



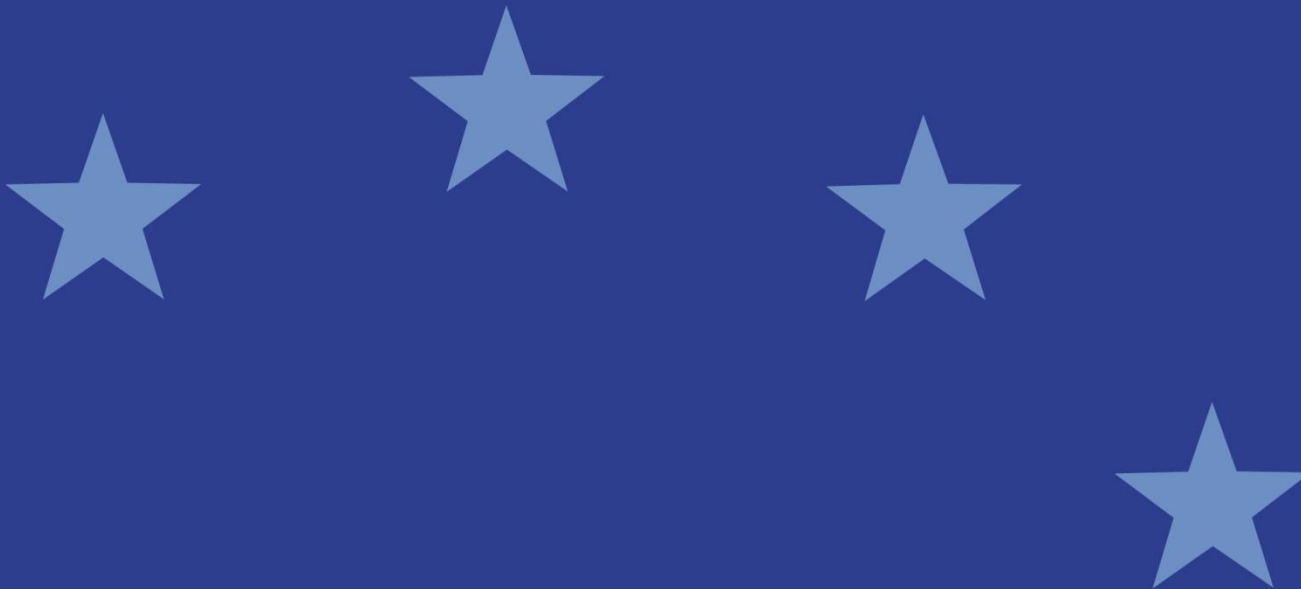
European Securities and
Markets Authority

