European Securities and Markets Authority

28 September 2026
ESMA22-50751485-1673

2027 Annual Work Programme

Table of Contents

1. Executive summary

The European Securities and Markets Authority (ESMA) is guided by its multi-annual strategy for 2023–2028, which sets out three strategic priorities and two thematic drivers. ESMA's 2027 annual work programme is aligned with this strategy and continues to build on activities initiated in previous years, while adapting to the emerging priorities shaped by the Market Integration and Supervision Package (MISP) proposals and the continued advancement of the Simplification and Burden Reduction (SBR) agenda, while retaining sufficient flexibility to respond swiftly to new priorities as they emerge.

In this context, ESMA's 2027 work programme marks a decisive shift from analysis and groundwork to implementation and concrete delivery, building on the foundations laid in 2025 and 2026 and bringing key strategic cycles to completion.

As the EU's financial sector reaches the T+1 settlement target date of 11 October 2027, ESMA will remain centrally involved in coordinating the preparedness and readiness of the EU's financial sector for the transition, working closely with the European Commission and the European Central Bank (ECB), as well as industry stakeholders, within the established governance structure and partnership frameworks.

ESMA's direct supervisory responsibilities will continue to grow in 2027. Following the launch of supervision of Consolidated Tape Providers (CTPs) and external reviewers under the European Green Bond framework in 2026. In the area of benchmarks, ESMA will adapt to its expanded supervisory responsibilities under the revised Benchmarks Regulation (BMR), including the supervision of EU benchmark administrators endorsing third-country benchmarks. 2027 will also mark ESMA's first year of supervision of ESG rating providers, during which ESMA will assess business models and potential risks to investors and market integrity as part of its risk-based supervisory approach. ESMA will consolidate its supervisory approach for these new entities in 2027 while developing a robust, risk-based supervisory framework for all entities under its supervisory remit. Across all of its direct supervisory mandates, ESMA will also continue to focus on compliance with DORA requirements following the second year of their application.

Against this backdrop of expanding supervisory responsibilities, market monitoring remains a critical priority, particularly given the continued instability in global markets, heightened geopolitical tensions, and evolving macro-financial risks, and ESMA will adapt its monitoring focus and supervisory response swiftly as conditions evolve. In the crypto-asset space, ESMA will focus its 2027 MiCA activities on driving supervisory convergence for CASP supervision and operational resilience and, subject to the Board agreement, on moving to the next phase of the centralised system for market surveillance of crypto assets (MIDAS).

In 2027, ESMA's data strategy and digital transformation agenda will advance significantly, guided by both the ESMA Data Strategy 2023–2028 and the new ESMA Digital Strategy 2026–2028. ESMA will continue enhancing its data capabilities and promoting innovation, including by progressing the ESMA Data Platform, deploying AI-based supervisory tools, and further supporting the roll-out of the European Single Access Point (ESAP). Two of the most significant

SBR flagship projects — the holistic review of transaction reporting under MiFIR, EMIR, and SFTR, and the development of harmonised, integrated funds reporting under AIFMD/UCITS — will move into active implementation in 2027, with the aim of establishing streamlined "report-once" frameworks that substantially reduce the burden on reporting entities. ESMA will also strengthen its cybersecurity posture in line with the EU Cybersecurity Regulation and advance its zero-trust architecture.

The implementation of recently agreed legislative files will continue to require significant ESMA input in 2027. This includes the ongoing delivery of level 2 and level 3 work. In particular, subject to the finalisation and timing of the legal texts, ESMA will also begin delivering key outputs under the Retail Investment Strategy (RIS), including technical advice to the Commission and technical standards on investor protection topics such as disclosures and costs and charges. Similarly, in the sustainable finance area, ESMA will guide market participants and national authorities through the transition to the simplified rulebook, including in relation to the revised Sustainable Finance Disclosure Regulation (SFDR) framework and the changes introduced by the Omnibus package to the Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS), and the EU Taxonomy.

ESMA's activities will continue to be shaped by the evolving legislative and political agenda of the Commission and the co-legislators. This includes the implementation of the Savings and Investments Union (SIU) Strategy and related legislative initiatives aimed at making EU capital markets more integrated, accessible, and globally competitive, such as the MISP currently under discussion by co-legislators. ESMA stands ready to contribute technical advice and expertise within this process and, depending on the progress and outcome of the negotiations, will prepare for new mandates and changes emerging from the new legislation, keeping its 2027 work programme sufficiently flexible to respond swiftly should MISP be finalised during the year. Key cross-cutting priorities will also include making EU financial markets more efficient and thereby contributing to their competitiveness, as well as adapting swiftly to new economic, geopolitical, and technological developments, including the growing role of artificial intelligence (AI) across financial markets.

Finally, a central element of the programme is the simplification and burden reduction (SBR) agenda. This includes four ongoing flagship projects on integrated transaction reporting, integrated funds reporting, the retail investor journey, and risk-based supervision. These projects are designed to deliver tangible efficiency gains for both market participants and supervisors. ESMA will continue to embed SBR principles in new and revised policy mandates. It will also ensure that its supervisory convergence work supports, rather than adds to, the operational burden on market participants and national authorities. This includes a continued focus on targeted, outcome-oriented supervisory activities and the promotion of a common supervisory culture across the European Union (EU).

2. Work programme 2027

The work programme describes objectives and outputs for each of ESMA's strategic priorities and thematic drivers and for each of the sectors within ESMA's remit. Outputs are divided into: (i) ongoing work; (ii) annual outputs; and (iii) 2027 specific outputs (known at this stage). The below pictograms are used to indicate the types of outputs presented in different subsections.

§ **Rules:** When mandated, ESMA develops draft technical standards and statutory guidelines which specify technical details of the legislation within its remit.

Guidance: ESMA has the power to provide guidance to national supervisors and market participants on how to comply with and supervise the rules and regulations within its remit via Q&As, opinions, supervisory briefings, or discretionary guidelines/recommendations.

Convergence activities: In addition to guidance, ESMA undertakes a range of activities to promote supervisory and enforcement convergence across the single market. These include, amongst others, Common Supervisory Actions (CSAs), peer reviews, case discussions, practice sharing, supervisory colleges, trainings/workshops, and assessments of allegations of breach of Union law by national supervisors.

Direct supervision: ESMA directly supervises credit rating agencies (CRAs), external reviewers of European green bonds (EGBRs), ESG rating providers, consolidated tape providers (CTPs), trade repositories (TRs) and securitisation repositories (SRs) as well as certain data reporting service providers (DRSPs), benchmark administrators (BMAs), and systemically important third-country central counterparties (CCPs). ESMA also oversees with the European Banking Authority (EBA) and European Insurance and Occupational Pensions Authority (EIOPA) designated critical third-party providers (CTPPs). Outputs related to supervision include investigations and on-site inspections, authorisations and enforcement.

Market monitoring: Outputs include public statements, opinions, warnings, analysis and the issuance of market intervention decisions on short-selling and individual products.

Reports: ESMA publishes technical advice and periodic reports to the EC on the application of legislation within ESMA's remit and on supervision and enforcement practices at national level. ESMA also produces research reports and risk analysis articles.

International work: ESMA contributes to risk analysis and standard-setting in international fora including International Organisation of Securities Commissions (IOSCO) and Financial Stability Board (FSB) and cooperates with third-country supervisors and provides technical advice to the EC on equivalence as well as ongoing equivalence monitoring.

Data use and quality: Outputs include validation rules and technical reporting instructions relating to data under ESMA supervision as well as data dashboards and visualisation tools.

Information and communications technology (ICT): IT projects facilitating the collection, storage, analysis and sharing of supervisory data among ESMA, national supervisors and the public).

Simplification and burden reduction: Outputs which aim to simplifying rules or relieving compliance burden are flagged using this pictogram.

2.1. ESMA Strategic Priorities and Thematic Drivers

The following sections outline ESMA's planned work for 2027, structured around the three strategic priorities and two thematic drivers of its multi-annual strategy for 2023–2028. The work programme, however, remains subject to adjustment depending on the progress and outcome of the legislative process on MISP, to which ESMA stands ready to actively contribute. Should the progress in MISP legislative process so require, to enable its effective implementation ESMA may need to manage its workload flexibly, reallocating resources and reprioritising deliverables accordingly.

2.1.1. Effective markets and financial stability

Objectives
Effective markets objectives: Contribute to develop a meaningful, proportionate and effective single rulebook across ESMA remit also by considering the simplification and burden reduction related goals. Contribute to making the EU Single Market in financial services deep, efficient, liquid and accessible, including to small and medium-sized enterprises, to enable companies to raise capital. Promote global standards and enhance cooperation and dialogue with international regulatory counterparts. **Financial stability objectives:** Identify and analyse key risks and vulnerabilities across the entire ESMA remit to inform the public and guide regulatory and supervisory activities. Coordinate with and contribute to the work of EU and international bodies on ensuring financial stability. Enhance the level of preparedness to deal with potential shocks to financial markets and ensure close crisis management cooperation with national competent authorities (NCAs).
Overview and results
Effective markets ESMA actively contributes to an integrated single market in financial services by providing advice, technical expertise, and regulatory provisions, and by developing technical standards and guidelines across all areas within its remit. Furthermore, ESMA reviews and assesses the single rulebook and associated guidance within its remit on an ongoing basis to ensure that it is up to date in light of new developments in regulation, technology, risks, business models while at the same time striving for reducing burden and complexity for market participants. ESMA maintains close cooperation with the European Commission, the ECB, the European Systemic Risk Board (ESRB), international bodies (IOSCO, FSB) and non-EU regulators,

including the Bank of England (BoE), the UK Financial Conduct Authority (FCA) and the US Securities and Exchange Commission (SEC). It promotes global standards and supervisory cooperation for cross-border activities, contributes to the European Commission's equivalence and adequacy assessments and adopts endorsement decisions.

In 2027, ESMA will continue delivering level 2 and 3 work and other mandated tasks under the EMIR 3 and the Listing Act.

Financial Stability and Risk Assessment

ESMA continuously monitors market developments and new financial activities in its remit to assess risks to investors, markets and financial stability.

ESMA publishes the result of its risk monitoring activities mainly through the Trends, Risks and Vulnerabilities (TRV) reports (bi-annual) and the ESMA Market Report (EMR) series. As part of its risk monitoring, ESMA develops retail risk metrics and reviews product-related consumer, ESG and innovation trends. The ESMA Market Reports present longer-term structural developments using regulatory and commercial data on prospectuses, carbon markets and crowdfunding, and costs and performance of retail investment products (outputs listed in relevant sectoral sections). ESMA also undertakes risk analysis activities, such as topical studies, to deepen its assessment of market developments and risks. It informs its work through two publication series: the TRV Risk Analysis series and the ESMA Working Paper series.

ESMA assesses the resilience of CCPs to adverse market developments and identifies potential risks for financial stability, including with the use of CCP stress tests. In order to have a better view and understanding of the potential risks arising from the interconnectedness of different financial market participants, ESMA chairs and manages the Joint Monitoring Mechanism (JMM), where EU bodies monitor and collectively discuss the latest risk developments in the EU clearing ecosystem.

In addition to its own risk assessment, ESMA contributes to and coordinates a wide range of activities with EU bodies such as the ESRB and international bodies such as IOSCO, the FSB and the Network for Greening the Financial System (NGFS) on a variety of topics including non-bank financial intermediation, stress testing, resolution, Financial Markets Infrastructure (FMI) cross-border crisis management, leverage, market liquidity, ESG, carbon markets, climate risk, crypto assets and financial innovation.

Finally, ESMA participates in several European and international workstreams of the ESRB, FSB and IOSCO related to technological innovation and contribute to the European Forum of Innovation Facilitators together with EBA and EIOPA as well as to the Supervisory Digital Finance Academy in coordination with the other ESAs, the EC, and the European University Institute to strengthen supervisory capacity and support the secure and effective digital transformation of financial markets.

Cross-sectoral outputs not mentioned in a sector/entity section

Ongoing Activities

- 🔍 Monitoring/surveillance of developments and risks in financial markets across the entire ESMA remit.
- 🌍 International work including contributions to risk monitoring workstreams in international fora.

• 🕮 Topical analysis included in TRV Risk Analysis series.	
Specific outputs	**Due date 2027**
🕮 TRV Risk Monitor No.1, 2027.	Q2
🕮 TRV Risk Monitor No.2, 2027.	Q4

2.1.2. Effective supervision

Objectives

Promote common, effective, risk-based, data-driven and outcome-focused supervisory and enforcement culture across EU supervisors (NCAs and ESMA direct supervision).

Direct Supervision objectives:

Ensure that the entities under ESMA's supervision apply sound corporate governance and meet applicable regulatory requirements.

Deliver timely and quality assessment of registration applications.

Identify key industry trends and supervisory risks to support risk-based, data-driven and outcome-focused supervision.

Continuously enhance ESMA's supervisory efficiency by selecting the supervisory tools that are most effective for the intended supervisory outcome.

Prioritise highest risks, request timely and effective remediation and ensure prevention and deterrence, including through enforcement actions where breaches of the regulation are identified.

Supervisory Convergence objectives:

Continue developing a common understanding among supervisors on the risks posed to capital markets in the EU across different industries and sectors. Identify clear consistent supervisory objectives and outcomes to address those risks.

Promote intense and – where applicable – joint supervisory work, on high priority cross-sectoral risks, ensuring a coordinated approach.

Develop and implement high-quality common supervisory principles and approaches with a view also to make supervision more efficient and consistent, reducing unnecessary burden and fragmentation.

Foster convergence in enforcement activities that are the responsibility of national supervisory authorities, with a view to achieving consistent enforcement outcomes for similar infringements across the EU.

Overview and results

ESMA directly supervises all EU CRAs, TRs and SRs as well as certain DRSPs, certain benchmark administrators, and third-country CCPs that are systemically important to the EU (Tier 2 CCPs). From mid-2026 onwards, ESMA has started supervising the first CTPs in the EU and the external reviewers of European Green Bonds (EGBR). As of mid-2026 as well, the supervisory mandate for the providers of ESG Ratings has also entered into force.

