

2024 Annual Work Programme

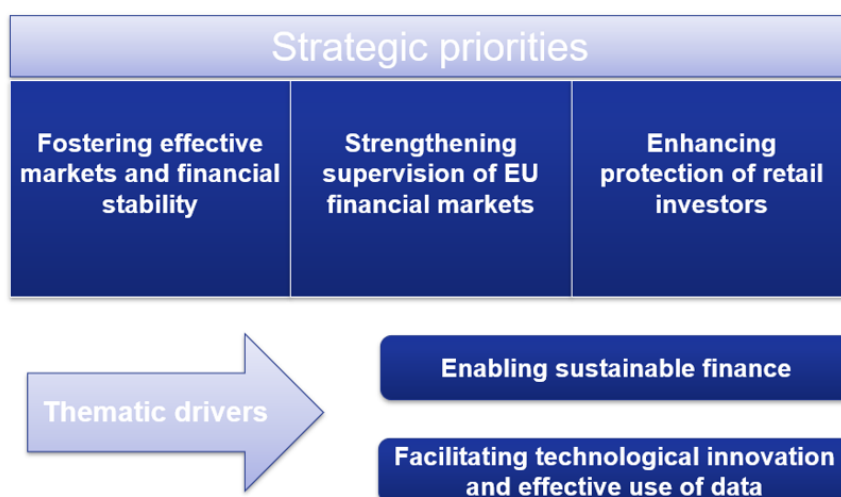
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1 Foreword

In 2022 the European Securities and Markets Authority (ESMA) published its new multi-annual Strategy covering the period 2023-28¹. The ESMA Strategy builds on the successful development of ESMA over its first decade, the implementation of significant legislative changes, material progress in supervisory convergence and the exercise of new supervisory mandates following the 2020 review of the European Supervisory Authorities (ESAs). The Strategy establishes three strategic priorities and two thematic drivers as illustrated in the figure below. ESMA's 2024 Annual Work Programme is structured around the implementation of the ESMA Strategy, fulfilling ESMA mandates in the legislation and building on the activities executed in 2023.



1.1 Current market context

ESMA's work programme for 2024 aims to respond to the challenges faced by the EU, its citizens and capital markets in an economic context marked by high inflation, heightened geopolitical tensions and rapid technological changes.

The energy crisis provoked by Russia's war of aggression against Ukraine has led to an uncertain and volatile market environment. Inflation, which in October 2022 reached its highest level in the EU since the early 1980s, has been declining since then but remains very high (5.3% in July 2023), thereby impacting real investment returns as well as savings and disposable income of households. Meanwhile the global tightening of monetary policy also weighs on economic activity by increasing the cost of credit. This new environment requires continued vigilance and close monitoring of market developments for ESMA to be able to identify and manage risks as they arise. Despite the challenging economic context, the urgency

¹ [ESMA Strategy 2023 - 2028 \(europa.eu\)](https://europa.eu/esma/strategy)

and importance of the green transition of the European economy remains the same, which is why the implementation of the sustainable finance legal framework and the fight against greenwashing will continue to be high on ESMA's agenda in 2024. Technological innovations will continue to change the way financial products are being designed and distributed. The collapse of the crypto-currency exchange, FTX, underlined the urgency of the new legal framework for crypto-assets established by the Regulation on Markets in Crypto-Assets (MiCA) and for consistent application and supervision of these new rules across the EU.

1.2 Key new legislative files impacting on ESMA in 2024

On top of ESMA's ongoing market and risk monitoring, direct supervision and supervisory convergence activities, several legislative projects will shape ESMA's work and responsibilities in 2024. The exact timing of many of the deliverables will depend on the outcome of negotiations between co-legislators.

In 2024, ESMA will be mandated to expand the single rulebook for sustainable finance as part of the new **European Green Bond Regulation** and will deliver its **final report on greenwashing**, which will propose actions which ESMA can take to combat this practice. ESMA will deliver technical standards for the **European Single Access Point (ESAP)** and continue preparatory work on the necessary IT infrastructure which will support ESAP. Several technical standards and guidelines will be delivered in relation to the **MiCA** regulation and **Digital Operational Resilience Act (DORA)** as well as preparatory work for oversight responsibilities related to DORA.

Under the **Markets in Financial Instruments Directive (MiFID)** and the **Markets in Financial Instruments Regulation (MiFIR)**, ESMA will begin the process of selecting and authorising **Consolidated Tape Providers (CTPs)** in the EU, in addition to developing technical standards and guidelines.

ESMA will also undertake several tasks mandated under the recently concluded reviews of the **Alternative Investment Fund Managers (AIFMD)** and **Undertakings for Collective Investment in Transferable Securities (UCITS) Directives**, the **Central Securities Depositories Regulation (CSDR)**, and under the new Retail Investment Strategy.

Finally, the ongoing reviews of the **European Market Infrastructure Regulation (EMIR)** as well as the new **Listing Act** may also lead to new mandates for ESMA in 2024.

Overall, the political, technological and economic developments expected in 2024 present ESMA with a diverse and demanding workload.

2 Work Programme 2024

The work programme describes objectives and outputs for each of ESMA's strategic priorities and thematic drivers and for each of the sectors within ESMA's remit. Outputs are divided into three categories: (i) ongoing work; (ii) annual outputs; and (iii) 2024 specific outputs, which are known at this stage. To help guide the reader, the below pictograms are used to indicate the types of outputs presented in different subsections.

§ Rules: When mandated, ESMA develops draft technical standards and statutory guidelines which specify technical details of the legislation within its remit.

 **Guidance:** ESMA has the power to provide guidance to national supervisors and market participants on how to comply with and supervise the rules and regulations within its remit. Depending on the addressee and the topic, ESMA guidance is delivered as Q&As, validations, opinions, supervisory briefings, or discretionary guidelines and recommendations.

 **Convergence activities:** In addition to guidance, ESMA undertakes a range of activities to promote supervisory convergence across the single market. These include common supervisory actions (CSA), peer reviews, case discussions, practice sharing, voluntary supervisory colleges, trainings/workshops, and analysis of allegations of breaches of Union law (BUL) by national supervisors.

 **Direct supervision:** ESMA directly supervises Credit Rating Agencies (CRAs), Trade Repositories (TRs) and Securitisation Repositories (SRs) as well as certain Data Reporting Service Providers (DRSPs), certain benchmark administrators and some third-country Central Counterparties (CCPs). Outputs related to supervision include risk assessments; supervisory strategies; remediation plans for supervised entities; investigations and on-site inspections; thematic reports as well as decisions on registration, recognition, certification and on enforcement.

 **Market monitoring:** Outputs include public statements, opinions, warnings, analysis and the issuance of market intervention decisions on short-selling and individual products.

 **Reports:** This category includes technical advice and periodic reports to the Commission (EC) on the application of legislation within ESMA's remit and on supervision and enforcement practices at national level. It also includes research reports and risk-analysis articles.

 **International work:** ESMA contributes to risk analysis and standard-setting in international fora including European Systemic Risk Board (ESRB), International Organisation of Securities Commissions (IOSCO), Financial Stability Board (FSB) and Network for Greening the Financial System (NGFS) and cooperates with third-country supervisors and provides technical advice to the Commission on equivalence as well as ongoing equivalence monitoring.

 **Data use and quality:** Outputs include validation rules and technical reporting instructions relating to data under ESMA supervision as well as dashboards and data visualisation tools.

 **IT infrastructure:** In addition to IT projects which facilitate the collection, storage, analysis and sharing of supervisory data among ESMA, national supervisors and the public, this category includes IT feasibility studies and assessments.

2.1 ESMA Strategic Priorities and Thematic Drivers

2.1.1 Effective markets and financial stability

Key objectives	Effective markets objectives: Contribute to develop a meaningful, proportionate and effective single rulebook across ESMA remit. Contribute to making the EU Single Market in financial services deep, efficient, liquid and accessible, in particular to small and medium-sized enterprises, to raise capital. Promote global standards and enhance cooperation and dialogue with international regulatory counterparts. Financial stability objectives: Identify and analyse key risks and vulnerabilities across the entire ESMA remit to inform the public and guide regulatory and supervisory activities. Enhance the level of preparedness to deal with potential shocks to financial markets and ensure close crisis management cooperation with National Competent Authorities (NCAs). Coordinate with and contribute to the work of EU and international bodies on ensuring financial stability.
Effective markets ESMA contributes to the development of an integrated EU single market in financial services by providing advice, technical expertise, regulatory provisions, and working on technical standards and guidelines related to the different areas under its scope of competence and notably sustainable finance, digital finance, and the Capital Markets Union (CMU). ESMA continuously reviews and assesses the single rulebook and associated guidance within its remit with a view to ensure it is up-to-date in light of new developments in regulation, technology, risks, business models and investor needs. This guidance is made available via the interactive single rule book², to ensure that it is easy to navigate. ESMA regularly proposes changes to the legislative framework as well as its technical standards in the form of technical advice, review reports and opinions. ESMA maintains strong relations and cooperation with international regulatory bodies (IOSCO, FSB) and non-EU securities regulators in relation to all sectors within its remit. ESMA promotes global standards and strong cooperation in the supervision of international cross-border activities. ESMA contributes to third-country equivalence and adequacy assessments by the Commission, and delivers decisions on endorsement to enable the provision of specific financial services in the EU. In 2024, ESMA will deliver new level 2 and 3 work, and other tasks, as a result of the recently concluded reviews of the MiFIR/MiFID II (see section 2.2.10), the UCITS, AIFMD (see	

² <https://www.esma.europa.eu/rules-databases-library/interactive-single-rulebook-isrb>

section 2.2.2), and the CSDR (see section 2.2.12). ESMA may also be mandated to undertake level 2 and 3 work, and other tasks, as part of the ongoing reviews of the Listing Act and EMIR (see section 2.2.10).

ESMA may also need to further contribute to the review of the revised Shareholder Rights Directive, as outlined in Action 12 of the 2020 CMU Action Plan and carry out work in connection to the Corporate Sustainability Due Diligence Directive (see section 2.2.3).

Finally, in 2024, ESMA expects to select and supervise CTPs, a key initiative in the context of the CMU project to further market integration (see section 2.1.2) and begin developing ESAP (see section 2.1.6).

Financial Stability and Risk Assessment

ESMA monitors market developments and new financial activities within its remit to assess risks to investors, markets and financial stability.

ESMA publishes the result of its risk monitoring activities mainly through the Trends, Risks and Vulnerabilities (TRV) reports (bi-annual) and the ESMA Market Report series. As part of its risk monitoring, ESMA develops retail risk metrics and reviews product-related consumer trends, including cost and performance of EU retail products and Environmental, Social and Governance (ESG) trends. The ESMA Market Reports present longer-term structural developments using regulatory data on EU derivatives, Alternative Investment Funds (AIFs), securities, Money Market Funds (MMFs), prospectuses, and credit ratings and crowdfunding. ESMA also undertakes risk analysis activities such as topical studies for single rulebook measures, stress testing methods and supervisory convergence work through two publication series: the TRV Risk Analysis article series and the ESMA Working Paper series. Both are published throughout the year and cover the entire ESMA remit.

In addition to its own risk assessment, ESMA also contributes to and coordinates a wide range of activities with EU and international bodies such as the ESRB, IOSCO, FSB and NGFS on topics such as non-bank financial intermediation, stress testing, leverage, market liquidity, ESG, crypto assets, and financial innovation. Finally, ESMA carries out direct supervision, convergence activities and stress testing on CCPs which is further described in sections 2.2.6 and 2.2.7.

ESMA has recently received a mandate to perform, jointly with the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), the European Central Bank (ECB) and ESRB, a one-off system-wide exercise involving the banking, insurance, and investment fund sectors. The exercise is planned to take place in earnest from the middle of 2023 until end-2024, based on data at the end of 2022. A final report will be published in 2025.

In 2024, ESMA will explore ways in which the use of crisis simulations and drills can be used to strengthen ESMA's crisis preparedness by identifying gaps in data availability and analytical capabilities.

