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ESMA: 2027 Annual Work Programme

November 2026



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Executive Summary

- The ESMA's **2027 Annual Work Programme (AWP)** translates ESMA's 2023–2028 multi-annual strategy into operational priorities and deliverables for 2027. The programme is organised around three strategic priorities—**effective markets and financial stability, effective supervision, and retail investor protection**—and two thematic drivers—**sustainable finance** and the **effective use of data and technological innovation**. It also provides detailed work programmes for individual regulated sectors and entities, together with ESMA's organisational priorities.
- A defining feature of the 2027 programme is the transition from **analysis and preparatory work to implementation and concrete delivery**. Initiatives prepared during 2025 and 2026 will enter their implementation phase, while ESMA will simultaneously accommodate new responsibilities stemming from recently adopted or still-evolving EU legislation. Particular emphasis is placed on the **Simplification and Burden Reduction (SBR)** agenda, the expansion of **risk-based and data-driven supervision**, the **T+1 settlement transition**, implementation of the **Retail Investment Strategy (RIS)**, sustainable finance reforms, the expansion of ESMA's direct supervisory perimeter, and further digitalisation of regulatory and supervisory activities.
- This paper examines the 2027 programme through three complementary lenses: ESMA's strategic priorities, the cross-cutting initiatives that shape its regulatory and supervisory approach, and the resulting workstreams for individual sectors and regulated entities. This structure makes it possible to distinguish the programme's overall direction from its practical implications across the EU capital-markets framework.

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At a Glance

01	Work Programme 2027	4
02	Strategic Priorities and Thematic Drivers	6
03	Simplification and Burden Reduction	12
04	Key Regulated Sectors and Entities	14
05	Conclusion & Key Takeaways	17

Keywords: ESMA, Capital Markets, Innovation, Sustainable Finance

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01

Work Programme 2027

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Work Programme 2027

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ESMA classifies its outputs into ongoing activities, annual outputs and specific 2027 deliverables.

*Its **regulatory** and **supervisory instruments** include:*

- Technical standards
- Statutory guidelines
- Q&As
- Opinions
- Supervisory briefings
- Common Supervisory Actions (CSAs)
- Peer reviews
- Supervisory colleges
- Investigations
- Inspections
- Authorisation decisions
- Enforcement measures
- Market monitoring
- Research
- International cooperation
- Data-quality initiatives
- ICT projects

This broad toolkit reflects ESMA's increasingly hybrid role: it remains a **rulemaking and supervisory-convergence authority**, while simultaneously becoming a significant **direct supervisor, data hub and technology-enabled supervisory authority**.

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02

Strategic Priorities and Thematic Drivers

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Strategic Priorities and Thematic Drivers 1/5

Effective Markets And Financial Stability

ESMA aims to support a **meaningful, proportionate and effective single rulebook**, explicitly incorporating simplification and burden-reduction objectives. It also seeks to deepen the EU Single Market for financial services, increase market efficiency and liquidity, improve access to capital - including for SMEs - and support international regulatory cooperation.

From a financial-stability perspective, ESMA will identify and analyse vulnerabilities throughout its remit, coordinate with EU and international bodies and strengthen preparedness for financial-market shocks.

ESMA continuously reviews the single rulebook to ensure that regulation remains appropriate in light of changes in **technology, business models and risks** while limiting unnecessary complexity. In 2027, Level 2 and Level 3 work will continue in areas including **EMIR 3 and the Listing Act**.

Risk monitoring will continue through the twice-yearly **Trends, Risks and Vulnerabilities (TRV) Risk Monitor**, the ESMA Market Report series, topical risk analyses and working papers. Particular attention is paid to retail-investor risks, ESG developments, financial innovation, market liquidity, leverage, crypto-assets and interconnectedness.

ESMA will continue assessing the resilience of CCPs, including through stress testing, and will chair the **Joint Monitoring Mechanism**, through which EU authorities assess risks in the clearing ecosystem.

