Brace for impact
-
The EU at a pivotal moment

INTERLAKEN 2026

BRUSSELS INSIGHTS

THOMAS WULF

Roving sands.

POLITICAL LANDSCAPES BREAK … AND RECOMPOSE.

Roving sands.

German 2026 state elections

Sachsen-Anhalt (06 Sep)

Mecklenburg-Vorpommern and Berlin (20 Sep)

French 2027 Presidential election

First round (18 April)

Run-off (02 May)

Italian 2027 General election

No later than 27 December

EU 2028 election campaigning (as of HY 2 2028)

EU 2029 PARL elections (07-09 June)

UK 2029 General election

(Before 15 August)

Jordan Bardella
18 June 2026

“On va réduire de moitié la contribution excessive net de la France au budget européen.”

Fact check

Jordan Bardella
18 June 2026

EU MFF 2021-2027

France **pays** – EUR 26.2bn annually

France **receives** EUR 16.4bn (p.a.)

Net contribution EUR 9.8bn (p.a.)

Second only to Germany

Money running out.

WHEN BUDGETARY PRESSURE FORCES CHANGE.

Major uncovered funding needs in EU (2025-2031)

(Excl. pension funding gap closure and physical infrastructure investment)

Strategic autonomy & defence

Compounding NATO defence spending gaps of previous years (ex 2023 EUR 56bn)

Current pledge 5% GDP by 2035

2% (previous target) only met in 2025 by all EU NATO MS

Battling climate change | achieving carbon neutrality

Example:

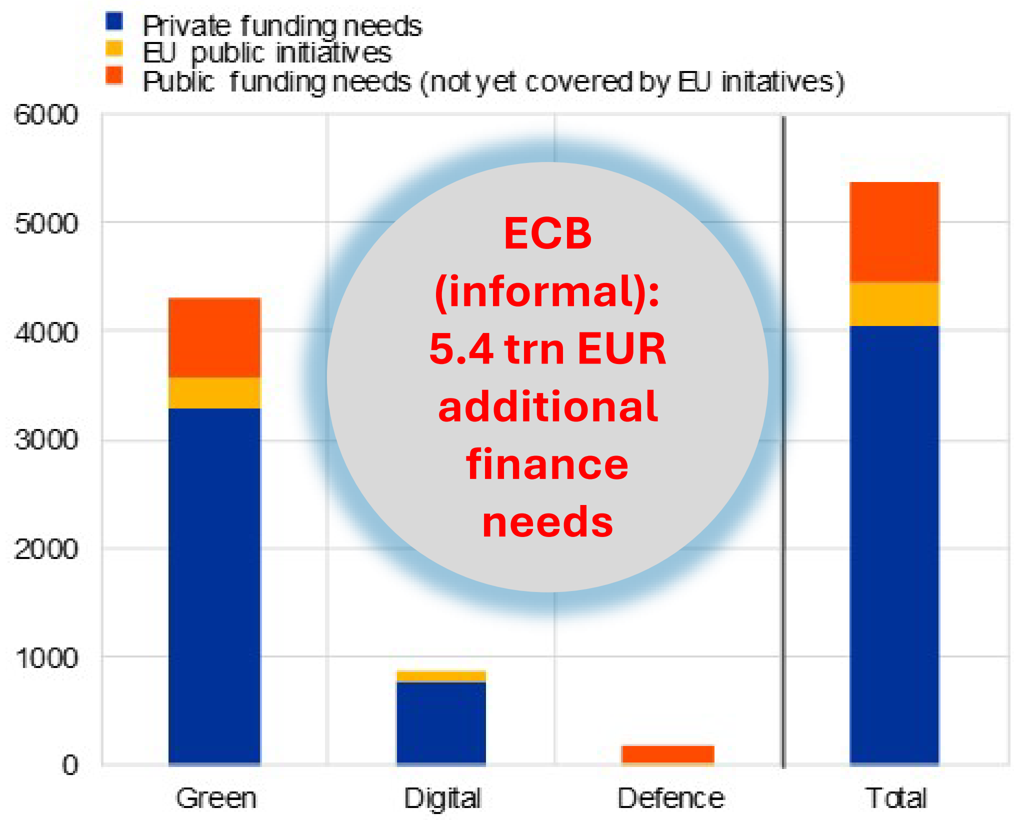
EU Green Deal investment commitment EUR 1 trillion by 2030

(while climate change impacts need cost coverage too)

Digital infrastructure upgrade

Example:

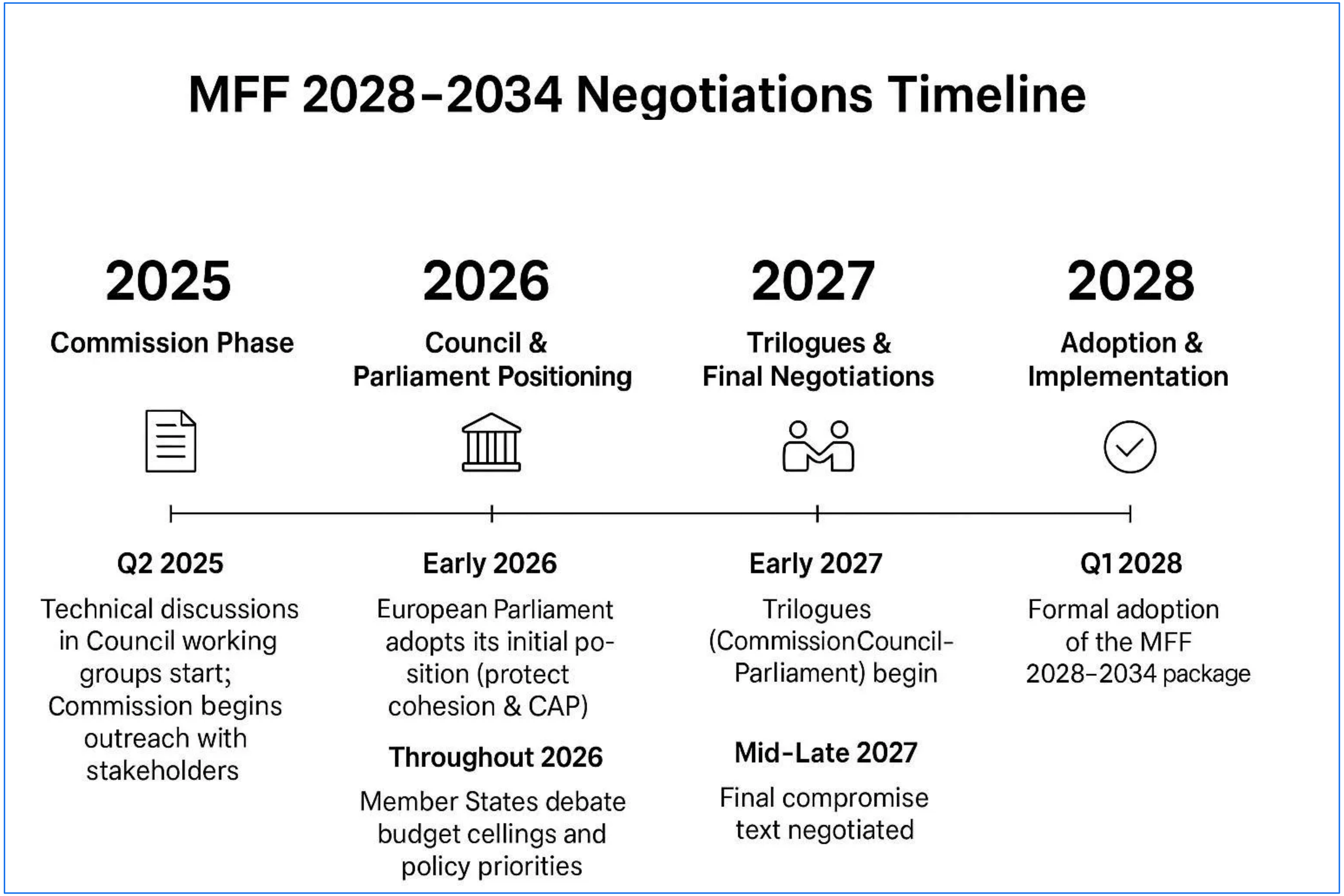
Full EU 5G coverage by 2030 requires around EUR 200bn investment



