



European Securities and
Markets Authority

ESMA Risk Assessment Work Programme 2018



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1 Summary

This Risk Assessment Work Programme provides an overview of the analytical, research, data and statistical activities by ESMA scheduled to be undertaken in 2018.

ESMA's 2018 risk assessment agenda is focused on further developing ESMA's proprietary data sources and their analytical exploitation.

- As market data collected under the AIFMD, MiFID and EMIR mandates and others are becoming available, ESMA is – in close cooperation with the National Competent Authorities – completing the necessary technical infrastructure for their processing, programming routines for their management, and making them available for the relevant analytical evaluation.
- ESMA will further enhance its risk monitoring capacities, generating market descriptive statistics as well as sophisticated risk indicators and metrics on the basis of new proprietary data. Most importantly for 2018, ESMA is planning to complement its ongoing market monitoring through our semi-annual Report on Trends, Risks and Vulnerabilities and our quarterly Risk Dashboards by launching an annual report series on EU derivatives markets, based on EMIR data, as well as an annual report series on EU alternative investment funds, drawing on AIFMD data.
- ESMA continues to pursue in-depth analyses around key topics, including market and fund liquidity, fund leverage, and the impact of innovation especially in the areas of market infrastructures and investment advice.
- ESMA is set to continue its impact assessment activities, complementing the regulatory work programme, and will – in close cooperation with the National Competent Authorities – further enhance its stress testing work, aiming at successively more sophisticated Union-wide tests on Central Counterparties in future years, and focusing on developing ESMA's approach to investment fund stress testing going forward.

The 2018 Risk Assessment Work Programme complements ESMA's activity reporting documents, most importantly the Single Programming Document, the Regulatory Work Programme, the Supervisory Work Programme and the Supervisory Convergence Work Programme. Also, ESMA is preparing for any changes to our analytical and statistical framework that may need to be made when the UK leaves the EU. The risk assessment projects identified in the present document reflect the horizontal nature of the data and analytical work at ESMA, contributing to the overarching objectives and activities of the Authority. Additional analytical and data projects specifically related to individual regulatory, supervisory or convergence dossiers are highlighted in the respective work programmes.

2 Introduction

2.1 Objectives of ESMA Risk Assessment

In undertaking risk assessments, ESMA works on the basis of its mandate in the ESMA founding regulation¹. In particular, ESMA monitors and assesses market developments and new financial activities in its remit.

ESMA risk assessments are carried out with a view to supporting the Authority's objectives of promoting investor protection, orderly markets, and financial stability.

2.2 Coverage

This Risk Assessment Work Programme provides an overview of the main analytical projects and the underlying data and statistical operations to be undertaken by ESMA in 2018. The list is not exhaustive, the prioritisation of the projects may change, and new projects may be added to the portfolio.

ESMA risk assessment activities cover the monitoring and analysis of risks as well as developing the required data and statistical infrastructure.

2.2.1 Risk monitoring and analysis

Analytical activities are carried out as a horizontal function in ESMA, with data and analyses contributing to a wide range of projects in support of ESMA's activities in the areas of regulation, supervision, supervisory convergence as well as ESMA risk assessment mandate.

In addition to the workstreams summarised in the Risk Assessment Work Programme, these activities form an essential part of a variety of operational projects which are presented in detail in the ESMA Work Programmes on supervision, the single rule book, and supervisory convergence, as well as ESMA's Single Programming Document.

ESMA risk assessment work is undertaken by ESMA staff in close cooperation with National Competent Authorities as well as expert consultative working groups. Depending on the mandates of individual workstreams, analytical outcomes are presented to or developed in close collaboration with ESMA's Committee on Economic and Market Analysis, the Financial Innovation Standing Committee and their consultative working groups. The analytical

¹ Regulation (EU) No. 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC. Market monitoring and risk assessment cf. Arts. 8f, 8g, 23.1, 32, 32.3. Financial innovation cf. Arts. 9.2, 9.4. Product intervention cf. Art. 9.5.



outcomes may also be presented to other policy standing committees. Ultimately, the contribution and results of ESMA's risk assessment work feed into the consideration of the ESMA Board of Supervisors and ESMA's outputs, whether in the form of publications or other actions. In addition, the analytical work forms part of ESMA's contribution to EU and international bodies, most importantly the ESA Joint Committee, the ESRB, IOSCO and the FSB.

