

Spotlight on Markets – April & May 2026

“A NEW ERA FOR EU CAPITAL MARKETS” KEY CONFERENCE TAKEAWAYS

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- Simplification of EU reporting frameworks for funds and transactions
- Sixth stress test exercise for Central Counterparties
- Call for evidence on the structure of European equity markets

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“A New Era for EU Capital Markets”

Key Conference Takeaways

The ESMA Conference “A New Era for EU Capital Markets” brought together a wide range of stakeholders from across Europe and beyond, including public authorities, market participants and consumer organisations, for a day of insightful discussions and exchange.

Marking ESMA’s 15th anniversary, the Conference provided an opportunity to reflect on the Authority’s evolution from a crisis-response body into a globally recognised supervisory authority, while also looking ahead to the future of Europe’s capital markets.



Discussions focused on the ambition to build more integrated, efficient and attractive markets, with the Savings and Investment Union at the heart of the debate. In a rapidly changing geopolitical and technological environment, participants highlighted the importance of collective action at EU level to unlock Europe’s full potential.



[You can watch the Conference here](#)

ESMA advances the simplification of EU reporting frameworks for funds and transactions

The European Securities and Markets Authority (ESMA), the EU financial markets regulator and supervisor, has launched a [harmonised approach to funds reporting](#) and has set a clear path towards streamlined, more efficient [transaction reporting](#) across European markets.

The two reports are complementary pillars of ESMA's broader simplification and burden reduction agenda, [launched last year](#).



Final report on the integrated collection of funds' data

“ESMA is advancing on the EU-wide simplification of regulatory reporting, targeting both funds reporting and transaction reporting. The objective is to reduce operational burden for market participants by introducing the principle of ‘reporting once’, while also improving data quality and supervisory effectiveness. This will be achieved through harmonisation and enhanced data sharing between authorities across the EU. The data we collect from market participants is and will continue to be central to how ESMA and the NCAs supervise markets. It underpins our risk assessments and allows us to identify vulnerabilities early, supporting our work to safeguard integrity and financial stability across EU markets.”

Verena Ross, **Chair**



Final Report on the integrated collection of funds' data

In the report, ESMA sets out a strategic move away from fragmented national reporting towards a common EU reporting framework, centred on a common and single reporting template designed to remain proportionate for different fund sizes and investment strategies, while meeting supervisory needs. The aim is to reduce duplication, improve data consistency and enhance the usability of data for authorities.

To support this approach, ESMA outlines a hybrid operational model, under which data validation, storage and analytics would be organised at EU level, while data collection would remain at national level. By facilitating data sharing across authorities, the centralised hub will offer efficiency gains not only for authorities but will also contribute further to burden reduction by limiting duplicative data requests.

Next steps on funds reporting include the development of regulatory and implementing technical standards (RTS, ITS), that will be presented next year. After that, the implementation of the new template and the rest of recommendations will be gradually introduced, with the first phase focusing on the integration of reporting under AIMFD and UCITS, and the second phase that would expand the integrated framework to other reporting obligations.



Interim report on the Call for Evidence on a comprehensive approach for the simplification of financial transaction reporting

Interim report on the holistic review of transaction reporting

Based on the feedback received from more than 100 respondents to the previous [call for evidence on transaction reporting simplification](#), ESMA has identified the main challenges in the current reporting frameworks, and the most promising approaches to overcome them: instrument-based and dual-side simplifications and the implementation of a “report once” framework across EMIR, MiFIR and SFTR in the long term.

Most respondents indicated that overlapping and inconsistent reporting requirements, frequent and unsynchronised regulatory changes, fragmented reporting channels and dual reporting are major drivers of cost and complexity.

Considering the need to perform a thorough cost-benefit analysis, the report does not contain policy recommendations yet. As part of the next steps, ESMA will further engage with markets participants, including through an open hearing that will be held on 28 May, before moving forward with final recommendations to be published by mid-year.



ESMA advances the simplification of EU reporting frameworks for funds and transactions - Press release

Background

Both reports are flagship deliverables of ESMA's wider Simplification and Burden Reduction (SBR) initiative, to address growing complexity and operational costs stemming from EU reporting requirements.



