



Annex to the Statement
by Steven Maijoor, Chair of ESMA
to the ECON hearing, 30 September 2013

Facts and figures
from September 2012 to September 2013

1. The regulatory agenda: EU single rulebook

In relation to ESMA's statutory objective of building a single rulebook for the EU and ensuring its effective implementation across the EU, the Authority has undertaken the following work since September 2012:

- 39 Technical Standards: 38 technical standards under EMIR and 1 technical standard under AIFMD;
- 14 sets of Technical Advices to the European Commission:
 - 6 on third country regulatory equivalence (Hong Kong, Switzerland, Singapore, Australia, Japan and the USA) and 1 technical advice on fees for Trade Repositories under EMIR;
 - 1 on the evaluation of the impact of the Short Selling Regulation as part of the review to be conducted by the Commission;
 - 5 under CRA regulation (regulatory equivalence on Argentina, Brazil, Mexico, Hong Kong and Singapore);
 - 1 on possible delegated acts concerning the Prospectus Directive as amended by the Directive 2010/73/EU.
- 11 sets of Guidelines and Recommendations on :
 - scope of the CRA Regulation;
 - key concepts of the AIFMD;
 - sound remuneration policies under the AIFMD;
 - model Memorandum of Understanding (MoU) concerning consultation, cooperation and the exchange of information related to the supervision of AIFMD entities;



- reporting obligations under Articles 3(3)(d) and 24(1), (2) and (4) of the AIFMD;
 - UCITS and ETFs under UCITS;
 - remuneration policies and practices under MiFID;
 - establishing consistent, efficient and effective assessments of interoperability arrangements under EMIR;
 - written agreements between members of CCP colleges under EMIR;
 - market making under the Short Selling Regulation;
 - Prospectus directive.
- 119 Questions and Answers (Q&As): 47 Q&As on EMIR implementation and 72 Q&As on Short Selling.

In carrying out these tasks ESMA has ensured that all relevant **stakeholders** had the opportunity to provide input into our policy development process, through open **public consultations**, interaction with various stakeholder associations – representing both investors, consumers and market participants - and by soliciting the views of the Securities Markets Stakeholders Group – which represents consumers, financial services users, academics, small and medium-sized enterprises, market participants and financial services firms employees.

2. Supervision of Credit Rating Agencies (CRAs) and Trade Repositories (TRs):

- Since September 2012, 6 CRAs have been registered or certified. ESMA now supervises 22 CRAs and 2 certified CRAs. Amongst the 22 registered CRAs, 3 operate under a group structure, totalling 16 legal entities in the EU, which means that the total number of CRA entities registered in the EU is now 35. ESMA is examining pending applications for registration.

As regards on-going supervision, ESMA:

- published its annual supervisory report, which includes ESMA's findings following its bank rating methodology investigation, and its supervisory work program for 2013;
- finalised an individual investigation on the internal controls of a CRA and is currently conducting investigations, including on-site inspections, regarding certain aspects of the sovereign rating process, monitoring of structured finance ratings and small and medium-sized CRAs;
- identified a number of entities which appeared to be operating as a CRA in the EU without being registered. This exercise has been part of a broader program of activity designed to improve guidance on the scope of the Regulation and to give clarity on ESMA's approach to perimeter activities. Following the publication of the guidance in June 2013, there will be no tolerance for CRAs conducting rating activities without registration;



- appointed in 2 instances an independent investigating officer to investigate serious indications of possible existence of facts liable to constitute one or more of the infringements set out in the CRA Regulation.
- Since March 2013, we have received multiple applications for TRs. ESMA expects to register the first TRs in the course of November 2013.

3. Promoting supervisory convergence

ESMA has supported supervisory convergence by:

- conducting 2 peer reviews of national authorities' activities in order to assess the degree of convergence in the application and enforcement of EU law. These reviews concern the regime for Money Market Funds and the supervisory practices under the Market Abuse Directive;
- organising 31 training sessions, gathering 854 participants. ESMA has been offering e-learning courses and tutorials for about 300 users (e.g.: High frequency trading, Implementation of the AIFMD as well as seminars on supervision and enforcement);
- hosting the Joint ESAs Consumer Protection Day on 25 June 2013 with about 250 participants.

Moreover, since September 2012, ESMA has:

- revised 10 new requests for a pre-trade transparency waiver in equity markets;
- issued 9 Opinions on subjects related to emergency measures, AIFM, prospectuses, short selling and CDSs, CCPs, UCITs and pre-trade Transparency.

4. Investor protection

In addition to MiFID guidelines to enhance investor protection issued in 2012 and 2013, ESMA has:

- Issued 2 investor warnings regarding the internet distribution of financial products in order to alert retail investors on tangible risks related to aggressive selling/marketing techniques used by firms on the internet; and a joint ESMA-EBA warning to retail investors about the dangers of investing in CFDs;
- collected and analysed data on financial consumer trends;
- co-organised the Joint Consumer Day.



