



European Securities and
Markets Authority

2012 work programme

ESMA

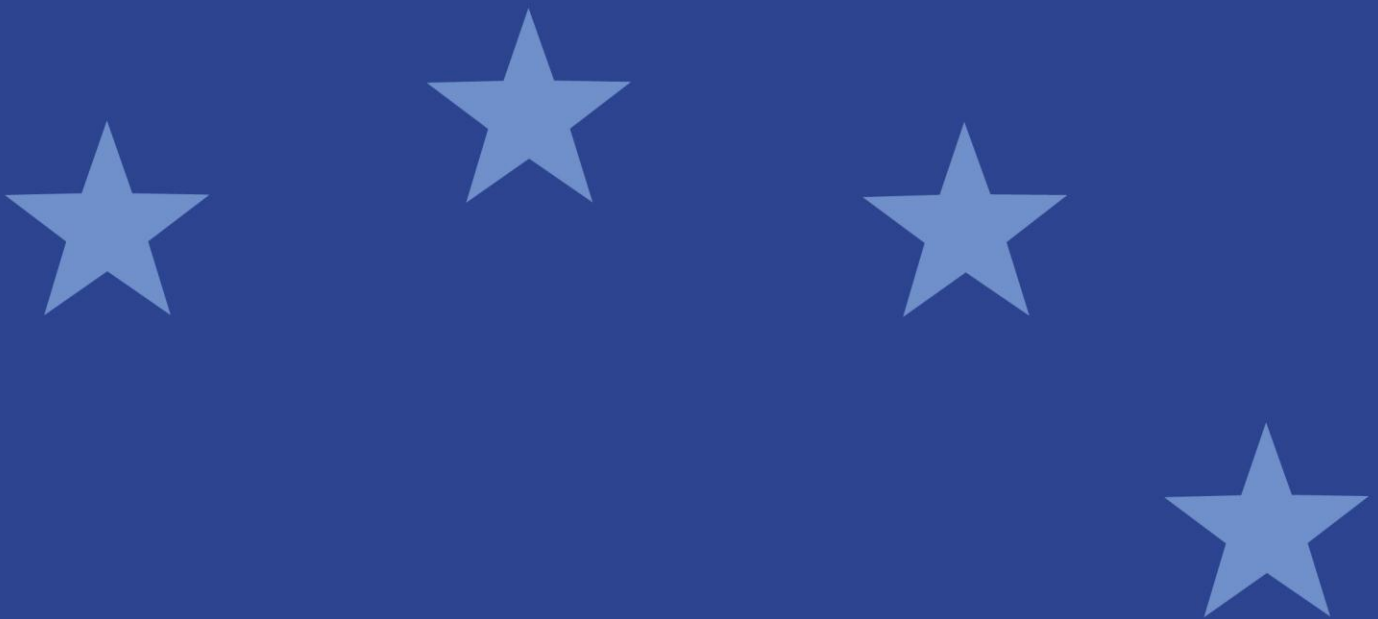


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I. Introduction

This document sets out ESMA's work programme for 2012, highlighting the key priorities and explaining how they will be delivered. This document has been approved by ESMA's Management Board and Board of Supervisors. Annex 3 presents a more detailed view on the key work streams ESMA will run in 2012.

II. The mission of ESMA

On 1 January 2011, the European Securities and Markets Authority (ESMA) was established as an independent EU Authority in order to contribute to safeguarding the stability of the European Union's financial system. ESMA will achieve this by ensuring the integrity, transparency, efficiency and orderly functioning of securities markets and, at the same time, enhance financial consumer protection. ESMA fosters supervisory convergence amongst securities regulators, creating a single rule book in Europe, and contributes to financial stability, together with the other European Supervisory Authorities (ESAs) through its input to the European Systemic Risk Board (ESRB). Since 1 July ESMA is responsible for the day to day supervision of Credit Rating Agencies (CRAs) in Europe.

III. ESMA's key objectives and priorities in 2012

While 2011 was the year of establishment for ESMA, becoming operational and gearing up for its new responsibilities, 2012 will be the first full year of delivery against ESMA's objectives. This work programme therefore describes the goals and deliverables for ESMA in its second year of operation. We are starting the year 2012 with a better staffing position and a new organisational structure that will support the delivery of this work programme.

2012 will be a key year in the life of ESMA, due to four elements:

1. The **introduction of new and the overhaul of existing legislation will be a key challenge for ESMA**. 2012 will see the finalisation and implementation of new directives and regulations in the financial markets which were initiated by the EU Institutions to respond to the financial crisis: short-selling, EMIR, and AIFMD. In order to build a single rulebook for Europe, ESMA will develop technical standards and advice. In addition, ESMA will provide advice and support on legislation being introduced and debated by Council and Parliament, including MiFID/MiFIR. At the same time, ESMA will promote supervisory convergence and work to avoid regulatory arbitrage.
2. 2012 will be the first year in which **ESMA will fully exercise its supervisory duties**: after having registered several Credit Rating Agencies in 2011, in 2012 the focus will move to effectively supervising them.
3. In 2011, in response to the situation in European financial markets, ESMA has actively coordinated responses, and monitored developments in financial markets (especially regarding short-selling, market microstructures and clearing and settlement). While the state of affairs in financial markets in 2012 is difficult to predict, if pressures on EU financial markets continue, a substantial part of ESMA's resources will need to be allocated to **coordination, monitoring and providing analysis of financial markets, as well as development and coordination of responses** between National Competent Authorities (NCAs) and other European Supervisory Authorities (ESAs).
4. The **global nature of securities markets** requires ESMA to enhance its international activities, not only to provide advice on equivalence issues but also to work actively with third country regulators, increasingly also through representation in global organisations relevant for the regulation of securities markets.

