LATEST ON EU GREEN BONDS. HAVE YOUR SAY ON EXTERNAL REVIEWERS

- First rules on crypto-asset service providers
- Third consultation package under MiCA
- ESMA fines Scope Ratings
- T+1 trading
- High-level visits
In this issue

ESMA in February and March

Have your say on rules for External Reviewers of EU Green Bonds 4

First rules on crypto-asset service providers 6

Third consultation package under MiCA. Out now 7

ESMA fines Scope EUR 2,197,500 for breaches of conflict of interest obligations 9

T+1 feedback report shows mixed impacts of shortening the settlement cycle in the EU 11

ESMA clarifies application of certain MIFIR provisions, including volume cap 13

Commissioner Mairead McGuinness’ visit at the ESMA premises 14

ESMA Chair’s visit to Hong Kong 15

ESMA Chair’s visit to Japan 16
In this issue

Look ahead

- Speaking appearances 17
- Consultations 19
- Open vacancies 20
- Contact info 21
Have your say on rules for External Reviewers of EU Green Bonds

The European Securities and Markets Authority (ESMA) launched a consultation on Draft Regulatory Technical Standards (RTS) related to the registration and supervision of external reviewers under the EU Green Bond Regulation (EuGB).

ESMA’s proposals relate to the registration and supervision of entities interested in becoming external reviewers of EU Green Bonds and aim to clarify the criteria used for assessing an application for registration by an external reviewer. In its proposals, ESMA aims to standardise registration requirements and contribute to developing a level playing field through lower entry costs for applicants.

These relate to:

- senior management and analytical resources;
- sound and prudent management, including avoidance of conflicts of interest;
- knowledge and experience of analysts, and
- the outsourcing of assessment activities, forms, templates, and procedures for the provision of registration information.
The Consultation Paper will be of interest to future external reviewers of green bonds and sustainable debt and sustainability assurance providers. ESMA would also like to hear from relevant investors, issuers, and trade associations.

Next steps

The EuGB entered into force on 21 December 2023 and will apply from 21 December this year.

ESMA will consider the feedback received to this consultation and will submit the draft RTS and ITSs to the European Commission by 21 December 2024.
First rules on crypto-asset service providers

The European Securities and Markets Authority (ESMA) published the first Final Report under the Markets in Crypto-Assets Regulation (MiCA).

The report, which aims to foster clarity and predictability, promote fair competition between crypto-asset service providers (CASPs) and a safer environment for investors across the Union, includes proposals on:

- Information required for the authorisation of CASPs,
- the information required where financial entities notify their intent to provide crypto-asset services,
- Information required for the assessment of intended acquisition of a qualifying holding in a CASP, and
- How CASPs should address complaints.

Next steps

ESMA has submitted the Final Report to the European Commission (EC) and will provide further advice and technical guidance in this area if requested by the EC.

More information about the timeline for MiCA implementing measures and the transitional period can be found here.
Third consultation package under MiCA. Out now

The European Securities and Markets Authority (ESMA) published its third consultation package under the Markets in Crypto-Assets Regulation (MiCA).

In the consultation package, ESMA is seeking input on four sets of proposed rules and guidelines, covering:

- Detection and reporting of suspected market abuse in crypto-assets (RTS).
- Policies and procedures, including the rights of clients, for crypto-asset transfer services (Guidelines).
- Suitability requirements for certain crypto-asset services and format of the periodic statement for portfolio management (Guidelines).
- ICT operational resilience for certain entities under MiCA (Guidelines).
Next steps

Stakeholders are encouraged to provide their feedback to the consultation by **25 June 2024** using this [response form](#). ESMA will publish a final report based on the feedback received and will submit the draft technical standards to the European Commission for endorsement by 30 December 2024 at the latest.

More information about the timeline for MiCA implementing measures and the transitional period can be found [here](#).
ESMA fines Scope EUR 2,197,500 for breaches of conflict of interest obligations

The European Securities and Markets Authority (ESMA) fined Scope Ratings GmbH (Scope) a total of EUR 2,197,500, and issued a public notice, for breaches of the Credit Rating Agencies Regulation (CRA Regulation).

“Scope failed to comply with their obligations when it comes to avoidance of potential conflicts of interest. ESMA places the protection of investors and the pursuit of stable and orderly markets at the core of its mission. Failures by credit rating agencies to properly identify, prevent and manage potential conflicts can damage the proper functioning of markets and create harm for investors.

Through its supervisory role, ESMA will continue to focus on ensuring that credit rating agencies comply with all of their responsibilities, including those relating to conflicts of interest.”

Verena Ross, ESMA Chair
ESMA found that Scope fell short of the CRA Regulation’s requirements on handling conflicts of interest. This finding resulted from structural failures and specific breaches of the conflict of interest obligations in the CRA Regulation.

