

**SMSG 2014 Work Programme**





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## **I. Introduction**

This document sets out the work programme for the Securities and Markets Stakeholder Group (the Group) for the year 2014.

The Group decided in early 2012 to set out its work programme for the calendar year ahead has been helpful to achieve a structured approach to its work. The Group has decided to continue to follow this approach.<sup>1</sup>

The SMSG work programme for 2014 shall be, as for previous years, based on that of ESMA.

The key priorities objectives and priorities for 2014 for ESMA will be based on three four basic objectives relating to Convergence, Financial Consumer Protection, Financial Stability, the Single Rulebook, Supervision and ESMA as an organisation.

From these objectives can be high-lighted especially the following three aspects:

### **1. New and revised legislation**

- Markets in Financial Instruments Directive and its Regulation (MiFID 2 and MiFIR);
- Market Abuse Directive and its Regulation (MAD 2);
- a new Credit Agencies Regulation (CRA III);
- the revision of the Transparency Directive and;
- the Regulations on Venture Capital (EuVCA) and Social Entrepreneurship Funds (EuSEF).

In order to build a single rulebook for Europe, ESMA will develop technical standards, guidelines and advices. ESMA's focus goes beyond establishing new regulation though. At the same time, ESMA will promote supervisory convergence and work to avoid regulatory arbitrage.

### **2. Supervisory Role – CRAs and Trade Repositories**

ESMA will continue to exercise its supervisory duties for CRAs. ESMA will focus on implementing its new multi-dimensional supervision approach, incorporating horizontal thematic and vertical supervisory work.

ESMA will also begin supervising Trade Repositories, under the terms of the European Market Infrastructure Regulation (EMIR), and coordinate Colleges on Central Counterparties.

### **3. Coordination, monitoring and analysis of financial markets**

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<sup>1</sup> The Securities and Stakeholder Group's advice, as well as summaries of its meetings, can be found at <http://www.esma.europa.eu/page/SMSG-Documents>.



ESMA will continue to strengthen its activities in analysing developments, systemic risks, and structures in the financial markets within its remits.

The heaviest work for the SMSG is expected to continue to be in the area of the single rule book, where new and revised legislation will require a lot of energy from the SMSG.

The SMSG should however also aim at providing advice in the area of supervision, which will continue to be an area of central importance to ESMA.

Given the role of the Group, which is to facilitate ESMA's consultation with stakeholders in areas relevant to ESMA's tasks, the 2014 work programme is largely based on ESMA's own work programme for 2014.<sup>2</sup> With five plenary meetings in 2014, the Group cannot respond to all the formal requests for advice that ESMA is required to make. It will hence focus its work based on what it considers to be the most important issues and those on which it believes it can add the most value given the range of input ESMA can expect to receive from stakeholders generally. In particular, the SMSG aims to advise ESMA at the earliest step possible when proposals are being developed, and to provide input at a strategic rather than at a technical level. The Group will continue to apply the principle that it can reasonably expect to finalize two pieces of advice at each of its plenary meetings. The 2014 work programme is therefore limited to ten work streams.

The timing of the work streams cannot be assessed with any precision, since most of the work streams mentioned below are following from European Commission initiatives, for which the timing is un-known.

The Group has adopted the following work programme for 2014 in at its meeting in November 2013. The work programme shall be confirmed by the new SMSG that will be in place as of January 2014.

## **II. 2014 work programme**

The Securities and Markets Stakeholder Group's work programme for 2014 is:

<b>ESMA Objective</b>	<b>Work-streams</b>	<b>Deliverable</b>
<b>Investor protection/ Single rulebook</b>	1. MiFID/MiFIR - Regulatory technical standards and Guidelines following	Advice to ESMA
<b>Single rulebook</b>	2. MAD/MAR - Regulatory technical standards and Guidelines following	Advice to ESMA
<b>Single Rulebook</b>	3. Corporate Finance - Transparency Directive, Prospectus Directive and Takeover Bids - Regulatory technical standards and Guidelines	Advice to ESMA

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<sup>2</sup> ESMA's 2013 work programme can be found at <http://www.esma.europa.eu/page/Budget-and-work-programme>



<b>ESMA Objective</b>	<b>Work-streams</b>	<b>Deliverable</b>
	following	
<b>Single rulebook</b>	4. Market Infrastructure - ESMA supervision of trade repositories; CCP colleges supervision and Central Securities Depositories Regulation, (CSDR)	Advice to ESMA
<b>Single rulebook</b>	5. Investment management – AIFMD, UCITS V, PRIIPS, EuVECA, EuSEF	Advice to ESMA
<b>Investor protection</b>	6. Identification of investor protection concerns	Continued information and advice to ESMA
<b>Single rulebook</b>	7. CRA III, including CRA supervision issues.	Advice to ESMA
<b>Single rulebook</b>	8. SME's including the Regulations on Venture Capital (EuVECA) and Social Entrepreneurship Funds (EuSEF), delegated acts and technical standards.Crowdfunding.	Continued information and advice to ESMA
<b>Supervisory Convergence</b>	9. Supervisory convergence issues including advice on possible topics for future peer reviews, and issues of EU equivalence.	Advice to ESMA
<b>Investor protection/Financial stability</b>	10.Ensuring that capital markets and investment professionals are serving first the interests of the real economy, end investors and non-financial issuers	Applies to all work streams, and especially to MI-FID/MIFIR and PRIIPs

### III. Preliminary 2015 work programme

The Securities and Markets Stakeholder Group is below setting out a tentative 2015 work programme. This is based in part on ESMA's medium term work programme:

<b>ESMA Objective</b>	<b>Work-streams</b>	<b>Deliverable</b>
<b>Investor protection/ Single rulebook</b>	<p>ESMA will have further work to develop the technical standards and guidelines required following the revision of existing, or the introduction of new legislation in relation to:</p> <ul style="list-style-type: none"> <li>○ MiFID</li> <li>○ MAD</li> <li>○ CRA III</li> <li>○ TD</li> <li>○ PD</li> <li>○ UCITS</li> <li>○ EMIR, CSD Regulation/Directive and Securities Law legislation</li> <li>○ Audit Regulation</li> <li>○ AIFMD,</li> <li>○ Venture Capital (EuVECA) and Social Entrepreneurship Funds (EuSEF)</li> <li>○ Long-Term Financing(LTF) and ELTIFs</li> <li>○ Shareholder Rights Directive, revision of</li> <li>○ Other possible areas where future legislation might be proposed, e.g. shadow banking, reference rates (Euribor) and possibly resolution for CCPs</li> </ul>	Advice to ESMA
<b>Supervisory Convergence</b>	Further develop tools for financial consumer protection and extend the analysis of consumer risks and trends to respond to potential risks to consumer protection;	Advice to ESMA