Internationally, cooperation will continue with the ESRB, IOSCO, FSB and Network for Greening the Financial System, covering areas such as non-bank financial intermediation, resolution, FMI crisis management, climate risks, carbon markets and technological innovation.

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Strategic Priorities and Thematic Drivers 2/5

Effective Supervision

ESMA seeks to establish a **common, effective, risk-based, data-driven and outcome-focused supervisory and enforcement culture** throughout the European Union.

For **entities under its direct supervision**, ESMA's objectives include ensuring sound governance and regulatory compliance, timely processing of registration applications, identification of emerging risks, efficient use of supervisory tools and effective remediation and enforcement.

- The supervisory perimeter has expanded materially. Alongside CRAs, TRs, SRs, selected DRSPs and benchmark administrators and Tier 2 third-country CCPs, ESMA began supervising CTPs, European Green Bond external reviewers and ESG rating providers during 2026.
- Consequently, 2027 will be an important year for establishing mature supervisory frameworks for the new mandates.

- For supervisory convergence, ESMA and NCAs will continue using a risk heatmap to determine priorities. Tools include CSAs, peer reviews, supervisory exchanges, supervisory briefings, deep dives and follow-up exercises.

ESMA intends to apply **risk-based supervision principles** across its activities, linking this approach directly to SBR: supervisory resources should concentrate on the highest risks rather than imposing unnecessary activities or burdens on firms. DORA compliance, AI-related risks, operational resilience, governance, internal controls and periodic reporting will be recurring supervisory themes.

The existing **Union Strategic Supervisory Priority (USSP)** on cyber and digital operational resilience will continue, with greater supervisory intensity after the initial years of DORA.

- A new USSP will address **technological innovation in the retail-investor space**, including AI and tokenisation, examining both opportunities for investor participation and the need to maintain investor protection.

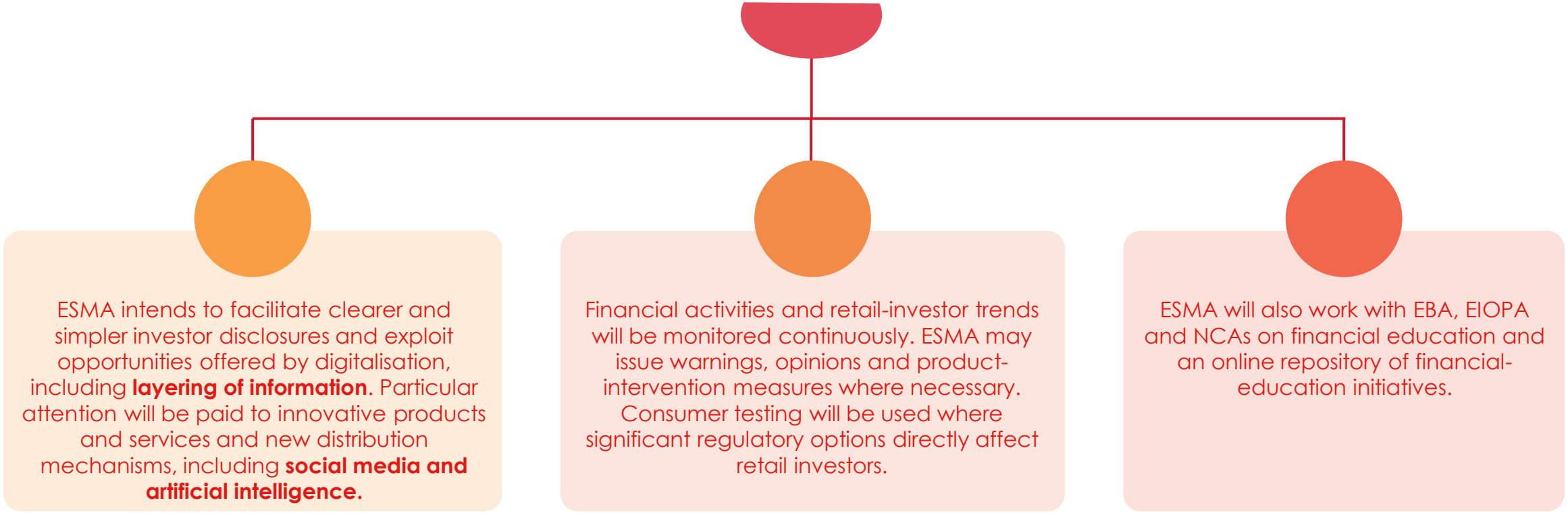
ESMA will also continue supervisory colleges for relevant cross-border entities, promote NCA supervisory independence jointly with the other ESAs and foster convergence in enforcement outcomes and financial sanctions.