Source/link: Mind the gap: Europe's strategic investment needs and how to support them (europa.eu)

A litmus test for the EU

Next EU Multi-Annual Budget
(“MFF 2028-2034”)


MFF 2028–2034 Negotiations Timeline
2025
Commission Phase
2026
Council & Parliament Positioning
2027
Trilogues & Final Negotiations
2028
Adoption & Implementation
Q2 2025
Technical discussions in Council working groups start; Commission begins outreach with stakeholders
Early 2026
European Parliament adopts its initial position (protect cohesion & CAP)
Throughout 2026
Member States debate budget cellings and policy priorities
Early 2027
Trilogues (CommissionCouncil-Parliament) begin
Mid-Late 2027
Final compromise text negotiated
Q1 2028
Formal adoption of the MFF 2028–2034 package

Expenses.

From

EUR **2,018tr** (2021-2027)

MFF + NGen (EUR 1.211 + 807)

to

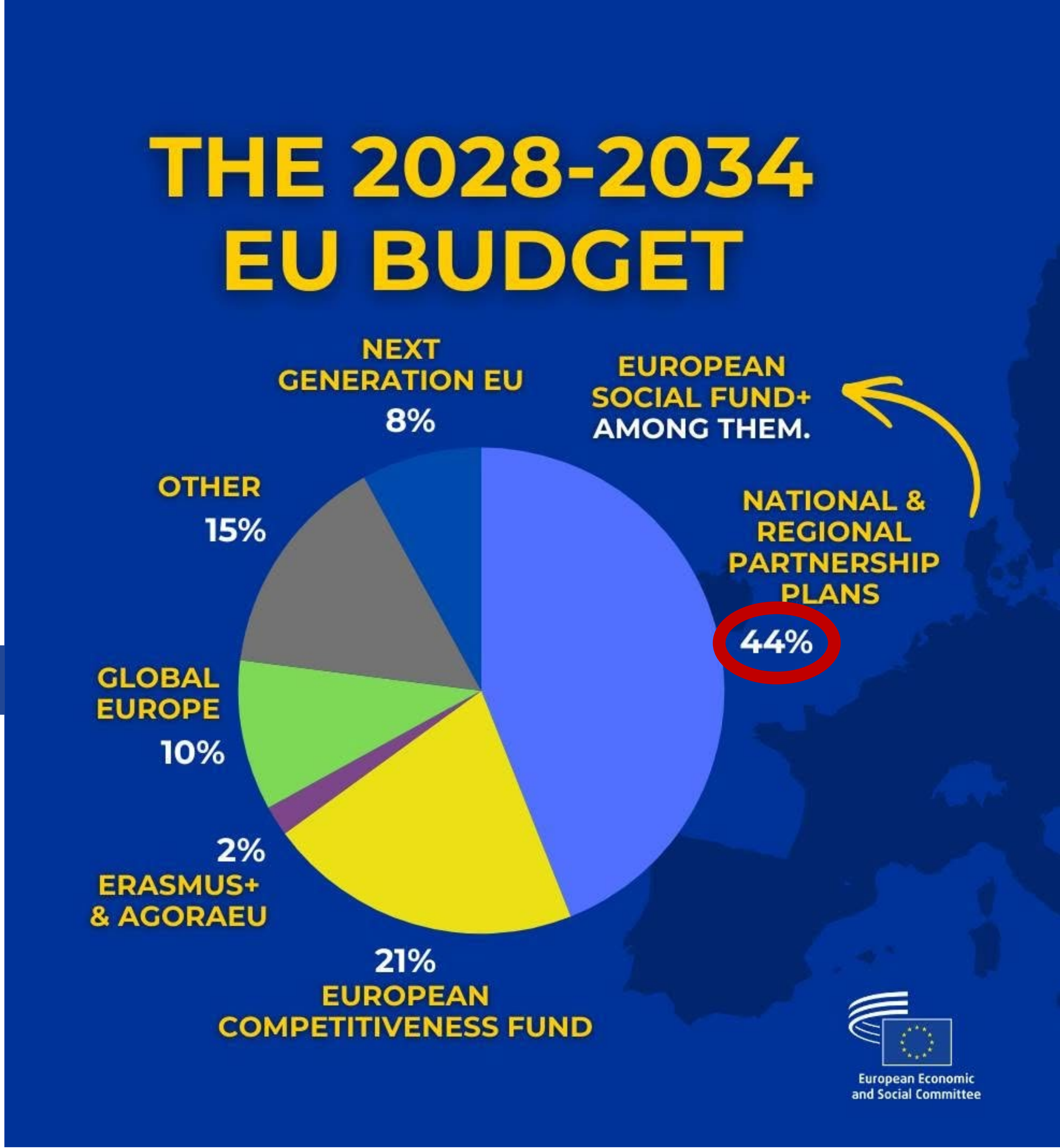
EUR **1,980tr*** (2028-2034)

