

ESMA activities snapshot

1 October 2024 – 31 October 2025

ECON annual hearing



Preamble

ESMA's mission

The European Securities and Markets Authority (ESMA), an independent Authority, is **the EU's financial markets regulator and supervisor** and a member of the European System of Financial Supervision. It was established in 2011 in the aftermath of the 2008 financial crisis. **ESMA's mission is to enhance investor protection, promote orderly financial markets and safeguard financial stability** in the European Union.

ESMA's activities' snapshot

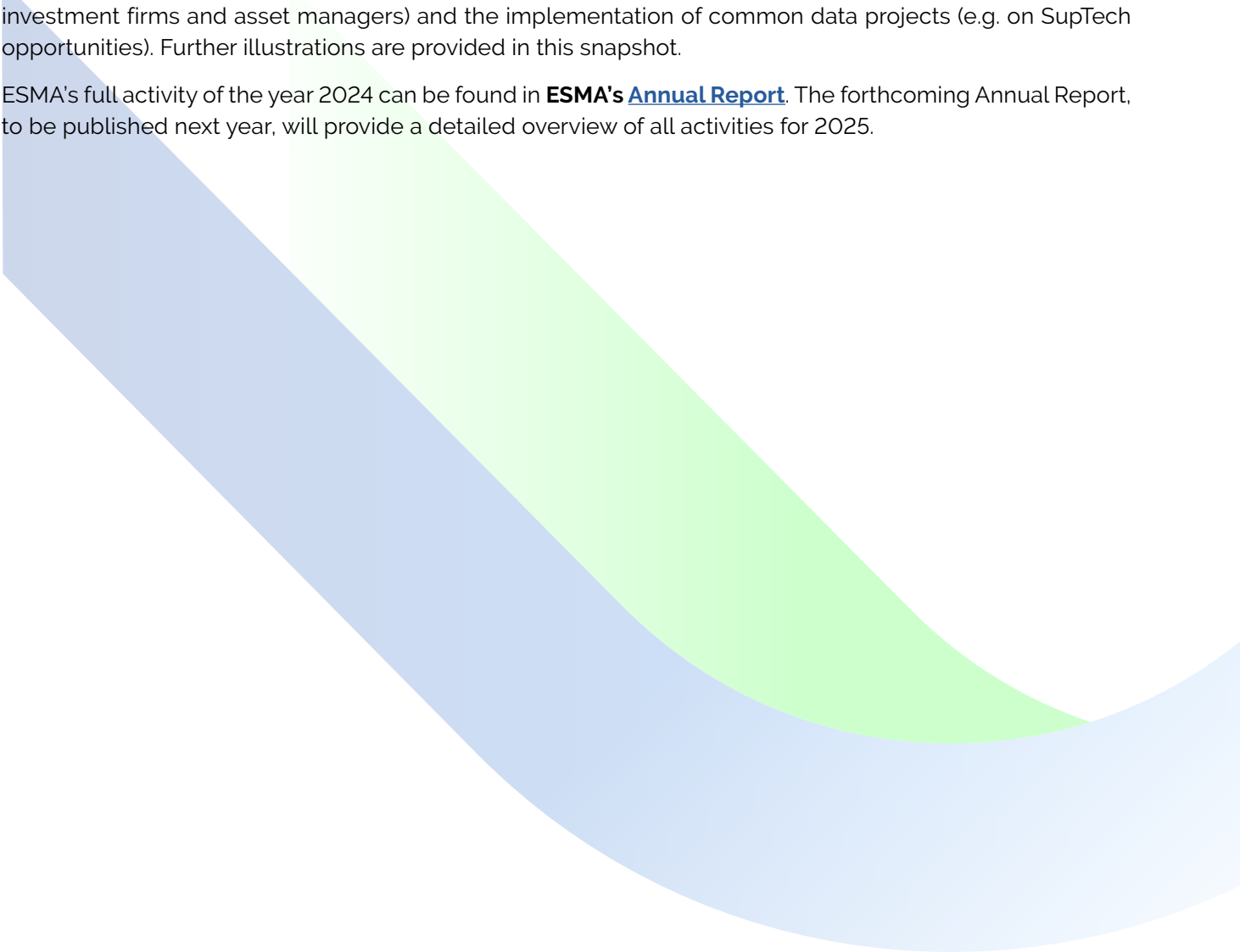
This activities' snapshot has been prepared to accompany ESMA's Chair's opening statement at the **2025 ECON Annual Hearing**.

It outlines ESMA's main achievements **between 1 October 2024 and 31 October 2025**, with a **focus on reports mandated by the co-legislators** under legislative acts within ESMA's remit.

However, ESMA's day-to-day work extends well beyond these publications. To fulfil its responsibilities, ESMA carries out both **direct supervisory and supervisory convergence activities**, which involves the continuous monitoring of market developments as well as sustained engagement with market participants and relevant competent authorities.

Over the last year, this has included for instance individual case discussions (e.g. on the authorisation of crypto-asset providers), the coordination of voluntary supervisory colleges (e.g. on large cross-border investment firms and asset managers) and the implementation of common data projects (e.g. on SupTech opportunities). Further illustrations are provided in this snapshot.

ESMA's full activity of the year 2024 can be found in **ESMA's [Annual Report](#)**. The forthcoming Annual Report, to be published next year, will provide a detailed overview of all activities for 2025.



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1. ESMA's Key Deliverables



1.1. Making EU Capital Markets More Efficient and Attractive

ESMA contributed to the ongoing discussion on how to make European capital markets more efficient and attractive, engaging with the EU Colegislators and relevant stakeholders to support the construction of a genuine Savings and Investment Union (SIU).

In February 2025, building on its Position Paper on the SIU, ESMA held a conference on the future of EU capital markets. Pointing out that EU capital markets remain fragmented and underdeveloped, ESMA Chair Verena Ross emphasised the urgent need to reshape EU capital markets to meet the EU investment challenge. Speakers echoed ESMA's call for building a EU single capital market system that is not only resilient, but also attractive and globally competitive.

Over the past year, ESMA made progress on several policy issues and projects supporting the integration of EU financial markets, in line with the mandates entrusted by the EU institutions.

Consolidated Tape Providers

A key contribution from ESMA has been its work on Consolidate Tape Providers (CTPs), entities that will be responsible of collecting, consolidating, and disseminating real-time market data and trade information from various financial exchanges and trading platforms. The Markets in Financial Instruments Regulation (MiFIR) review entrusted ESMA with the selection, authorisation and supervision of three CTPs: for bonds; for shares

and Exchange-Traded Funds (ETFs); and for OvertheCounter (OTC) derivatives.

In December 2024, ESMA published two Final Reports under the MiFIR review. The first [Final Report](#) includes amendments to the provisions specifying the transparency requirements for bonds, structured finance products and emission allowances, and Regulatory Technical Standards (RTS) on reasonable commercial basis. The second [Final Report](#) puts forward technical standards for CTPs on input/output data, on the revenue redistribution scheme and on clock synchronisation.

In anticipation of the CTP selection procedure, ESMA released a [Statement](#) in December 2024, outlining the responses received to its consultation on the criteria for assessing CTP applicants.

In January 2025, ESMA launched the [selection process](#) to appoint a CTP for bonds. Interested entities had until 7 February 2025 to register and submit requests. Following evaluation, [ESMA announced](#) in July 2025 that Ediphy, through its fairCT initiative, had been selected as the first CTP for bonds. After authorisation, the chosen provider will operate the CTP for five years and ESMA will supervise its activities.

ESMA launched the selection process for CTP for equities in June 2025, with applications being accepted until 25 July 2025. ESMA will keep a record of investment firms operating Small or Medium-sized Enterprises (SMEs) growth markets and market operators that have decided to opt-in to contribute data to the equity CTP.

Lastly, the selection procedure for the CTP for OTC derivatives is expected to be launched in early 2026.