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Strategic Priorities and Thematic Drivers 3/5

Retail Investor Protection

Retail investor protection is closely linked to the EU objective of encouraging broader participation in capital markets.



The **Retail Investment Strategy** is expected to generate substantial Level 2 work. Depending on final legislation, this may cover value for money, inducements, disclosures, suitability and appropriateness and marketing communications. The results of ESMA's work on the **retail investor journey** will feed into this process.

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Strategic Priorities and Thematic Drivers 4/5

Sustainable Finance

ESMA describes a recalibration of sustainable-finance activities in response to an evolving regulatory framework. Its principal objective for 2027 is to guide NCAs and market participants through the transition towards a **simplified sustainable-finance rulebook** while safeguarding the functioning of sustainable investment markets.

Subject to the outcome of legislative negotiations, ESMA and the other ESAs may prepare Level 2 advice under a revised **SFDR** and revise Level 3 Q&As. ESMA also plans to review its **Guidelines on funds' names using ESG or sustainability-related terms** in light of the revised SFDR framework.

Implementation of changes to **CSRD**, **ESRS and EU Taxonomy disclosures** following the Omnibus revisions will be monitored. ESMA will also examine developments in the European Green Bond market, building on its supervisory experience with external reviewers.

Another focus is **climate transition finance**, supported by supervisory-convergence work, data analysis and practical digital tools.

Specific outputs include studies of observed market practices concerning **ESG data**, expected in Q3, and **transition finance** and EU green bonds, expected in Q4.

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Strategic Priorities and Thematic Drivers 5/5

Effective Use of Data and Technological Innovation

The programme places data and technology at the centre of ESMA's future supervisory model.

Under the Data Strategy and Digital Strategy, ESMA intends to strengthen its position as a **data hub**, improve access to high-quality information, increase digital integration with NCAs and EU institutions, and design reporting frameworks that reduce duplication.

Two flagship initiatives are especially important

Holistic review of transaction reporting under MiFIR, EMIR and SFTR, designed to improve efficiency while maintaining transparency and oversight.

Integrated supervisory reporting for AIFMD and UCITS, which seeks to reduce inconsistent or duplicative requirements and increase standardisation and data sharing.

ESMA will continue implementing **ESAP**, including preparation for its second phase. At the same time, it will further develop the **ESMA Data Platform**, integrate data from different sources, provide dashboards and analytics to NCAs and other users, deploy AI tools in supervision and business processes, improve data quality and promote data literacy. The Data Platform is also expected to enable authorities to move progressively from merely sharing datasets towards sharing **ready-to-use analytical solutions**.

For crypto-assets, MIDAS will support NCAs' market-abuse monitoring. Subject to Board approval, its next phase will introduce additional analytical functionality and data.

ESMA will also systematically monitor the use of **AI in financial markets** through national surveys, use-case discussions and convergence tools. In relation to DLT, ESMA intends to deepen its assessment of **tokenisation**, including implications for market structure, regulation and directly supervised entities.