Main outputs	Ongoing Activities • § Review of rules and guidance within ESMA's remit with the delivery of draft technical standards, statutory guidelines, technical advice, and review reports. • 🔍 Monitoring/surveillance of developments and risks in financial markets across the entire ESMA remit. • 🌐 International work including contributions to risk monitoring workstreams in international fora. • 📖 ESMA Working Papers. Annual Outputs • 📖 TRV Risk Monitoring reports (every six months). • 📖 ESMA market reports: Crowdfunding, Cost & Performance of retail investment products, prospectus, AIFs. • 📖 TRV Risk Analysis articles: Potential topics include climate risk, greenwashing, social media, crypto assets and AI.
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2.1.2 Effective Supervision

Key objectives	ESMA Direct Supervision objectives: Deliver timely and quality assessment of registration applications. Identify in a timely manner – including through the use of data-driven tools - the key industry trends, supervisory risks and concerns to support a risk-based, pro-active and outcome-focussed supervision. Select effective supervisory tools such as reviews, investigations etc. Request timely and effective remediation and adopt enforcement actions where breaches of the regulation are identified. Supervisory Convergence objectives: Promote common effective, risk-based, data-driven and outcome-focused supervisory and enforcement culture across EU supervisors. Develop common understanding of the risks posed to EU capital markets and their severity. Identify clear supervisory objectives and outcomes across EU capital markets, focusing on high priority cross-sectoral risks using the most effective tool(s). Facilitate constructive exchanges among supervisors on key risks at EU-wide and entity specific level. Foster convergence on enforcement activities that are the responsibility of national supervisory authorities.
	ESMA Direct Supervision ESMA directly supervises all EU CRAs, TRs and SRs as well as certain DRSPs, benchmark administrators (i.e. administrators of EU critical benchmarks and recognised third-country

administrators) and third-country CCPs. ESMA has a risk-based, data-driven and outcome-focused approach to supervision across all its mandates.

As part of its supervisory activities, ESMA produces on an ongoing basis a wide range of outputs including in particular: risk assessments, supervisory strategies, annual reviews, remediation plans for supervised entities, requests to remediate findings of investigations and on-site inspections, thematic reports, and decisions regarding applications for registration, recognition or certification. In case of breaches, ESMA adopts enforcement actions and publishes these on its website. Enforcement actions can for example range from the issuance of public notices to the withdrawal of registration and the imposition of fines.

In 2024, ESMA expects to continue to adapt its supervisory efforts and supervisory tools and practices to regulatory developments such as the entry into application of DORA in 2025, and to the pace of technological and financial innovation. The completion of the authorisations of the first CTP are also expected to take place, subject to the progress with co-legislators. In addition, in 2024, ESMA aims at further enhancing the supervision of the quality of all data reported to or made available by entities subject to its supervision and exploring the potential use of machine learning for risk identification and forensics.

To support its direct supervision, ESMA will also continue to develop cross-industry standards where relevant. In 2024, ESMA will provide further guidance in the areas of outsourcing and governance for all entities under its remit. In addition, ESMA will develop guidance on internal controls for market transparency infrastructure entities (TRs, DRSPs and SRs) and formalise its expectations in terms of periodic reporting by benchmark administrators. Supervisory priorities for specific entities are set out in the sectoral sections below.

Supervisory Convergence

ESMA promotes the convergence of supervisory activities across the EU as described in the sectoral sections using a wide range of tools. ESMA issues guidance which, depending on the nature and addressee, takes the form of Q&As, opinions, validations, supervisory briefings, guidelines, or recommendations. ESMA constantly reviews, revises, adds and repeals guidance across all areas to make sure it is consistent and up to date. ESMA will continue developing its Union supervisory handbook to include high level supervisory principles, in addition to specific methodologies developed through supervisory briefings. ESMA, for example, aims to develop high-level supervisory principles, criteria and common approaches, such as on the risk-based approach to supervision to foster a common supervisory basis across the EU.

ESMA also engages directly in the work of national supervisors by coordinating CSAs and carrying out peer reviews. ESMA facilitates cooperation and the exchange of information across national supervisors through its internal groups including through the common assessments of concrete supervisory and enforcement cases, to promote common supervisory methods and approaches, leveraging on NCAs' experiences. Coordination of supervision of certain transnational groups of supervised entities operating in multiple member states is achieved via "supervisory colleges". For example, ESMA is a member of supervisory colleges for CCPs, the chair of a supervisory college for Euro Interbank Offered Rate (EURIBOR) Benchmark and an observer in voluntary supervisory colleges in the area

of investment firms and asset managers. ESMA also has the power to initiate BUL investigations against NCAs if they fail to implement applicable EU legislation, typically on the basis of complaints received against NCAs.

Every year, ESMA develops a heatmap of EU-wide supervisory risks. Based on the heatmap a set of Union-wide Strategic Supervisory Priorities (USSPs) are developed to guide and coordinate the action of national supervisors and to enable ESMA to prioritise convergence activities and its own supervisory activities. In 2024, ESMA and NCAs will continue implementing the USSP on ESG disclosures.

In 2024 ESMA will, inter alia, revise its supervisory convergence framework to support a more effective, risk-based and outcome-focused use of ESMA's convergence tools. Following development of joint supervisory independence criteria for the NCAs of all the three ESAs, ESMA will also continue fostering and monitoring NCAs' supervisory independence in cooperation with EBA and EIOPA. Closer cooperation will also be facilitated with the implementation in 2024, jointly with the other ESAs, of a cross-sectoral system for the exchange of information among competent authorities on the holders of qualifying holdings, directors and key function holders assessed for fitness and propriety. Finally, in the area of enforcement, ESMA will focus, inter alia, on the calculation of penalties, cross-border cooperation in investigations, the use of informal tools and measures, and improving ESMA's sanctions registers.

Main outputs	Ongoing Activities •  Outputs linked to ESMA's direct supervision mandates. •  Guidance and  other tools promoting supervisory convergence across ESMA's remit including risk heatmap, identification of USSPs, common supervisory actions, case specific discussions and prioritisation of convergence activities. 2024 Specific outputs •  Cross-sectoral system for the exchange of information among competent authorities on the holders of qualifying holdings, directors and key function holders assessed for fitness and propriety. •  Completed authorisation(s) of CTPs in the EU, subject to the progress between co-legislators. •  Peer review on CCPs and follow-ups to the EMIR data quality peer review and the Wirecard fast track peer review (see the Peer Review Work Plan in section 3). •  Guidelines on internal controls to trade repositories, data reporting services providers and securitisation repositories. •  Guidelines on periodic information and notification of material changes to be submitted to ESMA to i) trade repositories, data reporting services providers and securitisation repositories and ii) benchmark administrators.
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2.1.3 Retail investor protection

Key objectives	Achieve greater convergence and consistency of NCAs' supervisory approaches and practices in relation to investor protection taking into account technological developments and the evolution of the framework in relation to sustainable finance. Facilitate effective supervision of cross-border activities. Contribute to a regulatory framework that provides adequate protection to retail investors who wish to participate in EU capital markets. Contribute to the development of a single rulebook in the area of investment services, crowdfunding services and crypto assets. Engage with retail investors and provide access to clear, reliable and comparable investment information. Systematically monitor and analyse retail investor trends and risks, ensuring a safe environment for those wishing to invest in capital markets.
ESMA works to ensure effective protection of retail investors in the investment, crowdfunding and crypto-asset services across the EU, with a particular focus on risks posed by new and innovative products and services, alternative distribution channels (including social media investment recommendations and products with strong retail investor demand). ESMA uses its full convergence toolkit as described above in section 2.1.2 as well as coordination of mystery shopping exercises in relation to services provided to retail clients. In 2024, ESMA will coordinate a CSA focusing on sustainability in the context of the suitability assessment and product governance and carry out follow-up action as needed based on the outcome of the 2023 CSA and mystery shopping on marketing communications. Furthermore, ESMA assists the European Commission in its assessment of the application of the regulatory framework and provide technical advice and review reports. ESMA monitors financial activities and retail investor trends on an ongoing basis. ESMA develops retail risk metrics and reviews product-related consumer trends, including cost and performance of retail investor products in the EU. ESMA regularly issues public opinions or warnings when it identifies highly risky products and when needed makes use of its product intervention powers. ESMA takes various initiatives to ensure effective supervision of cross-border activities across the EU, such as facilitating effective information gathering on firms' cross-border activities by home authorities and effective exchange of such information by home and host authorities, quality of registers of cross-border activities, and joint supervisory actions. As a follow-up to the 2022 peer review on cross-border activities, ESMA will in 2024 assess whether the NCAs have sufficiently improved their supervision of cross-border activities. ESMA contributes to fostering long-term direct and indirect retail participation in EU capital markets by facilitating the simplification and use of clear language in disclosures, for example by enabling layering of information including as part of the rollout of ESAP (see section 2.1.6).	

ESMA, furthermore, works with NCAs in coordination with EBA and EIOPA to promote financial education. ESMA works to increase investor's awareness of the risks connected to investment through social media. ESMA engages with retail investors through coordinated communication with NCAs, complementing and amplifying their actions and messages to retail investors. In 2024, ESMA will work on enhancing its approach, e.g. by making ESMA warnings and statements available for NCAs' customisation and joint publications by ESMA and NCAs.

In 2024, ESMA will assist the European Commission in any activity resulting from the Retail Investment Strategy (e.g. relating to topics such as "value for money") and will conduct preparatory work for its implementation. ESMA will also deliver on its investor protection mandates in the context of MiCA as further described in section 2.1.5.

Main outputs

Ongoing activities

-  Guidance and  other tools promoting supervisory convergence in the area of retail investor protection.
-  Where relevant, technical advice and proposals for Regulatory Technical Standards (RTS) / Implementing Technical Standards (ITS) on MiFID II, MiCA, MiFIR and the European Crowdfunding Service Provider Regulation (ECSPR).
-  Monitoring of financial activities and retail investor trends and risks as well as associated warnings, statements, and opinions on national product intervention measures.

Annual outputs

-  Annual report on performance and costs of retail investment products.
-  Annual reports on sanctions under MiFID II and ECSPR.

2024 Specific outputs

-  Follow up peer review on cross-border supervision (see the Peer Review Work Plan in section 3).
-  Coordination of 2024 CSA on MiFID II requirements on suitability/sustainability.
-  Report on 2023 CSA and Mystery shopping on marketing communications.

2.1.4 Sustainable Finance

Key objectives	Deliver on the priorities³ set out in ESMA's Sustainable Finance Roadmap 2022-24. Contribute to facilitating the financing of the EU transition towards a more sustainable economy, while preserving market integrity and financial stability as well as a high level of investor protection. Promote effective and consistent integration of sustainability-related factors in supervisory, convergence, risk assessment and regulatory activities. Maintain investors' confidence in ESG investments by promoting high quality sustainability disclosures and hence reduce the risk of greenwashing. Systematically monitor ESG market developments and climate risk.
ESMA will continue to deliver on the priorities set out in its 2022-24 Sustainable Finance Roadmap through: (i) analysing the drivers of greenwashing and developing instruments and tools to enable national supervisors to best address this risk; (ii) building capacity through trainings to national supervisors based on a multiannual training plan or the development of a knowledge hub and developing supervisory guidance; and (iii) developing monitoring indicators on ESG markets and products and integrating environmental risks in stress-testing frameworks, in collaboration with the other ESAs, the ESRB and the ECB. ESMA monitors the need for additional guidance under the Sustainable Finance Disclosure Regulation (SFDR) together with the other ESAs, MiFID II, Taxonomy Regulation, Corporate Sustainability Reporting Directive (CSRD), the Benchmarks Regulation (BMR) with a view to promoting convergence of supervisory approaches using the tools described in section 2.1.2. In 2024, ESMA will, alongside the other ESAs in the Joint Committee, publish their annual report on the extent of voluntary disclosures of principal adverse impact in SFDR, which will for the first time take into account statements published in the SFDR Delegated Regulation including detailed impacts under the indicators developed by the ESAs. The ESAs may provide guidance and Q&As for sustainability disclosures under the SFDR. Furthermore, the ESAs may take up their optional empowerment to create technical standards on marketing documents under SFDR. The European Commission's review of SFDR may generate additional empowerments for technical standards or guidance in this time period. ESMA promotes international cooperation to ensure that a coherent set of rules is applicable to financial market participants including through IOSCO and the EU Platform on Sustainable Finance as well as the relevant workstreams at the ESRB, FSB and NGFS in the sustainable finance area. ESMA actively contributes to the European standard setting work of the European Financial Reporting Advisory Group (EFRAG) in the area of	

³ https://www.esma.europa.eu/sites/default/files/library/esma30-379-1051_sustainable_finance_roadmap.pdf

sustainability reporting and monitors the work of the new International Sustainability Standards Board (ISSB).