2027 will be the first full year of ESMA's supervision of external reviewers under the EU Green Bond Regulation and of ESG rating providers, requiring ESMA to build a robust risk-based supervisory approach, providing clarifications to the market without causing undue burden.

ESMA has a risk-based, data-driven and outcome-focused approach to supervision and enforcement across all its mandates. The roll-out and implementation of the risk-based supervision principles will take place in the period 2026 and beyond, contributing to the SBR agenda. As part of its supervisory activities, ESMA produces on an ongoing basis a wide range of outputs including in particular: annual reviews, remediation plans for supervised entities, thematic reports, and decisions regarding applications for registration, recognition or certification.

ESMA will develop detailed supervisory priorities for 2027 based on its annual risk assessment. ESMA will continue to focus on ensuring that the entities it supervises operate in compliance with sectoral and cross sectoral regulations such as DORA, and in a proportionate manner for the smallest entities in its supervisory portfolio. Other common supervisory topics include the evolving risk related to the adoption of AI and operational resilience more broadly. ESMA will also continue to monitor how entities adhere to its requirements and guidance on governance, internal control and periodic reporting. For example, ESMA plans a roundtable with firms to discuss challenges and best practices in implementing ESMA's supervisory expectations for the management body.

In 2027, ESMA will continue to develop its supervisory approach focusing on a wide range of risk areas, including operational risk and resilience.

Supervisory Convergence

ESMA and NCAs develop an annual heatmap of the key risks posed to EU financial markets, to prioritise supervisory convergence work. To this end, ESMA makes full and agile use of the convergence tools at its disposal to address the risks identified, while remaining responsive to future developments, including emerging risks and the deployment of new convergence tools. As part of this, and as further detailed through this work programme, ESMA runs CSAs, peer reviews, regular supervisory exchanges. It also develops common approaches and methods through principles and supervisory briefings, conducts deep dives on defined topics, and increasingly follows up to past work to ensure effective remediation of findings.

ESMA periodically sets Union-wide Strategic Supervisory Priorities (USSPs) to prompt intense supervisory action on key topics. In 2027, ESMA will continue working on the USSP on cyber and digital operational resilience with increased supervisory focus and intrusiveness following the first two years of DORA implementation. ESMA will also start a new USSP focused on technological innovation in the retail investors space. The new USSP looks both at supporting innovation while improving investor outcomes and opportunities that may derive from the use of new technologies (AI, tokenisation) and maintaining adequate investor protection. These technologies may broaden retail investor participation, create a more dynamic investor journey and incentivise firms to be more competitive and ambitious in their outlook. Annually, ESMA assesses progress made and follow up on findings, notably to ensure that NCAs consistently work on the relevant areas of Union-wide focus with the adequate efforts and tools.

ESMA uses supervisory colleges to strengthen dialogue and coordination of certain supervised entities/groups operating in multiple member states. ESMA is the chair of a supervisory college for Euro Interbank Offered Rate (EURIBOR) Benchmark and, following the EMIR 3 Review, the co-chair of the supervisory colleges of EU CCPs along with the relevant NCAs. Following the implementation of CSDR Refit, ESMA will be a member of colleges of supervisors for CSDs that are substantially important for at least two host Member States. Finally, ESMA coordinates supervisory colleges on a small number of large investment services and investment management firms in the EU. In 2027, ESMA will continue intensifying efforts to promote effective cooperation and – where relevant – joint work among the participating NCAs, particularly on cross-cutting topics.

ESMA continuously works, in close cooperation with the other ESAs, on fostering and monitoring NCAs' supervisory independence. In 2027, ESMA, together with the other ESAs, will conclude and work on addressing the findings of the first joint assessment exercise that was initiated in 2026.
ESMA works to foster a common supervisory culture among NCAs. As part of this, in 2027, ESMA will further promote the effective implementation of its principles on risk-based supervision, to boost supervisory efficiency and value and reduce unnecessary burden while preserving supervisory soundness and further develop common methods and approaches on specific risks. Through this work, ESMA will look into ensuring solid capability in fundamentals of supervision across NCAs.

ESMA will promote consistent supervisory practices through discussions on real cases, helping NCAs address breaches harmoniously across the EU, sharing best practices, and strengthening cross-border cooperation. It will foster a common EU enforcement culture by enhancing transparency around financial sanctions and promoting shared enforcement tools and methods.

In its convergence role, ESMA will take into account Breach of Union Law complaints against NCAs, flag any legal framework gaps to the Commission, and use all available tools, including structured dialogue, to address NCA non-compliance.

Finally, ESMA will continue its work handling Q&As from stakeholders and to answer them in a web-based tool. In doing so ESMA is making efforts to limit the number of questions to those of most relevance for a broad spectrum of stakeholders and market participants, avoiding the proliferation of questions, notably case-specific ones, while also fulfilling its obligations stemming from article 16 of the ESMA Regulation.

Cross-sectoral outputs not mentioned in a sector/entity section

Ongoing activities

- Guidance and other tools promoting convergence of supervision and enforcement practices across ESMA's remit,
- Identification and stocktaking on USSPs, CSAs, case specific discussions, college participation, deep dives and follow ups.
- Prioritisation of convergence activities, using a risk-based and outcome focused approach.
- Peer reviews (see section 3).

Specific Outputs	Due Date 2027
🕮 Annual consolidated report on national sanctions and administrative measures.	Q4

2.1.3.Retail investor protection

Objectives
Achieve greater convergence and consistency of NCAs' supervisory approaches and practices in relation to investor protection taking into account the impact of the technological developments and the evolution of the sustainable finance framework. Facilitate effective supervision of cross-border activities. Contribute to a proportionate regulatory framework that provides effective protection to retail investors in their investor journey to participate in the EU capital markets and contribute to initiatives aimed at strengthening financial education across the EU, also in cooperation with the other ESAs. Contribute to the development of a proportionate and effective single rulebook in the area of investment services and funds, and crypto assets, taking into account the simplification and burden reduction related goals. Engage with retail investors and provide access to clear, reliable and comparable investment information. Monitor and analyse retail investor trends and risks, promoting a safe environment for those wishing to invest in capital markets.
Overview and results
ESMA works to ensure effective protection of retail investors across the EU, and it contributes to fostering long-term direct and indirect retail participation in EU capital markets. In this context, ESMA aims at facilitating the simplification and use of clear language in disclosures to clients and at seizing opportunities arising from digitalisation, for example by enabling layering of information. ESMA continues focusing on risks posed by new and innovative products and services and alternative distribution channels (including through the use of social media and artificial intelligence). ESMA monitors financial activities and retail investor trends on an ongoing basis and issues public opinions or warnings when it identifies high risk products and, when needed, stands ready to make use of its product intervention powers. In 2027, ESMA will use its full convergence toolkit and will consider retail risk indicators to identify potential causes of consumer and investor harm, and review product-related consumer trends, including costs and performance of retail investor products in the EU. When proposing significant regulatory options having direct impact on retail investors, ESMA will make use of consumer testing.

ESMA, furthermore, works with NCAs and in coordination with EBA and EIOPA to promote financial education (including the finalisation of an online repository of financial education initiatives) and to increase investors' awareness of the features of investment products and investment processes in an evolving landscape for investments. ESMA will also assess whether updates to its guidelines and convergence tools (e.g. on suitability or product governance) are needed, based on the outcomes of its common supervisory actions and its consultations on retail investors' investment experience. In the context of the RIS, the finalisation of the legislative text will trigger the required "Level 2" work, including technical advice to the European Commission and technical standards across a range of investor protection topics, such as value for money, inducements, disclosures, suitability and appropriateness, and marketing communications. In carrying out this work, ESMA will take into account its previous work on the Investor Journey and the SBR agenda.
Cross-sectoral outputs not mentioned in a sector/entity section
Ongoing Activities
• Guidance and other tools to promote supervisory convergence as needed related to investor protection, including in relation of digitalisation of retail services, in particular in the provision of investment services to retail clients and of crowdfunding services. • Monitoring of financial activities and retail investor trends and risks as well as associated warnings, statements, and opinions on national product intervention measures.

2.1.4. Sustainable Finance

Objectives
The EU remains committed to the objectives of the EU Green Deal and to supporting the transition to a climate-neutral economy. Against a challenging macro-economic environment and an evolving regulatory framework, ESMA recalibrated its sustainable finance activities. ESMA intends to guide market participants and NCAs in the shift to a simplified sustainable finance rulebook, while aiming to ensure the effective functioning of the sustainable investing ecosystem. To support effective supervision and supervisory convergence, ESMA promotes NCAs' efficient use of ESG databases, data analytics and practical supervisory tools. ESMA also monitors the use of ESG ratings, data and estimates by market participants given the reduced scope of mandatory sustainability reporting. ESMA maintains particular focus on climate change related matters and climate transition finance. To this end, ESMA will promote its collaboration with organisations with relevant expertise.
Overview and results

ESMA will take a variety of actions in order to guide market participants and NCAs in the transition to the simplified Rulebook. Depending on the outcome of the legislative review, ESMA may, jointly with the other ESAs, prepare technical advice for new Level 2 measures (which may include consumer testing) and revise existing Level 3 Q&As to reflect the revised SFDR framework. Separately, ESMA will review the Guidelines on funds' names using ESG- or sustainability-related terms in light of the outcome of the SFDR negotiations. ESMA will also monitor and support the implementation of the changes to the CSRD, the ESRS and the EU Taxonomy disclosures stemming from the Omnibus revisions. ESMA will follow closely developments in the EU green bond market and monitor evolving market practices through built up supervisory experience with a view to its future contribution to the Commission's report on the application of the EU Green Bonds Regulation. ESMA will focus on climate transition finance by further strengthening its expertise and supporting NCAs and market participants through supervisory convergence. It will also prioritise practical and digital supervisory tools, including case discussions, and continue facilitating exchanges on the application of guidelines such as those on sustainability reporting enforcement, which is particularly important at this stage.
Cross-sectoral outputs not mentioned in a sector/entity section
Ongoing Activities
• Guidance and other tools promoting supervisory convergence to accompany the simplification of the sustainable finance Rulebook. • Trainings and other capacity building actions. • Promotion of international cooperation and standards including through IOSCO, ISSB, and NGFS in the sustainable finance area • Contribution to the work of the EU Platform on Sustainable Finance. • Monitoring and assessing ESG markets trends and risks through TRV and topical analysis included in TRV Risk Analysis articles and specific research.

Specific outputs	Due date 2027
"Level 2" work as required by legislative texts (SFDR-related with the ESAs, see section 2.3.1, RIS-related, see section 2.1.3.	See relevant sections
Observed market practices on ESG data	Q3
Observed market practices on transition finance	Q4
Stocktake on green bonds in the EU	Q4

2.1.5. Effective Use of Data and Technological Innovation

Objectives

Deliver on the objectives included in the **ESMA Data Strategy 2023-2028** and the **ESMA Digital Strategy 2026-2028**

Strengthen ESMA's role as a data hub, enhancing stakeholder access to high-quality data and developing shared methodologies for effective and consistent data use.

Achieve greater digital integration across ESMA, NCAs, and other EU institutions.

Design effective reporting frameworks that contribute to simplifying and reducing the reporting burden in the financial sector

Undertake joint projects with NCAs, ESAs, and other EU bodies to support EU-wide data-driven regulatory and supervisory activities.

Engage with market participants and academia on data and data-related technologies and promote data exchanges between ESMA and other authorities.

Provide relevant, useful, and understandable data and information to the market, and facilitate its access and use.

Maximise the value of data and information reported to ESMA and competent authorities in support of its risk monitoring, supervision, supervisory convergence and other activities.

Address challenges and opportunities arising from the rapidly evolving digital landscape to enable ESMA's digital transformation.

Contribute to the objectives of effective supervision across the EU, financial stability and market integrity, by addressing the impact of emerging digital innovations, such as artificial intelligence, DLT and quantum computing.

Achieve greater convergence and consistency of NCAs' supervisory approaches and practices in the context of the implementation of the Digital Operational Resilience Act and the Regulation on Markets in Crypto-Assets.

Overview and results

Effective Use of Data

ESMA will continue to actively support the implementation of the EC's Strategy on supervisory data in EU financial services[1], by contributing to key initiatives related to reporting burden reduction and integrated reporting, the development of a common data dictionary, machine-readability and exploring and increasing the use of modern technologies and frameworks like SupTech, RegTech, Decentralised Finance (DeFi), AI, and open finance to facilitate data reporting, sharing and use.

Responding to the SBR agenda, ESMA has been working since 2025 on two flagship projects: a holistic review of transaction reporting, and the development of integrated supervisory data for funds under the AIFMD and UCITS Review.

As part of the AIFMD and UCITS Review, ESMA, in coordination with the ECB and other ESAs, will commence the development of an integrated supervisory data collection

[1] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0798

framework to reduce duplicative and inconsistent requirements, increase data standardisation, and facilitate data sharing.

In parallel, ESMA is preparing to implement a holistic review of transaction reporting under MiFIR, EMIR and SFTR (subject to final policy and legislative outcomes and in close alignment with the EC and co-legislators), with the aim of improving efficiency and reducing reporting burden, while maintaining a strong level of transparency and effective oversight.

ESMA will also continue implementing the European Single Access Point (ESAP) in phases, as set out in the ESAP Regulation, with the objective to deliver an EU-wide digital platform that offers centralised and user-friendly access to publicly available information pertinent to financial services, capital markets and sustainability. As part of the preparation for phase 2 of ESAP, ESMA will lead the Joint Committee work on the report to "re-assess the technical standards […] relating to the legal entity identifier, having regard to information submitted by entities to collection bodies".

Moreover, ESMA will continue to enhance its data capabilities to improve risk monitoring, supervision, and supervisory convergence by: i) continuing the development of the ESMA Data Platform to integrate data from various sources and expose dashboards and analytics to its users (including NCAs), ii) deploying AI-based tools for supervision as well as other business processes, iii) increasing data quality across reporting regimes under its remit, iv) fostering data literacy within the organisation and amongst NCAs, v) developing common methodologies and solutions with NCAs supporting effective and consistent data use, and vi) facilitating and optimising automation and dissemination of statistical aggregates.

