

TERMS OF REFERENCE

IT Management and Governance Technical Committee (ITMG)

1. ESMA achieves its mission to enhance investor protection and promoting stable and orderly financial markets 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.
2. In order to fulfil its mission, the Board of Supervisors has established the IT Management and Governance Technical Committee (ITMG). The Terms of Reference cover the responsibilities and tasks of this group and the Procedures for ESMA groups (ESMA/2011/BS/236 rev2) set out the rules concerning its structure, governance and working methods.
3. In line with the ESMA 2020-2022 Strategic Orientation (ESMA22-106-1942), the ITMG will consider in all its activities how to (i) contribute to a larger retail investor base to develop the Capital Markets Union, (ii) promote sustainable finance and long-term oriented capital markets, (iii) develop digital finance as an opportunity for market participants and regulators, (iv) achieve a proportionate approach.

Responsibilities

4. The ITMG contributes to ESMA's work on any pan-European related IT project stemming from EU legislation (either current or future), involving National Competent Authorities (NCAs), and other IT areas where ESMA's Board of Supervisors considers it necessary to collaborate. In particular, the ITMG will take on the following tasks:
 - Promote supervisory convergence in the development and implementation of new regulatory and supervisory standards by contributing, in cooperation with Standing Committees, to standardisation and harmonisation in terms of data exchange, data collection and regulatory reporting:
 - Technical data standards and reference data;
 - Review and advice on the business requirements defined by Standing Committees;
 - Perform impact assessments when changes are introduced by Standing Committees to business requirements (new or updated requirements). Changes

in business requirements discussed and approved by Standing Committees during the project execution will aim to be accompanied by an ITMG impact assessment, and implementation should happen only when the change and its budget implications are approved; and

- Request the Standing Committees responsible for the alignment of business requirements and the IT solution to consider changes to business requirements when issues have been identified during project implementation.
- Participate in the governance of projects implementation, including the following activities:
 - Review project business cases for any project having an impact on the NCAs;
 - Review the results of feasibility studies and impact assessments;
 - Follow-up on project planning and execution (i.e. timelines, budget, risks, issues);
 - Approve project documentation, such as functional and technical specifications, reporting instructions, test plans, test specifications, test results; and
 - Approve the proposed go-live date.
- Contribute to the continuous enhancement of IT systems, including the following activities:
 - Feedback on maintenance and support services processes and propose potential improvements;
 - Propose updates to current documentation standards; and
 - Perform health checks of IT systems in production.
- Contribute to the development of ESMA's IT strategy, including:
 - High-level IT architecture and roadmaps;
 - Outsourcing policies; and
 - IT security policies.
- Participate in the annual revision of ESMA's Multi-annual IT Work Programme and budget:
 - Assess and prioritise new and ongoing projects. The list of new projects is assessed against prioritisation principles defined in ESMA's IT strategy

(ESMA/2015/MB/75 Ann2), such as the added value for ESMA and NCAs versus the effort (complexity) of implementation and the risks (reputational/legal) of ESMA; and

- Comment the proposed Multi-annual IT Work Programme before it is submitted to the Management Board and the Board of Supervisors for decision.
5. The ITMG shall liaise and coordinate with other relevant groups reporting to the Board of Supervisors where its activities relate or are complementary to those of other groups.

Structure and governance

6. The ITMG is chaired by the Head of the Resources Department of ESMA, who is responsible for coordinating and preparing the work.
7. The responsibilities of the Chair, rapporteur and members of the ITMG are set out in the Procedures for ESMA groups.
8. The ITMG has established the following permanent and temporary working groups, each with its own terms of reference:
- Markets IT Task Force;
 - Transparency IT Task Force; and
 - Maintenance IT Task Force.
9. The ITMG will meet on a regular basis as required in order to deliver ESMA's Multi-annual IT Work Programme. Meetings of substructures will be organised as necessary to enable the ITMG to fulfil its tasks.

Review

10. The Terms of Reference will be reviewed every two years by the Board of Supervisors.