

# ESMA

## ESMA BECOMES SUPERVISOR OF EU DATA REPORTING SERVICE PROVIDERS

07 February 2022

### MARKET DATA

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, on 1 January 2022 took on its new mandate as [direct supervisor of the largest EU Data Reporting Service Providers \(DRSPs\)](#). Its new role gives ESMA direct authorisation and supervisory powers over DRSPs, except for those entities that, due to more limited market impact, will continue to be supervised by their Member State authority.

ESMA, in exercising its new responsibilities, will build on its long-standing experience in supervising other types of entities like Credit Rating Agencies and Trade Repositories.

Verena Ross, Chair, said:

"With its new supervisory role for the largest EU Data Reporting Service Providers, ESMA will contribute to increasing financial markets transparency. Through its new mandate, ESMA has strengthened its data-related competencies and will, in close coordination with the NCAs, work to further enhance the quality of market data across the Union.

"In January 2022, ESMA hosted a first roundtable that brought together the EU's largest DRSPs, outlined ESMA's priorities as a supervisor and laid the groundwork for this new engagement between ESMA and the supervised entities."

Supervisory responsibility for DRSPs was transferred from national competent authorities (NCAs) to ESMA due to:

- the cross-border dimension of data handling,
- the aim of achieving economies of scale, and
- facilitating data quality convergence for all market participants.

In December 2021, ESMA issued a [statement](#) outlining its approach for DRSP supervision pending the entry into force of all relevant legislative acts.

ESMA aims to ensure the effective and consistent application of a data-driven, risk-based and outcome focused supervisory framework for the DRSPs under its supervision and will continue actively engaging with the:

1. supervised entities;
2. national competent authorities; and
3. data users to ensure a smooth and orderly functioning of EU financial markets.

To support its new supervisory task, ESMA has developed an IT system based on big data technologies that will facilitate processing, storage and supervisory analysis of large volumes of MiFIR transaction data.

The [2022 Annual Work Programme](#) outlines ESMA's supervision priorities for 2022 under the DRSPs' supervision mandate.