ESMA launches its sixth stress test exercise for Central Counterparties

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has launched its [sixth stress test exercise for Central Counterparties \(CCPs\)](#). The CCP stress test framework drafted by ESMA for the purpose of this exercise is supported by an adverse market scenario provided by the European Systemic Risk Board (ESRB).

Mandated under the European Market Infrastructure Regulation (EMIR), the stress test aims to assess the resilience of CCPs to adverse market developments and identify any potential shortcomings. It also evaluates the aggregate effects of CCPs' recovery and resolution arrangements on Union financial stability and, where necessary, enables ESMA to issue recommendations. The exercise covers 16 CCPs including all authorised EU CCPs as well as two UK based Tier 2 CCPs.

“In a world continuously challenged by multiple crises, stress test exercises are critical to ensure that financial market infrastructures have the necessary tools, resources and arrangements in place to be resilient. That is why, for ESMA, the CCP stress test is a key supervisory tool, and we continue to develop it further to better measure potential risks to the EU financial eco-system.”

Verena Ross, **Chair**





“CCPs play a critical role in managing counterparty credit risk in financial markets. Their resilience is essential for safeguarding financial stability, especially during periods of pronounced stress. This year’s exercise onboards the Recovery and Resolution Component to measure the aggregate impact from the activation of CCPs’ recovery and resolution arrangements.”

Klaus Löber, **Chair of the CCP Supervisory Committee**



ESMA's supervisory stress tests complement those run daily by individual CCPs by assessing the system-wide implications of potential member defaults and market shocks.



Read the Final Report on the Framework for the 6th
ESMA Stress Test Exercise for Central Counterparties



Components of the test framework

This year's exercise further develops ESMA's framework by introducing enhanced methodologies and expanding the analytical scope. Developed in cooperation with National Competent Authorities (NCAs) and the ESRB, the framework covers:

1. **Credit Stress Test:** Evaluates whether CCPs' financial resources are sufficient to absorb losses from combinations of market shocks and multiple clearing member defaults.
2. **Concentration Risk Analysis:** Assesses the market impact and liquidation costs resulting from the close-out of large, concentrated positions.
3. **Reverse Stress Test:** Increases the severity of scenarios to assess the absorption capacity of the system and identify potential breaking points.
4. **Recovery and Resolution Component:** For the first time, ESMA will assess the aggregate effects of CCPs' recovery and resolution tools on stakeholders.



Next steps

ESMA launched the data request at the beginning of May, followed by a joint validation of the submissions together with National Competent Authorities. The exercise will then proceed to the analysis and computation of results and, finally, the preparation of the report. The stress test will conclude with the publication of the final outcomes planned for the first quarter of 2027.

ESMA issues guidance on effective use of resolution tools in CCP crisis planning

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has today published a [resolution briefing for Central Counterparties \(CCPs\)](#). The briefing provides practical guidance to **National Resolution Authorities (NRAs)** on how to operationalise the **write-down and conversion of instruments tool (WDCI)**.

Developed by ESMA's CCP Resolution Committee, the briefing provides a methodology for NRAs to consider when including WDCI in CCP resolution plans.

NRAs should define the relevant data to be collected by the CCPs, with a view to calibrate the resources available through a WDCI. In doing so, NRAs should take into account the impact on relevant stakeholders, such as clearing members, financial markets and financial market infrastructures. NRAs should ensure that processes are in place to implement WDCI effectively, including preparations for the subsequent reorganisation of the CCP following the WDCI has been applied. Following the previous briefings on CCP critical functions and [resolution cash calls](#), this briefing contributes to building a single resolution rulebook with a clear focus on operationalisation of the tools available to NRAs.



CCP resolution briefing on the operationalisation of the write-down and conversion of instruments of ownership and debt instruments or other unsecured liabilities tool

ESMA launches a call for evidence on the structure of European equity markets

The European Securities and Markets Authority (ESMA) has published a call for evidence (CfE) presenting a data driven analysis of the evolution of trading in European equity markets between 2022 and 2025, based on MiFIR transaction reporting data. The CfE invites stakeholder feedback on observed trends and their potential regulatory implications.

