

2024 Work Programme of the Joint Committee of the European Supervisory Authorities

1. Introduction

1. Through the Joint Committee of the European Supervisory Authorities (the ESAs), the three ESAs, namely the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA), closely and regularly liaise to strengthen cooperation. The European Commission (EC) and the European Systemic Risk Board (ESRB) also participate in the Joint Committee.
2. To foster cross-sectoral regulatory consistency, as well as supervisory convergence, the ESAs coordinate closely. The three ESAs regularly cooperate through the Joint Committee their activities within the scope of their respective responsibilities to ensure consistency in their practices. They further exchange information and best practices among themselves and with the ESRB.
3. In the context of challenging macro-financial conditions, inflation and slowdown of economic activity, the Joint Committee will continue to closely monitor and assess emerging key cross-sectoral risks and vulnerabilities for financial stability. In addition, recent turmoil in the banking system and continuing high geopolitical uncertainty are adding risks to the financial system. To communicate on its risk assessment, the Joint Committee will develop cross-sectoral Risk Reports and provide updates of its assessment to the Financial Stability Table of the Economic and Financial Committee (EFC-FST) in spring and autumn 2024.
4. The Joint Committee will continue to focus on the areas of consumer and investor protection, retail financial services, and retail investment products as well as micro-prudential analyses of cross-sectoral developments. It will also focus on digital operational resilience, financial conglomerates as well as accounting and auditing.

1.1 Specific areas of JC work

5. In the area of the Green Deal and the Renewed EU **Sustainable Finance** Strategy, the Joint Committee has played a significant role in developing Regulatory Technical Standards (RTS) under the Sustainable Finance Disclosure Regulation (SFDR). In 2024, the Joint Committee may be required to contribute more guidance, including through Q&As, for sustainability disclosures under the SFDR and the Taxonomy Regulation. The ESAs may also take up their optional empowerment to develop draft Implementing Technical Standards (ITS) on marketing

information under Article 13 SFDR. In view of the EC's upcoming comprehensive re-assessment of SFDR, the ESAs may provide their views and experiences to contribute to that assessment. The ESAs will also carry out activities on climate risk stress testing, including running a one-off system wide climate risk stress test and developing Guidelines for supervisors on ESG stress testing. Finally, by May 2024, the ESAs will build on the progress reports submitted in May 2023 to deliver their final reports on greenwashing to the EC, responding to the EC's request for input on greenwashing.

6. The Joint Committee will increase its efforts in the area of the EC's **Digital Finance Package**, focusing on delivering the legal mandates, promoting supervisory convergence and preparing for its involvement in the oversight activities under the Digital Operational Resilience (DORA) Regulation. The Joint Committee will strive to delivering DORA-related policy mandates in January and July 2024. In parallel, the ESAs will work together on various provisions of DORA for which they will have responsibilities, to be ready for the implementation of the new framework by 2025: the EU-wide Oversight Framework of ICT Critical Third-Party Providers (CTPPs), potential cooperation mechanisms (e.g. development of EU systemic cyber incident coordination framework (EU-SCICF)) and promoting supervisory convergence. Finally, the ESAs will develop the necessary IT systems, in particular to support the direct DORA oversight tasks.
7. Through the European Forum for Innovation Facilitators (EFIF), the Joint Committee will further promote coordination and cooperation among national innovation facilitators to foster the scaling up of innovation in the financial sector across the EU in line with the EC's Digital Finance Strategy.
8. The Joint Committee will also address **other cross-sectoral matters** such as the mandates and questions (Q&As) related to PRIIPs, and the Securitisation Regulation (SECR).
9. Furthermore, through the Joint Committee, the ESAs will continue to fulfil their mandate on the mapping and monitoring of on external credit assessment institutions (ECAIs) under the Capital Requirements Regulation and Solvency II.
10. In the area of Financial Conglomerates, the Joint Committee will publish the annual list of financial conglomerates and work on specific conglomerates' reporting templates.
11. Through the newly established ESAs coordination group on European Single Access Point (ESAP), the ESAs will work on the development of the ESAP system and its functionalities.

2. Consumer Protection and Financial Innovation

12. The Joint Committee enhances confidence and strengthens the protection of European consumers in relation to banking, insurance and pensions and securities products. This will continue to be an area of priority for the Joint Committee in 2024.

Topic/Activity	PRIIPs Key Information Document (KID)
<p>Description</p>	<p>Subject to the outcome of the negotiations between the co-legislators, the ESAs stand ready to work on drafting RTS resulting from the proposed amendments to the PRIIPs Regulation in the Commission's Retail Investment Strategy. The ESAs also stand ready to provide advice or any input requested by the EC and co-legislators.</p> <p>The ESAs will monitor the application of the adopted RTS on PRIIPs and consider the need to propose any amendments.</p> <p>Work will continue to develop Q&As and other level 3 tools to promote supervisory convergence and give competent authorities and market participants further guidance on the practical application of the PRIIPs rules. The ESAs will encourage competent authorities to discuss concrete supervision cases and issues to promote supervisory convergence.</p> <p>The ESAs will also prepare an Annual Report based on the information submitted by national competent authorities on administrative sanctions or measures imposed under the PRIIPs Regulation.</p>
<p>Expected output</p>	<ul style="list-style-type: none"> - Possible Advice to the EC or RTS; - Q&As and other Level 3 tools; - Annual report.