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03

Simplification and Burden Reduction

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Simplification and Burden Reduction

The SBR agenda represents one of the clearest cross-cutting themes of the programme. In 2027, ESMA intends to move from preparatory analysis to **practical simplification measures**. Four flagship projects form the core of this work:



Transaction reporting: development of a more integrated EMIR/MiFIR/SFTR framework based on a "report once" concept.



Funds reporting: creation of a harmonised reporting framework under UCITS and AIFMD, accompanied by a dedicated IT solution.



Retail investor journey: simplification of investor interactions and incorporation of previous consultation findings into RIS-related technical work.



Risk-based supervision: concentration of supervisory activity on material risks and outcomes, reducing unnecessary supervisory burdens while maintaining supervisory effectiveness.

Additional simplification work will concern MiFID/MiFIR RTS, EMIR 3, CCP recovery and resolution measures, MiCA reporting, prospectus requirements, benchmark regulation, sustainability disclosures and PRIIPs.

ESMA stresses that burden reduction should be **evidence-based**. Cost-benefit assessments will therefore concentrate on issues where regulatory costs may be significant, where several regimes or stakeholder groups are affected, or where relevant evidence can be collected proportionately.

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04

Key Regulated Sectors and Entities

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Key Regulated Sectors and Entities 1/2

The strategic priorities and cross-cutting initiatives described above translate into sector-specific regulatory, supervisory and operational work. The following sections show how implementation, simplification, data integration and risk-based supervision will affect the principal areas within ESMA's remit.

Investment management	• Investment management work will cover AIFMD, UCITS, MMFs, ELTIFs, EuSEF, EuVECA, PRIIPs and sustainability legislation. • A significant 2027 project is implementation of **integrated AIFMD/UCITS funds reporting**, including draft RTS and ITS and development of the associated IT infrastructure. • Risk monitoring will focus on issues including **fund leverage, liquidity, stress testing and interconnectedness with the broader financial system**. ESMA will also receive NCA notifications concerning activation or deactivation of liquidity-management tools. • The 2026–2027 CSA on the **risk-management function of AIFMs and UCITS management companies** will continue, while ESMA expects to conclude follow-up work relating to the Brexit relocation peer review. • The annual report on **Costs and Performance of EU Retail Investment Products** will continue. Depending on legislative developments, ESMA may also undertake substantial PRIIPs and SFDR work, including consumer testing and technical standards designed to simplify the PRIIPs KID. • RIS-related work will include technical advice concerning **value-for-money assessments and prevention of undue costs** for UCITS and AIFs.
Investment services	• For MiFID II investment services, crowdfunding and the prudential framework for investment firms, ESMA will continue convergence activities and development of the single rulebook. • The RIS will be a major source of new technical work, while SBR activities will incorporate the conclusions of the **2025 Call for Evidence on the retail investor journey**. • ESMA also identifies supervisory-convergence discussions concerning **event contracts/prediction markets**. Outputs include the annual report on cross-border investment services, a crowdfunding market report and the Costs and Performance report.

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Key Regulated Sectors and Entities 2/2

Issuer disclosure	• ESMA will continue work across financial reporting, sustainability reporting, prospectuses, corporate governance, major holdings and auditing. • It will contribute to **IFRS Accounting Standards, ESRS and ISSB standards**, while supporting EU implementation of Taxonomy disclosure requirements. • Digital reporting remains important. ESMA will update ESEF standards and guidance, revise elements relating to ESRS and IFRS taxonomies and consult on tagging rules for sustainability statements. The programme also refers to monitoring potential applications of AI in ESEF. • Following amendments introduced by the **Listing Act**, ESMA will complete updates to its Guidelines on Prospectus Disclosure. • A major operational milestone is the **public roll-out of ESAP phase 1**, covering information under the Transparency Directive and Prospectus Regulation, scheduled for Q3 2027.
Crypto-assets, DLT and DORA	• Digital finance is increasingly integrated into ESMA's mainstream supervisory framework rather than treated as a separate innovation topic. • For **MiCA**, the focus moves towards supervisory convergence for CASPs, market surveillance and operational resilience. MIDAS is expected to provide a common technological capability supporting market-abuse supervision. • ESMA will also examine the broader consequences of **tokenisation and DLT** for market structures and regulation. • Under **DORA**, 2027 follows two years of implementation. ESMA therefore envisages increasingly intensive supervisory scrutiny of digital operational resilience, both for directly supervised firms and through convergence work with NCAs. Cyber and digital operational resilience remains a Union-wide Strategic Supervisory Priority.

