

Summary of Conclusions

Securities and Markets Stakeholder Group

Date:	7 October 2024
Time:	09:00h – 17:00h
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 Chair opened the meeting and noted the advice that had been produced by the Group over the summer and that would be presented in today's meeting.

2. Recent market developments

a. Sustainable retail finance and banking

SMSG member, Agustín Reyna, presented a BEUC report on sustainable finance and banking that includes recommendations on consumer attitudes to sustainable investing. He noted overall the consumers surveyed were anxious about climate change, that they preferred buying products bearing an environmental label, and that they were prepared to pay more for a product bearing a verified label.

SMSG members discussed the points raised during the presentation highlighting the need for more simplification and for labels that could be understood by consumers, which might mean a national bias. They evoked the twin goals of impact and returns.

ESMA staff noted the alignment of the presentation and discussion with the recent opinions of the ESAs and ESMA. They also acknowledged the national bias for labels but recalled the need to create a single market in the EU.

b. The role of the financial sector for the competitiveness of the EU economy

SMSG member, Guillaume Prache, presented an analysis of the role of the financial sector for European competitiveness. He showed several metrics comparing the US and the EU ascribing several causes for the lack of European competitiveness, in particular a lack of transparency on real returns and costs and different taxation treatment.

SMSG members discussed the presentation and pointed to the greater availability of suitable products in the US, the fragmentation of European markets. They suggested there is a need to be clear about risk levels and returns, to grow pension assets, to support entrepreneurship, to promote financial literacy, and for simple pan-European products.

ESMA staff agreed that developing an investment culture is key, as is developing tax efficient, pensions and simple products, and that the scale of the EU should be harnessed.

c. Swedish Investment Savings accounts

SMSG Vice-Chair, Urban Funered, presented the evolution and current state of the Swedish Investment Savings Account (ISK). He noted that its simplicity is key to the ISK's popularity. He also pointed to the high level of trust in the ISK, good media coverage, support across the political spectrum, a high level of financial education, and low fees as being the key success factors for the ISK.

SMSG members discussed the presentation noting that lower taxation for the ISK and its simplicity had been key to its popularity.

ESMA staff added that the ISK could serve as inspiration for a European solution, which would be important to avoid increasing fragmentation.

3. Sustainable investments: facilitating the investor journey

ESMA staff presented ESMA's recent Opinion on the functioning of the Sustainable Finance Framework. The Opinion sets out a holistic overview of the framework with a long-term perspective and with the objective to facilitate the investor journey. The Opinion contains high-level proposals including on the Taxonomy as a single reference point for the assessment of sustainability, on product categories, on ESG data products, and on supporting the transition.

SMSG members discussed the Opinion agreeing that supporting the transition was important but that more explanation of the transition was needed for retail investors without giving information overload and that advisors require more training. They raised concerns with the practical application of the current environmental taxonomy and the challenges of developing a social taxonomy.

4. MiFID/R Advice (May consultation papers)

SMSG member, Jacqueline Mills, presented the SMSG advice to ESMA on the MiFIR Review package on non-equity trade transparency, reasonable commercial basis and reference data, and on Consolidated Tape Providers and Data Reporting Service Providers. The advice had been adopted by the Group via written procedure on 16 September 2024.

SMSG members explained their different views, particularly with regards to reasonable commercial basis.

ESMA staff took note of the advice, thanking the Group for finding a common view and of the request from the Group for ESMA to undertake supervisory convergence work as a follow up to the entry into force of the new RTS on RCB.

5. MiFID/R third consultation package (July consultation papers)

SMSG member, Ariadna Dumitrescu, presented the working group's draft advice on equity transparency, volume cap, circuit breakers, systemic internalisers, the equity CTP, and the flags for non-equity transparency. The draft advice focussed on pre-trade transparency for systematic internaliser and the new requirements on circuit breakers and amendments due to the DORA framework.

The Group adopted the advice subject to minor amendments.

6. CSDR Advice

SMSG member, Morten Kinander, presented the SMSG advice to ESMA on CSDR and on the substantial importance of a CSD. The advice also looked at the possible impact of a transition to T+1. The advice had been adopted by the Group via written procedure on 16 September 2024.