New developments in the area of transition finance could seek to increase transparency for investors. ESMA will monitor such developments and, where relevant, support efforts to ensure an effective, consistent framework for transition finance.

In 2024, ESMA will, inter alia, deliver the final report on greenwashing and several convergence and other deliverables under ESMA's Sustainable Finance Roadmap. ESMA is preparing for the delivery of technical standards under the European Green Bond Regulation. In addition, ESMA will provide technical advice concerning the Credit Rating Agencies Regulation (CRAR) regulatory framework. ESMA will also continue monitoring the functioning of the sustainable finance legal framework more broadly and, if relevant, communicate any observations or experience back to the legislator for consideration. In addition, ESMA will monitor the legislative process for the proposed regulation on ESG ratings and prepare for implementation depending on the outcome of that process.

As it is involved in the development of the regulatory framework, both at the EU and international levels, in various capacities (drafting RTSs and guidance, advising the co-legislators, contributing to various advisory groups, etc.), ESMA will seek to improve the overall consistency and efficiency of the regulatory framework. This effort will build on internal coordination and the feedback collected from external stakeholders through various outreach efforts.

In 2024 and 2025 ESMA will collaborate with participating NCAs to support the development of supervisory tools and methodologies to detect potential greenwashing practices by supervised financial market participants, as part of the 2023 EU Technical Support Instrument.

Main outputs	Ongoing activities •  Guidance and  other tools promoting supervisory convergence under MiFID II, Taxonomy Regulation, CSRD, BMR, European Green Bond Regulation and to help NCAs combat greenwashing, e.g. impact investing and greenhouse gas accounting/transition finance. •  Trainings and other capacity building actions. •  Contribution to the EU Platform on Sustainable Finance and to the development of European and international standards on sustainability reporting as well as to workstreams under the ESRB, FSB, IOSCO, NGFS including for example the ECB/ESRB reports on climate risk. •  Monitoring and assessing the ESG markets trends and risks through TRV and topical analysis. Annual outputs •  Joint annual ESAs Report on voluntary disclosures under Article 18 SFDR.
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	2024 Specific outputs • § Technical standards as required under the European Green Bond Regulation, and the CRAR. • 🧑‍🤝‍🧑 CSA on BMR ESG disclosures and on sustainability in investment management. • 📖 Final report to EC on greenwashing. • 📖 TRV Risk Article on methodologies to assess exposures to climate physical risks.
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2.1.5 Technological Innovation

Key objectives	Adapt to digitalisation in financial markets by developing and strengthening the single rulebook and promoting supervisory convergence. Effective implementation of Infosec and cyber requirements across ESMA's remit in the context of DORA. Research and analyse the impact of digital innovation in financial markets including as regards crypto-assets and AI. Foster convergence in the regulatory and supervisory treatment of new or innovative financial activities and digital innovation. Continue to identify emerging trends and risks that can have a high impact on investor protection and/or financial stability.
ESMA undertakes a wide range of ongoing activities facilitating digital innovation. ESMA monitors the development of technological innovations and publishes analysis about how they may impact markets, investors and financial stability through TRV publication and regular risk analysis articles. On the basis of its analysis, ESMA can develop supervisory guidance and technical advice to the Commission and co-legislators, and make use of product intervention powers, where needed. ESMA also participates in a number of international workstreams of the ESRB, FSB and IOSCO in the technological innovation area and contributes to the European Forum of Innovation Facilitators together with EBA and EIOPA. Finally, ESMA contributes to the Supervisory Digital Finance Academy in coordination with the other ESAs, the European Commission and the European University Institute to strengthen supervisory capacity in the area of digital finance. As part of the Digital Finance package, ESMA has received several new mandates to develop technical standards, guidelines and reports in 2024 under: • the Regulation on Markets in Crypto-Assets (MiCA); • the Digital Operational Resilience Act (DORA) and • the Regulation on a Distributed Ledger Technology (DLT) pilot regime. Under MiCA, ESMA will in 2024, in cooperation with the EBA, finalise the large number of technical standards and guidelines specifying the rules on (i) the authorisation, governance and operation of crypto asset service providers (CASPs); (ii) market integrity requirements applicable to crypto-asset markets; (iii) the content and format of information to be published	

by CASPs and issuers; as well as (iv) the cooperation between ESMA, EBA and NCAs. The continued implementation of the market integrity regime under MiCA will also remain key for digital innovation. In parallel, ESMA will start developing a public register to provide information to investors related to (i) crypto-assets white papers, (ii) issuers of Asset-Referenced Tokens and E-Money Tokens, and (iii) CASPs. In anticipation of the entry into force of MiCA, ESMA will, in 2024, assess the need for guidance, capacity building and other convergence initiatives to ensure its consistent and effective application across the Union. Subject to a feasibility study, ESMA will also continue working on joint technical solutions for EU level integrated monitoring of crypto-asset markets.

Under DORA, ESMA will in 2024, in cooperation with EBA and EIOPA, deliver the remaining technical standards notably on Information and Communications Technology (ICT) risk management as well as a feasibility study for the establishment of a single EU Hub for centralising major ICT-related incidents reporting. Finally, ESMA will continue preparing with EBA and EIOPA for the oversight function of critical ICT third-party service providers.

Under the DLT Pilot Regime, ESMA will continue to issue opinions on applications for operating DLT Market Infrastructures, including the assessment of compensatory measures. In 2024, ESMA will also deliver the first annual report to the EC on the practical application of the regime and begin working on guidelines to promote the consistency and proportionality of exemptions granted to operators of DLT Market Infrastructures.

Main outputs	Ongoing activities •  Guidance and  other tools promoting supervisory convergence under MiCA and DORA. •  Monitoring and assessment of innovation through  TRV reporting, Risk Analysis articles and specific research. •  Contribution to ESRB, FSB and IOSCO workstreams on digital finance and innovation. •  Opinions on authorisation of DLT Market Infrastructures.
	2024 Specific outputs •  Finalisation of the preparations for the DORA Oversight responsibilities, including preparations for the 2025 market-wide identification of third-party providers and the designation of the critical service providers among them. •  Technical standards and guidelines under MiCA and DORA. •  Assessment of the feasibility of the establishment of a single EU Hub for major ICT-related incident reporting under DORA. •  First annual report under the DLT Pilot regime. •  Trainings for national supervisors within the framework of the Digital Finance Academy.

2.1.6 Effective Use of Data and ICT Technologies

Key objectives	Deliver on ESMA 2023-2028 Data Strategy. Enhance the access to and quality of data and information to stakeholders reinforcing ESMA's role as a data hub. Maximise the value of the data and information provided, build data intelligence and reduce the cost of compliance by avoiding duplications and fostering alignment of definitions, design and implementation of all data frameworks throughout their lifecycle. Create, foster and exploit regulatory, supervisory and convergence intelligence through building and maintaining relevant IT systems and the advanced use of the available data. Identify, develop and implement common Suptech and data projects enhancing the EU-wide implementation of data-driven activities and contributing to the Commission's strategy on supervisory data in EU financial services. Provide effective and proactive ICT support to staff and manage ESMA's ICT resources in a flexible and efficient way.
ESMA, together with other ESAs, implements the EU Strategy on Supervisory Data. The Strategy aims to modernise the supervisory reporting and deliver accurate, consistent, and timely data to supervisory authorities at EU and national level, while minimising the aggregated reporting burden for all relevant parties. ESMA continuously reviews reporting and disclosure requirements across ESMA's remit to ensure consistency and coherence including through use of common formats, standards and identifiers with the aim of reducing compliance cost and maximise usability. In 2024, ESMA will analyse the feasibility of several new IT and data projects including on (i) integrated reporting system under AIFMD and UCITS, including arrangements to facilitate data exchanges between ESMA and other authorities, (ii) providing NCAs with data to support the supervision of ESG disclosures, as well as (iii) implementing machine-readable and executable reporting with reporting instructions delivered in computer code. ESMA continuously monitors and assesses the viability of innovative technologies in the relevant datasets, including SupTech, Regtech, Decentralised Finance, AI and open finance to support both the reporting and the analysis of data. In 2024, ESMA will develop the proof-of-concept for the detection of potential market abuse cases using AI techniques. Subsequently, depending on the outcome of the project, ESMA will implement common tools to enable NCAs to efficiently identify market abuse patterns. Similarly, ESMA will pilot tools to identify anomalies in CRA data more efficiently. In 2024, ESMA also plans to onboard national supervisors to its Big Data Platform to improve access to and usability of supervisory data. Finally, ESMA plans to deliver a European Single Electronic Format (ESEF) XBRL tool for the market participants to validate data received in XBRL format. Furthermore, in 2024, ESMA will continue the development of common IT projects with	

NCA's and other key actors to facilitate the availability and the use of data and improve its quality.

Through a comprehensive overview of all the datasets available, ESMA acts in the area of data with a view to enhance its monitoring and achieve the maximum economies of scale and scope for the Authorities and the stakeholders, and will further enhance the data intelligence, so that the value of the data and information provided is maximised and the cost of compliance reduced. Moreover, ESMA and the other ESAs also take part in the European Commission project to develop a common data dictionary to ensure consistency and standardisation across the financial sectors.

ESMA's multi-annual IT Work Programme is steered by the new ESMA Strategy 2023-2028 and the following strategic objectives:

- Enable and support ESMA's contribution to financial stability and supervisory convergence by implementing new regulatory IT projects stemming from the CMU project;
- Enhance ESMA's data management capacity to support increasing needs of internal and external stakeholders.

In 2024, ESMA expects to begin delivering on several mandates related to the implementation of the ESAP, including several draft technical standards defining the functionalities of ESAP as well as the tasks of collection bodies. ESAP is a critical project for ESMA, which aims to provide free, user friendly, centralised and digital access to financial and ESG information made public by European companies.

Main outputs	Ongoing activities • 📊 Data quality outputs for all supervisory data reported to ESMA or through an ESMA supervised repository including intelligence, analytical tools and advanced analytical data and information input. • § / 📖 Ongoing updates and revision of technical standards and guidance relating to data reporting obligations as needed. • 🔄 Contribution to the design of the common data dictionary envisaged in the EC Strategy on supervisory data in EU financial services. • 🔄 Assessment of the feasibility of new data and IT-projects related to supervision of AIFMD and UCITS reporting, ESG disclosures and machine-readable reporting instructions. • 🔄 ICT support to ESMA staff and enhancement of collaborative tools that improve the working environment. Annual outputs • 📖 Report on quality and use of transaction data. 2024 Specific outputs • 🔄 Execution and delivery of ESMA's IT work programme including projects related to supervised entities and CMU. • 🔄 / 📊 Implementation of an analytical tool based on AI to enable NCAs to identify market abuse patterns more effectively. • § Technical standards on the tasks, collection bodies and functionalities of ESAP.
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2.2 Key regulated sectors and entities

This section presents ESMA's work in 2024 by key sector and entity within its remit including investment services and investment management, issuer disclosure, trading, market integrity as well as key market infrastructures and service providers: CCPs, TRs, SRs, and DRSPs, CRAs and benchmarks.

2.2.1 Investment services

Key objectives	Contributes to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision (section 2.1.2); and - retail investor protection (section 2.1.3).
	In the areas of investment services, in addition to work included in the section 2.1.3 above, ESMA contributes, in cooperation with the EBA, to the development of the prudential regime for investment firms. ESMA contributes to the implementation of the third-country regime for the provision of investment services by supporting any European Commission equivalence assessments and negotiating cooperation agreements with supervisors of equivalent third countries. Several other activities related to investment services are described above in section 2.1.3.
Main outputs	Ongoing activities • § Review of technical standards and guidelines on Investment Firms Regulation and Investment Firms Directive (in cooperation with EBA).

