

Spotlight on Markets – June & July 2026

# END OF THE MiCA TRANSITIONAL PERIOD

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- ESMA identifies up to €1 billion in potential annual savings from simplifying EU transaction reporting
- ESAs publish the first report on DORA major ICT-related incidents
- ESMA calls on firms to finalise preparations ahead of T+1 settlement deadlines



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## End of MiCA transitional period

**ESMA calls on unauthorised crypto-asset service providers to wind down orderly, while also safeguarding clients' interests, as MiCA transitional period ends. ESMA is issuing this statement to clarify expectations for how unauthorised crypto asset service providers (CASPs) must wind down activities while also protecting investors after the end of the transitional period under the Markets in Crypto-Assets Regulation (MiCA) on 1 July 2026.**

While a number of CASPs will have obtained authorisation by 1 July 2026, other entities, including significant providers currently servicing EU clients under national regimes, may not be authorised by the deadline.

ESMA expects unauthorised CASPs to take immediate steps to wind down their EU activities in an orderly manner, while also safeguarding clients' interests and mitigating risks to market integrity. In particular, unauthorised CASPs must:

- immediately stop onboarding new EU clients, refrain from opening new client relationships or accounts, and cease marketing activities and solicitation.
- limit the provision of services to actions necessary to sell or transfer crypto-assets, reallocate assets, or close positions. Custody of clients' crypto-assets can only continue for the period strictly necessary to complete an orderly exit.
- communicate clearly, promptly and repeatedly with clients (retail and institutional) about the measures taken to safeguard their assets and the wind-down plans so that clients know the timeline to dispose of, transfer, reallocate or close their positions. CASPs' communications should include a deadline by which any residual positions would be closed automatically and information about client protection requirements.

Wind-down arrangements should be implemented in compliance with all relevant EU or national conduct laws and AML/CFT obligations. In particular, CASPs should maintain effective AML/CFT controls throughout the wind-down process, including customer due diligence measures, transaction monitoring, screening against restrictive measures and sanctions lists, suspicious transaction and activity reporting, record-keeping requirements, and compliance

with applicable transfer of funds and crypto-asset transfer traceability obligations. ESMA expects unauthorised CASPs to act diligently and with due care to protect clients.

Where clients are transferred to a MiCA-authorised CASP, the onboarding CASP should carry out all necessary onboarding procedures, including customer due diligence and any other AML/CFT checks required under the applicable legal framework.

ESMA also reminds CASPs established outside the EU that they cannot provide MiCA services to EU clients or solicit EU clients<sup>3</sup>. This also applies in a business-to-business context. In this regard, ESMA reminds that MiCA prohibits CASPs from outsourcing or delegating certain services, notably custody, to entities that are not authorised as CASPs.

### **Warning for consumers**

ESMA reminds clients of unauthorised CASPs, whether EU or non-EU entities, that they do not benefit from MiCA safeguards, including protections for client assets.

Clients using crypto-asset services in the EU are invited to verify whether their provider is authorised under MiCA in the ESMA Register and act promptly where this is not the case, including by transferring their crypto-assets to an authorised CASP, where one is identified, or to a self-hosted wallet. Clients experiencing difficulties should contact their provider in the first instance.

ESMA and National Competent Authorities (NCAs) are directly engaged with the entities concerned and will coordinate to monitor whether significant unauthorised cross-border CASPs wind down without delay, with a focus on client protection, financial stability and market integrity. ESMA and NCAs will also work together with EBA and AMLA. Within the ESMA cooperation framework, NCAs may, where necessary, take coordinated action against unauthorised CASPs after the transitional period.

# ESMA identifies up to €1 billion in potential annual savings from simplifying EU transaction reporting

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has published its **final report** on the simplification of transaction reporting, setting out a clear path towards a 'Report Once' approach.



[See the Transaction reporting factsheet](#)

*“Transaction reporting is central to market transparency, risk monitoring and detecting market abuse. However, over time, fragmentation has led to duplication, inconsistent requirements and increased costs for market participants and authorities. Today, ESMA is taking a decisive step to simplify this system. Our analysis shows that a ‘report once’ approach can significantly reduce costs while improving the quality and usability of data for supervisors. With the implementation of this approach we support more integrated, efficient and resilient EU capital markets”.*

Verena Ross, **Chair**



ESMA's review confirms that the main drivers of cost and complexity include frequent and unsynchronised regulatory changes, duplication of reporting across frameworks and channels, and dual-sided reporting and associated reconciliation processes.

In response, ESMA recommends a staged approach combining short-term burden reduction with a long-term structural reform. At the core of this strategy is the development of a single integrated transaction reporting framework across MiFIR, EMIR and SFTR, based on a "report once" principle.

This integrated model would allow transaction data to be reported once through a common modular structure to reflect product specificities within one single framework. Such data that then can be reused across authorities and supervisory mandates, reducing duplication while preserving the information needed for effective supervision.

The report is a key deliverable under ESMA's broader Simplification and Burden Reduction (SBR) initiative, aimed at addressing the growing complexity and operational costs associated with EU reporting requirements.



### **Cost-Benefit Analysis of simplification scenarios under MiFIR, EMIR and SFTR Transaction Reporting**

## **Significant cost savings for market participants**

The report is supported by a comprehensive cost-benefit analysis (CBA), including a study involving market participants.

The analysis indicates that the proposed "report once" scenario could deliver:

- annual net savings of €250 million to €1.0 billion,
- a reduction in recurring costs of around 22%–24%, and
- 10-year discounted cumulative net benefits of €1.2 billion to €4.9 billion.



## Final Report on the Call for Evidence on a comprehensive approach for the simplification of financial transaction reporting

Implementation costs are expected to be recovered within three to four years, after which efficiency gains would materialise on a sustained basis.

