



European Securities and
Markets Authority

2022 Annual Work Programme



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1 Foreword and general context

The European Securities and Markets Authority's (ESMA) work programme for 2022 is established at a time of significant change for the Authority. The review of its founding Regulation (the ESAs' Review) and the European Market Infrastructure Regulation (EMIR 2.2) including the set-up of the Central Clearing Counterparty (CCP) Supervisory Committee have had a considerable impact on ESMA's activities and organisation since 2020.

In 2022, ESMA will continue to focus on its objectives of enhancing investor protection and promoting stable and orderly financial markets. As such, ESMA will continue to contribute to the EU priorities in relation to the development of a Capital Markets Union (CMU), Innovation and Digitalisation, and Sustainable Finance.

In 2022, new mandates will be exercised as ESMA will start supervising critical benchmark administrators and Data Reporting Service Providers (DRSP), with the latter focusing in particular on the availability and integrity of transaction data provided to NCAs for the purposes of market abuse monitoring. In line with EMIR, ESMA will continue to play a critical role in the area of CCPs, monitoring third-country CCPs, directly supervising CCPs representing a systemic risk to the financial stability of the Union (Tier 2 CCPs) and promoting greater convergence in the supervision of EU CCPs.

In addition to these new supervisory tasks ESMA will continue to use its unique position to enhance its risk assessment efforts with a view to fulfil its mission to foster investor protection and ensure financial stability and orderly markets. ESMA aims to strengthen its capabilities to identify and assess risks to investors and financial stability in the EU, building further on available data as well as giving due consideration to the opportunities and risks of financial and technological innovation, and to the impact on its activities of the increased importance of sustainability factors. ESMA will also continue to focus on the impact of the COVID-19 pandemic on financial markets and financial market participants. ESMA will also continue to strengthen its role as the supervisor of Credit Rating Agencies (CRAs), trade repositories, and securitisation repositories.

Given the critical role of supervisory convergence for the level playing field of the EU Single Market, ESMA will continue to work closely with NCAs to promote a risk-based, consistent and coordinated supervision in the EU. ESMA will pursue its efforts in bringing national supervisors together and prioritising common supervisory work on the risks identified in securities markets. ESMA will follow the progress made by NCAs in undertaking supervisory actions, on the two Union Strategic Supervisory Priorities, the costs and performance for retail investment products and market data quality, and by delivering peer reviews. Equally, ESMA will continue to foster convergence in the area of the provision of cross-border services, enhance the disclosure and transparency of information provided to investors and market participants, as well as promote convergence of national supervisory practices on ESG products.

Finally, the United Kingdom's withdrawal from the EU is having, and will have, an impact on the evolution of European and global capital markets. In this context and given the

interconnection between the EU and the UK markets, ESMA will continue monitoring the developments in the UK framework and will provide relevant advice to the EU Institutions as needed.

Key priorities for ESMA in 2022:

ESMA continues to implement its strategic orientation for 2020-2022¹, setting out ESMA's objectives and reflecting increased focus on supervisory convergence and more direct supervision responsibilities, following from the ESAs and EMIR Review.

Cross-Cutting Themes

Across all activities, ESMA will be prepared to assist with new initiatives resulting from the European Commission's CMU new action plan, renewed sustainable finance strategy, and new digital finance strategy and fintech action plan.

ESMA considers the **development of the Capital Markets Union** as one of its strategic priorities in order to support the EU's objective of developing capital markets that can contribute to financing the economy and ensure economic growth and job creation. ESMA particularly supports the development of a large retail investor base with a capacity to ensure long term financial planning which cannot be achieved by merely placing savings into deposits.

ESMA will continue working on the relevant actions from the Commission's CMU action plan, where appropriate and necessary, including providing support to the design and development of the European single access point (ESAP) and to specific Commission initiatives to facilitate SMEs access to public markets (such as those linked to the review of the requirements of the Prospectus Regulation).

On the basis of the European Commission's Renewed Sustainable Finance Strategy² and in line with ESMA's own Sustainable Finance Strategy³, in 2022, the priority will be to support building the relevant rules related to **environmental, social and governance (ESG)** disclosures, ESMA's risk assessment and lead the set-up of common approaches in NCAs' related supervisory practices. ESMA will further develop its risk identification methodology related to ESG factors and continue to promote transparency by issuers and market participants. This will help investors to better understand the impact of ESG factors on their investment(s) and enhance transparency on an investment's contribution to a sustainable economy.

ESMA believes that technology can both contribute and present new challenges to well-functioning financial markets and investor protection and therefore it will examine the new

¹ [ESMA22-106-1942 ESMA Strategic Orientation 2020-22](#)

² [EC Renewed Sustainable Finance Strategy](#)

³ [ESMA22-105-1052 Sustainable Finance Strategy](#)

opportunities and potential risks that technology might bring especially for investor protection and share expertise and know-how with national authorities.

A major step in addressing **innovation and digitalisation** will come in the form of the adoption of the Digital Operational Resilience Act (DORA), the Markets in Crypto Assets Regulation (MiCA) and the regulation on a pilot regime for market infrastructures based on distributed ledger technology. Once adopted, ESMA will play an important role in their implementation.

ESMA will, together with NCAs, also require EU market participants to acknowledge the risks that may stem from innovation and digitalisation by ensuring business continuity and the use of adequate and up-to-date technology, as well as adequate protection against cyberthreats and other operational risks in a remote business environment, and through proper data protection and data quality management.

Supervisory Convergence

In 2022, ESMA will continue to contribute to a sound and efficient EU Single Market by promoting supervisory convergence focused on supervisory outcomes and using innovative tools. ESMA prioritises its supervisory convergence activity through risk-driven assessments and its commitment to consumer protection. ESMA will assess the results of Union Strategic Supervisory Priorities and will undertake a thorough review of its supervisory convergence toolkit and update, refresh and revise it where appropriate.

Through the building of a common outcome-focused supervisory and enforcement culture, ESMA aims to become a central hub for knowledge and expertise sharing that will ensure the development of common supervisory responses.

ESMA will deliver peer reviews on (i) the supervision of cross-border activities of investment firms, on (ii) NCAs' handling of relocation to the EU27 in the context of the UK's withdrawal from the EU, (iii) the supervision of CSDs providing cross-border services or participating in interoperable links, (iv) the scrutiny and approval procedures of prospectuses, (v) the implementation of STS criteria and (vi) on supervision of CCPs' business continuity under remote working arrangements.

Risk Assessment

In 2022, ESMA will further strengthen its risk identification work and its co-operation with NCAs and with other public authorities at EU and international level, including the ESRB, IOSCO and the FSB. To do so, ESMA will further intensify the use and analysis of its proprietary financial market data. ESMA will also increase its interactions with NCAs to act as a data hub and to exploit economies of scale in data and statistics provisioning, whilst respecting the respective institutional roles. Stress-testing will continue playing a pivotal role to enable early identification of risks and tailored supervisory responses to preserve financial stability.

In terms of risks to investor protection, ESMA's new co-ordination role on mystery shopping will provide new insights on misconduct across the Union. ESMA will continue to evaluate the

benefits and risks of financial innovation and ESG-related market developments for consumers, and for the financial system as a whole.

Single Rulebook

ESMA will continue to develop itself as a source of expertise and strategic direction on financial market regulation recognised by its stakeholders – the EU institutions, market participants, investors, and citizens. As part of this development ESMA will continue its efforts to be more proactive, by identifying potential shortcomings in regulations, and offer advice on the strategic direction of the regulatory agenda.

ESMA will particularly contribute to the planned post-implementation reviews on the Prospectus and Transparency Directives, MiFID II/MiFIR, PRIIPS, SSR, and CSDR, as well as maintaining a high degree of transparency when developing regulatory provisions. ESMA will also continue contributing to the EU retail investment strategy, including by responding to the Commission's request for advice received in July 2021.

Direct Supervision

In 2022, ESMA will continue to intensify its risk-based preventive approach to supervision and will continue to enhance its enforcement processes. ESMA will further invest in its data-driven approach to support its supervisory mandates.

With the new entities coming under its direct supervision – critical benchmarks, DRSPs and Tier 2 CCPs – ESMA will play an important role in the oversight of the critical market infrastructures. Additionally, ESMA will aim to further strengthen its reputation as supervisor of CRAs and TRs and will seek to establish itself as a credible supervisor of securitisation repositories.

2 Work Programme 2022

This section provides details on the tasks to be undertaken under ESMA’s activities in 2022 in line with the budget and resource request submitted by ESMA to the Budget Authority as set out in annex I and II.

2.1 Cross-cutting themes

This section contains the highlighted themes included in ESMA’s 2020-22 Strategic Orientation⁴ and in line with the EU’s priorities. The information included here about these key work streams, groups the work described in several of ESMA’s sub-activities, as set out in the work programme below.

2.1.1 Supporting the development of sound capital markets

Key objective

Contribute to developments in the regulatory and supervisory framework supporting the development of efficient and orderly capital markets.

Foster investor participation and greater cross-border investment by supporting the development of a Capital Markets Union (CMU).

Support Small and Medium-sized Enterprises’ (SME) access to capital markets.

ESMA has been working in support of the CMU over the past years by delivering amongst others several reports to support the Commission in its assessment over the functioning of the CMU and necessary changes. ESMA will follow-up on these reports and continue to support the Commission in the execution of its latest CMU action plan.

Depending upon the scope and timing of various Commission legislative and non-legislative proposals that are within the remit of ESMA’s scope of action, ESMA will contribute to enhancing transparency of information from issuers to investors through the design and development of the European single access point (ESAP).

ESMA will continue to contribute to planned and ongoing reviews of EU law to promote SME’s access to capital markets, for example relating to the Prospectus Regulation and the Market Abuse Regulation.

ESMA will also contribute to initiatives to strengthen retail participation and increase trust in the capital markets as part of the EU Retail investment strategy, one of the pillars of the CMU. ESMA will further contribute to the review of the relevant sectoral legislation (such as

⁴ 1) Supporting the development of capital markets, 2) Sustainable Finance, 3) Innovation and Digitalisation

MIFID II and PRIIPs). Furthermore, in close co-operation with the other ESAs, ESMA will support targeted financial education and financial literacy initiatives.

ESMA may also contribute to any future Commission proposals adopted following the Wirecard case (such as those related to the possible revision of the Transparency Directive).

ESMA will actively monitor developments within and outside the EU that could impact capital markets and will advise the EU Institutions accordingly.

Main outputs

- Contribution to the Commission’s Retail Investment Strategy, including;
- Follow-up on various MiFID II/MiFIR review reports;
- Advice on review of PRIIPs Regulation (together with other ESAs);
- Preparatory work for the drawing up of the two reports foreseen in the SRD II; and
- Possible revision of the existing RTS under CSDR.

2.1.2 Sustainable Finance

Key objective

Deliver on ESMA’s Sustainable Finance Strategy and contribute to the EU transition towards more sustainable financial markets in the areas that are within ESMA’s remit.

Ensure that developments relating to environmental, social and governance (ESG)-related factors are taken into account across ESMA’s activities.

ESMA will continue monitoring and assessing ESG-related market developments and risks and work on the further integration of environmental risks, in particular with regard to the ESG investment value chain.

ESMA will furthermore continue to ensure that ESG factors are taken into account in the EU single rulebook and will play an important role in relation to regulatory initiatives such as the EU Green Bonds Regulation, the Corporate Sustainability Reporting Directive (CSRD), the Taxonomy Regulation, the Regulation on sustainability-related disclosures in the financial services sector (SFDR), adjustments to MiFID II, UCITS, AIFMD, the Benchmarks Regulation, the Securitisation Regulation as well as the Sustainable Corporate Governance Initiative.

Extensive work will be required in relation to supervisory convergence to build consistent application of rules and effective approaches for incorporating ESG factors in national supervisory practices. ESMA will therefore implement a roadmap for supervisory convergence in the area of sustainable finance, covering a number of priority sectors such as asset management and issuer disclosure, as well as gaining a better understanding of

transversal themes like data availability and quality and greenwashing. In relation to the latter, ESMA will undertake work to better understand the risk of greenwashing and the main forms it takes to address this consumer detriment in a coordinated way across NCAs, as well as across ESAs for areas of common interest.

ESMA will implement actions stemming from the European Commission’s Renewed Sustainable Finance Strategy and actively contribute to the work of the European Commission’s Platform on Sustainable Finance, notably on the usability of the Taxonomy for the various actors in the investment value chain.

In its direct supervision, ESMA will assess the way CRAs incorporate ESG factors into their methodologies for credit ratings and outlooks and how CRAs ensure the robustness of their methodologies in this context. Furthermore, under the proposal for a Regulation on European green bonds, ESMA would have the important task of supervising external reviewers for such green bonds. During 2022, ESMA will closely monitor developments on this regulatory initiative and engage with the co-legislators and market participants in preparation for this role.

