



European Securities and
Markets Authority

Supervisory Convergence

Work Programme 2017



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1 Introduction

Reasons for Publication

1. Further to ESMA's Strategic Orientation 2016-2020 (ESMA/2015/935), this is the second consecutive year that ESMA publishes a specific work programme dedicated to supervisory convergence. ESMA's main deliverables for 2017 are contained in ESMA's Annual Work Programme for 2017 (ESMA/2016/1419) to which the Supervisory Convergence Work Programme for 2017 (2017 SCWP) serves as a supplement and adds detail on the nature and focus of activities that ESMA will undertake to promote supervisory convergence. ESMA publishes activity-specific work programmes for each of its four core activities (risk analysis, single rulebook, supervisory convergence and direct supervision).

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2. Driven by priority areas, the 2017 SCWP presents in detail the different activities that ESMA will undertake in 2017 in order to enhance a consistent supervision of EU financial markets. The activities build on the experience of the Supervisory Convergence Work Programme for 2016 (2016 SCWP) and the monitoring of its implementation.

Next Steps

3. As in 2016, monitoring activity will be carried out on the implementation of the 2017 SCWP.
 4. Should new issues emerge in the market, ESMA, like national competent authorities (NCAs), may need to respond to these by adjusting priorities during the course of 2017.
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2 Executive Summary

5. For 2017 ESMA and NCAs will focus their supervisory convergence work on a number of priority areas. These priorities have been elaborated taking account of different factors which may impact on convergence, and include: the market environment, legislative and regulatory developments, and NCAs' supervisory priorities. Further details on the impact of these factors are below.
6. The 2017 SCWP will need to remain flexible enough to address any important emerging challenges. The core package of priorities, displaying some continuity with those in the 2016 SCWP, are set out below:
 - 1) **Ensuring the sound, efficient and consistent implementation of key new EU legislation** by preparing for MiFID2/MiFIR and applying MAR (including the finalisation of the underlying IT infrastructure): Preparation for the delayed entry into application of MiFID2/MiFIR remains a priority and will require a high level of investment in terms of resources for NCAs and for ESMA in general.
 - 2) **Improving data quality** through focusing on NCAs' efforts to prepare for and to enforce compliance with various reporting requirements under EU legislation such as MiFID2/MiFIR, EMIR, AIFMD.
 - 3) **Ensuring adequate investor protection in the context of cross-border provision of services:** Acknowledging that financial services are increasingly provided on a cross-border basis in the EU, ESMA is determined to ensure that retail investors receive the same level of protection independently of the location of the firm providing the services. This increased focus on investors who deal in a cross-border context is seen as an essential condition for safeguarding the free movement of services in the EU and a variety of initiatives are proposed to this effect. Finally, this priority area also supports the Capital Markets Union (CMU) initiative.
 - 4) **Ensuring effective convergence in the supervision of EU CCPs:** the potential risks linked to the increased systemic importance of CCPs persists, especially with the gradual application of the clearing obligation and with growing competition in the sector. ESMA is undertaking different activities to strengthen robustness of CCPs and their supervision, such as ensuring common practices across CCP Colleges, annual stress testing exercises and mandatory peer reviews.
7. In addition to identifying priority areas, ESMA will continue in 2017 to promote working methods which are key to ensuring an effective supervisory dialogue and supervisory convergence work:
 - Further facilitating day-to-day contacts between NCAs through the continued promotion of discussions on 'live' cases dealing with emerging operational issues, as well as supervisory briefings and workshops.



- Follow-up activities on non-compliance or deficiencies identified which would include more systematic monitoring of NCAs' reported compliance with guidelines and engaging in a dialogue when non-compliance is maintained, as well as ensuring that recommendations issued in peer reviews are duly considered.
- Provision of remediation, which will depend on the number and intensity of the remediation cases.

3 Context for ESMA's Supervisory Convergence Work

3.1 Recalling ESMA's Mandate and Strategic Orientation

8. Regulation 1095/2010 (the Regulation) requires ESMA to foster supervisory convergence in order to improve the functioning of the internal market, including in particular a sound, effective and consistent supervision. The Regulation specifies a number of tools ESMA can use to achieve this aim, and enables it to devise additional tools where necessary.
9. Supervision by the NCAs together with a supervisory convergence steer at ESMA level are important to ensure that investor protection, orderly markets and financial stability are achieved in practice. Supervisory convergence contributes to ensuring that the EU Internal Market works effectively, by creating a level playing field and preventing regulatory arbitrage or a race to the bottom. In this context, ESMA's convergence work is also an important pillar for further developing the CMU.
10. Supervisory convergence does not mean that ESMA will aim to converge to a one-size-fits-all approach, however it does mean that it will promote the consistent and effective implementation and application of the same rules and the use of sufficiently similar supervisory approaches, including enforcement, for similar risks. The overall goal is to strive for comparable regulatory outcomes.
11. An important aspect of ESMA's work is to promote consistent approaches between the EU national competent authorities but also, when appropriate, with third country regulators. At times this will mean ESMA providing advice to the Commission on third country issues and helping NCAs to establish memoranda of understanding with third country regulators.
12. In its Strategic Orientation 2016-2020, ESMA undertook to focus more of its resources on supervisory convergence work during this period than had been possible in previous years given the extent of 'single rulebook' work in relation to new legislation. It also set out a number of parameters for what the work aimed to achieve, and how it should be done. These include:
 - a. increased resource and focus on supervisory convergence in relation to the single rulebook;
 - b. greater focus on up-front assistance to NCAs, alongside *ex post* review/remediation;
 - c. use of a wider range of tools for supervisory convergence;
 - d. clearer criteria for prioritisation;
 - e. enhanced internal governance to ensure coherence of strategy overall; and,

- f. ESMA also committed to setting out an annual supervisory convergence work programme to facilitate improved governance and complement the regulatory and direct supervision work programmes which cover other key aspects of ESMA's work. The supervisory convergence work programme also reflects the important input from risk assessment work, which is ESMA's fourth core activity.

3.2 The Regulatory Environment in 2017

13. The very intense legislative activity that characterized the years following the financial crisis has slowed down, notwithstanding the fact that some key new legislative texts are yet to come into application.
14. As in 2016, it is important to take account of the expected legislative and regulatory environment for the upcoming year as it may have an impact on supervisory convergence activities required from ESMA and the NCAs. As highlighted in the 2016 SCWP, the following is a non-exhaustive list of potential implications for NCAs and supervisory convergence work caused by the introduction of new legislation:
 - a. NCAs may need to acquire new technical expertise in previously unfamiliar areas and may face challenges in terms of prioritising and allocating resources to new responsibilities.
 - b. New legislation that expanded the scope of the regulatory perimeter may result in the need to identify and authorise a new population of firms or activities.
 - c. Further clarifications might be needed at ESMA level concerning consequences of newly adopted standards in terms of supervision (e.g. scope of standards and how they apply in specific situations).
 - d. NCAs need to be aware of and react to legislative or regulatory driven changes to firms' business models and activities.
 - e. New legislation may also encourage the development of new approaches to supervision which NCAs will need to consider implementing.
 - f. Input to the preparation of new legislation, particularly before it is finalised, will help ensure that the rules created can be effectively supervised once in force, helping reduce barriers to effective supervision.
15. In terms of specific legislative activity that will have an impact on supervisory convergence in 2017, ESMA has identified the following areas:
 - a. The delayed entry into application of MiFID 2/MiFIR, now set for January 2018, will have a high impact on NCAs and on ESMA's activities. In addition, ESMA still has to complete a sizable package of guidelines related to MiFID 2.

- b. In the post-trading area, rules relating to the clearing obligation under the European Market Infrastructure Regulation (EMIR) for certain asset classes of OTC derivatives have only started to apply in 2016, but the implementation of these rules will only really start capturing the majority of the market from 2017 onwards.
- c. ESMA will deliver draft technical standards to the Benchmark Regulation. It is worth noting that once the new legislation becomes applicable (end of 2017) benchmarks will be considered a new type of regulated entity by many NCAs and these will have to deal with authorisation or, exceptionally, registration of any benchmark administrators.
- d. Further to the entry into application of the Securities Financing Transactions Regulation (SFTR), ESMA is expected to deliver the relevant technical standards (RTS) in Q1 of 2017. Once these RTS become applicable, information on SFTs will become a new set of data available for the performance of NCAs' supervisory duties.
- e. ESMA has already received a mandate to deliver draft technical standards and technical advice under the Regulation on Money Market Funds, and expects to receive such mandates for the future Securitisation Regulation, Prospectus Regulation, and possibly others such as on CCP recovery and resolution.
- f. Outside of the more specific legislative changes already in the pipeline for 2017, uncertainty remains around the adoption of the technical standards that underpin the Regulation on key information documents for packaged retail and insurance-based investment products (PRIIPs).
- g. It is also worth taking note of the Fourth Anti-Money Laundering Directive which is due to be applied from 2017 (related work is being undertaken through the Joint Committee Sub-Committee on Anti-Money Laundering and Terrorist Financing)¹, and the new horizontal data protection legislation which will come into effect in 2018.

3.3 The Market Environment in 2017

- 16. ESMA's quarterly Risk Dashboard provides an assessment of the risk environment and the latest available report at the time of drafting this programme was published in December 2016. Risks identified in that report remain high in 2017, reflecting elevated risks for investors, infrastructures, services and the financial system at large and in particular very high risks in the securities market.