Alongside the long-term reform, ESMA proposes a set of intermediate measures to provide more immediate burden reduction. These include:

- expanding the use of delegated reporting arrangements
- streamlining intragroup exemption procedures,
- targeted adjustments at ESMA level to reduce low-value or duplicative reporting requirements.

These measures are designed to address key cost drivers while ensuring compatibility with the future integrated framework.



## ESMA identifies up to €1 billion in potential annual savings from simplifying EU transaction reporting - Press release

### Next steps

Following the publication of the Final Report, ESMA will engage with EU institutions on the proposed recommendations.

The implementation of the integrated “report once” approach will require targeted legislative changes, a phased implementation and an inclusive dialogue with industry technical experts, allowing for coordinated development of reporting templates, data standards and streamlined infrastructure.



# ESMA 2025 Annual Report: focus on stronger supervision, regulatory simplification, and innovation

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has published its [Annual Report for 2025](#), highlighting a year of progress in strengthening EU's financial markets through enhanced supervision, regulatory simplification and innovation. Set against a backdrop of heightened global uncertainty and ongoing discussions on the Savings and Investments Union (SIU), the report illustrates ESMA's continued contribution to orderly, resilient and attractive EU capital markets.

*"2025 was a pivotal year for Europe's capital markets, with momentum shifting from policy ambition to concrete action. ESMA continued to play a central role in advancing more integrated, transparent and competitive EU markets. Throughout the year we worked with National Competent Authorities on the implementation of the Markets in Crypto-Assets Regulation (MiCA) and made substantial progress on our simplification and burden reduction projects. Successful onboarding and implementation of new mandates show ESMA's organisational capacity and readiness to adapt and deliver, despite ongoing uncertainties."*

Verena Ross, **Chair**



*“In 2025, ESMA has reached important milestones, from progress on the T+1 settlement cycle to the selection of consolidated tape providers and the implementation of new regulatory frameworks including Green Bond and ESG Rating regulations.*

*Welcoming the potential transformational changes currently discussed by co-legislators on the Markets Integration and Supervision Package, ESMA stands ready to take on new responsibilities and contribute to a more integrated and effective supervision in the European Union.”*

Natasha Cazenave, **Executive Director of ESMA**



[Read the 2025 Annual Report](#)

### **Regulatory delivery and new mandates in action**

In 2025, ESMA played a key role in implementing major EU legislative frameworks, including the MiCA, the Digital Operational Resilience Act (DORA), and the European Market Infrastructure Regulation (EMIR 3). The work supported supervisory convergence, advanced the authorisation of crypto-asset service providers, and strengthened digital resilience across the financial sector. It has also helped enhancing the supervision of clearing infrastructures, including the recognition and risk assessment of third-country central counterparties. These efforts reinforced the resilience of the EU financial system.

ESMA also continued to support the development of sustainable finance in the EU by improving ESG disclosures, addressing greenwashing risks and implementing new regulatory frameworks. These included the Green Bond Regulation under which ESMA established a supervisory framework for external reviewers, and the ESG Rating Regulation. Together, these initiatives promoted transparency, investor protection and trust in sustainable finance markets.

Throughout the year, ESMA advanced its risk-based supervisory approach, leveraging supervisory data to enable more efficient, intelligence-led oversight across EU financial markets.

### **Driving regulatory simplification and burden reduction**

A central focus of ESMA's work in 2025 was simplifying the rulebook and reducing unnecessary burden for market participants. This was supported by a strategic approach to supervisory reporting, including flagship initiatives to streamline transaction reporting and fund reporting under AIFMD and UCITS.

ESMA has also launched the retail investor journey initiative, focusing on making the investment process simpler and more transparent, whilst ensuring that investors have access to clear, reliable and accessible information.



**ESMA 2025 Annual Report: focus on stronger supervision, regulatory simplification, and innovation - Press release**

### **Enhancing market efficiency and digital innovation**

A major milestone in 2025 was the selection of the first consolidated tape providers (CTPs) under MiFIR. This marked a significant step towards improving transparency and accessibility of market data across the EU.

ESMA also supported the transition towards a shorter T+1 settlement cycle, contributing to global efforts to enhance post-trade efficiency and reduce systemic risk. These initiatives support broader efforts to improve the functioning and competitiveness of EU capital markets.

The Authority intensified its work on digitalisation, including artificial intelligence, distributed ledger technology and decentralised finance. These efforts aimed to harness innovation while safeguarding market integrity and investor protection.

# ESMA authorises EuroCTP as the Consolidated Tape Provider for shares and exchange-traded funds

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has authorised EuroCTP B.V. (EuroCTP) to operate as the **Consolidated Tape Provider (CTP)** for shares and exchange-traded funds (ETFs).

*"This authorisation marks a key step in the implementation of the consolidated tape framework, strengthening the transparency and efficiency of EU equity capital markets.*

*By bringing pre-trade and post-trade data from multiple data contributors into a single stream, the CTP for shares and ETFs will give market participants a comprehensive view of trading activity.*

*It will thus support better price discovery and facilitate more informed investment decisions for EU and international investors, contributing to the objectives of the Savings and Investments Union."*

Natasha Cazenave, **Executive Director of ESMA**



ESMA authorises EuroCTP as the Consolidated Tape Provider for shares and exchange-traded funds - Press release