By 2027, ESMA will advance key initiatives aligned with the implementation plans of its Data and Digital Strategies.

Technological Innovation

In the area of Digital Finance, ESMA contributes to the single market by offering regulatory guidance and technical expertise to support the development of innovative digital financial services, such as blockchain, and AI.

ESMA is promoting through different workstreams that NCAs make effective use of data available to shape their supervision. This can be noted for example through the recent follow up to the peer review on cross-border activities where the PRC pushed for and praised the use of cross-border data to inform NCAs risk assessments and supervisory work.

The set up of a collaborative cloud-based data platform (i.e., the ESMA Data Platform) will continue to foster cooperation amongst authorities and the development of common advanced solutions that address authorities' needs, by mutualising efforts and building synergies. In particular, ESMA will continue to work on specific use cases based on centralised data and modern technologies, progressing from sharing data to sharing ready-to-use solutions.

The MICA centralised system for market surveillance of crypto assets (MIDAS) will continue to support NCAs market abuse monitoring activities and foster cooperation amongst authorities. Subject to the Board agreement, ESMA will progress to the next phase of the

<table>
<tr><td colspan="2">project, which will include new analytical features and expand the types of data available in the system.

ESMA will also continue monitoring developments in AI and its applications in financial markets, building on its mandate and in close collaboration with NCAs. This work will involve: (i) the identification of AI use cases in supervised markets via periodic national surveys aggregated by ESMA, (ii) hosting use case discussions within relevant ESMA standing committees, and (iii) using ESMA's supervisory convergence tools to promote consistent regulatory interpretation and treatment.

With regard to the use of the DLT technologies, ESMA will step up its assessment of the broader impact of tokenisation on EU financial markets. This includes evaluating implications for market structure, regulatory frameworks, and the functioning of entities it supervises.</td></tr>
<tr><th colspan="2">Cross-sectoral outputs not mentioned in a sector/entity section</th></tr>
<tr><th colspan="2">Ongoing Activities</th></tr>
<tr><td colspan="2">
Data quality outputs for all supervisory data reported to ESMA or submitted through an ESMA-supervised repository including intelligence, analytical tools and advanced data and information inputs.
Development and roll-out of a unified digital and analytical framework, leveraging AI and SupTech solutions, to enhance supervisory processes, data analytics, and statistics production, while strengthening data sharing and collaborative tools with NCAs and other authorities.
Improvement of external data accessibility and transparency by enhancing public access to high-quality analytics, statistics, and data-related information for both sophisticated and non-sophisticated users.
Engagement with EU co-legislators and market participants on the importance of streamlining and integrating data reporting regimes and consistent use of common identifiers (LEI, UTI, UPI and ISINs) and formats (XML, JSON, iXBRL) in EU data requirements.
Engagement with relevant data standardisation bodies (e.g., ISO) and international regulatory fora on global data standards (e.g., ROC).
</td></tr>
<tr><th>Specific outputs</th><th>Due date 2027</th></tr>
<tr><td>Publication of the revised FIRDS Data Quality Engagement Framework</td><td>Q1</td></tr>
<tr><td>2026 Annual Report on Quality and Use of Data
2026 Market Capitalisation under FASTER Directive</td><td>Q2</td></tr>
</table>

2.2. Simplification and burden reduction work

In 2027, ESMA will focus on delivering concrete simplification and burden reduction (SBR) outcomes, building on the groundwork laid in 2025–2026. Central to this effort are the flagship projects identified by ESMA, transaction reporting, funds reporting, the investor journey, and risk-based supervision, which will continue to drive substantial simplification and efficiency gains. These projects aim, respectively, to advance towards integrated "report-once" frameworks, establish harmonised and centralised reporting solutions for the funds sector, streamline retail investor interactions with financial markets, and enhance supervisory effectiveness through more targeted, risk-based approaches. Together, these initiatives will underpin ESMA's broader objective of reducing administrative burden, improving data usability, and fostering a more efficient and competitive EU financial market.

Overall direction

ESMA's 2027 work marks a shift from analysis to implementation, focusing on practical measures to reduce regulatory burden and improve efficiency across EU financial markets.

Proposed work for 2027 (also listed under the respective sectoral sections)

- Transaction reporting (EMIR / MiFIR / SFTR): Continued work towards an integrated and simplified reporting system ("report once" approach).
- Funds reporting (UCITS / AIFMD): Development of RTS and ITS for a harmonised, single reporting framework and start of development of a dedicated IT project for funds reporting.
- Risk-based supervision: Ongoing implementation to improve supervisory efficiency and reduce unnecessary burden and activities, while preserving supervisory soundness.
- Markets and infrastructure: Targeted reviews (e.g. MiFID/MiFIR RTS), EMIR 3 measures, CCP RRR L2/3 streamlining, EMIR CCP Q&A review, and guidance on crypto-asset reporting under MiCA.
- Investors and issuers: Simplification of prospectus rules, alignment of benchmark rules, and follow-up work on sustainability disclosures for investment management (SFDR/Taxonomy Regulation).
- Fund management and retail investment: Development of simplified PRIIPs KID rules. Outcome of the investor journey consultation taken into account in shaping proposals for technical advice and technical standards following the RIS.
- Cross-cutting work: Further supervisory convergence efforts and continued embedding of simplification principles.

To drive these simplification efforts ESMA has in place a committee which, among other tasks, addresses aspects of proportionality as regards ESMA's regulatory output and coordinates the work taking place across ESMA on reducing regulatory and supervisory burden and complexity. In 2027, ESMA will continue to monitor the implementation of an internal set of principles that are meant to contribute to the simplification and burden reduction and to ensure that ESMA's technical standards continue to meet high standards for simplicity and consistency.

Measuring reporting burden

To ensure that simplification and burden reduction initiatives yield real and tangible benefits for European consumers and businesses, it is critical that they are driven by reliable evidence and data. For this reason, ESMA prioritises high-quality targeted cost assessments in the context of concrete simplification initiatives, as illustrated by the cost-benefit analysis (CBA) for ESMA's holistic review of transaction reporting.

Since credible cost assessments are resource-intensive and time-consuming, this approach requires ESMA to carefully prioritise its resources towards analysing issues where the evidence is likely to make the biggest difference, i.e. towards analysing the issues:

- which were not covered in the Commission's impact assessment;
- which could result in significant burden for the affected entities;
- which are relevant for multiple regulatory products and stakeholders at once; and
- for which relevant data/evidence can be obtained at a proportionate cost.

2.3. Key regulated sectors and entities

2.3.1. Investment management

Objectives
Contribute to the objectives of: - effective markets and financial stability (section 2.1.1); - effective supervision (section 2.1.2); - retail investor protection (section 2.1.3); - enabling of sustainability finance (section 2.1.4); and - effective use of data and technological innovation (section 2.1.5). in the area of AIFMD, UCITS Directive, MMF Regulation, ELTIF Regulation, European Social Entrepreneurship Funds (EuSEF) and European Venture Capital Funds (EuVECA) Regulations as well as Packaged Retail and Insurance-based Investment Products (PRIIPs) and SFDR/Taxonomy Regulation (through the JC).
Overview and results
ESMA promotes supervisory convergence of NCAs' practices by issuing and reviewing guidance and facilitating case discussions, workshops, CSAs and peer reviews. ESMA also updates the parameters of the Money Market Fund (MMF) stress tests taking into account the latest market developments. The main focus areas in 2027 include voluntary supervisory colleges, see also section 2.1.2) and the Common Supervisory Action (CSA) exercise, performed with NCAs over the period 2026-2027 on the risk management function of AIFMs and UCITS management companies. In 2027, ESMA also plans to conclude the follow up to the peer review on the relocation of firms in the context of Brexit which included the assessment of the fund managers' sector (see also section 3). ESMA will move into the implementation of the integrated funds reporting under AIFMD/UCITS. In this context, ESMA will develop draft RTS and ITS for a harmonised,

single reporting framework and start of development of a dedicated IT project for funds reporting (see also sections 2.1.5 and 2.2).

ESMA monitors risks in the investment management sector as appropriate taking into account market developments. In 2027 ESMA will likely be looking into the use of leverage by funds, liquidity, fund stress testing as well as interconnectedness of funds with the rest of the financial system. Moreover, ESMA will be receiving notifications from NCAs of activation/deactivation of liquidity management tools (LMTs) by AIFMs and UCITS.

ESMA will keep issuing its annual market report on Costs and Performance of EU Retail Investment Products which will include an assessment of the costs of funds.

ESMA contributes on an ongoing basis to the development of the single rulebook applicable to the investment management sector including through the provision of technical input to assist the co-legislators in developing high-quality regulation.

The review of the PRIIPs Regulation and SFDR may result in requests for regulatory technical standards (RTS) and technical advice (TA) from the ESAs (see also section 2.1.4.) contributing to the simplification of the legislative framework and burden reduction for financial market participants. If the revised PRIIPs and SFDR Regulation are adopted by the co-legislators in 2026, the ESAs could, from 2027 onwards, be conducting consumer testing and developing technical standards to streamline the PRIIPs KID and providing technical advice on sustainability disclosures. On SFDR, the ESAs may be asked to provide technical advice on sustainability indicators and on the contribution criteria for the new product categories, among other things. On PRIIPs, the RTS will relate to the specification of the new dashboard section of the KID, as well as adjusting the contents of various existing sections of the KID, including information on performance, so as to include past performance in the KID.

ESMA will be developing technical advice on the revised rules of conduct under UCITSD and AIFMD introduced by the RIS, namely on the value for money assessment and on the requirements to prevent undue costs from being charged to UCITS, AIFs and their investors.

ESMA may also conduct follow-up activity to promote the successful uptake by NCAs of the project portfolio analysis tool developed under the project on "Tackling greenwashing risk in the sustainable investment fund market" (part of the EC's 2024 Technical Support Instrument).

Finally, the European Commission's venture and growth capital funds reform may provide ESMA with additional legislative mandates.

Main outputs

Ongoing Activities

- Guidance and other tools to promote supervisory convergence as needed related to investment management.

Specific outputs	Due date 2027
§ AIFMD/UCITSD technical standards revision for a single integrated funds reporting framework.	Q2
Annual ESMA market report on Costs and Performance of EU Retail Investment Products	Q4
§ RIS: Review of RTS to streamline PRIIPs KID § RIS: Technical advice on topics such as value for money and undue costs.	Q4[2]
§ SFDR technical advice on delegated act. (Joint Committee) SFDR Consumer testing for revised disclosures and distribution (Joint Committee) Review existing SFDR Joint Committee Q&As. Review of ESMA Guidelines on funds' names under SFDR.	

2.3.2.Investment services

Objectives
Contribute to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision (section 2.1.2); - retail investor protection (section 2.1.3); - enabling of sustainability finance (section 2.1.4); and - effective use of data and technological innovation (section 2.1.5). in the area of the investment services provisions in MiFID II, the Crowdfunding Regulation and the Investment Firms Regulation and Directive (in cooperation with EBA).
Overview and results
ESMA contributes on an ongoing basis to the development of the single rulebook applicable to the investment services sector including through the provision of technical input to assist the legislator in developing high-quality regulation. ESMA actively works to ensure appropriate protection to retail investors participating in crowdfunding across the EU, focusing on mitigating risks associated with new products and services. As described in section 2.1.3, ESMA works as well to ensure effective protection of retail investors in the investment services area across the EU using its full convergence toolkit. ESMA promotes supervisory convergence of NCAs' practices by issuing and reviewing guidance and facilitating case discussions, workshops, CSAs and peer reviews in the investment services sector. In this context, the follow up to the peer review on the relocation of firms in the context of Brexit (see also section 3) will also include the assessment of relevant NCAs' practices in the investment services sector.

[2] Exact timing of these deliverables depends on the approval of the RIS package and the SFDR review.

Finally, ESMA contributes, in cooperation with the EBA, to the development of the prudential regime for investment firms.

In the context of the RIS, subject to finalisation of the legal texts, ESMA will work on key deliverables in the investment services area, including the development of related technical standards and/or convergence tools (see section 2.1.3).

With regard to the efforts on SBR in the area of investment services and crowdfunding, ESMA will engage in follow-up actions stemming from the 2025 Call for Evidence on the "retail investor journey", being one of the flagship projects on SBR that ESMA has focused on.

Main outputs

Ongoing Activities

- Review of guidelines on Investment Firms Regulation and Investment Firms Directive (in cooperation with EBA).
- Guidance and other tools to promote supervisory convergence as needed related to investment and crowdfunding services.
- Supervisory convergence discussion on event contracts (prediction markets).

Specific outputs	Due date 2027
Annual report on data collection concerning cross-border investment services in EU/EEA.	Q2
§ RIS: Technical advice to the Commission on various topics. Market Report on crowdfunding. Market Report on Costs and Performance of retail investment products.	Q4

2.3.3.Issuer disclosure

Objectives
Contribute to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision (section 2.1.2); - retail investor protection (section 2.1.3); - enabling of sustainable finance (section 2.1.4); and - effective use of data and technological innovation (section 2.1.5). in the area of the Prospectus Regulation, Transparency Directive, Corporate Sustainability Reporting Directive (CSRD), Taxonomy Regulation, Accounting Directive, Takeover Bid Directive, Shareholder Rights Directive, Audit Directive and Regulation, Corporate Sustainability Due Diligence Directive and International Accounting Standards Regulation. Contribute to standard-setting activities for financial and sustainability reporting.

Overview and results

ESMA contributes to the development of a sound and proportionate single rulebook in the areas of financial and sustainability reporting, major holdings, prospectus, corporate governance and takeover bids.