The analysis shows that European equity markets continue to function well overall:

- The share of addressable liquidity has remained stable at around 85% of total trading volume.
- On-book trading has also been relatively stable, accounting for around 75–80% of trading volume over the period.

At the same time, ESMA observes a decline in lit continuous trading between 2022 and 2025. This decline has been offset by increased activity in other trading mechanisms, mainly closing auctions, frequent batch auctions and systematic internaliser (SI) trading.

The paper also analyses how liquidity is allocated across different trading mechanisms on a country-by-country basis and seeks input on the concept of addressable liquidity and its treatment under RTS 1, including possible adjustments to the post-trade transparency flagging framework.



[Call for Evidence on the market structure of European equity markets](#)

Besides the CfE, ESMA takes the opportunity to inform stakeholders of the repeal of the Q&A clarifying that periodic auctions are subject to the tick-size regime.

Next steps

ESMA invites stakeholders' views on the functioning of European stock markets by 30 June 2026, and will issue a feedback statement in the second half of 2026 on this call for evidence.

ESMA will continue monitoring market developments, considering recent MiFIR changes, including the move to a single volume cap and enhanced SI transparency obligations, as well as on different types of trading mechanisms such as closing auctions.



ESMA launches a call for evidence on restricted subscription and private credit ratings

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has launched a call for evidence to gather stakeholder views on the purposes, market practices, needs and risks associated with restricted subscription and private credit ratings.

ESMA is encouraging all interested stakeholders to share views, data and analysis including:

- The characteristics and use cases of restricted subscription and private credit ratings, including their benefits compared with publicly disclosed ratings.
- The characteristics of the parties who are contracting for restricted subscription and private credit ratings and those to whom they are disclosed or distributed.
- Evidence on whether, and to what extent, the analytical processes, governance arrangements, and internal controls applied to restricted subscription and private credit ratings are comparable to those applied to public credit ratings.

Stakeholders are invited to provide evidence-based responses, including quantitative information where available, as well as concrete examples drawn from market practice. ESMA will consider all responses received by 31 May 2026.



Call for Evidence on the restricted subscription and private credit ratings

Background

The use of restricted subscription and private credit ratings has been increasing in recent years. This development raises questions about the purposes and market needs these products are intended to serve; how they are produced, distributed and used in practice; and the potential benefits and risks associated with selective access to rating information.

Calls for evidence form part of ESMA's commitment to evidence-based policymaking and stakeholder engagement, enabling ESMA to better understand market developments and practices.



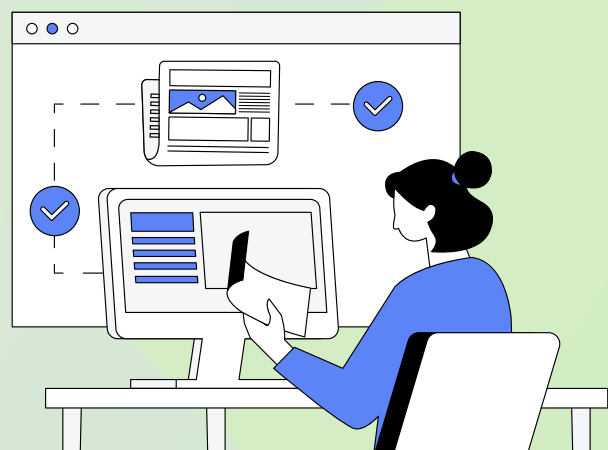
Next steps

ESMA will review the responses received in the second quarter of 2026 with a view to assessing whether specific regulatory adjustments or clarifications may be needed to enhance clarity on the application of the CRA Regulation.

ESMA releases reporting templates and instructions for the Active Account Requirement

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has published the reporting [templates](#) and [instructions](#) for the Active Account Requirement (AAR) [reporting under European Market Infrastructure Regulation \(EMIR 3\)](#).

The new templates set out in detail how entities subject to the AAR should report the required information to their competent authorities. Through this development, ESMA aims to ensure a harmonised and efficient approach to AAR reporting across the EU, providing standardised templates and clear instructions while facilitating consistent supervisory practices.



