

# 2025 Annual Work Programme

Agence Europe

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# 1 Foreword

In October 2022 the European Securities and Markets Authority (ESMA) published its multi-annual Strategy covering the period 2023-28<sup>1</sup> (ESMA Strategy), which establishes three strategic priorities and two thematic drivers as illustrated in the figure below. ESMA's 2025 Annual Work Programme is structured around the implementation of the ESMA Strategy, fulfilling ESMA mandates and building on the activities executed in 2023-2024.



ESMA recently published a position paper<sup>2</sup> outlining recommendations on how to strengthen the European Union (EU) capital markets, focusing on three key areas: citizens, companies, and the EU regulatory and supervisory framework. In 2025, ESMA will begin work on those aspects within its control while working with co-legislators and others in order to support the construction of European Capital Markets Union.

As part of this work, ESMA will pursue its efforts to streamline existing rules and cut red tape where possible in order to make the regulatory framework more agile and thus reducing the compliance burden for businesses. ESMA will continue engaging with industry and other stakeholders to continually identify areas of improvement.

ESMA will also take into account the new Commission's agenda, post 2024 elections, while maintaining its commitment to current priorities.

## 1.1 Current market context

ESMA's work program for 2025 aims to address the persistent challenges facing the EU, its citizens, and capital markets within an economic context marked by regulatory transitions and the evolving impact of technology.

<sup>1</sup> [ESMA Strategy 2023 - 2028 \(europa.eu\)](https://europa.eu/esa/strategy)

<sup>2</sup> [Building more effective and attractive capital markets in the EU \(europa.eu\)](https://europa.eu/esa/strategy)

With the improving inflationary outlook and anticipated interest rate levels, there has been a return to search-for-yield behaviour and strong market performance early in 2024. Yet, as seen in bursts of volatility in the summer, markets remain highly sensitive to developments in a context of ongoing economic and geopolitical uncertainties. . This necessitates heightened vigilance from ESMA to identify and mitigate emerging risks effectively.

Faced with these challenges, there is a renewed urgency to strengthen capital markets in the EU. Based on the ESMA Position Paper on building more effective and attractive capital markets in the EU, ESMA will continue to push for progress in reshaping our capital markets to be able to meet the financing needs of the EU, in particular regarding the green and digital transitions.

Concerning both the green and digital transitions, specific work in these areas remain priorities for ESMA. In 2025, ESMA will intensify its focus on implementing the sustainable finance legal and supervisory framework, combating greenwashing, and promoting transparency in sustainable investments. On the digital front, ESMA will focus on financial innovation, particularly in the area of artificial intelligence (AI) with the aim of ensuring investor protection and market integrity. The regulatory landscape is undergoing significant changes. The entry into application of the Digital Operational Resilience Act (DORA) in 2025 necessitates a robust supervisory approach to ensure the resilience of critical financial services in the face of digital threats. The implementation of the Regulation on Markets in Crypto-Assets (MiCA) demands ESMA's expertise to establish an effective and convergent supervision across the EU in relation to this new regulatory regime.

In 2025, ESMA will also focus on enhancing cross-border cooperation among EU supervisors, improving data quality, and leveraging on technology to streamline supervision. The objective is to foster a resilient, transparent, and sustainable European financial system that serves the needs of all stakeholders. Additionally, ESMA will continue developing its data hub to provide a shared platform for its stakeholders and will finalise preparations to launch the first phase of the European Single Access Point (ESAP) in 2026, aiming to create a centralised platform for easy access to public data and information on securities markets.

Finally, the evolution of settlement cycles internationally and the observed trend from T+2 to T+1 settlement cycles is impacting the way in which stakeholders operate. ESMA should publish before the end of 2024 its report on the shortening of the settlement cycle in the EU. Following this, in 2025 ESMA will likely continue working on this file through an active involvement in preparatory work and coordination with the relevant public and private sector stakeholders towards shortening of the settlement cycle according to the roadmap that will be proposed in ESMA's report.

## **1.2 Key new legislative files impacting on ESMA in 2025**

Beyond supporting the EU transition towards a greener and more sustainable economy and addressing the impact of digitalisation and technology in the area of financial markets, ESMA will be committed to making EU capital markets more effective and efficient. To this end, ESMA

will carry out the missions entrusted to it following the outcome of the legislative negotiations reached during the last legislative term. EU co-legislators reached political agreements during the 2019-2024 term on the reviews of the European Market Infrastructure Regulation (EMIR), the Markets in Financial Instruments Regulation (MiFIR) and Markets in Financial Instruments Directive (MiFID), the Undertakings for Collective Investments in Transferable Securities (UCITS), Directive Alternative Investment Fund Managers Directive (AIFMD), and the European Long-Term Investment Funds (ELTIF) Regulations. EU co-legislators also reached agreements on new legislative files, including MiCA, DORA, the ESAP, the Listing Act, and the EU Green Bonds and ESG Ratings Regulations. Under all these legislative files, ESMA is due to deliver on a series of major technical mandates over the coming years. ESMA's ongoing responsibilities as a supervisor and a datahub will also grow significantly, including through the selection, authorisation and supervision of Consolidated Tape Providers (CTPs), the development of the ESAP, and new supervisory responsibilities under the EU Green Bonds regulation and oversight responsibilities jointly with the other European Supervisory Authorities (ESAs) under DORA .

Ongoing and upcoming legislative projects including the Retail Investment Strategy will continue to shape ESMA's work and responsibilities in the coming years. The exact timing of the associated deliverables will depend on the outcome of negotiations between the co-legislators and notably on the political priorities of the Council and the incoming European Commission (EC) and European Parliament.

## 2 Work Programme 2025

The work programme describes objectives and outputs for each of ESMA's strategic priorities and thematic drivers and for each of the sectors within ESMA's remit. Outputs are divided into three categories: (i) ongoing work; (ii) annual outputs; and (iii) 2025 specific outputs, which are known at this stage. To help guide the reader, the below pictograms are used to indicate the types of outputs presented in different subsections.

**§ Rules:** When mandated, ESMA develops draft technical standards and statutory guidelines which specify technical details of the legislation within its remit.

**📖 Guidance:** ESMA has the power to provide guidance to national supervisors and market participants on how to comply with and supervise the rules and regulations within its remit. Depending on the addressee and the topic, ESMA guidance is delivered as Q&As, validations, opinions, supervisory briefings, or discretionary guidelines/recommendations.

**👥 Convergence activities:** In addition to guidance, ESMA undertakes a range of activities to promote supervisory and enforcement convergence across the single market. These include Common Supervisory Actions (CSAs), peer reviews, case discussions, practice sharing, supervisory colleges, trainings/workshops, and assessments of allegations of breach of Union law by national supervisors.

**👮 Direct supervision:** ESMA directly supervises credit rating agencies (CRAs), trade repositories (TRs) and securitisation repositories (SRs) as well as certain data reporting service providers (DRSPs), certain benchmark administrators and systemically important third-country central counterparties (CCPs). As of 2025, ESMA will oversee with the European Banking Authority (EBA) and European Insurance and Occupational Pensions Authority (EIOPA) designated critical third-party providers (CTPPs). Outputs related to supervision include investigations and on-site inspections; thematic reports as well as decisions on registration, recognition, endorsement, certification and enforcement.

**🔍 Market monitoring:** Outputs include public statements, opinions, warnings, analysis and the issuance of market intervention decisions on short-selling and individual products.

**📖 Reports:** ESMA publishes technical advice and periodic reports to the EC on the application of legislation within ESMA's remit and on supervision and enforcement practices at national level. ESMA also produces research reports and risk analysis articles.

**🌐 International work:** ESMA contributes to risk analysis and standard-setting in international fora including International Organisation of Securities Commissions (IOSCO) and Financial Stability Board (FSB) and cooperates with third-country supervisors and provides technical advice to the EC on equivalence as well as ongoing equivalence monitoring.

**📊 Data use and quality:** Outputs include validation rules and technical reporting instructions relating to data under ESMA supervision as well as data dashboards and visualisation tools.

**💻 Information and communications technology (ICT):** IT projects facilitating the collection, storage, analysis and sharing of supervisory data among ESMA, national supervisors and the public as well as projects to support ESMA's organisation (HR, Finance etc.).

## 2.1 ESMA Strategic Priorities and Thematic Drivers

### 2.1.1 Effective markets and financial stability

#### Key objectives

#### Effective markets objectives:

Contribute to develop a meaningful, proportionate and effective single rulebook across ESMA remit.

Contribute to making the EU Single Market in financial services deep, efficient, liquid and accessible, in particular to small and medium-sized enterprises, to raise capital.

Promote global standards and enhance cooperation and dialogue with international regulatory counterparts.

#### Financial stability objectives:

Identify and analyse key risks and vulnerabilities across the entire ESMA remit to inform the public and guide regulatory and supervisory activities.

Coordinate with and contribute to the work of EU and international bodies on ensuring financial stability.

Enhance the level of preparedness to deal with potential shocks to financial markets and ensure close crisis management cooperation with national competent authorities (NCAs).

#### Effective markets

ESMA will contribute to the development of an integrated EU single market in financial services by providing advice, technical expertise, regulatory provisions, and working on technical standards and guidelines related to the different areas under its scope of competence and notably sustainable finance, digital finance, and in the broader context of building more effective and attractive capital markets in the EU, as outlined in ESMA's position paper.

ESMA will continue reviewing and assessing the single rulebook and associated guidance within its remit with a view to ensure that it is up to date in light of new developments in regulation, technology, risks, business models and investor needs while at the same time striving for reducing burden and complexity for market participants. This guidance will be available on ESMA's website and to the extent feasible - via the interactive single rule book<sup>3</sup>, to ensure that it is easy to navigate.

ESMA will maintain strong relations and cooperation with European Central Bank and European Systemic Risk Board (ESRB), international regulatory bodies (IOSCO, FSB) and non-EU securities regulators in relation to all sectors within its remit including the Bank of England (BoE), the US Commodities and Futures Trading Commission (CFTC) and the US Securities and Exchange Commission (SEC) for CCP supervision, and the UK Financial Conduct Authority (FCA) and the US Securities and Exchange Commission (SEC) for CRAs. ESMA will promote global standards and strong cooperation in the supervision of

<sup>3</sup> <https://www.esma.europa.eu/rules-databases-library/interactive-single-rulebook-isrb>

international cross-border activities. ESMA will contribute to third-country equivalence and adequacy assessments by the EC and delivers decisions on endorsement to enable the provision of specific financial services in the EU.

ESMA will take various initiatives to ensure effective supervision of cross-border activities across the EU or having a significant relevance for the EU, such as facilitating effective information gathering on firms' cross-border activities by home authorities and effective exchange of such information by home and host authorities, and joint supervisory actions.

In 2025, ESMA will deliver level 2 and 3 work as a result of the reviews of MiFIR/MiFID II (see section 2.2.10), EMIR 3 (see section 2.2.7), Central Securities Depositories Regulation (CSDR) (see section 2.2.12), and AIFMD/ UCITS (see section 2.2.1). As part of the MiFIR/MiFID review, ESMA will carry out a selection of CTPs for bonds and for shares including exchange traded funds (ETFs) and their subsequent authorisation (see section 2.2.10). ESMA is also mandated to undertake level 2 and 3 work and other tasks under the Listing Act.

### **Financial Stability and Risk Assessment**

ESMA will monitor market developments and new financial activities in its remit to assess risks to investors, markets and financial stability.

ESMA publishes the result of its risk monitoring activities mainly through the Trends, Risks and Vulnerabilities (TRV) reports (bi-annual) and the ESMA Market Report series. As part of its risk monitoring, ESMA will develop retail risk metrics and review product-related consumer trends, including cost and performance of EU retail products and environmental, social and governance (ESG) trends. The ESMA Market Reports present longer-term structural developments using regulatory data. ESMA also undertakes risk analysis activities such as topical studies to deepen its assessment of market developments and risks and inform its work through two publication series: the TRV Risk Analysis article series and the ESMA Working Paper series.

ESMA assesses the resilience of CCPs to adverse market developments and identify potential risks for financial stability, including with the use of risk assessments, CCP stress tests and more broadly by leveraging on ESMA's analytical capabilities and supervisory data. Following the adoption of EMIR 3 review, ESMA will manage and chair the Joint Monitoring Mechanism to monitor, together with other relevant EU bodies, developments relevant for clearing in the EU and the potential risks arising from the interconnectedness of different financial actors, among others. ESMA's direct supervision, convergence activities and stress testing on CCPs are further described in sections 2.2.6 and 2.2.7.

In addition to its own risk assessment, ESMA will contribute to and coordinate a wide range of activities with EU bodies such as the ESRB and international bodies such as the IOSCO, FSB and Network for Greening the Financial System (NGFS) on a variety of topics including non-bank financial intermediation, stress testing, resolution, Financial Markets Infrastructure (FMI) cross-border crisis management, leverage, market liquidity, ESG, climate risk, crypto assets and financial innovation.

## Main outputs

### Ongoing Activities

- § Providing technical advice and developing the single rulebook as described further in sectoral sections below.
- 🔍 Monitoring/surveillance of developments and risks in financial markets across ESMA's remit.
- 🌐 International work including contributions to risk monitoring workstreams in international fora.
- 📖 ESMA Working Papers.

### Annual Outputs

- 📖 TRV Risk Monitoring reports (TRV, every six months).
- 📖 ESMA market reports.

### 2025 specific outputs

- 📖 TRV Risk Analysis articles: Potential topics include retail investors, climate risk and ESG developments, social media, AI, investment funds, securities markets and infrastructures.

## 2.1.2 Effective Supervision

## Key objectives

Promote common effective, risk-based, data-driven and outcome-focused supervisory and enforcement culture across EU supervisors (NCAs and ESMA direct supervision).

### Direct Supervision objectives:

Deliver timely and quality assessment of registration applications.

Ensure that the entities under ESMA's supervision apply sound corporate governance and meet applicable regulatory requirements.

Identify key industry trends and supervisory risks to support a risk-based, data-driven and outcome-focused supervision.

