

# ESMA publishes its Work Programme 2025

29 October 2024

## Introduction

In October 2024, the European Securities and Markets Authority (**ESMA**) published its [Work Programme for 2025](#) (the **ESMA Work Programme**) and the European Supervisory Authorities (the **ESAs**, which is the umbrella term for ESMA, the European Banking Authority and the European Insurance and Occupational Pensions Authority) published their [Work Programme for 2025](#) (the **ESA Work Programme**).

The ESMA Work Programme and the ESA Work Programme build on a recent ESMA position paper titled “Building More Effective and Attractive Capital Markets in the EU”. There are elements of both the ESMA Work Programme and the ESA Work Programme that are relevant for investment funds and their managers and these are discussed below.

## ESMA Work Programme

Similar to previous iterations, the ESMA Work Programme is structured around the implementation of ESMA's Multi-Annual Strategy for 2023-2028 (the **Strategy**). The Strategy established three strategic priorities and two thematic drivers, which are:

### Strategic priorities:

- 1 Fostering effective markets and financial stability;





- 2 Strengthening supervision of EU financial markets;
- 3 Enhancing protection of retail investors.

#### Thematic drivers:

- 1 Enabling sustainable finance;
- 2 Facilitating technological innovation and effective use of data.

### 2.1 Background

ESMA notes the current economic context, remarking that, although inflation rates are more manageable, markets remain highly sensitive to geo-political and economic events.

In the ESMA Work Programme, ESMA discuss its recent position paper, *Building More Effective And Attractive Capital Markets in the EU*, which outlined its recommendations on how to strengthen capital markets in the EU, focusing on three key areas: citizens, companies, and the EU regulatory and supervisory framework.

In 2025, ESMA will begin work on those aspects within its control while working with co-legislators and others to support the European Capital Markets Union.

### 2.2 Areas of Focus

The ESMA Work Programme outlines objectives and outputs relating to each of ESMA's strategic priorities and thematic drivers as noted above. The following are of particular note for 2025:

- Building on its supervisory work in the area of Sustainable Finance, in 2025 ESMA will develop technical standards as part of the European Green Bond Standard Regulation. ESMA will develop regulatory technical standards (**RTS**) to support this work.
- ESMA will publish technical advice following its review of Commission Directive 2007/16/EC on UCITS eligible assets (the **UCITS Eligible Asset Directive**). The review was conducted to address the increasing variety of financial instruments since the UCITS Eligible Asset Directive was enacted 17 years ago, and will aim to preserve and strengthen the functioning of the UCITS framework and ensure the quality of investment products available to retail investors in the European Union.
- ESMA will be involved in selecting, authorising and supervising a consolidated tape provider for bonds and shares (including exchange traded funds).
- Subject to publication in the Official Journal of the EU, ESMA will publish RTS to support the ESG Rating Regulation, which aims to provide further transparency in the applied methodologies and meaning of ratings as the sustainable finance sector continues to



grow.

- Following the adoption of EMIR 3, ESMA will develop a number of RTS, including for the new Active Account Requirement and the relevant requirements, as well as on client clearing fees and costs of clearing.
- In early 2025, ESMA expects to publish its final report on the outcome of a Common Supervisory Action undertaken to assess the disclosure and integration of sustainability risks in the investment fund sector. Once its findings are published, ESMA will engage with relevant National Competent Authorities (including the Central Bank of Ireland) to coordinate supervisory case discussions.
- Following the application of the Digital Operational Resilience Act (**DORA**), ESMA will commence monitoring compliance with DORA along with its supervisory authority counterparts in the EU, such as the European Banking Authority.
- In respect of the [revised AIFMD and UCITS Directive](#), ESMA will develop RTS on the characteristics of liquidity management tools to be used by funds, the parameters for operating open-ended loan-originating AIFs, and a report on costs charged by UCITS and AIFMs (which builds upon [previous work in this area](#)).
- In the context of the [Retail Investment Strategy](#), ESMA will develop, depending on progress, work on key investor protection topics such as information on costs and charges, benchmarks, and other disclosures. This may include development of technical advice, technical standards, guidelines and other convergence tools as well as use of consumer testing where and when needed.
- The ESMA Work Programme notes that ESMA will continue to monitor risks in financial markets, with likely areas of focus being the use of leverage by funds, liquidity of real estate funds and corporate bond funds, as well as interconnectedness of funds with the rest of the financial system.



## ESA Work Programme

The ESAs will continue their work in respect of Environmental, Social and Governance (**ESG**) matters and the Sustainable Finance Disclosures Regulation (the **SFDR**) by publishing Q&As on sustainability disclosures under the SFDR delegated regulation, as well as issuing a report on the reporting of principal adverse impacts under Article 18 of the SFDR. The ESAs may start work on new RTS relating to ESG rating disclosures introduced into Article 13 SFDR by the recently agreed [Regulation on ESG Ratings](#).

The ESAs will continue its strong focus on coordinating and implementing the Digital Operation Resilience Act (**DORA**), which comes into effect from 17 January 2025. The focus of the ESAs will be on supervisory convergence between jurisdictions and on assuming its legislative role in respect of oversight of designated critical third-party ICT service providers.

The ESAs will continue their work in respect of the Securitisation Regulation by publishing their second report on the functioning of the securitisation regulatory framework, which may require the issuance of RTS or an opinion (presumably depending on the conclusions of the report).

During 2025 the ESAs expect to work on drafting RTS mandated under the proposed amendments to the PRIIPs Regulation in the Retail Investment Strategy, subject to the outcome of negotiations between the co-legislators.

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## CONTACT US

If you have any queries about the information contained in this article, please contact the authors or your usual Dillon Eustace contact.



### **Brian Higgins**

**Partner | Dublin**

E [brian.higgins@dilloneustace.ie](mailto:brian.higgins@dilloneustace.ie)

T + 353 1 667 0022



### **Joe O'Doherty**

**Of Counsel | Dublin**

E [joe.odoherty@dilloneustace.ie](mailto:joe.odoherty@dilloneustace.ie)

T + 353 1 667 0022



### **Karen Jennings**

**Of Counsel | Dublin**

E [karen.jennings@dilloneustace.ie](mailto:karen.jennings@dilloneustace.ie)

T + 353 1 667 0022

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## OUR OFFICES

### **Dublin**

33 Sir John Rogerson's Quay

Dublin 2

Ireland

Tel: +353 1 667 0022

### **Cayman Islands**

Landmark Square

West Bay Road, PO Box 775

Grand Cayman KY1-9006

Cayman Islands

Tel: +1 345 949 0022

### **New York**

33 Irving Place

New York

NY 10003

United States

Tel: +1 646 770 6080

### **Tokyo**

12th Floor,

Yurakucho Itocia Building

2-7-1 Yurakucho, Chiyoda-ku

Tokyo 100-0006,

Japan

Tel: +813 6860 4885

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