

Terms of Reference

Data Standing Committee

1. ESMA's mission is to enhance investor protection, promote orderly financial markets and safeguard financial stability, by (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. In order to fulfil its mission, the ESMA Strategy 2023-2028¹ sets out three strategic priorities: (i) fostering effective markets and financial stability, (ii) strengthening supervision of EU financial markets, and (iii) enhancing protection of retail investors) and two thematic drivers: (i) enhancing sustainable finance, and (ii) facilitating technological innovation and effective use of data.
3. Furthermore, ESMA is committed to support the European Commission² in its efforts in building the Savings and Investment Union which includes increasing the effectiveness of the financial markets, as well as in delivering on the goals of simplification and burden reduction while maintaining an effective supervision, a high level of financial stability and strong investor protection.
4. ESMA acts within the powers conferred by its establishing Regulation (ESMA Regulation or ESMAR³) and among others within the scope of Directives 2004/109/EC⁴, 2009/65/EC⁵, 2011/61/EU⁶, 2014/65/EU⁷ and Regulations 648/2012⁸, 600/2014⁹,

¹ https://www.esma.europa.eu/sites/default/files/library/esma_strategy_2023-2028.pdf

² See mission letter to Commissioner Albuquerque [link](#) and Council Budapest declaration [link](#)

³ ESMA Regulation No 1095/2010 of the European Parliament and of the Council

⁴ DIRECTIVE 2004/109/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC

⁵ Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS)

⁶ Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010

⁷ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU

⁸ Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories

⁹ Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012

2015/2365¹⁰, 2017/1131¹¹, 2017/2402¹², 2017/1129¹³, 1060/2009¹⁴; 2020/852¹⁵ and 2023/2859¹⁶.

5. In order to fulfil ESMA's mission the Board of Supervisors has established the Data Standing Committee, thereafter DSC, pursuant to Article 41 of ESMAR as a permanent internal committee. These Terms of Reference specify its tasks, responsibilities, functioning and governance.

Tasks and responsibilities

6. The DSC contributes to ESMA's mission by developing ESMA's mandates related to all data reporting and information disclosure requirements under the respective sectoral legislation, including but not limited to the legislative acts listed in paragraph 4. The DSC contributes to these mandates across the entire data lifecycle. In particular, it develops the requirements, contributes to designing efficient data processes and provides business input for the setting up of collection and exchange systems for effective analysis of this data. Equally, DSC works on the definition of actions and development of common practices aimed at maximising the use of the data and information by both – regulators and market participants.
7. In particular, the DSC contributes to the strategic priorities and thematic drivers of the ESMA Strategy in the following ways:
8. Facilitating Effective Use of Data and Technologies. The DSC contributes to this priority by delivering on the objectives of ESMA 2023-2028 Data Strategy,
 - a. Efficient data policy: the DSC develops and contributes to the consistent and timely implementation of the single rulebook on data reporting, record keeping and information disclosure, with the objective to ensure the alignment of various reporting obligations, to ensure integrated reporting, to avoid double reporting, to minimise the burden of compliance and increase data use/re-use and data sharing. This covers, among others, requirements related to transaction reporting, derivatives and securities financing transactions reporting, reference data reporting, funds data reporting, trade disclosures, securitisation disclosures, issuers' disclosures. The DSC also develops the regulatory requirements in respect of data collection, verification, data quality assurance,

¹⁰ Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012

¹¹ Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds

¹² Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012

¹³ Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC

¹⁴ Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

¹⁵ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (Text with EEA relevance).

¹⁶ Regulation (EU) 2023/2859 of the European Parliament and of the Council of 13 December 2023 establishing a European single access point providing centralised access to publicly available information of relevance to financial services, capital markets and sustainability.

storage and related processes for all entities under ESMA remit, including the entities directly supervised by ESMA.

- b. Enhanced data hub: the DSC contributes to the development of joint projects related to data collection, sharing and use by defining the business needs and assisting the implementation and operation of the systems. Data driven supervision: the DSC serves as a forum for sharing experience and knowledge on the use of data for supervisory activities and market monitoring, analytical methodologies and tools and practical applications of technologies, including AI and other NLP tools, to enhance supervisory practices.
- c. Systematic use of data: the DSC ensures the usability of data by implementing an efficient, outcome-focused, data-driven and risk-based approach to data quality and analysis, based on EU-wide monitoring, common methodologies, KPIs, benchmarks and dashboards.
- d. The DSC serves as a forum to discuss strategic initiatives related to data and contributes to the implementation of the objectives of the ESMA Data Strategy.
- e. The DSC coordinates the EU position in international regulatory and standardisation bodies on the matters within its mandate.