Markets in Crypto-Assets

ESMA significantly advanced its work under the Markets in Crypto-Assets Regulation (MiCA), focusing on convergence on authorisation and supervisory activity.

In October 2024, ESMA released an [Opinion](#) on MiCA regulatory technical standards for CryptoAsset Service Providers (CASPs), with the aim to increase the resilience of the crypto asset markets.

In December 2024, ESMA clarified in a [Statement](#) transitional arrangements for CASPs operating before 30 December 2024, allowing continued service until July 2026 unless authorisation is granted or denied earlier, while warning that Member States may impose shorter deadlines.

In January 2025, ESMA issued a [Supervisory Briefing](#) to guide National Competent Authorities (NCAs) in assessing CASP applications, promoting a risk-based approach and setting standards for governance, outsourcing, and management suitability.

January 2025 also saw the release of ESMA's [Statement](#) on the provision of crypto-asset services related to stablecoins that do not comply with MiCA. The statement reinforces that issuing, offering to the public, or seeking admission to trading of such tokens are regulated activities under MiCA. ESMA required CASPs to cease offering noncompliant stablecoins by the end of Q1 2025.

In July 2025, ESMA published its [Guidelines](#) on knowledge and competence for CASPs staff, setting expectations based on the type of services provided. ESMA also issued a [Statement](#) warning CASPs to clearly distinguish between regulated and unregulated services to avoid misleading investors.

In July 2025, ESMA published a [Peer Review Report](#) on the authorisation and supervision of a CASP in Malta. The Malta Financial Services Authority was found to have a strong supervisory set-up and resources, but its authorisation process only partially met expectations – with key concerns as regards governance, information communication technology, and antimoney laundering. The peer review recommends that the Maltese Authority and other NCAs enhance scrutiny in these areas, share supervisory insights at EU level, and ensure clear customer risk disclosures. The Maltese Authority

acknowledged the review's findings and committed to strengthen its supervisory framework.

EMIR 3

Central to ESMA's effort was the operationalisation of the latest revision of the European Market Infrastructure Regulation (EMIR 3), focusing on reducing reliance on thirdcountry Central Clearing Counterparties (CCPs) and enhancing the competitiveness and resilience of EU clearing.

In December 2024, the ESMA Board of Supervisors issued a [Decision](#) to delegate powers to its Chair to make non-controversial decisions on CCP model validations, aiming to speed up processes under tighter regulatory timelines.

In April 2025, ESMA launched a [Consultation](#) on a new method for calculating clearing thresholds, focusing on uncleared OTC derivatives and maintaining existing thresholds for key asset classes.

In June 2025, ESMA published its [Final Report](#) on the Active Account Requirement (AAR), the key requirement under EMIR 3 aimed at enhancing the resilience of the EU clearing landscape. In its report, ESMA proposes to streamline operational conditions and stresstesting. The report also includes simplifications in the area of reporting requirements related to risks and activities.

ESMA also launched in June 2025 a [Consultation](#) on margin transparency requirements – to ensure better visibility and predictability of margin calls – and a [Consultation](#) on clearing fees – to improve the disclosures of fees and costs related to the provisions of clearing services.

In October 2025, ESMA published a [Final Report](#) on the conditions for CCPs to apply for model changes, and a [Final Report](#) on the conditions for the extensions of authorisation, introducing criteria for significance and streamlined documentation requirements.

ESMA also launched in October 2025 a [Consultation](#) on the requirements for clearing members to participate in a CCP. The consultation paper proposes new rules as regards standards for entities offering clearing services. It focuses on enhancing transparency, governance, and risk management for clearing members and clients of CCPs.

T+1

In November 2024, ESMA published a [Report](#) on shortening the settlement cycle in the EU from T+2 to T+1. While recognising implementation challenges, including the need for increased automation and process upgrades, ESMA proposed a detailed roadmap for the transition, recommending 11 October 2027 as the target date for switching to T+1 settlement across the EU.

In January 2025, ESMA, in close cooperation with the Commission and the ECB, launched a [new governance structure](#) to support the EU's transition to a T+1 settlement cycle. This includes an Industry Committee and several workstreams dealing with operational and regulatory adaptations. Acting as Chair of the Coordination Committee, ESMA supports the alignment between authorities and the industry.

ESAP

ESMA continued working on the development of the European Single Access Point (ESAP). In October 2024, ESMA, along with the other two European Supervisory Authorities, notably published the [Final Report](#) specifying certain tasks of collection bodies and key functionalities of the platform.

1.2. Simplification and Burden Reduction

As the Commission, ESMA is committed to an ambitious Simplification and Burden Reduction (SBR) agenda.

ESMA has prioritised a cross-cutting approach to SBR: looking at a transversal topic holistically and analysing from the user perspective how the different pieces fit together and how they might be simplified.

In 2025, ESMA launched three flagship consultations.

In May 2025, ESMA launched a [Call for Evidence](#) on the retail investor journey under the Markets in Financial Instruments Directive (MiFID II). Primarily addressed to retail investors and consumer organisations, the Call for Evidence seeks insights into how retail investors experience key stages of the investment process, and whether certain regulatory requirements support or hinder their participation in EU capital markets.

In June 2025, ESMA published a [Discussion Paper](#) seeking input on how to simplify funds reporting of supervisory data. The paper presents a stock take of the current state of asset managers' reporting obligations and assesses the overlaps and inconsistencies between reporting frameworks. It also presents several options to further integrate the reporting obligations for fund managers under different regimes.

ESMA also issued in June 2025 a [Call for Evidence](#) to gather feedback from market participants on creating a more streamlined and unified framework for financial transaction reporting under MiFIR, EMIR and the Securities Financing Transactions Regulation. The fragmented approach across different Regulations has led to duplication, inconsistencies, and high compliance costs. ESMA's Call for Evidence aims to address these challenges and establish a more efficient system.

Strategic Priorities and Thematic Drivers

2. Strategic Priorities and Thematic Drivers



2.1. Effective Markets and Financial Stability

In January 2025, ESMA published three Market Reports: on [EU Prospectuses](#), on [Crowdfunding](#) in the EU, and on [Costs and Performance](#) of EU Retail Investment Products. These reports support ESMA's risk monitoring efforts by providing insights into market developments and potential vulnerabilities.

Throughout the year, ESMA published a series of reports on Trends, Risks, and Vulnerabilities (TRV).

In February 2025, ESMA delivered its first [TRV Report](#) of the year. The report highlighted that EU financial markets remained resilient in the second half of 2024 despite elevated risks from geopolitical tensions, macroeconomic uncertainty, and technological disruptions.

ESMA also published in February 2025 a [TRV Risk Analysis](#) on the impact of size on EU fund cost structures. The findings suggest that greater consolidation could improve cost efficiencies. From an investor protection perspective, awareness of fund costs and their potential drivers remain critical for making optimal investment decisions.

In April 2025, ESMA published a [TRV Risk Analysis](#) on Undertakings for the Collective Investment in Transferable Securities (UCITS). These funds have been found to often employ complex strategies, which could pose significant market risk. The analysis reveals that some funds are tightly interconnected and have transmitted volatility shocks. It also

underlines that some data is still lacking, limiting the possibility to assess the full extent of the risks.

Published in September 2025, the second [TRV Report](#) offers a mid-year overview of the EU financial landscape, marked by heightened geopolitical tensions, market volatility, and shifting investor sentiment. Equity markets saw sharp valuation swings, liquidity declined, and corporate bond spreads widened. Crypto-markets rebounded in summer, though regulatory and systemic concerns remain. Cyber risk is rising, prompting calls for stronger oversight. In asset management, fund flows were mixed, with Money Market Fund (MMFs) and Environmental, Social and Governance (ESG) products gaining traction. EU funds remain exposed to US markets, raising repricing risks. On the consumer side, investor confidence improved midyear, household finances strengthened, and retail ETF trading surged, especially among younger investors.

