



# SPOTLIGHT ON MARKETS

OCTOBER 2021 N°28

**ESMA addresses investment  
recommendations made on  
social media platforms**

## **INVESTMENT RECOMMENDATIONS**

ESMA makes clear what investment recommendations are, how to post them on social media platforms, and what the consequences of possible breaches of the EU Market Abuse Regulation can be.

## **PUBLICATIONS**

Your one-stop-shop information source in the world of EU financial markets brings together the latest reports, proposals and statements.

## **THE MONTH AHEAD**

The speaking appearances of ESMA staff in November cover topics like Sustainable Finance, Fund Management, ESMA Regulation and Corporate Reporting.

# IN THIS ISSUE

Do you use social media to talk about investments and trading? Did you know that sharing and contributing to off and online discussions can be considered as investment recommendations under EU law, and that there are specific rules apply when giving such advice?

In this month's issue, we highlight ESMA's Statement on Investment Recommendations on social media. The statement explains the rules that apply in situations where someone spreads information proposing an investment decision about EU financial instruments (e.g. stocks or bonds) aimed at a broad audience.

On 3 November we were happy to welcome Verena Ross on her first day as the new Chair of ESMA. She starts a five-year term, renewable once, in a time when ESMA embarks on a new chapter with more supervisory powers and focus on sustainable finance, digitalisation, and Capital Markets Union. Read about her background and her thoughts on the future of ESMA.

In addition to the statement on investment recommendations on social media, key publications in October include [ESMA's Public Statement on European Common Enforcement Priorities](#), [ESMA's final report for STS synthetic securitisation notifications](#), [ESAs' proposal on new rules for taxonomy-related product disclosures](#), [ESAs' sectoral reports on the supervisory independence of competent authorities](#), and [ESAs' call for evidence regarding the PRIIPs](#).

A full overview of all publications can be found in the newsletter, together with information on next month's speaking appearances of ESMA staff, consultations closing in November, and vacancies. For updates, follow us on [Twitter](#) and [LinkedIn](#).

## ESMA IN OCTOBER

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# Verena Ross takes up her duties as Chair of ESMA



*I feel very privileged to take on the role of ESMA Chair at such an exciting time. I look forward to leading this wonderful organisation as it faces an ambitious agenda driving regulatory alignment and supervisory convergence, acting as a direct supervisor, and dealing with new challenges and opportunities in the European capital markets.*

**On 1 November, Verena Ross started in her new position as Chair of ESMA. As the Chair she is responsible for representing the Authority as well as chairing ESMA's Board of Supervisors and the Management Board.**

## **Career path**

Ms Ross previously served ten years as ESMA's first Executive Director, where she oversaw the day to day running of the organisation. Throughout her career, she has gained deep experience of financial markets and their regulation and supervision across various jurisdictions – at national, European, and international level.

Ms Ross is a German national. Following studies in Hamburg, Taipei and London (SOAS) she began her career at the Bank of England in 1994, where she worked as an economist and then banking supervisor.

In 1998, she joined the Financial Services Authority (FSA) Executive Chairman's office during the regulator's start-up phase and was briefly a seconded advisor to the Hong Kong Securities and Futures Commission in 2000. She subsequently held various positions in the Markets Division and was Director of the Strategy & Risk Division before becoming Director

of the International Division in 2009.

Ms Ross was part of the FSA's senior management team and since 2007 also a member of its Executive Committee and the Executive Policy and Risk Committees.

## **ESMA the next five years**

Working closely with the members of the Board of Supervisors and the team of committed colleagues, she is ready to build upon the successes of the past and to ensure that ESMA fulfils its mission of protecting European investors and safeguarding stable and orderly financial markets. Today, more than ever, collective work with national supervisors and other European authorities is needed to create a strong European capital market to the benefit of European business and European citizens.

Ms Ross will for the next five years concentrate on providing the strategic direction for ESMA, on chairing the Board of Supervisors and Management Board, on representing ESMA externally and on developing and maintaining the key partnerships with ESMA's institutional stakeholders, and the relationships with ESMA's public and private interlocutors.

# DO YOU USE SOCIAL MEDIA TO TALK ABOUT INVESTMENTS AND TRADING?

Sharing and contributing to off/online discussions can be considered as **investment recommendations** under EU law. Specific **rules** apply when giving such advice.



**EU Market Abuse Regulation**



## **ESMA addresses investment recommendations made on social media platforms**

On 28 October, ESMA issued a **Public Statement on investment recommendations made on social media**. ESMA makes clear what investment recommendations are, how to post them on social media platforms and what the consequences of possible breaches of the EU Market Abuse Regulation can be.

Investor protection is at the core of ESMA's objectives together with financial stability and ensuring stable and orderly markets. Following a rise in investment recommendations made on social media and a concern that retail investors are not aware of the risks associated with following such recommendations, ESMA considers that investment recommendations must be produced and disseminated in an objective and transparent way so that investors, before making any investment decision, can distinguish facts from opinions. It is also crucial that investors are able to easily identify the

source of information and any conflicts of interest of those making the recommendations.

Anneli Tuominen, former Interim Chair, said:








*In times where social media platforms are a key source of information for retail investors, I believe it is important that they should be aware of the risks associated with relying on recommendations disseminated on social media when making investment decisions.*

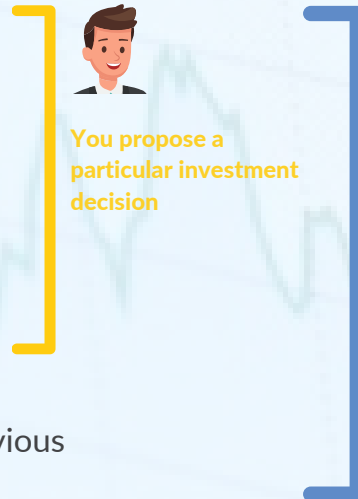
*The aim of the Statement is also to remind those who recommend investments on social media and other similar platforms of the applicable rules and what happens when those are not respected.*



If the rules relating to investment recommendations are not adhered to, there can be fines or further supervisory actions, which in case of dissemination of false or misleading information may potentially include the referral to Public Prosecutors for market manipulation.