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05

Conclusion & Key Takeaways

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Conclusion & Key Takeaways 1/3

2027 marks a shift from regulatory design to implementation and delivery

ESMA will increasingly focus on putting into practice initiatives prepared during 2025–2026, including integrated reporting, new supervisory mandates, digital infrastructure and recently adopted legislative reforms.

Simplification and burden reduction become structural principles of ESMA's regulatory and supervisory activity

The SBR agenda extends beyond individual simplification measures and increasingly influences the design of reporting requirements, technical standards, supervisory activities and investor disclosures.

Integrated reporting is one of the most significant operational changes ahead

ESMA will advance the "report-once" approach for transaction reporting under MiFIR, EMIR and SFTR and develop a harmonised reporting framework for funds under AIFMD and UCITS, with the objective of reducing duplication while improving data quality and usability.

Risk-based, data-driven and outcome-focused supervision will increasingly define ESMA's supervisory model

Supervisory resources are expected to be concentrated on areas presenting the highest risks, with proportionality and reduction of unnecessary supervisory burden forming part of the approach.

ESMA's role as a direct supervisor continues to expand

2027 will consolidate supervision of newer categories of supervised entities, particularly ESG rating providers, European Green Bond external reviewers and CTPs, alongside expanded responsibilities for benchmark administrators.

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Conclusion & Key Takeaways 2/3

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Digital operational resilience moves from implementation towards more intensive supervision

Following the first two years of DORA application, ESMA expects greater supervisory focus and intrusiveness, while cyber and digital operational resilience remain an EU-wide Strategic Supervisory Priority.

Technology becomes both a supervisory subject and a supervisory tool

ESMA will monitor the growing use of AI, tokenisation and DLT in financial markets while simultaneously deploying AI, SupTech and advanced analytics within its own supervisory processes.

Retail investor protection will be increasingly shaped by technology and the Retail Investment Strategy

ESMA's work will address value for money, costs, inducements, disclosures, suitability and marketing while also considering how AI, digital distribution and tokenisation may change the retail investor journey.

Sustainable finance enters a phase of regulatory recalibration and simplification

ESMA's priority will be to support NCAs and market participants through changes to SFDR, CSRD, ESRS and the EU Taxonomy while continuing to monitor ESG data, transition finance, green bonds and sustainability-related market practices.

Data infrastructure becomes a fundamental component of EU supervision

The ESMA Data Platform, ESAP, MIDAS and common analytical solutions point towards a progressively more integrated supervisory ecosystem in which authorities share not only data but also analytical capabilities and ready-to-use supervisory tools.

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Conclusion & Key Takeaways 3/3

The T+1 transition represents a major operational milestone for EU capital markets in 2027

The move to T+1 settlement on **11 October 2027** will require coordinated preparedness across ESMA, the Commission, the ECB, NCAs, financial-market infrastructures and market participants.

Supervisory convergence remains essential despite the expansion of direct supervision

CSAs, peer reviews, USSPs, supervisory colleges and follow-up exercises will continue to be used to reduce differences in supervisory and enforcement practices across Member States.

ESMA's 2027 programme remains deliberately flexible

Legislative developments - particularly MISP, RIS and sustainable-finance reforms - may create additional mandates and require ESMA to reallocate resources or reprioritise planned deliverables during the year.

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