¹ However, the Commission proposed further revisions to the Directive in July 2016: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016PC0450&from=EN>

17. The evolution of the market environment in light of the outcome to the UK's EU membership referendum ("Brexit") has to be taken into account in looking to 2017.
18. Given a largely unchanged economic risk outlook for 2017 the focus of supervisory convergence work in 2017 is determined by a similar set of market and risk developments that were identified in the 2016 work programme. These are set out below:
 - a. Challenging economic climate for 'real economy' firms and uncertainty about demand, given low economic growth in EU and uncertainty following the outcome of the UK referendum. Businesses will be seeking low cost access to finance, whether through traditional capital markets (issuance activity increased) or alternative finance;
 - b. An environment of substantial monetary policy support reflected in very low interest rates and search for yield strategies among investors with particular dangers if retail investors do not understand the risks they are taking on with less familiar types of investment;
 - c. In securities markets, asset price valuations remain high, running ahead of fundamentals, exposing investors to sudden adjustments due to imbalances;
 - d. The low interest rate environment and the ongoing structural changes in the EU financial system are accelerating the transition towards a more market-based structure. A bigger and more interconnected "non-bank sector" will also require enhanced supervision, including of its stability risks;
 - e. The gradual entry into effect of the clearing obligation and bilateral margining requirements for OTC derivatives will increase the use of collateral in order to mitigate counterparty risk, which might spur further development of innovative market practices in the area of collateral management;
 - f. The clearing obligation also increases the shift of OTC derivative trades to CCPs, hence this increases importance and activity of CCPs and raises incentives on individual CCPs to compete;
 - g. Financial innovation, particularly in response to regulation and developments in technology, will likely continue to change the way in which financial markets operate, examples include automated advice, the use of artificial intelligence and the anticipated deployment of the distributed ledger technology.
19. This environment, showing similar economic trends to 2016, has been one of the underlying reasons to decide to maintain certain 2016 priority areas in the 2017 work programme, such as the continued focus on CCP supervision due to enhanced risk concentration in CCPs and the competition in the sector.

20. Continued attention will remain in terms of supervisory convergence to financial innovation, such as financial technology firms (“FinTechs”), crowdfunding or distributed ledger technology.
21. Low interest rate environment encouraging search for yield strategies, have been motivating certain work streams from an investor protection perspective, such as the continued work on financial contracts for difference (CFDs) and other speculative products.

3.4 NCAs Supervisory Priorities in 2017

22. Discussing NCAs’ supervisory priorities for 2017 is an important process which guides ESMA to focus on certain topics from a supervisory convergence perspective, especially for those topics having a cross-border impact and highlighted as priorities for several NCAs. For the preparation of this work programme, important background work has been undertaken taking stock of firm populations and NCAs’ regulatory remits, resourcing of supervisory activities, needs for guidance tools by ESMA and self-assessed compliance with existing ESMA guidelines. This work assists monitoring the effective implementation of the Strategic Orientation and has helped develop an appropriately targeted work programme.
23. This section gives an overview of the areas that are likely to be NCAs’ supervisory priorities for 2017.

2.4.1 New legislative requirements; in particular around preparation for MiFID2/MiFIR and application of MAR

24. The entry into application of the new MiFID 2/MiFIR requirements in early 2018 requires a substantive effort in terms of preparation and will remain a main supervisory priority for NCAs in 2017:
 - a. Preparatory work will be on-going to ensure the necessary support in relation to market infrastructures, to ensure their adaptation to the new requirements or the preparation to the authorisation of new infrastructures such as organised trading facilities (OTFs), approved publication arrangements (APAs), approved reporting mechanisms (ARMs) or data reporting service providers.
 - b. Investment firms’ supervision will be very much driven by the MiFID2/MiFIR preparatory actions. Supervisory activities in respect of current requirements will often be focused on paving the way to MiFID2/MiFIR, e.g. assessment of suitability of advice and appropriateness, the review of inducements, safekeeping of clients’ assets, investment research, product governance and product intervention.
25. Concerning the supervision of investment firms and market infrastructures, as the Market Abuse Regulation (MAR) entered into application in July 2016, NCAs have to continue facilitating and supervising an effective application of the new requirements.

The application of MAR also has a considerable impact on the supervision of issuers' activities meaning many NCAs will be working to address this.

26. In the area of market infrastructures, NCAs will also have to facilitate and supervise the implementation of other new legislations, such as ensuring compliance with Central Securities Depositories Regulation (CSDR) requirements.
27. On the issuers' side, another specific focus of national supervisory priorities in 2017 is on the supervision of requirements of the revised Transparency Directive; particularly in relation to disclosure of major holdings and disclosure obligations in general. Certain NCAs signalled that they will provide input to the revision of the Prospectus Directive.
28. Finally, NCAs will prepare for the implementation of the PRIIPs and the Benchmarks Regulation.

2.4.2 Supervision of investment funds

29. AIFMD and the supervision of related requirements is another important national supervisory priority in 2017.
30. NCAs will focus on a wide range of aspects, such as the establishment of a legal framework for sub-threshold AIFMs, registered AIFs and for companies providing fund administration services, the valuation of AIFM, interpretation/application of AIFMD issues, especially in relation to third country firms, the passporting activities under the AIFMD, the review of AIFMs adherence to their programme of activity, the analysis of business model of AIFM, the adjustment of supervisory methods and techniques for AIFMs and AIFs activities supervision and the regulation of AIFs and AIFMs which are under the threshold of AIFMD.
31. Several NCAs will also focus on the supervision of funds liquidity management, in particular in the context of low rate environment. Some also intend to focus on the supervision of remuneration procedures and of fees, such as performance fees and fees other than management fees.

2.4.3 Supervision of infrastructures, EMIR requirements

32. Beside preparing the entry into application of MiFID2/MiFIR and accompanying the implementation of MAR in relation to market infrastructures, NCAs will also dedicate resource to their supervisory activities on compliance with general EMIR requirements. The evolution of national market infrastructures will also be closely monitored by certain NCAs and in the supervision of CCPs, NCAs will pay attention to different aspects, such as risk management, stress test and follow up of recovery plans, to the implementation of CCP monitoring plans and to the involvement in CCP resolution work.

2.4.4 Data reporting

33. NCAs are also considering data reporting as a key element for the efficiency of their supervisory activities. This is particularly true in relation to data reported under EMIR

including to quality of data, homogeneity of data in general, development of tools to process market data from MiFIR and/or EMIR, MiFID and AIFMD in general, further improvement of AIFM data and analysis of UCITS and AIFMD data, vulnerability of market data.

2.4.5 Market developments

34. The low interest rate environment and the search for yield attitude will continue to serve as the backdrop for certain NCAs when deciding where to focus their attention. A number of NCAs will focus particularly on:
 - Monitoring of advertisements of complex products / high risk firms.
 - Monitoring of CFDs / Forex products.
 - Unauthorised business.
35. Another important area of focus for many NCAs will remain the supervision of crowdfunding platforms.
36. Some NCAs have reported that they will also pay increased attention to cross-border activities, passporting and supervisory arbitrage, in particular in the asset management sector.
37. Financial technology will be another important area of focus for some NCAs in 2017, in particular on ensuring a balance between innovation and investor protection as well as maintaining a level playing field. Some NCAs are also planning to focus on cyber risk and anti-money laundering will also be considered as priority by several NCAs.

2.4.6 Supervisory tools

38. In order to ensure efficient and effective supervision certain NCAs in 2017 are focusing on different issues related to risk based supervision. A number of NCAs will deal with supervision of tied agents and the large population of MiFID Article 3 firms falling under national legislation.

4 Parameters for the 2017 Work Programme

39. In the context of supervisory convergence, ESMA’s Strategic Orientation 2016 – 2020 stressed the need to move from strictly focusing on assessing the supervisory capabilities of NCAs, to a broader approach which draws on a wider range of supervisory convergence tools and includes the provision of increased ex ante support to NCAs. This guiding principle was used in the preparation of the 2016 SCWP and is continued in the current work programme.
40. ESMA has categorised the tools available for its supervisory convergence work into three broad categories. These tools are used both in bottom-up planning and in providing a top-down sanity check that ensures the right balance has been found when making supervisory convergence decisions.
41. The three categories are ‘preparatory’, ‘implementation’ and ‘assessment/remedial’ tools.

A Preparatory tools	B Implementation tools	C Assessment/remediation tools
<p>Preparatory tools are designed to help support the effective application of new rules or a response to new market developments, and to support the application of common basic standards of supervision.</p> <p>This can take the form of Guidelines, Opinions, Q&As, supervisory briefings, training of NCAs’ staff or application workshops.</p>	<p>Implementation tools are designed to understand how rules or market developments are being supervised in practice (this includes, where relevant, authorisation/licencing and enforcement action), to enable NCAs to improve the efficiency, effectiveness and consistency of current or future work, and/or to take action to address a live issue.</p> <p>This can take the form of thematic studies, common supervisory priorities, Joint action of NCAs, delegation agreements or warnings.</p>	<p>Assessment/remediation tools are designed to test whether supervision of rules or market developments is being carried out in line with expectations and/or to take action to address a situation where this appears not to be the case. This category includes the tools we use to formally assess whether NCAs’ supervision is effective.</p> <p>This can take the form of peer reviews, request for information, breach of Union law investigation, binding and non-binding mediation.</p>

42. In practice, there is some overlap between ‘preparatory’ and ‘implementation’ tools, and “assessment/remediation tools” sometimes form the last part of a cycle which in turn gives rise to a need for more “preparatory tools”. These distinctions are therefore not rigid but useful to clarify the objectives of different aspects of supervisory convergence work and identify the most appropriate types of tools to deliver those objectives. Given that guidelines are a key supervisory convergence tool, the 2017 SCWP describes for

each area (Sections 6 and 7) the guidelines that ESMA is planning to prepare in 2017. A general overview of these guidelines is provided in Annex III.

