

26 June 2019

Eurofiling Conference June 2019, Frankfurt

Speech by Steven Maijoor, ESMA Chair

A. Background

Eurofiling has been offering a collaborative and open meeting space for all major stakeholders within the financial fora since 2005. This year, the Eurofiling Conference, held between 17 and 19 June, aimed at bringing together regulation, technology and data. The purpose of this Circular is to raise awareness with regards to the speech given in the said Conference by Steven Maijoor, the ESMA Chair, on ESMA's data strategy.

B. Data Strategy and Data Quality

In the speech, high data quality is given prominence especially when considering the increasing data-intensity brought about by significant Information Technology advances. In this regard, ESMA has formed a data strategy with clear objectives for data regulators and data users to further push towards achieving high-quality data. Efforts for better data quality span beyond the EU as work is also carried out on an international level.

C. SFTR Reporting

The ESMA Chair also highlights the Securities Financing Transactions Regulation (SFTR) which **sheds light on "shadow banking activities"**. Based on the data strategy and past experience, including the implementation of EMIR and MiFIR, SFTR data is modelled around the following blocks: counterparty, loan and collateral, margin and reuse data. As also done for the MiFIR guidelines, ESMA has published draft guidelines and validation rules on SFT reporting which are subject to public consultation until 29 July.

D. ESEF and iXBRL

One of the main pillars of the speech was the discussion on the European Single Electronic Format (ESEF). The key message is that from 2020, corporate reporting will be electronic in order **to meet the needs of today's markets** and facilitate communication between preparers and users. ESMA has chosen XBRL as the data exchange language, with the potential of improving transparency and high-quality information. ESEF Regulation emphasises that the human-readable and machine-readable layers are to be combined into one single electronic document. Furthermore, Steven Maijoor discussed data quality, particularly the errors and inconsistencies in data tagging as being one of the critical areas in electronic reporting along with its governance. The speech also highlights the key role of accounting enforcers and Officially Appointed Mechanisms (OAMs) and how these would also have to adapt to the new requirements. Moving forward, ESEF is deemed necessary for comparability of IFRS-compliant financial information across the board.

E. Data Uses and Concluding Remark

The last part of the speech focused on how data is being used to communicate more information to the investment community and the public. The lasting sentiment was that analytical capabilities at a national and EU level should be given priority in the future. Standardised data reporting, transparency, high data quality and financial stability are seen as foundational to the contents of the speech.

The full speech can be accessed through the following link:

https://www.esma.europa.eu/sites/default/files/library/esma74-362-27_steven_maijoor_keynote_speech_-_eurofiling_0.pdf

Contacts

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