MFF

* In 2026 prices

EUR 38 bn (1,9%) overall savings under inclusion of NGen (former COVID facility)

Main expense – **EU structural funds** (EFRE, EAFL) now in new “regional partnerships” = 44%



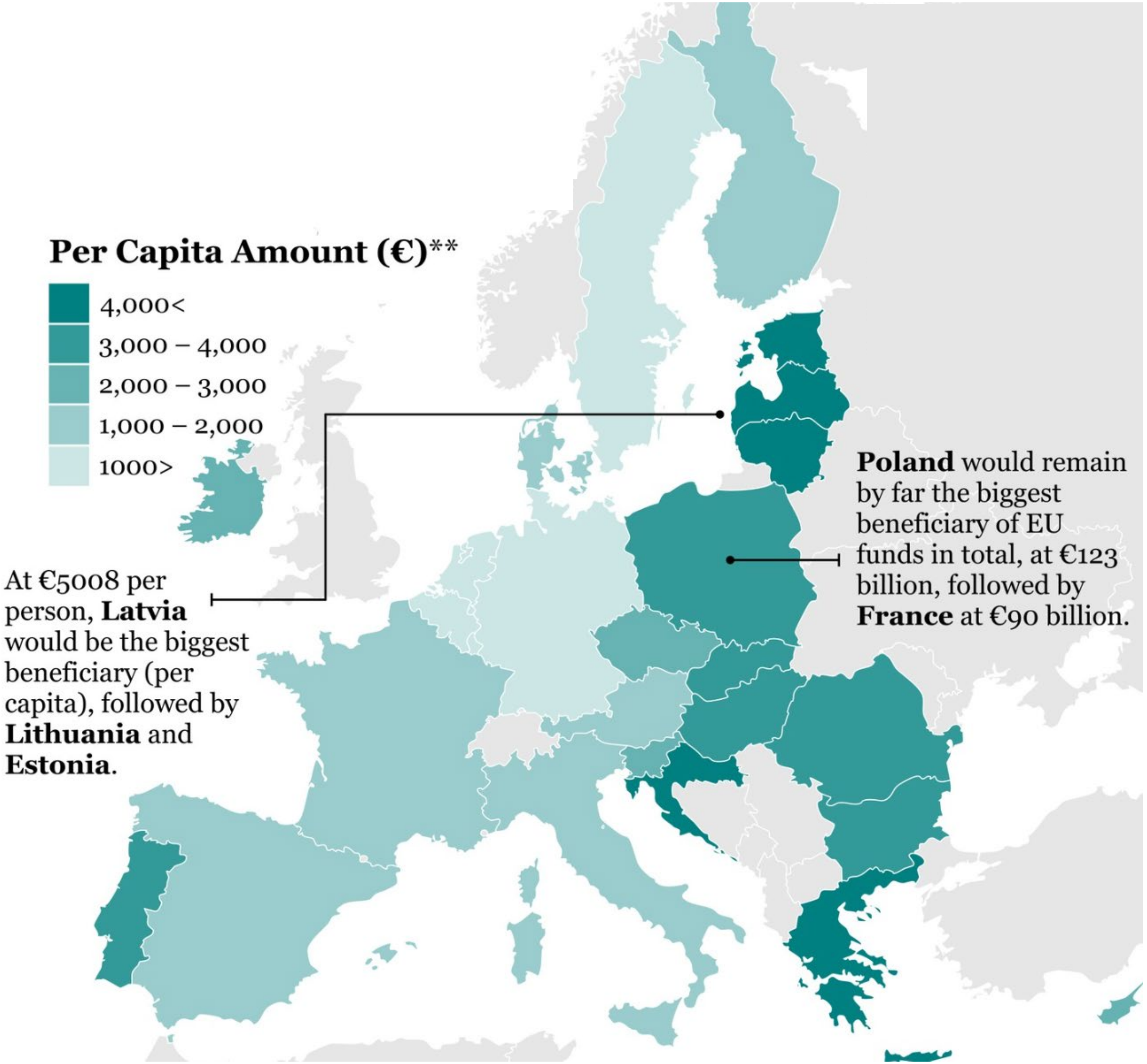
EU structural funds

44% of MFF 2028-2036

(or EUR 871 bn)

