

ESMA publishes third annual report on use of sanctions for UCITS

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, today publishes its [2019 report](#) on the use of supervisory sanctions by National Competent Authorities (NCAs) under the Undertakings for Collective Investments in Transferrable Securities (UCITS) Directive.

While the number of NCAs issuing sanctions (penalties and measures) remains stable at 15, compared to the previous report for the period 2016-2018, the financial amount of penalties issued decreased slightly based on a year on year comparison. The data gathered under the sanction reports published so far shows that the sanctioning powers are not equally used among NCAs and, except for certain NCAs, the number and amount of sanctions issued at national level seems relatively low.

In order to understand the possible reasons behind the uneven use of the sanctioning tool among Member States, ESMA organised a one-day workshop on 16 July 2020 for NCAs' staff working in supervision and enforcement teams on the topic of sanctions in UCITS and AIFs.

The UCITS sanctions report published today contains an overview of the applicable legal framework and information on the penalties and measures imposed by NCAs in accordance with Article 99e of the UCITS Directive from 1 January 2019 to 31 December 2019. NCAs submit data on the use of sanctions to ESMA, which forms the basis of the annual aggregated report.

Next steps

ESMA continues its work to foster supervisory convergence in the application of the UCITS Directive and will issue separate reports on an annual basis for future reporting periods.