

Summary of Conclusions

Securities and Markets Stakeholder Group

Date:	4 April 2025
Time:	09:00h – 13:00h
Location:	ESMA, 201-203 rue de Bercy, 75012 Paris
Contact:	stakeholders@esma.europa.eu

No Item

1. Report from the Steering Committee

The Steering Committee reported that the Group had adopted by written procedure on 17 March 2025 its advice on ESMA's draft RTS on issuer-sponsored research.

2. Recent market developments

a. ETF market

SMSG member, Thomas Richter, gave a presentation on the development of the ETF market in Germany. He showed that the ETF market had grown significantly since 2020 and that it represents a significant portion of the retail funds market in Germany. He noted several particularities of the market, including that it is a highly concentrated market, that ETFs dominate equity fund sales, that most ETFs follow an MSCI Index, and that it is a low-margin business.

SMSG members discussed the presentation, noting particularly the much bigger German ETF market share compared to other EU countries. They indicated that this evidence is also the result of the increasing sales of ETFs by German banks. They pointed out that large numbers of ETFs have implications for corporate governance.

ESMA staff noted the points raised and emphasised the importance of investors getting a fair deal on costs no matter the product.

b. Retail investor barometer

SMSG Vice-Chair, Sari Lounasmeri, gave a presentation on a survey investigating Finnish retail investors' investment behaviour and their views on the economy and the investment markets. The survey results showed that the respondents were in favour of more control over how their pension contributions are invested. The most important factor for them when choosing which fund to invest in

was the funds' costs. They also did not always require translation of key investor information into Finnish and believed they had sufficient ESG information.

SMSG members commented on the survey results. There was agreement that, for smaller markets, most investments are necessarily in foreign companies and translation may not always be necessary. They commented that the current KID contained too much information and focussed too much on costs.

ESMA staff took note of the information from the survey and the discussion. They noted that survey was conducted on an experienced investor base and that the needs of less experienced investors might differ.

c. Warrants and listed options markets

SMSG member, Emma Lokko, presented an analysis of the market structure of the listed warrants and options markets and the impact on an investors' ability to trade effectively. She explained that the two products are very similar but that investors will pay more on average to buy warrants versus comparable options and that warrants are typically bought by retail investors.

SMSG members commented on the presentation. One member noted that, in specific cases, warrants were cheaper than options. Another commented that the inability to short sell a warrant was an important safeguard for retail investors.

ESMA staff took note of the information.

3. Simplification own-initiative advice

SMSG Chair, Giovanni Petrella, and Vice-Chairs, Sari Lounasmeri and Urban Funered, presented some considerations from the working group on the SMSG own-initiative advice on simplification and burden reduction. They outlined the working group's ideas for definitions and principles and for tools and methods, as well as draft ideas for ESMA's role with a specific focus on reporting.

SMSG members discussed the ideas of the working group. They stated that it was important to keep high ambition on sustainability and that the focus should be on simplification not deregulation. In relation to reporting, they suggested that it was important to take an empirical approach to what information was needed by financial actors and not to cut reporting necessary for investor decisions. However, they also pointed to instances of duplicate reporting and to the repetition of information in CSDR reports.

ESMA staff outlined the work they were undertaking on simplification and burden reduction, including a mapping exercise and a pilot on the investor journey. They also pointed to the initiatives to reduce burden in ESMA's Data Strategy and to the renewed terms of reference of ESMA's standing committees that now include a requirement to consider burden reduction.

4. MiCA Guidelines on knowledge and competence

SMSG members, Nikolaos Daskalakis and Chris Vervliet, presented the Group's draft advice on ESMA's consultation on Guidelines on knowledge and competence under MiCA.

The Group adopted the advice.

5. Settlement discipline

SMSG member, Jacqueline Mills, presented some considerations from the working group on the ESMA consultation paper on the amendments to the RTS on settlement discipline.

The advice will be circulated to the Group for adoption by written procedure.

6. ESMA presentation on consultation papers

ESMA staff presented consultation papers on the update of RTS 2 for derivatives (MiFIR review), on the Green Bond Regulation, and on the ESG Ratings Regulation.

The Group decided to read the published consultation papers before deciding whether to set up working groups.

7. 2024 Breach of Union Law Report

ESMA staff presented an overview of Breach of Union Law (BUL) activity in 2024. They gave key figures on the number of complaints and cases, as well as on the evolution of BUL complaints from 2018 to 2024, which had reduced since a peak in 2021. They also showed the admissible cases per NCA and per legislative act.

In response to questions from SMSG members, ESMA staff suggested that the reduction in complaints could be partly attributable to clearer templates on ESMA's website. They also explained that ESMA usually engages with the concerned national competent authorities, following which they may agree to adjust their practices, so that no formal BUL investigation needs to be launched.

PARTICIPANT LIST – MSG 4 April 2025

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 (online)
Funered, Urban	Swedish Securities Markets Association	present (online)
Giordano, Stephane	Société Générale / AMAFI	present
Hölz, Christiane	Deutsche Schutzvereinigung für Wertpapierbesitz e.V. (DSW)	present
Kajala, Ville	Finland Chamber of Commerce	present (online)
Kinander, Morten	BI Norwegian Business School	present (online)
Kupšys, Kęstutis	Lithuanian Consumers Alliance	present (online)
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 (online)
Mills, Jacqueline	AFME	present
Petrella, Giovanni	Università Cattolica	present
Pfaff, Nicholas	ICMA	present (online)
Prache, Guillaume	FAIDER	present
Reyna, Agustín	BEUC	present

Name	Organisation	
Richter, Thomas	BVI	present
Saade, Virginie	Citadel	present
Schmeddes, Lucas	Ice Endex	present (online)
Singer, Miroslav	Generali CEE Holding	present
Stiefmüller, Christian Martin	Finance Watch	present
Van de Werve, Tanguy	EFAMA	present
Vervliet, Chris	European Works Council at KBC Group	present

ESMA

Name	Position
Verena Ross	Chair
Natasha Cazenave	Executive Director
Roxana de Carvalho	Head of Governance and External Affairs Department
Natacha Mosson	Consumer Sustainability and Innovation Analysis Unit
Stephen Hynes	Credit Rating Agencies Unit
Dumitru Ambroci	Enforcement Unit
Jakob Pedersen	Governance and Planning Team
Clement Boidard	Investment Management Unit
Amandine Cordier	Investor Protection and Intermediaries Unit
Alina Dragomir	Post-Trading and Integrity Team
Michael Leibeck	Protection Retail Investors Team
Jose Leitao de Seabra	Secondary Markets Unit
Louise Waller	Summary of conclusions