The five breaches covered by the fine specifically relate to:

- structural shortcomings in Scope’s policies and procedures, internal control mechanisms and organisational and administrative arrangements;

- two further specific breaches related to Scope’s failure linked to a potential conflict of interest regarding one particular individual; and to disclose in the final rating report the provision of ancillary services to a rated entity.

All breaches were found to have resulted from negligence on the part of Scope. In calculating the fine, ESMA considered both aggravating and mitigating factors provided for in the CRA Regulation.
**T+1 feedback report shows mixed impacts of shortening the settlement cycle in the EU**

The European Securities and Markets Authority (ESMA) published feedback received to its Call for Evidence on shortening the settlement cycle.

In the report, ESMA summarises the feedback from market participants during the consultation, focused on four areas:

- Many operational impacts beyond adaptations of post-trade processes are identified as **resulting from a reduction of the securities settlement cycle in the EU**.

- Respondents identified a wide range of both potential **costs and benefits** of a shortened cycle, with some responses supporting a thorough impact assessment before deciding.

- Respondents provided suggestions around **how and when a shorter settlement cycle could be achieved**, with a strong demand for a clear signal from the regulatory front at the start of the work and clear coordination between regulators and the industry.

- Stakeholders made clear the need for a proactive approach to adapt their own processes to the **transition to T+1 in other jurisdictions**. Some responses warned about potential infringements due to the misalignment of the EU and North America settlement cycles, that ESMA is currently assessing.
Next steps

ESMA will continue assessing the responses received, including the demands for regulatory/supervisory guidance. ESMA aims at including lessons learnt from the North American move to T+1 as well as any further feedback received from stakeholders in the APAC region, from small and medium market participants and retail investors and their representatives.

ESMA intends to deliver its final assessment to the European Parliament and to the Council before 17 January 2025.
ESMA clarifies application of certain MIFIR provisions, including volume cap

The European Securities and Markets Authority (ESMA) published a statement, including practical guidance supporting the transition and the consistent application of the revised Markets in Financial Instruments Regulation (MiFIR).

The statement covers guidance on equity transparency and non-equity transparency; the systematic internaliser (SIs) regime; designated publishing entities (DPEs); and reporting.

Regarding the volume cap, following the publication by the European Commission, ESMA confirms that DVC data will continue to be published, with the next publication scheduled for early April.

Next steps

ESMA will develop draft technical standards as requested by the revised MiFIR within the set deadlines. ESMA also intends to provide more detailed guidance, including a mapping of the applicable provisions in due course.

Background

Through the statement issued today, ESMA is complementing the interpretative draft notice issued by the European Commission on 27 March 2024 and responding to queries received from market participants on the provisions applicable as of the date of entry into force of the revised MiFIR (28 March 2024).
Commissioner Mairead McGuinness’ visit at the ESMA premises

We had the pleasure of welcoming Commissioner Mairead McGuinness on 19 March at the ESMA premises in Paris. She met our senior management — Verena Ross, ESMA Chair, Klaus Löber, CCP Chair, and Natasha Cazenave, ESMA Executive Director — to talk about #CMU, ESAP implementation, EMIR, T+1 and other topics. In addition, she expressed her gratitude to the ESMA staff for their hard work and dedication in a Q&A session.

Our constant collaboration with the European Commission has set the groundwork for many initiatives meant to enhance investor protection, promote orderly financial markets and safeguard financial stability for the EU citizens.
ESMA Chair’s visit to Hong Kong

Our Chair, Verena Ross, was in Hong Kong [28 February - 1 March] where she attended the EU-Asia Pacific Forum, the Securities and Futures Commission Regulatory Symposium and the EU-Asia Financial Services Dialogue.

In the first two events, Chair Ross touched upon the regulatory and market developments in the EU and Asia-Pacific region that are relevant for cross-border regulation and cooperation, and the landscape for investment funds in Asia.

At the EU-Asia Financial Services Dialogue, Verena provided an overview of key challenges in sustainable and digital finance. She further mentioned that “ESMA will continue to work hard to improve the effectiveness of EU markets, their resilience and attractiveness, whilst facilitating the green and digital transitions.” More in her speech.

In addition, ESMA Chair was live on "Bloomberg Markets: Asia" with Haslinda Amin and spoke about common challenges in Europe and Asia in terms of crypto-assets sustainability and global corporate reporting standards, and the clearing outlook for the EU. Check the video.

Verena also spoke at the Roundtable with the Asian ASIFMA members on the ESMA Strategy. She had several bilateral meetings with Thomas Gnocchi, EU Ambassador Union in Hong Kong and Macao, Tim Lui, SFC Chair, Julia Leung, SFC CEO, Eddie Yue, Chief Executive, Hong Kong Monetary Authority, and Tuang Lee, Monetary Authority of Singapore.
ESMA Chair’s visit to Japan

Verena Ross was in Japan between [4-5 March] where she delivered the introductory remarks at a Roundtable with the Japan Securities Dealers Association. She also took questions on the ESG investment products, the research unbundling regulation, T+1 settlement, and investment advice.