In order to enable ESMA to deliver on its demanding 2012 work programme, ESMA will need to substantially increase its staffing and budget. Compared to 2011, in 2012 staff numbers will grow from 75 to 101, and the budget from €16.9 to €20.2 million. For the first time, in 2012 funding will also be generated from CRAs' fee contributions to cover ESMA's costs of supervision.



The division of ESMA's work

ESMA decided to structure the different work streams it will undertake according to its key responsibilities and objectives. This document therefore presents the planned activities for 2012 as follows:

- Single Rulebook
- Contribution to Financial Stability
- Financial consumer protection
- Supervision
- Convergence
- Operational set up

The document also contains four annexes, detailing:

- the planned human resources and organisation of ESMA;
- the draft 2012 budget (pending the approval from the EU authorities)
- The list of key work streams
- The IT work programme

IV. ESMA's planned activities in 2012

a. Single Rulebook¹

In 2012, ESMA will work on establishing harmonised binding technical standards (TS) in different areas. By drafting those standards, ESMA will contribute to establishing a European single rulebook applicable to all market participants and building a level playing field across the Union. It will drive the upgrading of the quality and consistency of national supervision, the enhanced and consistent protection of financial consumers across the Union and the strengthening of oversight of cross-border groups.

Having finalized ESMA's first Technical Standards in the area of credit rating agencies (CRAs), it is currently envisaged that ESMA needs to elaborate around 40 Technical Standards in 2012, the key ones are in the areas of Over The Counter (OTC) derivatives and post-trading issues as well as short selling and alternative investment funds. In many of these areas, ESMA will also be asked to provide advice to the Commission for delegated acts.

With the European Market Infrastructure Regulation (EMIR) to come in 2012, a reporting obligation for OTC derivatives, a clearing obligation for eligible OTC derivatives, measures to reduce counterparty credit risk and operational risk for bilaterally cleared OTC derivatives, common rules for central counterparties (CCPs) and for trade repositories, and rules on the establishment of interoperability between CCPs will be introduced for the European Union. It is expected that ESMA needs to determine the detailed technical requirements for CCPs, the set up for the determination of the derivatives subject to the clearing obligation and put out guidelines and recommendations on CCP interoperability. In all these areas, and many others, ESMA will need to complete its work ahead of the implementation of the Regulation by the G20 deadline of end 2012.

Two other key areas for ESMA in 2012 will be the development of technical standards on rules for alternative fund managers (AIFMD) and issuers (Prospectus Directive).

Besides the work on Technical Standards, ESMA will continue to deliver advice to the Commission and the co-legislators on areas where new legislative measures are being considered, proposed or debated. In particular, in 2012, this will involve the review of the Markets in Financial Instruments Directive (MiFID), but also UCITS V, Market Abuse Directive (MAD) Review and packaged retail investment products (PRIIPS) (the latter together with the other European Supervisory Authorities (ESAs)).

¹ Single Rulebook includes regulatory technical standards (RTS), recommendations, guidelines.



In 2012 ESMA will also actively issue guidelines and recommendations to support the operation of the single rulebook. For example, we currently envisage guidelines on remuneration and supervisory co-operation arrangements (under the AIFMD), on ETFs and structured UCITS and liquidity management.

The convergence activities required under MifID 1 will also continue with the publication of guidelines, Q&As and recommendations including with respect to pre-trade transparency waivers and market micro-structural issues as well as conduct of business rules and other issues related to investment firms.

In 2011, ESMA decided to set up a Task Force on commodities that will aim to cover, among other things, the inter-relation of commodity markets with financial markets, analysis of regulatory initiatives outside the EEA and upcoming regulatory proposals under the review of MiFID and MAD.

Key areas regarding developing a common rulebook are:

ESMA No	Unit / Division	Standing Committee	Work stream / Task Title	Deliverable
7	CRA	CRAs	Drafting 4 RTS according to CRA II Regulation	Final reports to the Commission
8	Markets	ESMA-Pol	Regulation on short selling and certain aspects of credit default swaps	Technical Standards , Technical Advice, Guidelines and Recommendations
9	Investment and Reporting	Investment Management	Technical standards (AIFMD, UCITS, PRIPS)	Technical Standards
10	Investment and Reporting	Investment Management	Technical advice (UCITS V/Venture Capital/Social Investment funds)	Technical advice
11	Markets	Post-Trading	Draft technical standards on OTC Derivatives; CCP Requirements; Trade Repositories ; Guidelines and Recommendation on CCP Interoperability (EMIR)	Technical Standards , Technical Advice, Guidelines and Recommendations
12	Markets	Secondary Markets	MiFID 2	Possible technical advice, Guidelines and Recommendations
13	Markets	Secondary Markets	MiFID 1: convergence activities (guidelines, Q&As, recommendations)	Guidelines and Recommendations

b. Contribution to financial stability

In order for ESMA to contribute to safeguarding the financial stability of European securities markets it is crucial to continuously provide analysis on trends and, at an early stage, identify potential risks and vul-



nerabilities at a micro-prudential level, across borders and sectors. ESMA will therefore continue to conduct economic analyses of European securities markets and model the impact of potential market developments. ESMA will inform the European Institutions, the other ESAs and the ESRB on a regular and, if necessary, on an ad hoc basis about its findings. In order to perform its functions properly, in 2012 the Authority will further intensify its relationship with the ESRB. ESMA will also consider how to enhance the data and information it receives and how to deepen its analysis.

