

Opening Statement

Economic and Monetary Affairs Committee
European Parliament

Steven Maijoor
Chair
European Securities and Markets Authority

Dear Members of the European Parliament,

Ladies and gentlemen,

I have travelled here this morning from Paris where, as you know, ESMA is based. Like everyone else I have been shocked and saddened by the events on Friday evening. Paris has become home for ESMA over the last few years, a city we are deeply attached to. We have been thinking of the victims and those who have lost their loved ones and what we can do, in being steadfast in our support of Paris, we will do.

With that said, it is in this subdued mood that I say to the Chair and Members of ECON that I am pleased to have been invited to this public hearing for an exchange of views in response to the decision of ESMA's Board of Supervisors to extend my term of office.

It has been an exceptional experience to chair the Board of ESMA in its formative years and, if approved by the European Parliament, it would be an honour to lead ESMA in its next phase.

As confirmed in various external evaluations, since its establishment ESMA has performed well against a broad range of tasks with limited resources. All these tasks have contributed to ESMA's three key objectives of investor protection, orderly markets, and financial stability. They have contributed significantly to the well-functioning of EU financial markets, which is a cornerstone of economic growth. Looking back, the establishment of ESMA by the European



Parliament, and also the Council and the European Commission, has been a step change and has achieved, in my view, the intended benefits.

ESMA has played a key role in the reform of the single rule book for EU financial markets in response to the financial crisis. The newly established single rule-book covers a broad range of activities, instruments and entities, including asset management, investment firms, derivatives, trading venues, and Credit Rating Agencies (CRAs). Since 2011, we have delivered more than 120 technical standards and nearly 90 pieces of technical advice.

We have established credible supervision of CRAs improving their governance, transparency and internal control systems. ESMA has successfully completed two enforcement cases and in my role as Chair of the Board I am committed to continue to build a robust track record for enforcement. Derivatives reporting and ESMA's supervision of Trade Repositories (TRs) has brought light into the EU derivatives market and going forward resolving data quality issues is a priority.

We have progressed substantially on our supervisory convergence agenda covering a wide range of national supervisory practices and using various instruments, including guidelines, opinions, Q&As and peer reviews. I have ensured the strengthening of ESMA's peer review methodology with more onsite visits to national regulators. Additionally, I have ensured good coordination in response to crisis situations, for example leading a quick and smooth process to coordinate short selling bans.

ESMA has built strong capabilities to identify risks to investor protection and stability, and our reporting on risks has improved significantly. We have continuously improved our data collection, with particular focus on securities markets data and investor trends, greatly reducing our reliance on private sector analyses. ESMA's risk assessments increasingly provide tangible inputs to regulatory and supervisory activities.

The first five years of ESMA have been shaped by the regulatory reform in response to the financial crisis. Based on the various evaluations of ESMA, including the one from the European Parliament, I have launched a review of our strategy which was completed earlier this year and I would like to share with you what will be our key focus. Looking ahead, ESMA's agenda will move from legislation to implementation. In line with our strategy for 2016-2020, ESMA will allocate more resources to supervisory convergence activities and reduce them for single rule-book activities.

Currently there is substantial room for increased convergence of supervisory practices and approaches amongst national regulators. Our overall aim should be to achieve high, consistent standards of supervision throughout the EU. Supervisory convergence does not mean that I will aim to converge to a one-size fits all approach. It does mean that ESMA promotes the consistent and effective implementation and application of the same rules and use sufficiently similar approaches for similar risks.

I think it is important that ESMA uses the full range of tools to achieve the convergence objectives. These tools should contribute towards several aims such as the effective implementation of rules, the facilitation of experience exchanges between national regulators, the coordination of supervisory activity, and the assessment of national regulators' supervision. ESMA's supervisory convergence work will be an important building block of the Capital Markets Union (CMU) as consistent application is needed to ensure that the single rule-book on paper becomes a single market in practice.

While ESMA's single rule-book activities will take a smaller share of our resources, we will continue to be a source of expertise at EU level for securities markets legislation and provide advice to the EU institutions. In addition, we will review the technical standards issued in the past years, assess their impact, and adjust them when needed.

Consultation and communication will continue to be important for ESMA's work and in my role as Chair I will ensure that all channels are used: through the Securities and Markets Stakeholder Group, open hearings, public consultations, and meetings with associations from across the spectrum. To understand the concerns of stakeholders across the EU, I will continue to visit member states and hear directly from investors, market participants, and national regulators.

To achieve its convergence objectives ESMA will further strengthen the regulatory cooperation at EU and international level. I will also fully support the Joint Committee of the ESAs as a forum to increase supervisory convergence across the three sectors.

Let me finally underline that in the next phase of ESMA, good cooperation between ECON and ESMA will continue to be essential. I want to intensify our informal exchanges of views and cooperate in the most transparent and open manner possible as envisaged in the founding regulation. Together we need to ensure that the implementation of legislation is



consistent with the objectives of the co-legislators and contributes to the overarching objective of economic growth.

Thank you for your attention.