European Securities and Markets Authority

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PRESS RELEASE

ESMA publishes accounting enforcement guidelines

The European Securities and Markets Authority (ESMA) has published its final Guidelines on the enforcement of financial information published by listed entities in the European Union (EU). The aim of the guidelines is to strengthen and promote greater supervisory convergence in existing enforcement practices amongst EU accounting enforcers.

The Guidelines set out the principles to be followed by accounting enforcers throughout the enforcement process by defining the objectives, the characteristics of the enforcers, and some common elements in the enforcement process. They will strengthen the development of coordinated views on accounting matters prior to national enforcement actions, the identification of common enforcement priorities and common responses to the accounting standard setter to ensure consistent application of the financial reporting framework. The guidelines will apply to all national competent authorities and any other bodies in the EU undertaking enforcement responsibilities under the Transparency Directive.

Steven Maijoor, ESMA Chair, said:

> "One of the key objectives of accounting enforcement is to contribute to the consistent application of the financial reporting standards and ensure the disclosure of high quality financial information relevant to investors' decision-making processes, thus strengthening investor protection and confidence in financial markets.
>
> "These Guidelines constitute a key step in strengthening supervisory convergence across Europe, by further building a common approach to the enforcement of financial information and reinforcing coordination among European enforcers."

Main principles

The Guidelines provide a common approach in the following areas:

- Enforcement objectives and scope;

- The enforcement process at national level, such as selection methods, examination procedures and enforcement actions; and
- Coordination of enforcement activities at European level, such as: setting up European common enforcement priorities, defining criteria for selecting accounting matters for further discussion at European level and their reporting.

Next steps

The Guidelines will now be translated into the official languages of the EU and national securities regulators will then have two months from the date of the publication of the translations on ESMA's website, to confirm to ESMA whether they comply or intend to comply with the Guidelines by incorporating them into their supervisory practices.

Notes for editors

1. Final Report on ESMA Guidelines on enforcement of financial information: http://bit.ly/1qmBwg5

2. ESMA is an independent EU Authority that was established on 1 January 2011 and works closely with the other European Supervisory Authorities responsible for banking (EBA), and insurance and occupational pensions (EIOPA), and the European Systemic Risk Board (ESRB).

3. ESMA's mission is to enhance the protection of investors and promote stable and well-functioning financial markets in the European Union (EU). As an independent institution, ESMA achieves this aim by building a single rule book for EU financial markets and ensuring its consistent application across the EU. ESMA contributes to the regulation of financial services firms with a pan-European reach, either through direct supervision or through the active co-ordination of national supervisory activity.

Further information:

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