

## ESMA European Securities and Markets Authority

ESMA is the EU's financial markets regulator and supervisor. The [2023-2028 strategy guides ESMA](#) in its second decade. It builds on the successful development of ESMA since its establishment and reflects the evolving environment in which it operates. ESMA's mission is to enhance investor protection, promote orderly financial markets, and safeguard financial stability. ESMA was founded as a direct result of the recommendations of the 2009 **de Larosière report** which called for the establishment of a European System of Financial Supervision as a decentralized network. It began operations, under its **Founding Regulation** on 1 January 2011, replacing the Committee of European Securities Regulators which was a network of NCAs that promoted consistent supervision across the EU and provided advice to the European Commission.

Whilst ESMA is an independent Authority, it is accountable to the European Institutions including the European Parliament, where it appears before the Economic and Monetary Affairs Committee (ECON) at their request for formal hearings, the Council of the European Union, and European Commission. The Authority reports to the institutions on its activities regularly at meetings and also through its Annual Report.

ESMA delivers its mission by focusing on three strategic priorities and by being driven by two key themes formulated in the ESMA Strategy 2023-2028. ESMA plans to implement this strategy step by step over the next years, focusing on the strategic priorities and thematic drivers, while being mindful of market developments and emerging risks, as well as new legal mandates and available resources both at ESMA and NCAs.

### ESMA to put cyber risk as a new Union Strategic Supervisory Priority<sup>1</sup>

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, is changing its Union Strategic Supervisory Priorities (USSPs) to focus on cyber risk and digital resilience alongside ESG disclosures.

With this new priority, EU supervisors will put greater emphasis on reinforcing firms' ICT risk management through close monitoring and supervisory actions, building new supervisory capacity and expertise. The aim is to keep pace with market and technological developments, and closely monitor potential contagion effects of attacks and disruptions across markets and firms.

The new USSP will come into force in 2025, at the same time as the Digital Operational Resilience Act – DORA. This timeline is intended to provide supervisors and firms in Member States with sufficient time to prepare for compliance with the new regulatory requirements. Meanwhile, ESMA and national competent authorities (NCAs) will carry out preparatory work planning and shaping the supervisory activities to undertake under this priority.

In addition, ESMA and NCAs will continue their work on the second priority – ESG disclosures. The aim is to tackle greenwashing, increase investors understanding and embed sustainability requirements when firms advise investors. ESG disclosures will remain the focus in 2024 across key segments of the sustainable finance value chain such as issuers, investment managers and investment firms.

The new USSP on cyber risk and digital resilience will replace the USSP on *market data quality*. ESMA and NCAs have carried out intensive and concerted supervisory efforts to make structural, long-lasting improvements in this area. Notably, we have:

- built common data quality methodologies and data sharing frameworks; and

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<sup>1</sup> <https://www.esma.europa.eu/press-news/esma-news/esma-put-cyber-risk-new-union-strategic-supervisory-priority>

- worked on the detection of supervisory issues, carried out investigations and developed supervisory tools to extract further intelligence from the data reported.

Ensuring data quality remains a primary duty of supervised entities. Firms, and in particular their top management, should take ownership of the data they report and increase its use also for internal purposes. EU supervisors will continue to undertake important supervisory work on data quality, leveraging on the new methodologies and tools developed through the USSP. Paying close attention to this topic remains fundamental in building a data-driven supervisory approach, a key strategic objective under the [ESMA Strategy](#).

The USSPs are an important tool through which ESMA coordinates and focuses supervisory action with NCAs across the EU on specific topics.