Continuously enhance ESMA's supervisory efficiency by selecting the supervisory tools that are most effective for the intended supervisory outcome.

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

### Supervisory Convergence objectives:

Develop common understanding of the risks posed to EU capital markets and their severity.

Identify supervisory objectives and outcomes across EU capital markets, and promote effective supervisory work on those, focusing on high priority cross-sectoral risks using the most effective tool(s).

Facilitate constructive exchanges among supervisors on key risks at EU-wide and entity specific level.

Foster convergence on enforcement activities that are the responsibility of national supervisory authorities, with a view to achieving consistent enforcement outcome for similar infringements across the EU.

## **ESMA Direct Supervision**

ESMA directly supervises all EU CRAs, TRs and SRs as well as certain DRSPs, certain benchmark administrators, and third-country CCPs that are systemically important to the EU (Tier 2 CCPs). ESMA has a risk-based, data-driven and outcome-focused approach to supervision and enforcement. As part of its ongoing supervision ESMA produces risk assessments, supervisory work plans, annual reviews, remediation plans for supervised entities, requests to remediate findings of investigations and on-site inspections, thematic reports, and decisions regarding applications for registration, recognition or certification. In case of breaches, ESMA adopts enforcement actions and publishes these on its website.

In 2025, ESMA will continue developing its common supervisory approach for the supervised entities under its remit. Following public consultations in 2024, ESMA expects to publish guidance applicable to several supervised entities in the areas of governance, internal controls and periodic reporting. The guidance will aim to provide a consistent set of expectations and to introduce more proportionality where relevant for the entities under ESMA's supervision. In 2025, ESMA also will focus on preparing for new supervisory mandates such as CTPs, and adapting to the pace of technological and financial innovation. Furthermore, ESMA will further enhance the supervision of the quality of all data reported to or made available by entities subject to its supervision and explore the potential use of AI for risk identification and forensics. ESMA's supervisory work will continue to focus on ensuring the effectiveness of internal controls, cyber security and the compliance with the DORA requirements.

## **Supervisory Convergence**

Based on an assessment of risks, ESMA periodically sets Union-wide Strategic Supervisory Priorities (USSPs) to guide and coordinate the action of national supervisors and to prioritise convergence activities and where applicable its own supervisory activities. In 2025, ESMA expects to continue carrying out work with NCAs on the USSP on ESG disclosures and begin work on a USSP on cyber risk and digital resilience.

ESMA maintains and develops a supervisory handbook with supervisory principles and methodologies. In 2025, ESMA also expects to develop common principles regarding third-party risks. Furthermore, ESMA will work on the application of the principle of risk-based supervision at ESMA and national level.

ESMA engages directly in the work of national supervisors by coordinating CSAs and carrying out peer reviews as described in the sectoral sections below

ESMA will also continue facilitating cooperation and the exchange of information across national supervisors and enforcement experts through its internal groups including through the common assessments of concrete supervisory and enforcement cases.

ESMA is using supervisory colleges to strengthen supervisory dialogue and coordination of certain supervised entities/ groups operating in multiple member states. For example, ESMA is a member of supervisory and resolution colleges for CCPs and will start co-chairing CCP supervisory colleges upon the adoption of EMIR 3 review (see section 2.2.7), and the chair of a supervisory college for Euro Interbank Offered Rate (EURIBOR) Benchmark (see section 2.2.4). In 2025, ESMA will also coordinate 4 voluntary supervisory colleges on large

cross-border investment firms and asset managers and may consider establishing additional ones if needed, including on new market players (e.g. crypto-asset service providers (CASPs)). Following the CSDR review, ESMA will become member of supervisory colleges for central securities depositories (CSD) whose activities are deemed to be of substantial importance to the functioning of the securities markets and investor protection of multiple Member States.

ESMA will also maintain a central register of sanctions and administrative measures adopted by NCAs under the Regulations and Directives within its remit and will publish an annual cross-sectoral report. ESMA will promote development of an effective common EU enforcement culture, including by enhancing the transparency and visibility of financial sanctions and promoting the use of common enforcement tools and methods.

Main outputs	<p><b>Ongoing Activities</b></p> <ul style="list-style-type: none"> <li>• 🏠 Outputs linked to ESMA's direct supervision mandates, including Annual Review of Tier 2 CCPs and their recognition review.</li> <li>• 📄 Guidance and 🧑‍🤝‍🧑 other tools promoting convergence of supervision, CCP resolution and enforcement practices across ESMA's remit including identification of USSPs, CSAs, case specific discussions, college participation and prioritisation of convergence activities.</li> </ul> <p><b>2025 specific outputs</b></p> <ul style="list-style-type: none"> <li>• 🏠 Selection and authorisation of CTPs for bonds and for equities in the EU</li> <li>• 🧑‍🤝‍🧑 Peer reviews: see section 3.</li> <li>• 📄 Cross-sectoral principles on outsourcing.</li> <li>• 📄 Guidance on Governance Expectations to ESMA supervised entities.</li> <li>• 📄 Guidelines on Periodic Information to ESMA supervised entities.</li> <li>• 📄 Guidelines on Internal Controls to ESMA supervised entities.</li> <li>• 📖 Cross-sectoral report on national sanctions and administrative measures.</li> </ul>
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### 2.1.3 Retail investor protection

Key objectives	<p>Achieve greater convergence and consistency of NCAs' supervisory approaches and practices in relation to investor protection taking into account technological developments and the evolution of the framework in relation to sustainable finance.</p> <p>Facilitate effective supervision of cross-border activities.</p> <p>Contribute to a regulatory framework that provides adequate protection to retail investors who wish to participate in EU capital markets.</p> <p>Contribute to the development of a single rulebook in the area of investment services, crowdfunding services and crypto assets.</p>
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Engage with retail investors and provide access to clear, reliable and comparable investment information.

Systematically monitor and analyse retail investor trends and risks, ensuring a safe environment for those wishing to invest in capital markets.

ESMA will work to ensure effective protection of retail investors in the investment services, crowdfunding and crypto-asset space across the EU, with a particular focus on risks posed by new and innovative products and services and, alternative distribution channels (including marketing and social media investment recommendations and products with strong retail investor demand). ESMA will use its full convergence toolkit as described above in section 2.1.2 as well as coordination of mystery shopping exercises in relation to services provided to retail clients.

ESMA will monitor financial activities and retail investor trends on an ongoing basis. ESMA will develop retail risk indicators to identify potential causes of consumer and investor harm, and reviews product-related consumer trends, including cost and performance of retail investor products in the EU. ESMA regularly issues public opinions or warnings when it identifies high risk products and when needed makes use of its product intervention powers.

ESMA will contribute to fostering long-term direct and indirect retail participation in EU capital markets by facilitating the simplification and use of clear language in disclosures, for example by enabling layering of information including as part of the rollout of ESAP (see section 2.1.6).

ESMA, will furthermore, work with NCAs in coordination with EBA and EIOPA to promote financial education. ESMA, will also work to increase investor's awareness of the risks connected to investment through social media and AI tools. ESMA will engage with retail investors through coordinated communication with NCAs, complementing and amplifying their actions and messages to retail investors.

In the context of the Retail Investment Strategy, ESMA will develop, depending on progress, work on key investor protection topics such as information on costs and charges, benchmarks, and other disclosures. This may include development of technical advice, technical standards, guidelines and other convergence tools as well as use of consumer testing where and when needed.

Main outputs

#### Ongoing activities

- 📖 Guidance and 🗣️ other tools promoting supervisory convergence in the area of retail investor protection.
- 🔍 Monitoring of financial activities and retail investor trends and risks through TRV reporting, Risk Analysis articles and specific research as well as associated warnings, statements, and opinions on national product intervention measures.

#### Annual outputs

- 📖 Annual Report on data collection concerning cross-border investment services in EU/EEA.
- 📖 Annual report on performance and costs of retail investment products.

### 2025 Specific outputs

- § RTS on order execution policies (best execution) MiFID.
- 🏛️ CSAs on topics related to retail investors (see sections 2.1.4, 2.2.1 and 2.2.2.).
- 📄 Methodology on consumer testing.
- 📖 Development of new retail risk indicators.
- 🏛️ 2024 CSA on MiFID II requirements on suitability/sustainability.
- 📄 📖 Report on fees charged to investors under the AIFMD and the UCITS Directive mandated under the review of the AIFMD and UCITS Directive.

## 2.1.4 Sustainable Finance

### Key objectives

Contribute to facilitating the financing of the EU transition towards a more sustainable economy, while preserving market integrity and financial stability as well as a high level of investor protection.

Promote effective and consistent integration of sustainability-related factors in supervisory, convergence, risk assessment and regulatory activities.

Maintain investors' confidence in ESG investments by promoting high quality sustainability disclosures and addressing the risk of greenwashing.

Systematically monitor ESG market developments and climate risk including when performing stress tests.

In 2025, ESMA will build on the substantial work conducted on greenwashing risks in 2022-2024 to further clarify supervisory expectations, develop tools that enable supervisors to best address such risks and enhance effectiveness and quality of ESG disclosures. ESMA will collaborate with participating NCAs to support the development of supervisory tools and methodologies to detect and address potential greenwashing practices by supervised financial market participants, among others as part of the EU Technical Support Instrument.

Regarding additional supervisory convergence activities, next to the Greenwashing reports, ESMA will also build on the various CSAs that have been conducted in 2023-2024 with a sustainability angle. Additionally, ESMA will monitor the implementation of GLs such as those on fund names.

Under the legal mandate conferred by the European Green Bonds Regulation, ESMA will develop technical standards on several aspects relating to the registration and supervisory regime for external reviewers. Similarly, the publication of the new regulation on ESG ratings expected at the end of 2024 will give ESMA the mandate to deliver several technical standards.

ESMA will support the deepening of supervisors' ESG expertise and skills through targeted and specialised trainings made available through the SF knowledge hub. ESMA has extended the SF training plan to 2025 in order to help NCAs to build capacity and expertise.

With the objective to enhance the usability of the SF regulatory framework, ESMA will monitor the need for additional guidance under various legislative texts such as the Sustainable Finance Disclosure Regulation (SFDR) (together with the other ESAs), MiFID II, Taxonomy Regulation, Corporate Sustainability Reporting Directive (CSRD), the Benchmarks Regulation (BMR) with a view to promoting convergence of supervisory approaches using the tools described in section 2.1.2.

ESMA will, alongside the other ESAs, publish their annual report on the extent of voluntary disclosures of principal adverse impact in SFDR. The ESAs may provide guidance and Q&As for sustainability disclosures under the SFDR. The EC's assessment and potential review of SFDR may generate requests for advice in this time period.

To support the EU's broader transition efforts, ESMA will monitor initiatives related to transition finance and, where relevant, take action in form of guidance or capacity building to promote an effective and consistent framework.

ESMA is a member of the EU Platform on Sustainable Finance. ESMA will also actively contribute to the European standard setting work of the European Financial Reporting Advisory Group (EFRAG) in the area of sustainability reporting and monitors the work of the International Sustainability Standards Board (ISSB). ESMA will promote international cooperation to ensure that a coherent set of rules is applicable to financial market participants including through IOSCO, FSB and NGFS in the sustainable finance area.

## Main outputs

### Ongoing activities

- 📖 Guidance and 🧑‍🚀 other tools promoting supervisory convergence under SFDR, MiFID II, Taxonomy Regulation, CSRD, BMR, European Green Bond Regulation as well as related to high-risk areas of greenwashing.
- 🧑‍🚀 Trainings and other capacity building actions.
- 🌐 Promotion of international cooperation and standards including through IOSCO, FSB, ISSB, and NGFS in the sustainable finance area.
- 🌐 Contribution to the EU Platform on Sustainable Finance and to the development of European standards on sustainability reporting through EFRAG as well as to workstreams under the ESRB.
- 🔍 Monitoring and assessing ESG markets trends and risks through TRV and topical analysis included in TRV Risk Analysis articles and specific research.

### Annual outputs

- 📖 Joint ESAs' Report on principal adverse impact disclosures under Article 18 SFDR.

### 2025 Specific outputs

- 📖 Joint ESAs climate stress test exercise with ESRB.
- 📖 Greenwashing indicators to support NCA supervision.
- 🧑‍🚀 Assessment of vulnerabilities of financial market participants and products within ESMA's remit to adverse climate-related financial shocks.
- 📖 Guidance on sustainability claims to FMPs.
- 🧑‍🚀 CSA on BMR ESG disclosures.
- 📖 Report on Technical Support Instrument: Using NLP to detect potential greenwashing activities.
- 📖 Development of machine readable templates for SFDR disclosures.<sup>4</sup>

### Green Bond Regulation:

<sup>4</sup> Subject to EC adoption of the revised standards.

- 🗳️ Launch of the registration process of EU Green Bonds verifiers
- § RTS on Methodologies.
- § RTS on Internal Policies and Procedures.
- § RTS on Compliance.
- § ITS on Material Changes.
- § RTS General Principles.
- § RTS Recognition.

ESG Rating Regulation subject to publication in Official Journal:

- § RTS on registration application.
- § RTS on registration application for recognition entities.
- § RTS on safeguards regarding separation of business.
- § RTS on methodological disclosures to the public.
- § RTS to specify methodological disclosures to users of ESG ratings and to rated entities.

## 2.1.5 Technological Innovation

### Key objectives

Adapt to digitalisation in financial markets by developing and strengthening the single rulebook and promoting supervisory convergence.

Consistent implementation of Infosec and cyber requirements by financial entities in the context of DORA and effective launch of the joint oversight regime of CTPPs by the ESAs.

Enable effective data-driven supervision of markets in crypto assets.

Research and analyse the impact of digital innovation in financial markets including as regards crypto assets and AI.

Foster convergence in the regulatory and supervisory treatment of new or innovative financial activities and digital innovation, both within the EU and with other international counterparts.

Continue to identify emerging trends and risks that can have a high impact on investor protection and/or financial stability.

