

## PRESS RELEASE

### ESMA publishes 2018 Supervisory Convergence Work Programme

The European Securities and Markets Authority (ESMA) has published its [2018 Supervisory Convergence Work Programme](#) (SCWP), which details the activities and tasks it will carry out to promote sound, efficient and consistent supervision across the European Union (EU).

The SCWP 2018 sets priorities that will drive ESMA's convergence agenda in the year ahead and foster coordinated action by national securities and markets supervisors. While many of the 2017 priorities remain relevant for 2018, ESMA also sets new priorities, notably in the areas of financial innovation and the UK's withdrawal from the EU.

For 2018, ESMA has identified the following priorities for supervisory convergence:

- Ensuring that MiFID II/MiFIR are applied in a sound, efficient and consistent manner across the EU (*continuous*);
- Improving data quality to ensure efficient reporting under various requirements set by EU legislation (*continuous*);
- Ensuring supervisory convergence in the context of the UK's decision to withdraw from the EU (*new*);
- Safeguarding the free movement of services in the EU through adequate investor protection in the context of cross-border provision of services (*continuous*); and
- Monitoring developments in financial innovation, in particular through the analysis of emerging and existing instruments, platforms and technology (*new*).

These priorities have been developed in cooperation between ESMA and national competent authorities (NCAs) taking into account various factors, including the market environment, legislative and regulatory developments, and NCAs' supervisory priorities. ESMA will strengthen its support to NCAs in facilitating an effective supervisory dialogue and day-to-day contacts fostering a common supervisory and enforcement culture.

Steven Maijoor, Chair, said:

“Supervisory convergence is key to ensuring that EU regulatory requirements are applied in a consistent way across the EU, with the aim of supporting investor protection, orderly markets and financial stability while reducing arbitrage risks.

2018 promises to be a significant year in terms of our supervisory convergence work. This year, ESMA will focus in particular on the effective application of MiFID II/MiFIR during its first year of application. This entails fulfilling a coordinating role between NCAs to agree on common supervisory priorities, notably to achieve high quality data reporting.

Building on the 2017 agenda, ESMA will continue to address issues stemming from the provision of certain cross-border services that create risks to retail investors, including through possible product intervention measures.

Lastly, ESMA stands ready to facilitate coordinated action to address important challenges arising from the UK’s withdrawal from the EU as well as developments in financial innovation; both will have implications for ESMA’s supervisory convergence agenda in the year ahead.”

## **MiFID II, Data and Brexit Key Convergence Priorities in 2018**

The core elements of the priorities identified for 2018 include:

- Making sure that MiFID II/MiFIR are applied in a sound, efficient and consistent manner across the EU. ESMA becomes a central source of information in respect of MiFID II/MiFIR implementation and fulfils a coordination role between NCAs to agree on common supervisory priorities and on consistent application of requirements.
- Improving data quality to ensure efficient reporting under various requirements set by EU legislation remains a major focus of ESMA’s work, in line with ESMA’s Data Strategy.
- Ensuring supervisory convergence in the context of the UK’s decision to withdraw from the EU. The Supervisory Coordination Network will continue discussing on an ex ante basis concrete cases of relocation to foster a common supervisory approach, among

others on outsourcing and delegation. Similarly, NCAs' approaches to firms' contingency plans will continue to be discussed.

- Safeguarding the free movement of services in the EU through adequate investor protection in the context of cross-border provision of services. ESMA will continue to watch that retail investors receive similar protection independently of the location of the firm providing services to them. In particular, ESMA will continue to monitor the marketing of complex and speculative products to retail investors on a cross-border basis, and facilitate an effective and coordinated response including through possible product intervention measures.
- Monitoring developments in financial innovation, in particular through the analysis of emerging and existing instruments, platforms and technology. ESMA expects the rapid pace of financial innovation developments across the EU securities markets to continue in 2018. ESMA is undertaking in-depth analysis of the emergence of instruments like virtual currencies, platforms like ICOs and tools like distributed ledger technology.

### **Next Steps**

The implementation of the SCWP will be monitored and priorities may be readjusted depending on developments as ESMA will be working in a changing EU environment in 2018.



## Notes for editors

- [2018 Supervisory Convergence Work Programme](#)
- ESMA's 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.
- 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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