

# ESMA supports ESRB actions to address COVID-related systemic vulnerabilities

The European Securities and Markets Authority (ESMA), the EU securities markets regulator, has published [a statement](#) supporting [the recommendations](#) issued by the General Board of the European Systemic Risk Board (ESRB). These recommendations are part of a set of actions to address the Coronavirus emergency from a macroprudential perspective.

ESMA expresses its support to the ESRB Recommendation, which suggests that relevant NCAs across the European Union (EU), coordinated by ESMA, undertake focused supervisory engagement with investment funds that have significant exposures to less liquid assets, focusing on corporate debt and real estate. In this context, ESMA also welcomes the ESRB public communication around the importance of the timely use of liquidity management tools by investment funds and insurers with exposures to less liquid assets.

The ESRB action complements the ongoing ESMA coordination role in this area which has intensified in response to the COVID-19 pandemic. Together with the ESAs and the NCAs, ESMA monitors developments in financial markets and is prepared to use its powers to ensure the orderly functioning of EU markets so that they benefit investors and support stability