

Spotlight on Markets – December 2022

# NEW YEAR. NEW CHAPTER. NEW LOOK FOR ESMA.

- Articles hot off the press
- ESMA agrees with the position limits notified by the Dutch Authority AFM
- 2022 ESEF XBRL taxonomy files and ESEF conformance suite
- Vacancies



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## ESMA UNVEILS ITS NEW LOGO

The European Securities and Markets Authority (ESMA) started 2023 with a bang by introducing its new logo. Our mission – fostering effective markets and financial stability in order to make EU financial markets more efficient and resilient – is mirrored in the choice of colours and dynamic. Combining the indispensable elements of sustainability and innovation and our European roots, the new visual identity is user-friendly and more accessible to improve ESMA's digital presence.

ESMA is all about fostering the effectiveness and stability of EU markets, and enhancing the protection of retail investors, both through strengthened supervision. The design of the new logo shines in the context of the ESMA Strategy 2023-28.

ESMA also presented a new organigramme to better align with our strategic priorities and ensure that we have the right toolbox to deliver. This step enhances ESMA's functioning as an agile and forward-looking EU agency.



## Focus: ESMA articles

### EU Ecolabel: Calibrating green criteria for retail funds

ESMA tested three key EU Ecolabel criteria on a large sample of sustainability-oriented equity funds and found out that less than 1 % of the sample have a portfolio greenness ratio above the proposed 50 % threshold. Our experts then checked for four different types of exclusions and showed that these further reduce the share of eligible funds to 0.5 %.

The article also illustrates the impact of different threshold calibrations on the number of eligible funds and volumes of green finance. Looser requirements increase the potential volumes of green finance channelled through eligible funds but could damage the credibility of the Ecolabel.

Read the article in full [here](#).

### A framework to assess operational resilience

ESMA presented a novel approach to assess operational resilience for financial entities providing time-critical services.

The tools showcased in the article provide the means for supervisors to measure and test different aspects of financial entities' operational resilience in a standardised and comparable manner and can be adapted to different types of financial institutions for which continuous operations is expected.

We also presented an application of those tools in the context of the fourth central counterparties stress test.

Read the article in full [here](#).



# ESMA agrees with the position limits notified by the Dutch Authority

The European Securities and Markets Authority (ESMA) has published an Opinion on the proposed position limits for the ICE Endex Dutch Title Transfer Facility (TTF) Gas contracts.

ESMA agrees with the position limits notified by the Dutch Authority for the Financial Markets (AFM) for the ICE Endex Dutch TTF Gas futures and options contracts. ESMA found that those limits are consistent with the objectives established in MiFID II and with the methodology developed for setting the limits.

The proposed position limits are based on the most recent available data for deliverable supply and open interest to reflect the latest market developments in the ICE Endex Dutch TTF gas contracts, including the sharp decrease in delivery of Russian gas to the EU.

## Next steps

In the Opinion, ESMA invites the AFM to closely monitor developments in the ICE Endex Dutch TTF contracts and to resubmit position limits on a timely basis in case of any relevant changes to deliverable supply or open interest.



## 2022 ESEF XBRL taxonomy files and ESEF conformance suite

The European Securities and Markets Authority (ESMA) has published the 2022 European Single Electronic Format (ESEF) XBRL taxonomy files and an update to the ESEF Conformance Suite to facilitate the implementation of the ESEF Regulation.

ESMA aims to facilitate the ESEF implementation by providing to XBRL taxonomy files and Conformance Suite test files that reflect the requirements from the 2022 draft update to the ESEF Regulation and the 2022 update to the ESEF Reporting Manual.

Today's publication aims to ease preparations by software vendors and issuers on the 2022 IFRS consolidated financial statements with the latest version of the ESEF format.

Nevertheless, only after the entry into force of the 2022 update to the ESEF Regulation, the 2022 ESEF taxonomy files and the updated Conformance Suite will discharge issuers from their ESEF obligations for their annual financial reports concerning financial years beginning on or after 1 January 2022. Issuers may use the 2021 ESEF taxonomy files and conformance suite provided by ESMA in December 2021 for their annual financial reports concerning financial years beginning on or after 1 January 2022.

### Next steps

The 2022 update to the ESEF regulation will enter into force on the twentieth day following that of its publication in the European Official Journal, which is due to happen by the end of 2022.

# Guidance to applicants under the DLT pilot regime

The European Securities and Markets Authority (ESMA), has published a Final Report including Guidelines on standard templates, forms and formats to apply for permission to operate a DLT market infrastructure.

These Guidelines include templates to be used by market participants to apply for specific permission to operate any type of DLT market infrastructure (DLT MI) under the DLT Pilot Regulation (DLTR), namely: a DLT MTF, a DLT settlement system or a DLT trading and settlement system. They also include templates for the applicants DLT MIs to request limited exemptions from specific requirements under MiFIR, MiFID II or CSDR, provided they comply with certain conditions. Instructions on how to submit this information should be published by the national competent authorities on their website.

Applicants are strongly encouraged to anticipate the formal entry into force of the guidelines, and to refer to the Guidelines included in this Final Report and liaise with their national competent authority to prepare their application for permission to operate a DLT MI.