2.2.2 Data and statistics

Enhancing its data and statistical capabilities is a key strategic objective of ESMA. In 2017, ESMA has made progress on advancing the statistical usability of key market data – such as derivatives data on the basis of EMIR, market data on the basis of MiFID II-MiFIR, alternative fund data on the basis of AIFMD and others. In addition, future data mandates are being implemented – such as those specified in the Money Market Fund Regulation and the Securities Financing Transactions Regulation. As market data collected under the AIFMD, MiFID and EMIR mandates and others are becoming available, ESMA is – in close cooperation with the National Competent Authorities – completing the necessary technical infrastructure for their processing, programming routines for their management, and making them available for the relevant analytical evaluation.

3 Risk monitoring and analysis

3.1 Risk monitoring

ESMA risk monitoring activities are centred around periodic reports to the EU Institutions, which are publicly available on the ESMA webpage.

3.1.1 Reporting on Trends, Risks and Vulnerabilities

Semi-annual ESMA Trends, Risks and Vulnerabilities Report (TRV)

Activities

- Informing stakeholders, markets, and the wider public of risks in the markets under ESMA's remit, including ESMA's ongoing risk assessment, risk alerts and risk warnings.
- Monitoring and assessment of market developments.
- Identification and measuring of systemic risks.
- At least yearly assessments to the European Parliament, the Council, the Commission and the ESRB of trends, potential risks and vulnerabilities in its area of competence.
- Enhancement of risk monitoring with respect to operational risks in the ESMA remit; non-conventional risks, incl. political and geostrategic risks as well as ecological, social and governance considerations; Brexit related risks, esp. cliff effect and financial stability related uncertainties.

Deliverables

- Two semi-annual TRV reports for spring and autumn European Financial Council meetings.
- TRV publication.

ESMA objectives

- | | |
|---------------------|-------------------------------------|
| Financial stability | <input checked="" type="checkbox"/> |
| Orderly market | <input checked="" type="checkbox"/> |
| Investor protection | <input checked="" type="checkbox"/> |

ESMA activities

- | | |
|-----------------|-------------------------------------|
| Supervision | <input type="checkbox"/> |
| Single rulebook | <input type="checkbox"/> |
| Convergence | <input type="checkbox"/> |
| Risk assessment | <input checked="" type="checkbox"/> |
-

Quarterly ESMA Risk Dashboard (RD)

Activities	<ul style="list-style-type: none"> Informing stakeholders, markets, and the wider public of risks in the markets under ESMA's remit, including ESMA's ongoing risk assessment, risk alerts and risk warnings. Monitoring and assessment of market developments. Identification and measuring of systemic risks. At least yearly assessments to the European Parliament, the Council, the Commission and the ESRB of trends, potential risks and vulnerabilities in its area of competence.
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Deliverables	<ul style="list-style-type: none"> Four quarterly RD report publications. 																				
ESMA objectives	<table border="0"> <tr> <td>Financial stability</td> <td><input checked="" type="checkbox"/></td> <td>ESMA activities</td> <td>Supervision</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Orderly market</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Single rulebook</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Investor protection</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Convergence</td> <td><input type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Risk assessment</td> <td><input checked="" type="checkbox"/></td> </tr> </table>	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input type="checkbox"/>	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input type="checkbox"/>				Risk assessment	<input checked="" type="checkbox"/>
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Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input type="checkbox"/>																	
Investor protection	<input checked="" type="checkbox"/>		Convergence	<input type="checkbox"/>																	
			Risk assessment	<input checked="" type="checkbox"/>																	