2.2. Effective Supervision

ESMA centrally supervises at EU level entities that form essential parts of the financial market infrastructure. These include all Credit Rating Agencies (CRAs), Trade Repositories (TRs), Securitisation Repositories (SRs), certain Data Reporting Service Providers (DRSPs), certain benchmark administrators, and Tier 2 CCPs outside the EU. For entities supervised at national level, ESMA focuses on supervisory convergence activities, which aim to ensure a level playing field of

high-quality regulation and supervision amongst the NCAs. Supervisory convergence implies developing consistent interpretation of rules, building sound and effective supervisory capabilities, coordinating approaches and activities, conducting concerted supervisory actions across the EU, and reviewing and sharing good practices.

ESMA promoted cyber and digital resilience as a Union Strategic Supervisory Priority (USSP) starting January 2025 in direct alignment with the entry into application of the Digital Operational Resilience Act (DORA). This allows enhanced coordination of EU supervisors' efforts toward strengthening firms' ICT risk management and improves the digital resilience of the EU securities market.

Since the start of this USSP, NCAs and ESMA direct supervision have demonstrated commitment to monitor financial entities' adherence to DORA requirements through proactive checks and supervisory capacity building.

Through 2025, ESMA and NCAs have also carried out intense supervisory work on ESG disclosures, defined as a USSP since 2022. This has played a pivotal role in promoting the application of ESG requirements throughout the sustainable investment ecosystem, guiding and supporting market participants on this journey.

In November 2024, ESMA published its [Guidelines](#) on stress test scenarios under the MMF Regulation. The guidelines define common reference parameters for stress test scenarios, covering various risks such as changes in liquidity, credit risk, interest and exchange rates, redemption levels, spread movements, and macroeconomic shocks.

ESMA also sent in November 2024 a [Response](#) to the Commission's consultation on the macroprudential review, focusing on strengthening the EU's framework for managing systemic risks in Non-Bank Financial Intermediation (NBFIs). ESMA's response highlighted key vulnerabilities in the sector, particularly liquidity mismatches in open-ended funds. ESMA also called for completing reforms to the MMF Regulation, improving data quality and supervisory tools, and developing an EU-wide stress testing framework.

ESMA periodically sets Union-wide Strategic Supervisory Priorities (USSPs) based on risk assessments to guide national supervisors and align supervisory efforts across the EU. In 2025, ESMA

continued its work with NCAs on ESG disclosures and initiated a new priority focused on cyber risk and digital resilience. It supports national supervisors through coordinated actions like Common Supervisory Actions (CSAs) and peer reviews. ESMA also enhances cross-border supervision by participating in supervisory colleges, including those for Central Counterparties (CCPs), where it will begin co-chairing following the EMIR 3 review, and it chairs the supervisory college for the EURIBOR benchmark.

In March 2025, ESMA published a [Peer Review Report](#) on Simple, Transparent and Standardised securitisation. The peer review covers key criteria and identifies both good practices and areas needing improvement across four EU jurisdictions (France, Germany, Portugal, The Netherlands).

In April 2025, ESMA published its [Guidelines](#) under MiCA on supervisory practices for NCAs to prevent and detect market abuse. The report aims at strengthening market integrity, recommending further harmonisation of supervisory practices and new approaches tailored to the specific risks posed by crypto-assets.

In April 2025, ESMA adopted a [Sanction Decision](#) against a CRA which failed to comply with the CRA Regulation by misleadingly suggesting in its public statements that ESMA endorsed its credit ratings.

ESMA also published in April 2025 a [Report](#) providing a comprehensive overview of the activities related to the supervision and enforcement of corporate reporting across the European Economic Area (EEA). The report provides key messages to improve future financial and non-financial reports by assessing how issuers comply with International Financial Reporting Standards (IFRS), non-financial and digital reporting obligations, with a view to promoting transparency and accountability to the market.

In June 2025, ESMA released non-binding [Principles](#) to guide EU supervisory authorities in overseeing third-party risks within securities markets. As financial entities increasingly rely on third parties for services and operations – especially due to digitalisation – these principles aim to ensure consistent, effective supervision across jurisdictions. The principles emphasise that entities must retain accountability and control, even when outsourcing critical functions, and that supervisors should

assess thirdparty risks during authorisation, ongoing supervision, and in response to material changes.

In October 2025, ESMA published its [Final Report](#) on EU Green Bonds (EuGB), detailing standards for prospective external reviewers of EuGB. External reviewers, which ESMA will supervise directly, are expected to establish robust systems, procedures, and compliance functions to ensure the integrity and reliability of their assessments.

ESMA also published in October 2025 a [Report](#) on Sanctions and measures imposed in EEA Member States. The report contributes to supervisory and enforcement convergence and facilitates the goal of making sanctions data more transparent. In 2024, 975 administrative sanctions and measures were imposed. Administrative fines amounted to approximately €100 million, an increase compared to 2023, when around €70 million were imposed.

October 2025 finally saw the publication of ESMA's [Final Report](#) on supervisory expectations for the management body, offering a reference point for all entities supervised by ESMA. The report outlines a revised framework of governance standards for supervised entities. It aims to enhance transparency, consistency, and accountability across ESMA's supervised entities while respecting their operational diversity.

2.3. Retail Investor Protection

ESMA regularly issues public opinions and warnings on high-risk products. Furthermore, ESMA cooperates with NCAs, in coordination with the other European Supervisory Authorities, to promote financial education.

In 2025, ESMA worked to increase investors' awareness of the risks associated with investments promoted through social media and AI tools. It also engaged with retail investors through coordinated communication with NCAs, complementing and amplifying their actions and messages towards retail audiences.

In response to the rise in interest in crypto-assets, ESMA issued in December 2024 a [Warning](#) emphasising that these products are highly risky and speculative, making them unsuitable for most retail

investors. It cautions that consumers could lose all their invested money, especially when misled by advertisements or influencers promising fast or high returns. ESMA urges consumers to be vigilant and informed before investing in crypto-assets.

ESMA also provided in December 2024 [Guidelines](#) specifying certain MiCA suitability requirements and clarifying requirements regarding procedures and policies in the context of transfer services for crypto-assets.

In February 2025, ESMA published [Guidelines](#) on reverse solicitation under MiCA. The guidelines provide an interpretation of situations in which a third-country firm is deemed to solicit clients in the EU. The guidelines also suggest practices aiming at the detection and prevention of non-MiCA-compliant soliciting. ESMA published [Guidelines](#) under MiCA on conditions and criteria for cryptoassets to be qualified as financial instruments in March 2025.

In reaction to the stark increase in popularity of publicly available Artificial Intelligence (AI) tools, ESMA issued a [Warning](#) on AI-based investment suggestions in March 2025. The warning cautions users as regards the misleading nature of AI tools: despite being presented as professional and offering tailored advice, they remain unregulated and may therefore provide inaccurate information or inappropriate investment advice.

In April 2025, ESMA sent a [Letter](#) to the Commission addressing the inconsistent classification of fractional shares across the EU under MiFID II. The letter highlights that fractional shares, which allow retail investors to buy portions of high-priced stocks, are not clearly defined in EU legislation, leading to inconsistencies across Member States. ESMA urged the Commission to clarify their classification to ensure investor protection.

Given the attention that investors pay to sustainability considerations, ESMA released in July 2025 [Thematic Notes](#) on clear, fair, and not misleading sustainability-related claims. These notes aim to guide market participants to avoid greenwashing when making statements mentioning ESG terms.

2.4. Sustainable Finance

ESMA collaborates with NCAs to develop supervisory tools and methodologies for detecting and addressing potential greenwashing practices.

In 2025, ESMA actively contributed to the European standard-setting work of the European Financial Reporting Advisory Group in the area of sustainability reporting and closely monitored the activities of the International Sustainability Standards Board.

In October 2024, ESMA, along with the other two European Supervisory Authorities, published the 2024 [Report](#) on principal adverse impact disclosures under the Sustainable Finance Disclosure Regulation (SFDR). The report assesses how financial market participants report the negative effects of investment decisions on sustainability. Disclosure quality and accessibility have improved, but, overall compliance remains uneven, with larger firms usually disclosing more effectively. The report recommends further supervisory engagements, favouring less frequent but more in-depth reporting.