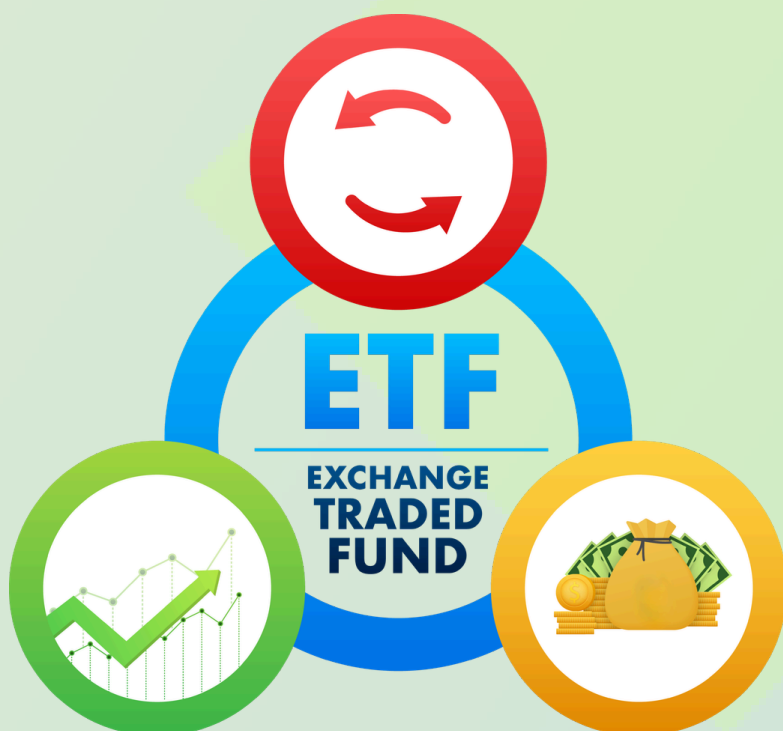


Retail investors, academics, civil society organisations and regulators will be able to benefit from the data free of charge. Other users will have access to the data for a reasonable fee and will be able to use it for internal purposes and with clients.

ESMA has granted EuroCTP a transition period until 30 September 2026, to allow for the finalisation of operational and technical arrangements required for the start of the service.

After the transition period, EuroCTP will be responsible for operating the consolidated tape for shares and ETFs for a period of five years under ESMA's direct supervision, in line with the MiFIR framework. The five-year period will begin on the date EuroCTP starts its operations.

ESMA encourages data contributors and other market participants to maintain a high level of engagement with EuroCTP to ensure a smooth and timely launch of the consolidated tape activities.





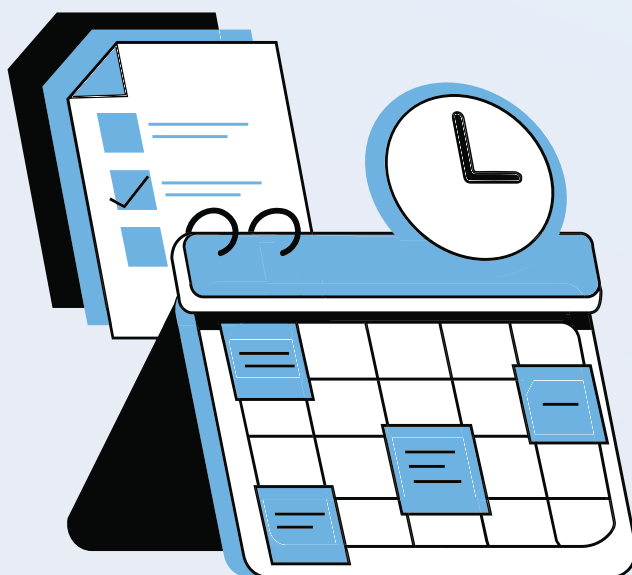
# ESMA calls on firms to finalise preparations ahead of T+1 settlement deadlines

The European Securities and Markets Authority (ESMA), the EU regulator and supervisor, has published a statement highlighting key deadlines and action points to be ready for the transition to a T+1 settlement cycle in EU financial markets.

With the move scheduled for 11 October 2027, ESMA underlines that 2026 is a critical year for market participants to finalise their preparations.

The statement outlines key milestones, including the first regulatory deadline on 7 December 2026 for allocations and confirmations processes.

Market participants are encouraged to prepare and test their own readiness, and to check the readiness of their entire ecosystem, across the entire trading and settlement chain.



Statement on T+1 preparations: key deadlines and action points

## ESAs publish the first report on DORA major ICT-related incidents

The European Supervisory Authorities (EBA, EIOPA and ESMA) published their **first annual overview** of major ICT-related incidents in the EU financial sector based on a reporting mechanism established by the Digital Operational Resilience Act (DORA). It shows that ICT risks are increasingly borderless and interconnected. The authorities also note that the recent evolution of highly capable AI-driven tools should encourage financial entities to strengthen cybersecurity measures to maintain their resilience going forward.

With the objective to harmonise and streamline the reporting regime of major ICT-related incidents, DORA introduces consistent requirements for financial entities on management, classification and reporting of ICT-related incidents. By ensuring major ICT-related incidents are properly notified to all Competent Authorities involved, this mechanism allows a faster and more coordinated response in case of borderless and interconnected major ICT-related incidents, ultimately contributing to the resilience of the European financial system.



### [ESAs 2025 report on major ICT-related incidents](#)

The report indicates that around one third of the 3,383 major incidents reported by financial entities in the EU (i.e. 0.18 per entity subject to DORA) had a cross-border impact, underscoring the growing interconnectedness through shared infrastructures and services. On the other hand, the direct impact on clients and transactions was generally limited. System failures and external events were the main drivers, highlighting the need for robust third-party risk management, effective oversight of outsourced services and close coordination with service providers during incident response and remediation. While only 10% of the reported incidents were related to cybersecurity, it is key that financial entities uphold to the highest cybersecurity standards to be able to keep pace with the potential use of highly capable AI-driven tools.

These findings illustrate the growing systemic dimension of ICT risk as well as the importance of resilience and supervision in strengthening the financial sector's ability to prevent, absorb and recover from future incidents.

