

Clifford Chance

EU financial markets: New supervisory tasks for ESMA

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The European Commission's new package of legislative proposals aims to enlarge the group of entities subject to direct ESMA supervision.

The proposals would, among other things, transfer the supervision of:

- 'significant' EU regulated markets and other trading venues, central securities depositories (CSDs) and central counterparties (CCPs); and
- many, albeit not all, crypto-asset service providers (CASPs)

from national competent authorities (NCAs) to the European Securities and Markets Authority (ESMA). See below.

The Commission estimates that under the proposals ESMA would assume direct supervision of:

- nine groups operating 150-200 trading venues (out of the around 300 trading venues authorised in the EU);

- 15 CSDs (out of the 32 CSDs authorised in the EU);
- nine CCPs (out of the 14 CCPs authorised in the EU); and
- up to 615 CASPs.

However, additional operators of trading venues might opt to be supervised by ESMA as Pan-European Market Operators (PEMOs) and Member States might opt additional CSDs or CCPs into ESMA supervision.

ESMA already directly supervises a wide range of entities (see below), but the proposals would significantly increase the scope of ESMA direct supervision.

The Commission's package of legislative proposals for the integration of EU financial markets was published on 4 December 2025 and is available [here](#). The pages below assume that the legislative proposals are adopted in the proposed form.



Which additional entities would be supervised by ESMA? (Trading venues)

Pan-European Market Operators (PEMOs)¹	<p>EU legal entities which:</p> <ul style="list-style-type: none"> • manage more than one trading venue in more than one Member State; and • choose to be authorised and supervised by ESMA.
Operators of significant trading venues¹	<p>EU market operators or investment firms/credit institutions operating a trading venue where:</p> <ul style="list-style-type: none"> • the venue is: <ul style="list-style-type: none"> ○ important for the EU economy, i.e., its trading volume² in any relevant instrument class³ is 5% or more of total trading volume on all EU trading venues; and ○ has a significant cross-border dimension, i.e., <ul style="list-style-type: none"> ▪ it is part of a group which includes another trading venue, CSD or CCP authorised to operate in another Member State other than the Member State where the venue is situated or operated; ▪ for shares, bonds or exchange-traded funds, where the trading volume on the venue in instruments of that class for which the competent authority of the relevant market is different from that of the competent authority of the venue is 50% or more of the total trading volume on that venue in all instruments of that class; or ▪ for equity, credit, interest rate, currency or commodity derivatives, where the number of transactions on the venue in instruments of that class with a counterparty from a different Member State is 50% or more of the total number of transactions on that venue in all instruments of that class; or • the venue's trading volume² in any relevant instrument class³ is 50% or more of total trading volume in the EU in that instrument class.
Group companies of other ESMA supervised entities¹	<p>EU market operators or investment firms/credit institutions operating a trading venue and belonging to a group which includes:</p> <ul style="list-style-type: none"> • a PEMO; • the operator of a significant trading venue supervised by ESMA; or • a CSD or CCP supervised by ESMA.

¹ National surveillance authorities will have powers to monitor compliance by venues supervised by ESMA with certain obligations. NCAs will retain supervision of other investment services and activities performed by an investment firm or credit institution which operates a trading venue supervised by ESMA.

² Where the operator is part of a group, its trading volume is calculated on a group basis.

³ The relevant instrument classes are shares, exchange-traded funds, bonds, and equity, credit, interest rate, currency and commodity derivatives.
See proposed new Articles 2za, 38fa and 38fb Markets in Financial Institutions Regulation.

Which additional entities would be supervised by ESMA? (CSDs and CCPs)

Significant CSDs	<p>EU CSDs where:</p> <ul style="list-style-type: none"> the CSD: <ul style="list-style-type: none"> operates a securities settlement system that annually settles more than 5% by value of all settlement instructions settled in the EU; and is of substantial importance in at least three host Member States, i.e., <ul style="list-style-type: none"> it is the issuer CSD for at least 15% by value¹ of all financial instruments of issuers from the host Member State held in EU issuer CSDs; it holds at least 15% by value¹ of securities accounts held in all EU CSDs by account holders from the host Member State; it settles at least 15% of the annual value of the settlement instructions settled by all EU CSDs (a) in financial instruments of issuers from the host Member State or (b) for holders of securities accounts from the host Member State; or it operates a securities settlement system governed by the law of the host Member State and is designated under the proposed new Settlement Finality Regulation (SFR); the CSD belongs to a group including a CSD established in another Member State or a CSD, CCP or trading venue supervised by ESMA; the CSD operates a securities settlement system governed by a law of a Member State different than the CSD's home Member State if that system is designated under the proposed new SFR; or the CSD is designated by its home Member State for supervision by ESMA.
Significant CCPs	<p>EU CCPs:</p> <ul style="list-style-type: none"> whose average open interest of cleared securities transactions (incl. securities financing transactions, exchange-traded derivatives and non-financial instruments) exceeds €100 bn;² whose average gross notional outstanding of cleared OTC derivatives transactions exceeds €500 bn;² whose average aggregated initial margin requirement and default fund contributions for clearing members' accounts exceeds €25 bn;² belonging to the same group as another EU CCP, a 'Tier 2' non-EU CCP or a CSD or trading venue supervised by ESMA; or designated by their home Member State for supervision by ESMA.