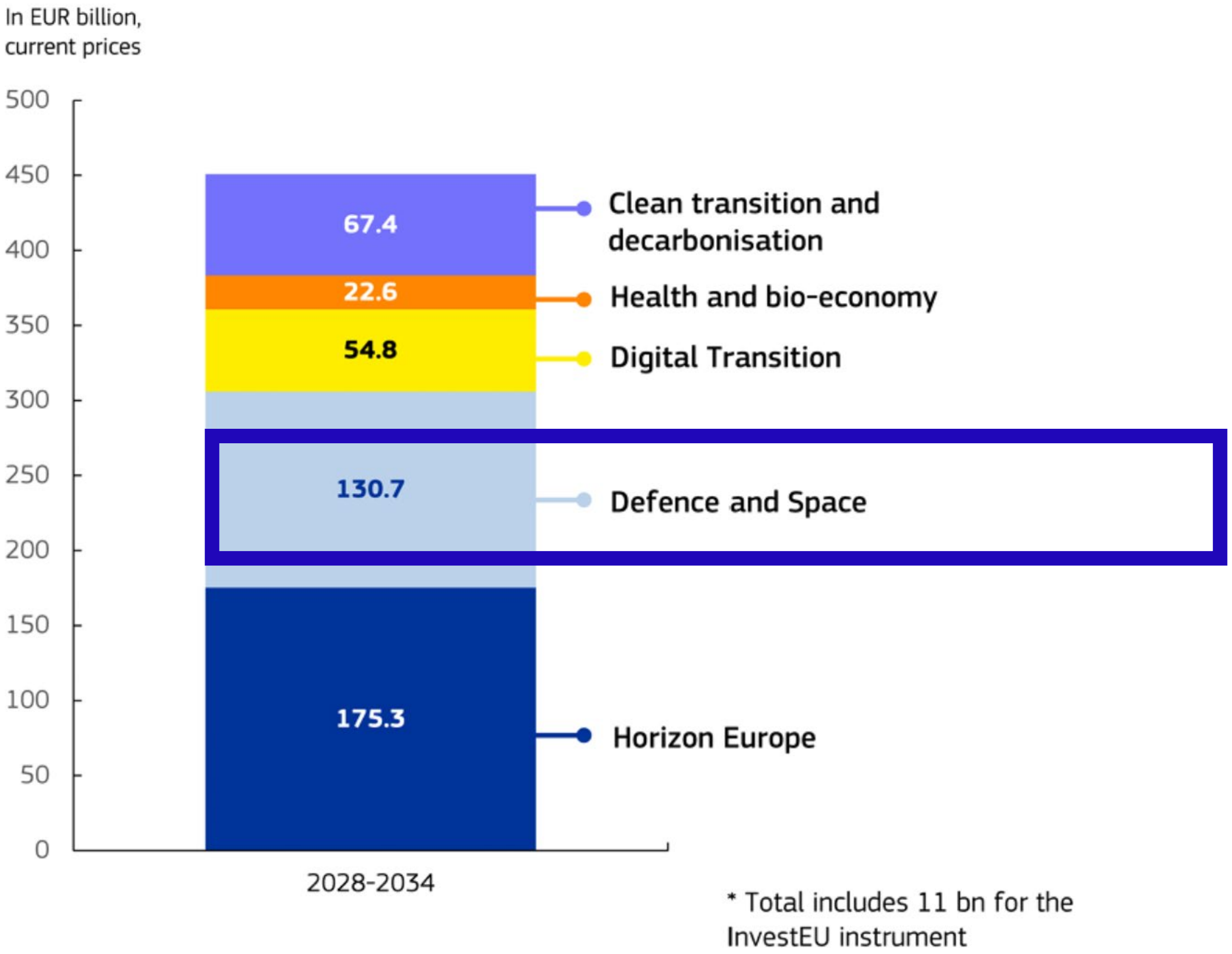
FACT CHECK: EU structural funds - **“decrease”?**

- **MFF 2021-2027 excl. NGen (share 62%)**
- **MFF 2021-2027 incl. NGen (share 37%)**
  so:
- **MFF 2028-2036 with 44% actually is an increase (from 37%)**



New : European Competitiveness Fund (ECF)

EUR 416bn (21% of MFF)



Part of ECF - Defence & Space - EU 131bn (6,6% of MFF)

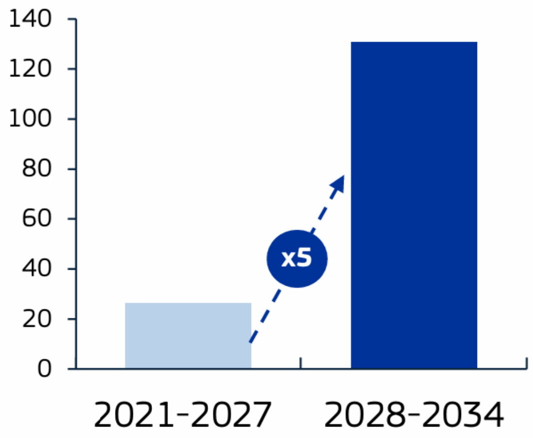
(DELTA to old MFF +400%)

What is the Commission proposing?

To strengthen Europe's security capabilities and support critical infrastructure:

- 131 billion for Defence and Space in the European Competitiveness Fund (x5 times).
- Support throughout the investment journey via the European Competitiveness Fund.
- A major boost for cybersecurity, dual-use infrastructure and defence.

Defence and Space



In EUR billion, current prices

FUNDING SUPPORT

Diverse funding tools (grants, equity, debt-financing, procurement) to support the entire defence investment journey from R&D to procurement and commercialisation.

UKRAINE AID

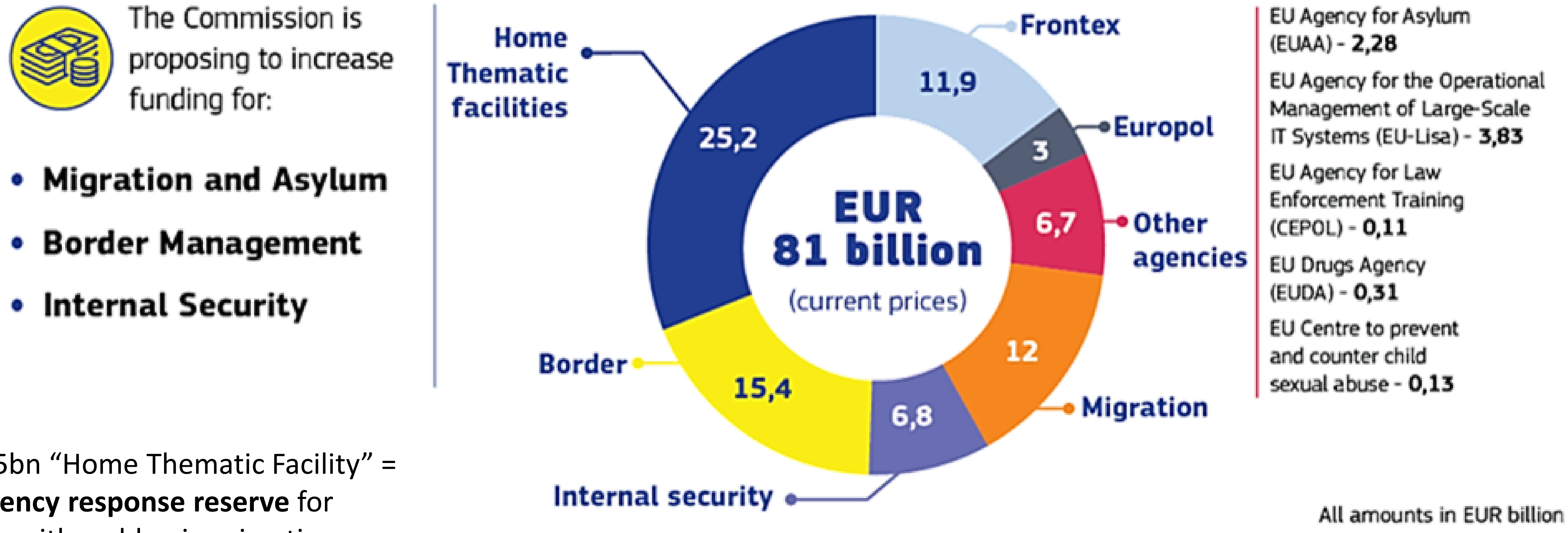
Maintain support for Ukraine and its defence industry.