In February 2025, ESMA published its [Final Report](#) on disclosure requirements under the EuGB Standard Regulation. The report outlines detailed requirements for issuers to disclose information on the use of proceeds, environmental objectives, and alignment with the EU Taxonomy.

In April 2025, ESMA published its [TRV Risk Analysis](#) on funds with ESG-related terms in their names. The report highlights that, since 2009, funds have increasingly adopted ESG terminology, particularly relating to the environment. The report confirms the importance of the guidelines adopted by ESMA as regards fund names, enhancing investor trust and protection.

In June 2025, ESMA published its [Final Report](#) presenting the findings of the 2023-2024 Common Supervisory Action (CSA) on sustainability integration in investment fund management. The report assesses how fund managers incorporate sustainability risks and disclosures under the SFDR and relevant provisions under the UCITS Directive and the Alternative Investment Fund Managers Directive (AIFMD).

ESMA also released in June 2025 a [Statement](#) on European Sustainability Reporting Standards (ESRS)

supervision. The statement recognises uncertainty challenges linked to the initial implementation of ESRS – compounded by uneven transposition of the Corporate Sustainability Reporting Directive (CSRD) and the changes to be introduced by the Omnibus. The statement reaffirms ESMA's and NCAs' commitment to transparent, proportionate, and reliable sustainability reporting, while pointing to the degree of flexibility embedded in the Guidelines for Enforcement of Sustainability Information (GLESII).

In August 2025, ESMA and the European Environment Agency signed a [Memorandum of Understanding](#) (MoU) to strengthen cooperation in sustainable finance.

In October 2025, ESMA published its [Final Report](#) on technical standards under the ESG Rating Regulation. In its report, ESMA defines the information that should be provided to apply as ESG rating provider, sets out safeguards to mitigate risks of conflicts of interests and specifies the information to be disclosed by providers.

ESMA also released in October 2025 the second edition of its [Final Report](#) on the EU carbon market. The report provides a comprehensive analysis of the market's structure, dynamics, and regulatory implications. It recalls that the EU Emissions Trading System remains a key tool for reducing greenhouse gas emissions, with trading activity primarily concentrated in derivatives markets. It also identifies areas for improvement, notably regarding transparency. ESMA will continue to monitor the carbon market to ensure its integrity and efficiency.

2.5. Technological Innovation

ESMA participates in several European and international workstreams in the area of technological innovation area and contributes to the European Forum of Innovation Facilitators.

ESMA also contributes to the Supervisory Digital Finance Academy, a flagship initiative aimed at supporting financial supervisory authorities in coping with the risks and opportunities associated to the use of advanced technologies in the financial sector.

MiCA

In December 2024, ESMA published a [Final Report](#) specifying requirements as regards detection and prevention of market abuse under MiCA.

In January 2025, ESMA, in close cooperation with the EBA, released a [Joint Report](#) on recent developments in cryptoassets, analysing decentralised finance and crypto lending, borrowing and staking. The report sets out and assesses the specific risks associated with each of these activities, such as excessive leverage, information asymmetries, procyclicality and interconnectedness.

ESMA released in July 2025 a [TRV Risk Analysis](#) on Maximal Extractable Value (MEV), the profits that blockchain participants can gain by reordering transactions. ESMA started to look at MEV in the context of its contribution to the Commission's report on recent developments in crypto-assets provided under MiCA. The analysis shows that, while MEV can help correct inefficiencies in DeFi, it often harms users by diverting value to extractors and lacks transparency, while also raising concerns about fairness and market integrity.

DLT

In June 2025, ESMA released its [Report](#) on the functioning and review of the Distributed Ledger Technology (DLT) Pilot Regime. The report recognises that usage has thus far been limited but highlights that the regime has fostered experimentation with DLT-based models for trading, settlement, and compliance. The report also puts forward recommendations to revise current thresholds, with

a view to overcoming current operational and legal limitations.

AI

In February 2025, ESMA published a [TRV Article](#) on AI in EU investment funds and how AI is being adopted and invested across the asset management industry. The article finds that while AI tools are increasingly used to support human-driven investment decisions, only a small number of funds systematically integrate AI into their core investment strategies. These AI-promoting funds have seen mixed investor interest and performance. ESMA however warns that as AI adoption grows, risks related to third-party dependencies and market concentration must be carefully monitored.

Cyber-resilience

In February 2025, ESMA published [Guidelines](#) under MiCA on cybersecurity standards for offerors and entities seeking to admit crypto-assets to trading. The guidelines aim to ensure robust and secure systems are put in place by detailing requirements for administrative arrangements, physical and network security access protocols, and cryptographic key management.

As regards cyber threats, ESMA also published a [TRV Article](#) on operational and cyber risk measurement and modelling in July 2025. The article explores how cyber risks affect EU financial markets. It highlights the growing importance of operational resilience due to cyber threats and system outages. The article also presents methodologies for quantifying these risks and conducting stress simulations to evaluate the potential impact on financial stability. ESMA emphasises the need for robust risk management frameworks and data-driven approaches to better understand and mitigate cyber risks in the financial sector.

2.6. Effective Use of Data and ICT Technologies

Data is key asset that feeds into all of ESMA's activities and effective use of data is essential to achieving ESMA's mission. New legal mandates, new regulatory frameworks and the advent of new technologies – such as Big Data and AI technologies – increase the ability of authorities to analyse and derive actionable insights from the data they collect. ESMA aims to seize new opportunities in the regulatory and supervisory landscape and position itself as a reference point on RegTech and SupTech for NCAs, international regulatory and supervisory authorities, and the broader financial sector.

In April 2025, ESMA published its 2024 [Report](#) on the quality and use of data. The report shows that authorities across the EU are increasingly relying on data for monitoring financial stability, market integrity, and risk detection. New and improved Data Quality Engagement Frameworks (DQEF) have been introduced, particularly for MiFIR, EMIR, and funds data, with a focus on riskbased approaches.

ESMA also launched in April 2025 [new tools](#) to improve access to and usability of data from its public registers. This includes publishing its first code package on GitHub, and interactive dashboards based on MiFID data, offering visual insights into trading venues and instruments by market type and country. These initiatives aim to make ESMA's data more accessible, enhancing transparency and empower market participants, including retail investors.

In June 2025, ESMA published its [Final Report](#) containing guidelines on periodic information, which sets out updated requirements for entities such as benchmark administrators, CRAs, and market transparency infrastructures to submit regular reports to ESMA. The report introduces a harmonised framework for cross-sectoral and sectorspecific periodic information, covering governance, internal controls, IT security, and audited accounts.



3. Investors and Issuers



3.1. Investment Management

ESMA promotes supervisory convergence in the investment management sector by issuing and reviewing guidance and by facilitating case discussions, workshops, Common Supervisory Actions and peer reviews. It also negotiates AIFMD cooperation agreements with third-country authorities. Each year, ESMA updates its guidelines on MMF stress testing to reflect the latest market developments.

In February 2025, ESMA launched a CSA to assess the compliance and internal audit functions of UCITS and Alternative Investment Fund (AIF) managers across the EU. Running throughout 2025, the initiative aims to ensure these entities have robust internal controls, adequate staffing, and the proper expertise to meet regulatory requirements under the AIFMD and the UCITS Directive.

In April 2025, ESMA published its [Final Report](#) including RTS on Liquidity Management Tools (LMT) under the AIFMD and UCITS Directive, aiming to harmonise the use of LMTs across the EU. The RTS specify the characteristics of various LMTs available to AIF managers handling open-ended AIFs and UCITS. ESMA also published [Guidelines](#) for selecting and calibrating LMTs. These guidelines recognise that the primary responsibility for liquidity risk management remains with the UCITS and AIFM and include indications as to the circumstances in which side pockets, a segregation technique to separate illiquid assets from others, can be activated.

