

Spotlight on Markets – June & July 2025

TOWARDS SIMPLIFICATION: ESMA SEEKS FEEDBACK ON FINANCIAL AND FUND REPORTING

In this edition

- ESMA is consulting on simplifying data and transaction reporting
- Final report on EMIR 3 active accounts
- Ediphy selected as bond tape provider
- ESMA publishes criteria on staff knowledge for crypto-asset disclosures



In this issue

ESMA in June and July

<u>Streamlining financial transaction reporting: ESMA calls for input</u>	4
<u>ESMA invites feedback on how to simplify funds' data reporting</u>	7
<u>ESMA identifies opportunities to strengthen MiCA authorisations</u>	9
<u>ESMA selects Ediphy (fairCT) to become the first Consolidated Tape Provider for bonds</u>	11
<u>ESMA promotes clarity in sustainability-related communications</u>	13
<u>ESMA finds improvements needed in supervision of sustainability risks and disclosures</u>	14
<u>ESMA provides advice on eligible assets for UCITS</u>	15

In this issue

<u>ESMA suggests amendments to the DLT Pilot Regime to make it permanent</u>	17
<u>ESMA publishes the final report on the active account requirement under EMIR 3</u>	19
<u>ESMA provides advice and recommendations to streamline prospectuses</u>	20
<u>Investors should consider risks of unregulated products offered by regulated crypto assets entities</u>	22
<u>Knowledge and competence of staff providing information on crypto-assets – ESMA criteria published</u>	23

Look ahead

Consultations	21
Contact info	22

Streamlining financial transaction reporting: ESMA calls for input

As part of its Data Strategy and its contribution to simplification and burden reduction, the European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, launched today a call for evidence to gather feedback on opportunities to simplify, better integrate and streamline supervisory reporting.

ESMA aims to identify how best to enhance efficiency and reduce the costs associated with supervisory reporting, whilst maintaining a strong level of transparency and ensuring effective oversight from the authorities.

“As part of ESMA’s broader burden reduction efforts, we want to streamline the transaction reporting framework, which we know constitutes a significant cost for market participants. ESMA is launching today a call for evidence to identify ways to rationalise data flows, harmonise processes and eliminate duplicative or inconsistent requirements.

The time is right to look at reporting frameworks in a more comprehensive manner and present options to achieve simplification and burden reduction. The goal is to reduce complexity and costs for stakeholders while enhancing data quality, sharing and usability. Your input is important – please engage with ESMA to help us identify the changes needed to move forward”

Verena Ross, Chair



The call for evidence highlights some of the issues previously raised by market participants in their responses to consultations and interactions with regulators. These issues include the overlapping obligations across different reporting regimes (MiFIR, EMIR, SFTR, etc.), the duplicative reporting channels, and the burdens created by frequent and unsynchronised regulatory changes.

Considering this feedback, the document presents two options for simplification, on which ESMA would welcome input:

-  eliminating overlaps without any change to the current reporting channels; or
-  creating a unified reporting template based on the 'report once' principle to replace multiple reporting frameworks.

While the consultation and the analysis of the feedback received is conducted, ESMA will not propose changes to the existing reporting frameworks on transaction reports (RTS 22), order data (RTS 24) and reference data (RTS 23) under the ongoing MiFIR Review. ESMA is instead publishing final reports summarising the feedback received from market participants to the consultations on the review of MiFIR transaction, order book and reference data reporting.

Putting on hold the RTS changes will allow market participants to freeze their implementation efforts, already contributing to burden reduction by avoiding implementation cost in the short term. The rest of the MiFIR Review will go ahead as planned.



Call for evidence on a comprehensive approach for the simplification of financial transaction reporting

Next Steps

All interested parties can submit their contributions by **19 September**. Additionally, ESMA will reach out to different stakeholder groups to assess the implementation challenges that the different options entail in practice and gather further feedback on key drivers of cost.

Based on the feedback received, ESMA will publish a final report by the beginning of 2026, which will include the identification of key cost drivers of supervisory reporting and outline the proposed way forward.



ESMA invites feedback on how to simplify funds' data reporting

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, launched today a [discussion paper](#) to gather feedback and inputs on how to integrate funds reporting, aiming to reduce the burden for market participants.

Funds reporting in the asset management sector is now subject to significant fragmentation due to the coexistence of several reporting regimes at national and European level, resulting in high compliance burdens.



To identify solutions, the discussion paper outlines options for improving different aspects of reporting, such as the scope of data, reporting processes and systems to ensure more efficient reporting and sharing of data between the authorities. Among the possibilities, there are proposals related to the integration of multiple reporting templates and the centralisation of reporting processes and infrastructures.