ESMA will undertake a wide range of ongoing activities facilitating digital innovation. ESMA will monitor the development and deployment of new technologies and publish analysis about how they may impact markets, investors and financial stability through TRV reports and regular risk analysis articles.

On that basis, ESMA will develop supervisory guidance and technical advice to the EC and co-legislators, and may make use of its product intervention powers, where needed. ESMA will also participate in a number of European and international workstreams of the ESRB, FSB and IOSCO in the technological innovation area and contributes to the European Forum of Innovation Facilitators together with EBA and EIOPA. Finally, ESMA will contribute to the Supervisory Digital Finance Academy in coordination with the other ESAs, the EC and the European University Institute to strengthen supervisory capacity in the area of digital finance.



Under the Distributed Ledger Technology (DLT) Pilot Regime, ESMA will issue opinions on applications for operating DLT Market Infrastructures, including the assessment of compensatory measures, and will publish an update on the implementation of the DLT Pilot Regime.

With the entry into application of DORA in 2025, the ESAs work will shift from single rule book activity and oversight preparations to supervisory convergence and the actual conduct of oversight respectively. The ESAs oversight responsibilities will start with a market-wide identification of ICT third-party providers (TPPs) and then the designation of the CTPPs. In 2025, ESMA will also start ensuring compliance with DORA requirements of the entities under its direct supervision (see section 2.1.2 on effective supervision).

Similarly, the effective implementation of MiCA will remain key for ensuring better investor protection and orderly functioning of the crypto-asset markets. ESMA, in close cooperation with EBA and EIOPA, will intensify its efforts to foster convergent application of the new framework at national level through the publication of level 3 guidance and the sharing of information amongst NCAs including on concrete supervisory cases. One particular area of attention during the first years of application concerns MiCA transitional measures and the authorisation procedures for CASPs where ESMA will remain particularly vigilant to ensure consistent practices and prevent as much as possible the risk of regulatory arbitrage. Another area of attention is the monitoring of potential market abuse cases under MiCA for which ESMA and NCAs will need to develop common solutions. In 2025, ESMA and EBA will also deliver to the EC an interim review report on the application of the MiCA framework accompanied, where appropriate, by a proposal for changes of the legislative framework. ESMA will finally engage with relevant organisations and international standard setters (e.g. IOSCO or the FSB) and continue promoting the development of and adherence to common principles and rules in relation to crypto-assets, decentralised finance and related activities and technologies.

ESMA will continue to monitor the developments of AI and its applications to ESMA's areas of expertise. ESMA might also have some responsibilities in the implementation of the AI act.

<b>Main outputs</b>	<p><b>Ongoing activities</b></p> <ul style="list-style-type: none"> <li>• 📄 Guidance and 🧩 other tools promoting supervisory convergence under MiCA and DORA.</li> <li>• 🔍 Monitoring and assessment of innovation (including AI) through 📖 TRV reporting, Risk Analysis articles and specific research.</li> <li>• 🧑🏫 Digital Finance Academy.</li> <li>• 🌐 Contribution to ESRB as well as to FSB and IOSCO workstreams on digital finance and innovation.</li> <li>• 📄 Opinions on permission of DLT Market Infrastructures.</li> </ul>
	<p><b>2025 Specific outputs</b></p> <ul style="list-style-type: none"> <li>• 🧑🏫 Market-wide identification of TPPs and designation of the CTPPs among them under DORA.</li> <li>• 📄 Guidelines on suitability and transfer services under MiCA</li> <li>• 📖 Update on the implementation of the DLT Pilot Regime.</li> </ul>

-  Interim report on the application of MiCA and report on latest developments in crypto-assets.
-  Development of a register of all CASPs, of all crypto-asset white papers, as well as a central database of penalties and administrative measures under MiCA.

## 2.1.6 Effective Use of Data and ICT Technologies

### Key objectives

Deliver on ESMA 2023-2028 Data Strategy.

Enhanced data hub: enhance the access to and quality of data and information to stakeholders, reinforcing ESMA's role as a data hub.

Access to data of public interest: increasing the usability of information available to the public by ensuring machine-readability of the disclosed data and explore innovative ways of sharing data with the market.

Systematic data use: Maximise the value of the data and information provided, build data intelligence and design and implementation of all data frameworks throughout their lifecycle.

Data driven supervision: identify, develop and implement common Suptech and data projects enhancing the EU-wide implementation of data-driven activities and contributing to the EC's strategy on supervisory data in EU financial services.

Efficient data policy: Develop an integrated reporting system, preceded by studies and subsequent report on integrated supervisory data collection, as foreseen under AIFMD/UCITS

Thought leadership: engage with relevant stakeholders on data and data-related technologies to promote joint projects with markets and academia as well as data exchanges between ESMA and other authorities.

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

ESMA, together with other ESAs, will continue implementing the EU Strategy on Supervisory Data. The Strategy aims to modernise the supervisory reporting and deliver accurate, consistent, and timely data to supervisory authorities at EU and national level, while minimising the aggregated reporting burden for all relevant parties. ESMA will continue reviewing reporting and disclosure requirements across ESMA's remit to ensure consistency and coherence including through use of common formats, standards and identifiers with the aim of reducing compliance cost and maximise usability.

Through a comprehensive overview of all the datasets available, ESMA will aim to enhance its monitoring and achieve economies of scale and scope for the Authorities and the stakeholders. ESMA will also aim to further enhance the data intelligence, so that the value of the data and information provided is maximised and the cost of compliance reduced.

Moreover, ESMA and the other ESAs will take part in the EC initiative to implement the EU supervisory data strategy, which also includes a project to develop a common data dictionary to ensure consistency and harmonisation of data requirements across the financial sectors. Specific attention will be given to increasing the usability of information available to the public by ensuring machine-readability of the disclosed data and implement innovative ways of sharing data with the market. Aiming to take a more systemic data-driven approach to regulation, supervision and risk assessment to deliver its strategic priorities, ESMA will continue developing common methodologies in collaboration with NCAs and other stakeholders to enable consistent and comparable work on data among them and ESMA. ESMA will continue monitoring and assessing the viability of innovative technologies in the relevant datasets, including SupTech, Regtech, Decentralised Finance, AI and open finance to support both the reporting and the analysis of data.

In 2025, the updated ESMA Data strategy will be in a mature state of implementation. ESMA will continue developing its data hub to provide a shared platform where stakeholders and ESMA share and collaborate on data. Furthermore, ESMA will finalise the preparatory work ahead of 2026 launch of the first phase of ESAP, which aims to make the public data and information on securities markets easily accessible and usable by all stakeholders. ESMA will continue to use and make available to supervisors the necessary data, information and modern analytical tools, in particular by carrying out projects using novel technologies (e.g., advanced machine learning, natural language processing), such as AI and web scrapping, that will allow gathering knowledge and experience and the joint development of supervisory tools. ESMA is focused on strengthening its participation in international groups and governance bodies relevant for data-related standards and technologies, as well as extending data and information sharing with other EU institutions. For statistical information, this will rely on commonly used metadata standards that will facilitate its dissemination and consumption.

Main outputs	<p><b>Ongoing activities</b></p> <ul style="list-style-type: none"> <li>• 🏢 Data quality outputs for all supervisory data reported to ESMA or through an ESMA supervised repository including intelligence, analytical tools and advanced analytical data and information input.</li> <li>• 🏢 Generation of analytics and statistics in a unified metadata framework to facilitate its dissemination and consumption by third parties.</li> <li>• § / 📄 Ongoing updates and revision of technical standards and guidance relating to data reporting obligations</li> <li>• 🏢 Continue the work on integrated supervisory data collecting under AIFMD, UCITS.</li> <li>• 🔄 Assessment of the feasibility of new data and IT-projects related to supervision.</li> <li>• 🔄 Enhanced roll-out of collaborative tools and analytics that improve cooperation with the NCA.</li> <li>• 🏢 Implement an annual SupTech projects assessment and implementation cycle.</li> <li>• 🏢 Incorporation of specific AI / ML techniques to monitoring and analytical processes</li> <li>• 🏢 Extend data sharing with NCAs and the ESAs,</li> </ul>
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- 🌐 Continue engagement with EU co-legislators on the importance of identifiers (LEI and ISINs) and common formats (JSON, iXBRL) in EU data requirements to enable effective data driven supervision, data sharing as well as integrated reporting and overall reduction of compliance burden.
- 🌐 Continue engagement with relevant data standardisation bodies (e.g., ISO) and international regulatory fora on global data standards (e.g., ROC).

#### **Annual outputs**

- 📖 Report on quality and use of transaction data.

#### **2025 Specific outputs**

- 📊 Set-up data quality framework for CTPs and integrate it into the data monitoring and analytical activities.
- 🛠️ Technical solution for EU level integrated monitoring of crypto-asset markets under MiCA.
- 📊 Regular dissemination of EEA30 securities and markets statistics for selected datasets using machine-readable and structured formats with a commonly used metadata standard.
- 🛠️ Implementation of the features of the ESAP system which are relevant for the launch of the first phase in mid-2026.

## 2.2 Key regulated sectors and entities

### 2.2.1 Investment management

#### Key objectives

Contributes to the objectives of

- effective markets and financial stability (section 2.1.1);
- effective supervision (section 2.1.2);
- retail investor protection (section 2.1.3);
- enabling of sustainability finance (section 2.1.4)
- technological innovation (section 2.1.5); and
- effective use of data and ICT technologies (section 2.1.6)

in the area of AIFMD, UCITS Directive, MMF Regulation, ELTIF Regulation, European Social Entrepreneurship Funds and European Venture Capital Funds Regulations as well as Packaged Retail and Insurance-based Investment Products (PRIIPs) and SFDR/Taxonomy Regulation (through the JC).

ESMA will contribute on an ongoing basis to the development of the single rulebook applicable to the investment management sector including through the provision of technical input to assist the legislator in developing high-quality regulation. ESMA will promote supervisory convergence of NCAs' practices by issuing and reviewing guidance and facilitating case discussions, workshops, CSAs and peer reviews in the investment management sector. Besides, ESMA will negotiate AIFMD co-operation agreements with third-country authorities. Every year, ESMA also updates its guidelines on MMF stress testing taking into account the latest market developments.

Under the revised AIFMD and UCITS Directives ESMA will develop RTS on the characteristics of LMTs, guidelines on LMTs of UCITS and open-ended AIFs, RTS to determine the requirements with which open ended loan originating AIFs are to comply to maintain an open-ended structure and a report on costs charged by UCITS and AIFMs. Similarly, the EC's assessment and review of the PRIIPs Regulation and SFDR may give rise to requests for technical advice from the ESAs (see section 2.1.4.).

In 2023 ESMA received a mandate by the EC to provide technical advice on the review of the Commission Directive 2007/16/EC on UCITS eligible assets (UCITS EAD). Since the adoption of the UCITS EAD almost two decades ago, the number and variety of financial instruments traded on financial markets has increased considerably, leading to uncertainty in determining whether some categories of assets are eligible for investment, in turn giving rise to divergent interpretations and market practices in terms of the application of the UCITS Directive. ESMA's technical advice, to be delivered in 2025, on the review of the UCITS EAD therefore will aim to preserve and strengthen the well-functioning of the UCITS framework and the operation of UCITS in the best interest of investors, as well as the quality of investment products offered to retail investors.

In July 2023 ESMA has launched a CSA to assess disclosures and integration of sustainability risks in the investment fund sector which will run until Q3 2024. ESMA is expected produce the final report on the outcome of the exercise in early 2025. Building on the findings from the CSA exercise, in 2025 ESMA will also coordinate supervisory case discussions with the NCAs.

In 2025, ESMA will produce its third report on marketing requirements and marketing communications under the Regulation on cross-border distribution of funds.

Finally, ESMA will also keep monitoring risks in the investment management sector as appropriate: subject to market developments, key areas of focus will likely include the use of leverage by funds, liquidity of real estate funds and corporate bond funds as well as interconnectedness of funds with the rest of the financial system.

Main outputs	<p><b>Ongoing activities</b></p> <ul style="list-style-type: none"> <li>• 📖 Guidance and 🛠️ other tools to promote supervisory convergence as needed related to investment management.</li> </ul> <p><b>Annual outputs</b></p> <ul style="list-style-type: none"> <li>• § Update of guidelines on MMF stress testing (update of the parameters of the stress tests scenarios).</li> <li>• 📖 Biannual report on national rules on the marketing of investment funds.</li> </ul> <p><b>2025 Specific outputs</b></p> <ul style="list-style-type: none"> <li>• § RTS on the characteristics of LMTs.</li> <li>• § RTS on open ended Loan Originating AIFs.</li> <li>• § Guidelines on LMTs of UCITS and open-ended AIFs.</li> <li>• 🛠️ Report on 2023-2024 CSA on sustainability in investment management.</li> <li>• 🛠️ Peer review on depository obligations under the UCITS Directive and AIFMD (see section 2.1.2).</li> <li>• 📖 Report on costs charged by UCITS and AIFMs</li> <li>• 📖 Technical advice on the review of the UCITS Eligible Assets Directive.</li> </ul>
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## 2.2.2 Investment services

Key objectives	<p>Contributes to the objectives of</p> <ul style="list-style-type: none"> <li>- effective markets and financial stability (section 2.1.1);</li> <li>- effective supervision (section 2.1.2);</li> <li>- retail investor protection (section 2.1.3);</li> <li>- enabling of sustainability finance (section 2.1.4); and</li> <li>- technological innovation (section 2.1.5);</li> <li>- effective use of data and ICT technologies (section 2.1.6)</li> </ul>
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ESMA will contribute on an ongoing basis to the development of the single rulebook applicable to the investment services sector including through the provision of technical input to assist the legislator in developing high-quality regulation.

As described above in section 2.1.3., ESMA will work as well to ensure effective protection of retail investors in the investment services area across the EU. ESMA will use its full convergence toolkit as described above in section 2.1.2 as well as coordination of mystery shopping exercises in relation to investment services. ESMA will promote supervisory convergence of NCAs' practices by issuing and reviewing guidance and facilitating case discussions, workshops, CSAs and peer reviews in the investment services sector. In 2025, ESMA will coordinate a CSA focusing on the "integration of sustainability in firms' suitability assessment".