43. As in 2016, ESMA's resources will be predominantly focused on preparatory and implementation tools in 2017. Resources will continue to be allocated to assessment/remediation tools, however, this will remain a lower proportion than the other two categories of tools.
44. It is also important to stress that one of ESMA's projects for 2017 will be to create an Interactive Single Rulebook. It would be designed as an online tool to contain a comprehensive compendium of the regulatory framework in the financial services area falling under ESMA's remit. The objective is to increase transparency and enhance knowledge of applicable legislation and rules throughout the EU.
45. In order to enable prioritisation of supervisory convergence work ESMA has used the following criteria, which is also set out in ESMA's Strategic Orientation 2016- 2020, to determine how to focus its resources in those areas where it has discretion. These criteria enable us to identify areas where the greatest benefit can be obtained from action at EU level (see 1 to 3 below), and to identify factors which could help us deliver in the most effective way this convergence across the EU (see 4 to 6 below):
 - 1) Impact of supervisory effectiveness on investor protection/market integrity/financial stability;
 - 2) Value added of action at EU level e.g. passporting/cross border activity/reducing arbitrage;
 - 3) Potential to increase efficiency through joint/co-ordinated/delegated action;
 - 4) Opportunity for change where there are e.g. new market developments, new Level 1 legislation, stakeholder appetite for action, issue is "live" and needs resolution;
 - 5) Relevance to NCAs 'fit' with NCAs' own situation and priorities/working methods/identified needs/firm population;
 - 6) Feasibility taking into account the available resources, tools and other constraints.
46. However, planning supervisory convergence work brings challenges. Most activities linked to supervisory convergence are not driven by legislative deadlines. It is also natural that new issues will emerge in the market and that ESMA, like NCAs, needs to have the capability to respond to these. Some activities (for example, binding mediation) are 'demand led' and hence unpredictable. Where the need for consideration of a particular supervisory convergence problem is identified, it may be some time before it is clear what form the most appropriate response should take, and the outputs of such work may be less easy to identify, or to discuss publicly, than for single rulebook work.

5 Supervisory Convergence Priorities for 2017

47. Increased attention needs to be paid both by NCAs and ESMA in 2017 on a core package of priority areas identified for supervisory convergence. These priorities have been elaborated taking account of different factors which may impact on convergence priorities, and include: the market environment, legislative and regulatory developments, and NCAs' supervisory priorities. Further details on the impact of these factors are provided in the work programme.
48. At the time of drafting the 2017 SCWP, the monitoring of the implementation of the 2016 SCWP is still on-going. Therefore, recommendations resulting from this monitoring activity may instead feed into the discussions on the strategic orientation of the 2018 SCWP. Separately, the 2017 SCWP will need to remain flexible enough to address any important emerging challenges, including those that may be identified through the monitoring work of the implementation of the 2016 SCWP.
49. The core package of priorities, displaying some continuity with those in the 2016 SCWP, are set out below, along with the reasons for the choice of these areas and the key objectives for each area:

- 1) **Ensuring the sound, efficient and consistent implementation of key new EU legislation** by preparing for MiFID2/MiFIR and applying MAR (including the finalisation of the underlying IT infrastructure): Preparation for the delayed entry into application of MiFID2/MiFIR remains a priority and will require a high level of investment in terms of resources for NCAs and for ESMA in general. A lot of interpretative guidance will be developed in 2017, mainly taking the form of Q&As. ESMA will also work to provide certainty to market participants in respect of pre-trade transparency waivers, or position limits. Likewise, ESMA will conduct significant convergence activity in order to continue its work on ensuring the consistent application of new requirements under MAR. Convergence activities on this topic will also include the issuance of opinions and Q&As on accepted market practices².

Alongside this work, the key IT infrastructure underpinning the implementation of MiFID2/MiFIR and MAR will be finalised throughout 2017.

- 2) **Improving data quality** through focusing on NCAs' efforts to prepare for and to enforce compliance with various reporting requirements under EU legislation such as MiFID2/MiFIR, EMIR, AIFMD. This is even more important in a context in which the quality of data collected by one NCA has an impact on the quality of data available to other NCAs. Enhanced data quality will help NCAs make a better use of collected data when conducting market supervision and will contribute to building a common understanding of the use that NCAs can make of the collected data.

² These activities are detailed under the "Market integrity" section of the Thematic Overview

- 3) **Ensuring adequate investor protection in the context of cross-border provision of services:** Acknowledging that financial services are increasingly provided on a cross-border basis in the EU, ESMA is determined to ensure that retail investors receive the same level of protection independently of the location of the firm providing the services. This increased focus on investors who deal in a cross-border context is seen as an essential condition for safeguarding the free movement of services in the EU and a variety of initiatives are proposed to this effect. On the asset management side, ESMA will work on building common approaches to delegation functions under the UCITS Directive and AIFMD. In the context of investment services, work on the application of outsourcing requirements under MiFID2 will be undertaken. In addition, within the framework set by EU legislation defining the responsibilities of national authorities in a home-host relationship, ESMA will facilitate supervisory cooperation of authorities, including on issues related to passporting of services. To develop a common understanding around key issues concerning the supervision of speculative products, CFDs in particular, and passporting of services; ESMA will continue fostering exchanges of supervisory experiences amongst NCAs on these topics. Finally, this priority area also supports the CMU initiative.
- 4) **Ensuring effective convergence in the supervision of EU CCPs:** the potential risks linked to the increased systemic importance of CCPs persists, especially with the gradual application of the clearing obligation and with growing competition in the sector. ESMA is undertaking different activities to strengthen robustness of CCPs and their supervision, such as ensuring common practices across CCP Colleges, annual stress testing exercises and mandatory peer reviews.
50. In addition to identifying priority areas, ESMA will continue in 2017 to promote working methods which are key to ensuring an effective supervisory dialogue and supervisory convergence work:
- Further facilitating day-to-day contacts between NCAs through the continued promotion of discussions on 'live' cases dealing with emerging operational issues, as well as supervisory briefings and workshops.
 - Follow-up activities on non-compliance or deficiencies identified which would include more systematic monitoring of NCAs' reported compliance with guidelines and engaging in a dialogue when non-compliance is maintained, as well as ensuring that recommendations issued in peer reviews are duly considered.
 - Provision of remediation, which will depend on the number and intensity of the remediation cases. Reprioritisation of other supervisory convergence work might be needed to handle these cases. ESMA also stands ready to pursue breach of Union law investigations should appropriate cases be identified. Other actions through less formal mechanisms will also be considered should the circumstances warrant them.

6 Overview of Cross-Cutting Activities

51. This section provides more detailed information on the supervisory convergence activities envisaged in cross-cutting areas. Cross-cutting topics are those that sit at the intersection of different areas or are considered to be activities that cannot be fully allocated in advance to a particular area.

6.1 Improving Data Quality

52. Improving data quality will be a particular area of focus for ESMA in 2017. Attention will be paid to supervisory approaches and tools used by NCAs to prepare for and to enforce compliance with various reporting requirements under EU legislation such as MiFID2/MiFIR, EMIR, AIFMD. In the longer term, enhanced data quality will contribute to building a common understanding of the use that NCAs and ESMA can make of the collected data. In the aftermath of the financial crisis, NCAs and market participants face a complex reporting environment through the significant increase of data requirements.
53. Data quality is even more important in a context where the quality of data collected by one NCA has an impact to the quality of data available to other NCAs. For example, some transaction reports under MiFIR Article 26 collected by a competent authority responsible for the supervision of activities of a given investment firm, are subsequently forwarded to another competent authority responsible for the supervision of the market considered to be the most relevant in terms of liquidity for a given financial instrument. Similar logic would apply in the case of derivative contract data reported to trade repositories (TRs) under EMIR Article 9 or financial instrument reference data reported under MiFIR Article 27.
54. Activities aiming at enhanced data quality, in particular by ensuring completeness of data, are presented below:
 - a) NCAs must be ready by January 2018 to supervise investment firms' data reporting on suspicious transactions under the enlarged reporting scope set by MiFID2/MiFIR. To support the efficient and effective exchange of the necessary data for surveillance and investigation of potentially abusive behaviour with cross-border relevance, NCAs will continue to rely on the Transaction Reporting Exchange Mechanism (TREM) system which is being extended to accommodate the enlarged reporting scope³.
 - b) Under the EMIR transaction reporting regime where NCAs and ESMA have respective responsibilities for reporting counterparties and the TRs⁴, the Data Quality Action Plan (DQAP) will be continued in 2017. It will also include the amendment of the current methodology by adapting it to the reviewed technical standards on reporting under EMIR Article 9 (expected

³ Please also see "IT infrastructure to support convergence" section.

⁴ Please see the "Post-Trading" section.

to become applicable Q3/Q4 2017). To recall, the DQAP aims at improving the quality and usability of data (i) that is reported to the TRs by the counterparties and (ii) that is made available by TRs to ESMA and the NCAs. Beside these activities, ESMA will continue to facilitate systematic collection of relevant supervisory data, also through the project TRACE⁵.

- c) Development of the financial instrument reference data quality assessment methodology in order to harmonise fulfilment of the requirement foreseen in Article 5 of MiFIR RTS 23.

