

Spotlight on Markets – April & May 2025

RETAIL INVESTOR JOURNEY

In this edition

- Clearing in light of EMIR 3 and SIU
- Guidelines to prevent market abuse under MiCA
- Technical advice on market abuse and SME Growth Markets
- Report on the Quality and Use of Data



In this issue

ESMA in April and May

ESMA asks input on the retail investor journey as part of simplification and burden reduction efforts	4
EMIR 3: A Pivotal Step Forward	9
EU clearing in light of EMIR 3 and the SIU	10
ESMA urges social media companies to tackle unauthorised financial ads	12
Supervisory guidelines to prevent market abuse under MiCA	13
Technical advice on market abuse and SME Growth Markets as part of the Listing Act	14
ESMA report shows increased data use across EU and first effects of reporting burden reduction efforts	16

In this issue

Consultation on rules for ESG Rating Providers **18**

ESAs 2024 Joint Annual Report **19**

Look ahead

Consultations and events **21**

Contact info **22**

ESMA asks input on the retail investor journey as part of simplification and burden reduction efforts

The European Securities and Markets Authority (ESMA) has launched a Call for Evidence (CfE) on the retail investor journey under MiFID II.

The purpose of this CfE is to gather feedback from stakeholders to better understand how retail investors engage with investment services, and whether regulatory or non-regulatory barriers may be discouraging participation in capital markets.

The CfE explores:

- key retail market trends, such as the appeal of speculative products for younger investors and the influence of social media on investment decisions;
- the practical application of MiFID II requirements in areas such as regulatory disclosures, assessment of suitability and appropriateness; and
- additional areas such as the investor experience under the European crowdfunding framework and broader reflections on how to strike the right balance between investor protection and enabling informed risk-taking.

Alongside the CfE, ESMA also publishes a summary of the main points, translated into all EU languages to facilitate responses from consumers and their representatives.

Background

As part of broader efforts to support efficient simplification and burden reduction measures, ESMA launched this work to assess whether current rules support or hinder retail investor participation, and to explore if simplifications could help investors better engage with capital markets without weakening existing protections.

Next steps

Interested parties – including firms, trade associations, and consumer organisations – are invited to submit their input by **21 July 2025**.

Based on the responses, ESMA, together with National Competent Authorities, will assess whether specific regulatory adjustments or clarifications may be needed to enhance investor protection and retail engagement in financial markets.



Retail Investor Journey

Call for evidence



Retail Investor Journey *Call for Evidence*



Why do retail investors prefer bank deposits over investing in EU capital markets?



What stops them from investing?



Send your feedback by 21 July 2025



Retail Investor Journey **Call for Evidence**



Where do retail investors lack knowledge?



Are there specific topics where better financial education could help them feel more confident?



Send your feedback by 21 July 2025



Retail Investor Journey **Call for Evidence**



Why are young investors choosing crypto over traditional investment products?



It's the hype, the hope to get rich quickly or something else?



Send your feedback by 21 July 2025



Retail Investor Journey **Call for Evidence**



Do investment costs make sense to you?



Is the way costs and charges are explained clear and helpful?



Send your feedback by 21 July 2025



Retail Investor Journey **Call for Evidence**



Are investor protections too much or not enough?



Does regulation protect retail investors without holding them back?



Send your feedback by 21 July 2025

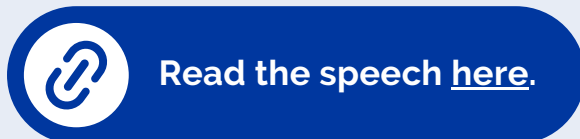
EMIR 3: A Pivotal Step Forward

The recent adoption of EMIR 3 signals a new chapter in our regulatory journey. It deepens our commitment to achieve true supervisory convergence and ensure a level playing field within the EU, whilst seeking to rebalance the current overreliance on critical clearing services provided from outside the Union.

Before the end of 2025, ESMA will be finalising an ambitious set of regulatory technical standards mandated under EMIR 3. But this work is not just about rule-making. It's about embedding a supervisory culture that is adaptive, consistent, and firmly rooted in a vision of a robust and self-sufficient European clearing ecosystem.



ESMA is fully committed to fostering simplification and burden reduction for all EU market participants, while respecting our mandate of preserving EU financial stability, orderly markets and investor protection. In other words, we will try, where possible, to simplify the processes and reduce the burden on regulated entities such as CCPs. However, this is not about deregulating, but about a regulatory framework that provides a solid foundation for a competitive and attractive EU capital market.



EU clearing in light of EMIR 3 and the SIU

The [SIU strategy](#), as unveiled by the European Commission in March, seeks to enhance the efficiency of our financial system, to offer citizens broader access to capital markets and to provide companies with improved financing options. By developing integrated capital markets, the SIU aims to connect savings with investment needs, to bolster economic growth and competitiveness across the EU.