Annual market reporting

Activities	<ul style="list-style-type: none"> Statistical and analytical preparation, drafting, agreement and publication of first editions of annual market reports on EU derivative markets, based on EMIR data, and EU alternative fund markets, based on AIFMD data.
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Deliverables	<ul style="list-style-type: none"> Working towards the first edition of Annual EU Derivatives Markets Report. Working towards the first edition of Annual EU Alternative Investments Report.
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ESMA objectives	<table border="0"> <tr> <td>Financial stability</td> <td><input checked="" type="checkbox"/></td> <td>ESMA activities</td> <td>Supervision</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Orderly market</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Single rulebook</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Investor protection</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Convergence</td> <td><input type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Risk assessment</td> <td><input checked="" type="checkbox"/></td> </tr> </table>	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input type="checkbox"/>	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input type="checkbox"/>				Risk assessment	<input checked="" type="checkbox"/>
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Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input type="checkbox"/>																	
Investor protection	<input checked="" type="checkbox"/>		Convergence	<input type="checkbox"/>																	
			Risk assessment	<input checked="" type="checkbox"/>																	

3.1.2 ESA Joint Committee risk reporting

Semi-annual Risk Report by the Joint Committee of the European Supervisory Agencies

Activities

- Monitoring and assessment of market developments.
- Identification and measuring of systemic risks.
- At least yearly assessments to the European Parliament, the Council, the Commission and the ESRB of trends, potential risks and vulnerabilities in its area of competence.

Deliverables

- Contribution to two semi-annual Risk Reports.

ESMA objectives	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>
	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input type="checkbox"/>
	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

3.2 Risk analysis

ESMA analytical activities are grouped in thematic areas of research, and conducted by project teams led by ESMA's Risk Analysis and Economics Department, drawing on the in-house regulatory, supervisory, and convergence expertise, as well as close cooperation with national authorities, political and market stakeholders as well as academia². In particular, ESMA is aiming to enhance its external research cooperation in 2018, to promote the public availability, exploitation and analysis of ESMA proprietary databases, and to encourage a better understanding of the markets under ESMA's remit and their risks beyond the analytical work undertaken directly by ESMA.

3.2.1 Securities markets, infrastructures, and investors

Securities financing transactions and repo markets

Activities	<ul style="list-style-type: none"> ESMA research on securities financing market activities and repo markets, and the application of margins and haircuts. 				
Deliverables	<ul style="list-style-type: none"> Ongoing analytical input into ESMA regulatory work and risk monitoring. Contribution to 2018 ESRB thematic work on shadow banking. 				
ESMA objectives	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>
	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input checked="" type="checkbox"/>
	Investor protection	<input type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

Investment fund leverage and liquidity

Activities	<ul style="list-style-type: none"> ESMA research on liquidity as well as financial and synthetic leverage in UCITS and AIFMD funds. 				
Deliverables	<ul style="list-style-type: none"> Ongoing analytical input into ESMA supervisory convergence, risk monitoring and, potentially, rule-making. Contribution to 2018 ESRB thematic work on shadow banking. 				
ESMA objectives	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>
	Orderly market	<input type="checkbox"/>		Single rulebook	<input checked="" type="checkbox"/>
	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

² Further analytical work is undertaken by ESMA in the context of regulatory, supervisory or convergence projects which is specified in the respective work programmes.

Circuit breakers and trading halts

Activities	<ul style="list-style-type: none"> ESMA research on application and impact of circuit breakers and trading halts on trading venues in the EU. 				
Deliverables	<ul style="list-style-type: none"> ESMA working paper. Ongoing enhancement of risk monitoring tools. 				
ESMA objectives	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>
	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input checked="" type="checkbox"/>
	Investor protection	<input type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

Derivatives trading, market structures, and risks

Activities	<ul style="list-style-type: none"> ESMA analysis of EMIR data towards the construction of risk metrics and indicators for derivatives market monitoring. CEMA-led research project on Interest Rate Derivatives. 				
Deliverables	<ul style="list-style-type: none"> Ongoing analytical input into ESMA convergence and risk monitoring. Working towards the first edition of the Annual EU Derivatives Markets Report. 				
ESMA objectives	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>
	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input checked="" type="checkbox"/>
	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

Liquidity situation in EU securities markets

Activities	<ul style="list-style-type: none"> ESMA research on corporate and sovereign bond market liquidity. CEMA-led research project on corporate bond market liquidity. ESMA working paper. Analysis of MiFID II data. 				
Deliverables	<ul style="list-style-type: none"> Ongoing analytical activity. Analytical input into ESMA regulatory activities and risk monitoring. 				
ESMA objectives	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>
	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input checked="" type="checkbox"/>
	Investor protection	<input type="checkbox"/>		Convergence	<input type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

