

Summary of Conclusions

Securities and Markets Stakeholder Group

Date:	26 January 2024
Time:	09:00h – 12:30h
Location:	ESMA Offices, 201-203 rue de Bercy, 75012 Paris, France.
Contact:	stakeholders@esma.europa.eu

No Item

1. Report from the Steering Committee

The SMSG Chair reported that the Group was currently working on two pieces of advice: one on digitalisation and one on the Guidelines on enforcement of sustainability information (GLESI). In addition, they were working with the other ESA stakeholder groups on a second joint advice on DORA.

In view of the end of the current SMSG member mandates on 30 June 2023, the SMSG Chair informed the Group that they would be asked to contribute to an end of term report that would include a survey of SMSG members.

The ESMA Chair informed the Group about the upcoming renewal process noting that all current members could reapply as, following the changes made to the Group from the last revision of ESMA's founding regulation and the lack of transition provisions, it was decided that formally all members would be in their first term out of a possible two. The ESMA Chair also noted that the planned joint meeting of the Board of Supervisors and the SMSG on 5 July 2024 would be rescheduled to allow the new Group to establish itself before meeting the Board.

2. Adoption of summary of conclusions from SMSG meeting on 6 December 2023

The summary of conclusions of the SMSG meeting on 6 December 2023 was adopted.

3. Recent market developments

a. Pension report

SMSG member, Guillaume Prache, presented a Better Finance report into the real return of long-term and pension savings in Europe. He stated that most of the products analysed for the report do not generate sufficient real net returns to significantly improve savers' retirement income and argued for a simple, pan-European pension tool, such as the PEPP.

SMSG members discussed the presentation including the different experiences in different Member States, the importance of clearly classifying funds to allow better cost comparison, and the importance of the individual investor retirement horizon to asset allocation.

ESMA staff commented on the importance of the work. They noted the need for supervisors to look at the different outcomes across the Member States but commented that it was not purely a supervisory challenge as tax and insurance policies were also involved.

b. Household participation in capital markets

SMSG member, Tanguy van der Werve, presented an EFAMA report on household participation in capital markets. He highlighted the report's recommendations to Member States on strengthening financial education and providing tax exemptions, as well as improving the availability of affordable quality advice. He also described several initiatives that could promote retirement savings, both at the national level and European level, including pension tracking systems and reviewing the PEPP regulation.

SMSG members agreed on the need for investment in capital markets to fund future retirement, while pointing out the distinct uses of funds and deposits for savers. They also discussed the need for quality reporting and for independent advice, as well as the need for trust in capital markets and how that is influenced by their competitiveness but also by government policy. They also mentioned the roles of broader factors such as different national tax incentives, distribution channels, and bank systems.

ESMA staff commented on the importance of quality, low-cost, unbiased advice and support to the investor, also as being important for trust and understanding along with financial education. They agreed that there is a need for better data to understand the drivers behind cost and performance.

4. Digitalisation

SMSG member, Barbara Alemanni, presented some key themes from ESMA's [discussion paper on digitalisation and retail investor protection](#) on which the SMSG has formed a working group to respond to the consultation. She highlighted considerations around information disclosure, marketing communications, and choice architecture of online platforms and asked for feedback from SMSG members to be included in the advice.

SMSG members reflected on the differences between interactions with a digital interface as opposed to a face-to-face meeting with an advisor. They also mentioned the difficulties in an online transaction with identifying the provider as well as the risks presented by large language models. Finally, in addition to MiFID II they mentioned other consumer protection legislation and provisions, that could be used in this area.

5. MiFID II/MiFIR Review overview

ESMA staff presented an overview of ESMA's key level 2 deliverables related to transparency and market structure, data reporting, data supervision, and investor protection from the MiFID II/MiFIR review. They also outlined preliminary timetables for the envisaged consultation papers and the selection of consolidated tape providers (CTPs).

The Group will consider where they might provide advice.

6. Sustainable Finance Disclosure Regulation (SFDR)

ESMA staff presented the joint ESAs' [final report](#) on the draft RTS on SFDR. The SMSG had provided advice on the review of principal adverse impact (PAI) indicators and financial product disclosure of decarbonisation targets. ESMA staff pointed out areas of the report where SMSG advice had been taken into account, for example derivatives having been included in PAI calculations.

SMSG members commented on the final report in particular on the length and use of open text that can be hard for consumers to understand, on the calculation methods of the indicators, as well as asking for information on the application date.

7. AOB

The SMSG Chair recalled that the next meeting on 23 April would be the last one for the mandate of the current SMSG members with mandates in the new group beginning on 1 July 2024. The April meeting should therefore discuss how to continue to respond to ESMA requests for advice during this period.

PARTICIPANT LIST – SMSG 26 January 2024

Name	Organisation	
Alemanni, Barbara	University of Bocconi	present
Avgouleas, Emillos	University of Edinburgh	present
Balthasar, Stephan	Allianz SE	present
Bergmann, Henning	Deutscher Derivate Verband (German Derivatives Association)	present
Biernacki, Piotr	Polish Association of Listed Companies	present
Bindelle, Florence	EuropeanIssuers AISBL	present
Christov, Lubomir	Advisor to the Bulgarian National Association "Active Consumers"	present
Colaert, Veerle	KU Leuven University	present
Funered, Urban	Swedish Securities Dealers Association	present
Gažić, Ivana	Zagreb Stock Exchange	present
Granjé, Ben	The Flemish Federation of Investors	present
Gurau Audibert, Adina	Association Française de la Gestion financière (AFG)	present
Hölz, Christiane	Deutsche Schutzvereinigung für Wertpapierbesitz e.V. (DSW)	present
Jewell, Dermott	Consumers' Association of Ireland	present
Litvack, Eric	Société Générale	present
Lounasmeri, Sari	Finnish Foundation for Share Promotion	present
Mandic, Stjepan	Concepto Ltd	present
Masquelier, François	European Association of Corporate Treasurers (EACT)	present
Oberndorfer, Martha	Advisor to Austrian Public Sector Clients of ESG	present
Pedersen, Morten Bruun	Danish Consumer Council	present
Petrella, Giovanni	Università Cattolica	present
Prache, Guillaume	Better Finance	present
Reyna, Agustín	BEUC	present
Riess, Rainer	Federation of European Securities Exchanges (FESE)	present
Saade, Virginie	Citadel	excused
Santillán, Ignacio	Spanish Investors Compensation Scheme for investment firms (FOGAIN)	present

Name	Organisation	
Schuurs, Pieter	Europex	present
Stiefmüller, Christian Martin	Finance Watch AISBL	present
Van de Werve de Schilde, Tanguy	EFAMA	present
Vervliet, Chris	European Works Council at KBC Group	present

ESMA

Name	Position
Verena Ross	Chair
Natasha Cazenave	Executive Director
Patrik Karlsson	Investment Management Team
Tessa Bode	Protection Retail Investors Team
Michael Leibek	Protection Retail Investors Team
Charlotte Sickermann	Trading Team Leader
Clement Luzeau	Trading Team
Louise Waller	International and Institutional Affairs Team