This paper adds to ESMA's simplification and burden reduction initiative, launched earlier this year, and it is directly contributing to the debate on how to simplify, harmonise and eliminate barriers to produce an effective burden reduction in the financial sector, while preserving the main objectives of financial stability, orderly markets and investor protection.

ESMA's actions mark a shift from technical sectorial amendments to an integrated approach in funds supervisory reporting, similar to the comprehensive approach to financial transaction reporting. The idea is to take a step back and review reporting in a more comprehensive manner rather than focusing on the incremental sectorial changes.

Next steps

ESMA welcomes input to support the assessment of the costs and benefits of the approaches presented in the discussion paper until 21 September 2025. This assessment will be performed following the consultation period, in cooperation with the relevant authorities and the conclusions and recommendations will be published in the final report, expected in April 2026.



**Find the Discussion Paper on the
integrated collection of funds' data here.**

ESMA identifies opportunities to strengthen MiCA authorisations

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, published today the results of a [peer review](#) looking at the authorisation of Crypto Asset Service Providers (CASPs) in Malta under the Market in Crypto Assets Regulation (MiCA).

The peer review analyses the approaches adopted by the Malta Financial Services Authority (MFSA) in the authorisation and early supervision of a CASP and provides recommendations to strengthen these processes. It identifies overall a good level of resources and supervisory engagement within the authority, with some areas for improvement related to the assessment of authorisations.

Key findings

- Some material issues were not fully resolved when MFSA granted the CASP authorisation;
- Some risk areas were not adequately assessed during the authorisation process;
- The MFSA has demonstrated a good level of expertise and supervisory cooperation.

The peer review also recommends to all NCAs currently in the process of authorising CASPs to pay particular attention to certain areas of risk, including business growth, conflicts of interests, governance and intragroup arrangements, ICT architecture, Web3, decentralised products, and the promotion of unregulated services.

While focused on an individual case, the review aims to foster the sound authorisation of CASPs by all NCAs in the EU. Its conclusions should be on-boarded by all NCAs to ensure that the authorisations they grant are well assessed in this new and high-risk sector, where supervisory knowledge is still being built.

This exercise is also an opportunity to reinforce EU supervisors' role as gatekeepers of the EU single market in the crypto space.

Next steps

The objective of peer reviews is to enhance convergence and harmonisation in the process across the EU, and the NCAs are expected to integrate the recommendations in their internal processes, as well as in their on-going and future authorisations. ESMA will continue promoting further discussion on the recommendations and cross border cooperation.



ESMA selects Ediphy (fairCT) to become the first Consolidated Tape Provider for bonds

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has selected Ediphy (fairCT) as the first Consolidated Tape Provider (CTP) for bonds in the EU.

Over the last six months, ESMA has assessed the applications received against the criteria listed in the Markets in Financial Instruments Regulation (MiFIR). ESMA has decided to select Ediphy (fairCT) as it meets all the selection criteria and reached the highest overall score on the award criteria.

“With today’s decision, we are taking a decisive step towards setting up consolidated tapes in the EU. This step constitutes a key contribution to building the Savings and Investment Union (SIU) and to the further development of capital markets in Europe.

Market participants will benefit from a consolidated view of market activity for bonds in the EU, with a variety of use cases to the benefit of all participants in the EU’s fixed income markets.”

Natasha Cazenave, **Executive Director**



The **fairCT initiative** has been catalysed by **Ediphy**, a FinTech company in the Fixed Income space. Ediphy has been involved with the Consolidated Tape topic since the onset of MiFID II in 2018.

Next steps

ESMA is now inviting Ediphy (fairCT) to apply for authorisation without delay. Following the authorisation, Ediphy (fairCT) would operate the CTP for bonds for a period of five years under ESMA's direct supervision.



More details on the Consolidated Tape
Providers are available [here](#)

ESMA promotes clarity in sustainability-related communications

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, published today a [thematic note](#) on sustainability-related claims used in non-regulatory communications.

This publication outlines four guiding principles on making sustainability claims, aligned with previous publications from the European Insurance and Occupational Pensions Authority (EIOPA) and the European Banking Authority (EBA), and offers practical do's and don'ts, illustrated through concrete examples of good and poor practices, based on observed market practices.



The thematic note focuses on sustainability credentials such as labels or awards, as these references are among the most used claims in retail-investor focused communications.

It does not introduce new regulatory or reporting requirements, but aims to support market participants making clear, fair and not misleading sustainability claims.



Read the Thematic notes on clear, fair and not misleading sustainability-related claims

ESMA finds improvements needed in supervision of sustainability risks and disclosures

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has published its [report](#) on the Common Supervisory Action (CSA) carried out in 2023 and 2024 with National Competent Authorities (NCAs) on the integration of sustainability risks and disclosures in the investment management sector.

The level of compliance with the framework on the integration of sustainability risks and disclosures is overall satisfactory. Still, ESMA has found that improvements are needed in the integration of sustainability risks, entity level SFDR disclosures and product level SFDR disclosures.