In this respect, in the area of corporate reporting, ESMA contributes to the development and maintenance of IFRS Accounting Standards and their endorsement by the EU as well as to the development of European Sustainability Reporting Standards (ESRS). It also contributes to consultations of the International Sustainability Standards Board (ISSB) related to the IFRS Sustainability Disclosure Standards.

ESMA contributes, also through its membership to the EU Platform on Sustainable Finance, to the development, maintenance and implementation of the disclosure requirements set out in the Taxonomy Regulation and the related delegated acts.

ESMA also promotes international cooperation to ensure that a coherent set of rules is applicable to financial market participants including through IOSCO, FSB and NGFS in the corporate reporting and sustainable finance areas.

ESMA provides views on International Standards on Auditing (ISA), International Sustainability Standards on Auditing (ISSA) and the related ethics requirements, as well as securities regulators' perspective on audit matters at the Committee of European Audit Oversight Bodies (CEAOB). As Chair of the CEAOB Subgroup on International Equivalence and Adequacy, ESMA coordinates the work on (i) performing new and monitoring previous equivalence and adequacy technical assessments of third-country audit legal frameworks as well as on (ii) assessing the exposure to third country audit firms registered in the EU and coordinating the necessary related actions.

ESMA regularly updates the technical standards and guidance for the European Single Electronic Format (ESEF) core financial taxonomy and supports the implementation of digital corporate reporting requirements. In line with the principles of minimising reporting burden and ensuring proportionality, ESMA will revise the ESRS standards and the IFRS taxonomy for the notes to the financial statements. It will also launch a new consultation on tagging rules for sustainability statements (and the notes) and continue to monitor developments in AI and their potential use in ESEF. With the ESAP go-live in 2027, ESMA will further advance its work to improve the quality, usability and comparability of reported data.

ESMA contributes to the implementation of the amendments to the Prospectus Regulation introduced by the Listing Act by updating the Level 3 guidance published in relation to prospectuses to take into account these amendments and, where necessary, explain how ESMA expects issuers and their advisors to comply with the new disclosure requirements. During 2027, ESMA will complete this update by finalising the Guidelines on prospectus disclosure.

In 2027, ESMA may need to provide advice and assistance to the Commission regarding their review of the Shareholder Rights Directive (SRD).

ESMA promotes supervisory convergence of NCAs' practices in the areas of financial and sustainability reporting, major holdings, prospectus, corporate governance and takeover bids areas through guidance, case discussions, training, workshops, and, with respect to corporate reporting, through the annual European Common Enforcement Priorities (ECEP), and subsequent reporting thereon in the annual corporate reporting enforcement and regulatory activities report. As mentioned in section 2.1.4, ESMA will also monitor and support the implementation of the changes to the CSRD, the ESRS and the EU Taxonomy disclosures stemming from the Omnibus revisions.

Main outputs	
Ongoing Activities	
• Guidance and other tools to promote supervisory convergence related to issuer disclosure. • Technical positions and endorsement advice/opinions on IFRS, ESRS, new pronouncements from the ISSB, IAASB and IESBA. • Contribution to the EU Platform on Sustainable Finance and to the development of European standards on sustainability reporting through EFRAG as well as to workstreams under the ESRB. • Support data-driven supervision in the area of sustainability and financial reporting. • Monitoring of development of financial, sustainability, prospectus and digital requirements and practices.	
Specific outputs	**Due date 2027**
Consultation Paper on the ESEF RTS for sustainability reporting and on the block tagging of notes to the financial statements	Q1
Annual Corporate reporting enforcement and regulatory activities report. Annual Extracts of financial information enforcement decisions. Update to Guidelines on Prospectus Disclosure (Listing Act)	Q2
Public roll-out of ESAP phase 1 (Transparency Directive and Prospectus Regulation)	Q3
Annual ESMA market report on EU Prospectuses. Annual Public Statement on European Common Enforcement Priorities. § Annual review of RTS on ESEF.	Q4

2.3.4. Market Integrity

Objectives

Contribute to the objectives of

- effective markets and financial stability (section 2.1.1);
- effective supervision (section 2.1.2);
- retail investor protection (section 2.1.3) and
- effective use of data and technological innovation (section 2.1.5).

in the area of the Market Abuse Regulation (MAR) and the Short Selling Regulation (SSR).

Overview and results

ESMA promotes market integrity by fostering supervisory convergence under the MAR and the SSR. This includes issuing guidance under these Regulations, facilitating ad-hoc case discussions among NCAs to share knowledge and best-practices, and monitoring developments posing new threats to market integrity.

With regards to SSR, ESMA monitors the evolution of net short positions at EU level and ensures coordination among NCAs when national measures are adopted. ESMA can also resort to direct intervention powers in accordance with the SSR under exceptional circumstances.

In its activity under the MAR, ESMA also plays a key facilitation and coordination role when it comes to cooperation and information exchange between NCAs and third countries authorities in case of cross-border market abuse cases.

In 2027, ESMA may provide further guidance to market participants on the implementation of the Listing Act provisions, with particular focus on the revised regime for the disclosure of inside information and make arrangements in relation to the operational tasks assigned to the authority by the Listing Act, such as the collaboration platforms for the exchange of information in case of serious concerns about market integrity.

ESMA will also contribute to supervisory convergence in the fields of Suspicious Transaction and Order Reports (STORs) by producing an annual report on the application of the relevant regime across the EU. When needed, ESMA will also issue opinions on accepted market practices (AMPs) to ensure the AMPs approved at national level do not pose a risk to market confidence.

ESMA will continue focusing on the impact of social media on market integrity considering their prominent role in diffusing information to the public and their relevance as fora to discuss financial matters. In parallel, ESMA will continue monitoring the impact of AI on trading and will keep on promoting information sharing between NCAs in relation to the use of AI and its integration into supervisory practices, considering the emerging risks from a market integrity perspective.

In the crypto-asset space, ESMA will continue the project on a centralised system for market surveillance of crypto assets as explained in Section 2.1.5 and may provide further guidance to NCAs on prevention and detection of market abuse in crypto-asset trading under the MiCA framework.

Further to the REMIT review, ESMA will promote cooperation and exchange of information in relation to market abuse cases involving wholesale energy products that are also financial

instruments to ensure that a coordinated approach is adopted at EU level. ESMA will keep engaging with ACER, notably via the annually organised Energy Trading Enforcement Forum (ETEF).
Main outputs
Ongoing Activities
• Monitoring market developments, enhancing coordination in case of possible threats that may require the adoption of emergency measures under the SSR. • Guidance and other tools to promote supervisory convergence regarding MAR. • Opinions on MAR AMPs adopted by NCAs where needed.

Specific outputs	**Due date 2027**
Annual Report on STORs	Q4

2.3.5. Benchmark administrators

Objectives
Contribute to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision (section 2.1.2); - enabling of sustainability finance (section 2.1.4); and - effective use of data and technological innovation (section 2.1.5). in the Benchmarks Regulation (BMR) area.
Overview and results
ESMA is the supervisor of critical, significant third-country benchmarks, as well as EU Climate Transition and EU Paris-aligned benchmarks and certain commodity benchmarks (subject to Annex II of the Regulation). Since 1 January 2026, ESMA is the single-entry point for all third country benchmarks administrators in the EU, notably in charge of supervising both third country recognised and endorsed benchmarks. ESMA supervises BMAs in accordance with its data-driven, outcome-focused and risk-based approach as described in section 2.1.2. Euribor (administered by EMMI) remains the only critical benchmark at EU-level and is supervised by ESMA, with key areas of focus being the robustness and resilience of the Euribor methodology and the contributor banks' representativeness of the underlying market. In this context ESMA will continue to chair the Euribor College of Supervisors of contributor banks. Additionally, ESMA will monitor the BMAs under its new supervisory remit since 1 January 2026 and will provide relevant guidance to BMAs and NCAs regarding its supervisory approach, as well as technical advice to the EC, as needed.

In continuity with the previous year, in 2027 ESMA will primarily focus on regulatory risks posed by governance, outsourcing arrangements (including intra-group outsourcing) methodologies and input data. Regarding BMAs operations, ESMA will focus on their operational resilience and how they are addressing third-party dependencies and risks deriving from geopolitical uncertainties and new technologies. Also, in line with previous years, ESMA will continue engaging with key personnel at BMAs, including control functions, senior management and oversight function members, including the Legal Representatives, where applicable.
Main outputs
Ongoing Activities
• Authorisation and pre-application engagement with new applicants. • Supervision of BMAs, including through tailored supervisory strategy and approach, regular supervisory engagement with the entities, risk assessments and on-site visits. • Guidance and other tools to promote supervisory convergence regarding benchmark supervision. • Monitoring of the use for significance and perimeter activities. • Market monitoring and identification of new risks posed by industry and market developments, including market volatility and material changes in methodologies, for example in the context of new potential IPOs.

2.3.6. Credit Rating Agencies

Objectives
Contribute to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision (section 2.1.2); - enabling of sustainability finance (section 2.1.4); and - effective use of data and technological innovation (section 2.1.5). in the area of the Credit Rating Agencies Regulation (CRAR). Ensure credit ratings in the EU are independent, objective and of high quality by conducting effective supervisory activities.
Overview and results

ESMA is the supervisor of CRAs located in the EU and delivers guidance to CRAs and technical advice to the EC as needed. ESMA supervises CRAs in accordance with its data-driven, outcome-focused and risk-based approach described in section 2.1.2.

In continuity with the previous year, in 2027 ESMA will primarily focus on regulatory risks posed by CRAs' business strategies, adequacy of the analytical and methodological framework and CRA's operational set-up including the use of technology.

With respect to the strategic orientation of supervised entities, ESMA will continue to actively monitor the offering of rating-related products, including private and subscription ratings, with particular focus on regulatory use and transparency to market participants. Additionally, ESMA will explore the strategic approach and speed of adoption of new technologies, including CRAs positioning in the area of digital finance. Incentives and drivers leading to the development and revision of rating methodologies will remain a focus area.

In terms of rating process, ESMA intends to intensify its work with respect to the increased availability of AI-based tools, notably in the area of rating surveillance activities. Governance and controls around the adoption of AI tools will also represent a key area of interest. Specifically on methodologies, ESMA will continue to look at how CRAs are approaching the rating of emerging and non-conventional structures.

Regarding CRAs' operations, ESMA will focus on operational resilience and how CRAs are addressing key risks in this area, for example in relation to third-party concentration risk and outsourcing practices.

In line with previous years, ESMA will continue engaging with key personnel at CRAs, including analytical staff, control functions, senior management, and Independent Non-Executive Directors.

In 2027 ESMA will also start assessing potential impediments to the availability of credit assessments by ECAIs (External Credit Assessment Institutions), and on possible measures to address them. This work is intended to contribute to a report to the European Commission and will reflect differences across economic sectors and geographical areas. ESMA plans to engage with various stakeholders on this topic.

Main outputs

Ongoing Activities

- Authorisation and pre-application engagement with new applicants.
- Supervision of CRAs, including through tailored supervisory strategy, regular supervisory engagement with the entities, risk assessments and on-site visits.
- Market monitoring and identification of new risks posed by industry and market developments, including through an enhanced use of ratings' data reported to ESMA.
- Guidance on the CRAR addressed to CRA and NCAs as needed.

• International work in the area of credit ratings and credit risk, participation in international colleges, engagement with third-country authorities and technical advice on equivalence and endorsement assessments as needed. • Maintenance of the publicly available ratings' information, notably the Central Repository (CEREP) and the European Rating Platform (ERP).

2.3.7. ESG rating providers

Objectives	
Contribute to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision (section 2.1.2); and - enabling of sustainability finance (section 2.1.4) in the area of the Regulation on ESG rating activities.	
Overview and results	
In 2026, ESMA has begun the assessment of ESG Rating Provider's authorisation applications. In 2027, which will be the first full year of application and ESMA's first year of supervision in this area, ESMA will focus on the core areas of the regulation including the independence of their rating output, the management of conflicts of interest and the robustness of their methodologies. In addition, ESMA will also actively consider external indicators of potential non-compliance, including, inter alia, market and issuer complaints, and information collected through stakeholder engagement to feed our supervisory priorities.	
Main outputs	
Ongoing Activities	
• Authorisation and pre-application engagement with new applicants. • Start of supervision of ESG rating providers. • Market monitoring and identification of new risks posed to ESMA objectives by the new mandate and markets developments. • Assessment of high-risk areas as informed by outcome of registration applications and early supervision. • Guidance on ESG Rating Regulation to ESG Rating Providers as needed. • Engagement with third country authorities on regulatory developments, where applicable Annual Market Share for ESG Rating Providers in the Union	
Specific Outputs	**Due date 2027**
Guidance on Reporting of Periodic Information	Q4

2.3.8. External reviewers of European Green Bonds

Objectives

Contribute to the objectives of

- effective markets and financial stability (section 2.1.1);
- effective supervision (section 2.1.2); and
- enabling of sustainability finance (section 2.1.4)

in the area of the European Green Bond Regulation (EuGB).

Overview and results

In 2026, ESMA continued to assess applications from external reviewers for registration. Through its supervisory activities, ESMA also started ensuring the effective and consistent application of the requirements of the EuGB Regulation.

In 2027, ESMA intends to focus on the methodologies and processes used by external reviewers to assess the adherence of the use of proceeds to the EU green bond framework, with particular attention to the measures in place to ensure the sufficient quality of the information used in the process.

This work will help to define ESMA's supervisory risk assessment for external reviewers and the need for further guidance on the functioning of the European Green Bond Regulation.

Main outputs

Ongoing Activities

- Authorisation and pre-application engagement with new applicants.
- Start of supervision of external reviewers.
- Market monitoring and identification of new risks posed by the new industries and markets developments.
- Assessment of high-risk areas as informed by outcome of registration applications and early supervision.

2.3.9. Market transparency infrastructures

Objectives

Contribute to the objectives of

- effective markets and financial stability (section 2.1.1);
- effective supervision (section 2.1.2);
- enabling sustainable finance (section 2.1.4); and
- effective use of data and technological innovation (section 2.1.5).

in the areas of EMIR and SFTR reporting, MiFIR transparency and transaction reporting, and the Securitisation Regulation (SECR).