Stress testing

Activities	<ul style="list-style-type: none"> • Coordination of and contribution to ESMA stress testing activities, and coordination with National Competent Authorities. • Further enhancement of stress testing concepts, methods, and scenarios. • Coordination of cooperation with the ESRB. 				
Deliverables	<ul style="list-style-type: none"> • Conceptual development of ESMA approach to stress testing in the asset management industry. • For details see ESMA 2018 Supervisory Convergence Work Programme. • Definition of common reference parameters of the stress test scenarios for ESMA guidelines on MMF stress testing. 				
ESMA objectives	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>
	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input type="checkbox"/>
	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>
				Risk assessment	<input type="checkbox"/>

Alternative investment fund risk indicators

Activities	<ul style="list-style-type: none"> • ESMA analysis of AIFMD data towards the construction of risk metrics and indicators in the alternative funds industry. • CEMA-led research project on AIFMD data. • AIFMD inventory of data quality issues. 				
Deliverables	<ul style="list-style-type: none"> • Ongoing analytical input into ESMA convergence and risk monitoring. • Working towards the first edition of Annual EU Alternative Investments Report. 				
ESMA objectives	Financial stability	<input type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>
	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input type="checkbox"/>
	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

Costs and performance of investment products

- | | |
|-------------------|--|
| Activities | <ul style="list-style-type: none"> • ESMA analysis of fees on investment products and their absolute and relative performance. • ESMA analysis of performance of active vs passive investment funds. |
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- | | |
|---------------------|--|
| Deliverables | <ul style="list-style-type: none"> • Ongoing analytical input into ESMA convergence, risk monitoring and, potentially, rule-making. • ESMA contribution to the EU Commission's Capital Markets Union Action Plan. • Ongoing ESMA surveillance of closet indexing in the EU. |
|---------------------|--|

ESMA objectives	Financial stability	<input type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>
	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input checked="" type="checkbox"/>
	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

High-frequency and algorithmic trading

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| Activities | <ul style="list-style-type: none"> • ESMA research on high frequency and algorithmic trading. |
|-------------------|--|

- | | |
|---------------------|---|
| Deliverables | <ul style="list-style-type: none"> • Ongoing analytical input into ESMA regulatory work and risk monitoring. |
|---------------------|---|

ESMA objectives	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>
	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input checked="" type="checkbox"/>
	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

Impact assessments

Activities	<ul style="list-style-type: none"> Provision of ESMA impact assessments on Regulatory Technical Standards to be drafted in 2018. Further develop best practices and common standards for ESMA impact assessments. Fulfil cost-benefit analysis requirements set out in ESMA regulation. 																				
Deliverables	<ul style="list-style-type: none"> Cost-benefit analyses for ESMA technical standards and guidelines in 2018, including the Securitisation Regulation, the Money Market Fund Regulation, the MiFID II guidelines. For details see ESMA 2018 Regulatory Work Programme. 																				
ESMA objectives	<table border="0"> <tr> <td>Financial stability</td> <td><input checked="" type="checkbox"/></td> <td>ESMA activities</td> <td>Supervision</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Orderly market</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Single rulebook</td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td>Investor protection</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Convergence</td> <td><input type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Risk assessment</td> <td><input type="checkbox"/></td> </tr> </table>	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input checked="" type="checkbox"/>	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input type="checkbox"/>				Risk assessment	<input type="checkbox"/>
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Investor protection	<input checked="" type="checkbox"/>		Convergence	<input type="checkbox"/>																	
			Risk assessment	<input type="checkbox"/>																	