2.2.2 Investment management

Key objectives	Contributes to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision (section 2.1.2); - retail investor protection (section 2.1.3); - enabling of sustainability finance (section 2.1.4); and - technological innovation (section 2.1.5) - effective use of data (section 2.1.6) in the area of AIFMD, UCITS Directive, MMF Regulation, European Long-Term Investment Funds (ELTIF) Regulation, European Social Entrepreneurship Funds (EuSEF) and European Venture Capital Funds (EuVECA) Regulations as well as Packaged Retail and Insurance-based Investment Products (PRIIPs) and SFDR/Taxonomy Regulation (through the Joint Committee).
	ESMA contributes on an ongoing basis to the development of the single rulebook in investment management including through the provision of technical input to assist the legislator in developing high-quality regulation. ESMA promotes supervisory convergence of NCAs' practices by issuing and reviewing guidance and facilitating case discussions,

workshops, CSAs and peer reviews in the investment management sector. ESMA contributes to international cooperation including risk analysis and standard-setting through IOSCO, FSB and the ESRB. It also negotiates AIFMD co-operation agreements with third-country authorities. Every year, ESMA publishes reports on UCITS and AIFMD sanctions and updates its guidelines on MMF stress testing taking into account the latest market developments. On an annual basis, under the AIFMD framework, ESMA assesses the results of any leverage risk assessments and leverage limits notified by NCAs. ESMA can issue advice to NCAs on leverage limits under the AIFMD in case of risks to financial stability.

In 2024, the reviews of AIFMD and the UCITS Directive will lead to additional single rulebook work or technical advice. The review of the ELTIF Regulation also includes new empowerments for ESMA to deliver technical standards in 2024. Similarly, the European Commission's review of the PRIIPs Regulation and SFDR may give rise to additional single rulebook work within the Joint Committee (see section 2.1.4.). Moreover, ESMA will provide technical advice to the European Commission on the revision of the UCITS L2 Eligible Assets Directive.

Finally, in 2024, ESMA will continue working on a CSA in the area of sustainability in investment management. In 2024, ESMA will also start a peer review on depositary obligations (see the Peer Review Work Plan in section 3) and will assist the European Commission in any activity resulting from the Retail Investment Strategy and will conduct preparatory work for its implementation.

Main outputs	Ongoing activities •  Guidance and  other tools to promote supervisory convergence as needed related to investment management. Annual outputs •  Annual reports on UCITS and AIFMD sanctions. •  Annual update of guidelines on MMF stress testing. 2024 Specific outputs •  RTS/ITS/guidelines/technical advice based on mandates from review of AIFMD and the UCITS Directive. •  Technical advice on the revision of the UCITS Eligible Assets Directive. •  CSA on sustainability in investment management (see section 2.1.3.).
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2.2.3 Issuer disclosure

Key objectives	Contribute to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision (section 2.1.2); - retail investor protection (section 2.1.3); - enabling of sustainable finance (section 2.1.4); - technological innovation (Section 2.1.5); and - effective use of data (section 2.1.6) in the area of Prospectus Regulation, Transparency Directive, CSRD, Taxonomy Regulation, Takeover Bid Directive, Shareholder Rights Directive, Audit Directive and Regulation, the Corporate Sustainability Due Diligence Directive and the International Accounting Standards Regulation. Contribute to standard-setting activities for financial and sustainability reporting.
ESMA contributes on an ongoing basis to the development of the single rulebook in the areas of financial and sustainability reporting, ongoing reporting on major holdings, prospectus, corporate governance and takeover bids. ESMA promotes supervisory convergence of NCAs' practices in these areas by issuing and reviewing guidance and facilitating case discussions, organising training sessions and workshops, CSAs and peer reviews including through the discussion of supervisory cases. Every year, ESMA publishes European Common Enforcement Priorities on corporate reporting and assesses how issuers have applied previous versions of such priorities.	
ESMA contributes to International Financial Reporting Standards (IFRS) accounting standard-setting and the endorsement of IFRS by the EU as well as to the development of European Sustainability Reporting Standards (ESRS) through its observership at the EFRAG Financial and Sustainability Reporting Boards and Technical Expert Groups, as well as at the European Commission's Accounting Regulatory Committee. Upon request from the European Commission, ESMA provides opinions on the draft ESRS. ESMA also contributes to International Accounting Standards Board's pronouncements, in charge of developing the relevant global reporting standards, and participates in the IFRS Interpretations Committee (as adviser to the Commission), the IFRS Advisory Council and the IFRS Taxonomy Consultative Group. As regards international sustainability reporting standards, ESMA contributes to the ISSB consultations with an aim to ensuring interoperability with the ESRS.	
ESMA provides views on International Standards on Auditing (ISA) and provides securities regulators' perspective on audit matters at the Committee of European Audit Oversight Bodies (CEAOB). As Chair of the CEOOB Subgroup on International Equivalence and Adequacy, ESMA coordinates the work on performing new and monitoring previous equivalence and adequacy technical assessments of third-country audit legal frameworks.	

Generally, ESMA updates, on an annual basis, the technical standards and guidance relating to the ESEF core taxonomy to be used for the preparation of annual financial reports in ESEF, to reflect the most recent version of the IFRS Taxonomy and feedback from the market. With the adoption of the CSRD, the ESEF requirements will also be applicable to the sustainability report which means ESMA will need to update the RTS on ESEF to reflect these requirements and include a sustainability taxonomy to allow tagging of sustainability reporting.

In 2024, ESMA expects to prepare guidelines on NCAs' enforcement of sustainability reporting, as foreseen by the CSRD. In relation to enforcement of financial reporting, ESMA will publish its follow-up report on its 2020 Fast Track Peer Review on Wirecard (see section 2.1.2) and will launch the follow-up to the Prospectus Peer Review (see the Peer Review Work Plan in section 3). Finally, ESMA might perform work upon request from the European Commission to update its Whitelist in the area of takeovers to ensure that acting in concert rules do not create an obstacle to collective engagement by investors around common sustainability goals⁴.

Main outputs	Ongoing activities •  Guidance and  other tools to promote supervisory convergence related to issuer disclosure, including ESMA guidelines on Alternative Performance Measures. •  Technical positions and endorsement advice/opinions on IFRS, ESRS, new pronouncements from the ISSB and ISA. Annual outputs •  Public Statement on European Common Enforcement Priorities. •  Extracts of financial information enforcement decisions. •  Corporate reporting enforcement and regulatory report. •  Amendments to the RTS on ESEF, ESEF XBRL Taxonomy files. 2024 Specific outputs •  RTS on ESEF for taxonomy on sustainability information. •  Guidelines on enforcement of sustainability reporting. •  Acting in concert Whitelist update. •  Report on the follow-up to the Wirecard Fast Track Peer Review.
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⁴ In accordance with the [Renewed Sustainable Finance Strategy](#)

2.2.4 Benchmark providers

Key objectives	Contributes to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision (section 2.1.2); - enabling of sustainability finance (section 2.1.4); and - effective use of data (section 2.1.6) in the area of the BMR.
ESMA is responsible for the supervision of the administrators of EU critical benchmarks and of recognised third-country benchmark administrators. EURIBOR remains the only benchmark recognised as critical in the EU and ESMA has supervisory responsibilities over its administrator, European Money Markets Institute. ESMA is also mandated to identify potential new critical benchmarks in the EU and monitors market developments in that regard. The key areas of supervisory focus in relation to EURIBOR in 2024 will continue to be the robustness and resilience of the EURIBOR benchmark methodology and the related EURIBOR's representativeness of the underlying market. As the competent authority of recognised third-country administrators under the BMR recognition regime, ESMA also assesses applications for recognition by eligible third-country benchmark administrators and establishes co-operation arrangements with the competent third-country authorities as needed. ESMA chairs the EURIBOR college of supervisors, which is composed of the NCAs responsible for the supervision of EURIBOR's panel banks, with the aim to promote and coordinate NCAs' supervisory actions and ensure an efficient exchange of information. ESMA's supervisory focus in 2024 on benchmarks administrators under its supervision will be on: i) benchmarks methodologies, benchmark representativeness and input data; including with regard to quality, completeness and accuracy of input data, whether or not contributed by market participants; ii) effectiveness of governance and internal control framework; iii) outsourcing; iv) additionally and specifically on ESG, ESMA focus will be on the ESG-related disclosure practices of administrators. In 2024, ESMA plans to publish guidelines on periodic information specifying the information needed from benchmark administrators (see section 2.1.2). ESMA will also launch a new CSA in the area of ESG disclosures. Finally, there could be new and changed mandates for ESMA under BMR as a result of the European Commission's review of the scope of the BMR.	
Main outputs	Ongoing activities •  Supervision of administrators of EU critical and third-country recognised benchmarks. •  Guidance and  other tools to promote supervisory convergence of benchmark administrators. •  Chair the EURIBOR college of supervisors, negotiation of Memorandums of Understanding (MoUs) with third-country authorities and potential technical advice to the Commission in the context of its equivalence decisions.

	•  Opinions to competent authorities on endorsement or national critical benchmarks, if applicable.
	2024 Specific outputs •  CSA on BMR (see section 2.1.4.).

2.2.5 Credit Rating Agencies

Key objectives	Contribute to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision (section 2.1.2); - enabling of sustainability finance (section 2.1.4); - technological innovation (section 2.1.5); and - effective use of data (section 2.1.6) in the area of CRAR. Ensure credit ratings in the EU are independent, objective and of high quality by conducting effective supervisory activities. Engage with market participants to exchange views on market trends and CRA practices.
	ESMA is the supervisor of CRAs located in the EU and delivers guidance to CRAs and technical advice to the European Commission as needed. ESMA supervises CRAs in accordance with its data-driven, outcome-focused and risk-based approach described in section 2.1.2. In 2024, ESMA's supervisory priorities will focus on the quality and independence of the rating process, specifically, the effective surveillance of ratings, adequacy of resources and systematic application of rating methodologies. These areas are particularly relevant in the current dynamic economic conditions. In addition, ESMA will look at the review and approval process of models and methodologies and the effectiveness of CRAs' review functions. Beyond these areas, ESMA will continue its monitoring of CRAs' business strategies, including new product offering. On an industry wide level, ESMA will actively explore the potentially disruptive impact of new technologies, such as the increased use of machine learning. In addition, the persisting geopolitical instability and the hybrid working environment are driving ESMA's work to ensure that identified concerns on information security and cloud outsourcing are adequately addressed including through the implementation of DORA. Furthermore, ESMA will focus on targeted risks identified in the area of transparency to investors, particularly on non-adherence to disclosure requirements for rating actions. Finally, ESMA intends to address specific concerns related to the maturity of CRAs' control environment, to enhance their effectiveness and ensure proper balance and independence across different functions. From a policy perspective, in 2024 ESMA will further develop its views and expectations on remuneration and identification of conflicts of interest. In addition, ESMA will review whether

the current technical standards covering CRAs' methodologies are sufficiently reflective of ESMA's supervisory expectations. To assist in the implementation of the revised regulatory framework for credit institutions ESMA will also assess impediments to increasing credit rating coverage in the EU and the extent to which ESG risks are reflected in credit rating methodologies. Finally, ESMA will continue to develop and publicly communicate its expectations on organisational and governance arrangements to CRAs.

Main outputs	Ongoing activities • 👤 Supervision of CRAs. • 🔍 Market monitoring and identification of new risks posed by industry and markets developments. • 📄 Guidance on the CRA Regulation addressed to CRA and NCAs as needed. • 🌐 International work in the area of credit ratings and credit risk assessments through IOSCO, engagement with third-country authorities and technical advice on equivalence and endorsement assessments as needed. 2024 Specific outputs • § Revision of technical standards for credit rating methodologies. • 📖 Report under Capital Requirements Regulation (CRR) on whether ESG risks are appropriately reflected in CRA methodologies. • 📖 ESAs report under CRR on impediments to availability of credit assessments by External Credit Assessment Institutions (ECAIs). • 📄 Guidance on governance expectations
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2.2.6 Central Counterparties (third-country)

Key objectives	Contributes to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision and convergence (section 2.1.2); - technological innovation (section 2.1.5); and - effective use of data (section 2.1.6) in the area of CCP supervision and policy-making. Recognition and tiering of third-country CCPs and monitoring of the evolution of third-country regulatory frameworks and market developments. Conduct ongoing monitoring of Tier 1 CCPs and enhanced scrutiny of risks related to EU activities. Conduct ongoing supervision of Tier 2 CCPs, including compliance with EMIR, validation of risk models and stress-testing exercise. Address systemic risks resulting from third-country CCPs or clearing services deemed substantially systemic for the financial stability of the Union or one or more of its Member States. ESMA reviews the applications of new third-country CCPs, determines their systemic relevance for the Union and negotiates supporting MoUs containing the required provisions
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under EMIR with the relevant third-country jurisdictions, whenever the European Commission adopts a new equivalence decision. ESMA also reviews recognition decisions when a third-country CCP decides to extend or reduce its activities in the EU.

