fulfil a coordination role between competent authorities (NCAs) to build convergent supervisory practices and outcomes (Article 11(5)).

In the scope of this mandate and acknowledging the constraints set by the DLT Pilot Regime Level 1 text, we still believe that ESMA should provide further measures to allow for a harmonised implementation of the available exemptions. The DLT Pilot Regime framework risks fragmenting the single market due to NCAs' decisions to allow specific sets of exemptions in their respective jurisdictions. This would be particularly critical if the DLT Pilot Regime moves to become a permanent framework.

**Q2** - Is any clarification needed in respect of the content of certain items listed in the tables below? If so, please indicate.

**Q3** - Do you consider more specific forms or templates should be developed for certain items? If so, please specify.