At the international level, ESMA will remain active in a number of groups and networks of experts. This will include following and contributing to the work of IOSCO’s Sustainable Finance Task Force (STF), the FSB and ESRB workstreams on climate risks and the work undertaken by the Network for Greening the Financial System (NGFS) on scenario analysis and bridging data gaps.

<p>Main outputs</p>	<ul style="list-style-type: none"> - Supervisory convergence initiatives for sustainable finance based on a roadmap, including specific actions to better identify and tackle greenwashing; - Actions arising from the European Commission’s Renewed Sustainable Finance Strategy; - Actively contributing to the work of the EU Platform on sustainable finance; - Actively contributing to international initiatives of IOSCO and other relevant organisations in areas relevant to ESMA’s mandate; - Technical advice in relation to CSRD; - Incorporation of sustainable finance factors into existing supervisory convergence tools; and - Contribute to sustainable finance at international level.
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2.1.3 Innovation and Digitalisation

<p>Key objectives</p>	<p>Contribute to develop the single rulebook in the area of digital finance following the adoption of DORA, MiCA and the regulation on a pilot regime for market infrastructures based on distributed ledger technology.</p>
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	<p>Further our understanding of the impact of financial innovation on financial markets functioning and participants and foster a co-ordinated approach with the NCAs, to the regulatory and supervisory treatment of new or innovative financial activities and technological innovation.</p> <p>Provide advice to the EU institutions, market participants or consumers where appropriate.</p>
	<p>ESMA will contribute to the development of the single rulebook in the area of digital finance. In particular by preparing to implement efficiently, in co-ordination with the other ESAs, the new mandates included in the Digital Finance Package.</p> <p>Specific work includes producing technical standards and guidelines under the MiCA and DORA regulations. In addition, ESMA will prepare for its new tasks under the DLT Pilot Regime, in particular by reviewing the technical standards adopted in application of EU Regulation (MiFIR) to ensure that they can be effectively applied to financial instruments issued on DLT.</p> <p>ESMA will also provide analysis, market intelligence and data, when available, to support the efficient implementation of the new mandates included in the Digital Finance Package, in co-ordination with the other ESAs and will finalise the technical advice on digital finance requested by the European Commission by 31 January 2022.</p> <p>ESMA will continue to contribute to the European Forum for Innovation Facilitators (EFIF) together with EBA and EIOPA (ESMA will chair the EFIF from Q3 2021 to Q3 2022). The EFIF was launched by the European Commission in April 2019 and has been established to promote co-ordination and co-operation among national innovation facilitators to foster the scaling up of innovation in the EU financial sector and to promote a common response to new technologies.</p>
<p>Main outputs</p>	<ul style="list-style-type: none"> - Regulatory technical standards, implementing technical standards and guidelines under MiCA; - Reviewed regulatory technical standards under MiFIR (Pilot regime); - Regulatory technical standards, implementing technical standards and guidelines under DORA; - Co-ordinate supervisory convergence follow-up on financial and technological innovation issues; - Co-ordinate ESMA activities in response to the Digital Finance Package; and - Contribute to financial innovation work at international level (FSB, IOSCO).

2.2 Investors and Issuers

This section includes ESMA’s work in 2022, to be implemented in close coordination with NCAs, in the areas of investment services and investment management, in the reporting standard setting, and on the supervision of CRAs and Benchmark providers.

2.2.1 Investment services

Key objectives

Contribute to the review of MiFID II and the development of a single rulebook in the area related to investment firms, the provision of investment services, the application of the third-country firms' regime and crowdfunding by ensuring that the relevant technical advice, technical standards and other relevant documents are delivered to the Commission within the deadlines.

Promoting supervisory convergence by ensuring consistent application of MiFID II and MiFIR requirements and co-ordination between NCAs in the area of investor protection and intermediaries (including cross-border activities).

Foster convergence in the application of the new European Crowdfunding Service Providers Regulation (ECSPR).

Following the work on the MiFID review reports and the changes to MiFID II resulting from the recovery package, ESMA will continue in 2022 to assist the Commission in any follow-up work on MiFID II/MiFIR, by reviewing technical standards as the need arises and by supporting the implementation of the MiFIR third country regime if and when needed. ESMA will also assist the Commission by delivering advice in the context of the retail investment strategy. Changes in the MiFID II/R framework may also be required as a result of innovative ways to provide services and from new products.

ESMA will continue focusing on the consistent application of MiFID II/MiFIR, by developing supervisory convergence tools for the supervision of investment firms, amongst others in relation to conduct of business, organisational requirements and sustainable finance. This will include Q&As, guidelines, supervisory briefings, exchanges on supervisory cases and training as appropriate. ESMA will notably review the suitability and product governance guidelines, to incorporate sustainability factors, in line with Level 2 requirements, and review its remuneration guidelines. ESMA will facilitate common supervisory actions (CSA) by NCAs on MiFID II disclosure on costs and charges and will also pay special attention to the supervision of firms' cross-border activities, including ESMA's work on firms' reporting on these activities.

ESMA will also continue to monitor the developments relating to retail trading activities, in line with the digitalisation of financial markets and with recent events of very high volatility in trading of certain stocks. Furthermore, ESMA will publish its annual report on MiFID II sanctions and keep discussing with NCAs the importance of using the full range of supervisory and enforcement powers.

In line with the ESAs' Review, ESMA will co-ordinate the mystery shopping activities with NCAs. ESMA will also work on the implementation of the new regulation on crowdfunding and the evolving markets for crypto assets. Additionally, ESMA will continue playing its role in the area of product intervention (including by assessing any measures proposed by NCAs).

ESMA also aims at contributing to efforts, in the context of the Joint Committee, in relation to financial literacy and education, taking into account its mandate under Article 9 of the ESMA Regulation.

Finally, ESMA will co-operate with the EBA on the development of technical standards, guidelines and other legal acts required under the new prudential framework for investment firms (IFR/IFD).

Main outputs

- Technical standards and advice to the Commission on MiFID II/MiFIR, Crowdfunding Regulation (ECSPR) and, with EBA, on IFR/IFD;
- Guidelines, supervisory briefings, opinions and statements on MiFID II/MiFIR, ECSPR and, with EBA, on IFR/D;
- Annual report on MiFID II sanctions;
- Workshops and training sessions on MiFID II/MiFIR topics;
- Common Supervisory Actions;
- Mystery shopping exercise with NCAs; and
- Decisions on ESMA product intervention (PI) measures and opinions on national PI measures.

2.2.2 Investment management

Key objectives

Achieve greater convergence and consistency of NCAs’ supervisory approaches and practices in relation to the EU legislation on investment management, with a particular focus on improving investor protection and financial stability.

Contribute to the development of the single rulebook in relation to the upcoming AIFMD, ELTIF and MMF reviews as appropriate.

ESMA will facilitate mutual understanding and common approaches on the application and supervision of the relevant sectoral requirements through initiatives such as facilitating discussions among NCAs on supervisory cases with cross-border relevance and organising workshops and/or trainings with NCAs. In this context, ESMA will facilitate common supervisory action(s) (CSA) by providing technical support in the selection of the topic, definition of methodology and operational planning and, where appropriate on the basis of the results of the NCAs’ supervisory activities, promoting follow-up action. In 2022, the selected topic for the CSA in the investment management area is funds’ asset valuation. ESMA will also encourage supervisory convergence in the area of sustainable finance and work with NCA to find effective ways to combat greenwashing in collective investment undertakings.

ESMA will continue promoting supervisory convergence of NCAs’ practices by issuing and reviewing guidelines, supervisory briefings and Q&As and making use of other supervisory convergence tools concerning investment management matters. In particular, ESMA intends to prepare a supervisory briefing in the area of sustainability products in investment

management, to assist NCAs' practices in supervising investment managers issuing products with sustainability features. Furthermore, ESMA will continue to provide an on-going forum for sharing best practices to promote additional convergence of NCAs' practices in the sustainability space. In the context of the Regulation on facilitating cross-border distribution of collective investment undertakings, ESMA may update the guidelines on the application of the requirements for marketing communications. ESMA will also publish its annual reports on UCITS and AIFMD sanctions and keep discussing with NCAs about the importance of using the full range of the supervisory and enforcement toolkit they have been provided with by the applicable legal framework. Moreover, during the relevant reference period the need to do some additional targeted supervisory convergence work may arise from the upcoming reviews of the AIFMD, ELTIF and MMF legislative frameworks, subject to the timing of these reviews.

ESMA will keep focusing on stress testing, in particular by updating its guidelines on MMF stress testing taking into account the latest market developments. ESMA will also continue to use its fund stress simulation framework to assess the resilience of the EU fund industry and identify potential vulnerabilities in funds. ESMA may also have to issue advice to NCAs about the leverage limits that they intend to impose on AIFMs.

ESMA may carry out follow-up work on the cost and performance of retail investment products to bring consistency to NCAs' supervision and enforcement in this important area. This may include any follow-up work arising from the CSA on costs and fees which is being conducted in 2021 and possibly continuing co-ordination of NCAs' work in the area of closet indexing and benchmark disclosure obligations.

Should concrete cases with a cross-border dimension involving more than two NCAs and raising investor protection concerns arise, ESMA will establish ad-hoc groups to deal with these.

The review of the AIFMD (and possibly of the UCITS Directive) and ELTIF Regulation may lead to some additional single rulebook work in relation to these pieces of legislation. Similarly, the Commission's review of the PRIIPs Regulation may give rise to additional work within the Joint Committee of the ESAs. Moreover, further work on draft technical standards on ESG disclosure may be carried out within the Joint Committee. Finally, ESMA will provide input to the Commission in relation to the review of the MMF Regulation.

<p>Main outputs</p>	<ul style="list-style-type: none"> - Updated guidelines on MMF stress testing; - Advice to NCAs on proposed leverage limits under the AIFMD (where any notification is received); - Update of guidelines on marketing communications (if needed); - Annual Reports on UCITS and AIFMD sanctions; - Workshops and/or trainings with NCAs on investment management matters (UCITS Directive, AIFMD, MMF, ELTIF, EuSEF and/or EuVECA Regulations); - Common Supervisory Action(s);
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- Supervisory briefings and opinions on issues related to UCITS Directive, AIFMD, MMF, ELTIF, EuSEF and/or EuVECA Regulations; and
- Opinion on the review of the MMF Regulation (if not already delivered in 2021).

2.2.3 Issuer disclosure

Key objectives

Continue contributing to the single rulebook under the Prospectus Regulation, the Shareholders Rights Directive II and the Transparency Directive, as necessary.

Continue contributing to the standard setting and the set-up of high-quality corporate reporting standards, including standards for sustainability reporting, as well as maintaining an updated regulatory framework for digital reporting.

Strengthen the level of supervisory convergence and facilitate the exchange of experience in the areas of corporate reporting, prospectus, notifications of major holdings and takeover bids.

Strengthen the supervision and enforcement of financial and sustainability information with a particular focus on issues related to alternative performance measures, sustainable finance and the European Single Electronic Format (ESEF).

ESMA will contribute to the development of the single rulebook by continuing to monitor developments in prospectus supervision, notifications of major holdings and corporate governance in order to continually evaluate if the single rulebook in these areas remains fit for purpose. ESMA will also continue to assist the European Commission in any work relating to these areas. Contingent to a mandate from the Commission ESMA will also embark on the review of the public statement on shareholder cooperation and acting in concert under the Takeover Bids Directive⁵.

ESMA will also undertake single rulebook work in the audit area by providing views on relevant International Standards on Auditing (ISA) and by participating in the Committee of European Audit Oversight Bodies (CEAOB), where ESMA chairs the subgroup of International Equivalence and Adequacy and is an observer in the subgroup on audit of the ESEF. ESMA will also engage with representatives of European audit oversight bodies in order to increase the co-operation between accounting and auditing supervision activities.

ESMA will actively monitor the application by issuers of the requirements related to ESEF, publish updates to supporting documentation and guidance whenever relevant and consider

⁵ Public statement - Information on shareholder cooperation and acting in concert under the Takeover Bids Directive (Ref: [ESMA/2014/677rev](#) | 20 June 2014).

if there is a need to provide new guidance to market participants. In addition, ESMA will support NCAs in supervisory activities relating to, and leveraging on, electronic reports. Furthermore, ESMA will update the regulatory technical standards relating to ESEF to be used for the preparation of annual financial reports in ESEF format, to reflect the most recent version of the IFRS Taxonomy and any other relevant developments.