In cooperation with third-country supervisors, ESMA monitors on an ongoing basis third-country CCPs and the risks related to their activities in the EU, their compliance with the equivalence and recognition decisions, as well as the regulatory and supervisory developments in the third-country.

ESMA conducts direct supervision of the most systemically important CCPs (Tier 2) and ensures their ongoing compliance with EMIR requirements including by via stress tests, risk model validation and annual reviews as part of ESMA's supervisory approach for third-country CCPs.

In 2024, ESMA will strengthen its supervisory, data and risk expertise by leveraging and enhancing supervisory data collection, data management and reporting.

Main outputs	Ongoing activities •  Supervision of systemic Tier 2 CCPs, including stress test and risk model validation. •  Tiering and recognition of applicant CCPs (pending EC equivalence) and review following extension/reduction of services. •  Ongoing monitoring of third-country CCP data, including enhanced scrutiny for most active CCPs in the EU and compliance with third-country CCPs' recognition conditions. •  Participation in the CCP global colleges. •  Secretariat functions of the third-country CCP college. •  Maintenance of third-country CCP related registers. Annual outputs • Annual Reviews of Tier 2 CCPs. •  Third-country CCP data request and report to the Board of Supervisors on identified related risks. •  Confidential report on the regulatory and supervisory developments in equivalent third-country.
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2.2.7 Central Counterparties (EU)

Key objectives	Contributes to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision and convergence (section 2.1.2); - technological innovation (section 2.1.5); and - effective use of data (section 2.1.6) in the area of CCP supervision and policy-making under EMIR and the CCP Recovery and Resolution Regulation (CCP RRR). Assess the resilience of CCPs to adverse market developments and identify potential risks for financial stability with the use of CCP stress tests and an enhanced supervisory database.
In order to promote convergence of supervision of CCPs across the EU, ESMA issues Opinions on NCA supervisory decisions, validates significant changes to CCPs' risk models and parameters and issues additional guidance when needed. Furthermore, ESMA promotes consistency of supervisory outcomes for 14 EU CCPs through its participation to supervisory colleges gathering all relevant supervisors. ESMA's stress-testing exercise is a key tool in ensuring proper risk assessments of CCPs, enabling early identification of risks. ESMA continuously improves its supervisory stress-testing framework incorporating new risks, such as operational and climate risks. ESMA will also strengthen its analytical capabilities to identify vulnerabilities in the EU financial system more broadly by leveraging the supervisory data it collects from CCPs as well as NCAs and other EU authorities to cover the wider clearing ecosystem (clearing members, clients, other connected Financial Market Infrastructures). ESMA has the obligation to run an annual peer review on the supervision of EU CCPs. The 2024 annual review will deal with the supervision of CCPs' outsourcing and intragroup governance arrangements. ESMA also takes stock of the progress in achieving supervisory convergence by monitoring and following-up on the application of the recommendations of past peer reviews. In 2024, ESMA will follow up on the 2021 annual review on business continuity in remote access mode (see the Peer Review Work Plan in section 3). ESMA is responsible for monitoring and updating the CCP Single Rulebook under EMIR and CCP RRR to ensure EU CCPs remain resilient as necessary to market developments. Following the crisis on energy derivatives markets, ESMA expects in 2024 to focus on procyclicality, liquidity and concentration risks and will contribute to the EC annual report on interoperability. In 2024, ESMA will issue a report to the Commission, Parliament and Council assessing ESMA's staffing and resources needs arising from the assumption of its powers and duties under CCP RRR, in addition to a report to the EC on the publication of administrative penalties and other administrative measures by Member States (deprioritised in 2023). In 2024, ESMA expects the EMIR 3 legislative proposal by the European Commission to result in additional regulatory and supervisory convergence work for ESMA.	

Main outputs	Ongoing activities • § Maintain CCP Single Rulebook updated under EMIR and CCP RRR. • 📖 Guidance on EMIR and CCP RRR addressed to CCPs and national supervisors and resolution authorities of CCPs and 🧑🏻🧑🏻🧑🏻 other tools to promote supervisory convergence of CCPs. • 🧑🏻🧑🏻🧑🏻 Participation to the supervisory and resolution colleges. • 📖 Opinions on NCA decisions on a range of topics, including on authorisation, extension of services, outsourcing and interoperability. • 🏢 Maintenance of EU-CCP related registers under EMIR and CCP RRR • CCP Resolution Committee secretariat and related work. Annual outputs • 🧑🏻🧑🏻🧑🏻 Launch of 2024 annual CCP peer review on outsourcing and intragroup governance arrangements. • 🧑🏻🧑🏻🧑🏻 Follow-up on annual peer review on business continuity. • 📖 Annual Stress-Test. • 📖 Input to EC annual report on interoperability. 2024 Specific outputs • 📖 CCP RRR report on staffing and resources. • 📖 CCP RRR report to the EC on the publication of administrative penalties and measures.
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2.2.8 Data Reporting Services Providers

Key objectives	Contributes to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision (section 2.1.2); - technological innovation (section 2.1.5); and - effective use of data (section 2.1.6) in the area of MiFIR transparency and transaction reporting. Ensure the availability and integrity of transaction data provided by Approved Reporting Mechanisms (ARMs) to NCAs for market monitoring, as well as the quality of data reported and published by Approved Publication Arrangements (APAs) in collaboration with those NCAs that are responsible for supervision of market participants reporting through/to ARMs/APAs. Further enhance data quality of transparency and transaction reporting, in cooperation with relevant NCAs.
ESMA performs an annual assessment of the DRSPs derogation criteria in order to identify the DRSPs subject to ESMA's direct supervision. The outcome of the assessment consists of either a confirmation or a change to the current allocation of supervisory responsibilities over DRSPs between ESMA and the NCAs. Those DRSPs that fall under the derogation criteria continue to be supervised by the relevant NCAs at national level. ESMA currently supervises	

two types of DRSPs: APAs and ARMs. In 2024, ESMA will continue to prepare the required processes and systems for the future authorisation and supervision of CTPs.

ESMA applies its risk-based, outcome-focused and data-driven approach to the supervision of DRSPs. The two key objectives of ESMA for all market transparency infrastructure entities under its remit are to ensure high data quality standards and operational resilience.

ESMA has established a comprehensive data quality framework ensuring continuous improvements to the integrity, consistency and completeness of all data within ESMA's remit, including the data which is reported to and made available by DRSPs. This is achieved by identifying shortcomings through automated data re-validations carried out by ESMA as well as feedback received from data users. In 2024, similarly to previous years ESMA will focus on consistency, completeness, timeliness and accuracy of the data.

ESMA's supervisory work will also focus on DRSPs operational resilience, notably by monitoring IT and information security incidents and the level of operational separation of the DRSPs from other lines of business. As cybersecurity remains a key risk within the DRSP industry, ESMA will engage with DRSPs to assess their information security framework. ESMA will also monitor DRSPs' preparations for the entry into application of DORA in January 2025. Finally, ESMA will focus on ensuring an effective governance and internal control framework within DRSPs; as a part of this, ESMA will conduct work, in cooperation with NCAs, to better understand the strategy of the groups to which the DRSPs under its remit belong.

Main outputs	Ongoing activities •  Guidance on MiFIR addressed to DRSPs, national supervisors of DRSPs and reporting entities. •  Supervision of DRSPs and implementation of the supervisory strategy. •  Data quality engagement related to MiFIR transaction data including as reported by ARMs and published by APAs. Annual outputs •  Assessment of the DRSP derogation criteria. 2024 Specific outputs •  Revised RTS on authorisation, organisational requirements and the publication of transactions.
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2.2.9 Trade Repositories

Key objectives	Contributes to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision (section 2.1.2); - technological innovation (section 2.1.5); and - effective use of data (section 2.1.6) in the area of the EMIR and Securities Financing Transactions Regulation (SFTR) reporting. Continue and further enhance the EU-wide data quality activities with regards to reporting entities to ensure increased quality, availability and usability of the EMIR/SFTR data. Finalise implementation of the EMIR Refit technical standards on reporting and data quality and the deployment of ISO 20022 XML standards through the full life cycle of derivatives reporting.
ESMA supervises TRs in accordance with its risk-based, outcome-focused and data-driven approach. As for DRSPs, in 2024 ESMA's main supervisory objectives for TRs will be to ensure high data quality standards and operational resilience. Similar to previous years, ESMA will publish an EMIR and SFTR data quality report to show the effectiveness of the collective supervisory efforts of ESMA and the NCAs supervising reporting entities. ESMA will focus its supervisory activities on monitoring the correct reconciliation of data and the adequate verification of accuracy and integrity of all EMIR/SFTR regulatory reports carried out by TRs. In addition, ESMA expects to publish its follow-up report to the peer review on EMIR data quality. ESMA will also focus on ensuring an effective governance and internal control framework within TRs, as well as the adequate performance of TRs' IT systems. ESMA will notably monitor IT and information security incidents and follow up with TRs on the root causes of incidents. Furthermore, ESMA will include TRs in its work on cybersecurity to assess the information security framework in place at TRs. In doing so, ESMA will take into account that DORA will become applicable in January 2025, and monitor that TRs take the right steps to be prepared for the new requirements. As for DRSPs, ESMA will also engage with TRs to further its understanding of the strategy of the groups they belong to and potential implications for TRs. Finally, ESMA's supervisory approach involves implementing action plans to tackle industry risks, firms' specific risks as identified following TRs risk assessment but also ensuring firms' regulatory change implementations comply with its expectations. In 2024, ESMA will supervise and monitor the finalisation of the implementation of the new EMIR Refit requirements by TRs as well as by reporting participants. Considering the scale and scope of changes in the reporting regime, EMIR Refit will likely lead to significant enhancements to the architecture of TR (and reporting participants') systems. In turn, ESMA will be monitoring	

closely the progress and appropriate implementation of this project to ensure a smooth go-live of the new regime. ESMA will also focus on the post-implementation monitoring of the reported TR data and monitor data availability, completeness and integrity.

Main outputs	Ongoing •  Supervision of TRs in particular in the course of the implementation of EMIR Refit. •  Guidance on EMIR and SFTR addressed to TRs, reporting entities and NCAs. •  Data quality engagement related to data including as reported to and made available by TRs. Annual outputs •  Report on the quality and use of transaction data. 2024 Specific outputs •  Revision of EMIR public data requirements following EMIR Refit (EMIR RTS on public data). •  Follow-up report to peer review on EMIR data quality.
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2.2.10 Trading

Key objectives	Contributes to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision (section 2.1.2); - technological innovation (section 2.1.5); and - effective use of data (section 2.1.6) in the area of EMIR, MiFID II and MiFIR and SSR Monitoring market developments related to market integrity, secondary markets, including commodity derivative markets and in relation to post-trading to further support orderly markets.
	MiFID II/MiFIR ESMA fosters convergence in the supervision of MiFID II/MiFIR requirements across the EU through regular exchanges among competent authorities, including sharing of practices and experiences on specific supervisory issues and by issuing guidance. To promote transparency, ESMA issues opinions on pre-trade waivers and on position limits established within the EU for agricultural and significant commodity derivatives. Moreover, ESMA issues annual reports on the use of pre-trade transparency waivers and deferred publication arrangements, and monitors and reports on equivalence decisions. ESMA monitors the implementation of existing guidance, and will in 2024 notably focus on the perimeter of trading venues, outages and on post-trade transparency. ESMA intends to carry out further work assessing the consistent and effective implementation of pre-trade controls by investment firms across the EU, which may be followed up by ESMA guidance, following the Flash Crash in May 2022.