55. In addition, ESMA will develop other supervisory convergence measures, notably based on industry-led demand, (e.g. Q&As) in relation to the regulatory reporting requirements stemming from MiFIR Title IV, MAR Article 4, EMIR Article 9 and SFTR Articles 4 and 12 requirements. ESMA will also develop guidelines, subject to resource availability, which ensure that the application of Legal Entity Identifiers (LEIs) within the EU comply with international standards, in particular those established by the Financial Stability Board.
56. Taking into account the progress made through the Data Quality Action Plan and available resources, ESMA will consider launching a peer review before end 2017 on national supervisory actions regarding EMIR reporting of derivatives contracts by counterparties⁶.
57. As regards AIFMD, work will continue in 2017 to improve the availability and quality of data reported by NCAs on AIFMs and AIFs and analytical reports will be prepared with a view to identify and assess potential issues. Improving the availability of the data implies in particular that work will continue to help NCAs to solve the IT issues they may face when submitting AIFMD reports to ESMA. Improving the overall quality of the AIFMD information implies that work will continue to harmonise the contents and quality of the submitted information, which in turn implies identifying those items of the AIFMD reports which might not always be correctly reported, and suggest ways forward to address the corresponding issues (e.g. Q&As or reliance on best practices). Alongside this work and to encourage building a common understanding among NCAs on the use of data, ESMA undertakes analysis of AIFMD data towards the construction of risk metrics and indicators in the alternative funds industry.
58. Finally, ESMA has created different registers further to requirements enshrined in different EU legislative texts, such as on authorised and registered entities, or on sanctions disclosed to the public at national level under MiFID, UCITS and MAD⁷. One of the objectives of these registers is to facilitate the sharing of information among NCAs which have competence over a specific authorised or registered entity. Data quality in the different registers is diverse and NCAs' contributions to these registers vary. Certain registers will need to be updated in 2017 due to changes in legislation (impact of

⁵ These are presented in the "IT infrastructure to support convergence" section.

⁶ Please see section on peer reviews.



MiFID2/MiFIR, UCITS V, CSDR & MAR). In order to improve the collection and quality of the collected data, ESMA will promote the appropriateness of such contributions, as well as the use of LEIs.

6.2 IT Infrastructure to Support Convergence

59. This section briefly describes the IT delegated projects and other prioritised initiatives which have been grouped together given their significant contribution to the common objective of enhanced supervisory convergence. Delegated projects are those which would ordinarily be the competence of NCAs but which have been delegated to ESMA so as to create one centralised solution for all NCAs.
60. The development of a supporting IT infrastructure will continue as a high priority activity in order to support the coherent implementation of new MiFIR/MiFID 2 and MAR regulatory standards and to encourage convergent supervisory practices across the EU. In particular, delegated projects (MiFID 2 / MiFIR and MAR) will continue as a high priority in 2017, aiming for a go-live date of 3 January 2018.
61. More harmonised data collection and treatment promotes more coherent and better quality supervision in the EU. IT delegated projects and mutual IT solutions may also represent a cost effective solution for NCAs. Given the multi-annual nature of these IT projects, they form part of a multi-annual IT Work Programme which has the objective of ensuring a strategic long-term view on IT investments for ESMA.
62. During 2017 work will continue on the ongoing IT projects which are striving to assist the coherent implementation of key EU legislation. In this respect, the two ongoing delegated IT projects will be finalised over 2017 (these are the FIRDS and TRACE projects detailed below). ESMA is also planning to finalise other projects in 2017 (also discussed in further detail below).

Financial Instruments Reference Data (FIRDS) project

63. Through the FIRDS project, ESMA will:
 - a) collect financial instruments reference data which will be stored, processed and published by ESMA;
 - b) collect and store qualitative and quantitative information required for transparency calculations; and,
 - c) perform transparency calculations and publish the MIFIR transparency thresholds as well as manage the communication process of suspension of instruments from trading and restoration between NCAs, and the publication of the information regarding suspensions.
64. The project will be finalised gradually over 2017. The collection of financial instruments reference data through FIRDS will start in Q3 2017, followed by the collection of information permitting the launch of transparency calculations from January 2018.



Access to Trade Repositories Data (TRACE) project

65. The TRACE project promotes supervisory convergence across EU Member States by providing a unified access to transaction data held by TRs under EMIR legislation, i.e. a single point of access for querying and retrieving data from TRs. The aim is for it to be finalised in 2017, aligned with the entry into force of the revised technical standards on data reporting under EMIR.

Other projects will also be finalised in 2017 in the context of MiFID2/MiFIR implementation:

66. The current TREM system developed in 2007 for MIFID I purposes and operated by ESMA, will undergo substantial changes in order to align it with MIFID 2 requirements by end 2017. This is a system that permits NCAs to exchange transaction data in an automated manner for supervisory and enforcement purposes;
67. The Double Volume Cap project will allow the collection and publication of the volume of trading across Europe per equity instrument, and percentage of trading under transparency waivers. It promotes supervisory convergence by ensuring correct implementation of the double volume cap mechanism and a centralized publication of trading across Europe. This project is closely linked to the FIRDS delegated project;
68. Commodity derivatives data as covered by MiFID2/MiFIR provisions, requiring that ESMA receives weekly aggregated position reports from trading venues, trading commodity derivatives and emission allowances for publication on the ESMA website. This system will be delivered by end 2017 and will be operational as of January 2018;
69. Database of position management controls imposed by trading venues and position limits established by NCAs after communication received by NCAs. ESMA will maintain and publish on its website a database with summaries of position management controls and position limits. This system will be delivered by end 2017 and will be operational as of January 2018;
70. Continue the preparation of the entry into application of the SFTR, through the development of reporting messages and a reporting mechanism required under the SFTR regulation. The identification of business requirements for the new reporting system will be finalized by Q2 of 2017.

New projects:

71. Another area of focus is on new projects that are planned to be launched during 2017, including:
 1. "Settlement Fails and Settlement Internalisation" which covers the reporting obligation on Central Securities Depositories (CSDs) to the NCAs and relevant authorities (such as central banks) regarding data on settlement fails, as well as the reporting by settlement internalisers to NCAs regarding data on internalised settlement (depending on available resources);



2. The registration and publication of third-country firms which are permitted to provide investment services or to perform investment activities in the Union, as foreseen by MiFIR, Article 48.
 3. Concerning Benchmark regulation, ESMA is requested to establish and maintain a public register of Administrators and Benchmarks.
72. In addition, as part of its training programme for 2017, ESMA is foreseeing to provide training with regards to market data systems. In particular, training sessions will focus on the implementation of the FIRDS delegated project, the IT/data implications for NCAs with regards to the implementation of the MiFIR transaction reporting (TREM) and on the implementation of the TRACE IT Delegated Project with regards to Trade Repositories Transaction data (IT project implementation).

6.3 Financial Innovation

73. ESMA's work on financial innovation is focused on ensuring a coordinated approach to the regulatory and supervisory treatment of new or innovative financial activities in the securities markets. ESMA will continue to rely on the principles-based framework put in place and within which the analysis of financial innovation can take place. The framework is based on the three core objectives of ESMA - investor protection, financial stability and orderly markets. In turn, the analysis of financial innovation cuts across all sectors in which ESMA works. Supervisory convergence work may be particularly relevant in the context of supervision of new or innovative financial activities, where NCAs have no longstanding practices and are in the process defining their supervisory approach.
74. Financial Technology or 'FinTech' is a subset of financial innovation, and is a type of financial innovation that relies on information technology to function, e.g. the Internet, cloud etc. and that can result in new business models, applications, processes, products, or services with an associated effect on financial markets and institutions and the provision of financial services. ESMA has established a dedicated FinTech working group that seeks to monitor and share insight as to market, supervisory and regulatory FinTech developments.
75. ESMA monitors and assesses financial innovations which can, among other things, lead to supervisory convergence work. That programme will continue and develop in 2017. Dedicated work will continue to focus on facilitation of informal discussions on challenges faced in the authorisation and/or supervision of investment-based crowdfunding, through the Crowdfunding Supervisory Forum.
76. Another supervisory convergence component envisaged in 2017 is the focus on FinTech in general and in particular the continued analysis of applications of blockchain technology to support effective and consistent regulatory responses through the established Distributed Ledger Technology Task Force.

77. Lastly, work in 2017, will continue supporting applications with regards to MiFIR ‘product intervention’ powers⁸, including analysis of periodic market monitoring surveys and assessment of issues as appropriate⁹.

6.4 Third-Country Issues

78. Recognising the diversity of applicable third country provisions under different EU legislative texts and the lack of an equivalence regime in some of them, there is scope for clarifying the applicable legal framework and ensuring consistent supervisory approaches at an EU level. As such, ESMA will engage further in the work relating to third country provisions under different legislative texts.
79. Additional work will likely be required regarding third countries for several areas of MiFID and MiFIR. In the AIFMD context, ESMA is awaiting (further to the advice it provided in 2016) the Commission’s decision on the extension of the EU passport to certain third countries.
80. ESMA will also facilitate and coordinate the implementation of relevant aspects of the General Data Protection Regulation which may have an impact on the cooperation between EU NCAs and third country authorities. ESMA will help ensure the consistent and continued ability of NCAs to cooperate with international counterparts and prevent a negative impact on important cross-border regulatory work with third countries.

6.5 Towards More Convergent Approaches in Supervision and Enforcement

81. ESMA will continue to look for opportunities to increase knowledge-sharing in relation to overall supervisory and enforcement models and approaches.
82. In 2017, ESMA will work on improving its understanding of enforcement approaches and use of sanctions, which may include looking at how NCAs define the boundary between supervision and enforcement. In addition, resource permitting, ESMA may decide to engage in knowledge-sharing work on one or two of the following topics: home-host cooperation in supervision, cooperation and information exchange among NCAs, risk-based supervision, NCAs’ approaches to unauthorised activities.
83. ESMA will also further facilitate day-to-day contacts between NCAs through the continued promotion of discussion of specific ‘live’ cases on emerging operational issues.