Next steps

The first AAR reporting submission is expected on 31 July 2026, covering the period from 25 June 2025, when the AAR became applicable, to 30 June 2026.

Thereafter, reporting will take place on six-months basis, with submissions due on 31 January and 31 July each year, each covering a twelve-month reference period.

ESMA consults on guidelines on endorsement under the ESG Ratings Regulation

The European Securities and Markets Authority (ESMA) has launched a public consultation on draft guidelines on endorsement under the ESG Ratings Regulation¹.

The consultation paper sets out ESMA's proposed approach to the endorsement of non-EU ESG ratings under the regulatory framework and seeks feedback from ESG rating providers and other stakeholders on the draft guidelines.

The guidelines aim to support the consistent application of the endorsement regime, in particular, by providing guidance on the information to be submitted as part of an ESG Rating Provider's application to endorse ESG ratings.

By consulting publicly, ESMA is seeking input on the proposed guidelines to ensure the guidance is clear, proportionate and workable in practice, while remaining aligned with the objectives of the ESG Ratings Regulation.

Background

The ESG Ratings Regulation establishes a regulatory framework for providers of ESG ratings in the European Union. As part of this framework, and in order to ensure market integrity and investor protection, the Regulation includes provisions which set out how ESG rating providers that are established in the Union can endorse ratings from outside the Union.

To support the implementation of these provisions, ESMA has developed draft guidelines on endorsement under the ESG Ratings Regulation.

Next steps

ESMA welcomes comments on the consultation paper until 29 May 2026. The feedback received will be considered by ESMA in the finalisation of the guidelines.

Following the consultation, ESMA will assess the responses and decide on the final form of the guidelines, in line with its mandate under the ESG Ratings Regulation. Further information on the outcome of the consultation and the adoption of the guidelines will be communicated before the end of July 2026.



Consultation Paper for Guidelines on Endorsement under Article 11 of the ESG Rating Regulation



Joint Committee annual report highlights digitalisation, cyber resilience and sustainable finance as key priorities of 2025

The Joint Committee of the European Supervisory Authorities (EBA, EIOPA and ESMA – the ESAs) has published its [Annual Report for 2025](#), setting out the main priorities and achievements of its cross-sectoral work over the past year. In 2025, the Joint Committee focused on protecting consumers in increasingly digital financial markets, strengthening operational and cyber resilience through the implementation of the Digital Operational Resilience Act (DORA), improving the effectiveness of sustainable finance disclosures, and enhancing cross-sectoral risk monitoring.

Chaired by the European Insurance and Occupational Pensions Authority (EIOPA), in 2025, the Joint Committee continued to act as a key coordination platform, supporting close cooperation and information exchange between the ESAs, the European Commission and the European Systemic Risk Board (ESRB).

The Joint Committee also advanced a range of other cross-sectoral initiatives, including work to enhance the EU securitisation framework, progress on the European Single Access Point (ESAP), and support for financial innovation through the European Forum for Innovation Facilitators (EFIF).

In line with the European Commission's priorities, the Joint Committee further contributed to efforts to simplify the EU financial regulatory framework and reduce unnecessary complexity, notably in the areas of sustainable finance and packaged retail and insurance-based investment products (PRIIPs).



[Read the Joint Committee Annual Report 2025](#)

ESMA consults on a new simplified approach to updating MMF stress test parameters

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has launched a [consultation](#) on a new approach to updating the parameters for stress test scenarios under the Money Market Funds framework.

ESMA proposes replacing the current annual amendments to Section 5 of the Guidelines with an annual web-based publication of the calibration parameters.

The Guidelines would continue to define the stress testing framework and methodology, while the website would serve as a single point of access for the latest annual calibrations.

The proposed approach aims to simplify the update process and improve accessibility, allowing market participants to apply updated parameters immediately after approval. It is also intended to reduce compliance and supervisory burdens, in line with ESMA's Simplification and Burden Reduction (SBR) initiative.