3.2.2 Financial innovation

Product Intervention

Activities	<ul style="list-style-type: none"> Ongoing risk identification and monitoring on the basis of ESMA qualitative and quantitative risk metrics, market intelligence, and the ESMA Financial Innovation Scoreboard. 																				
Deliverables	<ul style="list-style-type: none"> Populate Financial Innovation Scoreboard and conduct deep dive analysis of potential product intervention issues. Provide ongoing analytical support to areas in need of possible intervention issues 																				
ESMA objectives	<table border="0"> <tr> <td>Financial stability</td> <td><input checked="" type="checkbox"/></td> <td>ESMA activities</td> <td>Supervision</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Orderly market</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Single rulebook</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Investor protection</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Convergence</td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Risk assessment</td> <td><input checked="" type="checkbox"/></td> </tr> </table>	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input type="checkbox"/>	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>				Risk assessment	<input checked="" type="checkbox"/>
Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>																	
Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input type="checkbox"/>																	
Investor protection	<input checked="" type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>																	
			Risk assessment	<input checked="" type="checkbox"/>																	

Retail investor trends and risks

Activities	<ul style="list-style-type: none"> Identify changes in investor behaviour, and potential risks in the area of investor protection. Identify issues that create investor harm. Identify products or processes where financial technology can improve financial inclusion. 																				
Deliverables	<ul style="list-style-type: none"> Share results with ESMA stakeholders through FISC and in writing primarily via TRV. Hold bilateral targeted sessions with retail investor representatives. 																				
ESMA objectives	<table border="0"> <tr> <td>Financial stability</td> <td><input type="checkbox"/></td> <td>ESMA activities</td> <td>Supervision</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Orderly market</td> <td><input type="checkbox"/></td> <td></td> <td>Single rulebook</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Investor protection</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Convergence</td> <td><input type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Risk assessment</td> <td><input checked="" type="checkbox"/></td> </tr> </table>	Financial stability	<input type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>	Orderly market	<input type="checkbox"/>		Single rulebook	<input type="checkbox"/>	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input type="checkbox"/>				Risk assessment	<input checked="" type="checkbox"/>
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Orderly market	<input type="checkbox"/>		Single rulebook	<input type="checkbox"/>																	
Investor protection	<input checked="" type="checkbox"/>		Convergence	<input type="checkbox"/>																	
			Risk assessment	<input checked="" type="checkbox"/>																	

Financial Technology (FinTech)

Activities	<ul style="list-style-type: none"> ESMA to launch a survey to NCAs to collect current information on material FinTech firms and their licensing regimes across the EU to identify potential gaps and issues in the current regulatory framework. ESMA to update its stock take of innovation facilitators in the EU and highlight best practises at NCAs. 																				
Deliverables	<ul style="list-style-type: none"> The outcome of the survey will inform ESMA and the Commission's work on FinTech. Depending on the findings of the survey, ESMA will determine whether some guidance, clarification or recommendations are relevant. ESMA will update the stock take and aims at identifying best practices in cooperation with the NCAs to foster more convergence across the EU. 																				
ESMA objectives	<table border="0"> <tr> <td>Financial stability</td> <td><input checked="" type="checkbox"/></td> <td>ESMA activities</td> <td>Supervision</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Orderly market</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Single rulebook</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Investor protection</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Convergence</td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Risk assessment</td> <td><input checked="" type="checkbox"/></td> </tr> </table>	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input type="checkbox"/>	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>				Risk assessment	<input checked="" type="checkbox"/>
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Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input type="checkbox"/>																	
Investor protection	<input checked="" type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>																	
			Risk assessment	<input checked="" type="checkbox"/>																	

Regulatory Technology (RegTech)

Activities

- Lead FSB Task Force on Regulatory and Supervisory Technology which discusses applications by financial institutions and authorities.
- Conduct analysis of how the emergence of regulatory technology and its use may improve the regulators' ability to gather, process and analyse regulatory reporting data applying internal examples.
- Analyse how the use of such technology may improve market participants' compliance, monitoring and reporting.
- Analyse any risks that may emerge from the use of such technology.

Deliverables

- Produce FSB Report on results of Task Force analysis.
- Produce ESMA Report to BoS on example of internal uses.

ESMA objectives

Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input checked="" type="checkbox"/>
Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input type="checkbox"/>
Investor protection	<input checked="" type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>
			Risk assessment	<input type="checkbox"/>

Initial Coin Offerings (ICO)

Activities

- Analyse the typical business models of ICOs and the risks and benefits that they may bring.
- Analyse how the typical business models map to the existing rules.
- Identify potential gaps and issues in the existing rules.
- In the context of the ESMA Task Force on ICOs and VCs, promote convergent regulation and supervision of ICOs in the EU.