Ensure high quality, availability and integrity of the data and operational resilience of market transparency infrastructures under its remit in collaboration with those NCAs supervising reporting entities and data users.

Monitor and promote the consistent application of EMIR, SFTR, MiFIR and SECR, ensuring effective implementation of regulatory requirements. In the context of SECR focus on those related to transparency, due diligence, and simple, transparent and standardised (STS) securitisation.

Overview and results

ESMA directly supervises several types of market participants that provide transparency in EU financial markets. These include TRs under EMIR and SFTR, certain DRSPs under MiFIR and SRs under SECR (all together Market Transparency Infrastructures or MTIs).

ESMA currently supervises two types of DRSPs: Approved Publication Arrangements (APAs) and Approved Reporting Mechanisms (ARMs). ESMA performs an annual assessment of the DRSP derogation criteria in order to identify the DRSPs subject to ESMA's direct supervision.

In 2026, ESMA also commenced supervision of the Consolidated Tape Provider (CTP) for equities (shares and ETFs), whilst the authorisation of the bonds CTP is ongoing. In 2027, ESMA is expected to authorise the derivatives CTP. ESMA will continue to actively monitor the launch of these new entities and engage with them as well as with data contributors and the relevant NCAs, where necessary, to support a successful implementation.

ESMA applies its risk-based, outcome-focused and data-driven approach to the supervision of MTIs. In 2027, ESMA's supervisory work will continue to focus on ensuring that MTIs have adequate arrangements in the areas of governance, internal controls, IT and information security and operational resilience. In addition, ESMA will continue to look into adequacy of resourcing and group dependencies.

ESMA will also monitor the progress of the legislative changes to the securitisation transparency framework and ensure appropriate planning and implementation by SRs arising from these legislative changes.

Further, ESMA expects to work on new or updated level 2 and level 3 mandates and potentially on additional supervisory mandates which might be assigned to ESMA according to the outcome of the ongoing revision of the EU securitisation framework. ESMA will also continue monitoring EU and third-country market developments in the securitisation area.

Main outputs

Ongoing Activities

• Authorisation and pre-application engagement with new applicants. • Supervision of MTIs including the first CTPs. • Market monitoring and identification of new risks posed by industry and market developments. • Guidance and other tools to promote convergence regarding the supervision of MTIs and entities reporting to them. • Data quality engagement related to 1) derivatives and SFT data including as reported to and made available by TRs, 2) MiFIR data including transaction data as reported by ARMs and transparency data published by APAs and CTPs, and 3) securitisation data reported to and made available by SRs.

Specific outputs	Due date 2027
Authorisation of the first derivatives CTP.	Q2
Annual Assessment of the DRSP derogation criteria.	Q3
§ Aligning operational requirements and thresholds in joint RTS linked to SFTR with ESAs.	TBC

2.3.10.Central Counterparties

Objectives
Contribute to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision and convergence (section 2.1.2); and - effective use of data and technological innovation (section 2.1.5). in the area of CCP supervision and policymaking under EMIR and the CCP Recovery and Resolution Regulation (CCP RRR). Monitor risks resulting from exposures to third-country CCPs and address systemic risks resulting from third-country CCPs or clearing services deemed substantially systemic for the financial stability of the Union or one or more of its Member States (Tier 2 CCPs). Assess the resilience of EU and Tier 2 CCPs to adverse market developments and identify potential risks for financial stability with the use of CCP stress tests and an enhanced supervisory database. Enhance the regulatory framework of EU CCPs and promote the convergence of supervisory practices and of implementation of the resolution framework across competent authorities and in supervisory and resolution colleges to safeguard financial stability in the Union. In achieving these objectives, ESMA will aim at ensuring simplification and burden reduction, while preserving supervisory soundness.
Overview and results

Third-country central counterparties

In 2027, ESMA will complete the regular review of recognition of all third-country CCPs recognised in 2022. ESMA will also re-evaluate recognition when third-country CCPs adjust their activities in the EU. ESMA is planning review applications from new third-country CCPs, assess their systemic relevance for the EU, and negotiate MoUs with the relevant jurisdictions following new EC equivalence decisions.

ESMA will continue monitoring third-country CCPs, their activities in the EU, compliance with equivalence and recognition decisions, and regulatory developments and inform the Commission, as relevant. In particular, ESMA will review the impact of ongoing regulatory reforms in the UK, where the two Tier 2 CCPs are established.

In 2027, ESMA will continue to monitor the soundness of Tier 2 CCPs risk models and developments in relevant risk areas, including liquidity, operational risk, and operational resilience. ESMA will discuss regular risk updates within the CCP Supervisory Committee (CCP SC), drawing on its analytical capabilities, supervisory data and tools such as risk assessments, stress tests and risk model validations. In addition, ESMA will conduct its 2027 annual review, consisting of a comprehensive assessment of Tier 2 CCPs' compliance with applicable provisions and targeted risk assessment in relevant supervisory areas. It will also maintain close engagement with supervised entities and the Bank of England, while participating in global supervisory colleges.

Supervisory priorities will continue to be set using a risk-based approach, covering areas such as the rigorousness of risk models, operational risk, and outsourcing.

EU central counterparties

Following the adoption of EMIR 3 review late 2024, ESMA will have finalised (most of) the development of level 2 and 3 measures and will prepare some assessment reports to confirm the improvement of the resilience of EU CCPs and reduction of the excessive reliance on Tier 2 CCPs. ESMA will continue monitoring and updating the CCP single rulebook to ensure EU CCPs remain resilient. In doing so, it will contribute to simplification and burden reduction. This includes using soft convergence tools and favouring common approaches over formal Level 3 texts or Q&As where appropriate.

In order to promote convergence of supervision of CCPs across the EU, ESMA will issue Opinions on several NCA supervisory decisions, reports and measures, validate changes to CCPs' risk models and parameters, and issue additional guidance when needed. Furthermore, ESMA will promote consistency of supervisory and resolution outcomes for EU CCPs through its participation to supervisory and resolution colleges gathering all relevant supervisors.

In particular, ESMA will co-chair with the relevant home NCA the CCP supervisory colleges, identify annual CCP supervisory priorities and may participate in annual on-site inspections.

As part of the implementation of EMIR 3, it will establish a central database for CCPs to submit applications and monthly reports. The database is accessible by relevant CCP supervisory college members and the CCP SC.

ESMA will continue to manage and chair the Joint Monitoring Mechanism's (JMM) to monitor, together with other EU bodies, developments relevant for clearing in the EU, the potential risks arising from the interconnectedness of CCPs, clearing members and clients, and the implementation of the active account requirement (AAR). In 2027, ESMA will prepare and submit an annual report on the results of the JMM activities. ESMA will also strengthen its analytical capabilities to identify vulnerabilities in the EU financial system by leveraging on supervisory data with the aim to cover the wider clearing ecosystem (CCPs, clearing members, clients, other connected Financial Market Infrastructures) and support the JMM.

In 2027, ESMA will present the results of its 6th CCP stress test. ESMA's stress-testing exercise is a key tool in ensuring proper risk assessments of CCPs, enabling early identification of risks. ESMA will continue improving its supervisory stress-testing framework incorporating new risks, such as taking into account, where possible, the aggregate effect of CCP recovery and resolution arrangements on Union financial stability. ESMA will continue its work to standardise, streamline stress test processes, enhance cooperation with other Authorities, and improve tools used to run the exercise. In 2027, ESMA will conduct a fire-drill[3] to enhance the crisis preparedness under the CCP SC's Crisis Management Framework. Where needed, ESMA will coordinate, in cooperation with EU authorities, participation of EU CCPs in global fire-drills.

In addition, ESMA will carry out its annual peer review on the supervision of EU CCPs and monitor the implementation of recommendations from previous peer reviews to track progress on supervisory convergence.

In 2027, ESMA will submit to co-legislators a report on ESMA's resource needs arising from EMIR.

ESMA chairs and maintains the ESMA CCP Resolution Committee, whose role is to promote the drawing up and coordination of resolution plans by EU CCPs and develop consistent methods for the resolution of failing CCPs. The ESMA CCP Resolution Committee aims at fostering convergence in the functioning of the resolution colleges and in drafting and testing resolution plans. It also promotes the operationalisation of resolution tools and has developed important guidance for National Resolution Authorities, notably in the form of Briefings for the resolution of EU CCPs. In 2027 ESMA plans to finalise a briefing on resolution scenarios, to continue its work on the operationalisation of a range of resolution tools and to explore efficiency gains in helping NRAs prepare for independent valuations of CCPs. In the context of the simplification and burden reduction ESMA will also work on simplifying and streamlining the current L2 and L3 framework as much as possible. In 2027,

[3] "Fire-drill" meaning a crisis simulation exercise which is based on a large variety of potential crisis situations or events (incl. the default of a clearing member).

ESMA will review the RTS and Guidelines concerning the functioning of resolution colleges and the content of resolution plans.

Main outputs	
Ongoing Activities	
• Supervision of Tier 2 CCPs, including through a supervisory program, regular supervisory meetings with the T2 CCPs and the Bank of England, participation in the Tier 2 CCP global college, stress testing, risk assessments, risk model validations and on-site visits. Negotiation and ongoing monitoring of third-country MoU. • Tiering and recognition of applicant TC CCPs (pending EC equivalence) and review of third-country CCP recognition, e.g., following extension/reduction of services; chairmanship of the EMIR third-country CCP college. • Ongoing monitoring of third-country CCP data, including enhanced scrutiny for most active Tier 1 CCPs in the EU, and compliance with TC-CCPs' recognition conditions. • Co-chairing of the EU CCP supervisory colleges and participation to EU resolution colleges • Opinions on NCA decisions, reports and measure and CCP compliance with EMIR requirements on a range of topics, including on authorisation, extension of services, withdrawals, annual reviews, outsourcing and interoperability. • Guidance on EMIR and CCP RRR addressed to CCPs and national supervisors and resolution authorities of CCPs • Work on recovery and resolution planning (including review of plans, operationalisation of resolution tools, resolvability assessment). • Risk dashboards and horizontal assessment of CCP supervisory data and maintenance of the CCP central database. • Contributing to global standard-setting activities in the field of CCPs.	
Specific outputs	**Due date 2027**
Report of the 6th CCP stress test exercise	Q1
Briefing on CCP resolution scenarios Annual report of the JMM Annual CCP Peer Review	Q2
Final Report on the Effectiveness of the Active Account Requirement	Q3
§ / RTS and Guidelines on the contents of resolution plans § / RTS and Guidelines on the functioning of resolution colleges Report on ESMA's resource needs arising from EMIR	Q4

2.3.11. Central Securities Depositories

Objectives
Contribute to the objectives of - effective markets and financial stability (section 2.1.1);

- effective supervision (section 2.1.2);
- retail investor protection (section 2.1.3) and
- effective use of data and technological innovation (section 2.1.5).

as it relates to the CSDR.

Overview and results

In 2027, ESMA will continue the work related to the various settlement and CSD workstreams as described in this section, including its work related to the finalisation of the CSDR Refit policy work and of its implementation. Notably, ESMA's settlement and CSD work (and beyond the settlement layer too as this initiative impacts the full trade life cycle) includes the shift of European markets to T+1 settlement, which is scheduled for 11 October 2027.

This work on the shortening of the settlement cycle to T+1 follows the ESMA report developed under CSDR Refit in 2024 and the subsequent CSDR amendment to mandate the shift to T+1 on 11 October 2027. ESMA will continue to play a key role in the dedicated governance (involving the public sector and market participants, put in place in 2025 in cooperation with the EC and the ECB) to prepare for the transition.
More specifically, ESMA expects to continue contributing to the technical discussions on the transition to T+1, through its participation in the governance, and to help monitor the implementation by stakeholders of solutions aiming at operating in a T+1 environment by the target date, including the testing phase.

ESMA will participate in CSD colleges of supervisors where a CSD's activities are considered to be of substantial importance to the functioning of the securities markets and investor protection in at least two other Member States (subject to final adoption and entry into force of the RTS on substantial importance).

ESMA will continue to foster convergence in the supervision of CSDR requirements across the EU through regular exchanges among competent authorities, including sharing of practices and experiences on specific supervisory issues and by issuing guidance. ESMA may also publish reports on specific topics related to the application of CSDR.

Together with the NCAs, ESMA will continue monitoring the settlement efficiency at the level of CSDs and of settlement internalised at the level of custodians. ESMA will also conduct the annual calculation of the indicators for determining the most relevant currencies in which settlement takes place, and the substantial importance of CSDs for host Member States.

ESMA has responsibilities for the recognition of third-country CSDs providing notary or central maintenance services in relation to financial instruments constituted under the law of a Member State or establishing a branch in a Member State. Following the entry into application of CSDR Refit, in 2026 ESMA received notifications from some third-country CSDs that provide or intend to provide core services in the EU. Although the notifications fall under a separate process from recognitions, and pending potential equivalence decisions by the European Commission, this might mean possible recognition decisions for certain third-country CSDs. This would then be followed by the monitoring of compliance with the recognition conditions. ESMA will hence continue this third-country CSD activity in 2027.