In addition, ESMA will monitor developments and provide advice to the Commission on any potential review of the Transparency Directive requirements.

ESMA will continue its supervisory convergence work in the area of prospectus aiming at providing guidance on the application of the Prospectus Regulation. This will include continuing to organise discussions among supervisors of supervisory cases relating to prospectus supervision with a view to promoting supervisory convergence and a harmonised application of the PR provisions across the EU. ESMA will also continue to monitor developments in relation to SPACs and actively engage with European and international supervisors to assess the need for further guidance and potential convergence work as a follow-up to its public statement⁶ on this topic.

ESMA will also prepare the prospectus annual activity and sanctions report based on the data submitted in the new Prospectus Register. Depending on needs and the availability of resources, ESMA might also undertake convergence work in the area of major shareholdings. Depending on NCA needs, ESMA may also organise targeted training sessions for NCA staff in some of the areas within the remit of Corporate Finance.

In the area of supervision and enforcement of financial information, ESMA will continue to organise meetings of the European Enforcers Coordination Session (EECS) where discussions of real cases are taking place in order to ensure a common supervisory response, some of which are subject to publication.

Following the amendments to the Guidelines on enforcement of financial information (GLEFI) in 2020 (and related supervisory briefings), ESMA will actively promote and support their timely application by NCAs as of 1 January 2022 before monitoring their application once effective. Drawing from the work carried out in 2020 on its Fast Track Peer Review into the Guidelines, ESMA will consider what areas of supervisory convergence could be strengthened.

In the area of Alternative performance measures (APMs), ESMA will continue to promote common supervisory practices also considering the development of possible Q&As.

Considering the growing relevance of sustainability reporting by issuers in the context of sustainable finance and, in particular, the need to improve disclosures on ESG issues, ESMA will continue to closely monitor the developments in this area and foster common supervisory approaches in relation to, inter alia, the application of the disclosure requirements under Article 8 of the Taxonomy Regulation (TR) in order to assess the need

⁶ Public statement - SPACs: prospectus disclosure and investor protection considerations ([ESMA32-384-5209](#) | 15 July 2021)

for potential guidance in coordination with the Commission and the ESAs to ensure consistent application and supervision. This will entail discussing supervisory cases and developing guidance for NCAs' supervision and enforcement of sustainability reporting. In light of the proposal for a Corporate Sustainability Reporting Directive (CSRD) issued in April 2021 and in conjunction with possible additional work in relation to the Article 8 TR reporting obligations as explained above, ESMA will also follow developments at European and international level to contribute to the improvement of sustainability reporting and the much-needed standardisation in this area. In this context, ESMA will provide its opinion to the Commission on the technical advice provided by EFRAG on sustainability reporting standards under the CSRD.

ESMA will continue to contribute actively to the accounting standard setting and IFRS endorsement in the EU through its observership at the EFRAG Board and Technical Expert Group (TEG), and at the Accounting Regulatory Committee. In addition, ESMA will contribute to the due process of the International Accounting Standards Board (IASB) in the development of those global standards, including through its membership of the IFRS Advisory Council and the IFRS Taxonomy Consultative Group (ITCG).

Main outputs	<ul style="list-style-type: none"> - Guidance in the area of prospectus; - Prospectus annual activity and sanctions report; - Technical advice on any potential review of the Transparency Directive requirements; - Annual report on enforcement activities; - Statements on the annual common enforcement priorities for year-ends and monitoring of the implementation of the priorities; - Extracts of selected enforcement decisions; - Reports on accounting topics; - Amendments / updates to the RTS on ESEF and updates to ESEF XBRL Taxonomy files, Conformance Suite and Reporting Manual; - Supervisory convergence tool on sustainability reporting; - Technical positions on new IFRS pronouncements and amendments and their endorsement advice; - Technical positions on significant new International Auditing Standards; and - Opinion and other technical work (where relevant) in relation to the CSRD and possible future sustainability reporting standards.
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2.2.4 Benchmark providers

Key objectives	Establish and implement a data-driven, risk-based and outcome-focused supervisory framework following the entry into force of ESMA's new mandate for direct supervision of administrators of EU critical benchmarks and third-country administrators recognised in the EU under the Benchmarks Regulation (BMR).
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Monitor the use of benchmarks in the EU for early identification of new critical benchmarks.

Assess the application for recognition by third-country administrators: ensure applicants meet regulatory requirements and objectives of BMR and that applications are completed within regulatory deadlines.

Identify and remediate risks related to the provisions of critical and recognised third-country benchmarks and adopt enforcement actions where breaches against BMR are identified.

Continue (i) to contribute to the establishment of a robust regulatory framework under the BMR, (ii) to develop policy tools in support of ESMA's and NCAs' supervisory activities and (iii) to promote supervisory convergence.

From 2022, ESMA will be directly supervising the administrators of EU critical benchmarks. Following the discontinuation of EONIA as of January 2022, EURIBOR remains the only benchmark recognised as critical in the EU and ESMA will have direct supervisory responsibilities over its administrator, European Money Markets Institute (EMMI). In its supervisory capacity, ESMA will apply a risk-based and outcome-focused approach in order to ensure EURIBOR's accuracy, integrity and reliability. ESMA's supervisory objective will be to ensure EMMI maintains, amongst others, appropriate governance arrangements, methodologies, control framework and systems, policies and procedures, for instance on conflicts of interest. Specifically, in 2022, ESMA's supervisory focus will be on EURIBOR's representativeness of the underlying market and ESMA will actively engage with EMMI.

ESMA will chair the EURIBOR college of supervisors, which will be composed of the NCAs responsible for the supervision of EURIBOR's panel banks. ESMA will regularly update the college members about the ongoing supervision of EURIBOR and will discuss with them any specific issue related to EURIBOR which deserves supervisory intervention. ESMA will also co-operate with the ECB to ensure an appropriate exchange of information.

While EURIBOR will be the only EU critical benchmark supervised by ESMA as of January 2022, ESMA will also be responsible for the identification of new critical benchmarks in the EU and stands ready to directly supervise their administrators, should the Commission recognise new benchmarks as critical.

From January 2022, ESMA will also be the competent authority of third-country administrators under the BMR recognition regime. The initial focus will be on the finalisation of the registration of third-country administrators applying for recognition and ensuring that applicants meet regulatory requirements and objectives of BMR. In that context, ESMA will also supervise the application of the BMR specific requirements on climate benchmarks should they be provided by third country recognised administrators.

Both in relation to EURIBOR administrator and third-country administrators, ESMA will focus on the timely identification of industry trends, supervisory risks and harmful behaviours vis-

à-vis BMR's requirements and objectives. ESMA will do so also through ongoing engagement with benchmarks' administrators, users of benchmarks and more generally market participants, assessment of notifications, onsite inspections or investigations, as applicable. Where breaches against the BMR are identified, ESMA will request timely and effective remediation to benchmark administrators and adopt enforcement actions.

ESMA will promote supervisory convergence regarding amongst others (i) climate benchmarks and how the sustainability-related disclosure requirements for benchmarks (except interest rates and foreign exchange benchmarks) are applied and (ii) the discontinuation of LIBOR.

Supervisory convergence work will continue to build upon exchanges between competent authorities to address, for instance, questions posed by market participants or issues reported by national regulators and can result in the production of Guidelines, Q&As, opinions (e.g., on a benchmark to be recognised as critical in a member state), or other supervisory convergence tools.

ESMA may review some of the RTS (e.g., on recognition) under BMR to ensure they remain aligned with regulatory developments.

Finally, for any new BMR equivalence decision adopted by the Commission, ESMA will establish co-operation arrangements with the competent authority of the third-country. Similarly, ESMA will establish co-operation arrangements with the third-country competent authority supervising third-country administrators that have been recognised in the EU.

<p>Main outputs</p>	<ul style="list-style-type: none"> - Remediation requests to administrators of EU critical benchmarks and third-country benchmarks to address supervisory risks; - Advice to the Commission for the identification of new EU critical benchmarks; - Update the ESMA BMR registers of administrators and third-country benchmarks; - Investigations, including on-site inspections, and preparation of reports for the IIO in accordance with regulatory deadlines and individual projects plans; - Additional guidance (opinions and guidelines) in benchmarks area for direct supervision as well as supervisory convergence, depending on needs; and - Review of RTS on recognition (and other RTSs if appropriate) under BMR.
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2.2.5 CRAs

Key objectives

Assess registration applications under CRAR, ensure registrants meet regulatory requirements and objectives of CRAR and that applications are completed within regulatory deadlines.

Ensure credit ratings in the EU are independent, objective and of high quality by conducting effective supervisory activities.

Identify timely, employing data-driven supervisory tools, the key industry trends, supervisory risks and concerns to support pro-active and outcome-based supervision of CRAs.

Request timely and effective remediation and adopt enforcement actions where breaches against the CRA regulation are identified.

Continue to contribute to the establishment of a robust regulatory framework under the Credit Rating Agency Regulation and provide support to ESMA's supervisory activities.

ESMA has adopted a risk-based and data-driven approach when conducting supervision of CRAs and prioritises its supervisory activities according to the level of risk identified and outcomes it targets. ESMA can use different supervisory tools to address risks, e.g., engagement with CRAs, the development of policy tools, conducting investigations and requesting CRAs to implement a remedial action plan. Where breaches of the regulation have been identified, ESMA will adopt timely enforcement actions, that could range from the issuance of public notices to the imposition of fines and the withdrawal of the CRA's registration. As part of its ongoing supervision, ESMA will assess periodic and ad hoc notifications submitted by CRAs and assess registration applications under the CRA Regulation.

To identify key priority areas for supervision, ESMA considers the result of its supervisory risk assessment, and key market trends in the CRA industry and capital markets.

Key market trends in the CRA industry observed by ESMA include the ongoing impact of COVID-19 in the financial markets, an increased focus on ESG products, some important changes in CRA market shares in certain asset classes, rising importance of cloud technology and new technologies including artificial intelligence and machine learning and an aggressive and sophisticated cyberthreat environment.

For 2022, ESMA has identified the following key priority areas for CRAs on which it will focus its supervisory activities:

- Monitor, identify and address new risks posed by industry and capital markets developments, such as those stemming from the ongoing impact of COVID-19 (e.g., the increase in BBB-ratings and developments in high-yield bond markets), developments in ESG products and use of new technologies;

- Assess the way CRAs incorporate ESG factors into their credit ratings, rating outlooks and methodologies and how CRAs ensure the robustness of their methodologies in this context;
- Proactively analyse risks in outstanding credit ratings and take appropriate actions where supervisory concerns are identified;
- Engage with CRAs to address concerns on the organisational aspects of their control environment that undermine the independence of control functions and that enhance compliance's monitoring activities;
- Ensure that CRAs employ independent, robust and well-structured rating processes and understand impact of new technologies, the implementation of cost savings and outsourcing on the rating process;
- Review the processes used by CRAs to identify errors in their rating process to ensure errors are properly identified by CRAs and subsequently reported to ESMA;
- Engage with CRAs regarding the involvement of EU Boards in strategic decision-making within CRAs and increase engagement with Independent Non-Executive Directors of CRAs;
- Assess the drivers behind changes to methodologies and ensure that CRAs use methodologies that are robust, systematic, continuous and subject to validation and back-testing. ESMA will also engage with CRAs' internal review functions to ensure these are sufficiently empowered; and
- Engage with CRAs to address identified concerns on IT and information security controls, including cybersecurity, cloud outsourcing. ESMA will also assess the implementation by the CRA industry of the ESMA Guidelines on outsourcing to cloud service providers.⁷

To complement its supervisory responsibilities, ESMA will develop the necessary policy tools to ensure the implementation of the CRA Regulation supports ESMA's objectives of investor protection, orderly markets and financial stability by reacting to new trends and supervisory observations.

Over the coming year this work will be focused on guidance to address CRAs practices around initial reviews and preliminary ratings and discontinuance of ratings. It will also involve work on the provision of private ratings.

⁷ https://www.esma.europa.eu/sites/default/files/library/esma_cloud_guidelines.pdf

In parallel, ESMA will engage its supervisory and policy resources to support the European Commission’s objectives under the Strategy for Financing the Transition to a Sustainable Economy for credit ratings and CRAs. Specifically, this will involve assessing CRAs disclosure of ESG factors in credit ratings, as well as the consideration of ESG factors in CRAs methodologies.

In addition, ESMA will perform assessments of third-country regulatory frameworks for endorsement as needed and will provide technical advice to the European Commission on the equivalence of third countries in case the Commission requests this.

ESMA will continue co-operating with EBA and EIOPA to provide a mapping to newly registered External Credit Assessment Institutions (ECAIs) as well as monitor the mapping provided to already registered ECAIs in order to promote a consistent implementation of Capital Requirements Regulation (CRR) and Solvency II Directive across the EU.