In addition, ESMA will contribute, in cooperation with the EBA, to the development of the prudential regime for investment firms. ESMA will contribute to the implementation of the third-country regime for the provision of investment services by supporting any EC equivalence assessments and negotiating cooperation agreements with supervisors of equivalent third countries.

Main outputs	<b>Ongoing activities</b>
	<ul style="list-style-type: none"><li>• § Review of technical standards and guidelines on Investment Firms Regulation and Investment Firms Directive (in cooperation with EBA)</li><li>• 🔍 Monitoring of financial activities and retail investor trends and risks as well as associated warnings, statements, and opinions on national product intervention measures.</li></ul>
	<b>2025 Specific outputs</b>
	<ul style="list-style-type: none"><li>• 🗳️ Statement on CSA 2024 on integration of sustainability preferences in firms' suitability assessment.</li><li>• § Advice to EC on research (Listing Act).</li><li>• § RTS on issuer-sponsored research (Listing Act).</li></ul>

### 2.2.3 Issuer disclosure

<b>Key objectives</b>	<p>Contribute to the objectives of</p> <ul style="list-style-type: none"><li>- effective markets and financial stability (section 2.1.1);</li><li>- effective supervision (section 2.1.2);</li><li>- retail investor protection (section 2.1.3);</li><li>- enabling of sustainable finance (section 2.1.4);</li><li>- technological innovation (Section 2.1.5); and</li><li>- effective use of data and ICT technologies (section 2.1.6)</li></ul> <p>in the area of Prospectus Regulation, Transparency Directive, CSRD, Taxonomy Regulation, Takeover Bid Directive, Shareholder Rights Directive, Audit Directive and Regulation, the Accounting Directive, the Corporate Sustainability Due Diligence Directive and the International Accounting Standards Regulation.</p> <p>Contribute to standard-setting activities for financial and sustainability reporting.</p>
<p>ESMA will contribute on an ongoing basis to the development of the single rulebook in the areas of financial and sustainability reporting, ongoing reporting on major holdings, prospectus, corporate governance and takeover bids. ESMA will promote supervisory convergence of NCAs' practices in these areas by issuing and reviewing guidance and facilitating case discussions, organising training sessions and workshops, as well as peer reviews. Every year, ESMA publishes European Common Enforcement Priorities on corporate reporting and assesses how issuers have applied previous versions of such priorities.</p>	
<p>ESMA will contribute to International Financial Reporting Standards (IFRS) accounting standard-setting and the endorsement of IFRS by the EU as well as to the development of European Sustainability Reporting Standards (ESRS) through its observership at the EFRAG Financial and Sustainability Reporting Boards and Technical Expert Groups, as well as at the EC's Accounting Regulatory Committee. Upon request from the EC, ESMA will provide opinions on the draft ESRS. ESMA will also contribute to the International Accounting Standards Board's pronouncements, in charge of developing the relevant global financial reporting standards and participates in the IFRS Interpretations Committee (as adviser to the EC), the IFRS Advisory Council and the IFRS Taxonomy Consultative Group. As regards international sustainability reporting standards, ESMA will contribute to the ISSB's consultations with an aim to ensuring inter-operability with the ESRS.</p>	
<p>ESMA will provide views on International Standards on Auditing (ISA), International Sustainability Standards on Auditing (ISSA) and will provide securities regulators' perspective on audit matters at the Committee of European Audit Oversight Bodies (CEAOB). As Chair of the CEOOB Subgroup on International Equivalence and Adequacy, ESMA will coordinate the work on performing new and monitoring previous equivalence and adequacy technical assessments of third-country audit legal frameworks.</p>	

Generally, ESMA will update, on an annual basis, the technical standards and guidance relating to the European Single Electronic Format (ESEF) core taxonomy to be used for the preparation of annual financial reports in ESEF, to reflect the most recent version of the IFRS Taxonomy and feedback from the market. With the adoption of the CSRD, the ESEF requirements will also be applicable to the sustainability report which means ESMA will need to update the RTS on ESEF to reflect these requirements and include a sustainability taxonomy to allow tagging of sustainability reporting.






In 2025, ESMA expects to further leverage the usability of ESEF data and provide NCAs and investors tools to better exploit ESEF data.

In 2025, with the new legislature, it is expected that the EC will proceed with the review of the SRD2. ESMA will need to monitor relevant L1 activities and might be asked to contribute to such work, also on the basis of the input provided on the implementation challenges of the SRD2.

In relation to prospectuses, ESMA will initiate any work in relation to the implementation of the Listing Act. Additionally, ESMA expects to provide advice to the Commission about (i) the standardised format and sequence and the content of the prospectus, including the disclosure requirements for non-equity securities advertised as taking into account ESG factors or pursuing ESG objectives, as well as the content of the universal registration document (URD) (ii) the liability for information in prospectuses and (iii) the additional criteria that NCAs may apply when scrutinising prospectuses and the maximum overall timeframe within which the scrutiny of the prospectus is to be finalised and a decision reached by the NCA on whether that prospectus is approved, or the approval is refused and the review process terminated, and the conditions for possible derogations from that timeframe

In relation to sustainability reporting, in 2025 issuers will publish the first sustainability statements pursuant to the new requirements foreseen by the CSRD and the ESRS. ESMA will closely monitor and support the application of the new requirements and coordinate the work of national authorities supervising the new disclosures.

Finally, ESMA might perform work upon request from the EC to update its Whitelist in the area of takeovers to ensure that acting in concert rules do not create an obstacle to collective engagement by investors around common sustainability goals.

Main outputs	<p><b>Ongoing activities</b></p> <ul style="list-style-type: none"> <li>•  Guidance and  other tools to promote supervisory convergence related to issuer disclosure, including ESMA guidelines on Alternative Performance Measures.</li> <li>•  Technical positions and endorsement advice/opinions on IFRS, ESRS, new pronouncements from the ISSB and IAASB (ISA and ISSA).</li> </ul>
	<p><b>Annual outputs</b></p> <ul style="list-style-type: none"> <li>•  Public Statement on European Common Enforcement Priorities.</li> <li>•  Extracts of financial information enforcement decisions.</li> </ul>

- 📖 Corporate reporting enforcement and regulatory activities report.
- § Amendments to the RTS on ESEF, ESEF XBRL Taxonomy files reflecting sustainability disclosure requirements for listed SMEs.

#### 2025 Specific outputs

- 📄 Acting in concert Whitelist update.
- 📖 Fact-finding exercise on the first reporting practices under the CSRD.

#### Listing Act

- § ITS on prospectus templates and font size.
- § Guidelines on Product Supplements.
- § Technical Advice on prospectus liability.
- § Technical Advice on Prospectus (standardised format and content including ESG disclosures and URD disclosures, scrutiny and approval).

## 2.2.4 Benchmark providers

### Key objectives

Contributes to the objectives of

- effective markets and financial stability (section 2.1.1);
- effective supervision (section 2.1.2);
- enabling of sustainability finance (section 2.1.4); and
- effective use of data (section 2.1.6)

in the area of the BMR.

ESMA is responsible for the supervision of the administrators of EU critical benchmarks and of recognised third-country benchmark administrators. EURIBOR is currently the only benchmark recognised as critical in the EU and ESMA has supervisory responsibilities over its administrator, European Money Markets Institute. The key areas of supervisory focus in relation to EURIBOR will continue to be the robustness and resilience of the EURIBOR benchmark methodology and the related EURIBOR's representativeness of the underlying market, specifically in the context of the revised EURIBOR methodology implemented in 2024. ESMA will chair the EURIBOR college of supervisors, which is composed of the NCAs responsible for the supervision of EURIBOR's panel banks, with the aim to promote and coordinate NCAs' supervisory actions and ensure an efficient exchange of information. ESMA is also mandated to identify potential new critical benchmarks in the EU and will monitor market developments in that regard.

As the competent authority of recognised third-country administrators under the BMR recognition regime, ESMA will also assess applications for recognition by eligible third-country benchmark administrators and establishes co-operation arrangements with the competent third-country authorities as needed.

Furthermore, ESMA will monitor the compliance of the benchmarks' administrators supervised by ESMA with the two sets of guidelines on internal controls and periodic reporting following their publication.

In 2025, ESMA's supervisory remit is expected to change as a result of the EC's proposal to amend the BMR. Moreover, the proposal foresees enhancements to ESMA's consultative and coordination role. In this context, ESMA will also stand ready to work on L2 or L3 measures as needed.

Main outputs	<p><b>Ongoing activities</b></p> <ul style="list-style-type: none"> <li>•  Supervision of administrators of EU critical and third-country recognised benchmarks.</li> <li>•  Market monitoring and identification of new risks posed by industry and markets developments.</li> <li>•  Guidance and  other tools to promote supervisory convergence of benchmark administrators.</li> <li>•  Chair the EURIBOR college of supervisors, negotiation of Memorandums of Understanding (MoUs) with third-country authorities and potential technical advice to the EC in the context of its equivalence decisions.</li> <li>•  Opinions to competent authorities on endorsement or national critical benchmarks, if applicable.</li> </ul>
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## 2.2.5 Credit Rating Agencies

Key objectives	<p>Contribute to the objectives of</p> <ul style="list-style-type: none"> <li>- effective markets and financial stability (section 2.1.1);</li> <li>- effective supervision (section 2.1.2);</li> <li>- enabling of sustainability finance (section 2.1.4);</li> <li>- technological innovation (section 2.1.5); and</li> <li>- effective use of data and ICT technologies (section 2.1.6)</li> </ul> <p>in the area of the Credit Rating Agencies Regulation (CRAR).</p> <p>Ensure credit ratings in the EU are independent, objective and of high quality by conducting effective supervisory activities.</p>
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ESMA is the supervisor of CRAs located in the EU and delivers guidance to CRAs and technical advice to the EC as needed. ESMA supervises CRAs in accordance with its data-driven, outcome-focused and risk-based approach described in section 2.1.2.








In 2025, ESMA's main focus will be on methodological design and analytical approach.

ESMA will intensify its work on CRAs' business strategies and incentives, with particular focus on the independence of the rating process. ESMA will take a close look at potential influence of both internal and external stakeholders, notably around the key drivers leading

to the development and revision of rating methodologies, with a particular focus on structured finance.

Regarding the rating process, ESMA intends to keep assessing the surveillance of ratings to ensure timely incorporation of available information, notably within a fast-evolving market environment. The provision of consistent and up-to-date information for investors remains a key objective. ESMA intends to look further into the consistent application of methodologies.

Through its regular monitoring activities, ESMA will continue to engage with CRAs on specific topics with a particular focus on ESG, DORA compliance, AI and cyber risk.

Main outputs	<p><b>Ongoing activities</b></p> <ul style="list-style-type: none"> <li>•  Supervision of CRAs.</li> <li>•  Market monitoring and identification of new risks posed by industry and markets developments.</li> <li>•  Guidance on the CRAR addressed to CRA and NCAs as needed.</li> <li>•  International work in the area of credit ratings and credit risk assessments through IOSCO, engagement with third-country authorities and technical advice on equivalence and endorsement assessments as needed.</li> </ul> <p><b>2025 Specific outputs</b></p> <ul style="list-style-type: none"> <li>•  Update to ESMA Guidelines on Disclosure for credit ratings.</li> <li>•  Guidance on Material Changes to Credit Rating Methodologies</li> <li>•  Guidance on Scope of Credit Rating Regulation</li> </ul>
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## 2.2.6 Central Counterparties (third-country)







Key objectives	<p>Contributes to the objectives of</p> <ul style="list-style-type: none"> <li>- effective markets and financial stability (section 2.1.1);</li> <li>- effective supervision and convergence (section 2.1.2);</li> <li>- technological innovation (section 2.1.5); and</li> <li>- effective use of data and ICT technologies (section 2.1.6)</li> </ul> <p>in the area of CCP supervision and policymaking.</p> <p>Address systemic risks resulting from third-country CCPs or clearing services deemed substantially systemic for the financial stability of the Union or one or more of its Member States.</p>
<p>ESMA will review the applications of new third-country CCPs, will determine their systemic relevance for the Union and negotiates supporting MoUs containing the required provisions under EMIR with the relevant third-country jurisdictions, whenever the EC adopts a new equivalence decision. ESMA will also review recognition decisions when a third-country CCP decides to extend or reduce its activities in the EU.</p>	

In cooperation with third-country supervisors, in 2025 ESMA will continue to monitor on an ongoing basis third-country CCPs and the risks related to their activities in the EU, their compliance with the equivalence and recognition decisions, as well as the regulatory and supervisory developments in the third-country including in relation to the EC equivalence decision monitoring.



ESMA will conduct direct supervision of the most systemically important third-country CCPs (Tier 2) and will ensure their ongoing compliance with EMIR requirements, including by stress tests, risk model validation and annual reviews as part of ESMA's supervisory approach for third-country CCPs. Supervisory priorities will be defined, based on the annual reviews, among others, and followed-up using a risk-based approach. In 2025, ESMA will continue to monitor the soundness of Tier 2 CCPs risk models, and developments in the areas of liquidity and operational risk, among others. ESMA will also continue the close engagement with the supervised entities.

## Main outputs

### Ongoing activities

-  Supervision of systemic Tier 2 CCPs, including through a supervisory program, stress testing, risk assessments, and risk model validations.
-  Tiering and recognition of applicant CCPs (pending EC equivalence) and review of third-country CCP recognition, e.g., following extension/reduction of services
-  Ongoing monitoring of third-country CCP data, including enhanced scrutiny for most active CCPs in the EU and compliance with third-country CCPs' recognition conditions.
-  Participation in the Tier 2 CCP global colleges chaired by the Bank of England.
-  Secretariat functions and chairmanship of the EMIR third-country CCP college.
-  Maintenance of third-country CCP related registers.