## **Legal basis and background**

Article 22(2) of the Digital Operational Resilience Act (DORA) mandates the European Supervisory Authorities (ESAs) to report yearly on major ICT-related incidents, setting out at least: (i) the number of major ICT-related incidents, (ii) their nature, (iii) their impact on the operations of financial entities or clients, (iv) remedial actions taken, and (v) the costs incurred.

Under the Digital Operational Resilience Act (DORA), an ICT-related incident is defined as a single event or a series of linked events unplanned by the financial entity that compromises the security of the network and information systems, and have an adverse impact on the availability, authenticity, integrity or confidentiality of data, or on the services provided by the financial entity'. A major ICT-related incident is an ICT-incident that has a high adverse impact on the network and information systems that support critical or important functions of a financial entity.



# ESMA consults on simplifying EU Taxonomy disclosure framework

The European Securities and Markets Authority (ESMA), the EU financial markets regulator and supervisor, has launched a [consultation](#) on technical advice to the European Commission (EC) on selected KPIs under the Taxonomy Disclosures Delegated Act, focusing on simplification and reduction of reporting burdens for market participants.

The consultation builds on recent simplification efforts under the Commission's Omnibus package and aims to support the broader review of Taxonomy reporting, focusing on simplifying the reporting framework while preserving the relevance of disclosures for investors.

ESMA proposes several simplifications to the Taxonomy disclosure framework for non-financial undertakings and asset managers. These include the operational expenditure key performance indicator (OpEX), addressing stakeholder concerns about complexity and reporting burden. ESMA also seeks feedback on a possible pragmatic solution for group-level reporting in mixed groups, based on the parent undertaking's reporting model.

The European Commission requested each European Supervisory Authority (ESA) to provide advice on targeted aspects of the review of the Taxonomy disclosure framework. The ESAs are requested to address specific issues within their remit, as well as horizontal topics of common interest. The EBA consultation is accessible [here](#), while EIOPA's consultation can be found [here](#).

## Next steps

The [consultation](#) will run for six weeks, until 12 August 2026, in parallel with the consultations by the other ESAs. ESMA will hold a [public hearing](#) to present the proposals and engage with stakeholders on 22 July.

Following the consultation, ESMA will deliver its final technical advice by end-October 2026, as requested by the European Commission.



Consultation Paper on Technical Advice on selected KPIs under the Taxonomy Disclosures Delegated Act

## ESMA selects Etrading Software (Netherlands) B.V. as Consolidated Tape Provider for OTC derivatives

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has selected Etrading Software (Netherlands) B.V. as the Consolidated Tape Provider (CTP) for over-the-counter (OTC) derivatives. This constitutes an important step in improving transparency for OTC derivatives markets under the Markets in Financial Instruments Regulation (MiFIR).

*“Today’s decision represents an important milestone in enhancing transparency in OTC derivatives markets. It is also an important step towards establishing consolidated tapes in the EU and delivering on the objectives of the MiFIR Review. The consolidated tape for OTC derivatives will contribute to a more transparent and integrated EU market, benefiting investors and market participants across the European Union.”*

Natasha Cazenave, **Executive Director of ESMA**





ESMA selected Etrading Software (Netherlands) B.V. following a comprehensive assessment of its application against the criteria set out in MiFIR. The selected applicant has demonstrated its ability to meet ESMA's expectations, including in relation to data quality, resilience, and the dissemination of consolidated market data.

### Next steps

ESMA will invite Etrading Software (Netherlands) B.V. to apply for authorisation without delay. Once authorised, the CTP will operate the consolidated tape for OTC derivatives for a period of five years under ESMA's direct supervision.



# ESMA publishes preliminary findings on the Active Account Requirement and the first Annual Report of the Joint Monitoring Mechanism

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has published the [Interim Report of the Effectiveness of the Active Account Requirement](#) and the [First Annual Report of the Joint Monitoring Mechanism](#).

## Preliminary findings on the Active Account Requirement

Based on available data, analytics and industry feedback, the Interim Report provides preliminary findings on the Active Account Requirement (AAR) implementation during 2025 and early 2026.

The preliminary findings show that:

- As of February 2026, around 500 entities had notified ESMA and national competent authorities that they are subject to the AAR.
- These entities represent a significant share of EU activity in relevant derivatives markets, with more than 90% of notional outstanding held by EU entities in the scope of the requirement.
- Notifications are spread across most Member States, with particularly strong representation in France, Germany and the Netherlands, and banks accounting for around half of notifying entities.
- In terms of impact, the report identifies early signs of increased clearing activity at EU central counterparties (EU CCPs), particularly among smaller entities, with some entities fully relocating their positions to the EU.
- The findings also point to a gradual, but limited, shift in market shares from systemically important third-country central counterparties (Tier 2 CCPs) to EU CCPs in certain AAR-related products.



**Interim report of the effectiveness of the active account requirement**

## Background

The Active Account Requirement, introduced under European Market Infrastructure Regulation (EMIR), is designed to mitigate financial stability risks stemming from EU entities' excessive exposures to Tier 2 CCPs that provide clearing services of substantial systemic importance to the Union.

Under EMIR, ESMA is required to assess the effectiveness of the AAR and prepare a report in close cooperation with the European System of Central Banks (ESCB) and the European Systemic Risk Board (ESRB), and after consulting the JMM.

Given the recent entry into force of the AAR and the remaining data gaps, ESMA will conduct the effectiveness assessment in two stages. This Interim Report constitutes the first stage, and its findings should be considered preliminary, without prejudice to the findings of the final comprehensive assessment to be conducted in 2027, when a more complete data set will be available.