In addition, at the Fintech Summit, Verena had a dynamic fireside chat with Toshiyuki Miyoshi, Vice-Commissioner for International Affairs, Financial Services Agency, Japan, and explained ESMA’s role and MiCA. The audience was eager to understand the EU perspective in the context of digital finance and AI.

Chair Ross also met Commissioner Teruhisa Kurita and other representatives of the Financial Services Agency, Japan, as well as Masanori Yoshida, Executive Officer, Japan Exchange Group.

ESMA Chair had the pleasure of exchanging views on market and regulatory developments with Kazuo Ueda, Governor of the Central Bank of Japan, and paid a visit to the EU Delegation to see Ambassador Paquet. Our priorities and intentions to make EU capital markets deeper, more liquid and attractive to local and foreign investors were on the agenda.
## Speaking appearances

**by ESMA Staff in April**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Speaker</th>
</tr>
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<tbody>
<tr>
<td>3 Apr</td>
<td>SSM Climate and Nature Risks Learning Path</td>
<td>Ana Ghita</td>
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<tr>
<td>4 Apr</td>
<td>CESGA (Certified ESG Analysts) Congress</td>
<td>Isabelle Grauer-Gaynor</td>
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<tr>
<td>8 Apr</td>
<td>Paris Blockchain Week Summit 2024</td>
<td>Verena Ross</td>
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<tr>
<td>8 Apr</td>
<td>R3 Future Forum</td>
<td>Alina Dragomir</td>
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<tr>
<td>11 Apr</td>
<td>Future of Securities Supervision: A 2035 Outlook</td>
<td>Joe Heavey</td>
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<tr>
<td>11 Apr</td>
<td>MiCo - Milano Congressi</td>
<td>Chiara Sandon</td>
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<tr>
<td>11 Apr</td>
<td>Markets in Crypto-Assets: Cracking the Nut</td>
<td>Laura Weil</td>
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<tr>
<td>16 Apr</td>
<td>EACH Policy Committee in-person meeting</td>
<td>Nicoletta Giusto</td>
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<tr>
<td>17 Apr</td>
<td>Breathing New Life into the Capital Markets Union</td>
<td>A Blueprint for the Next EU Parliament</td>
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<tr>
<td>18 Apr</td>
<td>IIF NBFI/Private Credit Roundtable</td>
<td>Verena Ross</td>
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**Speaking appearances**

by ESMA Staff in April

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Presenter</th>
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<tbody>
<tr>
<td>19 Apr</td>
<td>Sustainability and artificial intelligence: the new paradigms of develop</td>
<td>Alessandro d'Eri</td>
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<tr>
<td>22 Apr</td>
<td>XBRL Spain: 20 years, from financial to sustainability reporting</td>
<td>Eduardo-Javier Moral Prieto</td>
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<tr>
<td>23 Apr</td>
<td>Webinar on ESG</td>
<td>Natacha Mosson</td>
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<tr>
<td>23 Apr</td>
<td>Financial Consumer Protection in the Digital Age</td>
<td>Matteo Rava</td>
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<tr>
<td>24 Apr</td>
<td>ALFI Seminar on Hedge Funds and Liquid Alternatives</td>
<td>Antonio Barattelli</td>
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<tr>
<td>29 Apr</td>
<td>EU Technical Support Instrument (TSI) multi-country Project on the EU Sustainability Disclosures and Reporting (SD&amp;R) Regime</td>
<td>Alessandro d'Eri</td>
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<tr>
<td>29 Apr</td>
<td>Bringing ‘derivatives’ to the climate table</td>
<td>Patrik Karlsson</td>
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Consultations

Click on the consultation

Closing date

29 Apr  Consultation on reverse solicitation and classification of crypto assets as financial instruments under MiCA
14 Jun  Consultation on European Green Bond Regulation
25 Jun  Consultation on the Technical Standards specifying certain requirements of MiCA (3rd package)
Open vacancies

All open vacancies can be found on ESMA’s recruitment portal

Deadline

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<tr>
<th>Date</th>
<th>Position</th>
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<tbody>
<tr>
<td>4 Apr</td>
<td>Policy Officer</td>
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<tr>
<td>31 Dec</td>
<td>Seconded National Experts (multiple profiles)</td>
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<tr>
<td>31 Dec</td>
<td>Traineeship Notice - Support functions profile</td>
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<tr>
<td>31 Dec</td>
<td>Traineeship Notice - Data, Economics and IT profile</td>
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<tr>
<td>31 Dec</td>
<td>Traineeship Notice - Legal, Supervision and Policy</td>
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