An essential part of these ambitions is the strengthening of the foundations of the EU post-trade ecosystem, making it more resilient, more attractive, and more competitive on the global stage. In that context, ensuring a smooth and effective implementation of EMIR 3 will be a foundational step towards the SIU.

There are three priorities, which are reflected in the new EMIR legislation

- **Improving the supervision of EU CCPs**
- **Enhancing attractiveness, competitiveness and resilience of the EU clearing landscape**
- **Tackling the risks stemming from the overreliance of the EU on third-country clearing services**

The coming three years offer a real opportunity to build a stronger, safer, and more competitive EU clearing infrastructure. By rolling out EMIR 3 successfully and consolidating the gains made under EMIR 2.2, we can create a framework that goes some (but not all the) way towards the goals of the Capital Markets Union and the Savings and Investment Union.

But this cannot be achieved by regulators alone. It will require genuine partnership — between policymakers, sectoral supervisors, and market participants alike.

If we maintain our focus, draw on our shared expertise, and invest the right energy and commitment, I am confident that we can achieve our vision: an EU post-trade ecosystem that would become ever more resilient, more attractive and more competitive on the global stage, and which as a result would be able not only withstands today's risks but also embraces tomorrow's opportunities.

 Read the speech [here](#).

ESMA urges social media companies to tackle unauthorised financial ads

The European Securities and Markets Authority (ESMA) wrote to several social media and platform companies ([X](#), [Meta](#), [TikTok](#), [Alphabet](#), [Telegram](#), [Snap](#), [Amazon](#), [Apple](#), [Google](#), and [Reddit](#)) encouraging them to take proactive steps to prevent the promotion of unauthorised financial services.

The increasing spread of online scams targeting retail investors poses a serious risk to investors themselves and to society, with fraudulent actors exploiting digital platforms to advertise unlawful financial services. These activities often mislead consumers into engaging with firms that lack proper authorisation, resulting in financial losses and in the loss of trust in the financial sector.

This approach complements last week's [initiative](#) launched by the International Organization of Securities Commissions, highlighting the global nature of doing online harm linked to financial misconduct.



Supervisory guidelines to prevent market abuse under MiCA

The European Securities and Markets Authority (ESMA) published [guidelines on supervisory practices](#) to prevent and detect market abuse under the Market in Crypto Assets Regulation (MiCA).

Based on ESMA's experience under Market Abuse Regulation (MAR), the guidelines intended for National Competent Authorities (NCAs) include general principles for effective supervision and specific practices for detecting and preventing market abuse in crypto assets. They consider the unique features of crypto trading, such as its cross-border nature and the intensive use of social media.

The guidelines set out general principles requiring supervisory activity to be risk-based and proportionate, and set the objective for NCAs to build a common supervisory culture specific for crypto assets through an open dialogue with the industry and interactions with other NCAs.

The guidelines aim to support consistent and efficient supervisory practices among NCAs, ensuring a common supervisory culture for crypto assets.

Next Steps

- The Guidelines will be **translated into all EU languages and published on ESMA's website** and will **start applying three months after that date**. However, ESMA recommends that NCAs already start implementing the principles included in the guidelines whilst waiting for the translations.
- Within two months of the date of publication of the Guidelines on ESMA's website in all EU official languages, **competent authorities to which these guidelines apply must notify ESMA whether they (i) comply, (ii) do not comply, but intend to comply, or (iii) do not comply and do not intend to comply with the guidelines**.

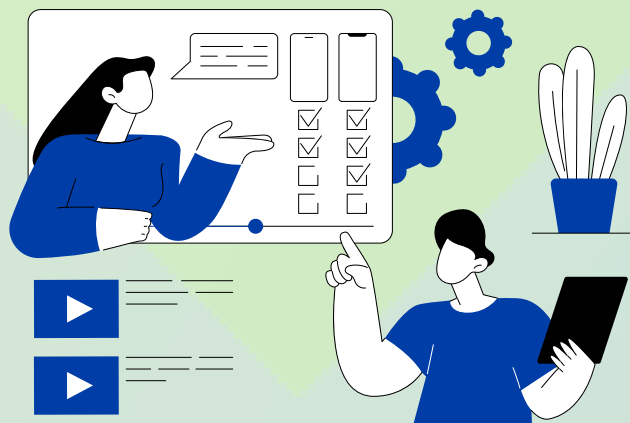
Technical advice on market abuse and SME Growth Markets as part of the Listing Act

The European Securities and Markets Authority (ESMA) published its advice to the European Commission (EC) to support the Listing Act's goals to simplify listing requirements, enhance access to public capital markets for EU companies, and improve market integrity.