ESMA envisages issuing at least two reports and briefings on the trends, potential risks and vulnerabilities in securities markets per year. ESMA will also conduct a stress testing exercise in 2012.

It will be crucial to inform on a regular basis all necessary decision takers at all levels, including at the European level the Financial Services Committee (FSC) and the EFC-FST, the Financial Stability Table of the Economic and Financial Committee, to whom ESMA will continue sending its regular reports.

ESMA also intends to bring attention and resources to emergency activities such as coordination with National Competent Authorities and the other European Supervisory Authorities – EBA and EOIPA - in response to any crisis situation on the European financial markets, as ESMA has been doing in 2011.

Key areas in this field are:

ESMA No	Unit / Division	Standing Committee	Work stream / Task Title	Deliverable
20	Economic Research	CEMA	Relationship with the ESRB (cooperation, reporting (including risk dashboard), working groups)	Biannual reporting and briefings

c. Financial consumer protection

The Regulation setting up ESMA gave a leading role to the Authority in promoting transparency, simplicity and fairness in securities markets for consumers of financial products or services. In order to ensure that financial consumers enjoy the same level of protection regardless the point of sale or the product being sold, in 2012 ESMA will start to:

- collect, analyse and report on consumer trends;
- review and co-ordinate both financial literacy and education initiatives by national competent authorities;
- develop training standards for the industry; and
- contribute to the enhancement of common disclosure rules.

It is important for ESMA to monitor new and existing financial activities as this will allow it to assess the need to possibly adopt guidelines and recommendations with a view to promoting safe and sound securities markets and convergence of regulatory supervisory practice for the benefit of financial consumers. ESMA will regularly review the need for issuing guidelines and recommendations, or using other tools in its armory, to ensure that financial consumer protection across the Union is enhanced. This will involve a number of different Standing Committees in ESMA.

Should ESMA identify products which inherently present serious threats to financial consumers, ESMA will consider the benefits of issuing warnings or, as a last resort, advice on temporarily banning certain products. Therefore, ESMA will use its relevant investor protection committees (including its newly established Committee on Financial Innovation) to form its view and provide advice to the European Parliament, the Council and the Commission on innovative financial activities. In addition, ESMA will play its full role in the Joint Committee Sub-Group on Consumer Protection and Financial Innovation which will consider these issues from a cross-sectorial perspective.



In order to allow ESMA to fulfill this financial consumer protection duty across the different policy areas it touches upon, the Authority will develop common methodologies for assessing the effect of product characteristics and distribution channels on the financial position of market participants and on the financial consumer. With the development of the PRIPs regulation in 2012, we also expect to provide advice to the Commission, jointly with the other ESAs. In the course of the MiFID review, ESMA will play its full role to ensure that the new regulation reinforces financial consumer protection.

ESMA's work in this area will include a focus on ensuring that the financial information provided to market participants is clear, understandable and in compliance with the existing regulation. This work will also support wider market integrity. ESMA will continue to monitor IFRS developments, continue its contribution to the important standard setting bodies in terms of accounting, the IASB, EFRAG and ARC and others. Ensuring a consistent application of IFRS through the exchange of knowledge within ESMA's European Enforcers Coordinated Sessions will remain a key part of its work. In 2012, furthermore, ESMA will develop market guidance in the field of accounting and contributions to AuRC and look into Alternative Performance Indicators.

Another important legal review for ESMA in the year ahead will be the revision of the Transparency Directive, touching on many issues – such as reporting or financial information – that are aimed at increasing the transparency of financial products to investors.

Key areas in this field are:

ESMA No	Unit / Division	Standing Committee	Work stream / Task Title	Deliverable
18	Investment and Reporting	Financial Innovation	Monitor financial activities and innovation, issue product warnings and consider bans	Coordination and action
19	Investment and Reporting	Investor Protection and Intermediaries	MiFID 1: Financial consumer protection	Guidelines and Recommendations

d. Supervision

ESMA's direct supervisory powers are currently focused on a single group of players in the financial markets: credit rating agencies. However, it is foreseen by draft new EU regulation that ESMA may also receive certain supervisory powers as regards trade repositories (TR). In 2012, ESMA's efforts on post-trading will focus on preparatory work in terms of setting up the supervisory structure for the direct supervision of trade repositories, for the participation in the supervisory colleges of CCPs, and work on third country CCPs' and TRs' recognition.

Following creation of ESMA in 2011, the at the time existing CRA Regulation was revised, giving ESMA an exclusive responsibility for the registration and supervision of credit rating agencies in the European Union. Furthermore, the Regulation mandates ESMA to maintain a central repository where information on the past performance of CRAs and information about credit ratings issued in the past are to be kept and made public.

