

ESMA'S ENFORCEMENT ROLE

WHY?

ESMA seeks to ensure that assertive action is taken against wrongdoing in the EU securities markets

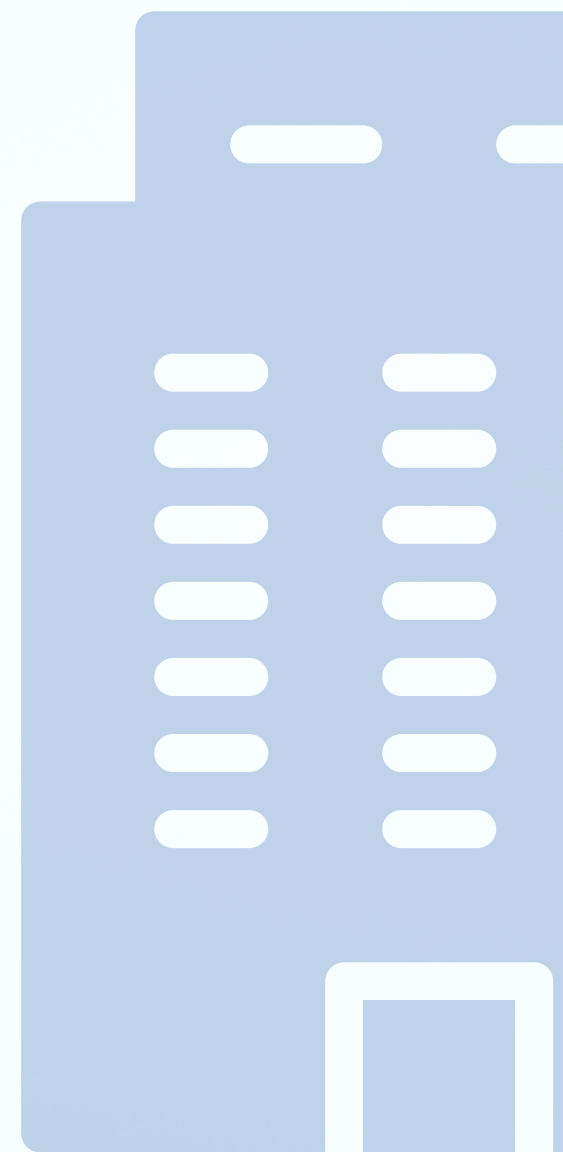


ESMA'S ENFORCEMENT ROLE

WHO?

ESMA takes enforcement action in relation to infringements committed by

- Credit Rating Agencies
- Securitisation Repositories
- Trade Repositories
- Tier 2 CCPs
- Benchmark Administrators
- Data Reporting Service Providers



ESMA'S ENFORCEMENT ROLE

ESMA will adopt one or more measures, including:

- Public notice
- Bringing the infringement to an end or, if not possible, imposing Periodic Penalty Payments
- Withdrawal of the registration
- Fines - for infringements committed negligently or intentionally

HOW?

HOW DOES ENFORCEMENT WORK

If potential infringements are identified by supervisors → the case goes to an independent investigating officer (IIO) appointed within ESMA

STEP 1

IIO investigation

- Remote investigation by the IIO
- Right of defence before the IIO
- Submission of IIO's findings
- File submitted to ESMA's Board for decision

HOW DOES ENFORCEMENT WORK

Board decision

- Assessment of whether the file is complete or not
- Confirmation/rejection or amendments of the IIO's findings
- Right of defence before the Board
- Board's enforcement decision
- Possible appeal to the Joint Board of Appeal

STEP 2