The Final Report takes into account responses received to the Public Consultation conducted in July and August 2022.

## Next steps

The Guidelines will be published on the ESMA website in the EU official languages in the coming weeks. The comply or explain procedure for authorities will follow, in accordance with Article 16(3) of ESMA Regulation. The Guidelines will enter into force on 23 March 2023.





# Guidelines and technical documentation on reporting under EMIR REFIT

The European Securities and Markets Authority (ESMA), is clarifying the legal provisions on reporting and data management under the amended EMIR rules and providing practical guidance on their implementation.

The Guidelines published today will further enhance the harmonisation and standardisation of reporting under EMIR contributing to the high quality of data necessary for the effective monitoring of the systemic risk. Furthermore, increased harmonisation and standardisation of reporting allows to contain the costs along the complete reporting chain - the counterparties that report the data, the TRs which put in place the procedures to verify the completeness and correctness of data, and the authorities, defined in Article 81(3) of

EMIR, which use data for supervisory and regulatory purposes. The Guidelines provide clarifications on the following aspects:

- transition to reporting under the new rules,
- the number of reportable derivatives,
- intragroup derivatives exemption from reporting,
- delegation of reporting and allocation of responsibility for reporting,
- reporting logic and the population of reporting fields,
- reporting of different types of derivatives,
- ensuring data quality by the counterparties and the TRs,
- construction of the Trade State Report and reconciliation of derivatives by the TRs,
- data access.



The final report on Guidelines, published today is accompanied by the validation rules and the reporting instructions (here and here).

The validation rules document sets out detailed technical rules on how the TRs should verify the completeness and accuracy of the reported data as well as the conditions and thresholds to be applied to determine whether the values reported by both counterparties match or not. Finally, the Validation rules document contains also a template for notifications of reporting errors and omissions to the NCAs.

The reporting instructions contain EMIR XML messages which were updated or newly developed based on the revised technical standards and validation rules. A fully standardised format for reporting will eliminate the risk of discrepancies due to inconsistent data. End-to-end reporting in ISO 20022 XML is expected to further enhance data quality and consistency and mitigate the data integrity risks, by reducing the need for data cleaning/normalisation and facilitate their exploitation for various supervisory and/or economic analysis based on the changes presented by the EMIR Refit regulation. The implemented schema sets were designed to ensure the backward compatibility of the data reporting.

## **Next steps**

The final report contains a detailed assessment of the feedback received to the proposals in the consultation paper published in July 2021. ESMA will continue to engage with the market participants with a view to clarifying any remaining doubts and to facilitate a smooth transition to reporting under EMIR REFIT. The guidelines will be translated and published in all EU languages. They will enter into application on 29 April 2024.

# Publications

Click to read the news items

## Date

- |               |   |
|---------------|---|
| <b>3 Jan</b>  | A new look for ESMA   |
| <b>22 Dec</b> | ESMA publishes 2022 ESEF XBRL taxonomy files and ESEF conformance suite                               |
| <b>21 Dec</b> | ESMA publishes technical standards on cross-border activities under the UCITS directive and the AIFMD |
| <b>1 Dec</b>  | TRV EU Ecolabel: Calibrating green criteria for retail funds  |
| <b>20 Dec</b> | ESMA supports position limits for TTF gas futures   |
| <b>20 Dec</b> | ESMA publishes Guidelines and technical documentation on reporting under EMIR REFIT                   |
| <b>19 Dec</b> | TRV A framework to assess operational resilience  |
| <b>16 Dec</b> | ESMA appoints new Chairs of Standing Committees   |
| <b>16 Dec</b> | New Q&A available   |
| <b>15 Dec</b> | ESMA provides guidance to applicants under the DLT pilot regime                                       |
| <b>15 Dec</b> | ESMA appoints new member to its Management Board  |

# Speaking appearances

by ESMA Staff in January

## Date

- |               |   |
|---------------|---|
| <b>19 Jan</b> | New Financial Event - ESMA Chair, Verena Ross, to speak   |
| <b>20 Jan</b> | Consulenti di voto ed investitori: un'analisi comparativa tra le raccomandazioni dei proxy - Valerio Novembre, to speak |

## Consultations

Click to read the full list of consultations and reply forms

### Closing date

- |               |  |
|---------------|--|
| <b>16 Jan</b> | ESAs Call for Evidence on greenwashing   |
| <b>31 Jan</b> | Consultation Paper on review of RTS on authorisation and registration                |
| <b>17 Feb</b> | Consultation on Review of the technical standards under Article 34 of MiFID II       |
| <b>20 Feb</b> | Consultation on Guidelines on funds' names using ESG or sustainability-related terms |

## Open hearings

[Click to read the full list of open hearings](#)

### Closing date:

**23 Jan**    [Open hearing on consultation on ESG terms in funds' names](#)

# Open vacancies

All open vacancies can be found on [ESMA's recruitment portal](#)

## Deadline

- |               |   |
|---------------|---|
| <b>31 Jan</b> | Policy Officer (Sustainable Finance Profile)  |
| <b>31 Dec</b> | Seconded National Experts (multiple profiles) |

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 ESMAComms

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