In June 2025, ESMA provided [Technical Advice](#) to the Commission on reviewing the UCITS Eligible Assets Directive. The policy proposals put forward by ESMA

aim to overcome the currently divergent NCAs and market practices and to reduce the burden for UCITS management companies operating and/or marketing UCITS on a crossborder basis.

In October 2025, ESMA published its [Final Report](#) on RTS for openended loanoriginating AIFs under the AIFMD. These standards aim to ensure that AIFs engaging in loan origination can effectively manage liquidity risks while offering investor redemptions.

3.2. Issuer Disclosure

ESMA's work in the area of issuer disclosure aims at providing investors with adequate information on the companies they invest in, thereby ensuring better investor protection.

In October 2024, ESMA published a [Report](#) on the first application of IFRS 17 Insurance Contracts in 2023 financial statements. The report includes observations and recommendations from ESMA and national enforcers on how issuers disclosed information under IFRS 17, showcasing examples that help assess the clarity and usefulness of disclosures.

In February 2025, ESMA launched a [Consultation](#) on the potential introduction of a new type of security to a base prospectus, including two draft guidelines. The first one clarifies that supplements should only provide material information relevant to securities already described in the base prospectus. The second encourages issuers to include all types of securities they reasonably expect to issue during the validity of the base prospectus.

In June 2025, ESMA provided [Technical Advice](#) to the Commission on revising the Prospectus Regulation and updating RTS on metadata. The report proposes

changes to the format and content of prospectuses. It also suggests updates to metadata requirements to support digital accessibility and supervisory convergence across the EU. The advice aims to streamline prospectus disclosures, improve clarity and comparability, and enhance investor protection.

In June 2025, ESMA provided additional [Technical Advice](#) to the Commission on civil prospectus liability under the Prospectus Regulation. Based on evidence collected from stakeholders and NCAs, the report does not advise changes to the existing civil prospectus liability regime.

In July 2025, ESMA published a [Final Report](#) on the RTS concerning documents incorporated by reference, proposing updates to the list of documents from which information can be incorporated by reference into prospectuses, in accordance with the Prospectus Regulation. The RTS presented in the report add documents approved or filed under the Prospectus Directive and preissuance disclosures for green and sustainability-linked bonds under the EuGB Regulation, with a view to enhancing transparency and consistency in disclosures.

In October 2025, ESMA issued its annual European Common Enforcement Priorities [Statement](#) for 2025, with a focus on accounting requirements, segment reporting, and sustainability reporting. The statement was released along with the results of a [Fact-Finding Exercise](#) on 2024 corporate reporting practices under ESRS Set 1, relating to the double materiality assessment process and its outcomes.

ESMA also released in October 2025 its [Final Report](#) on RTS to establish an EU code of conduct for issuersponsored research under the Listing Act, with the aim to promote independence, objectivity, and transparency in research funded by issuers.

3.3. Benchmark Administrators

ESMA supervises EU administrators of critical benchmarks and recognised third-country benchmark administrators. EURIBOR is currently the only benchmark designated as critical in the EU. ESMA chairs the EURIBOR College of Supervisors, composed of NCAs supervising EURIBOR's panel banks, to coordinate supervisory actions and facilitate

information exchange. ESMA also monitors market developments and can advise the Commission on potential new critical benchmarks.

In April 2025, ESMA published its [Final Report](#) on a CSA launched in 2023. The initiative, conducted with NCAs across the EU, focused on ESG disclosures and aimed at assessing how administrators complied with requirements under the Benchmarks Regulation. The CSA identifies significant variation in how ESG factors are disclosed and in the degree of adherence of administrators to regulatory expectations. Overall, ESMA recognised that the level of compliance has improved, though gaps in clarity and completeness of disclosures persist. Key issues identified relate to inconsistencies in terminology and overreliance on thirdparty data providers, which hamper comparability.

3.4. Credit-Rating Agencies

In December 2024, ESMA published its [Technical Advice](#) on proposed amendments to the Commission Delegated Regulation and Annex I of the CRA Regulation. The proposed amendments emphasise the inclusion of ESG considerations in credit rating methodologies, clarified to include criteria, models, driving factors, and key rating assumptions. The advice aims to ensure systematic application and consistent use, while integrating ESG considerations and improve the regulatory framework for credit rating agencies.

4. Markets and Infrastructures



4.1. Trading

Commodity Derivatives

In December 2024, ESMA published its [Final Report](#) putting forward new technical standards as regards commodity derivatives under MiFID II. The suggested changes extend monitoring obligations and accountability requirements for trading venues dealing with derivatives on emission allowances.

In May 2025, ESMA issued a [Response](#) to the Commission's review of commodity derivatives markets. ESMA highlighted inefficiencies and overlaps in reporting obligations under the various regulatory frameworks, recommending harmonisation of data standards and integrated reporting to reduce compliance burdens.

MiFID/MiFIR

In December 2024, ESMA published its [Final Report](#) on equity transparency. The report covers changes to the definition of a liquid market for equity instruments, the specification of information to be disclosed for pre-trade transparency purposes and post-trade transparency reports.

In February 2025, ESMA published the results of its [annual transparency calculations](#) for equity and equity-like instruments, which apply from 7 April 2025 until 5 April 2026. These calculations include assessments of liquidity, average daily turnover, transaction values, and tick-size regimes, based on 2024 data submitted to the Financial Instruments Transparency System. Market participants are advised to monitor updates for newly traded instruments and prepare for the next round of calculations due by 1 March 2026.

In April 2025, ESMA published several deliverables under the MiFID/MiFIR review.

ESMA released its [Final Report](#) specifying the criteria for establishing and assessing the effectiveness of investment firms' order execution policies under MiFID II.

ESMA also provided [Technical Advice](#) to the Commission on amendments to the MiFID II Delegated Directive on research provisions. The advice notably addresses the new payment options for research and execution services introduced by the Listing Act.

ESMA published its [Final Report](#) on Systematic internalisers (SIs) notification, the volume cap mechanism, and circuit breakers. The report presents three key regulatory updates. Firstly, a new process for investment firms acting as SIs to notify NCAs, improving consistency and ensuring that firms effectively meet their obligations. Secondly, amendments to the RTS on volume cap and transparency calculations are proposed to enhance data accuracy and reliability. Lastly, new requirements for circuit breakers are put in place, in line with DORA, to strengthen the resilience of trading systems.

ESMA also launched a [Consultation](#) on changes to the transparency regime for derivatives under the revised MiFIR. The consultation includes proposals for pre- and post-trade transparency requirements, deferral regimes, and liquidity assessments for various classes of exchange-traded and OTC derivatives.

In May 2025, ESMA provided [Technical Advice](#) under MAR and MiFID II for SME Growth Markets, under the Listing Act. The report aims to enhance market integrity while making compliance more

proportionate for SMEs by proposing targeted amendments to reduce regulatory burdens. It focuses on refining rules on the disclosure of inside information and clarifies interactions with existing frameworks.

In June 2025, ESMA published its [Final Report](#) detailing amendments to improve the quality and consistency of transaction data reporting (RTS 22) and order book information (RTS 24). The revised standards are designed to support better market oversight and transparency across EU trading venues.

In July 2025, ESMA concluded a [CSA](#), implemented together with NCAs on pretrade controls under MiFID II. The results highlight that most investment firms have integrated pre-trade controls in their trading activity and in their risk management framework. ESMA will further analyse the results gathered and publish guidance, including clarifications and best practices, in the coming months.

In July 2025 ESMA also [announced](#) that, starting October 2025, the EU will transition from the double volume cap mechanism to a single volume cap system for equity and equity-like instruments. The current reporting system will be phased out by January 2026, as ESMA is preparing a new data infrastructure to support the revised framework.