### Annual outputs

-  Annual Reviews of Tier 2 CCPs.
-  Annual review of Tier 1 CCPs and regulatory and supervisory developments in equivalent third-country.

## 2.2.7 Central Counterparties (EU)

### Key objectives

Contributes to the objectives of

- effective markets and financial stability (section 2.1.1);
- effective supervision and convergence (section 2.1.2);
- technological innovation (section 2.1.5); and
- effective use of data and ICT technologies (section 2.1.6)

in the area of CCP supervision and policymaking under EMIR and the CCP Recovery and Resolution Regulation (CCP RRR).

Assess the resilience of CCPs to adverse market developments and identify potential risks for financial stability with the use of CCP stress tests and an enhanced supervisory database.

Following the adoption of EMIR 3 review, ESMA has been mandated to develop a substantial number of RTS in relation to EU CCPs.

In order to promote convergence of supervision of CCPs across the EU, ESMA will issue Opinions on several NCA supervisory decisions, reports and measures (including the annual reviews of CCPs) and validates significant changes to CCPs' risk models and parameters and issues additional guidance when needed. Furthermore, ESMA will promote consistency of supervisory and resolution outcomes for 14 EU CCPs through its participation to supervisory and resolution colleges gathering all relevant supervisors.

In particular, following the adoption of EMIR 3 review, ESMA will co-chair the CCP supervisory colleges, set annual supervisory priorities and participate in annual on-site inspections. ESMA will also implement the Central Database for the submission by CCPs of monthly data reports to CCP Colleges and applications for authorisation and validation of changes to risk model and parameters. The Central Database will be also used by CCP College and the CCP Supervisory Committee (CCP SC) to share all relevant information and documentation in connection to those NCA's decisions, reports and measures subject to their opinion or input.

ESMA's stress-testing exercise is a key tool in ensuring proper risk assessments of CCPs, enabling early identification of risks. ESMA will continue improving its supervisory stress-testing framework incorporating new risks, such as operational and climate risks. ESMA will also strengthen its analytical capabilities to identify vulnerabilities in the EU financial system more broadly by leveraging the supervisory data it collects from CCPs as well as NCAs and other EU authorities to cover the wider clearing ecosystem (clearing members, clients, other connected Financial Market Infrastructures).

ESMA will conduct regular fire-drills to enhance the crisis preparedness of the CCP Supervisory Committee under its Crisis Communication Procedure. Where needed, ESMA will coordinate participation of EU CCPs in global fire-drills.

ESMA has the obligation to run an annual peer review on the supervision of EU CCPs. The 2025 annual review will deal with the supervision of CCPs' recovery plans. ESMA will also

take stock of the progress in achieving supervisory convergence by monitoring and following-up on the application of the recommendations of past peer reviews.

ESMA is responsible for monitoring and updating the CCP Single Rulebook under EMIR and CCP RRR to ensure EU CCPs remain resilient as necessary to market developments.

Main  
outputs

### Ongoing activities

- § Maintain CCP Single Rulebook updated under EMIR and CCP RRR.
- 📖 Guidance on EMIR and CCP RRR addressed to CCPs and national supervisors and resolution authorities of CCPs, and 🧑🏫 other tools to promote supervisory convergence of CCPs.
- 🧑🏫 Participation to the supervisory and resolution colleges.
- 📊 Risk dashboards and horizontal assessment.
- Validation of significant CCP risk model changes, and Opinions on NCA decisions on a range of topics, including on authorisation, extension of services, outsourcing and interoperability.
- 📊 Maintenance of EU CCP related registers under EMIR and CCP RRR
- Conduct a fire-drill to enhance the crisis preparedness of the CCP Supervisory Committee.

### Annual outputs

- 🧑🏫 2025 annual CCP peer review on CCPs' recovery plans.
- 📖 Definition of Framework and launch of the 6th CCP Stress-Test.
- 📖 Input to EC annual report on interoperability.

### 2025 Specific outputs

- 🧑🏫 Follow up to findings of 5th ESMA CCP Stress Test.
- 🌐 Webpage with links to NRA publication of administrative penalties and each NCA publication of administrative penalties.
- 📖 Report on the publication of administrative penalties and other administrative measures under CCPRRR.
- Validation of a significant CCP risk model change following a delegation agreement with HCMC

### EMIR Refit:

- § 2 RTS on the conditions of the Active Account Requirement (AAR) and the relevant reporting requirements and on client clearing fees and cost of clearing at different CCPs.
- 📖 Report on the effectiveness of the AAR, including a fully reasoned impact assessment on complementing measures, including quantitative thresholds.
- § 9 RTS/ITS on revised supervisory procedures in relation to the criteria for applying the accelerated or exemption procedures and for identifying changes under the standard vs. accelerated procedure and changes already covered by the existing model, as well as the list of documents to be submitted for authorisation, extension of services and validations of risk models.
- § 4 RTS on requirements regarding participation, margin transparency, procyclical effects of collateral haircuts, and interoperability links for derivatives.

- § Revision of RTS in relation on organisational requirements, margin requirements, liquidity risks controls and collateral requirements.

## 2.2.8 Data Reporting Services Providers

### Key objectives

Contributes to the objectives of

- effective markets and financial stability (section 2.1.1);
- effective supervision (section 2.1.2);
- technological innovation (section 2.1.5); and
- effective use of data and ICT technologies (section 2.1.6)

in the area of MiFIR transparency and transaction reporting.

Ensure the highest quality of transaction data provided by Approved Reporting Mechanisms (ARMs) to NCAs for market monitoring, as well as the quality of data reported and published by Approved Publication Arrangements (APAs) in collaboration with those NCAs that are responsible for supervision of market participants reporting through/to ARMs/APAs.

ESMA performs an annual assessment of the DRSPs derogation criteria in order to identify the DRSPs subject to ESMA's direct supervision. The outcome of the assessment consists of either a confirmation or a change to the current allocation of supervisory responsibilities over DRSPs between ESMA and the NCAs. Those DRSPs that fall under the derogation criteria will continue to be supervised by the relevant NCAs at national level. ESMA currently supervises two types of DRSPs: APAs and ARMs.

ESMA will apply its risk-based, outcome-focused and data-driven approach to the supervision of DRSPs. The two key objectives of ESMA for all market transparency infrastructure entities under its remit will be to ensure high data quality standards and operational resilience.

To that end, ESMA's supervisory work will focus on ensuring that DRSPs have adequate arrangements in the areas of governance and internal controls, IT systems and processes and information security. In addition, from 2025 onwards ESMA will monitor DRSPs compliance with DORA. Where applicable ESMA expects to assess the strategy of the groups that DRSPs belong to and how they could be impacted by decisions taken at group level.

Similarly, to previous years, ESMA will publish a report on the quality and use of data to show the effectiveness of the collective supervisory efforts of ESMA and the NCAs supervising reporting entities.

In 2025, ESMA anticipates launching the selection and authorisation procedure for the provider of the first CT (related to bonds) during H1 2025 which means the bonds CT could be operational by end-2025. The timeline for the equities / ETFs CTP is approx. 6 months later, i.e. the launch of the selection and authorisation process is expected to commence in mid-2025.

## Main outputs

### Ongoing activities

- 📖 Guidance on MiFIR addressed to DRSPs, national supervisors of DRSPs and reporting entities.
- 👤 Supervision of DRSPs under ESMA's remit.
- 🔍 Market monitoring and identification of new risks posed by industry and market developments.
- 🏢 Data quality engagement related to MiFIR data including transaction data as reported by ARMs and transparency data published by APAs.

### Annual outputs

- 📖 Assessment of the DRSP derogation criteria.

### 2025 Specific outputs

- 👤 Authorisation of the first bond CTP in the EU.

## 2.2.9 Trade Repositories

## Key objectives

Contributes to the objectives of

- effective markets and financial stability (section 2.1.1);
- effective supervision (section 2.1.2);
- technological innovation (section 2.1.5); and
- effective use of data (section 2.1.6)

in the area of the EMIR and Securities Financing Transactions Regulation (SFTR) reporting.

Continue and further enhance the EU-wide data quality activities with regards to reporting entities to ensure increased quality, availability and usability of the EMIR/SFTR data.

ESMA supervises TRs in accordance with its risk-based, outcome-focused and data-driven approach. In 2025, ESMA's main supervisory objectives for TRs will be to ensure high data quality standards and operational resilience.

ESMA will focus on ensuring an effective governance and internal control framework within TRs, as well as TRs' compliance with DORA requirements that come into application in January 2025. ESMA will also follow up on any concerns it may have from its review in 2024 of TRs' cybersecurity frameworks and the strategy of the groups they belong to. ESMA will continue to monitor the implementation by the TRs of the EMIR REFIT requirements.

Similarly, to previous years, ESMA will publish a report on the quality and use of data to show the effectiveness of the collective supervisory efforts of ESMA and the NCAs supervising reporting entities. ESMA will focus its supervisory activities on monitoring the correct reconciliation of data and the adequate verification of accuracy and integrity of all EMIR/SFTR regulatory reports carried out by TRs.

## Main outputs

### Ongoing

- 👤 Supervision of TRs.
- 🔍 Market monitoring and identification of new risks posed by industry and market developments.
- 📄 Guidance on reporting and data quality under EMIR and SFTR addressed to TRs, reporting entities and NCAs.
- 📊 Data quality engagement related to data including as reported to and made available by TRs.

### 2025 Specific outputs

- 📖 Report on efficiency of SFTR reporting.
- § EMIR RTS on public data.

## 2.2.10 Trading

## Key objectives

Contributes to the objectives of

- effective markets and financial stability (section 2.1.1);
- effective supervision (section 2.1.2);
- technological innovation (section 2.1.5); and
- effective use of data (section 2.1.6)

in the area of EMIR, MiFID II and MiFIR.

Monitoring market developments related to market integrity, secondary markets, including commodity derivative markets and in relation to post-trading to further support orderly markets.

### MiFID II/MiFIR

ESMA will monitor developments in secondary markets and assesses the need for potential policy recommendations. ESMA will also foster convergence in the supervision of MiFID II/MiFIR requirements across the EU through regular exchanges among competent authorities, including sharing of practices and experiences on specific supervisory issues and by issuing guidance. To promote transparency, ESMA will issue opinions on pre-trade waivers and on position limits established within the EU for agricultural and significant commodity derivatives.

In 2025 ESMA will aim to finalise the follow-up work to the MiFIR review, including the revision of the trade transparency requirements for equity instruments (RTS together with a technical advice to the Commission), the RTSs on transaction reporting and on order book data, as well as a further amendment to the non-equity transparency framework focussing on over-the-counter (OTC) derivatives.

. ESMA will also continue to monitor the implementation of existing guidance, starting with the finalisation of a Common Supervision Action on pre-trade controls.

ESMA will regularly monitor the integrity and transparency of the European carbon market and, where necessary, make recommendations in its assessments to the EC and the co-legislators.

ESMA will continue monitoring the implementation of the clearing obligation and risk mitigation techniques for OTC derivatives, providing guidance when necessary. In addition, pending the finalisation of the review of EMIR (EMIR 3), ESMA expects to review or develop new technical standards in relation the clearing obligation (clearing threshold framework and post trade risk reduction services).

Main outputs	<p><b>Ongoing activities</b></p> <ul style="list-style-type: none"> <li>• 📖 Guidance and 🏛️ other tools to promote supervisory convergence regarding MiFIR, MiFID II, and EMIR (including on the clearing obligation, the clearing threshold and the risk mitigation technique requirements).</li> <li>• 🔍 Monitoring the ongoing compliance by counterparties with the EMIR clearing and MiFIR trading obligations, as well as of the appropriateness of the clearing thresholds.</li> <li>• 🌐 International work including monitoring and reporting in the area of equivalence.</li> <li>• 🌐 Assessment of third-country venue arrangements in respect of transparency and position limits.</li> <li>• 📖 Opinions on position limits and pre-trade transparency waivers.</li> </ul>
	<p><b>Annual outputs</b></p> <ul style="list-style-type: none"> <li>• 📖 Report on the supervisory measures and penalties imposed by NCAs regarding counterparties' compliance with EMIR.</li> <li>• 📖 Report on the EU carbon market, integrated in an ESMA TRV report.</li> </ul>
	<p><b>2025 Specific outputs</b></p> <ul style="list-style-type: none"> <li>• 🏛️ Selection procedure for establishing the CTP for bonds, shares and ETFs.</li> <li>• 🏛️ CSA on pre-trade controls.</li> </ul>
	<p><u>EMIR 3</u></p> <ul style="list-style-type: none"> <li>• § RTS on the clearing thresholds (EMIR).</li> <li>• § RTS on post trade risk reduction services (EMIR).</li> </ul>
	<p><u>MiFIR</u></p> <ul style="list-style-type: none"> <li>• § RTS on non-equity transparency for derivatives.</li> <li>• § RTS on circuit breakers.</li> <li>• § ITS on Systematic internaliser notification.</li> <li>• § RTS on Double volume cap.</li> </ul>

### 2.2.11 Market Integrity

Key objectives	<p>Contributes to the objectives of</p> <ul style="list-style-type: none"> <li>- effective markets and financial stability (section 2.1.1);</li> <li>- effective supervision (section 2.1.2);</li> <li>- technological innovation (section 2.1.5); and</li> <li>- effective use of data and ICT technologies (section 2.1.6)</li> </ul>
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in the area of the Market Abuse Regulation (MAR) and the Short Selling Regulation (SSR).

ESMA will monitor market developments and the evolution of net short positions at EU level and enhances coordination in case of possible threats that may require the adoption of national measures under the SSR or use of EU intervention powers. ESMA will promote supervisory convergence under MAR and SSR including by issuing guidance or organising case discussions on issues related to market integrity and coordinating NCAs' supervisory actions in relation to cross-border market abuse cases.

ESMA will continue focusing on the impact of social media on market surveillance and market integrity and may revise its guidance on this topic. ESMA will also monitor the convergent implementation and application of the market abuse rules stemming from MAR Regulation, in the attempt to identify new forms of market abuse and threats to the market integrity.