Deliverables

- If relevant, provide recommendations on ways to address those gaps and issues.

ESMA objectives

Financial stability	<input type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>
Orderly market	<input type="checkbox"/>		Single rulebook	<input type="checkbox"/>
Investor protection	<input checked="" type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>
			Risk assessment	<input checked="" type="checkbox"/>

4 Data and statistics

4.1 Data management

Data management of MiFID II/MiFIR data

- | | |
|-------------------|---|
| Activities | <ul style="list-style-type: none"> • Ensure proper operations and the quality content of the MiFID II/MiFIR related data hosted by ESMA and in particular FIRDS, FITRS, DVCAP, SARIS and associated registers. • Support NCAs in implementing data requirements. • Interact with external users regarding the published content. |
|-------------------|---|

- | | |
|---------------------|--|
| Deliverables | <ul style="list-style-type: none"> • Timely publication of high quality information to NCAs and the public regarding reference data, transparency calculations and double-volume cap. • Regular reports to ESMA staff and NCAs on the data content of the systems, proposals for remedial actions to enhance quality and monitoring their implementation. • Support execution of activities related to the Double Volume Cap Mechanism. • Public statistics based on MiFID data. |
|---------------------|--|

ESMA objectives	Financial stability	<input type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>
	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input checked="" type="checkbox"/>
	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

Benchmark register

- | | |
|-------------------|--|
| Activities | <ul style="list-style-type: none"> • Operate the ESMA interim solution for Benchmark publication. • Ensure that the information provided by NCAs on Administrators and Benchmarks is promptly published in ESMA website. |
|-------------------|--|

- | | |
|---------------------|---|
| Deliverables | <ul style="list-style-type: none"> • ESMA Benchmark Register. • Migration from the interim solution to the IT system. |
|---------------------|---|

ESMA objectives	Financial stability	<input type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>
	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input checked="" type="checkbox"/>
	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

AIFMD data quality enhancement

Activities	<ul style="list-style-type: none"> Support NCAs in their obligation to populate the AIFMD register and the AIFMD systems in order to improve the completeness of the database. Determine, in collaboration with NCAs and other users, the current shortcomings of the AIFMD data and implement remedial actions at different levels.
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Deliverables	<ul style="list-style-type: none"> Improve the completeness of the current AIFMD register and system by supporting NCAs. Provide further guidance to NCAs populating the register and the system to enhance usability. Improve the consistency of the underlying information. Monitor continuously the information available at the register. Detect inconsistencies and quality flaws in the underlying information and report back to NCAs. Propose specific remedial actions to ensure usability of the data.
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ESMA objectives	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>
	Orderly market	<input type="checkbox"/>		Single rulebook	<input checked="" type="checkbox"/>
	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

Statistical analysis on Securities Financing Transactions and repo markets

Activities	<ul style="list-style-type: none"> Define the procedures to analyse SFTR data. Define the needs and procedures to implement statistical methodologies and analyses to support ESMA's activities.
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Deliverables	<ul style="list-style-type: none"> Contributions to the development of IT systems to process SFTR data. Execution of pilot exercises regarding FSB aggregations on this data.
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ESMA objectives	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input checked="" type="checkbox"/>
	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input checked="" type="checkbox"/>
	Investor protection	<input type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

CRA data action plan

- Activities**
- Implement data quality analyses on CRA data (RADAR).
 - Develop recurrent reporting to support Supervisory and Risk analysis activities.

- Deliverables**
- Business reports to support ESMA Supervision activities.
 - Publish CRA data through CEREP.
 - Data quality metrics and remedial actions.

ESMA objectives	Financial stability	<input type="checkbox"/>	ESMA activities	Supervision	<input checked="" type="checkbox"/>
	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input type="checkbox"/>
	Investor protection	<input type="checkbox"/>		Convergence	<input type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

Other data management activities

- Activities**
- Activities towards the analysis, quality enhancement and exploitation of other ESMA proprietary databases.
 - The databases are, among others, Registers, Short Selling Data, CSDR, Prospectus, Securitization.