⁸ Work on “product intervention’ powers” falls of the global effort of ESMA to prepare for the implementation MiFID2, please see the “Investor Protection and Intermediaries” section.

⁹ These activities are also dealt with under the “Intermediaries and investor protection” section.

84. The feasibility of facilitating targeted technical assistance could be further explored in the context of the European Commission's new funding programme.
85. The need may also arise to work on emerging issues and coordinate NCAs' actions.

6.6 Training and Workshops

86. A new aspect in the SCWP for 2017 is the intention to link training, which is considered by ESMA as an important tool for fostering supervisory convergence, in a clearer manner to the different convergence activities being carried out. More information on the training for each of the areas covered by ESMA can be found in the thematic overview section. For the overview of all planned training events please refer to Annex I of the SCWP.
87. ESMA will also organise various workshops for NCAs' experts which can have a similar effect to training in fostering supervisory convergence. These are also detailed under the thematic overview section. For the overview of all planned workshops events please refer to Annex II of the SCWP.

6.7 Making Use of Assessment Tools

88. In order to ensure supervisory convergence in certain areas, ESMA will make use of some remedial tools, such as peer reviews and follow-up work.

6.7.1 Peer reviews

89. ESMA will continue to use targeted peer reviews to assess NCAs' supervisory practices and compliance with EU law, technical standards and ESMA guidelines. Certain thematic peer reviews are mandated by EU legislation and ESMA will continue undertaking the annual mandatory peer review exercise under EMIR on CCPs' authorisation and supervision. Further mandatory peer reviews might need to be launched under AIFMD and CSDR.
90. Like in the past, ESMA will continue undertaking peer reviews in a discretionary manner under Article 30 of the Founding Regulation. The current and known future topics for peer reviews are included in the relevant sections. Our priority for the first half of 2017 will be to conclude the peer review on the ESMA Guidelines on enforcement of financial information and for Q3 2017 to complete the peer review on the Guidelines on the compliance function under MiFID.
91. In order to ensure that sufficient resources are devoted to embedding the other aspects of the supervisory convergence strategy and to ensure that peer reviews are appropriately targeted and co-ordinated with the rest of the work programme; ESMA will commence a new peer review once any one of the current peer reviews is concluded.



This new review will cover the “compliance with Guidelines on ETFs and other UCITS issues”¹⁰.

92. A second peer review may be initiated later in 2017, once the second of the currently on-going peer reviews concludes. Depending on the progress made in the context of the Data Quality Action Plan and if resources are available, this may focus on “national supervisory actions regarding EMIR reporting of derivatives contracts by counterparties”.

6.7.2 Follow-up work and remediation

93. ESMA will give increased attention in 2017 to ensuring that follow-up actions are taken by NCAs in situations where follow-up activities on non-compliance or deficiencies are identified. This would include a systematic monitoring of NCAs’ reported compliance with guidelines and engaging in a dialogue when non-compliance is maintained, and in ensuring that recommendations issued in peer reviews are duly considered. In this vein, ESMA will establish what follow-up actions have been taken by NCAs further to the recommendations of the peer review on the ESMA Guidelines on suitability requirements under MiFID.
94. ESMA will also provide remediation and depending on the number and intensity of the remediation cases, reprioritisation of other supervisory convergence work might be needed to handle such cases. ESMA will also continue ensuring readiness to pursue a breach of Union law investigation should an appropriate case be identified, or through other less formal mechanisms.

6.8 Joint Committee Related Work

95. ESMA will continue to contribute to the supervisory convergence related work of the Joint Committee, such as work that would come up related to the PRIIPs, home-host cooperation, big data or handling of complaints by NCAs.

¹⁰ For further details, see the section on “Investment management”.

7 Overview of Thematic Activities

96. This section provides more detailed information on the supervisory convergence activities envisaged in each area ESMA works on. Some work streams launched in 2016 are still on-going and will be finalised in 2017. Certain activities are indicated to be undertaken as far as resources allow. It should also be noted that, in taking account of longer term priorities, some work streams are likely to continue into 2018.

7.1 Corporate Finance

97. In the corporate finance area, EU legislation and linked ESMA guidance provide operational details on how NCAs should undertake their supervisory activities - this contributes greatly to supervisory convergence. In past years, further to the elaboration of technical standards, a lot has been done through the drafting of Q&As relating to the Prospectus and Transparency Directives. While preparation of guidance, such as guidelines and Q&As, will continue in 2017; emphasis will also be given to the use of other convergence tools such as: discussions on cases, emerging issues, capacity building through the organisation of workshops and training sessions.
98. In terms of the new activities to be undertaken in 2017, ESMA will focus on the drafting of guidelines for the new Prospectus Regulation (topics to be determined by the final legislative text). This will likely occur towards the end of 2017 as well as during 2018.
99. Regarding follow-up activities to the work undertaken as part of the 2016 SCWP and which will continue in 2017, the priority activities envisaged are:
- a) Finalising the follow-up to the targeted peer review on the prospectus approval process (in two phases). The first phase will focus on risk factors, comprehensibility, omission of information and specific disclosure items. The second phase will focus on procedural tools;
 - b) Providing guidance to NCAs and/or market participants on application of Alternative Performance Measures Guidelines where questions arise in relation to prospectus related items;
 - c) Follow-up on the use of the standard form in relation to the disclosure of Home Member State in the transparency area;
 - d) Follow-up on the thematic convergence study on Major Holdings Notifications under the Transparency Directive (TD), by using appropriate instruments in order to increase convergence in identified areas and, where convergence is not possible due to nature of TD, publish NCA rules for the benefit of the market.
100. Finally, and in terms of regular or annual activities, ESMA will continue to maintain and develop Q&As in both the prospectus and transparency areas. ESMA will also update the consolidated list of issuers identifying their correct home Member State under the

TD in order to make it easier for NCAs to identify and resolve problems with issuers in cross-border situations. Across all areas within corporate finance, ESMA will continue to promote an ongoing exchange of experiences, such as supervisory issues, including through “tour de table” discussions. More specific discussions will cover cases and current and emerging issues including changes to national legislation (either anticipated or materialised changes). Subject to resource availability, ESMA will carry out a high-level review of the supervision of corporate governance reports; set-up workshops in the area of corporate governance on the application of the revised Shareholder Rights Directive (SRD), subject to revision of SRD being finalized by early 2017, and; establish a dataset on Pan-European takeover activity and subsequent supervisory activity by Takeover Bids Network members.

7.2 Corporate Reporting

101. Corporate Reporting is an area where supervisory convergence has been a top priority over many years. A unique and comprehensive approach has been developed where NCAs agree on an annual basis on supervisory priorities, so called “common enforcement priorities”, that are taken into account when NCAs set their own national priorities for the upcoming year. This annual exercise will be conducted again in 2017. Like in previous years, a yearly report will be prepared on enforcement activities. While usual convergence activities will be maintained, a specific peer review will be finalised on the guidelines on the enforcement of financial information and increased co-operation between accounting and auditing enforcers will be fostered. Activities in the area of accounting will include:

- a) Monitoring the implementation of the Guidelines on Enforcement of Financial Information by continuing and completing the Peer Review of selected guidelines;
- b) Monitoring the application and implementation of the Guidelines on Alternative Performance Measures relevant from a corporate reporting perspective;
- c) Issuing of a statement on the yearly common enforcement priorities, monitoring the implementation of the priorities for the year before;
- d) Producing an annual report on enforcement activities, including analysis of specific indicators of enforcement activities performed by its NCAs;
- e) Review of the application of specific standards as part of contribution to the IASB;
- f) Activities with regards to auditing will include chairing the working group of the Committee of European Audit Oversight Bodies (CEAOB) which will assess the equivalence and adequacy of third-country public audit oversight bodies according to Article 46 of the Audit Directive. During 2017, ESMA is also planning to enhance co-operation and contribute to supervisory convergence between audit and accounting enforcers, with the common objective of investor protection.

7.3 Investment Management

102. Given that there is currently less legislative activity in the asset management area than in previous years (with the notable exception of the Money Market Funds Regulation), the investment management workstreams in 2017 are mainly aimed at continuation of the work started in 2016, or a follow-up of those activities¹¹. ESMA will continue to devote more and more resources to supervisory convergence and, in particular, to the sound, efficient and consistent application of the AIFMD. A wide range of activities will be undertaken in this context in 2017, in particular on delegation arrangements (i.e. the use of third party service providers by fund managers), improving data quality, and elaborating common procedures on leverage limits.

103. Priority activities in this area will therefore include:

- a) Common approaches to delegation of collective portfolio management and depositary functions under the UCITS Directive and AIFMD, including promoting a common understanding of the “substance” requirements for UCITS management companies and AIFMs;
- b) Follow-up to the consultation on asset segregation under AIFMD;
- c) Development of a common procedure for the operation of the powers to impose leverage limits on an AIFM or group of AIFMs;
- d) Information gathering and sharing of experiences on supervisory actions in relation to liquidity management tools; and
- e) Development of common practices on fees and expenses of investment funds (subject to resource availability).

104. In addition, work will continue to support the consistent application of the UCITS framework, with consideration given to the development of common approaches to the rules on eligible assets in the UCITS Directive.

105. Some work is envisaged which will be of relevance to the convergence of practices under both UCITS and AIFMD, in particular a possible follow-up of the thematic study on the operation of home and host responsibilities under those Directives. This work is particularly relevant from the perspective of creating a Capital Markets Union in the EU. Depending on the precise findings of the study, it may be appropriate to develop best practices or similar convergence tools.