MOBILITY ENHANCEMENT

Improve EU military mobility and reinforce infrastructure, including under the Connecting Europe Facility.

Borders & migration: 81 bn (4%)

(DELTA to old MFF +200%)



EUR 25bn "Home Thematic Facility" = **emergency response reserve** for dealing with sudden immigration increase ("Ceuta")

Source: https://www.infomigrants.net/en/post/65892/eu-migration-budget-whats-planned-for-20282034

Income.

Contributions, debt and taxes.

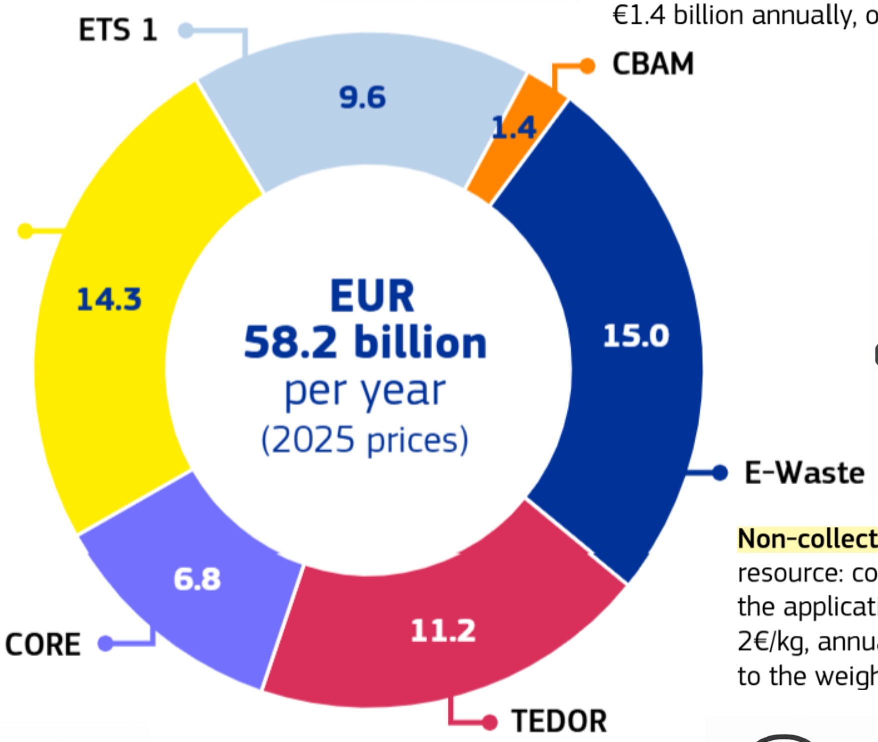
EU funding sources

- **Over 50% national contributions from EU countries** at around 1% of their GNI (current MFF 1.13%, new MFF as proposed 1,26% GNI)
- Small **percentage of the value added tax** (VAT) collected by each member state
- **Import duties** on products from outside the EU
- **Fines** imposed on companies breaking EU competition rules
- Since 2021, a contribution from EU countries based on the quantity of **non-recycled plastic packaging waste** they produce
- **5 new own resources (proposed)**

5 new "EU own resources"
+
an increased share in an existing one

EU Emissions Trading System (ETS) based own resource: 30% of the revenues generated from existing ETS 1 to go to the EU budget.

Carbon border adjustement mechanism (CBAM) based own resource: 75% of the revenues generated to be entered into the EU budget. Expected to generate around €1.4 billion annually, on average.



Inflation adjustement of the call rate for the non-recycled plastic packaging waste own resource.

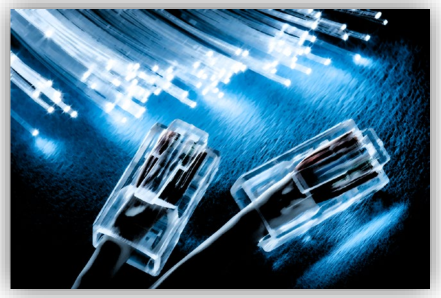
Non-collected e-waste based own resource: contribution resulting from the application of a call rate of 2€/kg, annually adjusted for inflation, to the weight of non-collected e-waste.

Corporate Resource for Europe (CORE): annual lump-sum contribution of all companies in scope operating and selling in the EU with an annual turnover above EUR 100 million.

?

Tobacco Excise Duty Own Resource (TEDOR): 15% of the revenues based on the Member State-specific minimum rate for manufactured tobacco and tobacco related products.

EU own resources II – 2 new ideas



DIGITAL SERVICES TAX

Proposal made as part of the EU Parliament discussions on the MFF as "additional option" (PARL can only reject or adopt)

- EU-wide turnover levy on online advertising, digital marketplaces and monetised user data
- Scope and rate level are not defined yet, **a "3% model" was presented with a prospective yield of EUR 7 billion annually**
- Problem: MFF requires unanimity, digital industry hubs as Ireland may refuse approval as for disproportionate impact

EU TELECOM LICENCE AUCTION(S)

Idea floated by EUROGROUP chair, Greek finance minister Pierrakakis, on 21 July 2026

- EU-wide coordinated action for all major national licenses
- Aim: attracting "deep pocket buyers" (PE funds)
- Commoditizing telecoms licences as new "EU asset"
- **75% of revenue allocated to MFF** (no target amount given but **EUR 50bn since 2020 spent** was quoted)

NATO “defence bank” (DSRB)

Project: build-up of a NATO member states-owned bank

Target: USD 180 bn balance sheet at start

Refinanced by **MS contributions** and **own-account debt issuances**

Future activities:

- Off- (national) balance financing for defence projects of NATO member states (based on triple AAA rating)
- Guarantees for loans by commercial banks to private sector
- Promoting / financing private-public partnerships
- Managing public defence procurement project

Set up supported by 12 private banks of NATO countries

Sellers at the gates.

SELECTED EU EFFORTS TO SHIELD THE MARKET AND BOOST GROWTH.