ESMA ensures that its internal processes can lead to the adoption of enforcement actions in the most efficient and effective way within the framework of the applicable legal constraints. It adopts effective and legally-sound enforcement decisions where infringements are established and ensures that its enforcement actions have a deterrent effect and lead to lasting changes in the supervised entities’ behaviours.

The Independent Investigation Officer thoroughly investigates potential infringements and uses their investigatory powers where needed. Where infringements are established, ESMA adopts effective and robust enforcement actions, that range from the issuance of public notices to the withdrawal of registration and the imposition of fines. It also publishes detailed versions of its enforcement decisions to strengthen the impact on the supervised industries.

<p>Main outputs</p>	<ul style="list-style-type: none"> - Assessment of registration applications within timelines set by the CRA Regulation; - Engagement with CRAs, investigations, thematic reports and letters addressed to CRAs identifying risks and requesting remediation in alignment with key supervisory priorities; - Monitor implementation of CRA Regulation and develop guidance in areas identified necessary based on ESMA’s supervisory risk assessments; - Follow-up actions regarding identified risks resulting from ongoing supervision and monitoring of rating actions; - Reports for the IIO proposing enforcement actions; - Robust enforcement actions (where infringements are established) and published enforcement decisions; - Handling of appeals and other actions against ESMA; and - Technical advice to European Commission as requested in the areas of CRA’s activities.
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2.3 Markets and Infrastructures

This section describes ESMA's work in 2022 to conduct its direct supervision of several key market infrastructures: CCPs, Trade Repositories, Securitisation Repositories, and Data Service Providers. In addition, it includes ESMA's work across the several pieces of legislation to improve standards and ensure their convergent application in secondary markets, short selling, market abuse and OTC derivatives.

2.3.1 Central Counterparties (Third countries)

Key objectives

Ensure appropriate categorisation of third-country CCPs and monitoring of risks depending on their activities in the EU, the evolution of third-country legal and regulatory frameworks and market developments.

Conduct ongoing supervision of Tier 2 CCPs, including compliance with EMIR or comparable requirements, liaising with the home supervisor when needed and adopting effective enforcement actions, when required.

Address systemic risks resulting from TC-CCPs or clearing services deemed substantially systemic for the financial stability of the Union or one or more of its Member States.

The EMIR regulatory and supervisory framework for TC-CCPs and the corresponding powers for ESMA have been expanded with amendments introduced through EMIR 2.2.

With respect to Tier 1 CCPs, this work includes (re)negotiating revised Memoranda of Understanding (MoUs) with 18 third-country jurisdictions deemed equivalent, reviewing recognition decisions of 32 recognised TC-CCPs, conducting their tiering determination assessment, processing new applications, monitoring TC-CCPs, including active scrutiny depending on risks related to their EU activities, ensuring compliance with recognition conditions by TC-CCPs and monitoring the TC legal and regulatory framework development with reference to the relevant equivalence decision(s).

ESMA will assess recognition of applying CCPs if new equivalence decision is granted.

With respect to Tier 2 CCPs, ESMA is entrusted with direct supervision of Tier 2 CCPs, in liaison with the home supervisor, including the monitoring of compliance with EMIR (or comparable) requirements, CCP Stress Tests, initiating and conducting investigations and on-site inspections when needed.

Following the September 2020 equivalence decision of the European Commission on the UK framework for the regulation and supervision of CCPs, ESMA will conduct a comprehensive review of whether or not some or all of the services provided by the UK Tier 2 CCPs are of such substantial systemic importance that the CCP should not be recognised to provide these clearing services. ESMA will closely liaise with the Central Banks of Issue and the ESRB, as well as other relevant public and private stakeholders.

Main outputs

- Recognition decisions for TC-CCPs or review of existing ones, including the tiering assessment and review of supporting MoU with TC-jurisdictions;
- Ongoing monitoring of data, including enhanced scrutiny for most active CCPs in the EU and compliance with TC-CCPs' recognition conditions;
- Direct supervision of Tier 2 CCPs, including compliance, CCP stress-test and potential investigations and on-site inspections; and
- Review of the systemic importance of UK Tier 2 CCPs ahead of expiration of UK CCP equivalence decision in June 2022.

2.3.2 Central Counterparties (EU)

Key objectives

Promote a pro-active approach to supervisory convergence across EU CCPs, develop a common supervisory culture and ensure a consistent implementation of the EMIR regulatory framework for EU CCPs by the CCP Supervisory Committee.

Complete the single rulebook in the area of central counterparties by reviewing the existing Level 2 where necessary and developing new Level 2 measures and guidelines with respect to the CCP Recovery and Resolution Regulation.

Assess the resilience of CCPs to adverse market developments and identify potential risks for financial stability with the use of CCP Stress Tests.

EMIR 2.2 increased ESMA's role in promoting supervisory convergence in the supervision of EU CCPs by creating and giving enhanced responsibilities to the CCP Supervisory Committee.

In order to do this, ESMA will develop opinions on a range of NCA and college decisions, including authorisation, extension of services, outsourcing, interoperability, etc. In addition, ESMA has the obligation to run an annual peer review on EU-CCPs (see also the specific section on peer reviews in section 2.5) and to co-ordinate work across 13 EU CCP colleges. Furthermore, ESMA is requested to validate significant changes to CCPs' risk models and parameters. Finally, ESMA expects to produce further guidance in this area through recommendations, guidelines, and opinions on selected supervisory topics and to contribute over time to the Common Supervisory Handbook (see section 2.6.3).

The CCP Recovery and Resolution Regulation (CCP RRR) was adopted in 2021 and contains 19 empowerments for ESMA to issue guidelines and draft regulatory standards covering both recovery and resolution aspects, most of which are to be delivered by February 2022.

ESMA will also establish processes and procedures to implement the CCP RRR, for example in relation to the establishment and maintenance of a central database of administrative penalties and running the new ESMA Resolution Committee.

In accordance with the EMIR REFIT and EMIR 2.2 mandates, ESMA may be reviewing existing CCP related requirements where needed, including on anti-procyclicality, liquidity risks and CCP investments. ESMA will carefully consider their impact on the broader clearing ecosystem and cooperate closely with relevant authorities to ensure holistic and coherent policy choices. Some work which started beginning 2021 will most probably proceed in 2022.

ESMA has initiated its 4th EU-wide stress tests, building on the experience from the past three exercises in order to further improve and enhance the conceptual design of the stress test framework and its methodology. The exercise is to cover 15 CCPs, including all authorised EU CCPs and the two UK Tier 2 CCPs.

Main outputs

- Specific opinions on NCA and college decisions on a range of topics, including on authorisation, extension of services, outsourcing and interoperability (ad hoc basis);
- Validations of CCP's significant changes to risk models and parameters (ad hoc basis);
- Annual peer review;
- Additional recommendations, guidelines and opinions where necessary for convergence and Supervisory Handbook;
- RTSs and Guidelines on CCP recovery and resolution;
- Guidelines on cooperation arrangement with third-countries; and to promote convergence of resolution practices when conducting resolvability assessments;
- RTSs on minimum elements to be included in a business reorganisation plan and the criteria for approval by the resolution authority;
- Possible revision of existing requirements under EMIR, including anti-procyclicality measures and liquidity provisions;
- Reports to the Commission on CCP related matters, including on potential extension of CCP investment possibilities (including to MMFs) and on its staffing and resources needs under EMIR 2.2;
- 4th iteration of CCP Stress Test for 15 CCPs; and
- Recommendations to CCPs, as necessary.

2.3.3 Data Reporting Service Providers

Key objectives

- Ensure the effective and consistent application of ESMA's data-driven, risk-based approach to its new mandate for supervision of DRSPs as of January 2022.
- Ensure continued compliance by DRSP's following the handover of supervisory duties from the NCAs.
- Adopt effective enforcement actions, when required.

Starting 2022, ESMA will have the supervisory powers to authorise and supervise DRSPs, i.e., Approved Publication Arrangements (APAs), Authorised Reporting Mechanisms (ARMs) and, once established, Consolidated Tape Providers (CTPs).

Preparation for these tasks began in 2020 and continued throughout 2021. As part of this work, ESMA prepared the internal organisational structure, set up the required processes and systems, delivered draft implementing and regulatory technical standards and ensured a proper transition of supervisory duties from NCAs, who currently supervise the DRSPs, to ESMA.

In addition, ESMA developed a significant IT infrastructure for the access and analysis of transaction reports reported to NCAs by ARMs and subsequently to ESMA. ESMA will engage and co-operate with NCAs to ensure timely and accurate access to transaction data reported by ARMs.

ESMA will apply a data-driven and risk-based approach when conducting supervision of DRSP. In 2022, ESMA's key priority will be to ensure continued compliance by DRSPs with the regulatory requirements, following the handover of supervisory duties from the NCAs. In particular, ESMA will focus on availability and integrity of transaction data provided by ARMs to NCAs for the purposes of market abuse monitoring. As a result of its day-to-day supervision and specific reviews or investigations, ESMA will request DRSPs to adopt remedial actions, where areas of concern have been identified.

Main outputs

- Monitoring of availability and integrity of transaction data reported by ARMs and published by APAs;
- Timely identification of and follow up on data quality issues introduced by ARMs and APAs;
- Engagement with individual DRSPs, investigations, thematic reports and letters addressed to DRSPs identifying risks and requesting remediation in alignment with key supervisory priorities; and
- Uniform set of DRSPs supervisory expectations across all European jurisdictions.

2.3.4 Trading

Key objectives

Promote consistent application of MiFID II and MiFIR requirements, in particular the revised commodity derivatives framework, the boundaries of multilateral systems and the transparency framework.

Provide technical advice and/or develop technical standards as a follow-up to the MiFID II/MiFIR review covering transparency, market structure and commodity derivatives issues.

Review the RTS on transparency and reporting requirements to reflect any changes necessary for DLT market infrastructures to operate.

Prepare for the application of the DLT Pilot Regime and develop measures to ensure consistent application of the Regime across the Union.

Ensure consistent application of the MAR, by specifically following up on the findings of the MAR review Technical Advice in those areas where guidance is needed and draft new MAR technical standards (in case MAR is reviewed in 2022).

Contribute to the potential revision of the Short Selling Regulation (SSR) by issuing technical advice to the European Commission.

Monitor and contribute to the consistent implementation and application of EMIR, in particular through the development of reports, by providing guidance to market participants and NCAs, as well as through dedicated supervisory case discussions.

Contribute to the single rulebook in the area of OTC derivatives by reviewing and amending technical standards under EMIR.

Markets in Financial Instruments (MIFID): ESMA will continue promoting the convergent application of MiFID II/MiFIR across the EU through regular exchanges of views among competent authorities, including the sharing of practices and experiences on specific supervisory issues and cases. ESMA will follow-up on supervisory guidance particularly in areas where different practices across the EU have been detected.

Following the submission of the MiFID II review reports to the Commission, ESMA will be working on several follow-up measures to address divergent approaches identified. ESMA will finalise its review of the technical standards on equity and non-equity transparency. In addition, ESMA is considering issuing further guidance clarifying its expectations on how trading venues and Approved Publication Arrangement (APAs) and Systematic Internalisers (SIs) should comply with the MiFIR post-trade transparency obligations, with a particular focus on OTC data. ESMA will also follow up on the application of the Guidelines on market data issues by starting a peer review. ESMA will continue its work on specifying the boundaries of multilateral trading systems and provide guidance on which kind of systems would require an authorisation as a trading venue, including the authorisation of technology providers.

In the area of commodity derivatives, ESMA will, in particular, ensure via case specific discussions and other convergence tools a common understanding of the amended EU law and of the expected new RTS on position limit exemption for liquidity provision, the hedging exemption for financial counterparties in predominantly commercial groups, calculation methodology for position limits and position management controls by trading venues.

ESMA has various reporting and monitoring tasks under MiFID II/MiFIR. These activities include monitoring the implementation of the tick size regime, issuing annual reports on the use of pre-trade transparency waivers and deferred publication arrangements, monitoring the implementation of position limits set and perform monitoring and reporting tasks in the area of equivalence decisions. ESMA will continue issuing opinions on pre-trade transparency

waivers and position limits, assessing third-country trading venues for the purpose of transparency and position limits as well as contributing to the smooth operation of the IT systems developed in the context of MiFID II/MiFIR (Double Volume Cap (DVC), Financial Instruments Transparency System).

ESMA will continue providing advice to the Commission and co-legislators covering key provisions of MiFID II/MiFIR in the area of secondary markets. Furthermore, ESMA may provide technical advice and develop technical standards in case EU law changes materialise particularly in respect of establishing a consolidated tape and with respect to the transparency regime and market structure issues.