## First annual report of the Joint Monitoring Mechanism

## Next steps

As a next step, ESMA will develop a dedicated methodology to assess the effectiveness of the AAR, which will inform the second stage of the final assessment in 2027.



# ESMA publishes report on cross-border investment services supervision

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, published its **follow-up report** to the Peer Review on the supervision of cross-border activities of investment firms. The report assesses the progress made by national competent authorities (NCAs) in implementing recommendations issued in 2022 and covers the Netherlands, Germany, the Czech Republic, Luxembourg, Cyprus and Malta.

The follow-up shows that the peer review has successfully driven improvements across the supervisory cycle and helped strengthen the supervision of cross-border investment services within the EU Single Market.

The report highlights notable progress in three key areas:

- Stronger authorisation controls – NCAs have enhanced assessments of firms' cross-border plans.
- Data-driven and risk-based supervision – NCAs are increasingly using data to monitor cross-border activities, tailoring supervisory action based on identified risks.
- Enhanced cooperation and enforcement – NCAs have undertaken more targeted supervisory actions, reported enforcement cases where relevant and strengthened cooperation.

The report also encourages NCAs with significant outbound cross-border activities to ensure that their supervisory and enforcement approaches match the scale and complexity of these activities, and keeps pace with evolving risks.

Effective supervision of cross-border activities remains essential to ensuring that investors receive consistent levels of protection regardless of where investment services are provided.



Follow-up report to the Peer Review on the supervision of cross-border activities of investment firms

### Next steps

ESMA encourages all NCAs, and in particular those where outgoing cross-border activities is significantly growing, to reflect on the report's conclusions.

As retail cross-border investment services continue to expand, ESMA will maintain its focus on fostering supervisory convergence, enhancing cooperation among national supervisors and supporting data-driven, risk-based supervision. These efforts aim to ensure stronger investor protection and contribute to the effective functioning of the EU Single Market.





# ESMA launches Common Supervisory Action with NCAs on the risk management function

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, is launching a Common Supervisory Action (CSA) on risk management function of UCITS management companies and Alternative Investment Fund Managers (AIFMs) across the European Union. The CSA will be conducted throughout 2026 and 2027, in close collaboration with National Competent Authorities (NCAs).

The objective of the CSA is to assess how market participants comply with key risk-related provisions under the UCITS and AIFMD frameworks. The focus will be on the effectiveness, independence and expertise of the risk management function.



Risk management is a core function of investor protection and financial stability. It ensures that material risks, such as market, credit, liquidity, counterparty, and operational risks, are properly identified, measured, monitored, and managed.

As part of this exercise, NCAs will focus on three key areas:

-  governance and organisation of the risk management function;
-  identification, measurement and monitoring of risks; and
-  reporting to senior management and governing bodies.

The CSA will be conducted using a common assessment framework developed by ESMA. This framework sets out the scope, methodology, supervisory expectations and timeline for the exercise, ensuring a comprehensive and convergent approach across the EU.

Throughout the exercise, NCAs will share knowledge and supervisory experiences through ESMA, further supporting supervisory convergence in the oversight of risk management function.

### **Next steps**

ESMA will publish a final report with the results of the exercise in 2028.



# ESMA launches Common Supervisory Action on CASPs' digital operational resilience for custody

**The European Securities and Markets Authority (ESMA), the EU regulator and supervisor, is launching a Common Supervisory Action (CSA) focusing on the digital operational resilience of Crypto-Asset Service Providers (CASPs), with a specific emphasis on custody services.**

The CSA will assess the maturity of CASPs' digital operational resilience frameworks in relation to custody activities. It will focus on risks inherent to distributed ledger technology (DLT), including governance arrangements, key and storage management, transaction controls, incident detection and response, smart contract risks, and dependencies on third-party providers.

National Competent Authorities (NCAs) will carry out the exercise on a risk-based sample of authorised CASPs. The exercise will run from the second half of 2026 to the first half of 2027.

This initiative responds to ESMA's risk-based supervisory priorities, which identify both digital operational resilience and CASPs as key areas of risk. ESMA has developed this CSA to enhance supervisory convergence in a rapidly evolving segment of the market.

## Next steps

The findings collected from NCAs will be consolidated into a final report, which will be submitted to ESMA's Board of Supervisors following the conclusion of the exercise in the second half of 2027.

# ESMA publishes technical standards on CCP admission criteria elements

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has published its [Final Report on the Regulatory Technical Standards \(RTS\) concerning the central counterparties' \(CCPs\) admission criteria elements](#), following the review of the European Market Infrastructure Regulation (EMIR 3).

EMIR 3 introduces amendments to the provisions on participation requirements in CCPs, including for non-financial counterparties (NFCs).

The RTS specify the elements which CCPs should consider when establishing their admission criteria for clearing members. This includes considerations related to NFC clearing members and sponsored membership models. The RTS do not set the actual admission criteria but instead define the elements for CCPs to consider.

ESMA conducted a public consultation on the draft RTS in the last quarter of 2025 and held a public hearing in November 2025. The Final Report considers the feedback received during this process.

## Next steps

The RTS will now be submitted to the European Commission for endorsement, following which they will be subject to scrutiny by the European Parliament and the Council.



**Final report on the RTS related to CCP admission criteria elements**

# ESMA contributes to global CCP fire drill exercise

**In November 2025, 38 central counterparties ('CCPs') from across the world, together with clearing members, conducted a coordinated fire drill exercise simulating the failure of a hypothetical common participant. Known as the CCP Global International Default Simulation (CIDS), the exercise aimed to promote preparedness and coordination across jurisdictions.**

ESMA participated in the lead authorities' group together with Bundesbank, BaFin, the Commodity Futures Trading Commission and the Bank of England. The group advised on the design of the exercise, monitored its execution, surveyed participants to draw lessons learned and inform design improvements for future exercises.