Topic/Activity	Financial education
<p>Description</p>	<p>Considering the numerous initiatives undertaken by National Competent Authorities (NCAs) at national level on financial education, the ESAs will organise workshops on different topics (e.g. digitalisation, sustainable finance, risks of crypto-assets), with the aim to exchange lessons learned and to facilitate the exchange of information among NCAs. The workshops will also help identifying any relevant initiative/work developed at national level (e.g. factsheet, infographics) that could be translated and/or re-employed by the ESAs and other NCAs. Furthermore, the discussion could identify key steps NCAs put in place to measure the impact of financial education initiatives on consumers.</p> <p>This work will contribute to the three ESAs fulfilling their respective mandates to review and coordinate financial education and literacy initiatives of national authorities.</p>
<p>Expected output</p>	<p>Organisation of workshops to exchange lessons learned on financial education initiatives. Concrete deliverables might be defined following discussions in the workshop (e.g. analysis of recent initiatives on financial education by NCAs or sharing of material and lessons learned).</p>

Topic/Activity	Use of behavioral finance findings for supervisory purposes
Description	If time and resources allow, the ESAs will consider assessing the use of behavioural finance insights by national competent authorities in their daily work and in their supervisory practices in order to strengthen financial consumer protection.
Expected outputs	Possible organisation of a workshop or other relevant output.

3. Sustainable Finance

Topic/Activity	Sustainability-related disclosures in the financial services sector (SFDR)
Description	<p>The ESAs will deliver their third annual report under Article 18 SFDR regarding the extent and quality of the voluntary reporting of principal adverse impacts (PAI) of investment decisions on sustainability factors. For the 2024 report, it will be the first time that the PAI indicators and template in the Delegated Regulation will have been available for analysis by the NCAs.</p> <p>More broadly, the ESAs will monitor the practical application of the SFDR, especially the Delegated Regulation, to determine if Q&As or other level 3 tools to promote supervisory convergence are needed to give competent authorities and market participants further guidance on the practical application of the SFDR rules. The ESAs will encourage competent authorities to discuss concrete supervision cases and issues to promote supervisory convergence.</p> <p>SFDR Article 13 concerns marketing communications and gives an optional mandate to the ESAs to work on ITS on the standardised presentation of marketing communications by SFDR financial products. The ESAs will monitor the application of the SFDR and use of marketing communications, and will, based on this work, assess the need for drafting an ITS or using other supervisory convergence tools to strengthen the prevention of greenwashing in marketing communications.</p> <p>Finally, the ESAs may contribute to the EC's on-going comprehensive assessment of SFDR, taking into account any requests received.</p>
Expected output	<ul style="list-style-type: none"> – Annual report under Article 18 SFDR covering the PAI indicators; – Q&As and other Level 3 tools; – Assessment of the need for ITS under Article 13, and, other supervisory convergence tools to prevent greenwashing in marketing communications; – Contribution to the EC's assessment of SFDR.

4. Risk Assessment

13. Cross-sectoral risk analysis will remain a priority area for the Joint Committee in 2024. The ESAs will assess key trends and vulnerabilities to financial stability and continue to produce, on top of their respective sectoral risk reports, a cross-sectoral analysis. The Joint Committee's Risk Sub-Committee will continue to be an important forum for discussion of cross-sectoral risks.

Topic/Activity	Cross-sectoral risk analysis
Description	The ESAs will continue analysing the key trends and vulnerabilities to financial stability, which will be presented to the Council's Economic and Financial Committee meeting.
Expected outputs	<ul style="list-style-type: none"> – Joint Report on Risks and Vulnerabilities; – Regular Reporting to EFC-FST.

5. Securitisation

14. In 2024, the Joint Committee Securitisation Committee (JCSC) will continue its efforts to provide a consistent approach to cross-sectoral questions stemming from the SECR. The JCSC will assess concrete cases in relation to the supervision and enforcement of the SECR.

15. The JCSC will stand ready to contribute to possible legislative proposals on revision of the SECR.

Topic/Activity	Level 3 work related to the SECR
Description	<p>Under SECR, the JC is due to report to the EC on the implementation and the functioning of SECR, including recommendations on how to address initial inconsistencies and challenges which may affect the overall efficiency of the current securitisation regime. The report will have to be supplemented by an analysis of the geographical location of the Special Securitisation Purpose Vehicle (SSPE) on the basis of which the EC shall provide an assessment on the reasons behind the choice of location. The Report is also meant to provide guidance to the EC in the context of a possible revision of SECR.</p> <p>Furthermore, the JC will also work on (i) further developing a common understanding of the rules, best practices and the supervisory tools to ensure a common supervisory approach at EU level; and (ii) market monitoring notably with regards to the developments in the volumes of private and public transactions, STS and non-STs transactions.</p>
Expected outputs	<ul style="list-style-type: none"> – Joint Committee Report on the implementation and the functioning of SECR under Article 44 of the SECR; – Where necessary, Q&As on the interpretation of SECR which are of cross-sectoral nature.