ESMA/2012/665

ESMA and the protection of investors

Finance Watch Conference

10 October 2012





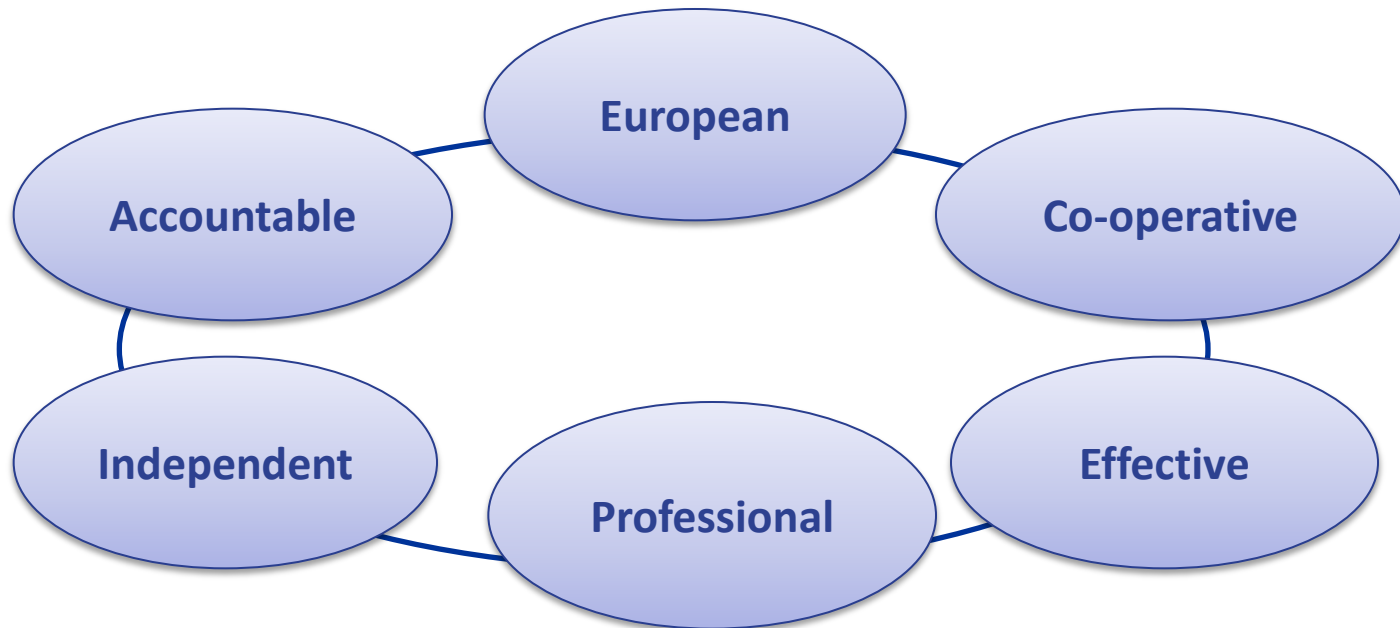
Presentation outline

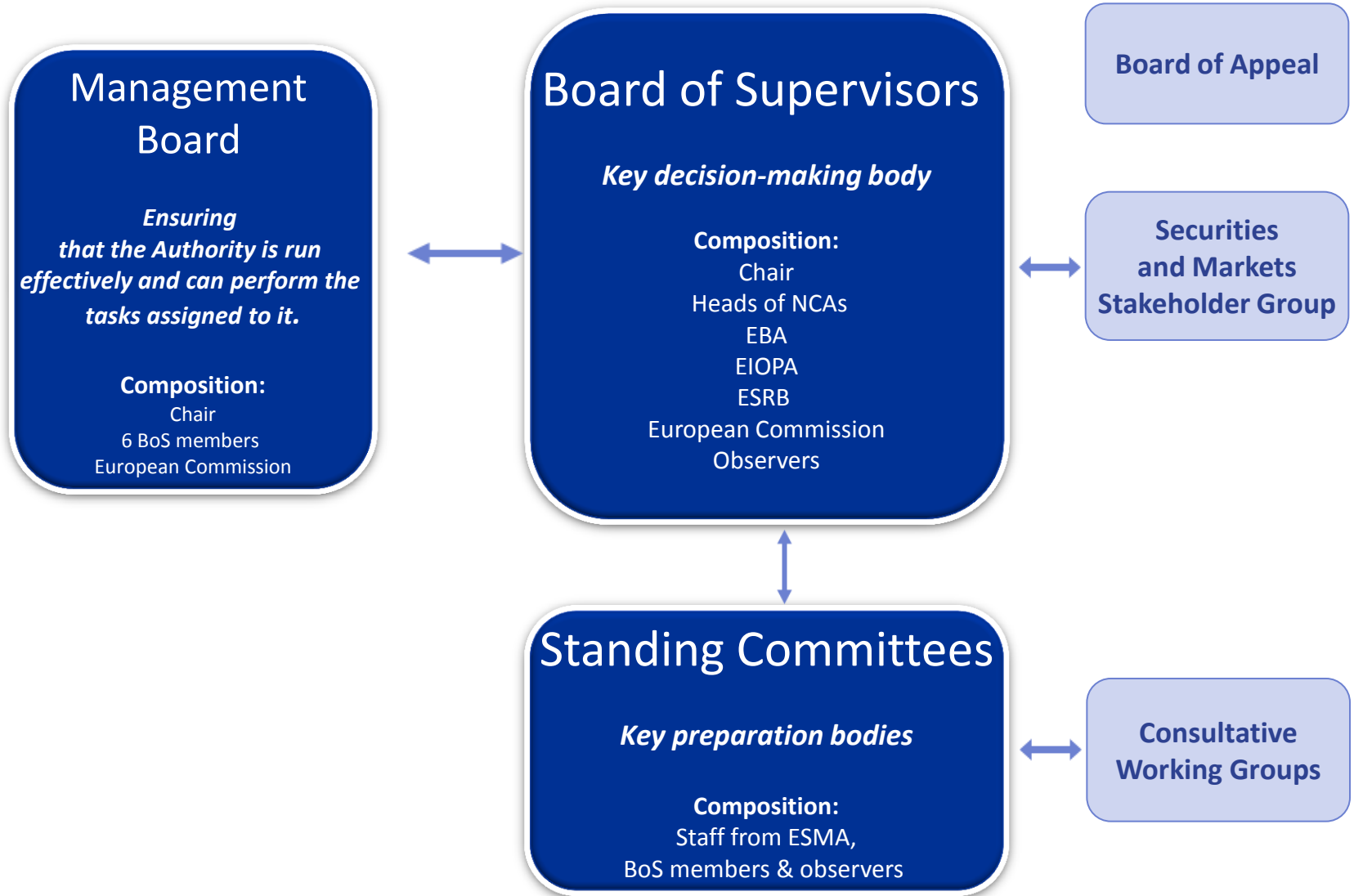
- **ESMA general presentation**

- **ESMA and the protection of investors**

Mission statement and key characteristics

ESMA's mission is to enhance the protection of investors and reinforce stable and well functioning financial markets in the European Union. As an independent institution ESMA achieves this mission by building the single rule book for EU financial markets and ensuring its consistent application and supervision across the EU. ESMA contributes to the supervision of financial services firms with a pan-European reach, either through direct supervision or through the active co-ordination of national supervisory activity.







Tasks & Responsibilities

- **Single rulebook**

- Technical Standards
- Advice to the European Commission

- **Consistency/Convergence**

- Guidelines and Recommendations
- Breach of EU law: monitoring and ensuring the consistent application of EU legislation at the national level
- Peer reviews
- Settlement of disagreements between national regulators
- Advice to national regulators
- Opinions

- **Supervision**

- Supervision of credit rating agencies
- Supervision of trade repositories (01/13)

- **Financial stability & adverse market developments**

- Cooperation - European Systemic Risk Board (voting member)
- Risk analysis
- Temporarily prohibit/restrict specific financial activities
- Coordination role in crisis situations and possibly impose binding rulings