Main outputs	
Ongoing Activities	
• Contribution to the work on the T+1 transition and monitoring of preparations • Subject to the adoption of the relevant RTS, participation in colleges of supervisors for CSDs. • Periodical reports under CSDR. • Technical standards and guidance on CSDR, following the CSDR Review (CSDR Refit) • Monitoring of settlement efficiency indicators, for CSDs and settlement internalisers • Monitoring of CSD indicators on relevant currencies and substantial importance. • / International work in respect of third-country CSDs, including possible recognition decisions and monitoring of compliance with recognition conditions, if any.	
Specific outputs	**Due date 2027**
Reports on the provision of cross-border services	Q2

2.3.12. Trading

Objectives
Contribute to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision (section 2.1.2); and - effective use of data and technological innovation (section 2.1.5). in the area of EMIR, MiFID II and MiFIR. Monitoring market developments related to secondary markets, including commodity derivative markets and in relation to post-trading to further support orderly markets.
Overview and results
MiFID II/MiFIR ESMA will continue monitoring developments in secondary markets, including commodity derivative markets, and assesses the need for potential policy recommendations. In particular, ESMA will further monitor the implementation of the MiFID/MiFIR requirements as amended by the 2024 MiFIR/MiFID review. ESMA will notably focus on the implementation of the revised transparency regime for derivatives, the requirement to provide market data on a reasonable commercial basis, and the application of the single volume cap, including delivering regular reports on those topics, where appropriate. Moreover, ESMA will continue to closely monitor broader trends on market structure and liquidity fragmentation, including the evolution of retail trading and the possible deployment of artificial intelligence in the EU trading landscape. ESMA will deliver on its monitoring

obligations following MiFIR review, notably it will issue the first report assessing the impact of the volume cap. Moreover, ESMA will: gather input to deliver ~~be delivering~~ on the bi-annual report on the use of deferrals for non-equity instruments due in 2028; and monitor and assess developments in the cost of market data to gather input for the bi-annual report on the provision of market data on a RCB due in 2028.

ESMA will continue to foster convergence in the supervision of MiFID II/MiFIR requirements across the EU through regular exchanges among competent authorities, including sharing of practices and experiences on specific supervisory issues, such as the implementation of the opinion on the trading venue perimeter and the Supervisory Briefing on Algorithmic trading, and by issuing guidance where needed. To promote transparency, ESMA will issue opinions on pre-trade waivers and on position limits established within the EU for agricultural and significant commodity derivatives and will monitor the application of waivers and deferrals.

In 2027 ESMA will continue providing supervisory guidance for the purpose of effective operation of the revised transparency regime following the MiFIR review, covering data contributors and the CTPs (bonds, equity and OTC derivatives), where needed. Furthermore, ESMA will gather evidence and develop its reflections on the operation of the CTPs with the aim of preparing the report on the consolidated tapes.

Finally, in 2027, ESMA will conclude the follow up to the peer review on the relocation of firms in the context of Brexit which also covered trading venues (see Section 3).

EMIR

ESMA promotes compliance with the EMIR requirements in relation to clearing and risk mitigation requirements for OTC derivatives through active monitoring and through supervisory case discussions among national supervisors, as well as by providing guidance to competent authorities and market participants where relevant.

ESMA monitors and adapts the single rulebook and ensures supervisory convergence in relation to the clearing obligation and risk mitigation techniques for OTC derivatives.

In 2027, ESMA expects to continue policy and supervisory convergence work related to EMIR 3, including providing guidance, the development of reports, contributing to the regulatory and validation work of the EBA on initial margin models and monitoring the implementation of the new clearing thresholds as well as the new Post Trade Risk Reduction exemption regime.

Main outputs

Ongoing Activities

- Guidance and other tools to promote supervisory convergence regarding MiFIR, MiFID II, and EMIR (including on the clearing obligation, the clearing threshold and the risk mitigation technique requirements).
- Monitoring the ongoing compliance by counterparties with the EMIR clearing and MiFIR trading obligations, as well as of the appropriateness of the clearing thresholds.
- International work including monitoring and reporting in the area of equivalence.
- Assessment of third-country venue arrangements in respect of transparency

• Opinions on position limits and pre-trade transparency waivers.	
Specific outputs	**Due date 2027**
Bi-annual report on the impact of the volume cap	Q3
Report on the use of deferrals for non-equity instruments EMIR Report on derivatives activity ESMA Market Report on carbon markets.	Q4

2.3.13. Crypto-assets and Distributed Ledger Technology

Objectives
As it relates to crypto-assets (MiCA) and tokenisation (the DLT Pilot Regime). Contribute to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision (section 2.1.2); - retail investor protection (section 2.1.3) and - effective use of data and technological innovation (section 2.1.5)
Overview and results
The effective implementation of MiCA will remain key to ensuring investor protection and the orderly functioning of crypto-asset markets. ESMA's supervisory convergence efforts will focus on areas such as CASP's digital operational resilience, the maintenance of sufficient corporate substance in the EU and outsourcing risks, liquidity in the EU crypto-asset market, reverse solicitation, as well as classification of assets. ESMA will also continue to cooperate with the ESAs on topics of common interest, including with AMLA on CASPs compliance with anti-money laundering (AML) and know-your-customer (KYC) obligations, and with the EBA and EIOPA on opinions concerning crypto-asset classification. Finally, the transitional period for operators of trading platforms to ensure that a crypto-asset white paper is drawn up expires on 31 December 2027. ESMA is thus also expected to conduct preparatory supervisory convergence work on this topic in 2027. ESMA will continue supporting (i) convergence in the application of the supervisory practices through the use of level 3 tools, and (ii) the sharing of information amongst NCAs, whether on concrete supervisory cases and specific CASPs, or on risk-based approaches to supervision and supervisory tools (such as risk indicators or risk dashboards). In this regard, ESMA intends to promote harmonisation in the periodic reporting of CASPs to their NCAs. In 2027, ESMA will also monitor the effective implementation of the recommendations that ESMA issued following a fast-track peer review conducted in 2025 on CASP authorisation and supervision. ESMA will publish a final report consolidating the findings submitted by NCAs as part of the Common Supervisory Action (CSA), launched in June 2026, on the digital operational resilience of custody services provided by CASPs.

Additionally, in the framework of any consultation on a report that the EC is expected to issue by June 2027 on the application of MiCA, ESMA will share views and experience on MiCA's implementation and start preparatory work for any legislative proposal that may accompany the EC report.

By 2027 the first phase of the MICA centralised system for market surveillance of crypto assets (MIDAS) will be fully operational and efforts will focus on the next phase of the project (see section 2.1.5).

Finally, regarding the monitoring of potential market abuse cases under MiCA, ESMA and NCAs will continue to identify synergies and use the centralised system for market surveillance of crypto assets (see section 2.1.5).

In the context of the DLT Pilot Regime, in 2027 and beyond ESMA will continue monitoring the application of exemptions, permissions, and related conditions, as well as issuing guidance and providing non-binding opinions, where relevant.

Tokenisation — the issuance, trading, and settlement of financial instruments using DLT — may significantly reshape how market structures, post-trade arrangements and the interaction between traditional and DLT-based financial market infrastructures. For this reason, in parallel to the DLT Pilot Regulation activities, ESMA will: (i) continue monitoring the consistent classification of any assets issued, traded and settled using the DLT to ensure a consistent implementation of MiFID, MiCA or the DLT Pilot Regime across the EU, (ii) assess supervisory and regulatory challenges linked to tokenisation including interoperability, settlement arrangements, custody and legal certainty considerations, and (iii) feed these insights into ESMA's future policy work, including the upcoming review of the DLT Pilot Regulation.

Main outputs

Ongoing Activities

- Guidance and other tools promoting supervisory convergence under MiCA and authorisation of DLT Market Infrastructures.
- Monitor the impact of tokenisation on EU financial markets and contribute to the upcoming review of the DLT Pilot Regulation.
- Opinions on the NCA assessments of authorisation for DLT market infrastructures
- Asset classification and opinions on crypto-asset classification.
- Work on legal barriers and frictions regarding tokenisation/ESMA policy recommendations.

Specific outputs	Due date 2027
Final report on the CSA on the digital operational resilience of custody services provided by CASPs. Annual report on market developments under MiCA Art. 141. Annual report on DLT Pilot exemptions, conditions and compensatory or corrective measures DLTR Art.11(6). Roll-out of MIDAS phase 2 subject to ESMA Board approval.	Q4

2.3.14. Digital Operational Resilience Act (DORA)

Objectives
Contributes to the objectives of - effective markets and financial stability (section 2.1.1); - effective supervision (section 2.1.2); - effective use of data and technological innovation (section 2.1.5) Effective oversight of the CTPPs by the ESAs. Adapt to digitalisation in financial markets by developing and strengthening the single rulebook and promoting supervisory convergence. Consistent implementation of Infosec and cyber requirements by financial entities in the context of DORA. Contribution to the review of DORA, as expected in DORA article 58, to support the European Commission.
Overview and results
By the end of 2026, ESMA and the joint ESAs' Oversight function will have completed the first full year of overseeing critical ICT third-party providers (CTPPs) in the EU, providing an opportunity to take stock of the progress and challenges encountered and to assess developments and further refine their practices. Similarly, by that time, competent authorities will have accumulated two years of supervisory experience with financial entities under DORA. This will enable ESMA and the ESAs, through sustained dialogue and active engagement within the relevant joint and sectoral committees, to identify areas where supervisory convergence actions may be needed. **Oversight of CTPPs** The ESAs will carry out oversight of CTPPs with the objective to contribute to effective third-party risk management in the EU towards ensuring the operational resilience of the financial sector. The oversight activities will cover designation of CTPPs, followed by risk assessment and oversight planning, and other specific activities over CTPPs, such as information gathering, on-site inspections and off-site investigations, issuance of recommendations and follow-up activities. By the end of 2027, the oversight teams will have completed two full years of CTPPs Oversight, offering a valuable opportunity to assess developments and further refine their practices, especially integrating and considering the use and development of highly cyber-capable frontier AI models. **Regular and ad hoc EU-wide risk assessments** ESMA will operate a cyber incident coordination mechanism with the two other ESAs (EU Systemic Cyber Incident Coordination Framework - EU-SCICF) and carry out assessments of major ICT-related incident information, and of the threat and vulnerabilities landscape, which should benefit all stakeholders and facilitate synergies amongst them. Following DORA requirements, the three ESAs will issue annual reports on ICT major incidents,

providing the number, nature, and impact of incidents on financial entities and clients, as well as remedial actions and costs incurred.

Supervisory convergence for DORA

2027 will be the third year of application of DORA and of the USSP on cyber and digital operational resilience.

ESMA will continue focusing its efforts on supervisory convergence to help stakeholders understand how to practically and adequately implement the regulatory provisions. In coordination with the EBA and EIOPA, ESMA will keep developing common understanding and facilitate constructive exchanges among supervisors on the ICT risks, including ICT third-party risks and risks stemming from the use of new technologies.

DORA review clause

In the context of review of DORA, the European Commission may consult the ESAs on the DORA requirements to be amended. In 2027, the European Commission will invite the ESAs to advise in particular on (i) criteria for the designation of critical ICT third-party service providers, (ii) powers of the lead overseer, (iii) functioning of the Joint Oversight Network and Oversight Forum, (iv) voluntary nature of the notification of significant cyber threats and (v) the scope of the Regulation. This may result in revisions to the DORA technical standards, if recalibrations or new guidelines are needed.

Main outputs

Ongoing Activities

- Oversight of critical third-party ICT service providers.
- Promotion of supervisory convergence under DORA.
- Operation and maintenance of EU-SCICF
- Disseminating reported major ICT-related incidents under DORA and implementing analytical capabilities to enable the preparation of the report
- Issuance of mandatory reports (e.g. on major ICT related incidents or on the application of the Oversight Framework)

2.4. ESMA as an organisation

This part includes the horizontal activities supporting the whole organisation and enabling ESMA to fulfil its mission. It notably refers to work to be conducted in the areas of governance, strategic planning, reporting, legal and compliance, stakeholder relations, communication, and risk management, assurance and accountability.

2.4.1. Governance and External Affairs

Objectives

Ensure robust functioning of ESMA's governance bodies and strong internal governance. Steer strategic direction for the Authority and provide annual and multi-annual planning and reporting.

Ensure effective external and internal communication and engagement with stakeholders.

Manage ESMA's communications channels, ensuring awareness of the authority and its work, as well as easy access to public information.

Ensure robust and trusted inter-institutional relationships, primarily with the EU Institutions and contribute to ESMA's accountability and transparency.

Manage ESMA's ongoing relations with its members, including competent authorities in the European Free Trade Association (EFTA) States and other EU supervisory agencies.

Maintain strong relations and cooperation with international regulatory bodies (IOSCO, FSB) and non-EU securities regulators and contribute to international standard-setting.

Overview and results

ESMA provides support to ESMA's governance bodies, including the Board of Supervisors, the Management Board, the Joint Committee and the Securities and Markets Stakeholders Group (SMSG). Specifically, it assists the Board of Supervisors in setting policy and adopting regulations; the Management Board in overseeing internal operations and budget; the Joint Committee in ensuring cross-sector consistency with banking and insurance; and the Securities Markets Stakeholders Group in gathering external advice from industry and consumer representatives.

In line with its obligations under its founding regulation and financial regulation, in 2027 ESMA will produce a programming document for the 2028 to 2030 period, including a detailed annual work programme for 2028. It will also continue to report to the Management Board and the public on the execution of the work programme notably via regular management reporting, including KPIs and through its annual report, which includes the annual reporting of Key Outcome Indicators (KOIs)

ESMA actively cooperates with its sister agencies, EBA and EIOPA and actively contributes to the work and deliverables of the Joint Committee of the European Supervisory Authorities (ESAs), particularly on cross-sectoral issues such as sustainable finance, digital operational resilience, and consumer protection. This collaboration ensures consistency and coordination across the banking, insurance, and securities sectors. Further details are available in the Joint Committee annual work programme (JC AWP).

ESMA plans to engage with its stakeholders through formal channels like the SMSG and consultative WGs, as well as targeted outreach including bilateral/multilateral meetings, open hearings and webinars, roundtables, workshops, and speaking appearances at various events and conferences.

ESMA will provide advice to the EC and to the co-legislators and will maintain ongoing engagement with them through various groups and committees, including through regular participation in European Parliament hearings, scrutiny procedures, and the budgetary discharge process.

In 2027, ESMA will continue its cooperation with the Anti-Money Laundering Authority (AMLA) by engaging in relevant coordination activities to support the establishment of effective supervisory and regulatory frameworks, in line with the AMLA Regulation. Through participation in AMLA's Board and close cooperation with other AMLA bodies ESMA will continue contributing to strategic discussions and coordination at EU level.