In 2025 ESMA is expected to continue working on regulatory and supervisory convergence measures further to the implementation of the listing act amendments to MAR.

In 2025, ESMA will keep on monitoring the deployment of existing accepted market practices (AMPs) and will deliver opinions with respect to new or revised AMPs. If needed, ESMA will consider updating its opinion on points for convergence in relation to AMPs on liquidity contracts.

ESMA will also contribute to supervisory convergence in the fields of Suspicious Transaction and Order Reports (STORs) by producing an annual report on the application of the relevant regime across the EU.

ESMA will also liaise with NCAs to better understand trends and developments connected to algo trading and the relevant implications for market surveillance.

Main  
outputs

#### Ongoing activities

- 🔍 Monitoring market developments, enhancing coordination in case of possible threats that may require the adoption of emergency measures under the SSR.
- 📄 Guidance and 🗣️ other tools to promote supervisory convergence regarding MAR.
- 📄 Opinions on MAR AMPs adopted by NCAs where needed.

#### Annual outputs

- 📖 Report on STORs.

#### 2025 Specific outputs

- 📖 Regulatory and supervisory convergence measures further to the Listing Act amendments to MAR.

## 2.2.12 Central Securities Depositories

Key  
objectives

Contributes to the objectives of

- effective markets and financial stability (section 2.1.1);

- effective supervision (section 2.1.2);
- technological innovation (section 2.1.5); and
- effective use of data (section 2.1.6)

as it relates to the CSDR.

Participate in CSD colleges of supervisors when effective under CSDR Refit.  
Recognise third-country CSDs and monitor compliance with recognition decisions, if any.

As mandated by CSDR Refit, ESMA will publish before the end of 2024 a report on the shortening of the settlement cycle in the EU. In 2025, ESMA expects to continue working on this file, being actively involved in preparatory work and coordination with the relevant public and private sector stakeholders towards shortening of the settlement cycle.

In addition, ESMA will participate in CSD colleges of supervisors in cases where a CSD's activities in at least two other Member States are considered to be of substantial importance to the functioning of the securities markets and investor protection. In this context, ESMA will develop technical standards specifying the criteria for whether the activities of a CSD in a host Member State could be considered to be of substantial importance for the functioning of the securities markets and the protection of investors in that host Member State.




Together with the NCAs, ESMA will continue monitoring CSDs' settlement efficiency and settlement internalised at the level of custodians. ESMA will also conduct the annual calculation of the indicators for determining the most relevant currencies in which settlement takes place, and the substantial importance of CSDs for host Member States.

ESMA has 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, if any. According to CSDR Refit, ESMA should receive notifications from the third-country CSDs that provide or intend to provide core services in the EU.

Last but not least, as foreseen by CSDR Refit, ESMA will need to provide technical advice, review, or develop new technical standards and guidelines, as well as publish reports on a wide range of topics.


Main  
outputs

#### Ongoing activities

-  Guidance on CSDR, following the CSDR Review.
-  International work in respect of third-country CSDs, managing notifications from third-country CSDs, possible recognition decisions and monitoring of compliance with recognition conditions, if any.
-  Report on the shortening of the settlement cycle

#### 2025 Specific outputs

- § RTS on settlement discipline and tools to improve settlement efficiency including report on tools to improve settlement efficiency.
- § RTS on review and evaluation – Information to be provided.
- § ITS on review and evaluation – Standards, forms and templates.
- § RTS on information to be notified to ESMA by TC-CDSs.
- § RTS on deferred settlement.

-  Technical advice to the European Commission on the scope of the settlement discipline

### 2.2.13 Securitisation

#### Key objectives

Contributes to the objectives of

- effective markets and financial stability (section 2.1.1).
- effective supervision (section 2.1.2).
- enabling Sustainable finance (Section 2.1.4).
- technological innovation (section 2.1.5)
- effective use of data and ICT technologies (section 2.1.6).

related to the Securitisation Regulation (SECR).

Monitor and promote the consistent application of SECR and ensure the effective implementation of regulatory requirements, in particular related to transparency, investor due diligence and STS securitisation.

Engage with regulators and market participants to exchange and gather additional views on the securitisation market, the functioning of the regulatory framework and the quality of the data submitted to and made available by SRs.

ESMA directly supervises SRs using its risk-based, outcome-focused and data-driven approach. ESMA's main supervisory objective for SRs will continue to be enhancing the quality of the data reported to and made available by SRs and ensuring the continued access, integrity and availability of SR data to the users of the data under SECR.

ESMA also expects that its supervisory work will continue to focus on ensuring an effective governance and internal control framework within SRs, as well as SRs' compliance with DORA requirements that enter to application in January 2025. ESMA will also follow up on any concerns it may have from its review in 2024 / 2025 of SRs' cybersecurity frameworks. Where applicable ESMA expects to assess the strategy of the groups that SRs belong to and how they may be impacted by decisions taken at group level.

ESMA will also further cooperate with the relevant supervisory bodies and market participants, including users of SR data by collecting feedback to identify data quality issues, promoting the use of SR data and fostering consistency by supervisory bodies in the supervision of the requirements of SECR. Similarly, to previous years, ESMA will publish a report on the quality and use of data to show the effectiveness of the collective supervisory efforts of ESMA and the NCAs supervising reporting entities.

On the policy side, ESMA will continue in 2025 to support the Commission in its review of the regulatory framework with the aim to contribute to reviving the EU securitisation market. This notably includes working towards more proportionality into SECR key requirements and more consistency in the supervisory framework.

In that respect, ESMA will also intensify its convergence work and may issue guidance where necessary, in particular in the areas of STS securitisation, investor due diligence and transparency.

Finally, ESMA expects to follow up with NCAs on the outcome of the STS Peer Review with the purpose of further increasing supervisory convergence across the NCAs.

Main  
outputs

#### Ongoing Activities

- 👤 Supervision of SRs.
- 📄 Guidance and 👥 other tools to promote supervisory convergence regarding SECR.
- 📊 Data quality engagement related to securitisation data processed by SRs.
- 🔍 Monitoring on ongoing basis the issues of the SECR regime to plan consistent policy responses.
- 👥 Engaging with the market participants and relevant authorities to exchange views on the securitisation markets and the functioning of the regulatory framework.

#### 2025 Specific outputs

- 📄 Potential guidance on investor due diligence.
- 📄 Potential further guidance to NCAs regarding the implementation of the supervisory duties under SECR depending on outcome of STS Peer Review.

## 2.3 ESMA as an organisation

This part includes the horizontal activities supporting the organisation and enabling ESMA to fulfil its mission. It notably refers to work to be conducted in the areas of stakeholder relations, communication, governance, strategic planning, and reporting, legal and compliance, and risk management, assurance and accountability.

### 2.3.1 Governance and External Affairs

#### Key objectives

Ensure robust functioning of ESMA's governance bodies and strong internal governance. Steer strategic direction for the Authority and provide annual and multi-annual planning and reporting.

Ensure effective external and internal communication and engagement with stakeholders.

Manage ESMA's communications channels, ensuring awareness of the authority and its work, as well as easy access to public information.

Ensure robust and trusted inter-institutional relationships, primarily with the EU Institutions and contribute to ESMA's accountability and transparency.

Maintain strong relations and cooperation with international regulatory bodies (notably IOSCO, the FSB) and non-EU securities regulators and contribute to international standard-setting.

#### Internal governance

ESMA provides support to ESMA's governance bodies, including the Board of Supervisors, the Management Board, the JC and the Securities and Markets Stakeholders Group (SMSG). Every year ESMA communicates on its activities to the public via its annual work programme and annual report. ESMA presents its structure, governance and all work streams on a public website, using infographics, videos and images to ensure information from ESMA is seen beyond a specialist audience and with a view to contribute to financial education. ESMA also aims to make all its documents easily accessible to the public via a website respecting best practices as to accessibility, user tracking and security.

ESMA develops and regularly reviews its internal policies and procedures in accordance with the organisational best practices and undertakes an annual risk assessment and assessment of the ESMA's control framework.

#### External engagement

ESMA engages with its stakeholders through formal channels like the SMSG and consultative WGs, as well as targeted outreach including bilateral/multilateral meetings, open hearings and webinars, roundtable workshops, and speaking appearances at various events and conferences. As a public body committed to transparency ESMA will continue to engage extensively with the media to provide information and context regarding its

publications and working practices. This takes the form of interviews and briefings, as well as written exchanges.

In 2025, ESMA will organise a public conference with the theme of building more effective and attractive capital markets in the EU.

ESMA will also cooperate closely with NCAs to translate and disseminate publications on a national level, through publications on NCA websites, interviews in national media and through social media campaigns. Specific campaigns particularly will focus on topics related closely to investor protection and targeting retail investors, in order to provide them with information in their language and more suited to their national context.

ESMA will continue to provide advice to the EC and the co-legislators on legislative initiatives and will engage on an ongoing basis with them through various groups and committees including through regular participation in Hearings/Scrutiny proceedings of the European Parliament and Budgetary Discharge processes.

ESMA will maintain its strong relations and cooperation with international regulatory bodies (IOSCO, FSB) and non-EU securities regulators. ESMA contributes to international standard-setting. ESMA will also engage with these authorities as part of its ongoing equivalence monitoring activity and overall monitoring of regulatory and supervisory developments in third countries and prepares where appropriate a confidential Equivalence Monitoring Report for the EU institutions.

Furthermore, in 2025 ESMA will plan to establish close cooperation with the Anti-Money Laundering Authority (AMLA) that is planned to be set-up based on the new AMLA Regulation.



In addition, following the conclusion of the Association agreement between the EU and Andorra and San Marino, ESMA will further work with the EC and the other ESAs on the next steps in its implementation in the financial service area.

Main outputs	<b>Ongoing Activities</b> <ul style="list-style-type: none"><li>• Support ESMA's governing bodies.</li><li>• 🌐 Contribution to EU institutions and international work.</li><li>• 🌐 Cooperation with third-country regulators, MoUs and ad-hoc technical advice on international cooperation issues.</li><li>• All ESMA deliverables made available on ESMA's website and social media channels.</li><li>• Promotion and information about ESMA and its products through speaking engagements, media and webinars</li><li>• Proportionality recommendations</li><li>• Update/review internal ESMA policies/processes.</li></ul>
	<b>Annual outputs</b> <ul style="list-style-type: none"><li>• 📖 2026-2028 Programming Document.</li><li>• 📖 2026 Annual Work Programme.</li><li>• 📖 2026 JC Annual Work Programme.</li><li>• 📖 2024 Annual Report.</li></ul>

- ESMA Conference 2025

### 2.3.2 Legal and Compliance

<p><b>Key objectives</b></p>	<p>Identify and minimise the legal risks of ESMA's actions and defend the Authority in case of legal challenge. Provide expert views in preliminary rulings to the extent requested.</p> <p>Advise on and 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.</p> <p>Foster ESMA's transparency and accountability through the timely handling of requests for access to documents.</p> <p>Promote a strong compliance and integrity culture at ESMA on Ethics and conflict of interest policies, professional secrecy, and data protection rules as well as good administration principles.</p>
<p>ESMA will carry out systematic legal review of all key documents. 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. Successful representation of ESMA before the EU Ombudsman, the Board of Appeal and the Court of Justice of the EU is key for the support of ESMA's decisions and the protection of Union interests.</p> <p>ESMA will undertake a wide range of activities to ensure compliance of ESMA as an organisation with all relevant regulations including on the protection of personal data and professional secrecy, including assessing regular requests for disclosure of ESMA documents.</p> <p>ESMA will place accountability, transparency, and the highest standards of ethics at the centre of its approach to corporate governance. This implies processing and assessing annual declarations of interests or related requests both from ESMA staff and the members of its governing bodies.</p> <p>ESMA will also maintain and updates an interactive single rule book on its website to facilitate access and compliance with the main legal acts under its remit by all concerned.</p>	
<p><b>Main outputs</b></p>	<p><b>Ongoing Activities</b></p> <ul style="list-style-type: none"> <li>• Legal advice on policy matters, institutional issues as well as on supervisory measures and actions.</li> <li>• Legal review of acts of general application such as technical standards and guidelines, of individual binding decisions and of tools pursuing convergence such as Opinions and Recommendations.</li> <li>• Submissions and representation of ESMA in litigation cases and expert views in preliminary rulings.</li> <li>• Supporting the organisation on internal matters.</li> </ul>

Key objectives	<ul style="list-style-type: none"> <li>• Awareness raising and advice on ethics &amp; integrity, data privacy and good administration principles.</li> <li>• Handling of complaints, including whistleblowing cases, and fighting fraud.</li> </ul> <p><b>Annual outputs</b></p> <ul style="list-style-type: none"> <li>•  Revised Conflict of interest and Ethics policy for Non-Staff .</li> <li>•  Maintenance of ESMA's Data Protection register.</li> </ul>
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### 2.3.3 Human Resources

Key objectives	<p>Attract diverse capable candidates.</p> <p>Promote motivation and flexible talent management.</p> <p>Foster management and leadership excellence.</p> <p>Promote and enhance a diverse, inclusive, and flexible work environment.</p> <p>Continuous improvement towards effective and efficient HR management.</p>
<p>The Human Resources function will continue to support ESMA in achieving its overall strategic objectives by providing the organisation with sound, efficient and effective human resource management. Therefore, Human Resources will aim to fuel ESMA's overall success by reinforcing a culture of engagement, fostering talents, and aligning its purpose with the organisation's broader mission.</p> <p>In 2025, ESMA will continue the implementation its "ESMA's People Strategy 2024-2028", its Competency Framework, and its "Diversity, Equity and Inclusion Strategy 2024-2027".</p> <p>The Human Resources function will also continue to support ESMA staff in their development needs, notably by further promoting internal mobility, secondments and exchange programmes with EU institutions and proposing a wide offer of training and learning opportunities, both onsite and via agile and customisable e-learning solutions.</p> <p>Considerable and tangible results are also expected in the areas of diversity and inclusion planned over the next few years, through a variety of initiatives aimed at fostering a culture where diversity is regarded as a source of enrichment, innovation and creativity, and where inclusion is promoted by managers and all staff.</p> <p>Lastly, the organisation will continue to benefit from the digitalisation of its internal HR procedures, notably the implementation of new SYSPER modules, the EC's HRMS (human resources management system) tool progressively deployed at ESMA since 2022.</p>	
Main outputs	<p><b>Ongoing activities</b></p> <ul style="list-style-type: none"> <li>• Implementation of the "People Strategy 2024-2028".</li> <li>• Implementation of the "Diversity Equity and Inclusion Strategy 2024-2027".</li> <li>• Implementation of the staffing and training plan.</li> <li>• Implementation of the Competency Framework.</li> </ul>