**The report published** by the lead authorities summarises the 2025 exercise outcomes and sets out feedback from participating clearing members and clients, alongside the observations and recommendations of the lead authorities. The report follows ESMA's 2023 report on the Global CCP fire drill.

The report highlights several areas where lead authorities expect further progress in the next iteration of the exercise:

- Encourage industry-led progress to reduce fragmentation in procedures and communication conventions employed by CCPs, and promote greater use of portal-based solutions.
- Support more realistic testing of porting arrangements to better reflect operational conditions.
- Consider implementing a voluntary "market stress overlay" module with a coherent cross-CCP macro stress scenario as to fully test operational capacity and constraints under stressed but plausible market conditions.

Global fire-drills strengthen the collective understanding of default management processes and improve operational readiness across the financial system, reinforcing the value of these exercises as a core component of system-wide resilience.



## Moody's Germany fined EUR 2,145,000 for misreporting to ESMA

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has fined Moody's Deutschland GmbH (Moody's Germany) a total of EUR 2,145,000, for committing four breaches of the Credit Rating Agencies Regulation (CRA Regulation), and issued a public notice.

*"Moody's Germany breached the CRA Regulation by failing to provide complete, accurate and up-to-date data to ESMA. High quality, reliable reporting is critical for detecting risks and maintaining transparency in EU financial markets. ESMA will continue to ensure that credit rating agencies comply with their responsibilities and maintain robust systems and controls."*

Verena Ross, **Chair**



The errors affected only data submitted by Moody's Germany to ESMA (including when acting on behalf of other CRAs within its group) and published on ESMA's central platform. They did not affect the credit ratings published on Moody's Germany's website. However, complete and accurate reporting under the CRA Regulation is key to enabling ESMA to fulfil its statutory objectives, protect investors and foster the orderly functioning of financial markets.



**Decision of the Board of Supervisors to adopt supervisory measures and impose fines in respect of infringements committed by Moody's Deutschland GmbH**

**Public Notice - Moody's Deutschland GmbH**

ESMA also identified deficiencies in Moody's Germany's regulatory reporting framework, including its policies, procedures and internal control mechanisms.

The breaches were found to have resulted from negligence on the part of Moody's Germany. In calculating the fine, ESMA considered both aggravating and mitigating factors provided in the CRA Regulation.

**Moody's Germany fined EUR 2,145,000 for misreporting  
to ESMA - Press release**

# ESMA publishes the register of external reviewers under the EuGB Regulation

**The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has published the register of firms authorised to act as external reviewers of European Green Bonds.**

External reviewers play a key role in ensuring that the use of proceeds of European Green Bonds is allocated in line with the EU Taxonomy requirements. They are also vital in boosting investor confidence by ensuring that their capital genuinely supports the green transition.

As of 22 June 2026, registered external reviewers are subject to ESMA supervision and must fully comply with the requirements of the EuGB Regulation. These include clear senior management accountability, strong analytical capabilities, robust and transparent methodologies, effective internal controls and a comprehensive framework for managing conflicts of interest.

The transitional regime provided for under Articles 69 and 70 of the EuGB Regulation has ended. From 22 June 2026, external reviewers listed in ESMA's transitional regime [register](#) must cease their external review activities.

To ensure transparency about disclosure requirements for previously issued European Green Bonds, ESMA has created a [separate register](#). This register lists firms that notified ESMA under Articles 69 and 70 and were allowed to provide external reviews during the transitional period and includes the periods during which they were active.

## Next steps

Issuers planning to issue a European Green Bond should consult ESMA's register to select a registered external reviewer to perform their pre-issuance, post-issuance and, where applicable, impact report review.

ESMA will update the register regularly to reflect any changes to the registration status of entities and to include newly approved applications.

# The ESAs support ESRB warning on systemic cyber risks from frontier AI models

**The European Supervisory Authorities (EBA, EIOPA and ESMA – the ESAs) welcome and support [warning](#) from European Systemic Risk Board (ESRB) on the systemic cyber risks posed by frontier AI models.**

Recent advances have significantly enhanced the ability of frontier AI models to identify and exploit high-severity vulnerabilities in IT systems within very short timeframes. While the EU's regulatory framework – including DORA and the AI Act – provides a solid foundation for managing cyber and AI-related risks, the speed and scale of these tools raise concerns that AI-enabled cyber-attacks could undermine the operational resilience of financial entities.

Since the release of the first frontier AI models, the ESAs have raised awareness about the ICT risks posed by the widespread adoption of these models and engaged with EU competent authorities to ensure that financial entities take appropriate mitigation measures. In their [first annual report on major ICT-related incidents under DORA](#), the ESAs encouraged financial entities to strengthen cybersecurity measures to maintain their resilience amid the rapid evolution of highly capable AI-driven tools.

Against this backdrop, the ESAs concur with the ESRB warning and urge financial entities to make appropriate arrangements to adapt their cybersecurity capabilities. They also invite competent authorities to reflect these developments in their supervisory activities. Finally, the ESAs note the ESRB's call on the European Union to scale up its capacity, expertise and strategic autonomy in this critical area, which requires that all parties are involved, including AI providers, software providers, security firms, open-source maintainers, financial institutions, and authorities at both national and Union level.

The ESAs are working closely with the EU supervisory community to ensure that financial entities across the EU proactively identify and mitigate these risks in line with the requirements of the Digital Operational Resilience Act (DORA), which establishes a harmonised framework for mitigating ICT risks in the financial sector.

In their capacity as Overseers of Critical ICT Third-Party Providers, the ESAs are also engaging with these providers on the measures they are taking to adapt to the situation, in order to manage risks and ensure the continuity of services provided to the EU financial sector.