¹¹ Work will continue on improving the availability and quality of data on AIFMs and AIFs and starting to use analytical reports to identify and assess potential issues. All work streams in relation to data issues are presented in the section “Data related issues”.

106. A peer review will be launched on the “Compliance with Guidelines on ETFs and other UCITS issues”, with a possible focus on the guidelines on efficient portfolio management (EPM) techniques.
107. ESMA will also assess the opportunities for stress testing in the fund industry and possible stress testing methodologies, in co-operation with the NCAs.
108. In addition, as part of its training programme for 2017, ESMA is planning to provide two training courses that will provide an overview of the most important provisions of the relevant legislation:
 - a) training on overview of the UCITS Directive;
 - b) training on overview of the AIFMD.

7.4 Investor Protection and Intermediaries

109. Most of the work that will be undertaken in 2017 is still directly linked to the preparation of the entry into application of the MiFID2/MiFIR package as of January 2018. Intense work will need to be undertaken in drafting and finalising ESMA guidance (mostly in the form of Q&As but also certain guidelines as on product governance) fostering implementation in a consistent manner across the EU. The preparation for the entry into application of MiFID2/MiFIR will also be accompanied by capacity building activities such as the organising of application workshops. Another area for continued attention will be home-host supervisory cooperation, in particular in the supervision of CFDs and other speculative products. Further work will be also developed in the Joint Committee context on the subject of home-host cooperation. Supervisory convergence work in areas other than those linked to the interpretation of MiFID2/MiFIR will be largely postponed to 2018.
110. A peer review will be finalised in Q3 2017 on the requirements set for the compliance function under MiFID.
111. Similar priorities as those set in 2016 will continue in 2017 and continued consideration will also be given to initiatives set out in the European Commission’s Capital Markets Union Action Plan, such as the study on cost and performance of investment products.
112. The first area of focus is to continue supporting preparation for the sound, efficient and consistent implementation and supervision of MiFID2/MiFIR. Within this area, the high priority activities for 2017 will be:
 - a) Preparation of Guidelines and Q&As on MiFID 2 topics to support preparation for the sound, efficient and consistent implementation and supervision of MiFID 2/MiFIR;
 - b) Development and finalisation of guidelines on product governance requirements. The focus of the work will be on the identification and assessment of the target

market by manufacturers and distributors. The development of guidelines does not preclude the possibility of accompanying the work with Q&As on other aspects of the product governance requirements;

- c) Promoting the sharing of experiences by organising 'application workshops' in relation to the practical application of the main MiFID 2 areas, including for example one or more of the following areas: the application of outsourcing requirements under MiFID 2; the use of telephone records in day to day supervision; the supervision on independent advisers; the supervision of firms' remuneration policies and practices; the reporting by firms to NCAs; the analysis of the complexity of specific types of financial instruments; the monitoring methods of conditions for initial authorisations. The output of the application workshops will depend on the nature of the issues identified, but may include, for example, updated or new supervisory briefings to disseminate good practices on specific areas or new sets of guidelines;
- d) Continuation of joint work with the EBA to finalise mandatory guidelines on the management body of investment firms (Article 9 MiFID 2);
- e) Contributing to preparatory work for the use of the MiFIR product intervention powers and preparation of investor warnings should the need emerge. Work will continue in preparation for the new power under MiFID2/MiFIR permitting regulators to ban or restrict the marketing, distribution or sale of certain financial products, or to intervene in relation to certain financial activities;
- f) Organising training sessions for NCA staff on MiFID 2 investor protection topics.

113. Another area of focus for 2017 is to follow up on work undertaken with regards to financial CFDs and other speculative products in order to continue monitoring risks arising from these products to retail investors and foster the exchange of supervisory experiences amongst NCAs (CFD forum), which also includes experiences relating to the passporting of services.

114. In addition, tasks are planned for 2017 to take into account changes between MiFID 1 and MiFID 2 such as reviewing the existing set of guidelines and Q&A prepared under MiFID 1 to assess compatibility with MiFID 2.

7.5 Market Integrity

115. In the area of market integrity, the supervisory convergence work will be largely influenced by the fact that the new MAR/MAD legislation entered into application recently, in July 2016. The work will be shifting from Single Rulebook related activities to more concrete supervisory convergence work, such as Q&As, organising application workshops, in-depth workshops on specific themes, discussion on cases/emerging issues. In the context of Benchmarks Regulation, work will be of preparatory nature for its consistent application.

116. Three main objectives of the supervisory convergence activities are envisaged in 2017:

117. The first and the highest priority area is on ensuring a sound and consistent application of MAR (and its respective implementing measures) and on promoting the effective implementation, supervision and enforcement of MAR.

118. Work in this area will include the following activities:

- a) Using part of the agenda at the meetings of relevant committees as “application workshops” to identify issues, and monitor and resolve issues previously identified. Depending on the outcome of the application workshops, supervisory briefings or other guidance materials may then be prepared. In particular, work will continue on the interaction between market supervisors and banking/prudential supervisors in relation to MAR disclosure requirements;
- b) Preparing Q&As in response to questions raised by NCAs and market participants, in particular on investment recommendation and on disclosure of inside information;
- c) Reviewing the existing CESR guidance on the application of the 2003 Market Abuse Directive (MAD) to establish whether it is still appropriate in light of the new MAR regime;
- d) Preparing one or two ‘in depth’ workshops on particular issues for NCA staff directly involved in the supervision of market abuse;
- e) Preparing ESMA opinions on accepted market practices to be adopted by the Board of Supervisors within 2 months from the notification;
- f) Monitoring of accepted market practices applications under MAR for the annual report to the European Commission required under Article 13 MAR;
- g) Collecting data on measures, sanctions and investigations, including collecting aggregated information on sanctions and measures imposed under MAR for publication in the ESMA annual report as required under Article 33(2) and collecting aggregated information on investigations undertaken under MAR;
- h) Conducting the annual survey on Suspicious Orders and Transactions Reporting in order to ensure mutual information of NCAs and discuss how the quality of the reporting can be improved and continuing the survey exercises conducted under previous MAD.

119. The second area of focus is on preparing for and promoting a sound and consistent application of the Benchmarks Regulation (BMR). Work in this area will include:

- a) Preparing the voluntary guidelines envisaged under the BMR on oversight function, input data, transparency of methodology and governance and control requirements for supervised contributors for non-significant benchmarks;

- b) Preparing Q&As on aspects of the Benchmarks Regulation as needed;
- c) Preparing ESMA's opinion / Q&As on the assessment of NCAs to recognise a benchmark as critical within 6 weeks of receipt of the notification;
- d) Participating and coordinating activities in the critical benchmark college(s);
- e) Providing training to NCAs on the implementation and application of the BMR;
- f) Preparing ESMA's advice concerning the written arrangements of future benchmark colleges.

120. The third area is on facilitating coordinated and consistent action in relation to ongoing market abuse issues, in relation to short selling and benchmarks through the ongoing application of a range of existing tools. The activities in this area should not only allow the building of common culture on market integrity supervision and enforcement but also facilitate day-to-day contacts between NCAs.

121. Work in this area will include the following activities:

- a) Systematic tour de table in the Market Integrity Standing Committee (MISC) to present and exchange information on investigations carried out and enforcement actions taken by NCAs, discuss cooperation issues (e.g. approaching firms in another EU/EEA jurisdiction) and help NCAs in terms of practical supervision;
- b) Using the written procedure of "call for views" to seek input on live cases;
- c) Using the "urgent issue group" procedure, if need be, to manage cross-border investigations or parallel investigations on matters of common interest;
- d) Preparing a report (technical advice) assessing the effect and impact of the Short Selling Regulation (SSR), based on a mandate from the European Commission and adding to/updating Q&As as needed;
- e) Coordinating short term bans on short selling under Article 23 and of national emergency measures under Article 27, where an ESMA opinion is required, and setting up possible remedial action through settlement of disagreement (conciliation and binding mediation);
- f) If an appropriate situation arises, using ESMA's own powers to restrict short selling if the conditions set out in Article 28 are met, and preparing the ESMA decision;
- g) Establishing and maintaining a public register of administrators;
- h) Establishing and maintaining the list of competent authorities designated to carry out the duties under the BMR.

122. Finally, considerable work is on-going in the market integrity area on data related issues that are developed in details under the specific section dedicated to data issues under the cross-cutting issues.

7.6 Post-Trading

123. EMIR has been in force since August 2012. ESMA initially focussed its work on single rulebook activity before gradually shifting its focus to supervisory convergence activities in the post-trading area. The well-established and wide range of supervisory convergence tools will continue to be applied in 2017, such as the on-going coordination work among CCP Colleges, the annual mandatory peer review on CCPs, the annual stress testing exercise, the continued update of Q&As and the issuance of relevant opinions or other supervisory convergence instruments. Supervisory convergence work of a more interpretative nature will need to be undertaken in the context of the Central CSDR and later on the SFTR.
124. Four main areas of focus are envisaged for 2017:
125. The first area of focus remains the strengthening of CCP resilience thus ensuring the sound, efficient and consistent supervision of CCPs. The importance of CCPs is growing following the entry into force of the clearing obligation for certain classes of derivatives and the upcoming entry into force of such obligation for other classes of derivatives. It is therefore still a key priority to ensure that CCPs are consistently supervised, that they are resilient and that commercial incentives do not lead CCPs to compete on risk grounds. Among others, there is a need to enhance convergence concerning the supervision of portfolio margining¹². Activities in this area will include:
- a. Co-ordinating between competent authorities and across colleges in order to facilitate the consistent and correct application of EMIR through its participation in colleges. Such participation enables ESMA to identify common issues and express recommendations in order to contribute to the development of a common supervisory culture and approach as well as promoting a common application of the standards. ESMA also has to validate any significant change to the models and parameters applied by CCPs;
 - b. Continuing to provide interpretative aids through Q&As, policies, procedures, opinions, guidelines and recommendations and to raise awareness good practices identified in relation to the common issues identified in CCP colleges;
 - c. Initiating and coordinating an annual Union-wide stress test exercise for CCPs based on defined stress scenarios;

¹² Peer Review under EMIR Art. 21 Supervisory activities on CCPs' Margin and Collateral requirements, December 2016, p.30

- d. Carrying out and monitoring the follow-up of an annual peer review, as required by EMIR Article 21(6)(a), consisting of a detailed assessment of how effectively all NCAs supervising at least one CCP supervise specified CCP requirements. Following-up on findings related to margin practices and application of anti-procyclicality measures.