- Deliverables**
- Contribution to data model definitions (RTS, ITS) and supporting IT systems.
 - Maintenance.
 - Quality monitoring and proposal of remedial actions.
 - Statistical use.

ESMA objectives	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input checked="" type="checkbox"/>
	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input checked="" type="checkbox"/>
	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

4.2 Statistics

Statistical exploitation of ESMA proprietary data

Activities	<ul style="list-style-type: none"> Provision of market descriptive statistics, risk indicators and metrics for ongoing risk monitoring, and primary statistical analyses for analytical projects. Data matching and data computation routines to achieve high level of data quality and automation of statistical processing. Statistical tools and algorithms for supervisory work at ESMA and at National Competent Authorities. 				
Deliverables	<ul style="list-style-type: none"> AIFMD statistical reporting. CRA statistical reporting. MiFID II/ MiFIR statistical reporting. EMIR statistical reporting. 				
ESMA objectives	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input checked="" type="checkbox"/>
	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input checked="" type="checkbox"/>
	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

Statistical exploitation of external data

Activities	<ul style="list-style-type: none"> Provision of market descriptive statistics, risk indicators and metrics for ongoing risk monitoring, and primary statistical analyses for analytical projects based in commercial provided data and public sources. Data matching and data computation routines to achieve high level of data quality and automation of statistical processing. 				
Deliverables	<ul style="list-style-type: none"> Data provision for ESMA regulatory, supervisory, supervisory convergence and risk analysis activities, using commercial and publically available data. Efficient use of ESMA available budget for the purchase of data. 				
ESMA objectives	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input checked="" type="checkbox"/>
	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input checked="" type="checkbox"/>
	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input checked="" type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

5 External cooperation

5.1 ESRB

ESRB coordination and analytical contribution

Activities	<ul style="list-style-type: none"> Contribute to the prevention or mitigation of systemic risks to financial stability in the Union that arise from developments within the financial system. Fulfil cooperation requirement set out in ESMA regulation. 				
Deliverables	<ul style="list-style-type: none"> Participation in and contribution to ESRB General Board, Advisory Technical Committee, and associated groups. Contribution to output of and participation in ESRB groups, including Instruments Working Group, Expert Group Investment Funds, CCP Expert Group, Expert Group Shadow Banking. Co-chairing of Expert Group Shadow Banking. 				
ESMA objectives	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>
	Orderly market	<input type="checkbox"/>		Single rulebook	<input type="checkbox"/>
	Investor protection	<input type="checkbox"/>		Convergence	<input type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

5.2 FSB

FSB expert group participation

Activities	<ul style="list-style-type: none"> Contribution to FSB work in order to support the prevention or mitigation of systemic risks to financial stability that arise from developments within the financial system, and contribute ESMA's securities market regulatory perspective. 				
Deliverables	<ul style="list-style-type: none"> Participation in and contribution to output of FSB working groups on data, shadow banking, and financial innovation. 				
ESMA objectives	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>
	Orderly market	<input type="checkbox"/>		Single rulebook	<input type="checkbox"/>
	Investor protection	<input type="checkbox"/>		Convergence	<input type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

5.3 IOSCO

IOSCO expert group participation

Activities	<ul style="list-style-type: none"> • Contribution to IOSCO Committee on Emerging Risks (CER) work. • Monitor financial stability, orderly market and investor protection risks at a global level. • Bring EU-wide perspective into the IOSCO CER work. • Participation in IOSCO CER working groups on cyber risks, regulatory technology and collateral. 				
Deliverables	<ul style="list-style-type: none"> • Contribution to output of IOSCO CER. 				
ESMA objectives	Financial stability	<input checked="" type="checkbox"/>	ESMA activities	Supervision	<input type="checkbox"/>
	Orderly market	<input checked="" type="checkbox"/>		Single rulebook	<input type="checkbox"/>
	Investor protection	<input checked="" type="checkbox"/>		Convergence	<input type="checkbox"/>
				Risk assessment	<input checked="" type="checkbox"/>