5. Financial stability and crisis management

Over the last 12 months, ESMA has:

- together with EBA published principles to address the problems identified with benchmark-setting processes by providing benchmark users, administrators, calculation agents, publishers and data submitters with a common framework for carrying out these activities. The application of the Principles also helps in the transition to the future EU legal framework for benchmarks. In addition, ESMA and EBA have reviewed the EBF-EURIBOR system and provided recommendations for improving their benchmark-setting processes.
- issued 2 reports on Trends, Risks and Vulnerabilities in the EU;
- published 4 Risk Dashboards;
- contributed to the 2 Joint Reports on Risks and Vulnerabilities in the European Union published by the Joint Committee of the ESAs;
- participated in the drafting of 2 IOSCO Risk Reports.

In addition ESMA has participated in several European Systemic Risk Board (ESRB) Working Groups on financial stability topics.

6. ESMA's role in the field of international cooperation

ESMA is continuing its engagement on the reform of financial markets at the international level. Examples include the participation in the international coordination of OTC derivatives reform, and participation in work-streams of the Financial Stability Board¹ and in the working groups of the International Organization of Securities Commissions (IOSCO).

ESMA became a Permanent Observer in the Board of the IOSCO in September 2013.

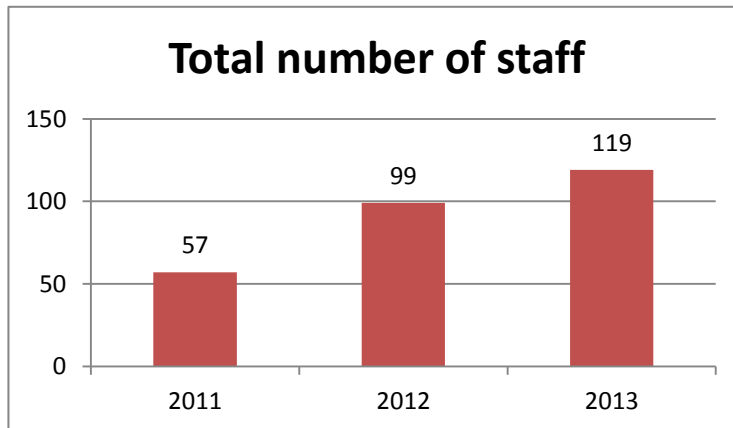
Moreover, during the last year ESMA negotiated and concluded agreements between EU securities regulators and their global counterparts with responsibility for the supervision of AIFMs, including hedge funds, private equity and real estate funds:

- ESMA negotiated the Memoranda of Understanding (MoUs) on behalf of the 31 EU and EEA national competent authorities for securities markets supervision and concluded agreements with 42 non-EU authorities²;
- Following the negotiations, national securities regulators in the EU with responsibility for the supervision of the AIFMs, have signed over 1.000 supervisory MoUs with non-EU authorities.

¹ Eg: development of an international Legal Entity Identifier (LEI) mechanism.

² The content of the ESMA MoUs follow the IOSCO Principles on Cross-Border Supervisory Co-operation of 2010, and complements the terms and conditions of the IOSCO Multilateral MoU Concerning Consultation and Co-operation and the Exchange of Information of 2002. ESMA had originally contacted all the authorities that have signed the IOSCO MMoU of 2002. ESMA continues to negotiate the MoU with other non-EU authorities, including those from China, Russia and South Africa.

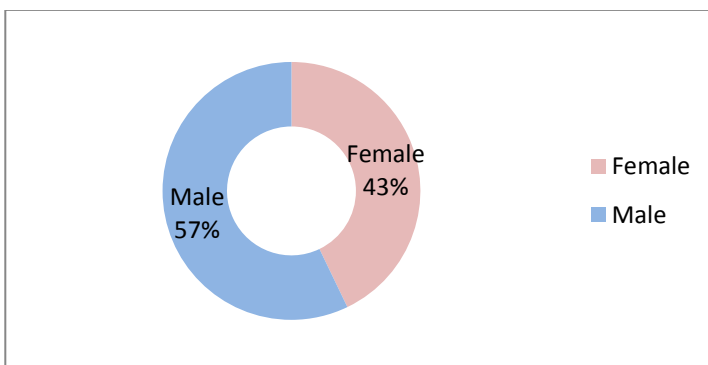
7. ESMA as an organisation: (Year 2013: number of Staff as of 23 September 2013)



Staff per Division/Unit:

	CRA³	EFS	IAR	LCC	MKT	OPS	SMT	Grand Total
TA ⁴	16	8	13	8	14	21	10	90
CA	4	2	1	2	2	6		17
SNE	1		5	4	2			12
Grand Total	21	10	19	14	18	27	10	119

Gender equilibrium:



³ CRA = Credit rating agency Unit; EFS = Economic research and financial stability Unit; IAR = Investment and reporting Division; LCC = Legal, cooperation and convergence Unit; MKT = Markets Division; OPS= Operations Division; SMT = Account, communication, internal control and PA to Chair and ED.

⁴ TA = Temporary agent, CA= Contract agent, SNE = Seconded national expert.



22 nationalities:

Country	Number of staff
Austria	2
Belgium	2
Bulgaria	3
Czech Republic	1
Germany	13
Denmark	1
Spain	8
France	27
United Kingdom	8
Greece	10
Hungary	3
Ireland	5
Italy	17
Lithuania	1
Latvia	2
Netherlands	2
Poland	1
Portugal	5
Romania	4
Sweden	1
Slovakia	2
Norway	1
Total	119