9. Fostering Effective Markets and Financial Stability

- f. The DSC contributes to enhancing the transparency in financial markets through the development and implementation of ESMA's mandates related to data reporting and disclosure, thus, facilitating dissemination and use of data. The DSC, in particular, develops and implements the requirements related to data dissemination, e.g. by the Consolidated Tapes (CTPs).

10. Strengthening Supervision of EU Financial Markets

- g. The DSC supports the development of the data-driven supervisory culture through, among others, promoting the use of common methodologies, dashboards, modern tools, techniques and practices related to the use of data in supervision as well as through a holistic overview of data use, including for cross-border supervision. It also promotes data-driven supervisory convergence by identifying, based on quantitative indicators, common supervisory actions and by coordinating their implementation, in particular in the area of data and reporting.
- h. The DSC promotes the building and implementation of a common culture on the supervision of data reporting rules, through the enhancement of supervisory convergence, the exchange of supervisory practices and the implementation of common supervisory principles and approaches on the ground.

11. Enhancing protection of retail investors

- The DSC contributes to providing investors with clear, reliable and understandable information, by ensuring user-friendly and efficient access to high quality regulated information, including in a machine-readable format, through its contribution to the

implementation of the European Single Access Point (ESAP) and the sharing of data and analytics with the market in an intelligible, structured and user friendly manner by leveraging the ESMA Data Platform.

12. Enabling Sustainable Finance

- i. The DSC contributes to this objective by taking into account ESG related needs when developing reporting requirements¹⁷; reviewing disclosure requirements on ESG data that will be covered by ESAP; ensuring machine readability and interoperability of ESG data via the European Single Electronic Format (ESEF) and/or or exploring other innovative ways of increasing usability of ESG data by market participants and NCAs while reducing the compliance burden.

13. Facilitating Technological Innovation

- j. The DSC serves as a forum to share the experience on the impact of RegTech and SupTech on the reporting related to supervisory processes, promotes the application of best practices and emerging technologies, and coordinates joint efforts related to innovative approaches to the use of data and tools in (among others) supervision, e.g. related to the supervision of DLT-based infrastructures and use of artificial intelligence technologies to enable advanced data analytics.
- k. The DSC contributes to the work related to exploring the use of new technologies, such as the machine-readable and executable reporting, to ensure cost-efficient reporting solutions and to reduce reporting burden.

14. In addition, the DSC will

- l. contribute to the objective of simplification and burden reduction when developing its regulatory and supervisory output and be accountable to the Board of Supervisors on the manner those issues have been addressed in the final outputs.
- m. identify and recommend areas for burden reduction and simplification within its scope of work.

Cooperation

- n. The work of the DSC is expected to interact with the functions of the following other ESMA's Standing Committees: the Issuers Standing Committee (ISC), the Markets Standing Committee (MSC), the Investment Management Standing Committee (IMSC), the Digital Finance Standing Committee (DFSC), the Risk Standing Committee (RSC), European Supervisory Policy Committee (ESPC) and with the following groups reporting to the Joint Committee: Securitisation Task Force. The DSC should, however, ensure close cooperation arrangements in particular with the IT Standing Committee (ITSC) notably on the topics of the

¹⁷ Action A1, page 36 of the [ESMA sustainable finance roadmap](#)

implementation of systems and application of technologies related to data collection and analysis by defining business needs and requirements.

- o. The DSC shall liaise and closely coordinate with the relevant sectoral and other horizontal SCs where its activities relate or are complementary to the activities of those SCs. To this purpose, when developing requirements for data reporting or information disclosure frameworks relevant to the mandate of the other SCs, the DSC shall liaise with the relevant sectoral and/or horizontal SCs to ensure i) the overall consistency and coherence of the policy work and ii) that the reporting and/or disclosure requirements developed by ESMA fulfil the policy objectives.
- p. The DSC should also discuss technical positions in the scope of the SC to ensure a coordinated EU approach when ESMA and NCAs participate in international fora.