126. The second area of focus is on ensuring the consistent application of CSDR and sound efficient and consistent supervision of CSDs. This is particularly important considering the pivotal role of CSDR for enhancing the legal and operational conditions for cross-border settlement in the EU, especially because of the technical standards gradually starting to apply in 2017 and beyond. In 2017, the work will continue to focus on CSD requirements and cooperation between competent authorities, as well as on settlement discipline measures, and internalised settlement reporting. Work in this area will include:

- a) Issuing of guidelines under the CSDR covering:
 - standardised procedures and messaging protocols in order to prevent settlement fails (Art. 6);
 - consistent, efficient and effective supervisory practices within the Union in relation to the settlement discipline requirements under CSDR (Article 8);
 - cooperation between competent authorities and relevant authorities in the different assessments necessary for the application of the CSDR (Art. 14);
 - consistent application of participant default rules and procedures (Art. 41).
- b) Issuing guidelines on other identified areas covering:
 - the access by a CSD to a CCP or a trading venue;
 - the determination of relevant authorities for CSDs;
 - the process for the collection and calculation of the indicators for determining the substantial importance of a CSD for a host Member State;
 - the reporting on settlement fails;
 - the reporting architecture and exchange of information between ESMA and other competent authorities regarding internalised settlement.
- c) Developing Q&As and possibly procedures, policies, opinions on CSDR application;
- d) Co-ordinating between competent authorities by setting common supervisory priorities regarding the supervision of CSDs participating in TARGET2-Securities;

- e) Training on specific topics in line with the different requirements in the RTS, especially in relation to CSD authorisation and settlement discipline.

127. The third area of focus is on ensuring the sound and consistent application of other EMIR requirements¹³. Activities in this area will include:

- a) Defining and coordinating common supervisory actions by NCAs and ESMA;
- b) Continuing monitoring compliance with the clearing obligation;
- c) Continuing monitoring the activity of non-financial counterparties and their systemic relevance;
- d) Agreeing common procedures and criteria to manage notifications for intragroup exemptions intragroup exemptions from bilateral margin requirements;
- e) Developing procedures, policies, Q&As and opinions in the scope of the Bilateral Margin Requirement Delegated Regulation, in collaboration with the ESAs where applicable;
- f) Continuing issuing opinions in consultation with EIOPA on pension schemes exemptions;
- g) ESMA will also deliver an annual report to the European Parliament, the Council and the Commission on the penalties imposed by competent authorities with regards to EMIR requirements.

128. The fourth area of focus, starting in 2017 and continuing in 2018, relates to enhancing transparency of shadow banking activities, in particular on securities financing transactions. On this topic, starting in 2017 ESMA will partly focus on finalising the technical standards under the SFTR and only after this work is completed, ESMA will start the work on the consistent implementation of this regulation. Subject to timely endorsement of the technical standards, ESMA is also envisaging to develop Q&As and possibly procedures, policies and opinions within the scope of the SFTR. In addition, ESMA plans to commence the preparation to establish convergent practices on submission of information on penalties imposed under SFTR.

7.7 Secondary Markets

129. Most of the work that will be undertaken in 2017 is still directly linked to the preparation of the entry into application of the MiFID2/MiFIR package as of January 2018. Intense work will need to be undertaken in drafting guidance, mostly in the form of Q&As, to help implementation in a consistent manner across the EU. The preparation to the entry

¹³ Some of the activities are closely linked to those presented in the section dealing with “Data related priorities: focus on data quality”.

into application of MiFID2/MiFIR will also be accompanied by capacity building activities such as arranging training. Supervisory convergence work other than those areas linked to the interpretation of MiFID2/MiFIR will be largely postponed to 2018.

130. For 2017, the main focus within the secondary markets area will be on continuing to prepare for the consistent application of MiFID 2 and MiFIR, as well as their respective implementing measures (collectively known as the 'MiFID framework') and coordination of NCAs within this remit. This activity shall be run in parallel to the ongoing supervisory convergence work with respect to MiFID 1 (e.g. publishing the annual transparency calculations or reviewing applications of pre-trade transparency waivers).
131. In addition, ESMA will take the initiative to provide certainty to market participants before the end of 2017 with respect to two areas of particular significance in which MiFID2/MiFIR has changed the requirements: pre-trade transparency waivers and position limits.
132. Work in this area will include the following activities to implement obligations placed on ESMA by the legislation:
 - a) ESMA will provide guidance on the application of MiFID 2/MiFIR via Q&As covering a broad range of issues, including transparency, market structures and commodity derivatives issues;
 - b) Finalisation of two sets of mandatory guidelines before the entry into application of MiFIR/MiFID 2, on the management bodies of trading venues [MiFID Article 45(9) of MiFID 2] and data reporting services providers [Article 63(2) of MiFID 2] and on the calibration of trading halts [Article 48(13) of MiFID 2]¹⁴;
 - c) Designing procedures for and preparing the opinions which ESMA is required to produce on waivers from pre-trade transparency for equity, equity-like instruments, and non-equity instruments under MiFIR, and for the temporary suspension of transparency requirements for non-equity instruments in case of a significant decline in liquidity across a class of financial instruments;
 - d) Publication of the transitional calculations for the purpose of the equity and non-equity transparency regime;
 - e) Putting in place the necessary arrangements for ESMA to publish data on the volume and percentage of trading in equity instruments under the reference price waiver and the negotiated trade waiver;
 - f) Designing procedures for and preparing an opinion on whether the position limits set by each NCA comply with Level 1 and 2 of MiFID 2;

¹⁴ SMSC is considering to publish together with those mandatory Guidelines two other sets of closely related Guidelines at its own initiative on (i) the format of the reports on trading halts' parameters from NCA to ESMA and (ii) the dissemination of information regarding the activation of volatility mechanisms on a specific trading venue.

- g) Designing procedures for and preparing an opinion within 24 hours, where an NCA decides to set more restrictive limits than those implied methodology in the RTS;
 - h) Issuing opinions on position limits and transparency waivers ahead of MiFID 2 application;
 - i) Publication of the figures of the total trading activity in the EU for the different commodity derivatives so as to facilitate identifying when dealing on own account should be considered as ancillary to the main activity;
 - j) Designing procedures and preparing for cases where ESMA may need to restrict a person's position in or exposure to a particular commodity derivative;
 - k) Designing and preparing for implementation of ESMA's responsibility to monitor various market developments and NCA activities;
 - l) Until the entry into application of MiFIR/MiFID 2, ESMA will also continue to prepare ESMA opinions on proposed waivers from the MiFID 1 pre-trade transparency requirements as well as performing other ongoing work under MiFID 1.
133. Additional support and training will be provided as far as resources allow on key elements of the MiFID 2/MiFIR regime, in particular:
- a) ESMA will arrange a training course providing an overview of MiFID 2, selecting the most important provisions of the legislation;
 - b) ESMA will also arrange a training course on MiFID/MiFIR implementation based on examples from some NCAs' and ESMA's work on implementation, including operational obligations to be performed by ESMA/NCAs for policy experts.

8 Conclusion

134. The 2017 SCWP, set out above, constitutes the second consecutive annual work programme on supervisory convergence, in line with ESMA's 2016-2020 Strategic Orientation.

135. In 2017, NCAs and ESMA will have to provide increased attention to a core package of priority areas identified for supervisory convergence. As discussed in this document, these priorities have been elaborated taking account of the different factors which may have an impact on convergence priorities, and include: the market environment, legislative and regulatory developments, and NCAs' supervisory priorities. Displaying some continuity with those in the 2016 SCWP, the 2017 priorities also emphasise the improvements required in the quality of data collected by NCAs under different EU legislative texts as well as on ensuring adequate investor protection in the context of cross-border provision of services.

136. With that in mind, and by way of summary, ESMA's key priority areas are:

- 1) Ensuring the sound, efficient and consistent implementation of key new EU legislation by preparing for MiFID2/MiFIR and applying MAR (including the finalisation of the underlying IT infrastructure);
- 2) Improving quality of data collected by NCAs;
- 3) Ensuring adequate investor protection in the context of cross-border provision of services;
- 4) Ensuring effective convergence in the supervision of EU CCPs.

137. Finally, it should be noted that further factors not detailed in this document may also influence the development and implementation of the 2017 SCWP, such as the developing situation in markets as a consequence of the UK Referendum on leaving the EU (Brexit). While it is highly uncertain what the future will bring, there might be practical implications for firms' location decisions which, potentially, may raise the risks of regulatory or supervisory arbitrage. Evaluating the concrete impact of Brexit on supervisory convergence activities will be important in the future, and will not be limited to the period covered by this work programme.