In October 2025, ESMA published its [Final Report](#) on technical standards for insider lists, extending the simplified format currently used by SME Growth Market issuers to all issuers under the Market Abuse Regulation (MAR). This initiative, mandated by the Listing Act, aims to reduce administrative burdens while maintaining regulatory effectiveness.

ESMA also issued in October 2025 a [Statement](#) on the transition for the application of the MiFID II/MiFIR review. The statement provides guidance on the application of provisions amended by the review, the single volume cap, and transparency rules.

Lastly, ESMA released its [Manual](#) on pretrade transparency. The manual outlines pre-trade transparency requirements under MiFID II/MiFIR for trading venues and SIs. This applies to equity and non-equity instruments, though waivers may be granted under certain conditions. The aim is to ensure market participants have access to sufficient information before executing trades.

4.2. Data Reporting Service Providers

DRSPs play a critical role by ensuring transparency and effective supervision of financial markets, enabling investors and NCAs to receive accurate and comprehensive trading data.

In October 2024, ESMA announced that it will become the [direct supervisor of two additional DRSPs](#) starting 1 June 2025. This decision follows ESMA's annual assessment, which found that both entities failed to meet the criteria for derogation for two consecutive years.

In December 2024, ESMA published a [Final Report](#) under the MiFIR review laying down new requirements on the authorisation of DRSPs, with a focus on internal controls and ownership structure provisions.

4.3. CCPs – EU

ESMA promotes consistency in the supervision and resolution of EU CCPs through its participation in supervisory and resolution colleges, which gather all relevant authorities. Following the adoption of EMIR 3, ESMA co-chairs the CCP supervisory colleges, sets annual supervisory priorities, and participates in on-site inspections alongside NCAs.

In December 2024, ESMA released a [Supervisory Briefing](#) providing guidance to NCAs on how to oversee CCPs' monitoring of the operational capacity of their clearing members, as required under EMIR 3. The briefing outlines expectations for NCAs to ensure CCPs regularly assess their members' IT systems, access to payment systems, staff expertise, and operational risk management. These reviews should be proportionate to the CCP's risk profile and may include annual reviews, ad-hoc assessments, or on-site inspections.

In April 2025, ESMA published its CCP [Peer Review Report](#). The peer review assesses the overall functioning of CCP colleges. It also provides an in-depth analysis of supervisory activities of NCAs with respect to EMIR requirements on outsourcing and intragroup governance arrangements.

In January 2025, ESMA published its [Final Report](#) on EMIR RTS for Colleges of CCPs, outlining amendments to the standards governing supervisory colleges for central counterparties. The suggested changes aim to align the framework with updates introduced by EMIR 3, affecting only NCAs and without imposing new obligations on market participants.

In June 2025, ESMA published a [CCP Resolution Briefing](#) focusing on how to operationalise resolution cash calls, a key tool for managing the failure of central counterparties. The briefing outlines how National Resolution Authorities can access and use data to calibrate cash calls, assesses their potential impact on non-defaulting clearing members and financial stability, and provides a step-by-step guide for their implementation.

4.4. CCPs – Third Countries

ESMA is responsible for the recognition and supervision of third-country CCPs that provide clearing services to EU counterparties. It ensures that these CCPs comply with EMIR requirements relevant to EU participants and coordinates with the competent authorities of the third country. ESMA participates in supervisory colleges to promote consistent oversight and may impose additional requirements or withdraw recognition if compliance or equivalence standards are no longer met.

In March 2025, ESMA and the Bank of England signed a [revised MoU](#) under EMIR 3 to strengthen cooperation on the supervision of UK-based CCPs recognised as systemically important by ESMA. The MoU outlines arrangements for monitoring these CCPs' compliance with recognition conditions and EMIR requirements. It reflects revised legal obligations introduced by EMIR 3, including mandatory cooperation frameworks and information exchange. The agreement ensures that UK CCPs can continue providing clearing services to EU entities, with the current equivalence decision being valid until 30 June 2028.

ESMA also decided in March 2025 to temporarily [extend the tiering and recognition of three UK-based CCPs](#). This extension aligns with the Commission's January 2025 equivalence decision made in respect

of the regulatory framework applicable to CCPs in the UK.

4.5. Central Securities Depositories

ESMA promotes consistent supervision of EU Central Securities Depositories (CSDs) by coordinating with NCAs, notably through colleges of supervisors. It supports supervisory convergence and monitors cross-border and third-country CSD activities, advising the Commission when necessary.

In October 2024, ESMA released its [Manual](#) on post-trade transparency, which provides detailed guidance for market participants and NCAs on how to consistently apply MiFIR obligations. The manual explains the differences between post-trade transparency and transparency calculations, aiming to simplify the regulatory framework and ensure uniform application across the EU.

In November 2024, ESMA answered a request from the Commission for [Technical Advice](#) on the Central Securities Depositories Regulation (CSDR) penalty mechanism, providing recommendations to improve the effectiveness and consistency of penalties for settlement fails.

ESMA also published three final reports on technical standards under CSDR Refit. As regards [review and evaluation processes](#), ESMA suggested harmonising the information shared by Central Securities Depositories (CSDs), with a one-year implementation period for new reporting items requiring IT process adaptations. Secondly, ESMA detailed the criteria to assess [CSDs' importance](#) in host Member States, which notably establish the basis for membership to colleges of supervisors. Lastly, ESMA clarified the information that [third-country CSDs](#) are required to report and notify.

In March 2025, ESMA issued a [Statement](#) confirming that cash penalties under the CSDR penalty mechanism will not apply to settlement fails caused by a major incident affecting T2S on 27 February 2025. The disruption, triggered by a defective hardware component, led to several hours of unavailability of settlement and payment services, which in turn delayed reporting and reconciliation processes. ESMA concluded that the resulting

settlement fails were due to infrastructure failure, not participant error, and therefore do not warrant penalties under CSDR.

In June 2025, ESMA reiterated its position on the CSDR penalty mechanism, providing [Technical Advice](#) to the Commission on refining the scope of the settlement discipline regime under the CSDR Refit. The advice supports aligning exemptions from cash penalties with those from the mandatory buy-in regime, proposing a phased implementation, with full application by the end of Q2 2027.

In October 2025, ESMA published its [Final Report](#) on reforms to the settlement discipline. The report supports the preparation and the implementation of the switch to T+1, in accordance with the EU T+1 Industry Committee recommendations in the High-Level Roadmap to Securities Settlement in the EU. The report proposes changes to the timing and means for sending allocations and confirmations, and requirements for all CSDs to offer hold and release and partial settlement functionalities. The amendments also aim at improving settlement efficiency.

4.6. Securitisation Repositories

In 2025, ESMA continued to focus on ensuring effective governance and internal control frameworks within Securitisation Repositories (SRs) and on their compliance with DORA requirements. ESMA followed up on concerns identified during its 2024-2025 review of SRs' cybersecurity frameworks and, where applicable, assessed the strategies of the groups to which SRs belong and the potential impact of group-level decisions.

ESMA also cooperated with relevant supervisory bodies and market participants, including users of SR data, to collect feedback, address data quality issues, promote the use of SR data, and foster consistency among supervisory authorities in the supervision of securitisation requirements.

In February 2025, ESMA launched a [Consultation](#) on a simplified disclosure template for private securitisation. The proposed changes aim to enhance proportionality, while maintaining transparency. The proposal further seeks to streamline information-sharing processes while ensuring supervisory authorities have access to essential data. Key features include aggregate-level reporting and reduced requirements for transaction-specific data.

In July 2025, ESMA released a [Statement](#) summarising stakeholders' response on the proposed revision of the disclosure framework for private securitisation. While stakeholders generally supported the goal of simplification, most cited concerns about legal clarity, operational burden, and misalignment with the ongoing review of the legislative framework for securitisation. ESMA decided to defer amendments to the technical standards until the revision of the legislative framework and affirmed its commitment to using the consultation insights to support future reforms, ensuring a more proportionate and coherent disclosure regime.