Powers

- q. In line with ESMA's product monitoring obligation under Articles 39 MiFIR and its product intervention powers under Article 40 and 43 MiFIR, the DSC shall refer any potential threats it identifies relevant to ESMA's objectives of ensuring investor protection, orderly functioning and integrity of financial/commodity markets and to financial stability, to the relevant Standing Committee.
- r. In accordance with the updated BoS Decision on Delegation to the Chair of the European Securities and Markets Authority the adoption of changes to technical instructions on IT and data matters on 11 February 2025, the DSC is tasked with the finalisation of changes to technical instructions on IT and data matters as described by these Terms of Reference or within already agreed policy lines. These documents are then approved by the ESMA Chair. The ESMA Board of Supervisors will be consulted for ex-ante approval of any draft document relating to governance issues or issues likely to represent a new significant policy orientation.

Composition

- s. The DSC shall be composed of one person per Board of Supervisors member as principal member and one person as an alternate, each representing that Board member. In addition, a maximum of three persons or a functional email address can be added to the e-mail distribution list. In special circumstances, a representative of an authority other than the ones represented on the Board of Supervisors can be invited to participate as an observer on an ad-hoc or permanent basis. This decision is taken in agreement with the Member or Members of the DSC from the same Member State. Participants to an SC meeting from the same Member State are expected to coordinate their positions in advance of the meeting.
- t. Members of the DSC shall also coordinate their positions with those held by persons from the same NCA, who serve as members / alternates of sub-groups to the DSC.

- u. Furthermore, representatives of the European Commission shall be appointed as observers to the DSC. The observers are not allowed to be present during discussion of confidential topics such as discussion of supervisory cases relating to individual financial market participants.
- v. Members of the DSC shall have an adequate level of knowledge and skills and the mandate to be able to take a position on the matters discussed.
- w. A member of the SC may, when a topic for discussion in the SC so requires, be accompanied by an expert from its Competent Authority for that part of the SC meeting. The SC member shall announce this intent to the Rapporteur in advance of the meeting.

Structure and governance

- x. The responsibilities of the Chair, rapporteur and members of the DSC are as set out in the 2023 Procedures for ESMA groups, (ESMA22-104-5119), which also set out the rules concerning ESMA Group's structure, governance and working methods.
- y. The DSC may set up permanent working groups or temporary task forces or project team/drafting teams reporting to the DSC if required by the work and in line with the Procedures for ESMA groups.
- z. The DSC has established the following Working Groups and Task Forces:
 - aa. The Reporting Working Group (RWG), established to address in particular the mandates related to, for example, Trade Repositories, Investment Funds and MiFiR.
 - bb. The Disclosure Working Group (DWG), established to address in particular the mandates related to publicly disclosed data, for example, issuers' disclosure data including Prospectus, Securitisation and European Single Electronic Format (ESEF).

When undertaking their tasks, both working groups should promote the use of data and ensure its usability, among others, by all stakeholders.

- cc. The European Single Access Point Task Force (ESAP TF), that reports jointly to the DSC and the ITSC, has been established to address in particular all the issues related to the implementation of ESAP.
- dd. The Integrated Reporting Task Force (IRTF), established to address the mandate related to the report regarding the development of the integrated collection of supervisory data.
- ee. The DSC will meet on a regular basis as required in order to deliver its tasks under ESMA's (multi-)annual work programme. Meetings of substructures will be organised as necessary to enable the DSC to fulfil its tasks.

Working methods

- ff. The working methods will follow the Procedures for ESMA groups as described in paragraphs 53 and following.
- gg. In addition, the members of the DSC shall consider the following working methods and procedures in order to ensure that the DSC can devote sufficient time for matters of strategic relevance.
- hh. Documents prepared by the working groups and temporary task forces or project/drafting teams which require agreement or need to be raised to the attention of the DSC, and that were supported by all WG/task forces members, will be submitted to the DSC as B-items and will hence not be subject to discussion unless requested by at least one DSC member or ESMA staff ahead of the relevant meeting.

Confidentiality

- ii. All members of the DSC are under the obligation to respect confidentiality requirements equivalent to those applicable to ESMA staff and to Board of Supervisors' Members under Article 70 of the ESMA Regulation. It is the responsibility of Board of Supervisors' members to ensure that their representatives in [XXSC] are subject to equivalent professional secrecy rules, in line with Article 70(2a) on the ESMA Regulation.

Review

- jj. The Terms of Reference will be reviewed at least every two years by the Board of Supervisors.