In 2024, ESMA expects, as a follow-up of the MiFIR review, to draft new technical standards and reviewing existing technical standards on (i) equity and non-equity transparency; (ii) the requirement to provide market data on a reasonable commercial basis; (iii) data reporting; and (iv) on the CTP. Moreover, ESMA expects to be mandated with running selection procedures for the selection of a CTP in bonds, shares and Exchange Traded Funds (ETFs), and derivatives (see section 2.1.2). Lastly, ESMA may be mandated to provide input in the area of commodity derivatives and derivatives on emission allowances.

ESMA also monitors developments in secondary markets and assesses the need for potential policy recommendations. In 2024, ESMA will notably focus on developments in commodity derivative markets, including energy commodity markets in cooperation with the Agency for the Cooperation of Energy Regulators (ACER). ESMA's work programme is affected by the uncertainty on the length and amplitude of the market stress linked to Russia's invasion of Ukraine and the potential extension of Regulation (EU) 2022/2578 establishing a market correction mechanism⁵ beyond 31 January 2024. ESMA will respond to the Commission's call for advice on the commodity market structure and the profile of energy firms operating in these markets for the purpose of the reports on the prudential requirements applicable to investment firms to be delivered by the Commission to the European Parliament and the Council. As mandated by the new Emission Trading System Directive which starts applying on 1 January 2024, ESMA will regularly monitor the integrity and transparency of the European carbon market and, where necessary, make recommendations in its assessments to the European Parliament, the Council and the Commission.

EMIR

ESMA promotes compliance with the EMIR requirements in relation to clearing and risk mitigation requirements for OTC derivatives through active monitoring and through supervisory case discussions among national supervisors, as well as by providing guidance to competent authorities and market participants where relevant.

ESMA monitors and adapts the single rulebook and ensures supervisory convergence in relation to the clearing obligation and risk mitigation techniques for OTC derivatives.

In 2024, ESMA expects the EMIR 3 legislative proposal by the European Commission to result in additional regulatory and supervisory convergence work for ESMA such as technical advice and/or guidance and draft technical standards. In 2024, ESMA will monitor the appropriateness and proportionality of the clearing thresholds and might need to amend them depending on market developments or following a possible change in the calculation framework.

Main outputs	Ongoing activities
	Guidance and  other tools to promote supervisory convergence regarding MiFIR, MiFID II, Short Selling Regulation (SSR), and EMIR (including on the clearing obligation, the clearing threshold and the risk mitigation technique requirements).

⁵ Regulation (EU) 2022/2578 establishing a market correction mechanism to protect Union citizens and the economy against excessively high prices, OJ L 335, 29.12.2022, p. 45–60

	• 🔍 Monitoring market developments, enhancing coordination in case of possible threats that may require the adoption of emergency measures under the SSR. • 🔍 Monitoring the ongoing compliance by counterparties with the EMIR clearing and MiFIR trading obligations, as well as of the appropriateness of the clearing thresholds. • 🌐 International work including monitoring and reporting in the area of equivalence. • 🌐 Assessment of third-country venue arrangements in respect of transparency and position limits. • 📋 Opinions on position limits and pre-trade transparency waivers. Annual outputs • 📖 Report on the supervisory measures and penalties imposed by NCAs regarding counterparties' compliance with EMIR. • 📖 Report on transparency waivers and on the use of deferred publication arrangements. • 📖 Report on the EU carbon market, integrated in an ESMA TRV report. 2024 Specific outputs • 📄 Technical standards following the review of MiFIR, and EMIR (where necessary). • 📖 Response to the Commission's call for advice on the commodity market structure and the profile of energy firms operating in these markets.
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2.2.11 Market Integrity

Key objectives	Contributes to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision (section 2.1.2); - technological innovation (section 2.1.5); and - effective use of data (section 2.1.6) in the area of Market Abuse Regulation (MAR) and SSR.
ESMA issues opinions on Accepted Market Practices (AMPs) and publishes annual reports on AMPs and on administrative and criminal sanctions under MAR. ESMA also monitors market developments and the evolution of net short positions at EU level and enhances coordination in case of possible threats that may require the adoption of national measures under the SSR or use of EU intervention powers. ESMA promotes supervisory convergence under MAR and SSR including by issuing guidance or organising case discussions on issues related to market integrity and coordinating NCAs' supervisory actions in relation to cross-border market abuse cases. ESMA will continue focusing on the impact of social media on market surveillance and market integrity and may provide guidance on this topic. ESMA will also monitor the convergent implementation and application of the market abuse rules stemming from MAR and MiCA	

Regulation, in the attempt to identify new forms of market abuse and threats to the market integrity.

In 2024, ESMA will keep on monitoring the deployment of existing AMPs and will deliver opinions with respect to new or revised AMPs. If needed, ESMA will also consider updating its Opinion on points for convergence in relation to AMPs on liquidity contracts.

In 2024, ESMA expects to continue working on pre-hedging, and may assist IOSCO in developing further guidance at global level. ESMA may also contribute to supervisory convergence in the fields of Suspicious Transaction and Order Reports (STORs) by producing an annual report.

ESMA will also liaise with NCAs to better understand trends and developments connected to algo trading and the relevant implications for market surveillance.

Main outputs	Ongoing activities •  Guidance and  other tools to promote supervisory convergence regarding MAR. •  Opinions on MAR AMPs adopted by NCAs where needed. Annual outputs •  Report on AMPs under MAR. •  Report on administrative and criminal sanctions under MAR. •  Report on STORs. 2024 Specific outputs •  Technical advice, reports and/or drafting technical standards following the review of MAR. •  Guidance on the impact of social media on market surveillance and market integrity as well as ensuring a convergent implementation and application of the MiCA provisions from a market integrity perspective.
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2.2.12 Central Securities Depositories

Key objectives	Contributes to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision (section 2.1.2); - technological innovation (section 2.1.5); and - effective use of data (section 2.1.6) as it relates to the CSDR. Recognise third-country Central Securities Depositories (CSDs) and monitor compliance with recognition decisions, if any. In 2024, ESMA is expected to develop guidance and other supervisory convergence measures related to CSDR requirements. Furthermore, ESMA develops and submits reports to the Commission on various aspects of CSDR implementation. In 2024, it is expected that these reports would include CSD settlement efficiency and internalised settlement. ESMA
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also aims to analyse the impact of the shorter settlement cycle in other jurisdictions and assess the impact of potentially shortening the EU settlement cycle.

ESMA will also monitor various aspects of settlement on an ongoing basis through the level of internalised settlement and the level of CSDs' activity in host Member States, of CSDs' settlement activity per each currency and of CSDs' settlement efficiency. ESMA has responsibilities regarding the recognition of third-country CSDs providing notary or central maintenance services in relation to financial instruments constituted under the law of a Member State or establishing a branch in a Member State, if any.

Finally, ESMA expects the CSDR Refit legislative proposal by the European Commission to result in additional regulatory and supervisory convergence work for ESMA. ESMA may thus need to provide technical advice, review, or develop new technical standards and new reports as requested.

Main outputs	Ongoing activities • 📋 Guidance on CSDR, in particular in relation to the settlement discipline regime and potentially with regards to the CSDR Review. • 🌐 International work in respect of third-country CSDs, possible recognition decisions and monitoring of compliance with recognition conditions, if any. Annual outputs • 📖 Reports to the Commission on various aspects of CSDR implementation. 2024 Specific outputs • 📖 CSDR report on CSD settlement efficiency and internalised settlement.
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2.2.13 Securitisation Repositories

Key objectives	Contributes to the objectives of - effective markets and financial stability (section 2.1.1). - effective supervision (section 2.1.2). - enabling sustainable finance (Section 2.1.4). - technological innovation (section 2.1.5) - effective use of data (section 2.1.6). related to the Securitisation Regulation (SECR). Monitor and promote the consistent application of SECR and ensure the effective implementation of regulatory requirements, in particular related to transparency and Simple, Transparent and Standardised (STS) securitisation. ESMA directly supervises SRs using its risk-based, outcome-focused and data-driven approach. ESMA's main supervisory objective for SRs in 2024 will continue to be enhancing
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the quality of the data reported to and made available by SRs and ensuring the continued access, integrity and availability of SR data to the users of the data under SECR.

With respect to data quality, ESMA expects to focus its supervisory activities to assess the completeness and consistency of SR data, ensure correct implementation of validation rules and address feedback from users of SR data.

ESMA also expects that its supervisory work will continue to focus on SRs operational resilience, notably by monitoring IT and information security incidents. Furthermore, ESMA will engage with SRs to assess their cybersecurity framework and address any identified concerns, in particular in light of the entry into application of DORA in 2025. Finally, ESMA will continue to focus on ensuring an effective governance and internal control framework within SRs.

ESMA conducts convergence work and issues guidance on an ongoing basis, in particular in the area of STS securitisation and in the area of transparency requirements. In 2024, ESMA will continue its work initiated in 2023 on a peer review on the implementation of the STS requirements (see the Peer Review Work Plan in section 3) and on setting supervisory expectations related to due diligence requirements under Article 5 of SECR.

In 2024 ESMA will continue its work to review the adequacy of the disclosure templates, taking into account the usefulness of the information for regulators and investors, the efficiency of the reporting regime and the need to promote the transparency of the market.

ESMA also contributes to the work of the Joint Committee Securitisation Committee (JCSC) and cooperates with the relevant supervisory bodies and market participants, including users of SR data by collecting feedback to identify data quality issues, promoting the use of SR data and fostering consistency by supervisory bodies in the supervision of the requirements of SECR. In addition, ESMA will actively contribute to the work of the JCSC on a new Joint Committee report on the functioning of SECR under Article 44 of the same Regulation.

Main outputs	Ongoing Activities •  Supervision of SRs. •  Guidance and  other tools to promote supervisory convergence regarding SECR. •  Data quality engagement related to securitisation data processed by SRs. •  Monitoring on ongoing basis the issues of the SECR regime to plan consistent policy responses. •  Engaging with the market participants and relevant authorities to exchange views on the securitisation markets and the functioning of the reporting regime. 2024 Specific outputs •  Joint Committee report under Article 44 on the functioning of SECR. •  Peer review on the implementation of the requirements for STS securitisation. •  Guidance on due diligence rules (under Article 5 of SECR).
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2.3 ESMA as an organisation

This part includes the horizontal activities, which support the organisation and enables ESMA to fulfil its mission. It notably refers to work to be conducted in the areas of stakeholder relations, communication, governance, strategic planning and reporting, legal and compliance, and risk management, assurance and accountability.

2.3.1 Governance and External Affairs

Key objectives	Ensure robust functioning of ESMA's governance bodies and strong internal governance. Steer strategic direction for the Authority and provide annual and multi-annual planning and reporting. Ensure effective external communication and engagement with stakeholders. Ensure robust and trusted inter-institutional relationships, primarily with the EU Institutions and contribute to ESMA's accountability and transparency. Maintain strong relations and cooperation with international regulatory bodies (IOSCO, FSB) and non-EU securities regulators, and contribute to international standard-setting.
ESMA provides support to ESMA's governance bodies, including the Board of Supervisors, the Management Board, the Joint Committee and the Securities and Markets Stakeholders Group. In line with its obligations under its founding regulation and financial regulation, in 2024 ESMA will produce a programming document for the 2025 to 2027 period, including a detailed annual work programme for 2025. It will also continue to report to the Management Board and the public on the execution of the work programme notably via regular management reporting, and via its annual report. ESMA regularly reviews and updates its communications priorities and outreach approach to key external and internal audiences. It also develops and implements the corporate external and internal communication strategy. ESMA publishes information about ESMA's engagement with external stakeholders. ESMA develops and regularly reviews its internal policies and procedures in accordance with the organisational best practices and undertakes an annual risk assessment and assessment of the ESMA's control framework. ESMA provides advice to the European Commission, the European Parliament, and the Council on legislative initiatives and engages on an ongoing basis with them through various groups and committees including through regular participation in Hearings/Scrutiny proceedings of the European Parliament and Budgetary Discharge processes. In 2024, following the European Elections, a new European Commission and European Parliament will be constituted. It will, therefore, be a priority for ESMA to establish constructive working relationships and contribute to shaping the legislative agenda for the next five years.	

ESMA maintains strong relations and cooperation with international regulatory bodies (IOSCO, FSB) and non-EU securities regulators. ESMA contributes to international standard-setting. ESMA also engages with these authorities as part of its ongoing equivalence monitoring activity and overall monitoring of regulatory and supervisory developments in third countries and prepares a confidential Equivalence Monitoring Report for the EU institutions.

