

# ESMA publishes its 2020 Annual Report

The Report provides an overview of the work carried out by ESMA in 2020, following the entry into force of the revised ESMA Regulation and the amendments to the European Market Infrastructure Regulation (EMIR 2.2), updating ESMA's governance and introducing new mandates for the organisation, which are shifting ESMA's focus towards supervisory convergence. In addition to fulfilling its mandates, ESMA had to respond to the combined effects on financial markets of the COVID-19 pandemic and the United Kingdom's withdrawal from the European Union.

Anneli Tuominen, Interim Chair, said:

"The past year has been a challenging and transformative year for ESMA. We have been at the forefront of responding to the impact of COVID-19 and Brexit on EU financial markets, while assuming new powers and supervisory responsibilities under the ESA's Review and EMIR 2.2.

"Two key achievements related directly to these new mandates, firstly our swift response to the Wirecard case, following the European Commission's request, which resulted in a comprehensive report, with recommendations, in November, and secondly, the establishment of the central counterparties supervisory committee.

"ESMA enters its second decade as an established regulator with solid foundations, thanks to its former senior management, fit to meet any challenges the new decade poses to investor protection, orderly and stable financial markets."

Natasha Cazenave, Executive Director, said:

"In 2020, ESMA continued to produce high-quality work in delivering its Work Programme to support its mission and objectives. This was thanks to our staff, whose commitment, resilience and flexibility ensured that ESMA fulfilled its role despite particularly challenging circumstances."

## **Highlights of 2020**

ESMA's 2020 key achievements included its work on:

- Promoting Supervisory Convergence
  - Fast-track peer review on Wirecard – enhanced peer review framework;
  - First common supervisory action (CSA) on the application of the MiFID II requirements on the assessment of appropriateness and execution requirements related to investor protection;
  - Identification of union specific supervisory priorities (USSP); and
  - ESMA's report on liquidity risk in investment funds.
- Assessing risks to investors, markets and financial stability
  - Annual statistical report series on EU securities markets, retail investment markets, AIF markets and derivatives markets; and

- Ensuring quality of data reported to ESMA.
- Completing a Single Rulebook for EU financial markets
  - Contribution to the European Commission's CMU's action plan;
  - Publication of ESMA's strategy on sustainable finance. The key priorities include transparency obligations, risk analysis on green bonds, ESG investing, convergence of national supervisory practices on ESG factors, taxonomy and supervision; and
  - Contribution to the European Commission's digital finance strategy.
- Directly supervising specific financial entities
  - Establishment of the Central Counterparty (CCP) Supervisory Committee;
  - Enforcement cases for breaches of the CRA Regulation;
  - Trade repositories landscape reshaped (withdrawals and additions); and
  - Thematic report on collateralised loan obligations.

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