ESMA will maintain strong relations and cooperation with international regulatory bodies (e.g. IOSCO, FSB), contributing to international standard-setting, and with non-EU securities regulators, including engaging with EU candidate countries. ESMA will also monitor key regulatory and supervisory developments in non-EU jurisdictions, where developments with significant impact may arise in relation to existing equivalence decisions.

As the MISP advances, ESMA may need to initiate preparatory work on governance, in 2027 to ready itself for its prospective transition toward a more centralised supervisory authority with direct supervisory and enforcement powers.

ESMA will also continue its cooperation with the competent authorities of the European Free Trade Association (EFTA) States and the EFTA Surveillance Authority.

ESMA presents its governance and work streams on its public website, using infographics, videos and images to ensure information from ESMA is seen beyond a specialist audience and with a view to contribute to financial education. ESMA also aims to continue making all its documents easily accessible to the public by ensuring its website respects best practices as to accessibility, user tracking and security.

As a public body committed to transparency, ESMA will continue to engage with both international and national media through responses to queries, interviews and briefings, in order to provide information and context regarding its publications and working practices. ESMA will also continue to use social media channels to raise awareness of its work.

ESMA will cooperate closely with NCAs to translate and disseminate publications on a national level, through publications on NCA websites, interviews in national media and through social media campaigns. Specific campaigns particularly will focus on topics related to investor protection, financial education and targeting retail investors, in order to provide them with information in their language and more suited to their national context.

ESMA will develop and will regularly review its internal policies and procedures in accordance with the organisational best practices and undertake an annual risk assessment and assessment of the ESMA's control framework.

Main outputs

Ongoing Activities

- Support ESMA's governing bodies.
- Cooperation with EU Institutions and other European bodies and stakeholders, contributing to the EU's priorities.
- 🌍 Cooperation with international fora and third-country regulators, including through MoUs, on international cooperation issues.

- Publication of ESMA deliverables on ESMA's website and social media channels.
- Promotion and information about ESMA and its publications through speaking engagements, media and webinars.
- Coordination of outreach campaigns joint with NCAs
- Proportionality recommendations.

Specific outputs	Due date 2027
2028-2030 Programming Document	Q1
2026 Annual Report 2026 JC Annual Report	Q2
2028 Annual Work Programme 2028 JC Annual Work Programme	Q3

2.4.2.Legal and Compliance

Objectives

Identify and advise on minimising the legal risks of ESMA's actions and defend the Authority in case of legal challenge. Represent ESMA when expert views are required in preliminary rulings.

Advise staff and governing bodies on issues arising in ESMA's expert areas and central functions.

Enhance the legal drafting and soundness of legal acts adopted by ESMA, notably through the sign-off process of draft technical standards, the legal review of Guidelines and of binding and challengeable acts.

Strengthen legal soundness, consistency and effectiveness in supervisory and enforcement activities, including in the context of oversight work conducted jointly with the other ESAs.

Contribute to successful settlement of disagreements between NCAs.

Foster ESMA's transparency and accountability through the timely handling of requests for access to documents.

Contribute to the simplification and burden reduction agenda by providing easy access to applicable rules and guidance via its Interactive Single Rulebook.

Promote a strong compliance and integrity culture at ESMA on Ethics and conflict of interest policies, professional secrecy, and data protection rules as well as good administration principles and complaint-handling.

Overview and results

ESMA carries out systematic legal reviews of all key documents to ensure the legal quality and soundness of its contributions to the single rulebook and to supervisory convergence, as well as its supervisory and oversight decisions. These reviews help safeguard the legality of ESMA's decisions and activities and underpin its successful representation before the EU Ombudsman, the Board of Appeal and the Court of Justice of the EU, where necessary.

ESMA undertakes a wide range of activities to ensure compliance of ESMA as an organisation with all relevant regulations. This encompasses protecting personal data and confidential information from undue processing or disclosure, handling requests for access to ESMA documents or data and leading administrative enquiries on potential breaches identified, as appropriate.

ESMA places accountability, transparency, and the highest standards of ethics at the centre of its approach to corporate governance. ESMA is committed to prevent and fight fraud, and its efforts focus on proper implementation of the rules and standards for financial management and management of human resources (i.e. Internal Control Standards, the ESMA Regulation, the Financial Regulation, Staff Regulations and its implementing provisions). In light of ESMA' missions, specific prohibitions and high transparency standards are applied to trading activities of members of staff and ESMA's governing bodies. This also implies processing and assessing annual declarations of interests or related requests both from ESMA staff and the members of its governing bodies, including upon leaving.

In 2027, legal support may be required to ensure ESMA's readiness in light of the MISP, to support business continuity, sound and efficient processes, including through enhanced internal delegations and cooperation arrangements with NCAs.

At times of Simplification and Burden Reduction, specific emphasis will be put on checking that proposed technical standards and guidance are proportionate by design, avoid unnecessary complexity, length and excessive detail.

ESMA remains committed to handling complaints efficiently and initiating investigations into alleged breaches of Union law by NCAs, when necessary, with a strong emphasis on safeguarding those who report such breaches. To effectively detect and prevent violations, it is crucial that complainants can easily and securely share their information with ESMA. Specific emphasis will be put on clarifying which complaints fall under ESMA's remit and which ones do not in light of the persistent high number of inadmissible complaints.

Finally, ESMA will also handle correspondence received from victims of fraudsters who have used ESMA name and logo to promote scams and will increase awareness about these kinds of frauds through its website, and regular social media campaigns, in coordination with NCAs and the IOSCO secretariat.

Main outputs

Ongoing Activities

- Legal advice on policy matters, institutional issues and supervisory measures and actions.
- Legal review of acts of general application such as technical standards and guidelines, of individual binding decisions and of tools pursuing convergence such as Opinions and Recommendations.

- Submissions and representation of ESMA in litigation cases and representation of ESMA in preliminary rulings.
- Awareness raising and advice on ethics & integrity, anti-fraud measures, professional secrecy, data privacy, artificial intelligence and good administration principles.
- Assessing potential conflicts of interest arising, implementing precautionary measures as needed and publishing declarations of interests by Board members and ESMA senior managers.
- Timely handling of requests for access to documents.
- Efficient investor protection against fraud schemes (mis)using ESMA's name.
- Identification of potential breaches of EU law by NCAs, building on complaints received. Fostering submission of admissible complaints.
- Legal advice on internal processes for adopting ESMA decisions, including via delegation.
- Facilitate settlement of disputes between NCAs through mediation, binding or non-binding.
- Maintenance of ESMA's personal data records register.
- Upgrade of ESMA's Interactive Single Rulebook to cover all sectoral acts under ESMA's remit and implement automatic updates of technical standards and guidance.

2.4.3.Human Resources

Objectives
In line with the People Strategy 2024-2028, the Diversity, Equity and Inclusion Strategy 2024-2027 and its Competency Framework, ESMA's HR will support the organisation and implement relevant actions and initiatives in order to continue: - Attracting diverse capable candidates. - Promoting motivation and flexible talent management. - Fostering management and leadership excellence. - Promoting and enhancing a diverse, inclusive, and flexible work environment. - Improving towards effective and efficient HR management.
Overview and results
In 2027, the Human Resources function will continue to support ESMA in achieving its overall strategic objectives, by providing the organisation with sound, efficient and effective human resource management. Human Resources will continue to build a culture of engagement and fostering flexible talent management in the context of the organisation's broader mission. As ESMA's responsibilities continue to expand and evolve, Human Resources will play a strategic role in ensuring the organisation has the talent, capabilities and diversity required to meet future challenges. Through targeted outreach, strengthened talent attraction

initiatives and a continued focus on workforce diversity, HR will support the development of a resilient, agile and future-ready organisation.

In fact, at ESMA, recruitment and selection decisions remain grounded on qualifications, merit and suitability, while diversity is promoted through fair access, broad advertising of vacancies, inclusive recruitment practices, and targeted measures to increase geographical and gender balance. ESMA also invests in traineeship and talent-pipeline initiatives and collaborates with Member States to improve awareness of career opportunities at the Authority.

Through these efforts the organisation will be equipped with the right skills and expertise at the right time and in the right positions to face upcoming challenges. In this process ESMA will cooperate with other EU agencies and institutions to gain from synergies and to represent the unity of the EU institutions. In parallel, ESMA will also continue to support staff in their development needs, notably by further promoting internal mobility, secondments and exchange programmes with EU Institutions. For its internal existing resources, ESMA will continue proposing a wide offer of training and learning opportunities, both onsite and via agile and customisable e-learning solutions. ESMA will also continue to implement and promote adequate initiatives for the staff's health and well-being.

The organisation will benefit from further digitalisation of its internal HR procedures, notably the implementation of new SYSPER modules, the EC's human resources management system tool progressively deployed at ESMA since 2022.

With an increased number of staff to manage, Human Resources will keep transitioning and adapting its processes to make best use of emerging smart technologies in staff support, recruitment, e-learning tools and competency management. These efficiency gains will allow ESMA to keep focussing on providing essential value-added advice and support to its internal and external stakeholders As ESMA continues to grow, Human Resources will further adapt and streamline its processes by making greater use of emerging technologies in areas such as staff support, recruitment, e-learning, and competency management. These efficiency gains will enable HR to focus on delivering high-value advice and support to both internal and external stakeholders.

ESMA will continue to implement its Diversity and Inclusion strategy through a variety of initiatives aimed at fostering a culture where diversity is regarded as a source of enrichment, innovation and creativity, and where inclusion is promoted by managers and all staff.

Main outputs

Ongoing Activities

- Implementation of the People Strategy 2024-2028.
- Implementation of the Diversity, Equity and Inclusion Strategy 2024-2027.
- Implementation of the Competency Framework.
- Implementation of the Learning & Development plan.

2.4.4.Finance and Procurement

Objectives
Continue enhancing the efficiency of ESMA's budgeting, financial and procurement processes and ensuring their accuracy and regularity in light of the EU Financial Regulation. Ensure smooth transition from ABAC to SUMMA (in January 2027).
Overview and results
In 2027, ESMA will integrate in its revenues the supervisory fees under the following new mandates: DORA, Consolidated Tape Providers, European Green Bonds, and ESG Rating Providers. These fees have been introduced progressively in 2025 and 2026, complementing the existing fee income from Benchmark Administrators, DRSPs ARMs and APAs, CRAs, TRs under EMIR and SFTR, SRs, TC-CCPs, as well as the EU subsidy and contributions from NCAs. ESMA will also duly prepare for any potential new responsibility that may be defined in the context of the new 2028-2034 Multiannual Financial Framework and SIU. To better address on-going and up-coming challenges, ESMA has been actively engaging with the Commission in order to deeply streamline its funding model both for the area of fees and for the area of the general budget. The objective is to achieve greater flexibility and efficiency in resource allocation, while ensuring fairness, proportionality, and long-term financial sustainability. ESMA's budget planning and cost reporting will remain anchored in its Activity-Based Management methodology, now supported by a robust, customised, and high-performance cloud-based tool. In parallel, ESMA continues to strengthen its internal processes by involving all relevant stakeholders, ensuring sound, efficient, and accurate budget monitoring and implementation throughout the financial year. Additional features have already been introduced, and further enhancements are planned, making the system even more robust and effective. ESMA will continue to enhance the robustness and efficiency of the existing internal framework on contract management in terms of processes and tools. In procurement, ESMA will continue to benefit fully from the European Commission's Public Procurement Management Tool (PPMT). Finally, starting from the 2027 financial year, ESMA will migrate its financial circuit management to SUMMA, the new EC system replacing ABAC.
Main outputs
Ongoing Activities
• ESMA's budget planning, monitoring and reporting. • Revenue collection including fee management.

• Procuring goods and services. • Financial contract management. • Payments and reimbursements.	
Specific outputs	**Due date 2027**
Opening budget for the year N+1	Q4

2.4.5.Corporate Services

Objectives
Provide proactive and effective support by ensuring the smooth running of ESMA's facilities and the acquisition and sound management of goods and services, in accordance with the EU public procurement rules and procedures. Ensure the health and safety of ESMA staff and visitors. Provide support to ESMA's core business by offering a modern and appropriate working place for staff and visitors, organising missions and events, and managing a secure, robust, efficient, and collaborative document and records management system (ARES) fulfilling the regulatory requirements and business needs of an EU authority.
Overview and results
In 2027, ESMA will continue offering the organisation an up-to-date and supportive workplace for its staff and visitors. Following the successful outcomes of the cost-saving initiatives—such as the extension of its iBox premises contract until 2035 under renegotiated terms—ESMA will, during 2027–2029, focus on consolidating its dynamic collaborative space and preparing for additional staff from potential new mandates, while ensuring optimal use of rented areas and maintaining a modern, sustainable, and cost-efficient working environment. Management of the workspace will remain a priority to support ESMA's activities and provide staff and visitors with a safe, healthy, and productive setting. ESMA will also ensure smooth daily operations through efficient tools and resources for missions, meetings, catering, visitor handling, and physical security. In 2027, efforts will aim to continue to streamline processes and systems, leveraging innovative technologies to enhance staff support and operational efficiency. In 2027, ESMA will rely on established planning and reporting procedures and a robust document and records management system scheduled for implementation in 2026. This system (ARES) is the EC tool that ensures the long-term retention of files according to an agency-specific filing and retention schedule, guaranteeing complete and permanent compliance with EU regulations while delivering significant operational benefits. It will enhance business continuity by providing a more resilient and reliable framework, improve overall efficiency through streamlined processes, and optimise workflows across

departments. Greater integration and interoperability with other systems, such as SYSPER, the EC's human resources management system, SUMMA, the new EC system replacing ABAC for financial circuits management, and PPMT, the EU public procurement management tool, will enable smoother data exchange and collaboration, while the system's transparency and traceability will facilitate external audits. Moreover, its implementation will align the organisation with current trends and best practices observed in other EU agencies.

Finally, ESMA will continue to support the organisation's environmental agenda by improving its environmental performance through the EMAS and implementing the measures foreseen in its Climate Transition Plan.