¹ Using the market value (if available) or the nominal value of the financial instruments.

² Average is calculated over the year preceding the assessment. Initial margin requirements and default fund contributions are calculated on a net basis at clearing member account level.

See proposed new Articles 11 and 11a CSD Regulation and proposed new Article 22a EMIR. Significant CSDs and CCPs authorised as credit institutions would also continue to be supervised by NCAs (or the ECB) under EU banking legislation.

Which additional entities would be supervised by ESMA? (Crypto-asset service providers)

Authorised CASPs	All EU CASPs required to be authorised under the Markets in Crypto-assets Regulation (MiCAR).
Other CASPs¹	<p>EU CASPs:</p> <ul style="list-style-type: none">• that are CSDs, investment firms, electronic money institutions, UCITS management companies, alternative investment fund managers or market operators (but not credit institutions) authorised under other EU legislation and exempt from authorisation under MiCAR in respect of their crypto-asset services; and• whose main activity is providing crypto-asset services, i.e., where more than 50% of their total turnover in two consecutive years is generated from the provision of crypto-asset services.

¹ ESMA would also be responsible for supervising the activities of these other CASPs under other EU financial services legislation instead of (but in cooperation with) NCAs. See proposed new Article 138a MiCAR.

Which entities are already supervised by ESMA?

Credit rating agencies (from 2011)	<ul style="list-style-type: none">• EU credit rating agencies registered under the Credit Rating Agencies Regulation.• Monitoring non-EU rating agencies certified under that Regulation.
Trade repositories (from 2014)	<ul style="list-style-type: none">• EU trade repositories registered under the European Market Infrastructure Regulation (EMIR).
Non-EU CSDs (from 2014)	<ul style="list-style-type: none">• Monitoring non-EU CSDs recognised under the Central Securities Depositories Regulation (transitional provisions now end in 2027).
Securitisation repositories (from 2021)	<ul style="list-style-type: none">• EU persons registered as a securitisation repository under the Securitisation Regulation.
Non-EU CCPs (from 2021)	<ul style="list-style-type: none">• Tier 2 non-EU CCPs recognised under EMIR (i.e., those determined as systemically important).• Monitoring other (Tier 1) non-EU CCPs recognised under EMIR.
Benchmark administrators (from 2022)	<ul style="list-style-type: none">• EU administrators of critical benchmarks authorised under the Benchmarks Regulation (BMR).• Non-EU administrators of benchmarks recognised under the BMR.• EU administrators of benchmarks authorised under the BMR to endorse benchmarks provided by non-EU administrators (from 2026).

Which entities are already supervised by ESMA? (cont.)

Data reporting service providers (from 2023)	<ul style="list-style-type: none">• EU persons authorised as an approved publication arrangement (APA), approved reporting mechanism (ARM) or consolidated tape provider (CTP) under the Markets in Financial Instruments Regulation (MiFIR).
European green bond reviewers (from 2024)	<ul style="list-style-type: none">• External reviewers of European green bonds registered under the European Green Bonds Regulation.
Critical ICT third party service providers (from 2025)	<ul style="list-style-type: none">• Third-party information and communication technology (ICT) service providers designated as critical under the Digital Operational Resilience Act (DORA).• ESMA, EBA and EIOPA exercise joint oversight (and one of them shall be appointed Lead Overseer of a designated provider).
Consolidated tape providers (from 2026)	<ul style="list-style-type: none">• CTPs authorised under MiFIR and appointed to provide a consolidated tape for one or more specified asset classes.
ESG rating providers (from 2026)	<ul style="list-style-type: none">• EU ESG rating providers authorised under the ESG Ratings Regulation.• Non-EU ESG rating providers recognised under that Regulation.

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This document is not intended to be comprehensive or to provide legal advice. For more information, speak to one of the lawyers named above or your usual Clifford Chance contact.

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