In 2024, ESMA will also assume the rotating Chairmanship of the Joint Committee of the ESAs, as well as the secretariat of the ESAs Board of Appeal. Furthermore, ESMA plans to establish close cooperation with the Anti-Money Laundering Authority (AMLA) that is planned to be created based on the AMLA Regulation, currently under legislative negotiations.

Main outputs	Ongoing Activities • Support ESMA's governing bodies • 🌐 Contribution to EU institutions and international work. • 🌐 Cooperation with third-country regulators, negotiating MoUs and ad-hoc technical advice on international cooperation issues. • Proportionality recommendations. • Update/review internal ESMA policies/processes. • Acting as the leading ESA chairing the Joint Committee and acting as the Secretariat of the ESAs Board of Appeal. Annual outputs • 📖 2025-2027 Programming Document. • 📖 2025 Annual Work Programme. • 📖 2025 Joint Committee Annual Work Programme. • 📖 2023 Annual Report. • 📖 Confidential equivalence monitoring report.
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2.3.2 Legal and Compliance

Key objectives	Identify and minimise the legal risks of ESMA's actions and defend the Authority in case of legal challenge. Provide expert views in preliminary rulings to the extent requested. Advise on and enhance the legal drafting and soundness of legal acts adopted by ESMA, notably through the sign-off process of draft technical standards and legal review of Guidelines. Moreover, advising senior management on internal legal issues (e.g. HR related matters). Foster ESMA's transparency and accountability through the timely handling of requests for access to documents. Promote a strong compliance and integrity culture at ESMA on Ethics and conflict of interest policies, professional secrecy and data protection rules as well as good administration principles.
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ESMA carries out systematic legal review of all key documents. Legal reviews are necessary to ensure the legal quality and soundness of ESMA's contributions to the single rulebook and to supervisory convergence, as well as its supervisory decisions, thus ensuring the legality of ESMA's decisions and activities. Successful representation of ESMA before the EU Ombudsman, the Board of Appeal and the Court of Justice of the EU is key for the support of ESMA's decisions and the protection of Union interests.

ESMA undertakes a wide range of activities to ensure compliance of ESMA as an organisation with all relevant regulations including on the protection of personal data and professional secrecy, including assessing regular requests for disclosure of ESMA documents. ESMA also maintains and updates a public register of rules, policies and develops an interactive single rule book on its website to facilitate access and compliance by all concerned.

Main outputs	Ongoing Activities • Legal advice on policy matters, institutional issues as well as on supervisory measures and actions. • Legal review of acts of general application such as technical standards and guidelines, of individual binding decisions and of tools pursuing convergence such as Opinions and Recommendations. • Submissions and representation of ESMA in litigation cases and expert views in preliminary rulings. • Assisting the organisation on specific HR projects. • Maintenance of ESMA's Data Protection register. 2024 Specific outputs • Legal reviews in the area of digital finance (DORA and MiCA) and sustainable finance. • Provision of legal advice in respect of data related projects. • Provision of legal advice in the exercise of the supervisory functions of ESMA, including in respect of third-country CCPs.
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2.3.3 Human Resources

Key objectives	Deliver HR services, enabling ESMA to attract, train, develop and retain the talents required to successfully perform its tasks and achieve its objectives, and ensuring efficient HR administration while fulfilling the regulatory requirements of an EU authority.
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The Human Resources function will continue to support the staff and work to promote ESMA as an attractive and inclusive employer.

Given ESMA's new mandates and challenges, the main priority is to ensure the organisation is equipped with the right skills and expertise. In this respect, in 2024 ESMA will use a new competency framework and implement a new HR strategy. An important aspect will be to

ensure that ESMA remains an attractive employer, able to attract new talent and retain existing staff by promoting its values.

ESMA will also implement its new diversity and inclusion strategy and action plan. Developments in this field are planned over the next few years, through a variety of initiatives aimed at fostering a culture where diversity is regarded as a source of enrichment, innovation and creativity, and where inclusion is promoted by managers and all staff.

The Human Resources function will also continue to support ESMA staff in their development and HR needs, notably by further promoting internal mobility, secondment to EU institutions and proposing a wide offer of training and learning opportunities, both onsite and via agile and customisable e-learning solutions.

Lastly, the organisation will continue to benefit from the digitalisation of its internal HR procedures, notably the implementation of new SYSPER modules, the Commission HRMS (human resources management system) tool progressively deployed at ESMA since 2022.

Main outputs	Ongoing activities • Implementation of the staffing and training plan. • Implementation of the HR strategy. • Implementation of the Diversity and Inclusion strategy.
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2.3.4 Finance and Procurement

Key objective	Continue enhancing the efficiency of ESMA's financial and procurement processes and ensuring their accuracy and regularity in light of the EU Financial Regulation.
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ESMA collects fees from seven different types of supervised entities (CRAs, TRs under EMIR, TRs under SFTR, SRs, third-country CCPs, benchmark administrators and DRSPs) on top of the EU subsidy and the NCAs' contribution. Moreover, ESMA will start preparing for the integration of the new mandates foreseen by the Commission's proposal for DORA, MiCA, CTP and ESAP. In 2024, ESMA's budget will continue to grow in terms of complexity requiring an important effort to ensure an efficient, smooth and accountable functioning of ESMA's overall funding system.

For this purpose, ESMA is working with the European Commission on the improvement of ESMA's fee funding model with a view to support resources/funding allowing a more risk based approach to supervision, while ensuring fairness and proportionality across the supervised entities as well as reasonable fee levels for the supervised entities.

ESMA's budget and costing activities will continue to benefit and rely on its fully re-scaled and cloud-based Activity-Based Management tool.

In 2024, ESMA will fully benefit from the Public Procurement Management Tool. In addition to the usual procurement procedures that are necessary to support ESMA's objectives, ESMA will organise several CTP selection procedures.

Main outputs	Ongoing activities • Revenue collection including fee management. • Procuring goods and services. • Financial contract management. • Payments and reimbursements. Annual outputs • Budget planning, management, and costing.
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2.3.5 Corporate Services

Key objectives	Provide proactive and effective support by ensuring the smooth running of ESMA's facilities and the acquisition and sound management of goods and services, in accordance with the EU public procurement rules and procedures. Ensure the health and safety of ESMA staff and visitors. Provide support to ESMA's core business by offering a modern and appropriate working place for staff and visitors, organising missions and events, and managing a secure, robust, efficient, and collaborative document management system fulfilling the regulatory requirements and business needs of an EU authority.
The Corporate Services will contribute to ESMA as an organisation by improving its environmental performance through the Eco-Management and Audit Scheme (EMAS). Notably, the lessons learnt from the COVID-19 pandemic will continue to be considered not only to adapt to new ways of working but also to reinforce the sustainability of activities and the workplace. The areas of focus in 2024 as far as Corporate Services are concerned will continue to be the maintenance and regular adaptation of the premises to efficiently support ESMA's activities and provide a safe, healthy, comfortable, productive, cooperative, sustainable and flexible work environment to staff and visitors. The Corporate Services will continue to support the smooth day-to-day running of the organisation and will rely on effective and efficient tools and resources for the management of missions, organisation of meetings and catering services, organisation of events, handling of visitors. To do so, the Corporate Services rely on established planning and reporting procedures, and a robust document management system.	
Main outputs	Ongoing activities • Maintenance of ESMA's premises. • Environmental performance monitoring and improvement (EMAS maintenance). • Implementation of ESMA's Document Management System. • Corporate services support for staff and visitors. • Annual, quarterly, and monthly reports on the Support Functions activities.

3 Peer Review Work Plan 2024-2025

Peer reviews are an important tool for supervisory convergence to further strengthen consistency and effectiveness in supervisory practices and outcomes. ESMA performs two types of peer reviews: discretionary peer reviews and mandatory peer reviews. Discretionary peer reviews are performed on topics set by ESMA on the basis of its risk-based prioritisation for supervisory convergence. Mandatory peer reviews are required by sectoral EU legislation. ESMA also follows up on the recommendations made in the context of previous peer reviews.

ESMA develops every two years a Peer Review Work Plan which identifies the topics for peer reviews and follow-ups to be launched in the following two years.

In 2023, ESMA set the Peer Review Work Plan for the period 2024-2025. In addition to the peer reviews that ESMA identified in its bi-annual work plans, and in case of urgency or unforeseen events, when a peer review is considered the appropriate tool, ESMA may also decide to carry out a fast-track peer review as a flexible alternative to standard peer reviews.

In 2024, in addition to the CCPs' peer review and follow-up, ESMA will continue working on the peer review on the implementation of the requirements for STS securitisation, on the follow-ups on the EMIR data quality peer review and the Wirecard Fast Track peer review. ESMA will then launch the peer reviews and follow-ups planned for 2024 in the Peer Review Work Plan set below:

PEER REVIEW WORK PLAN 2024-2025: ONGOING AND PLANNED PEER REVIEWS AND FOLLOW-UPS BY YEAR OF LAUNCH

Launched in 2023	Launched in 2024	Launched in 2025
Peer reviews		
Implementation of the requirements for STS securitisation.	- Depositary obligations under the UCITS directive and AIFMD. - CCPs (outsourcing and intragroup governance arrangements).	CCPs (recovery plans).
Follow-ups		
- Supervisory actions aiming at enhancing the quality of data reported under EMIR. - Application of the guidelines on the enforcement of financial information by BaFin and FREP in the context of Wirecard.	- Supervision of cross-border activities of investment firms. - Prospectus scrutiny and approval. - CCPs (business continuity).	- Relocation of firms in the context of Brexit. - CCPs (clearing members due diligence).

Annex I. Human Resources

On 31 January 2023 ESMA provided a multi-annual ‘Programming Document’ to the EU Institutions. This included a multi-annual work programme with financial and staffing outlook for 2025 and 2026, as well as a detailed annual work programme with a budget and staffing request for 2024.

The following tables replicate ESMA’s 2024 budget request, as approved in the Single Programming Document for 2024-2026. ESMA’s resources for 2024 will become final once the EU budget is decided upon at the end of 2023 by the Budget Authority⁶.

2024 draft Establishment Plan (temporary posts)			
AD 16	1		
AD 15	3	AST 11	
AD 14	1	AST 10	
AD 13	2	AST 9	
AD 12	9	AST 8	
AD 11	12	AST 7	1
AD 10	32	AST 6	6
AD 9	45	AST 5	6
AD 8	35	AST 4	
AD 7	37	AST 3	
AD 6	33	AST 2	
AD 5	31	AST 1	
AD total	241	AST total	13
GRAND TOTAL		254	

Contract Agents (FTE)	2024 draft estimate
Function Group IV	63
Function Group III	31
Function Group II	
Function Group I	
Total	94

Seconded National Experts (FTE)	2024 draft estimate
Total	30

⁶ The Budget Authority is formed by the Council of the European Union and the European Parliament.

Annex II. Draft budget

The following tables replicate ESMA's 2024 budget request, as approved in the Programming Document 2024-2026. The draft budget is subject to change and will not be final until agreed by the Budgetary Authority and by ESMA's Boards at the end of this year⁷.

REVENUE	EUR
Fees from CRAs	10,382,288
Fees from TRs under EMIR	1,697,850
Fees from TRs under SFTR	990,157
Fees from SR	406,708
Fees from TC CCPs	6,282,772
Benchmarks	980,586
DRSP	2,852,899
EU contribution	20,328,887
Contribution from NCAs	31,819,050
Contribution from EEA/EFTA	985,110
Contribution from DG REFORM for EUSDFA	353,908
Contribution for delegated tasks	349,112
TOTAL REVENUE	77,429,327

EXPENDITURE	EUR
Staff expenditure	49,694,386
Infrastructure and administrative expenditure	9,094,782
Operational expenditure	18,240,159
Delegated tasks	400,000
TOTAL EXPENDITURE	77,429,327

⁷ Notably, the level of 2024 revenue sources may be slightly adjusted in light of the impact of inflation and of the recent developments concerning the fee-related areas. ESMA's final budget for 2024 will be published on ESMA's website and in the EU Official Journal in the beginning of next year.

Annex III. ESMA's Key Performance Indicators (KPIs)

ESMA is currently in the process of reviewing its KPIs which will be published as part of ESMA's 2025 Annual Work Programme in September 2024. ESMA expects to be able to start reporting on some of its new KPIs in its 2024 annual report which will be published in June 2025.