EU Tech Sovereignty Package

(EU Commission proposal 03 June 2026)

- **European Chips Act (2.0)**: Mobilizing investments to build domestic semiconductor fabrication facilities and secure supply security for advanced microprocessors (e.g. fast-track benefit for approved companies, override powers for core industries)
- **Cloud and AI development Act (CADA)**: ambition is to triple the EU’s data center capacity within the next 5 to 7 years while eliminating the European public sector's reliance on a small number of dominant, foreign-owned cloud “hyper-scalers” (e.g. market access under reciprocity terms only)

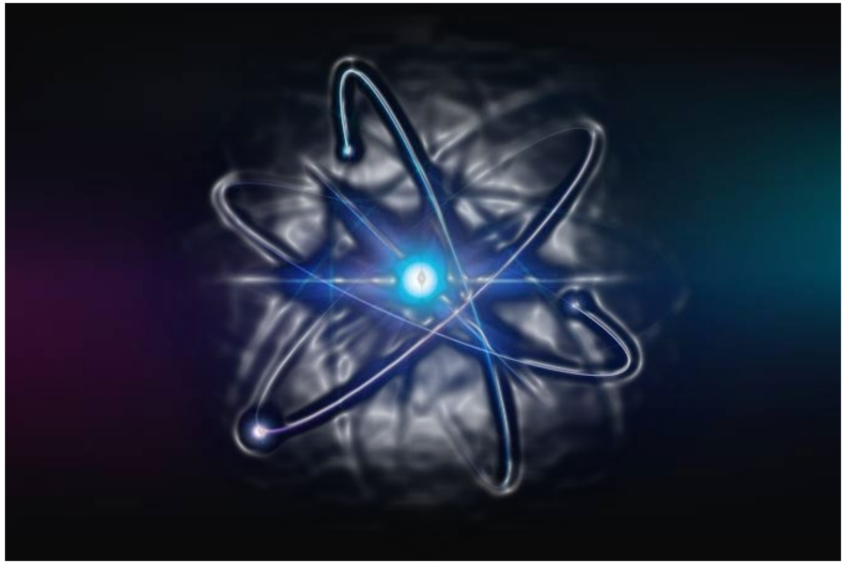
European Chips Act 2.0

- **Pushing EU demand for AI and advanced processors** by incentivizing the use of Euro-designed and Euro-manufactured AI processors.
- **Broadening State Aid** for the entire electronics Supply Chain (mega-factories as well as smaller providers, focus on industrialization of quantum chips, advanced product design, and upstream materials.)
- Radically **streamlining permitting & slashing red tape** (new 12-month hard deadline for member states to clear environmental and administrative permits for strategic semiconductor projects)

Meanwhile – US invests.

Example

- **Quantum Genesis** – US government program to push innovation (and reap benefits) through **direct investments in US-based companies** that have the QC breakthrough potential.



Public:

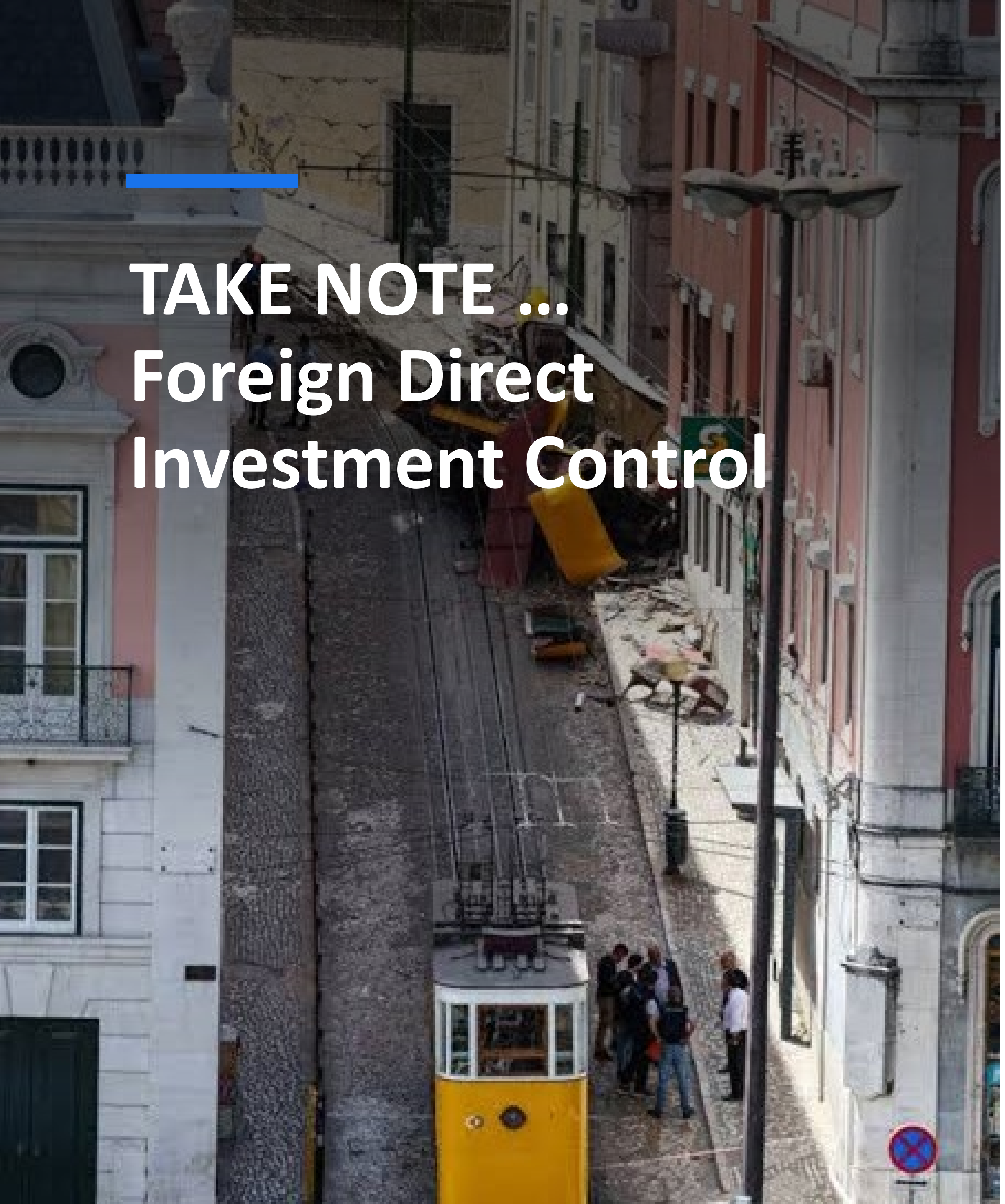
- **IBM................................$1.0B**
- GlobalFoundries........$375M
- Infleqtion.....................$100M
- D-Wave Quantum.....$100M
- Rigetti Computing....$100M

Private:

- PsiQuantum................$100M
- Quantinuum................$100M
- Atom Computing......$100M
- Diraq................................$38M

“CADA” – what’s it doing?