ESMA may also perform single rulebook work under MiFIR as a result of the currently ongoing review of reporting requirements in MiFIR. Until that review is complete ESMA may also need to provide technical advice, expertise and market intelligence, or make recommendations regarding possible amendments to the reporting requirements.

ESMA will continue monitoring the transition to new benchmarks in OTC derivatives and may propose amendments to the RTS on the derivatives trading obligation (DTO) if necessary. Finally, ESMA will perform the annual assessment on the phase-in regime for transparency for non-equity instruments (RTS 2).

ESMA will continue working with a view to facilitate future exchange of order book data among competent Authorities. In particular, 2022 efforts will be focused on setting up a harmonised reporting format for the exchange of order data between the NCAs (ISO20022 message), and optionally data exchange capabilities through ESMA HUB.

DLT Pilot Regime: The proposal for a Regulation on a DLT Pilot Regime envisages various tasks, covering both single rulebook and convergence work, for ESMA. The negotiation process on this file is expected to conclude by end 2021 and the Regulation is expected to apply as of 2023. ESMA will prepare for its new tasks under the DLT Pilot Regime in 2022 and, in particular, assess the need to amend RTS on transparency and reporting requirements for DLT market infrastructures.

Market Abuse and Short Selling: ESMA will continue its supervisory convergence work regarding market integrity. ESMA may specifically provide further guidance in areas identified in the MAR Review Report published in 2020. In addition, ESMA is working on “pre-hedging”, in order to provide guidance to the market in relation to such practice.

ESMA will assess whether broader guidance in relation to the definition of inside information is needed, in general or in specific sectoral areas.

ESMA will continue working on the issue of investment recommendations through social media, to monitor whether different forms of guidance to reach new generations of retail investors is opportune.

ESMA will also continue its ongoing supervisory convergence work through its opinions on new or renewed accepted market practices (AMPs), opinions on proposed emergency measures under the SSR, its annual reports on AMPs and on administrative and criminal sanctions under the MAR.

The MAR review may result in further work on technical standards or the revision of existing guidance.

OTC derivative clearing and risk mitigation techniques: ESMA will continue monitoring the consistent implementation of EMIR in relation to OTC derivative requirements, in particular regarding clearing and bilateral margin requirements. Notably, ESMA will initiate the work on the production of the next annual report on the supervisory measures and penalties imposed by NCAs regarding market participants' compliance with EMIR. ESMA will continue to organise dedicated supervisory case discussions regarding EMIR, that may also trigger the need for additional supervisory convergence measures.

Following the transition away from EONIA and LIBOR, ESMA intends to continue monitoring the impact of the transition to new benchmarks in the OTC derivatives market and the implementation of the new amendments proposed to the scope of the clearing obligation introduced to reflect this transition, and review further where necessary the clearing obligation RTS. Following the discussion paper on the appropriateness of the current clearing thresholds, ESMA may propose, if deemed necessary, amendments to the relevant existing RTS. ESMA will also continue providing technical input where necessary in relation to the monitoring of the progress made towards the pension scheme arrangements' ability to clear their OTC derivatives.

ESMA will initiate the development of a report on the effectiveness of the regulatory framework with regards to the clearing obligation of OTC derivatives, in preparation for the next EMIR review.

Main outputs

- Review of RTS 1 and 2, further guidance on post-trade transparency;
- Guidance on the perimeter of multilateral systems;
- Monitoring and reporting tasks in the area of equivalence;
- Opinions on position limits and on pre-trade transparency waivers;
- Assessment of third-country trading venues for transparency and position limit purposes;
- Annual reports on transparency waivers and on the use of deferred publication arrangements;
- Develop technical advice and technical standards following the MiFID II/MiFIR review;
- Annual review of RTS 2;
- Possible revision of existing RTS under MiFID II/MiFIR (e.g. RTS on the derivatives trading obligation);
- Review of the RTS on transparency and reporting requirements;
- Develop RTS/ITS/Guidelines under the DLT Pilot Regime.
- Guidelines, opinions and supervisory briefings on MAR and SSR;
- Opinions on MAR Accepted Market Practices;
- Opinions on national restrictive measures on short selling under SSR, if required;
- Annual Report on accepted market practices (AMPs);
- Annual Report on administrative and criminal sanctions under MAR;

- Possible draft of new and/or revision of existing RTS and ITS under MAR;
- Guidance on EMIR implementation regarding the clearing obligation and the risk mitigation technique requirements, where necessary; and
- Consultation paper on the effectiveness of the regulatory framework of the clearing obligation under EMIR in preparation for the next EMIR Review.

2.3.5 Central Securities Depositories

Key objectives

Monitor and contribute to the consistent implementation and application of CSDR, in particular through the development of reports, by providing guidance to market participants and NCAs, as well as through dedicated supervisory case discussions.

Contribute to the single rulebook in the area of settlement and CSD requirements by reviewing and amending technical standards under CSDR and by developing new technical standards or revising existing ones if amendments to CSDR were introduced as a result of its Review, as well as by developing reports on CSDR matters.

Recognise third-country CSDs and periodic monitoring of compliance.

Prepare for the application of the DLT Pilot Regime and ensure consistency with CSDR.

ESMA will promote supervisory convergence (including supervisory case discussions) related to CSDR requirements, in particular in relation to the settlement discipline regime, and possibly any additional areas linked to the review of CSDR. ESMA will also monitor the level of internalised settlement and the level of CSD settlement efficiency. Furthermore, ESMA will report to the Commission on various aspects of CSDR implementation.

The review of CSDR, once completed, may introduce changes and also bring additional mandates for review or development of technical standards.

Furthermore, as developed in the Peer Review Work Programme (see section 2.5), ESMA will conduct its first Peer Review of CSD supervision.

Under CSDR, ESMA has direct responsibilities regarding the recognition of third-country CSDs providing notary or central maintenance services in relation to financial instruments constituted under the law of a Member State or establishing a branch in a Member State. This activity includes periodic monitoring of the compliance with recognition conditions by third-country CSDs on the basis of information received from the responsible third-country authorities and granting of new recognition decisions.

As described in section 2.3.4 on Trading, ESMA will prepare for its new tasks under the DLT Pilot Regime, which includes ensuring consistency with CSDR.

Main outputs

- Guidance on CSDR implementation, in particular in relation to the settlement discipline regime, and potentially with regards to the CSDR Review;
- Annual Reports to the Commission on various aspects of CSDR implementation;
- Possible revision of the existing RTS under CSDR, or the development of new RTS subject to the CSDR Review;
- Peer Review Report on CSD supervision;
- Possible recognition decisions for CSDs; and
- Periodic monitoring of compliance with recognition conditions.

2.3.6 Securitisation Repositories

Key objectives

Continue to contribute to the establishment of a robust regulatory framework under the Securitisation Regulation (SECR).

Further establish and ensure risk and outcome-based supervision of Securitisation Repositories (SRs) with a focus on SR data quality and operational resilience.

Engage with relevant regulators and market participants to monitor SR data quality, the securitisation market as well as the adequacy of existing technical standards and reporting guidance under the SECR.

Promote consistent application of the SECR requirements, exchange supervisory experiences and coordination among NCAs, in particular in the areas of disclosure requirements and Simple, Transparent and Standardised (STS) securitisations.

Supervision of SRs: In 2021, ESMA approved the registrations of the first two SRs under the SECR. In 2022, ESMA will timely assess potential registration applications and will continue supervising SRs that are registered with ESMA in accordance with the Securitisation Regulation. ESMA will apply a risk and outcome-based approach to the supervision of the SR data reporting.

ESMA's main supervisory objective will be the enhancement of the quality of the data reported to and made available by SRs. ESMA's supervisory work will focus on identifying shortcomings to data quality e.g., by assessing the completeness and consistency of SR data, performing re-validations on SR data to ensure correct implementation of validation rules and addressing feedback from the users of SR data.

ESMA also expects that its supervisory work will focus on the operational resilience of SRs by verifying the reliability and continuity of SRs' IT systems, as well as IT and information security incident management.

ESMA expects to focus on its engagement with relevant stakeholders of SR data, including market participants, competent authorities and other regulatory and supervisory bodies, in order to promote the use of SR data, collect feedback to identify data quality issues and to ensure robust reporting of securitisation data by providing guidance to the market on data reporting (e.g., Q&A's, validation rules, reporting instructions and guidance on completeness and consistency checks).

As a result of its day-to-day supervision and any specific reviews and/or investigations, including on-site inspections, ESMA will request SRs to adopt remedial actions where areas of concern have been identified.

Policy activity to support our supervisory mandates: ESMA will monitor the preparatory work for the review of the Securitisation Regulation and, possibly, the European Commission's legislative proposal in 2022.

ESMA will continue to foster supervisory convergence and co-operation between competent authorities in the securitisation field with a view to preventing divergent approaches. In particular, the focus will be on the supervision of the securitisation disclosure templates as well as the implementation and supervision of the STS criteria. ESMA will develop the necessary policy tools in support of ESMA's and NCAs' supervisory activities. In 2022, ESMA will perform a peer review on the implementation of the STS criteria.

ESMA will continue supporting the other ESAs and the ESRB in carrying out their mandates under the SECR such as the report on sustainability framework for securitisations, the guidelines on STS criteria for on-balance sheet securitisations or the RTS on homogeneity.

<p>Main outputs</p>	<ul style="list-style-type: none"> - Timely assessment of registration applications under the SECR; - Engagement with individual SRs, letters addressed to SRs identifying risks and requesting remediation in alignment with regulatory requirements and key supervisory priorities; - Investigations, including potential on-site inspections; - Preparation of reports for the IIO in accordance with regulatory deadlines and individual projects plans where appropriate; and - Additional guidance for the purposes of direct supervision as well as supervisory convergence.
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2.3.7 Trade Repositories

<p>Key objectives</p>	<p>Follow the risk-based and data-driven supervision of TRs under EMIR/SFTR with main focus on ensuring TR data quality, as well as the confidentiality, integrity and availability of EMIR/SFTR data by conducting efficient supervisory activities with lasting impact.</p>
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	<p>ESMA and NCAs will continue to further enhance the data quality with regards to reporting entities to ensure an increased quality, availability and usability of the EMIR/SFTR data.</p> <p>Request timely and effective remediation and adopt enforcement actions at individual TR level where breaches against EMIR or SFTR are identified.</p> <p>Assess any registration applications under EMIR and SFTR and ensure delivery within regulatory deadlines and quality standards.</p>
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ESMA will assess potential registration applications by new TR applicants and smooth winding down plans of any registered TR withdrawing its registration.

ESMA has adopted a data-driven and risk-based approach when conducting supervision of TRs. In 2022, ESMA’s main supervisory objective on TRs will continue to be the enhancement of the quality of data reported to TRs under EMIR and SFTR and systems resiliency. In addition, ESMA will implement action plans to tackle firms’ specific risks as identified following TRs risk assessment (e.g., data quality, IT Strategy, IT system development, and third-party risk management). At the same time, ESMA will ensure firms’ regulatory change implementations comply with its expectations, in particular on cloud computing, and in relation to ESMA’s expectations as set out in EMIR and SFTR Q&As. In addition, ESMA will continue monitoring the resource allocation to SFTR as well as.

ESMA will apply a data-driven and risk-based approach to the *supervision of the EMIR and SFTR data reporting*. ESMA’s supervisory work will focus on performing re-validations on data submissions to ensure reports are in line with validation rules, assessing completeness and accuracy of Trade State and Trade Activity reports, assessing inter-TR reconciliation, as well as on the implementation of the EMIR Data Quality Action plan and SFTR Data Quality Engagement Framework.

As a result of its day-to-day supervision and any specific reviews and on-site inspections, ESMA will request TRs to adopt remedial actions, where areas of concern have been identified.

In accordance with the requirements of SFTR, ESMA will work on the preparation of a report on the efficiency of the reporting, taking into account the appropriateness of single-side reporting, in particular in terms of reporting coverage and quality as well as reduction of reports to trade repositories, and on significant developments in market practices with a focus on transactions having an equivalent objective or effect to an SFT.

Main outputs	<ul style="list-style-type: none"> - Timely assessment of registration applications under EMIR and SFTR; - Data-driven supervision, including on-going / targeted data quality analysis and issues detection;
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- Engagement with individual TRs, investigations, thematic reports and letters addressed to TRs identifying risks and requesting remediation in alignment with key supervisory priorities;
- Reviews and on-site inspections;
- Preparation of investigation reports in accordance with regulatory deadlines and individual projects plans;
- Implementation of delegation agreements for the data quality supervision of reporting entities; and
- Report on efficiency of SFTR reporting

2.4 Risk Assessment

ESMA monitors market developments and new financial activities in its remit to assess risks to investors, markets and financial stability. The risk assessments are supporting the Authority’s objectives of promoting investor protection, orderly markets, and financial stability.