ESMA staff took note of the advice and the areas requiring clarification. They welcomed the additional input on T+1, as ESMA's report on shortening the settlement cycle in the EU is close to final.

7. Listing Act: Prospectus and MiFID consultations

ESMA staff presented several items linked to the Listing Act: a call for evidence on prospectus liability and consultation papers on ESMA's draft advice on ESMA disclosures for non-equity prospectuses, on RTS on issuer-sponsored research under MiFID, on draft technical advice concerning amendments to the research provisions in the MiFID II and on the RTS on the code of conduct for issuer-sponsored research.

The Group decided to wait until publication of the consultation papers before deciding whether to set up (a) working group(s) to provide advice.

8. MiCA

ESMA staff presented two consultation papers related to MiCA on the draft Guidelines on templates for explanations and opinions, and the standardised test for the classification of crypto-assets and on draft Guidelines on NCA supervisory practices to detect and prevent abuse.

SMSG members commented on the presentation pointing out the challenges in regulating decentralised organisations, the complexities of monitoring social media and Finfluencers.

The Group decided to wait to receive the draft Guidelines on supervisory practices before deciding whether to set up a working group to provide advice.

9. End of Term Report

The SMSG Chair referred to the previous SMSG's End of Term Report and highlighted certain of the recommendations for discussion. These included the link with the stakeholder groups of the other ESAs and the setting up standing working groups on certain topics.

SMSG members commented on the recommendations including on the need to receive joint consultations as early as possible, on whether to establish relationships with other stakeholder groups, on the importance of adequate retail representative input into the Group's advice.

PARTICIPANT LIST – SMSG 7 October 2024

Name	Organisation	
Alber, Andrus	Swedbank Investment Funds / Finance Estonia	present
Alemanni, Barbara	University of Genoa	present
Armesto, Rosa	FESE	present
Bergmann, Henning	Der Mittelstandsverbund (SME Groups Germany)	present
Bindelle, Florence	EuropeanIssuers AISBL	present
Calu, Monica	National Authority for Consumer Protection, Bucharest	present
Daskalakis, Nikolaos	GSEVEE	present
Dumitrescu, Ariadna	ESADE Business School	present
Funered, Urban	Swedish Securities Markets Association	present
Giordano, Stephane	Société Générale / AMAFI	present
Hölz, Christiane	Deutsche Schutzvereinigung für Wertpapierbesitz e.V. (DSW)	present
Kajala, Ville	Finland Chamber of Commerce	present
Kinander, Morten	BI Norwegian Business School	present
Kupšys, Kęstutis	Lithuanian Consumers Alliance	present
Lokko, Emma	Susquehanna International Group Ltd	present
Lounasmeri, Sari	Finnish Foundation for Share Promotion	present
Maczynska, Aleksandra	BETTER FINANCE	present
Martínez-Pina, Ana	Gómez-Acebo & Pombo	present
Mills, Jacqueline	AFME	present
Petrella, Giovanni	Università Cattolica	present
Pfaff, Nicolas	ICMA	present
Prache, Guillaume	FAIDER	present
Reyna, Agustín	BEUC	present
Richter, Thomas	BVI	present
Saade, Virginie	Citadel	present
Schmeddes, Lucas	Ice Endex	present
Singer, Miroslav	Generali CEE Holding	present

Name	Organisation	
Stiefmüller, Christian Martin	Finance Watch	present (online)
Van de Werve, Tanguy	EFAMA	present (online)
Vervliet, Chris	European Works Council at KBC Group	present

ESMA

Name	Position
Verena Ross	Chair
Natasha Cazenave	Executive Director
Gregory Frigo	Corporate Finance and Reporting Unit
Julien Nivot	Digital Finance and Innovation Unit
Amandine Cordier	Investor Protection and Intermediaries Unit
Francesca Ayvazian	Post-trading and Integrity Unit
Alina Dragomir	Post-trading and Integrity Unit
Karole-Anne Sauvet-Frot	Post-trading and Integrity Unit
Charlotte Sickermann	Secondary Markets Head of Unit
Valentina Lorusso	Secondary Markets Unit
Jose Seabra	Secondary Markets Unit
Dora Blanchet	Sustainable Finance Head of Unit
Angeliki Vogiatzi	Sustainable Finance Unit
Louise Waller	International and Institutional Affairs Team