

TERMS OF REFERENCE

Investor Protection and Intermediaries Standing Committee (IPISC)

1. ESMA achieves its mission to enhance investor protection and promoting stable and orderly financial markets through four activities: (i) assessing risks to investors, markets and financial stability, (ii) completing a single rulebook for EU financial markets, (iii) promoting supervisory convergence and (iv) supervising specific financial entities.
2. The ESMA Regulation¹ states that ESMA shall act within the powers conferred by this Regulation and among others within the scope Directive 2014/65/EU (MiFID II), Regulation (EU) No 600/2014 (Markets in Financial Instruments Regulation – MiFIR), Directive 97/9/EC (Investor Compensation Schemes Directive), Directive 2013/36/EU (CRD IV) and Regulation (EU) No 575/2013 (CRR).²
3. In order to fulfil its mission the Board of Supervisors has established the Investor Protection and Intermediaries Standing Committee (IPISC). The Terms of Reference cover the responsibilities and tasks of this group and the Procedures for ESMA groups (ESMA/2011/BS/236rev3) set out the rules concerning its structure, governance and working methods.

Responsibilities

4. In line with the ESMA 2016-2020 Strategic Orientation (ESMA/2015/935), the Investor Protection and Intermediaries Standing Committee contributes to ESMA's mission by addressing issues related to the provision of investment services and activities by investment firms and credit institutions under MiFID and its recast version MiFID II and MiFIR (collectively 'the MiFID framework'). In particular by:
 - *Promoting Supervisory Convergence*: Leading or contributing actively, through the use of all available tools (including monitoring any issues arising from the implementation of existing Guidelines and the analysis of individual cases where appropriate), to ESMA's tasks in promoting the supervisory convergence among national competent authorities in the area of investor protection and intermediaries on a range of issues such as authorisation, conduct of business rules, systems and controls, organisational requirements and cross-border activities.
 - *Completing a Single Rulebook for EU financial markets*: Developing technical advice to the European Commission, draft technical standards and recommendations on the provisions of the MiFID framework applicable to its area of competence (i.e. relating to

¹ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority) amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC

² References to existing legislation replace references to repealed or recast one. For example, Reference to CRD IV and CRR replaces reference to Directive 2006/49/EC on the capital adequacy of investment firms and credit institutions.



investment services and activities provided by intermediaries), including the review of existing ESMA instruments with the view to ensuring a harmonised implementation of the EU legislation.

5. The Investor Protection and Intermediaries Standing Committee is also responsible for working on other topics related to investor protection and intermediaries within the powers conferred by Regulation 1095/2010 of the European Parliament and Council, such as: advising ESMA's Board of Supervisors on investor warnings (in the areas of competence) and working on topics relating to investor protection and intermediaries within the scope of relevant acts of Union Law (and their revisions) including Directive 97/9/EC (the Investor Compensation Schemes Directive) and Directive 2013/36/EU (CRD IV) and Regulation (EU) No 575/2013 (CRR).
6. In line with ESMA's product monitoring obligation under Article 39 MiFIR and its product intervention powers under Article 40 and 43 MiFIR, the Standing Committee will put in place means to identify potential investor protection concerns, threats to the orderly functioning and integrity of financial/commodity markets and to the stability of the financial system and, where appropriate, assess them in accordance with agreed methodology and procedures or refer them to another committee for such assessment.
7. The Investor Protection and Intermediaries Standing Committee will liaise and coordinate with other relevant groups reporting to the Board of Supervisors where its activities touch on the responsibilities of other groups.

Structure and governance

8. The responsibilities of the Chair, rapporteur and members of the Investor Protection and Intermediaries Standing Committee are as set out in the Procedures for ESMA groups.
9. Permanent or temporary groups reporting to the Investor Protection and Intermediaries Standing Committee may be set-up when required in line with the Procedures for ESMA groups.
10. The Investor Protection and Intermediaries Standing Committee has established a Consultative Working Group. The Standing Committee can – where appropriate – and in liaison with the rapporteur of the relevant Standing Committee consult other Consultative Working Groups.
11. The Investor Protection and Intermediaries Standing Committee has established the following permanent working groups, each with its own terms of reference:
 - IPISC Working Group (IWG)³
12. The Investor Protection and Intermediaries Standing Committee will meet on a regular basis as required in order to deliver ESMA's (multi-) annual work programme. Meetings of substructures will be organised as necessary to enable the Standing Committee to fulfil its tasks.

³ ESMA/BS/92 Annex 1



Review

13. The Terms of Reference will be reviewed every two years by the Board of Supervisors.