# HOW TO POST INVESTMENT RECOMMENDATIONS ON SOCIAL PLATFORMS?

-  Disclose your identity
-  Disclose your sources, distinguish facts, interpretations, and price targets
-  Indicate date and time
-  Disclose any interests or conflicts of interest
-  Summarise methodology, planned updates, previous recommendations etc.



## WHAT HAPPENS IF THE RULES ON INVESTMENT RECOMMENDATIONS ARE NOT RESPECTED?

-  Misleading information → Risk of market manipulation
-  EU national regulators proactively track conduct, orders, and transactions by investors
-  The EU Market Abuse Regulation is not respected →  fines  
 referral to Public Prosecutors
-  Rules always apply, even in the case of disclaimers (e.g. claiming something is not an investment recommendation and/or someone is not an expert)

# PUBLICATIONS



Click to read the news items

**29**  
Oct ESMA makes new bond liquidity data available and publishes data for the systematic internaliser calculations

**18**  
Oct European Supervisory Authorities publish sectoral reports on the supervisory independence of competent authorities

**29**  
Oct European enforcers target COVID-19 and climate-related disclosures

**15**  
Oct Verena Ross appointed Chair of the European Securities and Markets Authority

**28**  
Oct ESMA addresses investment recommendations made on social media platforms

**14**  
Oct Anneli Tuominen speaks at the ESAs annual ECON Committee Hearing

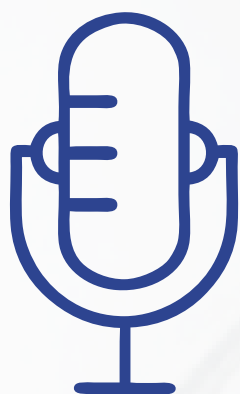
**22**  
Oct ESAs propose new rules for taxonomy-related product disclosures

**12**  
Oct Final Report for STS synthetic securitisation notifications

**22**  
Oct CCP Supervisory Committee Chair delivers keynote speech at the second EACH CCP Risk Management Summit

**1**  
Oct ESMA seeks stakeholder input on shaping advice on retail investor protection

**21**  
Oct ESAs invite stakeholders' input on PRIIPs review



# SPEAKING APPEARANCES

by ESMA staff in November

	EVENT	ORGANISER	SPEAKER
5 Nov	CMVM Annual Conference	CMVM	Natasha Cazenave, Executive Director
5 Nov	Lesson at the Master in financial regulation	LUISS Guido Carli University, Rome	Isabella Cortesi
9 Nov	MFA Global Summit 2021	Managed Funds Association (MFA)	Evert van Walsum
9 Nov	IFRS Symposium	Westbridge Business Media AB	Alessandro d'Eri
9-10 Nov	Software Cost Estimation Summit (SCES '21)	Cosmic	Paul Hussein
15 Nov	European Buy Side Risk Managers Forum	Global Association of Risk Professionals (GARP)	Julien Mazzacurati, Adrien Amzallag
16 Nov	Meeting for Chief Compliance Officers and Heads of General Counsel at global asset management firms	European Institute	Antonio Barattelli

	EVENT	ORGANISER	SPEAKER
17 Nov	European Workshop of the Institutional Investor Legal Forum	Institutional Investor	Salvatore Gnoni
17 Nov	AIMA Global Policy and Regulatory Forum	AIMA	Patrik Karlsson
18 Nov	Meet the Experts 2021	Informa Connect	Isabelle Grauer-Gaynor
19 Nov	EFAMA 27th Investment Management Forum	EFAMA	Natasha Cazenave, Executive Director
19 Nov	DSW's ESG Conference 2021	DSW	Verena Ross, Chair
19 Nov	Colloque sur la régulation financière	La Sorbonne	Natasha Cazenave, Executive Director
24 Nov	RegTech Convention 2021	BearingPoint	Nikolay Arnaudov
25 Nov	EFFAS CESG Conference	European Federation of Financial Analyst Societies (EFFAS)	Isabelle Grauer-Gaynor
30 Nov	FT Global Banking Summit	Financial Times	Verena Ross, Chair



# CONSULTATIONS



Closing

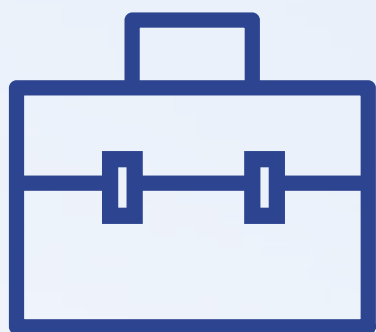


19/11/21

Consultation Paper on the review of certain aspects of the Short Selling Regulation

The full list of consultations and reply forms can be found on the [ESMA consultations page](#)





# OPEN VACANCIES

## POSITION

## DEADLINE

Senior Policy Officer  
(Investor Protection and  
intermediaries profile)

**29/11/21**

Traineeship notice –  
Legal profile (F/M)

Open call  
(without a specific deadline)

Traineeship notice –  
Transversal profile (F/M)

Open call  
(without a specific deadline)

Traineeship notice -  
Financial Markets Profile  
(F/M)

Open call  
(without a specific deadline)

All open vacancies can be found on [ESMA's recruitment portal](#)



# CONTACT INFO



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