2.4.1 Risk Monitoring and Analysis

Key objectives

Identify and assess financial market risks, report on these risks to the relevant institutions, and inform the public.

Provide data, statistical and analytical basis for ESMA and NCA supervision, regulation, and convergence activities.

Cooperate with EU and international bodies, including the ESRB, IOSCO and the FSB, to identify and assess financial stability and systemic risks.

Identify opportunities and risks related to financial innovation, with particular attention to crypto asset market developments and risks. Systematically monitor trends and risks related to retail investor and ESG developments.

ESMA monitors and analyses markets developments, particularly through its Trends, Risks and Vulnerabilities (TRV) reports and its Risk Dashboard (RD), and supported by its Annual Statistical Report series, in light of its objectives of promoting financial stability, orderly markets and investor protection. The risk monitoring and analyses contribute to core ESMA activities, including regulatory impact assessments and topical studies for single rulebook measures, stress testing methods and analysis as well as risk metrics for supervisory and supervisory convergence work.

Importantly, ESMA risk assessment draws on data and statistics sourced and managed through an integrated approach, ensuring high quality, efficient management and an effective use of (especially) the proprietary data ESMA collects. As part of this integrated approach, we have established an Annual Statistical Report series on EU derivatives markets based on EMIR data, EU alternative fund markets based on AIFMD data, cost and past performance of EU long-term retail investment products, EU securities markets based on MiFID II data, and by 2022 EU Credit Rating markets based on CRA data and EU money market funds based on MMFR data. These reports complement ESMA’s ongoing market monitoring and provide

risk indicators available for use at ESMA level as well as by NCA supervisors with the aim of promoting supervisory convergence and data-driven, evidence-based entity supervision.

On the basis of its sectoral risk assessments for the EU, ESMA will contribute to the European systemic risk analysis by performing in-depth research and monitoring work.

Analytical activities are carried out as a horizontal function in ESMA, with data and analyses being contributed to a wide range of projects in support of ESMA's activities in the areas of regulation, supervision as well as ESMA's risk assessment mandate. Analytical activities also specifically support ESMA's supervisory convergence risk identification (the Supervisory Convergence Heatmap) as well as data-driven supervisory and supervisory convergence activities. In 2022, our market risk monitoring and analysis will continue to focus on liquidity and leverage risks in investment funds, Money Market Funds, the use of derivatives and securities lending, and valuation risks in securities markets, and is set to explore emerging risks from higher risk-taking in trading and investment.

ESMA will continue monitoring financial activities and retail investor trends, with a particular focus on financial and technological innovation, including crypto asset developments and risks. ESMA's monitoring framework is designed to ensure that financial innovation does not undermine the core objectives of investor protection, financial stability and orderly markets. To prioritise which financial innovations require deeper analysis and potential responses, ESMA has developed the financial innovation scoreboard: a methodology based on quantitative and qualitative assessment. Key analytical areas are digital finance, fintech, crypto assets, suptech/regtech, artificial intelligence, machine learning, and technology risk, including outsourcing to cloud providers and digital operational resilience.

The monitoring also helps ESMA play a proactive role in gathering the necessary market intelligence, collecting data and developing retail risk metrics, systematically reviewing product-related consumer trends, including monitoring cost and performance of retail investor products in the EU and ESG trends. This allows the timely identification of potential causes of consumer and investor harm that will guide the Authority in identifying product risks and determining when and where ESMA will employ its own product intervention powers or other measures at its disposal.

Finally, ESMA will continue monitoring and assessing ESG-related market developments and risks and work on the further integration of climate risks, for example in its stress testing framework through climate scenario and sensitivity analyses. Particular attention will be given to monitoring the evolution of the ESG investment value chain and risks potentially arising in that chain for the various actors, being issuers, financial market participants, data providers or investors.

Main outputs

- Risk monitoring (TRVs and Risk dashboards);
- Annual statistical report series (EU derivatives markets based on EMIR data, EU alternative fund markets based on AIFMD data, EU securities markets based on MiFID II data, EU Credit Rating markets based on CRA data; EU money market funds based on MMFR data; cost and past performance of EU long-term retail investment products);
- In-depth research / thematic analysis (based on specific ad-hoc needs);

- Contribute to risk monitoring by EU and international bodies (ESRB, ESA JC, IOSCO, FSB);
- Ongoing monitoring of product-related retail investor trends, financial activities and innovation, including Fintech;
- Ongoing market intelligence gathering and data collection; and
- Developments of product-related retail risk indicators and of ESG indicators, to be included in the Trends, Risks and Vulnerabilities reports.

2.5 2022-2023 Peer Review Work Plan

Under the revised ESMA Regulation, ESMA prepares a peer review work plan for the coming two years, which shall constitute a separate part of the annual work programme.

Peer reviews are an important tool for supervisory convergence. These exercises focus on achieving an equally high level of supervisory outcomes and on promoting investor protection, orderly markets or financial stability through convergence in the EU. ESMA performs two types of peer reviews: discretionary peer reviews and mandatory peer reviews. Discretionary peer reviews are exercises performed on topics approved by the Board of Supervisors, whereas mandatory peer reviews are required by sectoral EU legislation. ESMA also follows up on the recommendations made in the context of previous peer reviews.

This section provides details on the peer reviews to be undertaken in 2022 and 2023.

ESMA retains flexibility on the discretionary peer reviews listed below, so to better frame their scope as most appropriate closer to their starting date, to replace the topics or add one in case more pertinent matters arise in view of developing risks or problems. Such adjustments will be disclosed in ESMA's 2023 Annual Work Programme.

Discretionary and mandatory peer reviews

Key objective(s)

Foster an equally high level of supervisory outcomes and promote investor protection, orderly markets or financial stability through convergence in the EU.

In 2022 ESMA expects to conclude four peer reviews commenced in 2021 as planned under the 2021 Annual Work Programme, namely two discretionary peer reviews one on the **supervision of cross-border activities of investment firms** and one on **NCAs' handling of relocation to the EU27 in the context of the UK's withdrawal from the EU**, and two mandatory peer reviews, one on the **scrutiny and approval procedures of prospectuses**, and one on the **supervision of CSDs providing cross-border services or participating in interoperable links**.

In addition, ESMA expects to launch in 2022 and in 2023 the following peer reviews:

Mandatory Peer Reviews

CCP annual peer reviews

In 2022 and 2023, ESMA will carry out yearly peer reviews on the supervision of CCPs. These peer reviews are mandated under EMIR, requiring that to further strengthen consistency in supervisory outcomes, ESMA conducts every year a peer review of the supervisory activities of all competent authorities in relation to the authorisation and the supervision of CCPs. In 2022, the annual CCPs supervision peer review is expected to focus on due diligence on clearing members. In 2023, the annual CCPs supervision is expected to focus on concentration risk.

Implementation of the securitisation simple, transparent and standardised (STS) criteria peer review

In 2022, ESMA will carry out a peer review on the implementation of the STS criteria for asset-backed commercial paper (ABCP) and non-ABCP securitisation (transaction and programme level). This peer review is mandated by the Securitisation Regulation requiring that ESMA carries it out three years from the date of application of the Regulation.

Discretionary peer reviews

Supervision of depositary obligations peer review

In 2022, ESMA expects to launch a discretionary peer review on the depositary obligations under the UCITS Directive and AIFMD. The peer review would focus on the oversight and safekeeping functions of depositaries, which play a key role for the protection of investors.

Trading Venues – Provision of market data (pre- and post-trade transparency) by trading venues peer review

ESMA will carry out **in 2023 a discretionary** peer review on NCAs' supervision of Trading Venues, namely on requirements linked to the provision and the cost of market data. This peer review will start later than expected i.e. early 2023 instead of 2022.

Delegation and outsourcing peer review

In 2023, ESMA plans to launch a discretionary peer review on delegation and outsourcing. The exact scope of the peer review, including sectors to be covered, will be further defined and notably in light of the outcome of the peer review on NCAs' handling of relocation to the EU in the context of the UK's withdrawal from the EU.

Fast-track peer reviews

In addition to the above peer reviews and in case of urgency or unforeseen events, when a peer review is considered the appropriate tool, ESMA may also decide to carry out a fast-track peer review as a flexible alternative to standard peer reviews.

Main outputs	<p>In 2022, ESMA expects to report on:</p> <ul style="list-style-type: none"> – Peer review on the supervision of cross-border activities of investment firms; – Peer review on NCAs’ handling of relocation to EU27 in the context of the UK’s withdrawal from the EU; – Peer review on supervision of CSDs providing cross-border services or participating in interoperable links; – Peer review on prospectus scrutiny and approval; – Peer review on the implementation of STS criteria; and – Peer review on CCP supervision (business continuity). <p>In 2023, ESMA expects to report on:</p> <ul style="list-style-type: none"> – Peer review on supervision of depository obligations; – Peer review on provision of market data by Trading Venues; – Peer review on CCP supervision (due diligence on clearing members). <p>ESMA will report in 2024 on peer reviews launched in the course of 2023 but not completed in the same year.</p>
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Follow up to previous peer reviews

Key objective(s)	Assess the adequacy and effectiveness of the actions undertaken by NCAs in response to the follow-up measures of a peer review.
<p>In 2022 ESMA expects to conclude two follow-ups commenced in 2021, namely on the peer review on the Guidelines on Enforcement of Financial Information and on the peer review on the Guidelines on ETFs and other UCITS issues.</p> <p>In addition, ESMA expects to follow up in 2022 and 2023 on the following peer reviews conducted between 2017 and 2021:</p> <ul style="list-style-type: none"> – Peer Review on Certain Aspects of the Compliance Function under MiFID I; – Peer review into supervisory actions aiming at enhancing the quality of data reported under EMIR; and – Peer review on the collection and use of STORs under MAR as a source of information in market abuse investigations; and – Fast track peer review on the application of the guidelines on the enforcement of financial information by BAFIN and FREP in the context of Wirecard. 	
Main outputs	<p>In 2022 and 2023, ESMA expects to report on the follow-up to:</p> <ul style="list-style-type: none"> – Peer Review on the Guidelines on the Enforcement of Financial Information; – Peer Review on the Guidelines on ETFs and other UCITS issues;

- Peer Review on Certain Aspects of the Compliance Function under MiFID I;
- Peer review into supervisory actions aiming at enhancing the quality of data reported under EMIR;
- Peer review on the collection and use of STORs under MAR as a source of information in market abuse investigations; and
- Fast track peer review on the application of the guidelines on the enforcement of financial information by BAFIN and FREP in the context of Wirecard. This will be the first follow-up under the Methodology adopted in May 2020 (ESMA42-111-4966).

2.6 ESMA as an organisation

This part includes the horizontal sub-activities, which support fulfilling ESMA’s mission, to enhance investor protection and promote stable and orderly financial markets. It includes the work implemented in the areas of stakeholder relations, communication, governance, strategic planning and reporting, and risk management, assurance and accountability.

2.6.1 Governance and External Affairs

Key objectives

Support ESMA’s external and internal communications through the development and use of the relevant tools (publications, infographics, digital marketing, website and social media).

Support an effective and efficient organisation, through a robust governance. Facilitate strategic direction and provide annual and multi-annual planning and reporting.

Lead and co-ordinate ESMA’s relationship with the EU Institutions, including monitoring and advising on all legislative processes within ESMA’s remit, as well as support to the budgetary proceedings.

Ensure accountability vis-a-vis the European Parliament and the Council of the European Union. Develop and protect ESMA’s reputation among EU Institutions.

Lead and coordinate ESMA’s relationships with international standard setting bodies (e.g., IOSCO, FSB) and non-EU regulators. Organise ESMA’s work on regulatory equivalence, by monitoring regulatory and supervisory developments in third countries considered equivalent to the EU framework and advising the EC with technical input where new equivalence decisions could be granted.

Provide support to ESMA in the areas of organisational risk management, audit and accountability.

Ensure effective relationship with all relevant key stakeholders.

This activity provides active support to the whole organisation through the following ongoing tasks:

Governance: ESMA provides support to the Board of Supervisors, the Management Board, the CCP Supervisory Committee, the Joint Committee and the Board of Appeal, assisting internal governance bodies and providing support to senior management.

Planning and Reporting: The 2020-2022 strategic orientation coming to an end, ESMA will develop a new multi-annual strategic orientation for the authority. In line with its obligations under its founding regulation and financial regulation, in 2022 ESMA will produce a programming document for the 2023 to 2025 period, including a detailed annual work programme for 2023. It will also continue to report to the Management Board and the public on the execution of the work programme notably via regular management reporting, including through key performance indicators, and via its annual report.