- **Four-Tier “Sovereignty” framework**: Classifies cloud and AI providers based on data location, corporate ownership, operational control, and personnel citizenship.
- **Mandatory Public Procurement rules**: Requires public sector bodies and critical infrastructure sectors (like healthcare, energy, and defense) to use specific, higher-assurance sovereign cloud tiers following formal risk assessments.
- **“Data Center Acceleration Zones”**: Directs member states to streamline administrative approval, physical deployment, energy integration, and permitting to triple regional capacity by 2030.
- **Interaction with Chips Act 2.0**: CA introduces tools called "Demand Accelerators“ that direct should direct the massive wave of infrastructure growth generated by CADA to buy their hardware directly from the chip factories funded by the Chips Act.



TAKE NOTE … Foreign Direct Investment Control

Foreign Subsidies Regulation (FSR)

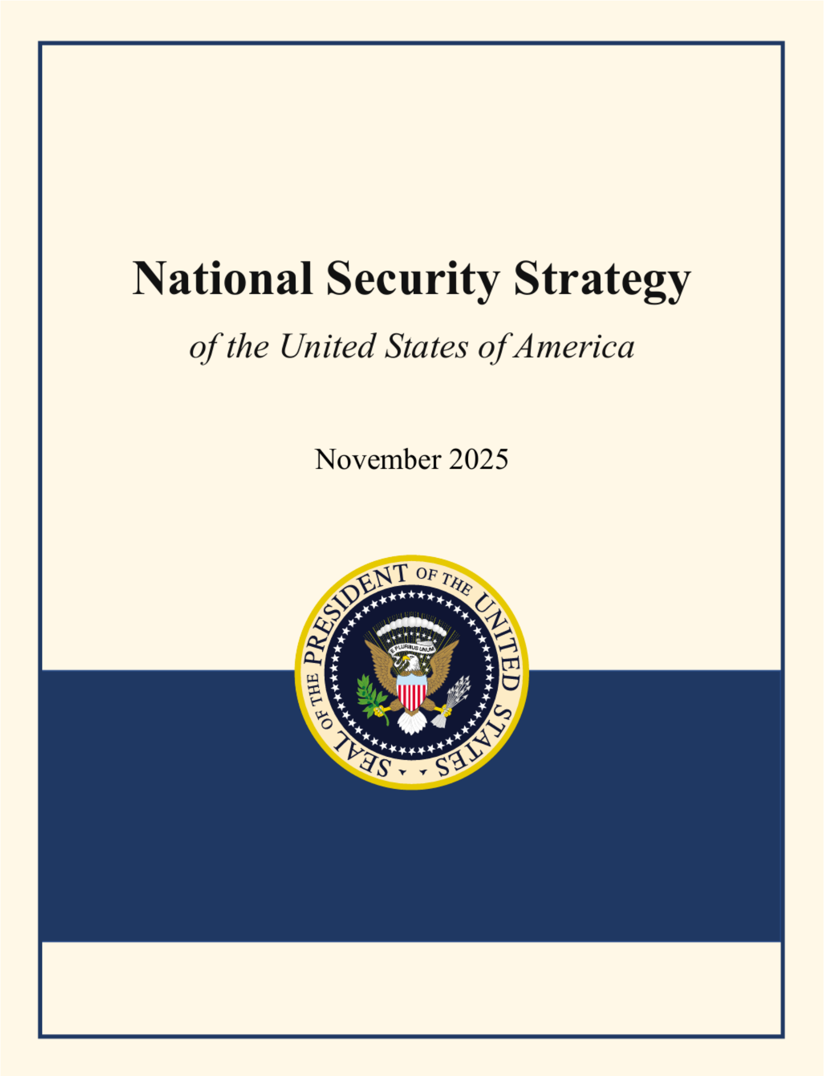
- Aim: To prevent market distortions caused by foreign financial support
- EU Commission can investigate non-EU state-backed firms operating or bidding on public procurement inside the single market.

Example: The **Lisbon Metro Tender** (April 2026) Commission granted conditional approval to a €600 million subway project in Portugal.

Portuguese main contractor (Mota-Engil) was forced to **drop its Chinese state-owned subcontractor, CRRC Portugal, and replace them with a non-subsidized Polish rolling stock firm (PESA).**

All calm and carry on?

THE AGONY OF REGULATORY SIMPLIFICATION


National Security Strategy
of the United States of America
November 2025

"We want Europe (...) to abandon its failed focus on regulatory suffocation."

Page 25, 4th paragraph

12 EU "Omnibus" acts - examples

Initiative & Sector	Acts Changed / Repealed	Status (mid-2026)
Omnibus I **(Sustainability & Finance)**	4 primary framework acts (CSRD, CSDDD, EU Taxonomy, CBAM)	Adopted. Entered into force on March 16, 2026, as Directive (EU) 2026/470.
Omnibus II **(Investment Simplification)**	2 major framework funds (Invest EU and the European Fund for Strategic Investments)	Adopted. Reached legislative finality and entered into force.
Omnibus III **(Agriculture / CAP)**	1 major core system (The 2023-2027 Common Agricultural Policy)	Adopted. Enacted via Regulation (EU) 2025/1561; entered into force January 1, 2026.
Omnibus VII **(Digital, Data & AI)**	Multiple digital framework acts (Including the AI Act and Data Governance frameworks)	Partially adopted. AI deregulation regulation adopted July 8, 2026; other digital acts remain in trilogues.
Other Packages Tax, chemical products, defence (Omnibus IV to XII)	Varies by package (e.g., Tax omnibus targets 5 corporate directives; others rewrite chemical and defence matters	Proposed / Planned. Proposals advancing through the European Parliament and Council.