Much of 2011 focused on registering existing CRAs and preparing for ESMA's future supervisory role, 2012 will focus on effectively delivering supervision of the registered CRAs. Hence, the first round of inspections of CRAs, started in 2011 will be completed and reported on in 2012. Another focus will be the continued work on the endorsement of the supervisory regimes of third countries. ESMA will put in place co-



operation arrangements with third countries regulators by establishing memoranda of understanding. Supervising the CRAs already registered will include conducting desk and on site investigations, the surveillance of rating data, and the review of regular reports.

Key areas in this field are:

ESMA No	Unit / Division	Standing Committee	Work stream / Task Title	Deliverable
1	CRA	CRAs	Endorsement assessment of third countries	Fully reasoned draft decisions
2	CRA	CRAs	Cooperation arrangements with third countries regulators	Memorandum of Understanding/Exchange of Letters
3	Legal, coordination and convergence	None	Enforcement and sanctions	Possible CRAs sanctions
4	Markets	None	Preparatory work for the direct supervision of trade repositories; participation in the colleges of CCP; third country CCP and TR recognition	Supervisory structure set up
5	CRA	None	Verification/Investigations (on desk and on site) of registered CRAs	ESMA Reports
6	CRA	None	Ongoing supervision (rating data surveillance, requests for information, monthly/quarterly reports, interviews etc...)	ESMA Reports

e. Convergence

ESMA aims to build a level playing field by strengthening international supervisory co-ordination and promoting supervisory convergence, for the benefit of the economy at large, including financial institutions, other market players, consumers and employees. ESMA was set up to avoid regulatory arbitrage resulting from different supervisory practices; as such arbitrage has the potential to undermine not only integrity, efficiency and orderly functioning of markets but ultimately also financial stability.

In order to foster fair and balanced supervisory practices, ESMA will conduct peer reviews of existing EU legislation in the field of securities regulation and will consequently report on its findings. The currently planned peer reviews to be conducted by ESMA in 2012 cover MAD use of sanctions (Mapping); Prospectus Directive good practices (Peer review); Money Market Fund Guidelines (Peer review), supervisory practices with regard to Market Abuse (Peer review) and supervisory practices with regard to conduct of business rules (Peer review). ESMA aims to use this work to inform its activities in other areas of the work programme, including enhancing the single rulebook through issuing guidelines and recommendations, as well as opinions, in areas where difference of application exist and through providing advice to the Commission on areas where revised legislation might be necessary to align practices. The aim of these reviews is to identify also those areas where national regulators' supervisory practices could benefit from learning from best practices in other countries. This will help ESMA to foster more convergent approaches and hence, reduce regulatory arbitrage, through very practical tools such as FAQs.



Key areas in this field are:

ESMA No	Unit / Division	Standing Committee	Work stream / Task Title	Deliverable
15	Legal, coordination and convergence	Review Panel	Peer reviews and reports MAD use of sanctions; Prospectus Directive good practices; Money Market Fund Guidelines; Supervisory practices with regard to Market Abuse; Supervisory practices as regards Conduct of business rules	Reports

f. Operational set up and other

After having implemented its key financial, human resources and financial procedures in 2011, ESMA will focus in 2012 to further enhance its internal control capacity especially in the following fields:

- Audit
- Accounting
- Security
- Data protection
- Ethics

As an EU body, ESMA is also ensuring that it follows the EU Internal Control Standards (ICS). After its first audit from the Court of Auditors (ECA) in 2011, ESMA will conduct a self-assessment of the implementation of these ICS and also ensure to take into account the first comments of the ECA in any review of its procedures.

Continuing to build up the capacity of ESMA, especially in terms of staff resources, will remain a major focus for 2012. Given the growth of budget and resources, ESMA will also need to continue to adapt its setup and operations to effectively integrate the new staff and ensure continuity in the on-going activities. ESMA will also run its major IT systems linking more than 100 stakeholders (all EU regulators, CRAs, etc...) and supporting them in exchanging on a daily basis millions of data items related for example to: transaction reports, instruments reference data, credit ratings, and registers of supervised entities. In addition, a number of key IT projects are required by newly issued regulations such as EMIR, Omnibus II, AIFMD and CRA Regulation. Annex 4 of this document presents the IT work programme of ESMA.

ESMA will build its position as a key player in the international arena. The relationships with EU institutions will continue to be strengthened as well as with third countries financial markets regulators. ESMA will continue to be an active member of the European System of Financial Supervision (ESFS), cooperating closely with the two other ESAs (EBA and EIOPA).

ESMA will continue to conduct its work in an open and transparent manner. Its representatives will participate in conferences, high-level fora and discussions with market participants, consumers and end-users. In addition, ESMA, its standing committees and working groups, will consult extensively with stakeholders on policy matters. A high-level Securities and Markets Stakeholder Group was established in 2011, which will continue in 2012 to advise ESMA in areas concerning technical standards, working priorities and assess developments in the Single Market in the field of financial services. The Group will meet at least four times per year; formal opinions will be published on ESMA's website.



Finally, ESMA will prepare itself through thorough planning for its future development and start multi-annual planning for 2014-2020, including: work programme, budget and staff policy.