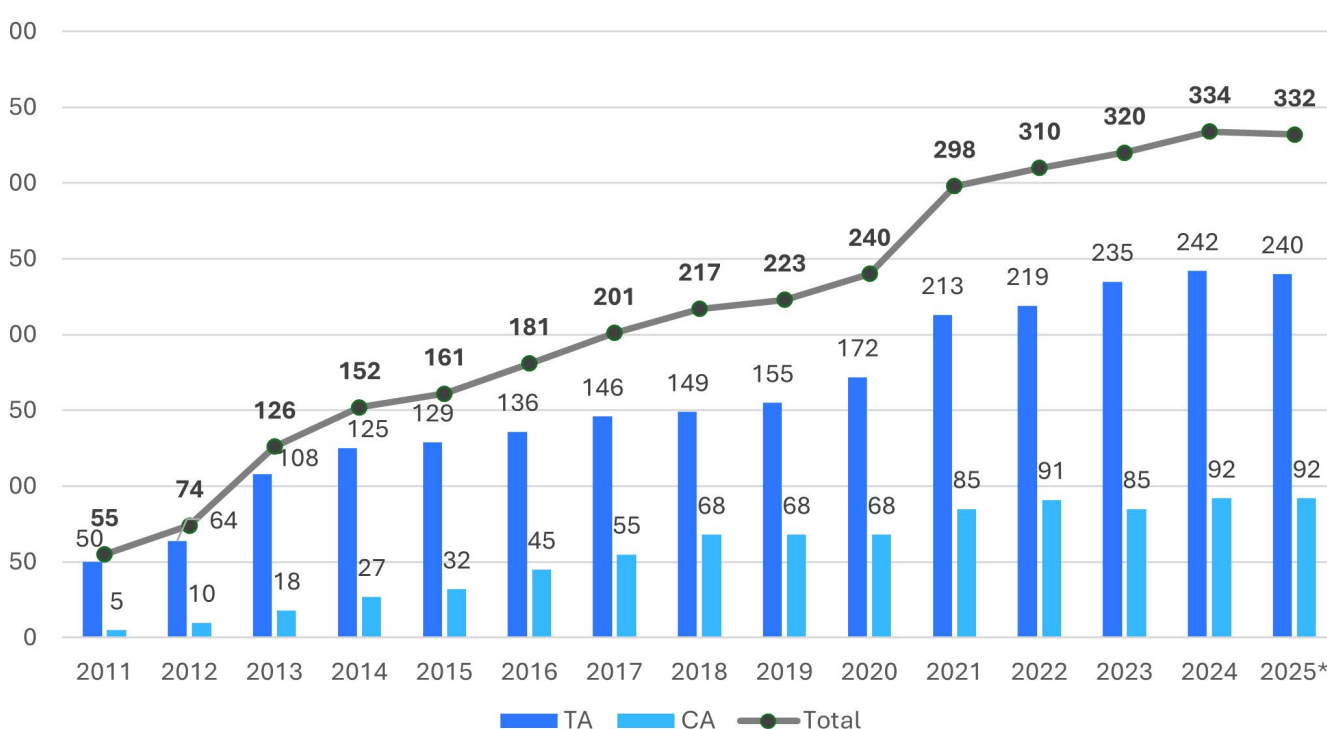
5. ESMA as an Organisation

Staff Evolution

At the end of September 2025, the total number of ESMA staff, including Temporary Agents (TAs), Contract Agents (CAs) and Seconded National Experts (SNEs) was 349. The end of 2025 objective is 366, including 20 SNEs.

At the end of September 2025, ESMA staff (TAs/CAs/SNEs) included 25 different EU nationalities, 3 nationals from the UK and one national from the EEA (Norway).

Statutory staff population (Temporary and Contractual Agents)

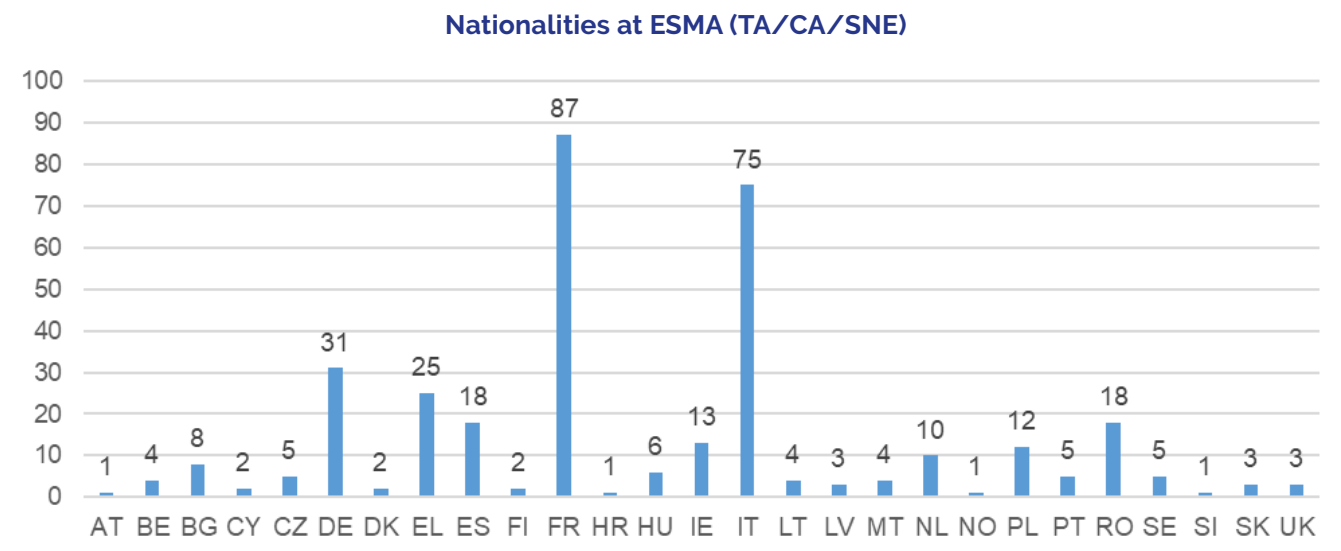


*30 September 2025 forecast

The following table shows the distribution of nationalities per contract type and function group.

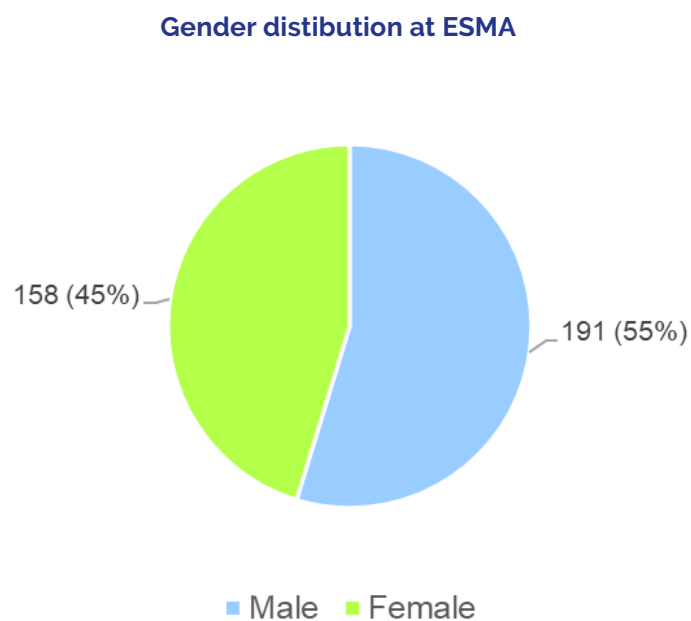
	AT	BE	BG	CY	CZ	DE	DK	EL	ES	FI	FR	HR	HU	IE	IT	LT	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
TA	1	2	6		3	22	2	12	13	1	64	1	3	9	52	3	1	1	7	1	7	4	14	5		3	3	240
CA		2	2	2	2	5		12	4	1	22		3	2	20	1	2		1		5	1	4		1			92
SNE						4		1	1		1			2	3			3	2									17
Total	1	4	8	2	5	31	2	25	18	2	87	1	6	13	75	4	3	4	10	1	12	5	18	5	1	3	3	349
%	0	1	2	1	1	9	1	7	5	1	25	0	2	4	21	1	1	1	3	0	3	1	5	1	0	1	1	100

The following chart shows the distribution of nationalities for ESMA staff (TAs/CAs/SNEs) at the end of September 2025.



