

ESMA issues an opinion on Product Intervention Measures on Turbos

These measures concern turbos which are high-risk leveraged products with which investors speculate that the prices of the underlying asset, such as a share, an index or a currency, will rise or fall. ESMA's opinion concludes that the proposed measures are justified and proportionate.

Furthermore, ESMA's opinion encourages all National Competent Authorities (NCAs) to monitor turbos in their respective markets to assess whether similar risks for retail investors as those identified by the AFM could arise there.

Background

NCAs may take product intervention measures in accordance with Article 42 of Regulation (EU) No 600/2014. At least one month before a measure is intended to take effect, an NCA must notify all other NCAs and ESMA of the details of its proposed measure and the related evidence, unless there is an exceptional case where it is necessary to take urgent action.

In accordance with Article 43 of Regulation (EU) No 600/2014, ESMA performs a facilitation and coordination role in relation to such product intervention measures taken by NCAs. After receiving notification from an NCA of its proposed measure, ESMA must adopt an opinion on whether the proposed measure is justified and proportionate. If ESMA considers that the taking of a measure by other NCAs is necessary, it must state this in its opinion.

The opinions that ESMA previously issued on proposed national product intervention measures are published on its [website](#).