Engagement with stakeholders: open and transparent contact with stakeholders supports ESMA's work. ESMA will continue its engagement with stakeholders, in particular by actively engaging with the Securities and Markets Stakeholders Group (SMSG) and consultative working groups, whilst continuing ESMA's broader stakeholder outreach, with a special effort to engage with investors representatives and representatives of small and medium-sized enterprises to seek to receive direct feedback and input. ESMA will enhance its stakeholder outreach by stepping up on its digital presence and by making active use of virtual meetings. ESMA will continue to value its stakeholder interactions including a consistent approach to and transparency around the use of Q&As.

Relationship with the EU Institutions: Robust, trusted and deep inter-institutional relationships, primarily with the European Union Institutions (European Parliament, Council of the European Union, European Commission and European Central Bank) are key for ESMA to execute its tasks in a transparent and accountable manner. This includes ESMA's participation at the Financial Services Committee (FSC), the Economic and Financial Committee – Financial Stability Table (EFC-FST), informal ECOFIN meetings in the Council as well as all regular interactions with the European Commission and the European Parliament, notably its ECON, BUDG and CONT Committees. Among others, ESMA's objective is to provide technical advice and input into legislative and non-legislative proceedings in the areas within its remit, with the view of upcoming priorities. ESMA's interactions with the Institutions, include also regular participation in Hearings/Scrutiny proceedings of the European Parliament and Budgetary Discharge processes.

International relations and equivalence: ESMA continues to develop strong relations and cooperation with international regulatory bodies (IOSCO, FSB) and non-EU securities regulators with both policy and supervisory angles. This includes primarily participation in various IOSCO and FSB Groups, Committees, Task Forces and other workstreams at all levels, as well as ongoing bilateral dialogue with authorities from non-EU jurisdictions. ESMA also engages with these authorities as part of its ongoing equivalence monitoring activity,

on which an Equivalence Monitoring Report is produced annually, and to the extent necessary, as part of ESMA's technical work on conducting initial equivalence assessments. This aspect of ESMA's work also ties in with ESMA's overall monitoring of regulatory and supervisory developments in third countries.

Proportionality: ESMA will endeavour to take into account the nature, scale and complexity of the risks inherent to the activities of the market participants when developing the EU Single Rulebook and carrying out its direct supervision. ESMA has established an Advisory Committee on Proportionality (ACP) to advise on how specific differences prevailing in the sector, should be taken into account when applying its actions and measures. ESMA will actively assess the proportionality of a selection of existing Acts as part of its focus on ex-post assessments.

ESMA will continue its impact analysis carried out as part of the development of new acts and will provide steer on how to consider proportionality in that context.

Communications: The work will focus on the communication of ESMA's work in support of its overall objectives and 2022 priorities to key audiences, developing an overall corporate communications strategy, including the definition and implementation of its external and internal communications strategies. In support of these strategies, and its outreach to stakeholders, ESMA will design and launch a new website and a new intranet in 2022, which will facilitate increased digital and multimedia output.

Internal Control: The work includes leading and co-ordinating the assessment of the internal control framework. In addition, the function of internal control will provide support on ESMA's policies, procedures including advising on compliance and co-ordinate the maintenance of ESMA's register of policies and procedures and will lead and co-ordinate the organisational risk assessment. ESMA will continue to liaise regularly with internal and external auditors.

Main outputs

- Strategic Orientation;
- 2023-2025 Programming Document;
- 2023 Annual Work Programme;
- 2023 Joint Committee Annual Work Programme;
- Implementation of 2022 Communications Action Plan;
- 2022 Finalisation and go-live of new website;
- 2022-23 New intranet design and implementation;
- 2021 Annual Report;
- 2021 Joint Committee Annual Report;
- 2022 Organisational risk assessment and Financial cluster risk assessment peer review;
- Internal Control reports on access rights, sensitive functions and analysis of exceptions;
- Assessment of implementation of Internal Control framework;
- Annual Equivalence Monitoring Report; and
- Proportionality assessments.

2.6.2 Legal

Key objectives

Provide sound and focused legal advice to ESMA's governance bodies and ESMA Staff to promote informed and legally sound decision-making.

Enhance the legal drafting and soundness of legal acts adopted by ESMA, notably through the sign-off process of draft technical standards and legal review of Guidelines.

Facilitate legally-sound exchange of confidential information.

Facilitate the settlement of disagreements between National Competent Authorities in cross-border situations.

Continue to enhance the efficiency of ESMA's complaints handling process and advise the Board on breach of Union law cases.

Promote good administrative behaviour through inter alia the timely handling of requests for access to documents.

Promote a strong ethical culture at ESMA through awareness raising and monitoring of compliance with the Conflict of Interest policy.

Promote data privacy by design throughout ESMA's activities and foster compliance and transparency in ESMA's processing of personal data.

Legal advice: Legal advice fosters sound and consistent interpretation of applicable legal or regulatory provisions falling under ESMA's remit.

Legal review: Legal reviews are necessary to ensure the legal quality and soundness of ESMA's contributions to the single rulebook and to supervisory convergence, as well as its supervisory decisions thus ensuring the legality of ESMA's decisions and activities. The role of legal review of supervisory decisions will become more critical in the context of the new direct supervisory powers attributed to ESMA.

Litigation: Successful representation of ESMA before the EU Ombudsman, the Board of Appeal and eventually the Court of Justice is key for the support of ESMA's decisions and the protection of Union interests. Where needed, ESMA will be represented and defended by its own legal team in court proceedings, unless there is a lack of specific expertise or of available resource.

ESMA stands ready to assist NCAs in settling their disagreements with a cross border dimension, either at the request of one or more national competent authorities concerned or, when so provided in sectoral acts, at its own initiative.

ESMA remains committed, where appropriate, to initiate breach of Union law investigations. A focus will be placed on protecting the reporting persons. Effective detection and prevention of breaches of Union law require ensuring that complainants can easily and securely bring the information they possess to ESMA's attention. On the processing of complaints, ESMA

will promote a better use of the reporting channels to improve the ratio of admissible versus non admissible complaints.

Good administration principles as well as adherence to data protection and ethics rules are at the core of ESMA's handling of its missions.

Data protection: Compliance with the European Data Protection Regulation through awareness raising and the promotion of privacy by design, through a timely preparation and update of records of processing operations, as well as through an exhaustive and updated public register and easily accessible privacy statements continues to be promoted. A specific risk-based approach is applied to third-party engagement, with an enhanced focus on international transfers and the effective use of the new European Commission standard contractual clauses. An enhanced dialogue with the European Data Protection Supervisor and other Data Protection Officers will continue to be encouraged to promote good practices and ensure an efficient use of ESMA's resources.

Ethics: As a maturing and growing organisation, it is important to ensure that ethics and integrity rules are well-known and adhered to. Therefore, a specific effort will be made to provide training and raise awareness of staff including but not limited to (all) newcomers. ESMA will continue to strive for the highest ethical standards, including through conducting surveys on topical issues such as dealing in financial instruments and professional secrecy rules, and stands ready to perform ad hoc checks as appropriate. ESMA will also revisit its anti-fraud strategy for 2022-2025.

Transparency: Ensuring that ESMA acts as a transparent and accessible organization will remain an objective of good administration. This is achieved in particular through ESMA's public register of rules and policies, through the timely handling of requests for access to documents or through the gradual development of ESMA's public interactive single rule book, which aims at covering most legal acts under ESMA's remit over time. More recently, following the EU Ombudsman recommendations, ESMA has also engaged in progressively making core sections of ESMA's website available in all the languages of the Union.

Main outputs

- Sound and focused legal advice especially in the context of the new powers of ESMA;
- Legal review of ESMA's acts especially binding supervisory decisions and legal sign-off of technical standards, guidelines and opinions;
- Timely and efficient handling of access to documents requests;
- Anti-fraud strategy 2022-2025;
- Implementation of EC Standard Contractual Clauses; and
- Development of Interactive Single Rulebooks for EMIR and the Prospectus Regulation.

2.6.3 Supervisory convergence work across all sectors

Key objective

Promote a common EU risk-based and outcome-focused supervisory and enforcement culture, notably through convergence actions being driven by risks and problems identified in the EU and having a potential high impact on investor protection, orderly markets or financial stability. Select appropriate convergence tools taking into account the nature of risks and problems identified.

Foster similar outcomes through reinforced dialogue and co-operation among NCAs' supervisors and enforcement specialists. Co-ordinate supervisory action by issuing and following up on Union Strategic Supervisory Priorities and promoting the co-ordination of NCAs' supervisory activity.

Increase knowledge on EU financial markets and NCAs' organisation, resources and independence in that respect.

ESMA will continue working with NCAs to promote a risk-based and effective supervision in the EU leading to similar supervisory outcomes.

ESMA – together with the NCAs – will consolidate its risk-based approach to supervisory convergence, by monitoring supervisory risks and problems that have a high potential impact in the EU on investor protection, orderly functioning of markets or financial stability. This structured risk and problem identification exercise will drive the prioritisation of supervisory convergence activities and will inform NCAs' supervisory planning as applicable. In parallel, ESMA will continue promoting and enhancing NCAs' risk-based and problem-driven approaches to supervision. In particular, ESMA expects to create opportunities for increased awareness and dialogue across NCAs of their respective risk-based approaches to supervision, facilitate peer learning and development of high-quality risk identification and monitoring approaches.

Building on this, ESMA will work with NCAs to ensure that the risks and problems identified are addressed, tailoring the convergence tools used to the nature and scale of risks and problems. ESMA will review and complete, if needed, its supervisory convergence toolkit to ensure the identification of the appropriate tool(s) based on the risks / problems identified. ESMA will also be exchanging with NCAs on the mitigation of risks and problems identified and the effectiveness of measures taken.

ESMA will also identify the actions to be taken under the two Union Strategic Supervisory Priorities that relate to costs and performance for retail investment products and market data quality, co-ordinate related supervisory action with NCAs and undertake appropriate follow-up where necessary in order to provide a structured and comprehensive response to such key risks. In addition to these initiatives, ESMA will foster supervisory coordination also through the tool of Voluntary Supervisory College.

ESMA will work on building trusted networks of supervisors and enforcement specialists to reinforce the EU supervisory framework. In particular, to promote a common supervisory culture ESMA will continue promoting discussions among supervisors, around risks and problems and supervisory cases to foster exchange and development of effective methods, approaches and capabilities.

Through its Enforcement Network, building on the inventory of sanctions and measures developed in 2021, ESMA will work on enhancing the quality of reporting of enforcement decisions adopted by NCAs in the dedicated ESMA registers. ESMA will also explore the possibility to identify common criteria for the referral of cases to enforcement and will launch a mapping exercise of current referral practices at national level. In addition, building on national practices, the Enforcement Network will continue to look into possible efficiency gains to foster timely enforcement actions and messages to the market, including via settlement arrangements, when available. Last, ESMA will start discussions on the national approaches to the publication of sanctions, with a view to foster convergence of practices, including in applying exemptions from publication.

Given the pervasiveness of certain risks and problems, ESMA will work on building common approaches and opportunities for addressing cross-sectoral or cross-border issues.

The Common Supervisory Handbook will be kept updated with the aim to foster convergence in the supervisory outcomes.

Following the report on NCAs' independence, ESMA will develop criteria supporting assessments of independence through peer reviews.

ESMA will continue bringing together supervisors from NCAs to exchange views on strategic and topical supervisory issues. ESMA will organise a number of trainings and knowledge sharing events related to regulatory developments, identified risks and findings of the peer-reviews.

Main outputs	<ul style="list-style-type: none"> - Convergence actions driven by risk and problem identification; - Increased dialogue and awareness on NCAs' risk-based approaches to supervision; - Actions under the two Union Strategic Supervisory Priorities, monitor their implementation and undertake follow-up on previous year's initiatives; - Mapping of national approaches to enforcement referrals; - Keep the Common Supervisory Handbook updated; and - Host and organise trainings for the NCAs.
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2.6.4 Data Reporting and Management

Key objective	<p>Perform data management and statistical analyses in order to support ESMA's activities, focussing on improving data quality, integration and usability, in close co-ordination with NCAs.</p> <p>Enhance the data quality for the different reporting regimes.</p>
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In line with its Data Strategy, ESMA’s data reporting and management work supports all ESMA’s activities: by promoting similar reporting practices across jurisdictions, defining IT systems, ensuring data quality, computing indicators and providing supporting evidence; by contributing to the definition of reporting regimes and providing the statistics to perform this task; and by supporting the analysis of the data provided by CRAs and TRs to ESMA.