In the course of 2023 and 2024, NCAs regularly shared their knowledge and experience to promote supervisory convergence on how they supervise the integration of sustainability risks and disclosures. The aim of the CSA was to assess, foster and enforce the compliance of supervised entities with the purpose of assessing the compliance of supervised asset managers with the relevant provisions in the SFDR, the Taxonomy Regulation and relevant implementing measures, including the relevant provision in the UCITS and AIFMD implementing acts on the integration of sustainability risks.

This CSA has helped NCAs to identify several breaches that were addressed by the supervised entities.

Next Steps

Building on the findings of the CSA exercise, ESMA will facilitate **discussions among NCAs on the topic of sustainability risks and disclosures**. Going forward, ESMA encourages NCAs to continue proactive engagement with market participants and follow up with cases where they detect vulnerabilities.

ESMA provides advice on eligible assets for UCITS

The European Securities and Markets Authority (ESMA), the EU's financial markets' regulator and supervisor, has published its [advice](#) to the European Commission (EC) on the review of the UCITS Eligible Assets Directive (EAD). The EAD is an implementing directive providing clarification on the assets a UCITS can invest in. In the Technical Advice ESMA provides a comprehensive assessment of the EAD's implementation across Members States and makes proposals to ensure regulatory clarity and uniformity across jurisdictions.

A central element of the Technical Advice is the application of a look-through approach as a fundamental criterion for determining the eligibility of asset classes for at least 90% of the UCITS portfolio. Allowing a certain degree of flexibility, the advice proposes to permit indirect exposures to alternative assets up to 10% (subject to regulatory safeguards e.g. on liquidity and valuation) with a view to improving risk diversification and generating returns from uncorrelated asset classes.



The Technical Advice proposes clarifications of various key concepts and definitions included in the UCITS EAD and the UCITS Directive concerning the criteria for the UCITS eligibility of asset classes. Finally, it also includes considerations and proposals on the alignment with other EU pieces of legislation.

“The policy proposals set out by ESMA are based on a comprehensive data collection exercise, and will help foster regulatory harmonisation and supervisory convergence for UCITS management companies operating and marketing UCITS on a cross-border basis.”

Also, in the spirit of the EU’s ambitions to create a Savings and Investment Union, ESMA sets out high level considerations for improving retail investor access to EU AIFs, through harmonising currently divergent national rules on cross-border marketing and the potential creation of a retail AIF product. ”

Verena Ross, *Chair*



Next steps

ESMA expects the European Commission to take this Technical Advice into account as it reviews the UCITS EAD.

ESMA suggests amendments to the DLT Pilot Regime to make it permanent

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, published today a [report](#) on the Distributed Ledger Technology Pilot Regime (DLT Pilot Regime), providing an overview of the EU market for authorised DLT market infrastructures and recommendations on how to expand participation in the Regime.

The report contains information about business models, types of DLT financial instruments offered, and technical or legal issues encountered by supervisors to date. It also analyses the types of exemptions requested by DLT market infrastructures and the conditions under which National Competent Authorities (NCA's) have granted those exemptions (including the compensatory measures imposed to mitigate risks).

This report comes at an inflection point for the DLT Pilot Regime, which, despite an initially limited uptake, is now seeing growing interest from potential applicants. This recent momentum confirms the relevance of continued efforts to enhance the regime's attractiveness and functionality.



To build on this momentum, ESMA presents strategic recommendations to the European Commission (EC), prepared with feedback received by NCAs and the European Central Bank (ECB), about:

- how to make the DLT Pilot Regime **more attractive to the market**, and
- **suggested amendments** to the Pilot Regime to **make it permanent** and allow for more **flexibility** in the regulatory thresholds or eligible assets depending on the risks of each business model.

These recommendations will complement the EC's public consultation on the DLT Pilot Regime for market stakeholders, which is part of the wider consultation on the Savings and Investments Union (SIU).

Next steps

The EC is expected to present its own report to the European Parliament and Council within three months of receipt of the ESMA Report.

Depending on the EC's recommendations, the DLT Pilot Regime may be extended, amended, or converted into a permanent regulation. If the regime is extended, ESMA would be prepared to provide a follow-up report within the revised timeline and to continue technical engagement with all stakeholders.



ESMA publishes the final report on the active account requirement under EMIR 3

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has published its [final report](#) on the Regulatory Technical Standards (RTS) specifying the conditions under which the active account requirement (AAR) should be met, as mandated under the European Market Infrastructure Regulation (EMIR) 3.

ESMA has streamlined the operational conditions and the stress-testing in response to feedback to its public consultation. Additionally, compared to the initial proposal outlined in the consultation document, the final report includes a simplification of the reporting requirements related to risks and activities, the representativeness obligation and the fulfilment of the operational conditions.