In relation to Market Abuse Regulation (MAR), the advice covers:

- **Protracted processes, identifying key moments for public disclosure;**
- **Delayed public disclosure, listing situations where delays are not allowed; and**
- **Cross-Market Order Book Mechanism (CMOB), indicating the methodology for the identification of trading venues with significant cross-border activity.**

Regarding the Market in Financial Instruments Directive (MiFID), ESMA focuses on the review of the requirements for multilateral trading facilities and segments for the purpose of registration as an SME growth market (SME GMs).



The technical advice facilitates the effective implementation of the Listing Act, by advising the EC on the delegated acts to be adopted and amended in relation to MAR and MiFID respectively.

Next steps

The EC will adopt the delegated acts for which the technical advice was requested by July 2026.

ESMA continues its work to facilitate the effective implementation of the Listing Act. More information can be found on the [dedicated webpage](#).



ESMA report shows increased data use across EU and first effects of reporting burden reduction efforts

The European Securities and Markets Authority (ESMA) published the fifth edition of its [Report on the Quality and Use of Data](#). The report reveals how the regulatory data collected has been used by authorities in the EU and provides insight on actions taken to ensure data quality.

The document presents concrete cases on data use ranging from market monitoring to supervision, enforcement and policy making. A recent example includes how ESMA reutilises existing data to support reporting burden reduction (i.e. use of MIFIR transaction data to perform the transparency and volume cap calculations).



The report highlights ESMA's Data Platform and ongoing improvements to data quality frameworks as key advancements in tools and technology for data quality.

In addition, it contains other advances as:



the data quality developments for datasets as the EMIR REFIT go-live,



the successful outcome of a newly implemented data quality framework on short-selling data,



the implementation of first steps in improving the accessibility and use of ESEF data by NCAs.

This edition also gives an **overview of the sanctions imposed by the NCAs on reporting obligations**, showcasing another tool that can be used as part of their supervisory and enforcement toolkit.

Next steps

A **webinar** to present the report in detail was held on 15 May from 11:00 -12:00 CET. Find the slides and recording [here](#).



Consultation on rules for ESG Rating Providers

The European Securities and Markets Authority (ESMA) published a Consultation Paper on draft Regulatory Technical Standards (RTS) under the ESG Rating Regulation.

In relation to Market Abuse Regulation (MAR), the advice covers:

- **The information** that should be **provided in the applications** for authorisation and recognition.
- **The measures and safeguards** that should be **put in place to mitigate risks of conflicts of interest** within ESG rating providers who carry out activities other than the provision of ESG ratings.
- **The information** that they should **disclose to the public**, rated items and issuers of rated items, as well as users of ESG ratings.

Next steps

ESMA will consider the feedback received to the consultation by **20 June 2025** and expects to publish a Final Report and submit the draft RTS to the European Commission for adoption in October 2025.

ESMA particularly encourages entities that intend to apply for registration as ESG Rating Providers, as well as financial market participants, users of ESG ratings or rated entities, to participate in the consultation.

ESAs 2024 Joint Annual Report

The Joint Committee of the European Supervisory Authorities (EBA, EIOPA and ESMA - ESAs) released its 2024 Annual Report, which provides an overview of the joint ESAs work completed during the past year.

The ESAs continued to explore and monitor potential emerging risks for financial markets participants and the financial system.

The main areas of cross-sectoral focus in 2024 were joint risk assessments, sustainable finance, operational risk and digital resilience, consumer protection, financial innovation, securitisation, financial conglomerates and the European Single Access Point (ESAP).



Among the Joint Committee's main **deliverables** were policy products for the **implementation of the Digital Operational Resilience Act (DORA)** as well as ongoing work related to the **Sustainable Finance Disclosure Regulation (SFDR)**.



[Link to Report here](#)

Background:

In 2024, ESMA chaired the Joint Committee with all three ESAs coordinating discussions and the exchange of information across their institutions, the European Commission and the European Systemic Risk Board (ESRB).

The Joint Committee is a forum with the **objective of strengthening cooperation between the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA), collectively known as the three European Supervisory Authorities (ESAs).** Through the Joint Committee, the three ESAs coordinate their supervisory activities in the scope of their respective responsibilities regularly and closely and ensure consistency in their practices.



Consultations

Click on the consultation

Closing date

16 Jun

[Consultation on the Draft technical standards to further detail the new EMIR clearing thresholds regime](#)

20 Jun

[Consultation on the Technical Standards under the Regulation on the transparency and integrity of ESG rating activities](#)

03 Jul

[MiFIR Review: Consultation Package 4 - transparency for derivatives, package orders and input/output data for the derivatives consolidated tape](#)

21 Jul

[Call for evidence on the retail investor journey: understanding retail participation in capital markets](#)

Events

Click on the event

Date

12 Jun

Webinar on ESMA's and EIOPA Annual Cost and Past Performance Report

Contact info

info@esma.europa.eu

www.esma.europa.eu

Press contact information

press@esma.europa.eu

Social Media



ESMAComms



European Securities and Markets Authority (ESMA)