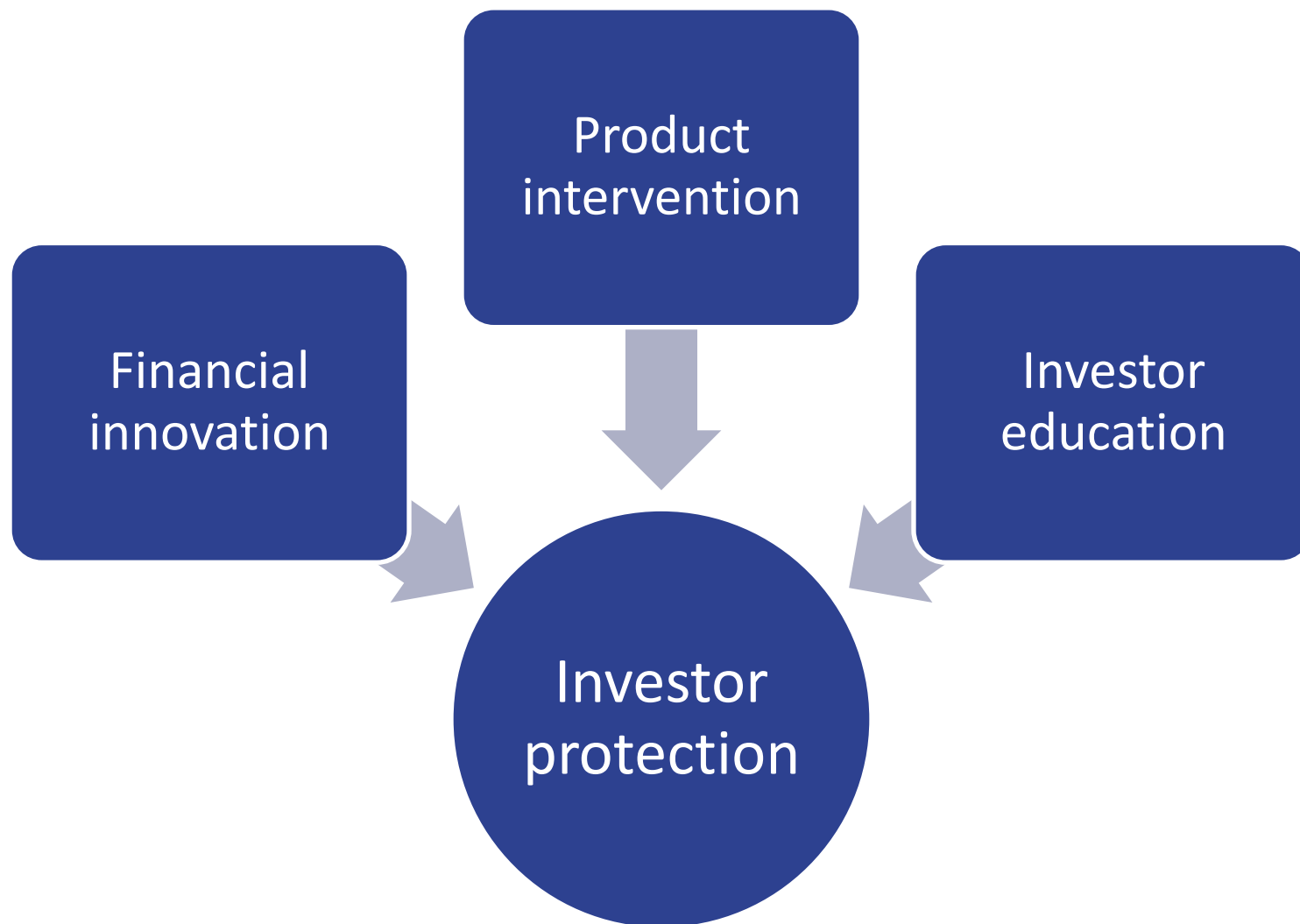
- **Investor Protection**

- Warnings
- Report on consumer trends
- Monitor new financial activities/developments
- Development of common rules on information transparency and conduct of business



Presentation outline

- ESMA general presentation
- **ESMA and the protection of investors**





Investor education and financial innovation

- Investor education
 - A specific context for ESMA
 - A pragmatic action plan:
 - Leveraging on existing initiatives
 - Developing best practices
 - Rolling out specific initiatives
- Financial innovation
 - A core mission for ESMA
 - An ambitious action plan:
 - Developing monitoring and analytical capacities at European level
 - Increasing pro activity
 - Preparing for possible product intervention



Product intervention and investor protection

- Product intervention
 - Different powers in different places
 - A proactive approach by ESMA
 - MiFIR: the New Frontier?

- Investor protection
 - Promoting greater convergence under MiFID I
 - Getting ready for MiFID II

- ESMA is now an established European authority with clear powers, processes and increasing expertise
- ESMA is delivering on its numerous tasks
- ESMA is highly committed to improve investor protection



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Markets Authority

Questions?