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During its [public consultation](#) ESMA gathered feedback from a wide range of stakeholders including CCPs, clearing members, and other market participants.

Next steps

The RTS will now be submitted to the European Commission (EC) for endorsement, following which it will be subject to scrutiny by the European Parliament and the Council.



ESMA provides advice and recommendations to streamline prospectuses

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has today published final reports on the [Prospectus Regulation](#) and on [civil prospectus liability](#).

These reports provide recommendations meant to facilitate capital market activity by reducing regulatory burden and also include the results of [ESMA's Call for Evidence on civil prospectus liability](#) (CfE).

Key proposals and findings

The technical advice on the Prospectus Regulation contains:

- advice relating to the content and format of prospectuses;
- proposed disclosure annexes for non-equity securities that are advertised with ESG features;
- advice relating to the scrutiny of information in prospectuses as well as advice relating to the procedures for the approval of a prospectus; and
- proposals to updates to the data reporting requirements in line with changes introduced by the Listing Act and in relation to the implementation of ESAP.



[Read reports here.](#)

The technical advice on civil prospectus liability presents:

- feedback received on the CfE where many stakeholders consider that the current regime is well-balanced and argue that reform is unnecessary at this stage;
- ESMA's ensuing advice; and
- an update of the sections of the [2013 Report on prospectus liability](#) related to civil prospectus liability.

Next steps

ESMA has submitted the reports to the European Commission (EC). On the proposals to update the data reporting requirements in line with changes introduced by the Listing Act, the EC shall take a decision on whether to adopt the RTS updating [Commission Delegated Regulation 2019/979](#) within three months. The Commission may extend that period by one month.

In relation to the technical advice on the civil prospectus liability, the EC must present a report to the European Parliament and to the Council by 31 December 2025. This should analyse the issue of liability for the information given in a prospectus, assessing whether further harmonisation of the prospectus liability in the Union could be warranted.



Investors should consider risks of unregulated products offered by regulated crypto assets entities

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, issued today a [public statement](#) warning investors of the 'halo effect' that can lead to overlooking risk when authorised crypto-asset service providers (CASP's) offer both regulated and unregulated products and/or services.

The statement also reminds CASPs of the issues that they should consider when providing unregulated products and services, recommending that they should be particularly vigilant about avoiding any client confusion regarding the protections attached to unregulated products and/or services.

To avoid any misunderstanding CASPs should clearly communicate the regulatory status of each product or service in all client interactions and at every stage of the sales process.

In addition, ESMA reminds crypto-assets entities of their obligation to act fairly, professionally and in the best interests of their clients, ensuring that all information, including marketing communications, is fair, clear and not misleading.



[Read the Statement on Avoiding Misperceptions here](#)

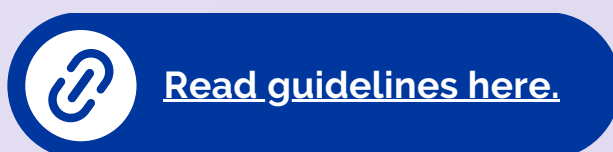
Knowledge and competence of staff providing information on crypto-assets – ESMA criteria published

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has published today the [guidelines](#) specifying the criteria for assessing the knowledge and competence of staff at crypto-asset service providers (CASPs) who provide information or advice on crypto-assets and services under the Markets in Crypto-Assets Regulation (MiCA).

Concretely, the document:

- provides **guidance** on the minimum **level of knowledge and competence** of staff through examples (including on professional qualification and appropriate experience for the provision of information or advice); and
- addresses specific **features and risks of crypto-assets markets and services** (e.g. high volatility of crypto-assets and cyber security risks) through the criteria for the assessment of the relevant staff's knowledge and competence.

The guidelines will help CASPs to meet their obligations and act in the best interest of their clients. They also support competent authorities in adequately assessing how CASPs meet these obligations. The objective is to enhance investor protection and trust in the crypto-asset markets.



ESMA conducted a public consultation on these guidelines to gather the views of stakeholders, including the Securities and Markets Stakeholder Group (SMSG). The final report includes feedback to the comments received during the consultation.

Next steps

The guidelines will be translated into all EU languages and published on ESMA's website. They will start applying six months after that publication.

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 comply, do not comply, but intend to comply, or do not comply and do not intend to comply with the guidelines.



Consultations

Click on the consultation

Closing date

08 Sep

[Consultation on EMIR 3 draft RTS on Margin Transparency requirements](#)

[Consultation on the Draft RTS on information on clearing fees and associated costs](#)

19 Sep

[Call for evidence on a comprehensive approach for the simplification of financial transaction reporting](#)

21 Sep

[Consultation on the Methodology for the calculation of market capitalisation](#)

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