

PRESS RELEASE

ESMA faces new set of challenges in 2021

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, has published its [2021 Work Programme](#) (WP), setting out its priorities and areas of focus for the next 12 months in support of its mission to enhance investor protection and promote stable and orderly financial markets.

The WP has been developed against the background of a changing landscape for ESMA, including the movement in the regulatory cycle towards supervision and enforcement. For 2021, ESMA's planned activities will respond to the challenges faced by the EU, its capital markets and its citizens, including developing the retail investor base to support the CMU, promoting sustainable finance and long-term oriented markets, dealing with the opportunities and risks posed by digitalisation, strengthening the EU's role in global capital markets and ensuring a proportionate approach to regulation.

Steven Maijor, Chair, said:

“ESMA faces another year of change in 2021, not only in terms of its regulatory responsibilities but also organisationally.

“On the regulatory front we have more supervisory responsibilities, following the ESA's Review, for certain central counterparties, benchmarks and securitisation repositories, in addition to our existing supervision of credit rating agencies and trade repositories, while much of our single rulebook and supervisory convergence work will focus on supporting the development of the Capital Markets Union and addressing the impact of both COVID-19 and Brexit on the EU's markets and investors.

“Organisationally, ESMA will change too, with a new senior management team scheduled to take office by the second quarter next year as both I, and Verena Ross, leave our roles after an eventful and successful 10 years. We will also welcome the members of the new CCP Supervisory Committee and see significant growth in our staff numbers.



“Today’s programme sets out an ambitious schedule for 2021, which I believe allows ESMA to contribute to addressing the challenges facing the EU’s capital markets by meeting our stability, orderly markets and investor protection objectives.”

ESMA will continue to implement its strategic orientation, by taking into account the legislative amendments completing the review of the ESAs, which increase the focus on supervisory convergence, give a higher profile to investor protection and entrust the direct supervision of certain benchmarks and data service providers to ESMA.

During 2021, in addition to transversal themes implementing ESMA’s new mandates, the key areas of focus under its activities of supervisory convergence, assessing risks, single rulebook and direct supervision will be:

1. **Supervisory Convergence** - priorities will be to build an EU common risk-based and outcome-focused supervisory culture. Areas of focus will include fund liquidity risk and liquidity management tools, retail investment products costs and performance, quality and usability of data, supervision of ESG reporting and ESG data usage, and the implementation of EMIR.

In terms of peer reviews, ESMA expects to work on peer reviews on supervision of cross-border activities of investment firms, NCAs’ handling of relocation to the EU27 in the context of the UK’s withdrawal from the EU, supervision of CCPs, supervision of CSDs, and on the scrutiny and approval procedures of prospectuses;

2. **Risk Assessment** – emphasis on integrating the new focus on financial innovation and ESG into ESMA’s risk analysis, providing data for risk-based supervision and to support policy and convergence work. We will continue to monitor the impact on markets of the (post) COVID-19 pandemic and Brexit;
3. **Single Rulebook** – priority areas will include legislative reviews of MiFID and AIFMD and identifying possible rulebook changes in support of the CMU. Additionally, following the EMIR review and the EMIR Refit changes, review technical standards where necessary which, depending on market developments, may include the clearing thresholds and obligation; and
4. **Direct Supervision** - focus on third country central counterparty supervision as critical financial market infrastructures under EMIR 2.2 and prepare for the new supervisory mandates regarding Benchmarks and Data Service Providers.



Notes for editors

1. [ESMA20-95-1273 2021 Work Programme](#);
2. ESMA is the European Union's securities markets regulator. Its mission is to enhance investor protection and promote stable and orderly financial markets.

It achieves these objectives through four activities:

- i. assessing risks to investors, markets and financial stability;
 - ii. completing a single rulebook for EU financial markets;
 - iii. promoting supervisory convergence; and
 - iv. directly supervising specific financial entities.
3. ESMA achieves its mission within the European System of Financial Supervision (ESFS) through active cooperation with the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), the European Systemic Risk Board, and with national authorities with competencies in securities markets (NCAs).

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