Next steps

Feedback should be submitted by 6 August 2026. ESMA will then consider the feedback received and expects to publish the corresponding final report in H2 2026. The new procedure for the update of the parameters will apply with the next update, which is expected at the end of 2026.



Read the Consultation paper on the Guidelines on stress test scenarios under the MMF Regulation

ESMA promotes proportionate supervision of MiFID II sustainability requirements

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has issued a [statement](#) presenting the results of its Common Supervisory Action (CSA) on how sustainability is integrated into firms' suitability assessment as well as into processes and procedures for product governance.

The statement highlights key themes emerging from the supervisory exercise and sets out high-level interim supervisory expectations, notably in relation to:

- the collection and treatment of clients' sustainability preferences;
- the categorisation and matching of products to those preferences;
- the application of the portfolio approach; and
- the target market assessment of products.

ESMA reaffirms the importance of sustainability and encourages firms to continue implementing the MiFID II sustainability requirements, recognising that the CSA has been conducted at a time when the sustainable finance framework is undergoing significant revision.



Read the Statement on results of the Common Supervisory Action on MiFID II sustainability aspects

In view of these developments, and reflecting ESMA's strategic priority of promoting simplification and reducing undue burden, ESMA invites national competent authorities to adopt a proportionate supervisory approach. This includes fostering dialogue with firms during the transition period, rather than prioritising enforcement actions, without prejudice to cases involving clear breaches or mis-selling.

Next steps

ESMA will consider the results of this work for any future updates of the MiFID II Delegated Acts on sustainability and the related ESMA Guidelines, with the aim to simplify the framework and support more consistent and effective application



ESMA outlines enforcement activities for corporate reporting across the EEA in 2025

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has published its [Report on 2025 Corporate reporting enforcement and regulatory activities](#). The report provides an overview of how national enforcers and ESMA supervised corporate reporting across the European Economic Area (EEA) during 2025.

In 2025, financial reporting enforcement continued to promote disclosures that are material, transparent, entity specific, and useful for decision-making. In sustainability reporting, this was the first year of enforcement of the European Sustainability Reporting Standards (ESRS) for in-scope jurisdictions, alongside the application of the ESMA Guidelines on Enforcement of Sustainability Information (GLESI). Digital reporting remained a supervisory priority, as enforcers worked on improving the quality, consistency, and usability of marked up financial information in ESEF.

Addressed primarily to issuers, auditors, and investors, the report offers practical messages from enforcement experience to help strengthen the quality and transparency of corporate reporting going forward. It presents enforcement activities in financial reporting, sustainability reporting, and digital reporting under the European Single Electronic Format (ESEF) and assesses issuers' compliance with ESMA's 2024 European Common Enforcement Priorities (ECEP).



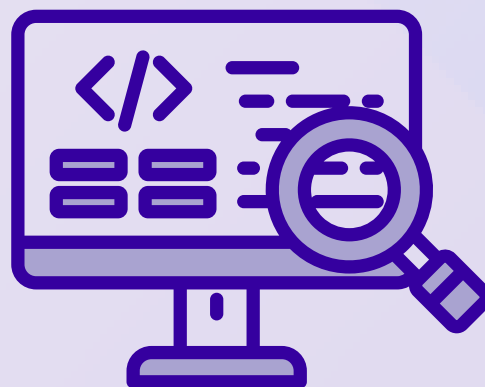
Read the [Report on 2025 Corporate reporting enforcement and regulatory activities](#)

ESMA supports ESEF implementation with updated taxonomy

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has published the 2025 European Single Electronic Format (ESEF) [XBRL taxonomy files](#), together with an updated [ESEF Conformance Suite](#). These materials support issuers and software vendors in preparing 2026 IFRS consolidated financial statements using the most up-to-date ESEF format.

The 2025 taxonomy reflects the introduction of [IFRS 18](#) Presentation and Disclosure in Financial Statements, effective from 1 January 2027, with early application permitted. The ESEF taxonomy includes two entry points, allowing issuers to report under either [IAS 1](#) and IFRS 18. This approach facilitates prompt understanding of the new structure, encourages timely preparation, and lowers implementation risks.