Key areas regarding the operational set up of ESMA are:

ESMA No	Unit / Division	Standing Committee	Work stream / Task Title	Deliverable
16	Legal, coordination and convergence	None	Relationship with EU Institutions	
63	Operations	ITMG	IT projects	New IT systems or upgrade existing IT systems of ESMA, mainly for the ESMA activities in the field of CRAs, EMIR, MiFID, AIFMD, Omnibus etc

V. Conclusions

Based on the key work streams outlined above, it is clear that ESMA is facing a challenging workload in 2012. It will be essential for the organisation to keep the priorities continuously under review to ensure that its limited resources are used in the most efficient way.

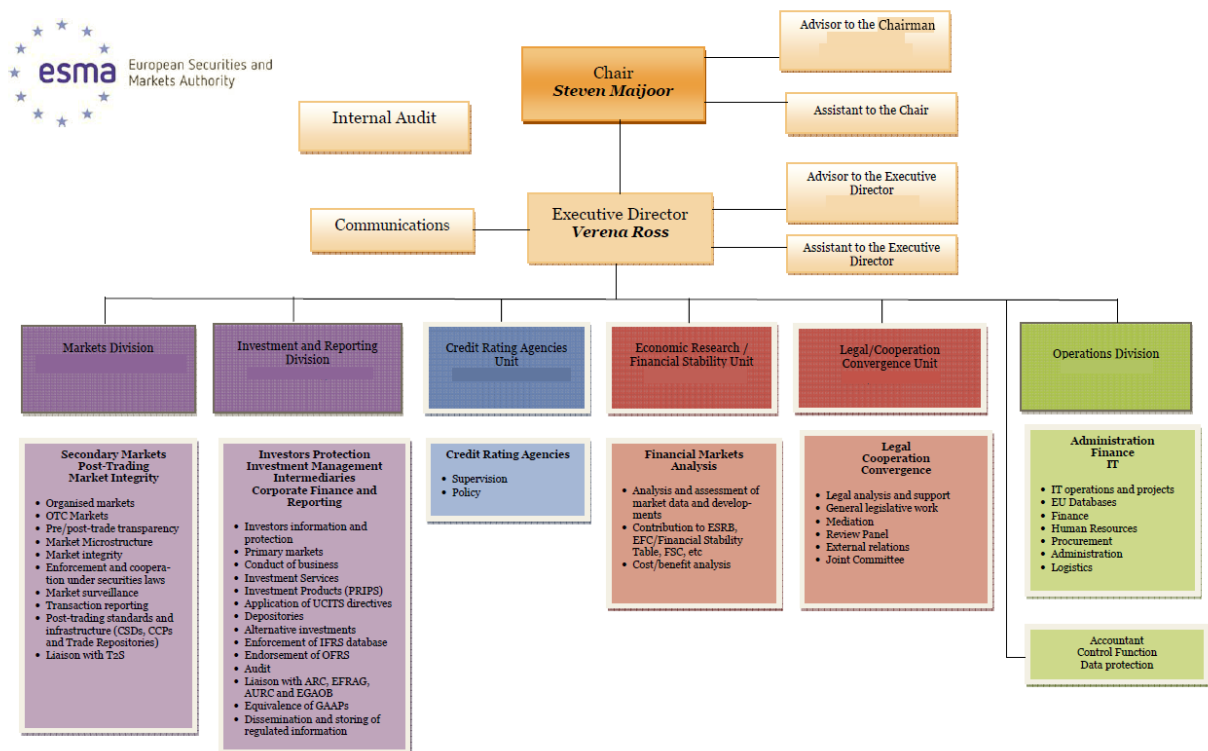
Considering the key work streams, at this point in time, ESMA views the following areas as the key priorities for 2012:

1. EMIR;
2. Financial consumer protection;
3. Harmonisation of supervisory practices;
4. CRA Regulation and Supervision;
5. MiFID and Market Abuse Directive Review;
6. Alternative Investment Funds Management Directive;
7. Short Selling Regulation.

VI. Annexes

Annex 1 – Human resources

The structure of ESMA is the following:



Regarding human resources, ESMA is planning to distribute the number of posts per Unit/Division as follow (the numbers contains the Heads):

Division/Unit	Number of staff end 2012
Markets Division	14
Investment and Reporting Division	17
Credit Rating Agencies Unit	20
Economic Research / Financial Stability Unit	7
Operations Division	22 – of which 7 are dedicated to regulatory IT projects
Legal/Cooperation Convergence Unit	10
Senior Management and Communication	11
Total	101

Annex 2 – Draft budget

Establishment plan

Function group and grade	2012	
	Permanent posts	Temporary Posts
AD 16		
AD 15		1
AD 14		1
AD 13		1
AD 12		4
AD 11		4
AD 10		5
AD 9		5
AD 8		11
AD 7		11
AD 6		11
AD 5		9
AD total		63
AST 11		1
AST 10		1
AST 9		2
AST 8		1
AST 7		1
AST 6		
AST 5		
AST 4		1
AST 3		2
AST 2		1
AST 1		2
AST total		12
TOTAL		75
GRAND TOTAL	75	

External personnel

Contract Agents	DB 2012 estimate (*)
Function Group IV	4

Contract Agents	DB 2012 estimate (*)
Function Group III	4
Function Group II	2
Function Group I	
Total	10