## 2.3.4 Finance and Procurement

<p><b>Key objective</b></p>	<p>Continue enhancing the efficiency of ESMA's financial and procurement processes and ensuring their accuracy and regularity in light of the EU Financial Regulation.</p>
<p>In 2025, ESMA's budget will continue to grow not only in terms of amount but also in its complexity, requiring an important effort to ensure the efficient, smooth and accountable functioning of ESMA's overall funding system.</p> <p>Indeed, in 2022, ESMA started to collect fees from EU-based administrators of critical benchmarks and recognised administrators based in a Third-Country and from ARMs and APAs, in addition to the existing fees from CRAs, TRs under EMIR and under SFTR, SRs, Third-Country CCPs under EMIR 2.2 as well as the EU subsidy and the NCAs' contributions. For 2025, ESMA plans to start the collection of fees for the oversight of CTPPs under DORA along with the other ESAs and of CTPs. Moreover, in 2025 the Retail Investment Strategy mandate – now under discussion - may also have an impact on ESMA's budget. Overall, in 2025 ESMA's core budget will include ten different revenue sources of which eight fee funding streams on top of the EU subsidy and NCAs contributions.</p> <p>Furthermore, the new supervisory tasks on ESG Rating and EU Green Bonds supervision - recently adopted - will represent an additional fee-funding source starting from 2026.</p> <p>In light of the increasing complexity of ESMA's fee-funding system, ESMA is working with the EC with the intention to streamline the current model and to allow flexible and efficient allocation of its resources, while ensuring fairness and proportionality across the supervised entities as well as reasonable fee levels for the supervised entities.</p> <p>ESMA's budgeting and costing activities will continue to benefit and rely on its fully re-scaled and cloud-based Activity-Based Management tool. In addition, ESMA will continue to fully benefit from the EC's Public Procurement Management Tool (PPMT).</p> <p>On top to the usual procurement procedures that are necessary to support ESMA's objectives and functioning as an organisation, ESMA will also put in place the selection procedure of the CTPs.</p>	
<p><b>Main outputs</b></p>	<p><b>Ongoing activities</b></p> <ul style="list-style-type: none"> <li>• ESMA's budget planning, monitoring and reporting.</li> <li>• Revenue collection including fee management.</li> <li>• Procuring goods and services.</li> <li>• Financial contract management.</li> <li>• Payments and reimbursements.</li> </ul> <p><b>Annual outputs</b></p> <ul style="list-style-type: none"> <li>• Budget annual accounts.</li> </ul>

## 2.3.5 Corporate Services

<p>Key objectives</p>	<p>Provide proactive and effective support by ensuring the smooth running of ESMA's facilities and the acquisition and sound management of goods and services, in accordance with the EU public procurement rules and procedures.</p> <p>Ensure the health and safety of ESMA staff and visitors.</p> <p>Provide support to ESMA's core business by offering a modern and appropriate working place for staff and visitors, organising missions and events, and managing a secure, robust, efficient, and collaborative document management system fulfilling the regulatory requirements and business needs of an EU authority.</p>
<p>ESMA Corporate Services will support the organisation's environmental agenda by improving its environmental performance through the Eco-Management and Audit Scheme (EMAS). Notably, the lessons learnt from the past years, marked by global challenges in the fields of health and energy, will continue to be considered not only to adapt to new ways of working but also to reinforce the sustainability of ESMA's activities and workplace, for example by looking for more efficient ways to travel and consume resources.</p> <p>In 2025, areas of focus will continue to be the maintenance and regular adaptation of the premises to efficiently support ESMA's activities and provide a safe, healthy, comfortable, productive, cooperative, sustainable and flexible work environment to staff and visitors.</p> <p>Corporate Services will continue to support the smooth day-to-day running of the organisation and will rely on effective and efficient tools and resources for the management of missions, organisation of meetings and catering services, organisation of events, handling of visitors. To do so, Corporate Services rely on established planning and reporting procedures, and a robust document management system.</p>	
<p>Main outputs</p>	<p><b>Ongoing activities</b></p> <ul style="list-style-type: none"> <li>• Maintenance of ESMA's premises.</li> <li>• Environmental performance monitoring and improvement (EMAS maintenance).</li> <li>• Implementation of ESMA's Document Management System.</li> <li>• Corporate Services support for staff and visitors.</li> <li>• Annual, quarterly, and monthly reports on the Support Functions activities.</li> </ul>

### 3 Peer Review Work Plan 2024-2025

Peer reviews are an important tool for supervisory convergence to further strengthen consistency and effectiveness in supervisory practices and outcomes. ESMA performs two types of peer reviews: discretionary peer reviews and mandatory peer reviews. Discretionary peer reviews are performed on topics set by ESMA on the basis of its risk-based prioritisation for supervisory convergence. Mandatory peer reviews are required by sectoral EU legislation. ESMA also follows up on the recommendations made in the context of previous peer reviews. Due to the long duration and resource-intensive nature of peer reviews, ESMA is sometimes required to adjust the Peer Review Work Plan in the course of the year in response to resource constraints or external developments.

ESMA develops every two years a Peer Review Work Plan which identifies the topics for peer reviews and follow-ups to be launched in the following two years.

In 2023, ESMA set the Peer Review Work Plan for the period 2024-2025. In addition to the peer reviews that ESMA identified in its bi-annual work plans, 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.

In 2025, in addition to the CCPs' peer review, ESMA will continue working on the peer reviews on the implementation of the requirements for STS securitisation, on the depositary obligations under the UCITS Directive and the AIFMD, it is also expected that work will be conducted on the follow-up on the supervision of cross-border activities of investment firms and on other peer reviews if resource feasible.

#### **Peer Review Work Plan 2024-2025: Ongoing and planned peer reviews and follow-ups by year of launch**

##### Peer reviews launched in 2024:

- Implementation of the requirements for STS securitisation
- Depositary obligations under the UCITS directive and AIFMD.
- CCPs (outsourcing and intragroup governance arrangements).

##### Peer reviews to be launched in 2025:

- CCPs (recovery plans).

##### Follow-up peer reviews to be launched in 2025 if resources available:

- Supervision of cross-border activities of investment firms
- Relocation of firms in the context of Brexit.
- Prospectus scrutiny and approval.

## Annex I. Human Resources

On 31 January 2024 ESMA provided a multi-annual ‘Programming Document’ to the EU Institutions. This included a multi-annual work programme with financial and staffing outlook for 2026 and 2027, as well as a detailed annual work programme with a budget and staffing request for 2025.

The following tables replicate ESMA’s 2025 budget request, as approved in the Single Programming Document for 2025-2027. ESMA’s resources for 2025 will become final once the EU budget is decided upon at the end of 2024 by the Budget Authority<sup>5</sup>.

2025 draft Establishment Plan (temporary posts)			
AD 16	3		
AD 15	1	AST 11	
AD 14	1	AST 10	
AD 13	3	AST 9	
AD 12	11	AST 8	1
AD 11	19	AST 7	1
AD 10	39	AST 6	6
AD 9	42	AST 5	6
AD 8	34	AST 4	
AD 7	38	AST 3	1
AD 6	66	AST 2	
AD 5	7	AST 1	
AD total	264	AST total	15
<b>GRAND TOTAL</b>		<b>279</b>	

Contract Agents (FTE)	2025 draft estimate
Function Group IV	70
Function Group III	32
Function Group II	
Function Group I	
<b>Total</b>	<b>102<sup>6</sup></b>

Seconded National Experts (FTE)	2025 draft estimate
<b>Total</b>	<b>32</b>

<sup>5</sup> The Budget Authority is formed by the Council of the European Union and the European Parliament.

<sup>6</sup> Includes 4 CAs for Retail Investment Strategy and 12 CAs for ESG Ratings – proposals under discussion at the time of the drafting of this document.

## Annex II. Draft budget

The following tables replicate ESMA's 2025 budget request, as approved in the Programming Document 2025-2027<sup>7</sup>. The draft budget is subject to change and will not be final until agreed by the Budgetary Authority and by ESMA's Boards at the end of this year<sup>8</sup>.

REVENUE	EUR
Fees from CRAs	10,611,058
Fees from TRs under EMIR	1,732,128
Fees from TRs under SFTR	1,011,228
Fees from SR	413,776
Fees from TC CCPs	6,279,126
Benchmarks	1,031,484
DRSP	4,275,153
DORA	990,080
ESG Rating	2,220,976
EU contribution	21,556,480
Contribution from NCAs	33,778,211
Contribution from EEA/EFTA	1,045,765
Contribution from DG REFORM	414,306
Contribution for delegated tasks	349,112
<b>TOTAL REVENUE</b>	<b>85,708,884</b>

EXPENDITURE	EUR
Staff expenditure	55,041,655
Infrastructure and administrative expenditure	9,442,280
Operational expenditure	20,824,949
Delegated tasks	400,000
<b>TOTAL EXPENDITURE</b>	<b>85,708,884</b>

<sup>7</sup> Following the discussion with the European Commission services, the tables below reflect the additional EU and NCA funding for DORA (revenue and expenditure). These were approved by the Board of Supervisors. in May 2024, all the rest remains unchanged versus the budget presented in the submitted PD 2025-2027.

<sup>8</sup> Notably, the level of 2025 revenue sources may be slightly adjusted in light of the impact of inflation and of the recent developments concerning the fee-related areas. ESMA's final budget for 2025 will be published on ESMA's website and in the EU Official Journal in the beginning of next year.

## Annex III. ESMA's Key Performance Indicators (KPIs)

ESMA has recently reviewed its KPIs which are announced here as part of ESMA's 2025 AWP. ESMA will start reporting on these new KPIs in its 2024 annual report which will be published in June 2025.

KPI	Description	Annual Target
<b>Completion rate of the Annual Work Programme</b>	The sum of all completed projects and processes divided by the sum of initially planned projects and projects.	>85%
<b>GHG emissions</b>	The sum of ESMA's scope 2 and scope 3 emissions, accounted for and reported in accordance with the Bilan Carbone methodology.	TBD
<b>Staff Turnover Rate</b>	The percentage of staff (TA/CA) leaving the organisation during the year.	>5% and <10%
<b>Implementation Rate of Budget Appropriations</b>	The percentage of the total planned budget which has been committed.	>95%
<b>Maintenance IT budget execution</b>	The percentage of the maintenance budget execution for the current year.	>95%

## Key Outcome Indicators

As part of its new KPIs, ESMA has developed a set of key outcome indicators which measure the extent to which the priorities and drivers set out in ESMA's 2023-28 Strategy are being achieved. For each objective, ESMA has selected a single Key Outcome Indicator (KOI) which measures one important aspect of the objective. It should be stressed that these indicators only capture those outcomes which are most reliably measured and for which quality data is available.

A target will be established for each of the KOIs once a baseline has been established. The baseline for each KOI will be the average value of the first three years of data collection.

Objective	Key Outcome Indicator Description
<b>Financial Stability</b>	<b>Effects of ESMA's market monitoring risk assessment</b> Number of policy, convergence or supervisory actions driven or influenced by published ESMA market monitoring and risk assessment.
<b>Effective Supervision</b>	<b>Mitigation of supervisory risks</b> Proportion of identified areas of elevated supervisory risk which were reduced in the following 3 years: <ul style="list-style-type: none"> <li>- Through ESMA's direct supervision.</li> <li>- Through national supervision facilitated by ESMA convergence initiatives.</li> </ul>
<b>Retail investor Protection</b>	<b>Investment cost for retail investors:</b> % average annual total cost of retail UCITS: <ul style="list-style-type: none"> <li>- Passive Funds</li> <li>- Active Funds</li> <li>- Total</li> </ul>
<b>Sustainable Finance</b>	<b>Greenwashing risks in the funds industry</b> % EU funds with sustainability-related features which appear at risk of misleading investors. The risk is assessed, based on consistency and clarity of funds documentation and its alignment with portfolio holdings data, using natural language processing techniques.
<b>Effective Data Usage</b>	<b>Use of ESMA's proprietary databases</b> Number of users per dataset with at least 1 access recorded over the year.

## Annex IV. Overview of ESMA 2025 outputs by output type

This Annex provides an overview of ESMA's deliverables by output type including along with a brief description of each type.

### Rules §

In response to specific legal mandates, ESMA provides draft ITS and RTS. Statutory guidelines which are developed in response to a specific legal mandate are included in this category. The new and revised technical standards to be delivered in 2025 which are currently known are listed in the table below.

