

Terms of Reference

IT Standing Committee

1. ESMA's mission is to enhance investor protection, promote orderly financial markets and safeguard financial stability, by (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. The ESMA Strategy 2023-2028¹ sets out three strategic priorities: (i) fostering effective markets and financial stability, (ii) strengthening supervision of EU financial markets, and (iii) enhancing protection of retail investors) and two thematic drivers: (i) enhancing sustainable finance, and (ii) facilitating technological innovation and effective use of data.
3. In order to fulfil its mission, the Board of Supervisors has established the IT Standing Committee (ITSC). 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.

Tasks and Responsibilities

4. The ITSC 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), as well as other IT areas where ESMA's Board of Supervisors considers it necessary to collaborate. In particular, the ITSC 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 the Data Standing Committee (DSC), to standardisation and harmonisation in terms of data exchange, data collection and regulatory reporting:
 - Technical data standards and reference data;
 - Review and advise 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

¹ https://www.esma.europa.eu/sites/default/files/library/esma_strategy_2023-2028.pdf

during the project execution will aim to be accompanied by an ITSC 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, 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. Through its activities in these areas and related deliverables ITSC contributes to all ESMA strategic priorities stated in the ESMA strategy 2023-2028, and in particular to Strengthening Supervision of EU Financial Markets, Facilitating Technological Innovations and Effective Use of Data.

Cooperation

6. The ITSC should ensure close cooperation arrangements in particular with the Data Standing Committee (DSC), notably on the topics of application of technologies in standardisation and harmonisation for data collection and exchange.
7. The ITSC shall liaise and closely coordinate with the relevant sectoral and other horizontal SCs where its activities relate or are complementary to the activities of those SCs. To this purpose, when developing the business requirements for setting up and operating regulatory data systems, ITSC should review and advise on the functional and non-functional requirements defined by Standing Committees in order to i) ensure the overall completeness of information for the IT design (e.g. on data volumetry, confidentiality, availability or integrity), and ii) provide an impact assessment on the implementation costs and timeline.
8. The ITSC should also ensure close cooperation with EBA's ITSB (IT Sounding Board) and EIOPA's ITDC (Information Technology and Data Committee) in order to ensure a coordinated implementation of IT projects stemming from shared mandates between the three ESA's (such as DORA or ESAP).

Composition

9. The ITSC shall be composed of one person per Board of Supervisors member as principal member and one person as an alternate, each representing that Board member. In addition, a maximum of three persons or a functional email address can be added to the e-mail distribution list. Participants to a SC meeting from the same NCA shall coordinate their positions in advance of the meeting.
10. Members of the ITSC shall also coordinate their positions with those held by persons from the same NCA, who serve as members / alternates of sub-groups to the ITSC.

11. A member of the SC may, when a topic for discussion in the SC so requires, be accompanied by an expert from its Competent Authority for that part of the SC meeting. The SC member shall announce this intent to the Rapporteur in advance of the meeting.

Structure and governance

12. The ITSC is chaired by an ESMA representative, who is responsible for coordinating and preparing the work.
13. The responsibilities of the Chair, Rapporteur and members of the ITSC are set out in the Procedures for ESMA groups.
14. The ITSC has established the following permanent working group:
 - a. The CISO (Chief Information Security Officers) Network.
15. The European Single Access Point Task Force (ESAP TF), that reports jointly to the Data Standing Committee (DSC) and the ITSC, has been established to address in particular all the issues related to the implementation of ESAP.
16. The ITSC will meet on a regular basis as required in order to deliver ESMA's Multi-annual IT Work Programme. Meetings of substructures (such as the Market IT, the IT Transparency, and the IT Maintenance project groups) will be organised as necessary to enable the ITSC to fulfil its tasks.

Working methods

17. The working methods will follow the Procedures for ESMA groups as described in paragraphs 31 and following.

Confidentiality

18. All members of the ITSC are under the obligation to respect confidentiality as per paragraph 30 of the Procedures for ESMA Groups.

Review

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