### **Background and next steps**

The warning by the ESRB highlights how frontier AI models are transforming the cybersecurity landscape by enabling threat actors to increase the speed, scale, and sophistication of cyber-attacks in the short to medium term. The ESRB urged all EU stakeholders, including financial institutions, to enhance their cybersecurity capacities and encouraged relevant authorities to reflect these risks in their supervisory and oversight work.

The ESAs will continue to closely monitor the use and development of highly cyber-capable frontier AI models and assess their potential impact on the financial sector. To promote a consistent, risk-based and forward-looking supervisory approach in this area, the ESAs are also working with national supervisors to clarify supervisory expectations, and will communicate them consistently to financial entities to ensure compliance with the existing regulatory framework.



# Financial firms keep EU carbon markets moving

**The European Securities and Markets Authority (ESMA), the EU financial market regulator and supervisor, has published its [third annual market report on EU carbon markets](#).**

The report shows that financial intermediaries are central to the functioning of the EU carbon market. They provide liquidity, act as counterparties to non-financial firms, and help compliance entities access allowances and manage price risk. Investment firms and credit institutions accounted for around 62% of overall trading volumes in 2025.

EU carbon markets rose to €777 billion in 2025, supported by strong trading activity and higher prices. In early 2026, prices fell 29% over three months and volatility reached a two-year high, reflecting different expectations over future EU ETS rules, energy costs and broader market conditions.

Despite this, ESMA finds that the market remains resilient, with no major concerns identified on transparency or market integrity. The annual average price of EU emission allowances was up 13% from 2024, and auction revenues rose by 11% despite a slight decrease in the volume of allowances auctioned.

Progress on the availability of Legal Entity Identifiers (LEIs) in the Union Registry remains limited. ESMA recommends making LEIs mandatory for all trading accounts, including for the upcoming ETS2.

## Next steps

ESMA will continue to monitor the carbon markets and stands ready to support the legislators.



[Read the Market report on EU carbon markets - 2026](#)

# The GMTF presents its findings on EU gas and gas derivative markets Trading

The Gas Market Task Force (GMTF), has published a [report](#) on the functioning of EU gas and gas derivatives markets, summarising the analytical work it has conducted in 2025.

The report also suggests further work in several areas to ensure that European gas and gas derivatives markets continue performing as expected and to the benefit of European competitiveness and consumers.

The GMTF was established in February 2025 under the Action Plan for Affordable Energy to scrutinise the functioning of EU gas and gas derivatives markets, identify potential shortcomings and propose actions to address them. The GMTF gathered the European Commission's services, the Agency for the Cooperation of Energy Regulators (ACER) and the European Securities and Markets Authority (ESMA).



# ESMA publishes first market capitalisation data for EU Member States

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has published the annual **market capitalisation and market capitalisation ratios** of EU Member States for the reference years 2024 and 2025.

This publication marks the first implementation of ESMA's mandate under the FASTER Directive, under which ESMA developed technical standards on the calculation methodology and is required to publish annual market capitalisation figures and ratios for EU Member States.

Countries whose market size exceeds 1.5% of the total EU market capitalisation for four consecutive years are subject to specific requirements related to withholding tax relief.

The data provides clarity on Member States' position within the framework and helps authorities and market participants prepare for and implement these requirements in a timely manner.



Market capitalisation figures under the FASTER directive

## Next steps

ESMA will continue to publish updated market capitalisation figures and ratios each year.



Annex to market capitalisation figures under the FASTER directive - raw data

# ESMA reminds firms of existing rules and obligations under binary option measures amid growing popularity of prediction markets globally

**The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has issued a [statement](#) reminding firms of their obligation to assess whether newly offered products fall within the scope of existing product intervention measures on binary options.**

The statement responds to the growing popularity of prediction markets - or event contracts - and increasing retail participation globally. Event contracts are products whose financial outcome is binary (a fixed payout or no payout at all) and depends on a yes-or-no answer to a question about a future event. Event contracts exist for a wide variety of event questions. Whether they qualify as financial instruments depends on the event question. Event contracts may (also) qualify as bets under national gambling legislation.

Where event contracts are financial instruments, they classify as derivatives and, given the binary outcome, fall within the scope of the existing national product intervention measures on binary options adopted by national competent authorities prohibiting their marketing, distribution or sale to retail clients.

The statement also reminds firms that the distribution of event contracts qualifying as financial instruments in the EU requires an authorisation as investment firm, even where only distributed to non-retail clients.



**Statement on the application of the national product intervention measures on binary options to event contracts**

# ESMA recognises the Clearing Corporation of India Limited as a Tier 1 third-country CCP

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, has recognised The Clearing Corporation of India Limited (CCIL) as a Tier 1 third-country central counterparty (CCP) under the European Market Infrastructure Regulation (EMIR).

The recognition allows CCIL to provide clearing services to EU clearing members and trading venues, including banks, investment firms, and other counterparties.

ESMA's decision is based on CCIL's fulfilment of the conditions set out in EMIR. These include the existence of an equivalence decision adopted by the European Commission for the regulatory framework applicable to CCPs in India, effective supervision and enforcement by the Reserve Bank of India (RBI), and the establishment of cooperation arrangements between ESMA and RBI. Earlier this year ESMA has signed a [Memorandum of Understanding](#) with the RBI.



The recognition of CCIL took effect on 30 June 2026 and the CCP has been included in ESMA's [updated list of third-country CCPs](#) recognised to offer services in the Union.



## Euribor panel to include KBC Bank

**On 27 May 2026, the European Money Markets Institute (EMMI), the administrator of Euribor, announced the inclusion of KBC Bank in the Euribor panel.**

ESMA and the Belgian Financial Services and Markets Authority (FSMA) welcome the inclusion of KBC Bank in the panel as a positive development that contributes to strengthening the robustness and reliability of this critical benchmark.