Activity	Key Performance Indicator	Annual Target
Promoting supervisory convergence	Reported non-compliance rate with GLs. Peer reviews & follow-ups.	N/A 80%
Assessing risks to investors, markets and financial stability	Risk monitoring reports delivered against work plan. Number of risk issues analysed.	10 8
Maintenance of single rulebook for EU financial markets	Percentage of technical standards reviewed.	N/A
Supervision of specific financial entities	Percentage of risk scenarios which triggered a supervisory action and resulted in a drop in the risk following the action. The time a firm takes to proceed to remedial actions following ESMA's supervisory action. Number of resources spent per identified risk issue. Number of cases meeting the time designated for the overall enforcement process.	≥70% ⁸ >75% ⁹ ≥75% ¹⁰ ≥50% ¹¹
Data related KPIs	Coverage of ESMA databases under central data management.	90%
IT-projects related KPIs	% of projects' phases delivered compared to planned. % projects budget execution for the current year. % maintenance budget execution for the current year. % of open tickets versus closed (year-to-date)	80% 95% 95% >95%
ESMA as an organisation	% Rate of implementation of Commitment Appropriations % Rate of cancellation of Payment Appropriations % Rate of payments executed within contractual deadlines % Average vacancy rate % Completion of the activities of the Annual Work Programme % Rate of implementation of audit recommendations	>95% <5% >95% <10% >85% >85%

⁸ The percentage of the risk scenarios that result in a drop of the risk level is equal to or greater than 70%.

⁹ For 75% or more of the relevant cases, firms respond to ESMA remedial actions on time.

¹⁰ The sum of effort with Tier 1 and Tier 2 priority is equal to or greater than 75%.

¹¹ For each phase of the enforcement process, a project plan sets out several milestones. This KPI shows the aggregate percentage of phases of the cases that meet those milestones.

Annex IV. Overview of ESMA 2024 outputs by output type

This Annex provides an overview of ESMA's deliverables by output type including along with a brief description of each type.

Rules §

In response to specific legal mandates, ESMA provides draft ITS and RTS. Statutory guidelines which are developed in response to a specific legal mandate are included in this category. The new and revised technical standards to be delivered in 2024 which are currently known are listed in the table below.

Sub-Activity	Technical standards and statutory guidelines to be delivered in 2024
Sustainable finance	Technical standards as required under the European Green Bond Regulation, and the CRAR.
Technological innovation	RTS and guidelines as required under MiCA and DORA.
Effective use of data and ICT Technologies	Technical standards on the tasks, collection bodies and functionalities of ESAP.
Investment Management	- Technical standards and guidelines based on mandates from review of AIFMD and the UCITS Directive. - Annual update of guidelines on MMF stress testing.
Issuer Disclosure	- RTS on ESEF for taxonomy on sustainability information. - Annual amendments to the RTS on ESEF, ESEF XBRL Taxonomy files.
CRAs	Revised technical standards for credit rating methodologies.
DRSPs	Revised RTS on authorisation, organisational requirements and the publication of transactions.
TRs	Revised EMIR public data requirements following EMIR Refit (EMIR RTS on public data).
Trading	Technical standards following the review of MiFIR and EMIR (where necessary).
Market integrity	Technical advice, reports and/or draft technical standards following the review of MAR.

In addition to the technical standards listed in the table above, there are several directives and regulations currently under review which are likely to result in additional mandates for ESMA to revise existing technical standards or develop new ones in 2024.

Reports

In response to specific legal mandates, ESMA provides technical advice and analysis to the European Commission on the application and potential improvement of the legislation within ESMA's remit. This includes several annual publications as well as ad-hoc reports and technical advice on specific issues. The reports to be delivered in 2024 which are currently known are listed in the table below. However, there are several directives and regulations currently under review which are likely to result in additional mandates for ESMA to deliver reports and technical advice.

Sub-Activity	2024 Technical Advice and Reports
Sustainable Finance	Final report to EC on greenwashing.
Technological innovation	First annual report under the DLT Pilot regime.
Investment management	Technical advice on the revision of the UCITS Eligible Assets Directive.
CRAs	- Report under CRR on whether ESG risks are appropriately reflected in CRA methodologies. - ESAs report under CRR on impediments to availability of credit assessments by ECAIs.
Third-country CCPs	- Annual confidential report on the regulatory and supervisory developments in equivalent third countries. - Annual third-country CCP data request and report to the Board of Supervisors on identified related risks.
EU CCPs	- CCP RRR report on staffing and resources. - CCP RRR report to the EC on the publication of administrative penalties and measures. - Input to EC annual report on interoperability. - Periodic Stress-Test.
DRSPs	Annual assessment of the DRSP derogation criteria.
TRs	Annual report on the Quality and use of transaction data.
Trading	- Response to the Commission's call for advice on the commodity market structure and the profile of energy firms operating in these markets. - Annual report on transparency waivers and on the use of deferred publication arrangements.
Market Integrity	Annual Report on STORs.
CSDs	- CSDR Report on CSD settlement efficiency and internalised settlement. - Annual Reports to the Commission on various aspects of CSDR implementation.
SRs	Joint Committee report under Article 44 on the functioning of SECR.
Governance and External Affairs	2025-2027 Programming Document (annual). 2025 Annual Work Programme.

	• 2025 Joint Committee Annual Work Programme. • 2023 Annual Report. • Annual confidential equivalence Monitoring Report.
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Every year, ESMA publishes a set of publications with information about supervision and enforcement and data quality activities carried out in specific sectors, which are summarised in the table below.

Sub-Activity	Annual publications on supervision and enforcement activities
Retail investor protection	• Annual reports on sanctions under MiFID II and ECSPR. • Annual report on performance and costs of retail investment products.
Sustainable finance	• Joint annual ESAs Report on voluntary disclosures under Article 18 SFDR.
Effective use of data and ICT Technologies	• Annual report on quality and use of transaction data.
Investment Management	• Annual reports on UCITS and AIFMD sanctions.
Issuer Disclosure	• Annual extracts of financial information enforcement decisions. • Annual corporate reporting enforcement and regulatory report. • Annual public statement on European Common Enforcement Priorities. • Report on the follow-up to the Wirecard Fast Track Peer Review.
Trading	• Annual Report on the supervisory measures and penalties imposed by NCAs regarding counterparties' compliance with EMIR.
Market Integrity	• Annual report on AMPs under MAR. • Annual report on administrative and criminal sanctions under MAR.

Finally, ESMA carries out a range of activities to monitor and analyse market risks related to its mandates. The outcome of this work is published as part of periodical publications.

Sub-Activity	Annual risk publications
Risk monitoring and analysis	• Biannual TRV reports including Annual report on the EU carbon market. • TRV Risk Analysis articles, potential topics include climate risk (physical risk), social media, crypto assets and AI. • ESMA Market reports: Crowdfunding, Cost & Performance of retail investment products, prospectus, AIFs.

CSAs

CSAs are important tools for promoting supervisory convergence. The CSA is the application of a common assessment framework on supervisory questions in a priority area among national supervisors as well as ongoing exchanges between supervisors on these questions.

Sub-Activity	2024 CSAs
Retail investor protection	- On MiFID II requirements on suitability/sustainability. - Report on 2023 CSA and Mystery shopping on marketing communications.
Investment Management	On Sustainability.
Sustainable finance	On ESG disclosures in benchmarks.

Guidance

ESMA has the power to provide guidance to competent authorities and market participants on how to comply with and supervise the rules and regulations within its remit using different legal instruments. Depending on the addressee and the nature of the topic, ESMA commonly publishes guidance in the form of Q&As; opinions; statements; supervisory briefings; and ESMA own-initiative guidelines and recommendations. ESMA constantly reviews, revises, adds and repeals guidance across all areas to ensure that ESMA guidance is easy to navigate, consistent, complete and up-to-date in light of new developments in regulation, technology, risks, business models and investor needs. Guidance is a cornerstone of ESMA's supervisory convergence efforts to achieve effective and consistent high quality supervisory outcomes across the EU. The guidance outputs to be delivered in 2024 which are currently known are listed in the table below.

Sub-Activity	Guidance to be delivered in 2024
Effective supervision	- Guidelines on internal controls to trade repositories, data reporting services providers and securitisation repositories. - Guidelines on periodic information and notification of material changes to be submitted to ESMA to i) trade repositories, data reporting services providers and securitisation repositories and ii) benchmark administrators.
Issuer disclosure	- Guidelines on enforcement of sustainability reporting. - Acting in concert Whitelist update.
CRAs	Guidance on governance expectations.
Market integrity	Guidance on the impact of social media on market surveillance and market integrity as well as ensuring a convergent implementation and application of the MiCA provisions from a market integrity perspective.
SRs	Guidance on due diligence rules (under Article 5 of SECR).

Annex V. Acronyms

ACER	Agency for the Cooperation of Energy Regulators
AI	Artificial Intelligence
AIFs	Alternative Investment Fund
AIFMD	Alternative Investment Fund Managers Directive
AMLA	Anti-Money Laundering Authority
AMPs	Accepted Market Practices
APAs	Approved Publication Arrangements
ARMs	Approved Reporting Mechanisms
BMR	Benchmarks Regulation
BUL	Breach of Union Law
CASPs	Crypto-Asset Services Providers
CCP	Central Counterparty
CCP RRR	CCP Recovery and Resolution Regulation
CEAOB	Committee of European Audit Oversight Bodies
CMU	Capital Markets Union
CRAs	Credit Rating Agencies
CRAR	Credit Rating Agencies Regulation
CRR	Capital Requirements Regulation
CSA	Common Supervisory Action
CSDs	Central Securities Depositories
CSDR	Central Securities Depositories Regulation
CSRD	Corporate Sustainability Reporting Directive
CTPs	Consolidated Tape Providers
DLT	Regulation on Distributed Ledger Technology
DORA	Digital Operational Resilience Act
DRSPs	Data Reporting Service Providers
EBA	European Banking Authority
EC	European Commission
ECAI	External Credit Assessment Institution
ECB	European Central Bank
ECSPR	European Crowdfunding Service Provider Regulation
EEA	European Economic Area
EFRAG	European Financial Reporting Advisory Group
EFTA	European Free Trade Association
EIOPA	European Insurance and Occupational Pensions Authority
ELTIF	European Long-term Investment Funds
EMAS	Eco-Management and Audit Scheme
EMIR	European Market Infrastructure Regulation
ESAs	European Supervisory Authorities
ESAP	European Single Access Point
ESEF	European Single Electronic Format
ESG	Environmental, Social and Governance

ESMA	European Securities and Markets Authority
ESRB	European Systemic Risk Board
ESRS	European Sustainability Reporting Standards
ETFs	Exchange Traded Fonds
EU	European Union
EURIBOR	Euro Interbank Offered Rate
EUSDFA	EU Supervisory Digital Finance Academy
EuSEF	European Social Entrepreneurship Funds
EuVECA	European Venture Capital Funds
FSB	Financial Stability Board
FTE	Full Time Equivalent
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
IOSCO	International Organisation of Securities Commissions
ISA	International Standards on Auditing
ISSB	International Sustainability Standards Board
ITS	Implementing Technical Standards
JCSC	Joint Committee Securitisation Committee
KPIs	Key Performance Indicators
MAR	Market Abuse Regulation
MiCA	Regulation on Markets in Crypto-Assets
MiFID II	Revision of the Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
MMFs	Money Market Funds
MoU	Memorandum of Understanding
NCA	National Competent Authority
NGFS	Network for Greening the Financial System
OTC	Over-the-counter
PRIIPs	Regulations on Packaged Retail and Insurance-based Investment Products
RTS	Regulatory Technical Standards
SECR	Securitisation Regulation
SFDR	Sustainable Finance Disclosure Regulation
SFTR	Securities Financing Transactions Regulation
SRs	Securitisation Repositories
SSR	Short Selling Regulation
STORs	Suspicious Transaction and Order Reports
STS	Simple, Transparent and Standardised (securitisation)
TRs	Trade Repositories
TRV	Trends, Risks and Vulnerabilities
UCITS	Undertakings for Collective Investment in Transferable Securities
USSP	Union-wide Strategic Supervisory Priority