138. The 2017 SCWP will need to remain flexible enough to address any important emerging challenges.



Annex I : ESMA 2017 External Training Programme

ESMA 2017 external training programme

Cross-sector seminar

	Course title	Target group	Course objectives	Date
1.	Securitisation	Experts dealing with or interested in Securitisation	Participants will get an update on (upcoming) EU legislation and international standards, including: the mapping of Structured Finance ratings (to be completed by the end of 2015) and ESMA's approach on the reform of the EU securitisation markets (EU future regulation on securitisation).	Q2
2.	Working with the ESA`s	All interested staff of the NCAs	The seminar will help participants to understand the work of the ESAs and also to support them in working with the ESAs.	Q2
3.	Commodity Derivatives, CCPs, High Frequency Trading	All interested staff of the NCAs	A joint training of ESMA and EBA	Q3-Q4

Sectoral seminars

	Course title	Target group	Course objectives	Date
4.	Transparency Directive - Seminar in the area of major holdings	NCAs staff who are involved in the notification process and perform scrutiny on the notifications of major holdings as part of their day-to-day tasks	Overview of the changes to the Transparency Directive following its review and discuss the application of exemptions, definitions and experiences in the application of TD rules during the life-cycle of a major holdings notification.	31 January 2017
5.	MiFID II / MiFIR IT implementation (Business experts)	NCAs' IT staff (or subject matter experts) involved in the implementation of the IT/data implications of MiFID II / MiFIR	MiFID II / MiFIR provisions having IT/data implications for NCAs and how to implement them, with a particular focus on the implementation of the FIRDS delegated project. This session is for NCAs' business experts that will use daily the system's end user interfaces.	Q1
6.	MiFID II / MiFIR transaction reporting IT implementation (IT experts)	NCAs' IT staff (or subject matter experts) involved in the implementation of the MiFIR transaction reporting (TREM)	The seminar aims to give an overview of IT/data implications for NCAs with regards to the implementation of the MiFIR transaction reporting (TREM). The training will cover details related to the new data format (ISO 20022 XML), data validation rules, routing rules, the updated HUB interface.	28 February 2017
7.	Access to Trade Repositories Transaction data - IT project implementation	NCAs' business experts involved in the implementation and the use of the TRACE delegated project.	The seminars focusing on the implementation of the TRACE IT Delegated Project.	Q2-Q3



8.	Overview of MiFID II (markets and investor protection)	Junior supervisory and policy staff working with MiFID	An updated re-run of the successful training of 2016. This seminar aims to give a broad overview of the MiFID by selecting the most important provisions of the legislation, including provisions aimed at protecting investors (such as advice, information to clients, product governance and inducements as well as organisational requirements for firms).	June 2017
9.	Prospectus approval process	NCA prospectus readers	An updated re-run of the successful training of 2016. Participants in the seminar will increase their familiarity with ESMA's guidance in relation to prospectus scrutiny and have the opportunity to learn about the working methods of other NCAs.	Q3-Q4
10.	MiFID/MiFIR: implementation (markets and investor protection)	Supervisory and policy staff working with MiFID	Implementation (and transposition) of MiFID II based on examples from some NCAs' and ESMA's work on implementation, including operational obligations to be performed by ESMA/NCAs for policy experts. Special focus will be given to the implementation of investor protection topics.	Q4
11.	Overview of UCITS	Junior supervisory and policy staff working in the area of alternative investment funds.	An updated re-run of the successful training of 2016. This seminar aims to give a broad overview of the UCITS Directive by selecting the most important provisions of the legislation such as the organisational requirements applicable to UCITS management companies, risk-spreading rules, the Key Investor Information Document and cross-border operations such as the management company and marketing passports. Participants will also be given a presentation on the likely future developments in the UCITS framework.	Q4
12.	AIFMD overview	Junior supervisory and policy staff working in the area of alternative investment funds.	An updated re-run of the successful training of 2016. This seminar aims to give a broad overview of the AIFMD by selecting the most important provisions of the legislation such as the organisational requirements, risk management, transparency, leverage, rules applicable to third countries and cross-border operations such as the management company and marketing passports.	Q4
13.	CSD Regulation	Policy and supervisory experts	Targeted seminars on specific topics related to the implementation of CSDR, after publication of the CSDR Level 2 measures in the Official Journal of the EU.	2017
14.	Introduction to Data I and II	All interested staff of the NCAs	<ul style="list-style-type: none"> - Introduction to Data I: Data Governance, Data Architecture, Data Storage and Operations, Data Security, Documents and Content; analysis, design, building, testing, maintenance. - Introduction to Data II: Data Modelling and Design, Data Integration and Interoperability, Reference and Master Data, Data Warehouse and Business Intelligence, Metadata, Data Quality. 	2017



15.	Supervisory perspective on promoting competitiveness in financial services	National securities regulators, financial services authorities, competition authorities and other agencies and bodies with an interest in competition law and policy at national and EU level.	The seminar aims to consider how different authorities, agencies and supervisors can promote competitiveness. It would discuss some of the work being undertaken at EU level by the ESAs and the European Commission to ensure effective competition and reduce the scope for regulatory arbitrage, including specific provisions to stimulate competition in the CRA industry and to promote competition between trade repositories. It would also consider Member States' experience of promoting competitiveness in financial services markets and other regulated industries and the experiences of financial services authorities with the power to enforce competition law such as the UK's FCA, which applies financial services regulation and competition law concurrently.	2017
16.	Benchmarking	All interested staff of the NCAs	Training on the implementation and application of the Benchmark Regulation.	2017



Annex II: ESMA 2017 Workshops Programme

In addition to live-case discussions that are to constitute a standard agenda item for ESMA Groups and trainings organised for NCA staff, ESMA will facilitate workshops in certain areas which are presented below.

Workshops by thematic area			
	Area	Objective(s)/Outcome(s)	Title
1.	Corporate Finance	Supporting application of the revised Shareholder Rights Directive (SRD), subject to revision of SRD being finalized by early 2017	Workshops in the area of corporate governance on the application of the revised Shareholder Rights Directive (SRD), subject to revision of SRD being finalized by early 2017 and resource availability.
2.	Investor Protection and Intermediaries	Continuing supporting preparation for the sound, efficient and consistent implementation and supervision of MiFID2/MiFIR. The output of the application workshops will depend on the nature of the issues identified, but may include, for example, updated or new supervisory briefings to disseminate good practices on specific areas or new sets of guidelines.	Promoting the sharing of experiences by organising 'application workshops' in relation to the practical application of the main MiFID 2 areas, including for example one or more of the following areas: the application of outsourcing requirements under MiFID 2; the use of telephone records in day to day supervision; the supervision on independent advisers; the supervision of firms' remuneration policies and practices; the reporting by firms to NCAs; the analysis of the complexity of specific types of financial instruments; the monitoring methods of conditions for initial authorisations.
3.	Market Integrity	Ensuring a sound and consistent application of the Market Abuse Regulation (MAR) (and its respective implementing measures) and on	Preparing one or two 'in depth' workshops on particular issues for NCA staff directly involved in the supervision of market abuse.



		promoting the effective implementation, supervision and enforcement of MAR.	
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Annex III: ESMA Guidelines Planned to be Developed in 2017

	Name of Document	Relevant Legislative Text
1.	Guidelines on the oversight function	Benchmark Regulation
2.	Guidelines on the Input data	Benchmark Regulation
3.	Guidelines on the transparency of methodology	Benchmark Regulation
4.	Guidelines on the governance and control requirements for supervised contributors for non-significant benchmarks	Benchmark Regulation
5.	Guidelines on the access by a CSD to a CCP or a trading venue	Central Securities Depositories Regulation (CSDR)
6.	Guidelines on the determination of relevant authorities for CSDs	Central Securities Depositories Regulation (CSDR)
7.	Guidelines on the process for the collection and calculation of the indicators of substantial importance	Central Securities Depositories Regulation (CSDR)
8.	Guidelines on CSD participants' default rules and procedures	Central Securities Depositories Regulation (CSDR)
9.	Guidelines on cooperation	Central Securities Depositories Regulation (CSDR)
10.	Guidelines on reports on settlement fails	Central Securities Depositories Regulation (CSDR)
11.	Guidelines on the reporting on internalised settlement	Central Securities Depositories Regulation (CSDR)
12.	Guidelines on the standardised procedures and messaging protocols to be used in order to prevent settlement fails	Central Securities Depositories Regulation (CSDR)
13.	Guidelines on supervisory practices regarding the enforcement of settlement discipline requirements	Central Securities Depositories Regulation (CSDR)
14.	Article 9 MiFID 2 - Guidelines on the assessment of the suitability of members of the management body and key function holders (joint with EBA)	Markets in Financial Instruments Directive (MiFID)
15.	Guidelines on MiFID 2 product governance requirements	Markets in Financial Instruments Directive (MiFID)

16.*	Guidelines on certain aspects of the MiFID II suitability requirements	Markets in Financial Instruments Directive (MiFID)
17.	Guidelines on the management body of market operators and data reporting services providers	Markets in Financial Instruments Directive (MiFID)
18.	Guidelines on the calibration, publication and reporting of trading halts	Markets in Financial Instruments Directive (MiFID)
19.	Guidelines to ensure that the application of legal entity identifiers within the Union complies with international standards, in particular those established by the Financial Stability Board	Markets in Financial Instruments Regulation (MiFIR)
20.	Article 25 – Guidelines: establish common reference parameters of stress test scenarios	Money Market Funds Regulation