In 2022, ESMA and NCAs will continue its supervisory convergence work by designing and implementing data quality action plans on recent reporting regimes such as MMFR, SFTR, PR and will continue with pre-existing quality action plans such as AIFMD, EMIR or MiFIR/MiFID. Emphasis will be placed on ensuring data usability to support all ESMA activities and those of NCAs and other stakeholders and on having a common approach to data quality supervision. This will be achieved by supporting the entities that report data to ESMA, developing and applying data processes and statistical analyses to improve the quality of data and contribute to its enhancement, and processing both data provided through reporting regimes and commercial data and statistical reports. ESMA’s new supervisory mandates for securitisation repositories, data reporting service providers and benchmark administrators will require the setup of data driven analyses.

Finally, efforts will include further combination of data to support analysis, the development of supervisory methodologies for data analysis and quality monitoring, the enhancement of data analytical systems and methodologies including preparing future use of machine learning techniques and big data infrastructure, and the possible delegation of data quality activities.

ESMA maintains and operates over 30 IT systems that it has built in response to legislative mandates. In 2022, ESMA will have an enriched dataset with sources from the previously established framework - MiFID II/MiFIR, AIFMD, EMIR, UCITS, MAR, CSDR, SFTR, Credit Rating Agencies (RADAR), Benchmarks – as well as regulatory data from future or reviewed frameworks such as the Prospectus, STS Securitisation, MMF Regulation, Crowdfunding Regulation, and from third-country CCPs.

Main outputs	<ul style="list-style-type: none"> - Maintenance of ESMA’s data processing and storage systems; and - Maintenance of an overview of data quality for main datasets reported to ESMA.
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2.6.5 Human Resources

Key objective	<p>Deliver HR services, enabling ESMA to attract, deploy and retain the talents required to achieve its objectives, and ensuring efficient HR administration while at the same time fulfilling the regulatory requirements of an EU authority.</p>
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Staff is key for an organisation like ESMA and plays a pivotal role in its ability to successfully perform its duties and achieve its goals. Attracting, selecting, training, developing and keeping

the right talents is essential, and this at all levels of the structure, and even more so when growing at a rapid pace.

Therefore, recruitment remains a key activity in 2022 as ESMA will need to hire new staff members linked to ESMA’s new powers and responsibilities, with the necessary expertise in these fields. Doing so, ESMA will continue to monitor and maintain diversity and inclusion, including gender balance.

Onboarding and integration of the many newcomers following the high level of recruitments in 2021 and 2022 will be a key challenge for the operational functionality of ESMA.

The Human Resources function will also continue to support ESMA staff in their development and HR needs, notably by further promoting internal mobility and developing continuous training, including for management.

It will also contribute to the adaptation of the organisation to the post COVID-19 situation, not only in terms of HR policies and procedures and compliance with new requirements, but also in terms of change management, workplace culture and technology.

In parallel, the key project for 2022 is the simplification/phase out of legacy HR systems and further implementation of Sysper, the HR system of the European Commission.

Main outputs	<ul style="list-style-type: none"> - Recruitment/induction of new staff; - Training and development of staff; and - Further implementation of HR EU System – Sysper.
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2.6.6 Finance and Procurement

Key objective	Further align the financial and procurement function to the ESMA strategy by continuing enhancing the efficiency of financial and procurement processes.
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In 2022 ESMA will have to manage a growing and increasingly complex budget.

It will start collecting fees for the ESAs Review supervisory mandates (Benchmarks and Data Service Providers), on top of the other set of fees previously set up e.g., CRA, TR, SFTR, STS, EMIR 2.2. Therefore, 2022 will be the first year where ESMA will collect fees for all the seven direct supervisory mandates under its remit. It will be crucial to ensure the efficient and smooth functioning of ESMA’s overall fee management system and legislation.

Moreover, it is foreseen that in 2022 ESMA will implement its budget planning and costing on the basis of a fully re-scaled Activity Based Management tool. This new platform will allow ESMA to continue to accurately plan and report on the allocation of its resources, and to adapt more quickly to any new internal organisation, tasks or mandates. It will also enhance

transparency and accountability, notably to monitor the alignment between costs and fees. With this new tool, ESMA will run its newly adapted methodology to ESMA's new powers, with a new structure enhancing transparency and accountability for stakeholders.

Main outputs

- Budget management;
- Revenue collection including fee management;
- Procuring goods and services;
- Financial contract management; and
- Payments and reimbursements.

2.6.7 Corporate Services

Key objectives

Provide proactive and effective support to ESMA by ensuring the smooth running of the facilities of the Authority and the acquisition of goods and services, in accordance with the EU public procurement rules and procedures.

Protecting the health and safety of ESMA staff and visitors.

Provide support to ESMA's core business by organising missions and events and an appropriate working place for staff and visitors.

ESMA will adapt its services (meetings, premises, missions) as necessary to the post-COVID-19 situation. This will likely entail the implementation of new tools, for example for visitors' management or desk use.

ESMA aims to be a sustainable organisation. Notably, ESMA plans to finalise its EMAS certification. The EU Eco-Management and Audit Scheme (EMAS) is a premium management instrument developed by the European Commission for companies and other organisations to evaluate, report, and improve their environmental performance.

Main outputs

- Maintenance of ESMA's premises;
- Continued revision of policies, procedures and working instructions in particular in the field of mission, events and catering management, document management; and
- Maintain a high level of Corporate Services support.

2.6.8 Information and Communication Technologies

Key objectives

Provide effective and proactive ICT support to staff and manage ESMA's ICT resources in a flexible and efficient way.

Promote supervisory convergence and manage financial information through building and maintaining relevant IT systems, with the objective

	<p>to collect, exchange, analyse and disseminate securities and financial markets information as required by relevant EU legislations.</p> <p>Manage financial information, in particular, collect, exchange, analyse and disseminate securities and financial markets information as required by EU legislation.</p> <p>Contribute to ESMA's operations by leveraging information technologies, by delivering IT services and solutions, and advise and collaborate with all ESMA's departments to deliver its objectives.</p>
	<p>ESMA will ensure the maintenance and lifecycle upgrades of tools such as computers, mobile, and printing devices, email and calendar, communications tools, as well as providing support to internal and external users of ESMA's IT systems.</p> <p>There will be a continued need to enhance and extend the current data capabilities, notably regarding the new mandates related to the supervision of the third-country CCPs, DRSPs (data reporting service providers), critical benchmarks, and third-country investment firms. Therefore, new projects will be executed in order to deliver the capabilities required by the new direct supervision mandates.</p>
<p>Main outputs</p>	<ul style="list-style-type: none"> - ICT digital workplace tools delivery, supported by communication, change management, and user support processes; and - Execution and delivery of the IT projects and programmes related to supervisory convergence and direct supervision objectives, according to the defined programme and project management processes and methodologies.

Annex I. Human Resources

On 31 January 2021 ESMA provided a multi-annual 'Programming Document' to the EU Institutions. This included a multi-annual work programme with financial and staffing outlook for 2023 and 2024, as well as a detailed annual work programme with a budget and staffing request for 2022.

The following tables replicate ESMA’s 2022 budget request, as approved in the SPD 2022-2024. ESMA’s resources for 2022 will become final once the EU budget is decided upon at the end of 2021 by the Budget Authority⁸.

2022 draft Establishment Plan (temporary posts)			
AD 16	1		
AD 15	3	AST 11	
AD 14	1	AST 10	
AD 13	5	AST 9	
AD 12	13	AST 8	2
AD 11	18	AST 7	3
AD 10	30	AST 6	3
AD 9	45	AST 5	
AD 8	43	AST 4	1
AD 7	34	AST 3	
AD 6	23	AST 2	
AD 5	10	AST 1	
AD total	226	AST total	9
GRAND TOTAL		235	

Contract Agents (FTE)	2022 draft estimate
Function Group IV	71
Function Group III	30
Function Group II	
Function Group I	
Total	101

Seconded National Experts (FTE)	2022 draft estimate
Total	15

⁸ The Budget Authority is formed by the Council of the European Union and the European Parliament



Annex II. Draft budget

The following tables replicate ESMA's 2022 budget request, as approved in the SPD 2022-2024. The draft budget will not be final until agreed by the Budgetary Authority.

REVENUE	
Fees from CRAs	10,253,024
Fees from TRs under EMIR	1,929,821
Fees from TRs under SFTR	1,070,955
Fees from SR	925,040
Fees from EMIR 2.2	4,767,583
Benchmarks	897,448
DRSP	4,922,002
EU contribution	17,530,233
Contribution from National Competent Authorities	27,293,765
Contribution from EEA/EFTA	845,008
Contribution for delegated tasks	334,000
TOTAL REVENUE	70,768,879

EXPENDITURE	
Staff expenditure	46,508,879
Infrastructure and administrative expenditure	8,330,000
Operating expenditure	15,530,000
Delegated tasks	400,000
TOTAL EXPENDITURE	70,768,879



Annex III. ESMA's Key Performance Indicators

ESMA has defined a list of Key Performance Indicators that are reported to the Management Board. ESMA's work programme in 2022 will be measured against these indicators.

Activity	Key Performance Indicator	Target
Promoting supervisory convergence	Business related KPIs	
	Reported compliance rate with GLs	
	Peer reviews & follow-ups	
	IT-projects related KPIs	
	% of projects' phases delivered compared to planned	80%
Assessing risks to investors, markets and financial stability	% projects budget execution for the current year	
	% maintenance budget execution for the current year	
	% of open tickets versus closed (YTD)	>95%
	Risk monitoring reports delivered against work plan	10
Completing a single rulebook for EU financial markets	Number of risk issues analysed	8
	Coverage of ESMA databases under central data management	90%
	Percentage of technical standards reviewed	
Direct supervision of specific financial entities	Percentage of risk scenarios which triggered a supervisory action and resulted in a drop in the risk following the action	
	The time a firm takes to proceed to remedial actions following ESMA's supervisory action	
	Number of resources spent per identified risk issue	
	Number of cases meeting the time designated for the overall enforcement process	
Organisational implications	% Rate of implementation of Commitment Appropriations	>95%
	% Rate of cancellation of Payment Appropriations	<5%
	% Rate of payments executed within legal/contractual deadlines	>95%
	% Average vacancy rate	<10%
	% of completion of the activities of the Annual Work Programme	
	Rate of implementation of audit recommendations	>85%



Annex IV. Acronyms

AIFMD	Alternative Investment Fund Managers Directive
APAs	Approved Publication Arrangements
APM	Alternative Performance Measures
ARMs	Approved Reporting Mechanisms
BMR	Benchmarks Regulation
CCP	Central Counterparty
CEAOB	Committee of European Audit Oversight Bodies
CMU	Capital Markets Union
CPMI	Committee on Payments and Market Infrastructures
CRA	Credit Rating Agency
CRAR	Credit Rating Agency Regulation
CRR	Capital Requirements Regulation
CSDR	Central Securities Depositories Regulation
CSDs	Central Securities Depositories
DQAP	Data Quality Action Plan
DRSP	Data Reporting Service Providers
EBA	European Banking Authority
ECAIs	External Credit Assessment Institutions
ECB	European Central Bank
ECOFIN	Economic and Financial Affairs Council
EFC	Economic and Financial Committee
ESAs	European Supervisory Authorities
EECS	European Enforcers Co-ordination Session
EFRAG	European Financial Reporting Advisory Group



EIOPA	European Insurance and Occupational Pensions Authority
ELTIF	European Long-term Investment Funds
EMIR	European Market Infrastructure Regulation
ESEF	European Single Electronic Format
ESG	Environmental, Social and Governance
ESRB	European Systemic Risk Board
EuSEF	European Social Entrepreneurship Funds
EuVECA	European Venture Capital Funds
FSB	Financial Stability Board
FTE	Full Time Equivalent
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IIO	Independent Investigation Officer
IOSCO	International Organization of Securities Commissions
ISA	International Standards on Auditing
ITS	Implementing Technical Standard
JC	Joint Committee
LEI	Legal Entity Identifier
MAR	Market Abuse Regulation
MiFID	Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
MMFs	Money Market Funds
MMFR	Money Market Funds Regulation
NCA	National Competent Authority
NPL	Non-Performing Loans



OTFs	Organised Trading Facilities
PRIIPs	Regulations on Packaged Retail and Insurance-based Investment Products
RTS	Regulatory Technical Standards
SFTR	Securities Financing Transactions Regulation
SR	Securitisation Regulation
SSR	Short Selling Regulation
STS	Simple, Transparent and Standardised (Securitisation)
TC-CCP	Third Country Central Counterparty
TR	Trade Repository
TS	Technical Standard
UCITS	Undertakings for Collective Investment in Transferable Securities