Seconded National Experts	DB 2012 estimate (*)
Total	16

Budget - Revenues

REVENUES	2012
1 REVENUE FROM FEES AND CHARGES	3 001
2. EU CONTRIBUTION	7 120
of which Administrative (Title 1 and Title 2)	5 838
of which Operational (Title 3)	1 281
of which assigned revenues deriving from previous years' surpluses	
3 THIRD COUNTRIES CONTRIBUTION (incl. EFTA and candidate countries)	264
Of which EFTA	264
Of which Candidate Countries	
4 OTHER CONTRIBUTIONS	9 894
5 ADMINISTRATIVE OPERATIONS	
6 REVENUES FROM SERVICES RENDERED AGAINST PAYMENT	
7 CORRECTION OF BUDGETARY IMBALANCES	
TOTAL REVENUES	20 279

Budget - Expenditures

EXPENDITURE	Commitment appropriations
	Draft Budget 2012
	Agency request
Title 1	
Staff Expenditure	12 132
11 Salaries & allowances	10 640
- of which establishment plan posts	9 500
- of which external personnel	1 140
12 Expenditure relating to Staff recruitment	330
13 Mission expenses	1 025
14 Socio-medical infrastructure	38
15 Training	99
16 External Services	
17 Receptions and events	
Title 2	
Infrastructure and operating expenditure	4 497
20 Rental of buildings and associated costs	2 000
21 Information and communication technology	779
22 Movable property and associated costs	124
23 Current administrative expenditure	305
24 Postage / Telecommunications	228
25 Meeting expenses	451
26 Running costs in connection with operational activities	
27 Information and publishing	480
28 studies	131
Title 3	
Operational expenditure	3 650

EXPENDITURE	Commitment appropriations
	Draft Budget 2012
	Agency request
Operational cost	3 650
TOTAL EXPENDITURE	20 279

Annex 3 – Detailed work programme

ESMA No	Unit / Division	Standing Committee	ESMA Role	Work stream / Task Title	Deliverable	Delivery date	Priority
1	CRA	CRAs	Supervision	Endorsement assessment of third countries	Fully reasoned draft decisions	Permanent	1 - high
2	CRA	CRAs	Supervision	Cooperation arrangements with third countries regulators	Memorandum of Understanding/Exchange of Letters	Permanent	1 - high
3	Legal, coordination and convergence	None	Supervision	Enforcement and sanctions	Possible CRAs sanctions	Permanent	1 - high
4	Markets	None	Supervision	Preparatory work for the direct supervision of trade repositories; participation in the colleges of CCP; third country CCP and TR recognition	Supervisory structure set up	Q4	1 - high
5	CRA	None	Supervision	Verification/Investigations (on desk and on site) of registered CRAs	ESMA Reports	Permanent	1 - high
6	CRA	None	Supervision	Ongoing supervision (rating data surveillance, requests for information, monthly/quarterly reports, interviews etc)	ESMA Reports	Permanent	1 - high
7	CRA	CRAs	Single Rule-book	Drafting 4 RTS according to CRA II Regulation	Final reports to the Commission	Q1	1 - high

8	Markets	ESMA-Pol	Single Rule-book	Regulation on short selling and certain aspects of credit default swaps	Technical Standards , Technical Advice, Guidelines and Recommendations	Q1	1 - high
9	Investment and Reporting	Investment Management	Single Rule-book	Technical standards (AIFMD, UCITS, PRIIPS)	Technical Standards	Q4	1 - high
10	Investment and Reporting	Investment Management	Single Rule-book	Technical advice (UCITS V/Venture Capital/Social Investment funds)	Technical Advice	Q4	1 - high
11	Markets	Post-Trading	Single Rule-book	Draft technical standards on OTC Derivatives; CCP Requirements; Trade Repositories ; Guidelines and Recommendation on CCP Interoperability (EMIR)	Technical Standards , Technical Advice, Guidelines and Recommendations	Q3	1 - high
12	Markets	Secondary Markets	Single Rule-book	MiFID 2	Possible Technical Advice, Guidelines and Recommendations	Q4	1 - high
13	Markets	Secondary Markets	Single Rule-book	MiFID 1: convergence activities (guidelines, Q&As, recommendations)	Guidelines, recommendations	Permanent	1 - high
14	Investment and Reporting	Investment Management	Convergence	Negotiation of agreements on supervisory co-operation and exchange of information for 3rd country entities (AIFMD)	MoUs/MMoUs	Q4	1 - high

15	Legal, coordination and convergence	Review Panel	Convergence	Peer reviews and reports MAD use of sanctions; Prospectus Directive good practices; Money Market Fund Guidelines; Supervisory practices with regard to Market Abuse; Supervisory practices as regards Conduct of business rules	Reports	Q4	1 - high
16	Legal, coordination and convergence	None	Other	Relationship with EU Institutions		Permanent	1 - high
17	Markets	None	Other	Set up for the determination of the derivatives subject to the clearing obligation	Set up of the procedure and structure	Q4	1 - high
18	Investment and Reporting	Financial Innovation	Financial Consumer Protection	Monitor financial activities and innovation, issue product warnings and consider bans	Coordination and action	Permanent	1 - high
19	Investment and Reporting	Investor Protection and Intermediaries	Financial Consumer Protection	MiFID 1: Financial consumer protection	Guidelines and Recommendations	Q4	1 - high
20	Economic Research	CEMA	Contribution to Financial Stability	Relationship with the ESRB (cooperation, reporting (including risk dashboard and Working Groups))	Biannual reporting and briefings	Permanent	1 - high
21	CRA	CRAs	Supervision	Equivalence assessment of third countries	Technical Advice	Permanent	2 - medium/high
22	CRA	CRAs	Supervision	Policy work (CRA III Regulation, establishment of doctrine, etc)	Technical Standards, Technical Advice, Guidelines and Recommendations	Q4	2 - medium/high