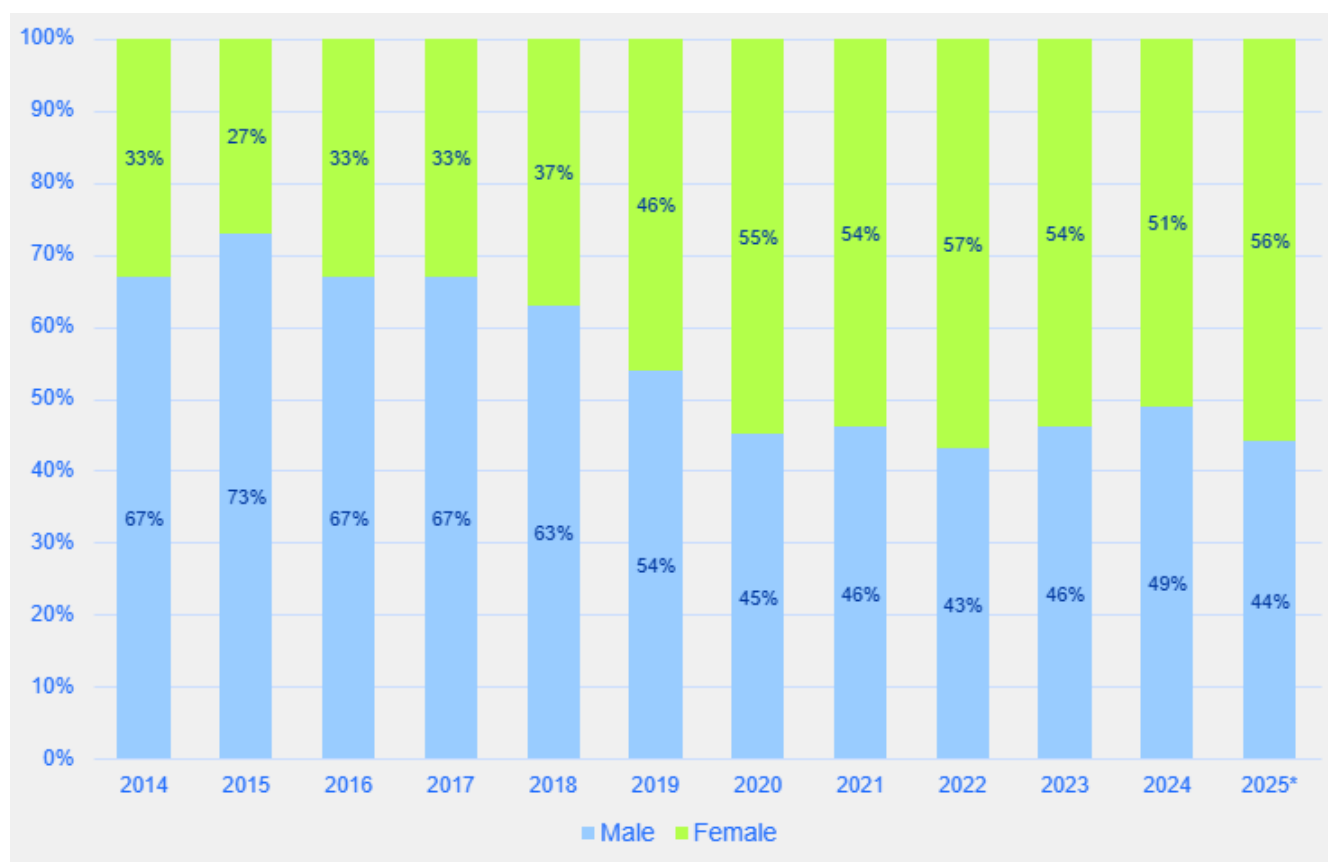
Gender Balance

The global gender balance amongst ESMA staff (TAs, CAs and SNEs) is 55% male – 45 % female, similarly to the 2023 and 2024 figures.



The proportion of female managers increased to 56% at the end of September 2025 compared with the 50%-50% split at the end of September 2024.

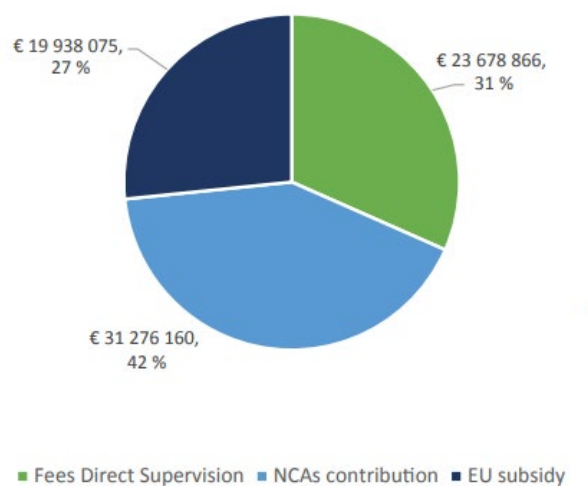
Ratio male/female in managerial functions



Finance

ESMA spent 99.99 % of its 2024 budget, amounting to EUR 74 891 455. This amount excludes EUR 823 764 from the Directorate-General for Structural Reform Support and the contributions from the NCAs and other external entities for the IT delegated task TRACE, which represented EUR 338 714 in 2024.

2024 Revenues by sources



Annex - Abbreviations

AAR	– Active Account Requirement
AI	– Artificial Intelligence
AIF	– Alternative Investment Fund
AIFMD	– Alternative Investment Fund Managers Directive
CA	– Contract Agent
CASP	– Crypto-Asset Service Provider
CCP	– Central Clearing Counterparty
CRA	– Credit Rating Agency
CSA	– Common Supervisory Action
CSD	– Central Securities Depository
CSDR	– Central Securities Depositories Regulation
CSRD	– Corporate Sustainability Reporting Directive
CTP	– Consolidate Tape Provider
DLT	– Distributed Ledger Technology
DORA	– Digital Operational Resilience Act
DQEF	– Data Quality Engagement Frameworks
EEA	– European Economic Area
EMIR	– European Market Infrastructure Regulation
EuGB	– European Green Bond
ESAP	– European Single Access Point
ESEF	– European Single Electronic Format
ESG	– Environmental, Social and Governance
ESRS	– European Sustainability Reporting Standards
ETF	– Exchange-Traded Fund
GLESI	– Guidelines for Enforcement of Sustainability Information
IFRS	– International Financial Reporting Standards
LMT	– Liquidity Management Tool
MAR	– Market Abuse Regulation
MEV	– Maximal Extractable Value
MiCA	– Markets in Crypto-Assets Regulation
MiFID II	– (Revised) Markets in Financial Instruments Directive
MiFIR	– Markets in Financial instruments Regulation
MMF	– Money Market Fund
MoU	– Memorandum of Understanding
NBFI	– Non-Bank Financial Intermediation
NCA	– National Competent Authority
OTC	– Over-The-Counter
RTS	– Regulatory Technical Standard
SBR	– Simplification and Burden Reduction
SI	– Systematic Internaliser
SIU	– Savings and Investment Union
SFDR	– Sustainable Finance Disclosure Regulation
SME	– Small or Medium-sized Enterprise
SNE	– Seconded National Expert
SR	– Securitisation Repository
TA	– Temporary Agent
TRV	– Trends, Risks, and Vulnerabilities
TR	– Trade Repository
UCITS	– Undertakings for the Collective Investment in Transferable Securities
USSP	– Union Strategic Supervisory Priority

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