Legal Act	Technical standards and statutory guidelines to be delivered in 2025
<b>AIFMD Review</b>	<ul style="list-style-type: none"> <li>• Guidelines on LMTs of UCITS and open-ended AIFs.</li> <li>• RTS on the characteristics of LMTs.</li> <li>• RTS on open ended Loan Originating AIFs.</li> </ul>
<b>CSDR Review</b>	<ul style="list-style-type: none"> <li>• RTS on settlement discipline and tools to improve settlement efficiency including report on tools to improve settlement efficiency.</li> <li>• RTS on review and evaluation – Information to be provided.</li> <li>• ITS on review and evaluation – Standards, forms and templates.</li> <li>• RTS on information to be notified to ESMA by TC-CSDs.</li> <li>• RTS on deferred settlement.</li> </ul>
<b>EMIR 3</b>	<ul style="list-style-type: none"> <li>• EMIR RTS on public data.</li> <li>• 2 RTS on the conditions of the AAR and the relevant reporting requirements and on client clearing fees and cost of clearing at different CCPs.</li> <li>• 9 RTS/ITS on revised supervisory procedures in relation to the criteria for applying the accelerated or exemption procedures and for identifying changes under the standard vs. accelerated procedure and changes already covered by the existing model, as well as the list of documents to be submitted for authorisation, extension of services and validations of risk models.</li> <li>• 4 RTS on requirements regarding participation, margin transparency, procyclical effects of collateral haircuts, and interoperability links for derivatives.</li> <li>• Revision of RTS in relation on organisational requirements, margin requirements, liquidity risks controls and collateral requirements.</li> <li>• RTS on the clearing thresholds.</li> <li>• RTS on post trade risk reduction services.</li> </ul>
<b>ESG Rating Regulation</b>	<ul style="list-style-type: none"> <li>• RTS on registration application.</li> <li>• RTS on registration application for recognition entities.</li> <li>• RTS on safeguards regarding separation of business.</li> <li>• RTS on methodological disclosures to the public.</li> </ul>

	<ul style="list-style-type: none"> <li>• RTS to specify methodological disclosures to users of ESG ratings and rated entities.</li> </ul>
<b>European Green Bond Regulation</b>	<ul style="list-style-type: none"> <li>• RTS on Methodologies.</li> <li>• RTS on Internal Policies and Procedures.</li> <li>• RTS on Compliance.</li> <li>• ITS on Material Changes.</li> <li>• RTS General Principles.</li> <li>• RTS Recognition.</li> </ul>
<b>Listing Act</b>	<ul style="list-style-type: none"> <li>• RTS on issuer-sponsored research.</li> <li>• ITS on prospectus templates and font size.</li> <li>• Guidelines on Product Supplements.</li> <li>• Technical Advice on prospectus liability.</li> <li>• Technical Advice on Prospectus (standardised format and content including ESG disclosures and URD disclosures, scrutiny and approval).</li> <li>• Advice to EC on research.</li> </ul>
<b>MiCA</b>	<ul style="list-style-type: none"> <li>• Guidelines on suitability and transfer services.</li> </ul>
<b>MiFIR/MiFID Review</b>	<ul style="list-style-type: none"> <li>• RTS on order execution policies (best execution) MiFIR.</li> <li>• RTS on non-equity transparency for derivatives.</li> <li>• RTS on circuit breakers.</li> <li>• ITS on Systematic internaliser notification.</li> <li>• RTS on Double volume cap.</li> </ul>
<b>Annually reviewed technical standards</b>	<ul style="list-style-type: none"> <li>• Annual update of guidelines on MMF stress testing (update of the parameters of the stress tests scenarios).</li> </ul>
	<ul style="list-style-type: none"> <li>• Annual amendments to the RTS on ESEF, ESEF XBRL Taxonomy files reflecting sustainability disclosure requirements for listed SMEs.</li> </ul>

In addition to the technical standards listed in the table above, there are several directives and regulations currently under review which are likely to result in additional mandates for ESMA to revise existing technical standards or develop new ones in 2024.

## Reports

In response to specific legal mandates, ESMA provides technical advice and analysis to the European Commission on the application and potential improvement of the legislation within ESMA's remit. This includes several annual publications as well as ad-hoc reports and technical advice on specific issues. The recurrent reports which are delivered every year or every other year are listed in the subsequent table.

Sub-Activity	Recurrent Reports
Effective markets and financial stability	<ul style="list-style-type: none"> <li>• Biannual TRV Risk Monitoring reports.</li> <li>• Annual ESMA market reports</li> <li>• Annual TRV Risk Analysis articles: Potential topics include retail investors, climate risk and ESG developments, social media, AI, investment funds, securities markets and infrastructures.</li> </ul>
Retail Investor Protection	<ul style="list-style-type: none"> <li>• Annual Report on data collection concerning cross-border investment services in EU/EEA.</li> <li>• Annual report on performance and costs of retail investment products.</li> </ul>
Sustainable Finance	<ul style="list-style-type: none"> <li>• Annual Joint ESAs' Report on principal adverse impact disclosures under Article 18 SFDR.</li> </ul>
Effective use of data and ICT Technologies	<ul style="list-style-type: none"> <li>• Annual report on quality and use of transaction data.</li> </ul>
Investment management	<ul style="list-style-type: none"> <li>• Biannual report on national rules on the marketing of investment funds.</li> </ul>
Issuer disclosure	<ul style="list-style-type: none"> <li>• Annual Public Statement on European Common Enforcement Priorities.</li> <li>• Annual extracts of financial information enforcement decisions.</li> <li>• Annual Corporate reporting enforcement and regulatory activities report.</li> </ul>
Third-country CCPs	<ul style="list-style-type: none"> <li>• Annual review of Tier 1 CCPs and regulatory and supervisory developments in equivalent third-country.</li> </ul>
EU CCPs	<ul style="list-style-type: none"> <li>• Annual Definition of Framework and launch of the 6th CCP Stress-Test.</li> <li>• Annual Input to EC annual report on interoperability.</li> </ul>
DRSPs	<ul style="list-style-type: none"> <li>• Annual assessment of the DRSP derogation criteria.</li> </ul>
Trading	<ul style="list-style-type: none"> <li>• Annual report on the supervisory measures and penalties imposed by NCAs regarding counterparties' compliance with EMIR.</li> <li>• Annual report on the EU carbon market, integrated in an ESMA TRV report.</li> </ul>
Market Integrity	<ul style="list-style-type: none"> <li>• Annual report on STORs.</li> </ul>

Governance and External Affairs	<ul style="list-style-type: none"> <li>• 2026-2028 Programming Document.</li> <li>• 2026 ESMA Annual Work Programme.</li> <li>• 2026 JC Annual Work Programme.</li> <li>• 2024 ESMA Annual Report.</li> </ul>
Legal and Compliance	<ul style="list-style-type: none"> <li>• Annual Revised Conflict of interest and Ethics policy for non-staff.</li> </ul>

The specific reports and technical advice to be delivered in 2025 which are currently known are listed in the table below.

Sub-Activity	2025 Specific Technical Advice and Reports
Effective supervision	<ul style="list-style-type: none"> <li>• Cross-sectoral report on national sanctions and administrative measures.</li> </ul>
Retail Investor Protection	<ul style="list-style-type: none"> <li>• Development of new retail risk indicators.</li> <li>• Report on fees charged to investors under the AIFMD and the UCITS Directive mandated under the review of the AIFMD and UCITS Directive.</li> </ul>
Sustainable Finance	<ul style="list-style-type: none"> <li>• Joint ESAs climate stress test exercise with ESRB.</li> <li>• Report on Technical Support Instrument: Using NLP to detect potential greenwashing activities.</li> </ul>
Technological Innovation	<ul style="list-style-type: none"> <li>• Update on the implementation of the DLT Pilot Regime.</li> <li>• Interim report on the application of MiCA and report on latest developments in crypto-assets.</li> </ul>
Investment management	<ul style="list-style-type: none"> <li>• Report on costs charged by UCITS and AIFMs.</li> <li>• Technical advice on the review of the UCITS Eligible Assets Directive.</li> </ul>
Issuer disclosure	<ul style="list-style-type: none"> <li>• Fact-finding exercise on the first reporting practices under the CSRD.</li> </ul>
EU CCPs	<ul style="list-style-type: none"> <li>• Report on the effectiveness of the AAR, including a fully reasoned impact assessment on complementing measures, including quantitative thresholds.</li> <li>• Report on the publication of administrative penalties and other administrative measures under CCPRRR.</li> <li>•</li> </ul>
TRs	<ul style="list-style-type: none"> <li>• Report on efficiency of SFTR reporting.</li> </ul>
Market Integrity	<ul style="list-style-type: none"> <li>• Regulatory and supervisory convergence measures further to the Listing Act amendments to MAR.</li> </ul>
CSDs	<ul style="list-style-type: none"> <li>• Technical advice to the European Commission on the scope of the settlement discipline.</li> <li>• Report on the shortening of the settlement cycle.</li> </ul>

## CSAs

CSAs are important tools for promoting supervisory convergence. The CSA is the application of a common assessment framework on supervisory questions in a priority area among national supervisors as well as ongoing exchanges between supervisors on these questions.

Sub-Activity	2025 CSAs
Retail investor protection	<ul style="list-style-type: none"> <li>CSA on MiFID II requirements on suitability/sustainability.</li> </ul>
Investment Management	<ul style="list-style-type: none"> <li>Report on 2023-2024 CSA on sustainability in investment management.</li> <li>Peer review on depositary obligations under the UCITS Directive and AIFMD.</li> </ul>
Investment services	<ul style="list-style-type: none"> <li>Statement on CSA 2024 on integration of sustainability preferences in firms' suitability assessment.</li> </ul>
Sustainable finance	<ul style="list-style-type: none"> <li>CSA on BMR ESG disclosures.</li> </ul>
Trading	<ul style="list-style-type: none"> <li>CSA on pre-trade controls.</li> </ul>

## Guidance

ESMA has the power to provide guidance to competent authorities and market participants on how to comply with and supervise the rules and regulations within its remit using different legal instruments. Depending on the addressee and the nature of the topic, ESMA commonly publishes guidance in the form of Q&As; opinions; statements; supervisory briefings; and ESMA own-initiative guidelines and recommendations. ESMA constantly reviews, revises, adds and repeals guidance across all areas to ensure that ESMA guidance is easy to navigate, consistent, complete and up-to-date in light of new developments in regulation, technology, risks, business models and investor needs. Guidance is a cornerstone of ESMA's supervisory convergence efforts to achieve effective and consistent high quality supervisory outcomes across the EU. The guidance outputs to be delivered in 2025 which are currently known are listed in the table below.

Sub-Activity	Guidance to be delivered in 2025
Effective supervision	<ul style="list-style-type: none"> <li>Cross-sectoral principles on outsourcing.</li> <li>Guidance on Governance Expectations to ESMA supervised entities.</li> <li>Guidelines on Periodic Information to ESMA supervised entities.</li> <li>Guidelines on Internal Controls to ESMA supervised entities.</li> </ul>
Retail investor protection	<ul style="list-style-type: none"> <li>Methodology on consumer testing.</li> </ul>
Sustainable finance	<ul style="list-style-type: none"> <li>Greenwashing indicators to support NCA supervision.</li> <li>Guidance on sustainability claims to FMPs.</li> </ul>

Issuer disclosure	<ul style="list-style-type: none"> <li>• Acting in concert Whitelist update.</li> </ul>
CRAs	<ul style="list-style-type: none"> <li>• Update to ESMA Guidelines on disclosure for credit ratings.</li> <li>•</li> <li>• Guidance on Material Changes to Credit Rating Methodologies.</li> <li>• Guidance on Scope of Credit Rating Regulation.</li> </ul>
SRs	<ul style="list-style-type: none"> <li>• Potential guidance on investor due diligence.</li> <li>• Potential further guidance to NCAs depending on outcome of STS Peer Review.</li> </ul>

Agence Europe

## Annex V. Acronyms

AI	Artificial Intelligence
AIFs	Alternative Investment Fund
AIFMD	Alternative Investment Fund Managers Directive
AMLA	Anti-Money Laundering Authority
AMPs	Accepted Market Practices
APAs	Approved Publication Arrangements
ARMs	Approved Reporting Mechanisms
BMR	Benchmarks Regulation
CASPs	Crypto-Asset Services Providers
CCP	Central Counterparty
CCP RRR	CCP Recovery and Resolution Regulation
CEAOB	Committee of European Audit Oversight Bodies
CRAs	Credit Rating Agencies
CRAR	Credit Rating Agencies Regulation
CSA	Common Supervisory Action
CSDs	Central Securities Depositories
CSDR	Central Securities Depositories Regulation
CSRD	Corporate Sustainability Reporting Directive
CTPs	Consolidated Tape Providers
CTPPs	Critical Third-Party Providers
DLT	Regulation on Distributed Ledger Technology
DORA	Digital Operational Resilience Act
DRSPs	Data Reporting Service Providers
EBA	European Banking Authority
EC	European Commission
EEA	European Economic Area
EFRAG	European Financial Reporting Advisory Group
EFTA	European Free Trade Association
EIOPA	European Insurance and Occupational Pensions Authority
ELTIF	European Long-term Investment Funds
EMAS	Eco-Management and Audit Scheme
EMIR	European Market Infrastructure Regulation
ESAs	European Supervisory Authorities
ESAP	European Single Access Point
ESEF	European Single Electronic Format
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
ESRB	European Systemic Risk Board
ESRS	European Sustainability Reporting Standards
ETFs	Exchange Traded Funds
EU	European Union
EURIBOR	Euro Interbank Offered Rate

FSB	Financial Stability Board
FTE	Full Time Equivalent
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
IOSCO	International Organisation of Securities Commissions
ISA	International Standards on Auditing
ISSA	International Sustainability Standards on Auditing
ISSB	International Sustainability Standards Board
ITS	Implementing Technical Standards
KPIs	Key Performance Indicators
MAR	Market Abuse Regulation
MiCA	Regulation on Markets in Crypto-Assets
MiFID II	Revision of the Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
MMFs	Money Market Funds
MoU	Memorandum of Understanding
NCA	National Competent Authority
NGFS	Network for Greening the Financial System
OTC	Over-the-counter
PRIIPs	Regulations on Packaged Retail and Insurance-based Investment Products
RTS	Regulatory Technical Standards
SECR	Securitisation Regulation
SFDR	Sustainable Finance Disclosure Regulation
SFTR	Securities Financing Transactions Regulation
SRs	Securitisation Repositories
SSR	Short Selling Regulation
STORs	Suspicious Transaction and Order Reports
STS	Simple, Transparent and Standardised (securitisation)
TPPs	Third-Party Providers
TRs	Trade Repositories
TRV	Trends, Risks and Vulnerabilities
UCITS	Undertakings for Collective Investment in Transferable Securities
USSP	Union-wide Strategic Supervisory Priority