Q&A							
23	CRA	None	Supervision	New CRAs registrations	Registration/refusal decisions	Permanent	2 - medium/high
24	Economic Research	CEMA	Single Rule-book	Impact Assessments-related work (including contribution to the Joint Committee Impact Assessment network)	Impact Assessment Advices / Reports	Permanent	2 - medium/high
25	Investment and Reporting	Corporate Finance	Single Rule-book	- Revision of the Transparency Directive - Storage of regulated information at ESMA - Supervisory convergence	Discussion papers Guidelines and Recommendations	Q4	2 - medium/high
26	Investment and Reporting	Corporate Finance	Single Rule-book	- Corporate Governance (proxy advisors, empty voting)	Discussion papers Guidelines and Recommendations	Q4	2 - medium/high
27	Markets	ESMA-Pol	Single Rule-book	MiFID 2	Possible Technical Advice, Guidelines and Recommendations	Q4	2 - medium/high
28	Markets	ESMA-Pol	Single Rule-book	MAD review	Possible Technical Advice, Guidelines and Recommendations	Q4	2 - medium/high

29	Investment and Reporting	Investment Management	Single Rule-book	Guidelines on remuneration and supervisory co-operation arrangements (AIFMD) and on ETFs and structured UCITS, liquidity management	Guidelines and recommendations	Q3	2 - medium/high
30	Legal, coordination and convergence	Joint Committee	Single Rule-book	Joint Committee work streams support e.g. Packaged Retail Investor Products (PRIPs), Asset Money Laundering (AML), Non-Cooperative Jurisdictions, Financial Conglomerates	Reports	Q4 (depending on work streams)	2 - medium/high
31	Legal, coordination and convergence	None	Other	Regulatory and supervisory training and staff exchange fostering convergence	16 courses	Q4	2 - medium/high
32	Legal, coordination and convergence	None	Other	International relationships		Permanent	2 - medium/high
33	Markets	Post-Trading	Other	TARGET2-Securities	Supervisory and oversight framework Assessment reports	Q4	2 - medium/high
34	Legal, coordination and convergence	None	Operational set up	Securities and Markets Stakeholder Group Support		Permanent	2 - medium/high
35	Operations	None	Operational set up	Assessment of the implementation of the internal control standards (ICS) at ESMA		Q2	2 - medium/high

36	Operations	None	Operational set up	Strategic planning: - Work programme (annual and multi-annual) - Annual and multi-annual budget - liaison with EU authorities		Permanent	2 - medium/high
37	Management / Communication	None	Operational set up	Preparation, printing and publishing of ESMA annual report	Annual report	Q2	2 - medium/high
38	Management / Communication	None	Operational set up	Website	Publications, new pages, new texts, key dates, user management	Permanent	2 - medium/high
39	Markets	Secondary Markets	Operational set up	Revision of the Protocol on the notification of suspensions and removal of financial instruments from trading under Article 41 MiFID	Implementation of a revised communication process	Q4	2 - medium/high
40	Investment and Reporting	Corporate Reporting	Financial Consumer Protection / Market Integrity	Monitoring IFRS developments (IASB - Technical guidance, framework governance) and contribution to EFRAG and ARC	Comment Letters, Meetings	Permanent	2 - medium/high
41	Investment and Reporting	Corporate Reporting	Financial Consumer Protection / Market Integrity	Consistent application of IFRS: EECS	Opinions Guidelines and recommendations Q&A	Permanent	2 - medium/high
42	Markets	ESMA-Pol	Financial Consumer Protection / Market Integrity	Cooperation in market abuse area		Permanent	2 - medium/high

43	Investment and Reporting	Corporate Finance	Financial Consumer Protection	Technical advice on the Prospectus Directive	Technical Advice	Q4	2 - medium/high
44	Investment and Reporting	Corporate Reporting	Financial Consumer Protection	Development of market guidance in the field of accounting and contribution to Audit Regulatory Committee	Report	Q3	2 - medium/high
45	Investment and Reporting	Corporate Reporting	Financial Consumer Protection	Alternative Performance Indicators	Q&A, possible Guidelines and Recommendations	Q3	2 - medium/high
46	Investment and Reporting	Investor Protection and Intermediaries	Financial Consumer Protection	MIFID 1: supervisory convergence (ad hoc arising out of the existing MiFID)	Guidelines and Recommendations Q&A	Q4	2 - medium/high
47	Investment and Reporting	Investor Protection and Intermediaries	Financial Consumer Protection	MiFID 2: Remuneration, Best execution, organizational requirements for launch of products, operations and services, provision of services by non-EU firms	Possible Technical Advice, Guidelines and Recommendations		2 - medium/high
48	Economic Research	CEMA	Contribution to Financial Stability	Regular & ad hoc reporting to EFC-FST (including TRV report) and FSC	Biannual reporting and briefings	Permanent	2 - medium/high
49	Economic Research	CEMA	Contribution to Financial Stability	Contribution to the Joint Committee Risk Sub-Committee	Reports to Joint Committee	Permanent	2 - medium/high