*“The addition of KBC Bank to the Euribor panel reflects the interest of financial institutions active in the money market to contribute to the calculation of Euribor, as well as continued market confidence in this key benchmark. A strong benchmark enhances transparency and the availability of reliable information, which are essential to fostering trust and ensuring the smooth functioning of financial markets.”*

Verena Ross, **Chair**



*“We welcome the addition of KBC Bank to the Euribor panel, which further strengthens the robustness and representativeness of this critical benchmark. The representativeness of Euribor has namely always been a key supervisory consideration for the FSMA. The FSMA also greatly values its close cooperation with ESMA within the Euribor supervisory framework. As a member of the Euribor College of Supervisors and being the competent authority for the supervision of the Belgian panel banks, the FSMA will continue to contribute to supervisory convergence together with the other members of the College.”*

*Jean-Paul Servais, **Chairman of the FSMA***



Under the Benchmarks Regulation (BMR), ESMA is responsible for the supervision of EMMI as the administrator of the EU critical benchmark Euribor, while National Competent Authorities (NCAs) are responsible for supervising the banks contributing to Euribor. The FSMA supervises KBC Bank under the BMR when the bank contributes to the calculation of Euribor.

ESMA and the NCAs supervising the Euribor panel banks cooperate closely on Euribor-related matters, acting respectively as the chair and members of the Euribor College of Supervisors.

# ESMA appoints Peter Tkáč as the new member of its Management Board

**The European Securities and Markets Authority (ESMA), the European Union's financial markets regulator and supervisor, has appointed Peter Tkáč, Národná Banka Slovenska (NBS), Slovakia, as the new member of its Management Board.**

The election took place at the Board of Supervisors meeting on 30 June 2026, in order to replace outgoing member Ante Žigman, Hrvatska agencija za nadzor financijskih usluga (HANFA), whose mandate ended on 19 June 2026. Mr. Tkáč will serve the remainder of the outgoing member's term until 31 March 2027, with the possibility of renewal.

From 1 July 2026, the Management Board will consist of:

- Verena Ross, European Securities and Markets Authority (ESMA);
- Armi Taipale, Finanssivalvonta (FIN-FSA), Finland
- Marie-Anne Barbat- Layani, Autorité Des Marchés Financiers (AMF), France
- Thorsten Pötzsch, Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Germany
- Carlo Comporti, Commissione Nazionale per le Società e la Borsa (CONSOB), Italy
- Christopher P. Buttigieg Financial Services Authority (MFSA), Malta
- Peter Tkáč, Národná Banka Slovenska (NBS), Slovakia
- Natasha Cazenave, ESMA Executive Director (non-voting member)
- Vojtěch Belling, ESMA Vice-Chair (observer)
- European Commission representative (non-voting member).

The Management Board, chaired by Verena Ross, Chair of ESMA, is responsible for ensuring that the Authority carries out its mission and performs the tasks assigned to it under its founding Regulation.

# Joint Board of Appeal dismisses appeal against the EBA

The Joint Board of Appeal of the European Supervisory Authorities (EBA, EIOPA and ESMA – the ESAs) has issued a **decision** stating that an appeal brought by an individual against the European Banking Authority (EBA) is inadmissible.

The appeal concerned a response by the EBA to a complaint regarding the closure of a bank account by a credit institution and the handling of the matter by the Finnish National Competent Authority (FIN-FSA). The appellant had requested that the EBA investigate a possible breach of Union law by FIN-FSA.

Following its assessment, the EBA decided against initiating an investigation. The appellant subsequently challenged that decision before the Board of Appeal.

The Board of Appeal concluded that, under established EU case law, any decision to initiate an investigation is at the EBA's discretion. The Board added that a decision not to open such an investigation is not subject to review by the Board of Appeal.

Furthermore, the Board examined whether the circumstances of the case differed from previous decisions and relevant EU case law in a way that could justify a different conclusion. It found no such distinguishing circumstances.

## Background

The **Board of Appeal** is a joint body of the European Supervisory Authorities composed of independent members. It reviews appeals against certain decisions taken by the European Banking Authority (EBA), the European Securities and Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA), in accordance with the relevant ESA Regulations.



[Decision by the Board of Appeal on D v EBA](#)

# Consultations

Click on the consultation

## Deadline

06 Aug

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

12 Aug

[Consultation on technical advice on selected KPIs under the Taxonomy Disclosures Delegated Act](#)

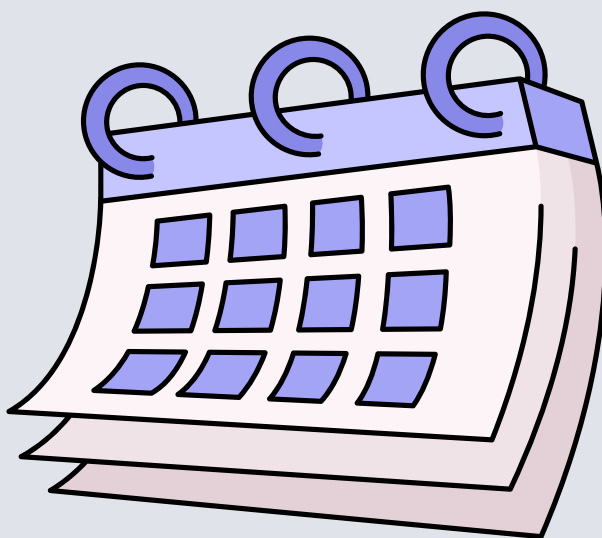
# Events

[Click on the event](#)

## Date

04 Nov

[13th Joint ESAs Consumer Protection Day](#)





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