Different: 2025 “Market Infrastructure Package”

Directive/Regulation proposed 04 DEC 2025 (Link)

Removing UCITS AIFM distribution hurdles

Home regulator notification sufficient to start EU marketing

No registered entity of manufacturer needed in host market(s)

Host market regulator not to object distribution via local marketing rules

Centralising oversight of core infrastructure

ESMA to risk-analyse and **steer NCA supervision** of large AM groups

ESMA = sole supervisor for EU Crypto-Asset Service Providers

Rules on trading venues **from MIFID into MIFIR**

Making ESMA more efficient

ESMA to set up new **Executive (Management) Board (6)**

BoS (27) only exceptional veto right

ESMA headcount and budget would grow (headcount by 35%)

“The magnificent 6” (E6) are coming

MINISTÈRE
DE L'ÉCONOMIE,
DES FINANCES
ET DE LA SOUVERAINETÉ
INDUSTRIELLE, ÉNERGÉTIQUE
ET NUMÉRIQUE

Liberté
Égalité
Fraternité

Bundesministerium
der Finanzen

MEF
Ministero
dell'Economia
e delle Finanze

Ministerie van Financiën

Ministerstwo
Finansów

GOBIERNO
DE ESPAÑA

MINISTERIO
DE ECONOMÍA, COMERCIO
Y EMPRESA

E6 letter on MISP
"Tokenize (but don't americanize) Eurozone assets !

We welcome the Eurosystem's work on Pontes and Appia, which can provide a safe settlement asset for tokenisation across the Union. Transactions should be settled in central bank money, in traditional or in tokenised form, when practical and available. To support the rapid and pragmatic deployment of tokenization in the EU, the Union should also enable the use of MiCA-compliant E-Money Tokens (EMTs) for settlement, without undue constraints beyond what financial stability requires, so that the best instruments prevail on their merits.

29 May 2026

Pontes and Appia aim to link ECB and NB financial transaction platforms (called TARGET) to DLT technology, aiming at strict ECB control and oversight.

Change at ESMA top

LEAVING

Carlo Comporti

- Commissioner at **CONSOB** (Feb 2022- ongoing)
- Acting Secretary General and senior advisor to the Chairman Steven Maijoor, **ESMA** (2003 – 2010)
- Secretary General at ESMA predecessor organisation **CESR** (2008-2010)

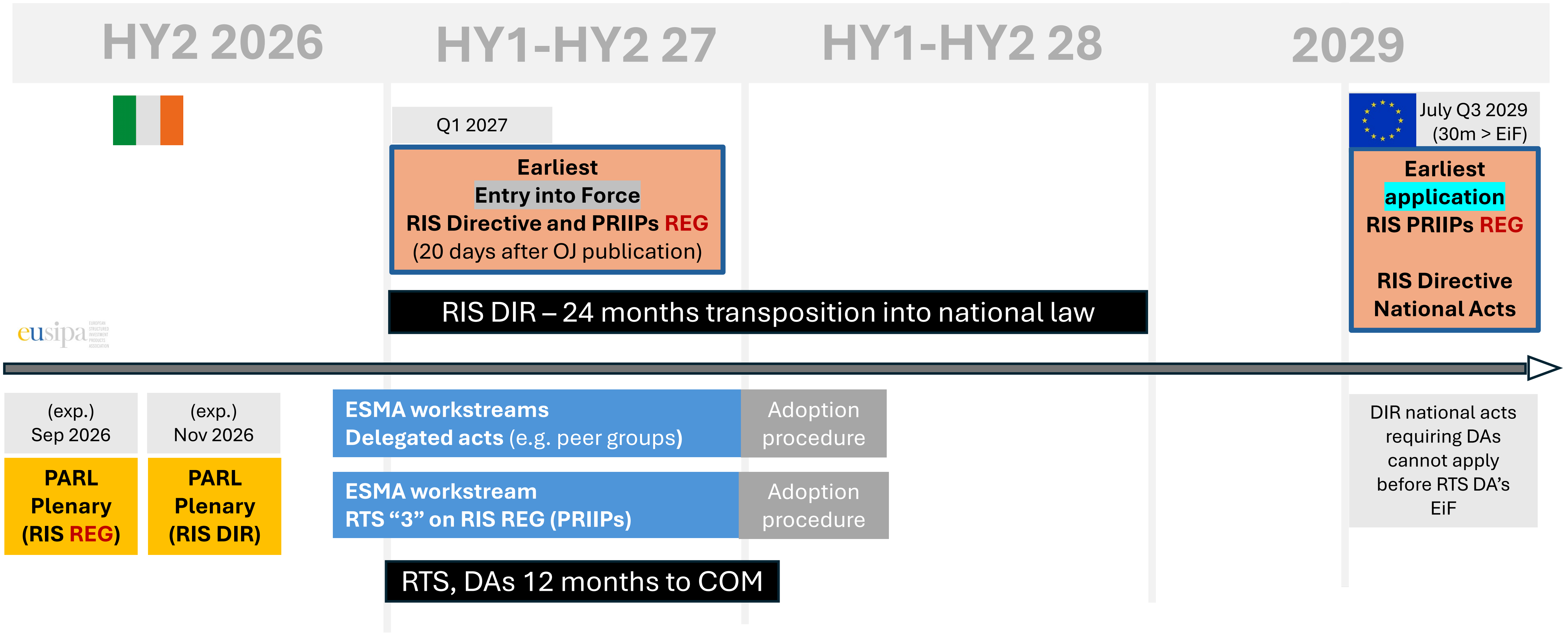
LEAD CANDIDATE

Karen Abelskov

- State Secretary for Financial Affairs at **Danish Ministry for Industry and Economics** (2025)
- Deputy Director General of the **Danish Financial Supervisory Authority**
- Chairwoman of ESMAs Issuers Standing Committee (since 2023)

RIS – institutional, Entry into Force (EiF), application (app)

All dates according to latest version (approved trilogue result).



RIS – Retail Investment Strategy

ESMA waiting

(Enlarged) inducement test	MiFID **NEW** Art. 24a(1), (3), (5), (7), (8), (8a), (8b);
Value for money / product governance	MiFID **NEW** Art. 16-a(1), (2), (2a), (2b), (3)-(8), (12a), (12b)-e)
VfM peer grouping (or other)	MiFID **NEW** Art. 16-a(1), (2), (2a), (2b), (12b), (12d)
Risk warnings for particularly risky products	MiFID **NEW** Art. 24(5c); Art. 69(2)(w)
Costs, charges and inducement disclosure	MiFID **NEW** Art. 24b(1)-(5)

What’s next?

28th regime (s)

SECMA = Single European Capital Markets Area (= **Alliance of the willing)**

Financial services « omnibus »

Thanks for listening.