ESMA does not plan to amend the ESEF RTS or taxonomy in 2026. This follows the IFRS Foundation's decision not to issue a 2026 IFRS Accounting Taxonomy update and will provide greater regulatory stability and more time for implementation.



Find more about ESEF Taxonomy 2025



Find more about ESEF Conformance Suite 2025

Next steps

ESMA encourages issuers and software providers to consult the [IFRS Foundation's guidance](#) on the use of the 2025 IFRS Accounting Taxonomy for 2026 reporting periods when preparing for upcoming reporting requirements.

Stakeholders wishing to provide feedback or raise questions on the 2025 ESEF Taxonomy and Conformance Suite are invited to contact esef@esma.europa.eu.



ESMA identifies areas for further supervisory convergence on compliance and internal audit in the funds sector

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has published the results of its [2025 Common Supervisory Action \(CSA\) on the compliance and internal audit functions of fund managers](#), carried out with the participation of all EU and EEA national supervisors.

The EU-wide review found that most fund managers comply with key requirements under the AIFMD and UCITS framework. At the same time, the CSA identified governance weaknesses, particularly in the independence of control functions, the quality and implementation of internal policies, and the way senior management and boards exercise oversight.

While most entities had relevant policies and procedures in place, national competent authorities (NCAs) observed significant differences in their quality and practical implementation, notably depending on the size, nature and complexity of market participants concerned.

The report also sets out examples of good and poor practices identified across the compliance and internal audit functions, highlighting where controls were effective and where further strengthening is needed. The CSA was conducted under a common assessment framework. NCAs carried out supervisory activities throughout 2025, using desk-based reviews and, where appropriate, on-site inspections.



Next steps

While acknowledging the overall positive outcome of the CSA, ESMA encourages NCAs to follow up on the breaches and vulnerabilities identified, to better understand their root causes and to ensure that effective remedial actions are implemented in a timely manner. ESMA will continue to promote exchanges among NCAs on this topic, including through follow-up supervisory actions, to further enhancing supervisory convergence across the EU funds sector.



Read the Final Report on the Common Supervisory Action on Compliance and Internal Audit Functions

European Commission launches call for candidates for the ESAs' Board of Appeal

The European Commission has launched a call for expression of interest for the appointment of members to the [Board of Appeal](#) of the three European Supervisory Authorities (EBA, EIOPA and ESMA – the ESAs).

This call aims to establish a reserve list of qualified candidates to fill vacancies that may arise within the Board of Appeal. The reserve list will remain valid for a period of five years from the date of its adoption.



Inclusion on the reserve list does not guarantee appointment as a Member or Alternate of the Board of Appeal. When a vacancy arises, the Management Boards of the respective ESAs, following consultation with their Boards of Supervisors, will select and appoint a candidate from the reserve list. Candidates nominated as Members or Alternates may also be invited by the European Parliament to make a statement and respond to questions.

Further details on the call for candidates, including application requirements and deadlines, are available in the [Official Journal of the European Union](#). Applications must be submitted by noon on 8 June 2026.

ESMA participated in Europe Day

ESMA marked Europe Day in the heart of Paris, joining forces with fellow EU institutions, including the European Banking Authority, to engage with visitors and foster dialogue. The event provided an opportunity to meet people interested in learning more about ESMA's work, ask questions and connect directly with the team.

The day highlighted the importance of bringing European institutions closer to citizens, while showcasing how ESMA contributes to trust and confidence in financial markets. ESMA colleagues played a key role in creating an open and engaging atmosphere, making the celebration a success.



Consultations

Click on the consultation

Deadline

30 Jun

[Call for Evidence on the market structure of European equity markets](#)

07 Jul

[Consultation on Amendments to the Guidelines on standardised procedures and messaging protocols und...](#)

06 Aug

[Consultation on the Guidelines on stress test scenarios under the MMF Regulation](#)

Events

Click on the event

Date

02 Jun

[Webinar on the Quantum computing in financial markets: applications, investments and prospects](#)

11 Jun

[Workshop on the Call for Evidence on the structure of European equity markets](#)

18 Jun

[Webinar on the sixth data quality and use report](#)

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