50	Investment and Reporting	Corporate Reporting	Contribution to Financial Stability	Business monitoring of: - European developments in Audit Oversight and ISA developments (IAASB) - XBRL developments (including follow-up discussion paper) and harmonisation of OAMs - Developments in the area of non financial information and integrated reporting, and monitoring equivalence of 3rd country GAAP with IFRS		Permanent	2 - medium/high
51	CRA	CRAs	Supervision	Drafting annual reports according to CRA II Regulation i)on the application of the Regulation, ii)on supervisory measures	Reports to European Parliament, Council and Commission	Q4	3 - medium/low
52	Investment and Reporting	Corporate Reporting	Single Rule-book	Revision of Enforcement Standards	Report	Q4	3 - medium/low
53	Markets	Post-Trading	Single Rule-book	Securities Law Directive and Legislation on CSDs and Settlement	Preliminary work on possible draft technical standards or guidelines and recommendations	Q4	3 - medium/low
54	Investment and Reporting	Investment Management	Convergence	Convergent implementation of UCITS and AIFMD frameworks	Q&As	Permanent	3 - medium/low
55	Markets	Secondary Markets	Other	Update of ESMA Database on shares admitted to trading on a RM	Publication of market transparency calculations	Q1	3 - medium/low
56	Legal, coordination and convergence	None	Operational set up	Access to documents	Implementation and application of Access to Documents Regulation	Permanent	3 - medium/low

57	Operations	None	Operational set up	Implementation of internal training, internal communication and intranet		Q2	3 - medium/low
58	Management / Communication	None	Operational set up	Conference day on investor protection (jointly with the other ESAs)	Conference	Q3	3 - medium/low
59	Investment and Reporting	Corporate Reporting	Financial Consumer Protection	Mapping of the application of requirements (e.g. post-implementation review)	Report	Q3	3 - medium/low
60	Economic Research	CEMA	Contribution to Financial Stability	ESMA stress testing work	Studies, reports	Permanent	3 - medium/low
61	Economic Research	CEMA	Single Rule-book	Support to CEMA, Working Groups and Group of Economic Advisors	Reports, Advices	Permanent	N/A
62	Legal, coordination and convergence	None	Other	Board of Supervisors and Management Board Support		Permanent	N/A
63	Management / Communication	None	Other	Communication strategy and support		Permanent	N/A
64	Operations	ITMG	Operational set up	IT projects	New IT systems or upgrade existing IT systems of ESMA, mainly for the ESMA activities in the field of CRAs, EMIR, MiFID, AIFMD, Omnibus etc	Permanent	N/A

65	Management / Communication	None	Operational set up	Set up of internal control capacity in the following fields: - Internal Audit - Accountant (already in place) - Security officer - Ethics	Audit reports Ethics, data protection and security procedures Organisation in place	Permanent	N/A
66	Legal, coordi- nation and convergence	None	Operational set up	Legal advice	Legal support to ESMA activities, Mediation and Board of Appeal	Permanent	N/A
67	Operations	None	Operational set up	Logistic strategy and support: - Improvement of physical security in the premises - Improvement of inventory and asset management - Maintenance of the venue - Procurement and works to prepare for possible extension of ESMA premises		Permanent	N/A
68	Operations	None	Operational set up	Finance / budget / procurement strategy and support - Budget follow up and reporting - Procurement planning and revision of procedures - Day-to-day budget management (proposals, invoices, contact with providers)		Permanent	N/A

69	Operations	None	Operational set up	<p>HR strategy and support</p> <ul style="list-style-type: none"> - Implementation of the appraisal system - Preparation of the new staff regulation - Recruitment planning and execution - Multi-annual staff policy plan - Development of ESMA Corporate Culture - Organisation of Staff Surveys 		Permanent	N/A
70	Management / Communication	None	Operational set up	<p>Speeches, press + media (answering queries, press releases, interviews, promotion of ESMA documents)</p>	Articles	Permanent	N/A
71	Economic Research	CEMA	Contribution to Financial Stability	Ad hoc studies and collection of data	Studies / reports	Permanent	N/A

Annex 4 – IT work programme

In January 2011, ESMA intends to run the following projects (priority 1):

Title
SOCRAT – Supervision of Credit Rating Agencies Tool
ESMA Intranet
EMIR - Registration of classes of derivatives subject to mandatory clearing, corresponding central counterparties (CCPs) and their CAs and Trade Repositories (Arts. 4b(1,2); 18(4); 23(2a); and 54(3)).
EMIR Art. 7(2,3) - Direct reporting obligation of derivatives to ESMA, when reporting to a TR is required but not possible
Secure exchange of electronic documents on investigations
MiFID Art.41 - Suspensions from trading
AIFM - Reporting to Competent Authorities
ESMA Registers – ESMA regulation and Omnibus directive
Infrastructure for economics research

During Q2 2012, ESMA intends to review the progress of the above set of projects and eventually launch other projects in the following list (priority 2):

Title
CEREP 2.0 – Second version of the public Credit Ratings Repository

ESMA Information and IT Security Policy

Identity and Access Management + Single Sign On system

Document Management System

Video-conferencing system

TREM 4 (data controls, Markit, BIC Directory Plus, MiFID II subsequent changes) – 4th version of the Transaction Reporting Exchange Mechanism

ESMA Regulation Art.9 - data collection from national competent authorities on consumer trends

ESRB exchange of data