

## Cabinet News and Views

Informed analysis for the financial services industry



### European Supervisory Authorities Publishes 2023 Work Programme



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On September 30, the Joint Committee of the European Supervisory Authorities (“ESAs”) (being the EBA, EIOPA and ESMA) published its work programme for 2023 (dated 5 September 2022) (JC 2022 28). The stated priorities include workstreams relating to Consumer Protection and Financial Innovation, Sustainable Finance, Cross Sectoral Risk Assessment, Securitisation and Digital Operational Resilience.

Of particular note were:

- **Sustainable Finance.** The ESAs intend to submit amendments to the adopted Commission Delegated Regulation (C(2022) 1931)(the “SFDR Delegated Regulation”) supplementing the Sustainable Finance Disclosure Regulation ((EU) 2019/2088) (“SFDR”). These amendments will be to the Regulatory Technical Standards (“RTS”) laid down in the SFDR Delegated Regulation relating to sustainability indicators in relation to adverse impacts (whether streamlining, extending, refining and considering improvements definitions, applicable methodologies, metrics and presentation). The ESAs may also put forward amendments relating to information provided in relation to financial products in pre-contractual documents, on websites, and in periodic reports on decarbonisation targets, including intermediary targets and milestones, where relevant, and actions pursued. The revised RTS are expected to be delivered by 28 April 2023. In addition, the ESAs will monitor the application of the SFDR to determine (i) whether optional implementing technical standards (“ITS”) on marketing communications are needed; and (ii) whether to issue additional Q&As or other level 3 tools to promote supervisory convergence on the practical application of the SFDR. The ESAs, together with the ECB, also intend to conduct a coordinated EU-level climate change stress test across the financial sector during 2023 to assess the resilience of the financial sector in line with the Fit-for-55 package.

- **Digital Operational Resilience.** The ESAs intend to develop technical standards on information and communications technology (“ICT”) risk management frameworks and guidelines on the methodology for calculating costs, as well as quantifying losses for response and recovery, as mandated under the proposed Regulation on digital operational resilience for the financial sector (DORA) (2020/0266(COD)). They also intend to produce standards and reports on reporting of ICT-related incidents.
  - **Financial Innovation.** Through the European Forum for Innovation Facilitators (“EFIF”), the ESAs intend to promote increased 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 European Commission’s Digital Finance Strategy.
  - **Securitisation.** The ESAs intend to develop further Q&As and other level 3 tools to promote a common understanding and supervisory convergence for a consistent approach to the Securitisation Regulation, including giving national regulators and stakeholders further guidance on the implementation of cross sectoral areas of the Securitisation Regulation.
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