Main outputs
Ongoing Activities
• Corporate Services support for staff and visitors. • Maintenance of ESMA's premises. • Environmental performance monitoring and improvement (EMAS maintenance). • Maintenance of ESMA's Document and Records Management System.

2.4.6.Horizontal ICT Services

Objectives
Contribute to ESMA's operations by leveraging information technologies, by delivering IT services and solutions, and advise and collaborate to deliver ESMA's objectives. Provide effective and proactive ICT support to staff and manage ESMA's ICT resources in a flexible and efficient way.
Overview and results
ESMA ensures the maintenance and life cycle upgrades of IT digital workplace tools, unified communications and collaborations tools, and provides support to internal and external users of ESMA's IT systems. ESMA will advance its digital transformation by modernising and automating key processes. In particular, ESMA explores the integration of relevant emerging technological solutions, such as generative AI, which have the potential to significantly enhance operational efficiency. Furthermore, ESMA will continue to support and maintain its existing cybersecurity posture, while reinforcing the cybersecurity and resilience of its IT systems. ESMA will manage the cybersecurity environment, which remains challenging due to a constantly expanding threat landscape, and will continuously enhance its existing detection systems and automating threat responses. In this context, ESMA will also build on the outcomes of a dedicated

Artificial Intelligence (AI) programme, expected to be finalised by the end of 2026, to enable the secure and responsible use of AI across its operations from 2027 onwards. ESMA will undertake IT initiatives to increase organisational flexibility and streamline core administrative functions by supporting the transition to the European Commission's SUMMA system for financial management (replacing ABAC) and implementing an ESMA-wide Resource and Project Management tool (REPRO) to strengthen planning, time recording and portfolio visibility across departments.
Main outputs
Ongoing Activities
• ICT support to ESMA staff and enhancement of digital workplace and collaborative tools that improve the working environment. • ICT appropriate measures and actions to ensure cybersecurity incidents are prevented. • ICT ensures daily tasks are executed with minimal potential disruption.

3. Peer reviews 2027 (from PRWP 2026-2027)

Peer reviews are an important tool for supervisory convergence to further strengthen consistency and effectiveness in supervisory practices and outcomes, fostering remediation of ineffective or divergent supervisory activities, when identified. ESMA performs two types of peer reviews: discretionary peer reviews and mandatory peer reviews. Discretionary peer reviews are performed on topics set by ESMA on the basis of its risk-based prioritisation for supervisory convergence. Mandatory peer reviews are required by sectoral EU legislation. ESMA also follows up on the recommendations made in the context of previous peer reviews to ensure that past peer reviews deliver long-lasting and high-quality supervisory changes, and past findings are effectively remediated, taking also into account new market developments and forward-looking considerations.

ESMA develops every two years a Peer Review Work Plan which identifies the topics for peer reviews and follow-ups to be launched in the following two years. In 2027, ESMA will prepare the Peer Review Work Plan for 2028 and 2029.

Peer reviews and follow ups expected to be launched in 2027

In 2027, ESMA plans to conclude the follow up to the peer review on the relocation of firms in the context of Brexit. In addition, it expects to launch the following exercises:

- CCPs peer review on operational and cyber resilience;
- Follow up on the CCP peer review on outsourcing and intragroup governance arrangements;
- Follow up on the peer review on the scrutiny and approval procedures of prospectuses by competent authorities;

- Follow up on the fast-track peer review on a CASP authorisation and supervision.

ESMA will maintain the flexibility to initiate an additional peer review depending on market developments, including under a fast-track process in the case of urgency - as done in previous years - to respond rapidly and effectively to new events.

Annex I. Human Resources

On 31 January 2026, ESMA provided a multi-annual Programming Document to the EU Institutions. This included a multi-annual work programme with financial and staffing outlook for 2028 and 2029, as well as a detailed annual work programme with a budget and staffing request for 2027.

The following tables reflect the amended ESMA's 2027 budget request. ESMA's resources for 2027 will become final once the EU budget is decided upon at the end of 2026 by the Budget Authority[4].

It should be noted that ESMA's capacity to recruit the positions outlined below will depend on the availability of financial resources. While ESMA's fee-funded activities may provide additional budgetary capacity, recruitment could only take place to the extent that funding is secured. In 2025, ESMA could employ 358 staff, equivalent to 86% of its authorised positions, demonstrating the importance of available funding in determining actual staffing levels.

2027 draft Establishment Plan (temporary posts)			
AD 16	1		
AD 15	3	AST 11	
AD 14	1	AST 10	
AD 13	3	AST 9	
AD 12	13	AST 8	
AD 11	20	AST 7	3
AD 10	35	AST 6	4
AD 9	38	AST 5	3
AD 8	40	AST 4	1
AD 7	46	AST 3	3
AD 6	38	AST 2	1
AD 5	25	AST 1	
AD total	263	AST total	15
GRAND TOTAL		**278**	

Contract Agents (FTE)	2027 draft estimate
Function Group IV	80
Function Group III	20
Function Group II	
Function Group I	
Total	**100**

Seconded National Experts (FTE)	2027 draft estimate

[4] The Budget Authority is formed by the Council of the European Union and the European Parliament.

Total	**35**

Annex II. Draft budget

The following tables replicate ESMA's 2027 draft budget as approved by the Board of Supervisors via written procedure in June 2026. The 2027 draft budget[5] is subject to change and will not be final until agreed by the Budgetary Authority and by ESMA's Boards at the end of this year.

REVENUE	EUR
Fees[6]	34,070,315
EU contribution	23,090,170
Contribution from NCAs	37,484,551
Contribution from EEA/EFTA	1,160,512
Contribution from DG REFORM	203,660
Contribution for delegated tasks	1,140,112
TOTAL REVENUE	**97,149,320**

EXPENDITURE	EUR
Staff expenditure	67,430,592
Infrastructure and administrative expenditure	8,088,293
Operational expenditure	20,176,776
Delegated tasks	1,453,660
TOTAL EXPENDITURE	**97,149,320**

[5] The 2027 draft budget approved in June 2026 by the Boards includes the increases concerning the following new tasks: RIS (+ €56k EU, and + €85k NCAs contributions), and AIFMD/UCITS integrated reporting system (+ €880k EU, and + €1,4M NCAs contributions).

[6] The level of fees will be further adjusted by end of 2026.

Annex III. ESMA's Key Performance and Outcome Indicators

In 2025, ESMA has developed a set of key outcome indicators which measure the extent to which the priorities and drivers set out in ESMA's 2023-28 Strategy are being achieved. For each objective, ESMA has selected a single Key Outcome Indicator (KOI) which measures one important aspect of the objective. It should be stressed that these indicators only capture those outcomes which are most reliably measurable and for which quality data is available. A target will be established for each of the KOIs once sufficient data to establish a baseline has been collected (i.e. three consecutive years).

Objective Key outcome indicator		**Baseline**	**Target by 2028**
1 Financial stability: Published market monitoring and risk assessments resulting in supervisory, policy or convergence actions during following 12 months.		Ref 2024-25[7] 17 (87.5 %)	15 (80%)
2 Effective supervision: mitigating supervisory risks A. Proportion of identified supervisory elevated risks reduced/addressed by ESMA direct supervision < 3 years		Ref 2024-25 TBD[8]	TBD
B. Proportion of identified supervisory elevated risks reduced/addressed by convergence activities < 3 years.		TBD	TBD
3 Retail investor protection: average costs ([9]) and charges for RI products		Ref 2020-24	
A. Active funds		1.83 %	< 1.87 %
B. Passive funds – non-ETF		0.68 %	< 0.75 %
C. Passive funds – ETF		0.55 %	< 0.57 %
4 Sustainable finance: greenwashing risks in the funds industry ([10]): A. Share of funds with sustainability-related features with inconsistent name relative to regulatory documentation.		Ref 2022 0.8 %	< 0.8 %
B. Share of funds with sustainability-related features using vague, unsubstantiated ESG language[11]		26.4 %	< 30 %
C. Share of funds with an ESG name possibly inconsistent with their portfolio	- due to the low positive impact of the portfolio on ESG factors or	1.7 %	< 1.7 %
	- due to the high negative impact on ESG factors	Ref 2023 7.5 %	< 7.5 %
5 Effective data usage: Number of users on the ESMA data platform.		Ref 2024-25[5] 372	TBD

([7]) A full baseline will be calculated when three consecutive years of data is available.

([8]) The baseline and target figures will be provided when three consecutive years of data is available

([9]) Costs are taken from PRIIPs key information document (KID) and exclude fees paid directly from the investor to the distributor

([10]) The performance under this KOI may well significantly change under future amending rules for SFDR. The SFDR proposal contained provisions that may mitigate the publication of unsubstantiated claims by creating (1) product categories with binding investment criteria (building on those in the ESMA's guidelines on funds' names using ESG- or sustainability-related terms), (2) rules on product names and marketing, and eventually the (3) amended financial product distribution rules aligned with the new product categories. However, it is worth bearing in mind that the new framework is not expected to start applying until several months (e.g. 18 or 24) after publication of the amended Regulation in the Official Journal, which itself is not expected to take place before 2027.

([11]) The methodology for the calculation of this KOI has been updated in 2026 to avoid flagging fund documents referencing EU legislation as part of the identification of vague language. As a result, the figures for the previous years have been restated, leading to a decrease of the baseline and target figures.

Key performance indicator	Baseline (2021-25 average)	Annual target
Completion rate of the AWP	91.7 %	> 85 %
Greenhouse gas (GHG) emissions ([12])	457.1 tCO_2e	-15.4% by 2027 and -31.4% by 2030
Staff turnover rate	3.7 %	> 5 % and < 10 %
Implementation rate of budget appropriations	99.5 %	> 95 %
IT Maintenance budget execution	98.6 %	> 95 %

([12]) The baseline value stands at 457.1 tCO2e (tonnes of carbon dioxide equivalent) for 2023, after actual emissions (430 tCO2e) have been adjusted based on projected FTEs (by 2026) stemming from new mandates. The 2027 and 2030 targets are set in gross GHG emission reduction terms, relative to the 2023 baseline value. These targets are consistent with emissions reduction targets defined in the ESMA Climate Transition Plan, published in June 2025.

Annex IV. Acronyms

Acronyms

AI	Artificial Intelligence
AIFs	Alternative Investment Funds
AMPs	Accepted Market Practices
APAs	Approved Publication Arrangements
ARMs	Approved Reporting Mechanisms
CA	Contract Agent
CCP	Central Counterparty
CCP SC	CCP Supervisory Committee
CEAOB	Committee of the European Audit Oversight Bodies
CRA	Credit Rating Agency
CSA	Common Supervisory Action
CSD	Central Securities Depository
CTPs	Consolidated Tape Providers
DG	Directorate General
DLT	Distributed Ledger Technology
DRSPs	Data Reporting Service Providers
EBA	European Banking Authority
EC	European Commission
ECB	European Central Bank
EEA	European Economic Area
EFRAG	European Financial Reporting Advisory Group
EFTA	European Free Trade Association
EIOPA	European Insurance and Occupational Pensions Authority
ELTIF	European Long-term Investment Funds
EMAS	Eco-Management and Audit Scheme
ESA	European Supervisory Authority
ESEF	European Single Electronic Format
ESFS	European System of Financial Supervision
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
ESRB	European Systemic Risk Board
ESRS	European Sustainability Reporting Standards
EU	European Union

EURIBOR	Euro Interbank Offered Rate
EuSEF	European Social Entrepreneurship Funds
EuVECA	European Venture Capital Funds
FSB	Financial Stability Board
FTE	Full Time Equivalent
GLESI	Guidelines on Enforcement of Sustainability Information
IFR	Investment Firms Framework
IFRS	International Financial Reporting Standards
IOSCO	International Organization of Securities Commissions
ISA	International Standards on Auditing
ISSA	International Sustainability Standards on Auditing
ISSB	International Sustainability Standards Board
ITS	Implementing technical standards
JMM	Joint Monitoring Mechanism
KOIs	Key Outcome Indicators
KPIs	Key Performance Indicators
LFS	Legislative Financial Statement
MFF	Multiannual Financial Framework
MMF	Money Market Funds
MoU	Memorandum of Understanding
MTI	Market Transparency Infrastructure
NCA	National competent authority
NGFS	Network for Greening the Financial System
OLAF	European Anti-Fraud Office
OTC	Over-the-counter
Q&As	Questions and answers
RIS	Retail Investment Strategy
RTS	Regulatory technical standards
SMSG	Securities and Markets Stakeholder Group
SNE	Seconded National Expert
SR	Securitisation Repository
STORs	Suspicious Transaction and Order Reports
STS	Simple, transparent and standardised
TA	Temporary Agent
TR	Trade Repository
TRACE	ESMA’s Trade Repository Data Reporting tool

TRVs	Trends, risks and vulnerabilities
UCITS	Undertakings for Collective Investment in Transferrable Securities
USSPs	Union-wide Strategic Supervisory Priorities

<u>Abbreviations of the legislations</u>

AIFMD	Alternative Investment Fund Managers Directives
BMR	Benchmarks Regulation
CCP RRR	CCP Recovery and Resolution Regulation
CRAR	Credit Rating Agencies Regulation
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
CSDR	Central Securities Depositories Regulation
CSRD	Corporate sustainability Reporting Directive
DLTR	Regulation on Distributed Ledger Technology Pilot Regime
DORA	Digital Operational Resilience Act
ECSPR	European Crowdfunding Service Providers Regulation
EMIR	European market infrastructure regulation
ESAP	European Single Access Point
EuGB	European Green Bond Regulation
MAR	Market Abuse Regulation
MiCA	Markets in Crypto Assets
MiFID	Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
MMFR	Money Market Funds Regulation
PRIIPs	Regulations on Packaged Retail and Insurance-based Investment Products
SECR	Securitisation Regulation
SFDR	Sustainable Finance Disclosure Regulation
SFTR	Securities Financing Transactions Regulation
SSR	Short Selling Regulation
UCITS	Undertakings for Collective Investment in Transferrable Securities