

Crypto & TradFi

European Sovereignty Special: The Turning Point of June 2026

Deciphering the regulations for investors

The focus on European sovereignty

Previous editions of the Regulatory Brief have described European regulation in successive layers: the AI Act and its Omnibus (Seqlense Regulatory Brief 7), its relationship with the GDPR (Seqlense Regulatory Brief 8), and then the transition to post-quantum cryptography (Seqlense Regulatory Brief 9). These topics were already, implicitly, part of a broader issue: that of the European Union's ability to control its own technological, financial and monetary infrastructure.

This issue, long framed in terms of 'strategic autonomy', is now undergoing a remarkable institutional acceleration. In early June 2026, several major publications helped to make this increasingly operational. On 2 June 2026, the European Central Bank published the 25th edition of its annual review **The International Role of the Euro**, in which Christine Lagarde emphasised that "there is an opening for the euro to enhance its global appeal", provided that the economic, institutional and geopolitical foundations of the Union are strengthened. On 3 June 2026, the European Commission unveiled its *European Technological Sovereignty Package*, comprising in particular a *Cloud and AI Development Act (CADA)*, a *Chips Act 2.0*, a European strategy for open source, and a roadmap dedicated to digitalisation and artificial intelligence in the energy sector. On the same day, Piero Cipollone, a member of the ECB's Executive Board, reminded the European Parliament's ECON Committee that the digital euro project was now a central element of European monetary sovereignty.

This convergence is part of a broader institutional agenda, the contours of which are now becoming clearer. Commission President Ursula von der Leyen summed it up at the launch of the Technological Sovereignty Package: "We cannot afford to depend on others for the technologies that keep our hospitals running, our energy grids stable and our services secure. This is about protecting our citizens, defending our interests and making our own choices."

In the financial sector, this approach is now taking shape through five major structural initiatives: *the Savings and Investments Union (SIU)*, the *Market Integration and Supervision Package*, which provides for a significant strengthening of ESMA's role in the supervision of European markets, the expansion of the AMLA, the development of the digital euro project () and initiatives aimed at strengthening the euro's international role. Together, these reforms reflect a profound shift: European sovereignty is no longer merely a political or industrial ambition; it is gradually becoming

a guiding principle for the organisation of regulation, supervision and strategic European infrastructure.

This edition offers a comprehensive analysis of this transformation and its implications for regulated financial actors, market infrastructures and investors.

The main signal

European sovereignty is no longer merely a political objective; it is beginning to take the form of operational mechanisms for governance, supervision and public procurement.

One of the most significant changes lies in the initiatives presented by the European Commission as part of the *European Technological Sovereignty Package* of 3 June 2026. Beyond industrial announcements, this package introduces a structured approach to assessing technological sovereignty, particularly in the fields of cloud computing and artificial intelligence. Whereas sovereignty has hitherto been primarily a strategic or political concern, it is now becoming an operational criterion likely to influence public procurement, IT architecture choices and government purchasing policies.

For financial actors, this development could have significant consequences. The Commission identifies several categories of critical infrastructure, particularly in the health, energy, public administration and essential services sectors, where issues of technological control, resilience and strategic autonomy are becoming central. Financial infrastructure is not explicitly excluded from this discussion. However, European financial institutions, market infrastructures, investment platforms and crypto-asset service providers currently rely heavily on non-European hyperscale cloud providers, which retain a dominant position in the European cloud market. The issue of technological sovereignty is thus gradually becoming a matter of financial and operational resilience.

A second key factor lies in the growing consideration of legal and extraterritorial dependencies. European debates regarding the US Cloud Act illustrate this concern: certain national laws may allow foreign authorities to request access to data held by providers falling under their jurisdiction, regardless of the physical location of the data. Whilst not constituting an autonomous regulatory category under DORA as such, this type of dependency is fully in line with current thinking on the concentration of critical ICT providers, the management of third-party risks and the operational resilience of financial actors. From this perspective, technological sovereignty is gradually becoming an additional factor in risk analysis and governance.

Focus 1: The Technological Sovereignty Package: a new European industrial policy

On 3 June 2026, the European Commission presented its *European Technological Sovereignty Package*.

The package includes, in particular:

- a future *Cloud and AI Development Act (CADA)*;
- a *Chips Act 2.0*;
- a European Open Source strategy;
- a roadmap on digitalisation and AI in the energy sector.

The Commission's message is clear: Europe wishes to reduce certain critical technological dependencies and strengthen its industrial capabilities in digital infrastructure.

For financial players, this development is particularly significant. Market infrastructures, investment platforms, payment institutions and crypto-asset service providers rely heavily on cloud technologies and international providers.

The issue of technological sovereignty is gradually becoming a matter of operational resilience.

What to watch out for

- developments regarding the future CADA;
- European criteria for cloud sovereignty;
- the potential implications for critical ICT providers under DORA.

Focus 2: Is Europe building its own SEC?

The *Market Integration and Supervision Package (MISP)* is probably the most ambitious institutional reform currently under discussion at European level.

The aim is simple: to strengthen the integration of European capital markets and harmonise their supervision.

The proposal notably envisages an enhanced role for ESMA in the supervision of certain market infrastructures and crypto-asset service providers.

This development reflects an economic reality: many players now operate on a European scale, whilst their supervision remains largely organised along national lines.

For MiCA-authorised CASPs, the issue is particularly relevant as the majority of authorised players anticipate significant cross-border activity.

What to watch

- developments in the MISP negotiations;
- ESMA's future direct supervisory powers;
- the implications for market infrastructures and CASPs.

Focus 3 – AMLA: Europe's first next-generation supervisory authority

The AMLA represents a major institutional innovation. Based in Frankfurt, this new European authority began operations in 2025 and is now preparing to implement its direct supervisory framework.

From 2028, the AMLA will directly supervise forty financial institutions considered to pose the greatest AML/CFT risks within the Union.

Beyond the fight against money laundering, the AMLA represents a more profound shift: the emergence of direct European supervision in areas historically reserved for national authorities. This approach could foreshadow future developments in other areas of financial supervision.

What to watch out for

- the criteria for selecting supervised entities;
- developments in European AML/CFT guidelines;
- the integration of CASPs into the future framework.

Focus 4: The digital euro and the return of monetary sovereignty

European sovereignty is not solely a matter of technological infrastructure or supervision. It is also a matter of monetary infrastructure.

The digital euro project is continuing its preparatory phase, whilst the ECB is increasingly emphasising the need to strengthen the euro's international role.

In its annual review published in early June 2026, the ECB highlights that there is an opportunity to enhance the single currency's international appeal, provided that European structural reforms are pursued.

The digital euro is part of this broader strategy. It aims to ensure that European citizens continue to have access to a public means of payment in the digital age, whilst strengthening the Union's strategic autonomy in payments.

What to watch

- developments in the legislative framework for the digital euro;
- the planned trials with market participants;
- interactions with stablecoins and DLT infrastructures.

Key takeaways

Five fundamental changes are currently underway:

- The gradual strengthening of direct European supervision.
- A shift from a regulatory approach to one focused on capacity building.
- The emergence of technological sovereignty as an operational criterion.
- Strengthening of the international role of the euro and European monetary infrastructure.
- Growing convergence between finance, technology, cybersecurity and industrial policy.

Conclusion

The European Union no longer views sovereignty as an abstract concept. Whether in the cloud, artificial intelligence, financial markets, the fight against money laundering or payments, a consistent approach is gradually emerging: reducing critical dependencies whilst strengthening European capabilities. For regulated entities, this transformation is not merely a political or geopolitical issue. It is becoming a concrete factor in governance, investment and risk management.

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