6. Digital Operational Resilience

16. The Joint Committee will continue developing the policy mandates envisaged by DORA as well as to coordinate the monitoring of digital operational resilience practices and threats including the convergence of regulatory and supervisory practices and will continue working towards the implementation of the ESRB recommendation on an EU systemic cyber incident coordination framework.
17. In parallel, ESAs staff will enhance their preparatory activities for the development of the EU Oversight Framework of the future designated CTPPs.

Topic/Activity	Work on digital operational resilience
Description	<p>The Joint Committee will finalise the work on the DORA technical standards, report and guidelines to be delivered in 2024. This also covers the preparation for the gradual development of the EU-SCICF (linked with the ESRB Recommendation of 2 December 2021 on a pan-European systemic cyber incident coordination framework for relevant authorities).</p> <p>In parallel, the ESAs, through the Joint Committee and in collaboration with competent authorities, resolution authorities, the ECB and the Single Resolution Board will focus on promoting supervisory convergence to complement the joint regulatory approach to DORA implementation.</p> <p>Furthermore, ESAs staff will work on the establishment of the EU-wide Oversight Framework of CTPPs designing the oversight processes and defining the core methodological framework to support the conduct of the oversight (aimed to start in 2025).</p>
Expected outputs	<ul style="list-style-type: none"> - Technical standards and level 3 tools; - Reports.

7. External Credit Assessment Institutions

18. The ESAs will continue to pursue regulatory work on ECAIs, following the mandate to the Joint Committee under article 136 of Capital Requirements Regulation (CRR) to specify and monitor the correspondence between the relevant credit assessments issued by an ECAI to the Credit Quality Steps set out in the CRR ("mapping"). The mappings under article 109a(1) of Solvency II will be amended accordingly to ensure a consistent usage of ECAIs' credit assessments under the banking and insurance regulatory framework.

Topic/Activity	External Credit Assessment Institutions
Description	Production of mappings for newly registered ECAIs and monitoring of existing mappings.
Expected outputs	Draft implementing technical standards.

8. Financial Conglomerates

19. The ESAs will continue to ensure cross-sectoral consistency of work and to reach joint positions in the area of supervision of financial conglomerates, under the Financial Conglomerates Directive (FICOD, 2002/87/EC). In this respect, the ESAs will contribute to the EC's fundamental review of FICOD and to the annual update and publication of the list of identified financial conglomerates. Further tasks include the operational deployment of reporting templates for intra-group transactions (IGT) and risk concentration (RC).

Topic/Activity	Annual list of financial conglomerates and specific reporting formats
Description	The ESAs will continue to review and update their list of identified financial conglomerates.
Expected outputs	2024 list of identified financial conglomerates.

Topic/Activity	Conglomerates Reporting
Description	The Directive on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate (FICOD) requires the ESAs to develop reporting templates. Following the publication of Technical Standards for the reporting by conglomerates of risk concentrations and intra-group-transactions the ESAs will work on further guidance where necessary, including Q&As. They will also pursue the work on the issues related to the calculation of capital adequacy for conglomerates.
Expected outputs	Q&As and other Level 3 tools.

9. European Forum for Innovation Facilitators (EFIF)

20. Under the framework of the Joint Committee, the ESAs will continue to work to strengthen communication and coordination between national innovation facilitators via the EFIF. The details of EFIF activities for 2024 will be outlined in detailed EFIF Annual work programme.

Topic/Activity	Work on EFIF
Description	This work aims to promote coordination and cooperation among national innovation facilitators to foster the scaling up of innovation in the EU financial sector and to promote a common response to new technologies.
Expected outputs	It is planned that in 2024 there will be follow up to the outcome of the updated EFIF report on Innovation hubs and sandboxes. Furthermore, EFIF will follow-up on the 2023 survey on the evolution of mixed activity groups (MAGs). Detailed expected outputs will be listed and specified in the EFIF Work Programme 2024, to be finalised at the end of 2023.

10. Other work

Topic/Activity	Expected work 2024
Joint Consumer Protection Day	In 2024, the ESAs will organise the 11 th Joint Consumer Protection Day. Since its inception, the Consumer Protection Day has become an important milestone for stakeholders across the EU that have an interest in the topic of consumer protection.
European Single Access Point	In 2024, the ESAs will deliver JC ITS supporting the establishment of the ESAP system and its functionalities.
Exchange of information on fit and proper assessments	The ESAs will finalise: (1) the implementation of the joint guidelines and other policy work facilitating the use of the IT solution and; (2) the delivery and roll-out of the IT solution for the information exchange (consisting of a cross-sectoral common searchable database and competent authorities' contacts list).
EMIR bilateral margining	The ESAs might need to work on further guidance in relation to bilateral margining where relevant. In addition, the EMIR 3 legislative proposal by the EC may result in additional regulatory and supervisory convergence work for the ESAs in relation to bilateral margining.