



EU RegCORE Client Alert

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ESMA sets its 2027 supervisory agenda

QuickTake

On 28 September 2026, the European Securities and Markets Authority (**ESMA**) published its Annual Work Programme for 2027 (**AWP 2027**)¹ and its report on simplification and burden reduction (**SBR**).² Together with the refreshed Union Strategic Supervisory Priorities (**USSPs**)³, the programme signals a more operational phase of European capital-markets supervision. The central question for firms is increasingly whether their governance, technology, data and contractual arrangements produce the outcomes represented to clients and supervisors.

ESMA's 2027 publications bring three decisions into focus for affected firms: (i) completing T+1 readiness, (ii) demonstrating how client-facing innovation and critical dependencies are controlled, and (iii) preparing for reporting reform while maintaining current obligations. The new innovation USSP and the continuing resilience priority give those decisions a clearer supervisory context.

For crypto-asset service providers, the most immediate decision arises from ESMA's 8 October opinion on non-MiCAR-compliant asset-referenced and e-money tokens: which services and tokens require restriction, remediation or a

¹ Available [here](#)

² Available [here](#).

³ Available [here](#).

permitted orderly exit. ESMA expects identified legacy exposures to be remediated as soon as possible and no later than three months after publication.

That is a supervisory expectation rather than a new legislative application date, and any residual services remain subject to strict conditions. Separately, operators of trading platforms face a MiCAR deadline of 31 December 2027 for white papers on certain legacy crypto-assets.

Simplification offers a future opportunity to reduce duplicated reporting, but it does not provide present relief from the regimes being redesigned. Firms should distinguish binding application dates from ESMA delivery targets and test whether their contracts, systems and operating model can support the services they intend to provide.

This Client Alert identifies the principal milestones and the legal decisions that should inform 2027 planning. It builds on our earlier analyses of ESMA's Programming Document 2026–2028 and AWP 2026.⁴ Those publications traced the expansion of supervisory responsibilities and the growing role of common data, convergence and the Savings and Investments Union (**SIU**). The 2027 agenda carries those themes forward with more specific supervisory exercises and delivery milestones.

What each publication does:

- The multi-year context is ESMA's 2027–2029 Programming Document (**SPD**), dated 29 January and published on 5 February 2026. It supplies the longer planning and resource horizon; the September AWP updates the earlier annual plan with the latest 2027 outputs. These are successive stages of planning, rather than documents issued together in September.
- The USSP factsheet of 23 September provides the clearest indication of where supervisory attention will concentrate. Innovation with investor safeguards starts in 2027, initially addressing technology used in core activities affecting clients, including artificial intelligence (**AI**) and tokenisation. Cyber and operational resilience continues, with wider coverage and deeper checks. The environmental, social and governance (**ESG**) disclosures priority closes in 2026, while the underlying supervisory work continues.
- ESMA's Activities Snapshot, prepared for the September 2026 hearing of the European Parliament's Committee on Economic and Monetary Affairs (**ECOM**), supplies a further part of the picture: evidence of implementation, supervisory findings and enforcement already informing the next cycle.

Read together, the documents connect strategic ambition, annual delivery, national supervisory priorities and the results of work already performed.

For boards, legal teams and control functions, the practical response is to organise 2027 preparation around affected services and dependencies. AI governance, product approval, custody, outsourcing, reporting and settlement cannot be treated as wholly separate implementation files where the same client service depends on all of them.

From a work programme to a supervisory operating model

The combined programme has three practical aims: (i) it concentrates supervisory effort, (ii) makes greater use of comparable data and (iii) brings infrastructure projects into delivery. Simplification may reduce

⁴ See: ESMA publishes its [Programming Document 2026–2028](#) and [ESMA publishes its Annual Work Programme 2026](#).

duplication over time, while targeted supervision increases the value of reliable evidence. The following takeaways summarise our assessment of the package.

Key takeaway	What it means for firms
2027 is an execution year	T+1, the public ESAP rollout and further reporting and supervision projects require sequenced business, technology and legal delivery.
Innovation becomes a common supervisory priority	Prepare to explain client-facing AI and tokenisation use cases, their benefits, governance, disclosures and dependencies.
Resilience scrutiny deepens	Policies and supplier clauses need to be supported by tested recovery, incident handling, audit access and workable exit arrangements.
Simplification changes compliance design	Build reusable data and migration capabilities while maintaining current reporting obligations until reforms legally take effect.
Authorisation is followed by operating-model scrutiny	CASPs and other cross-border firms should reconcile the substance promised at authorisation with actual decision-making and service delivery.
ESG supervision continues after the USSP closes	Retain evidence supporting sustainability claims and product descriptions; programme closure is not a relaxation of existing duties.
Supervisory integration precedes some institutional reform	Shared priorities, data and peer reviews already affect firms. Proposed changes under the Market Integration and Supervision Package remain conditional.

PwC Legal analysis of the AWP 2027, USSP factsheet, SBR report and Activities Snapshot; detailed source references appear below.

2027 supervisory priorities and practical implications

The following themes cut across the sectoral workstreams.

- supervisory allocation matters:** a more selective programme can concentrate scrutiny on risks with material investor, operational or cross-border consequences.
- common infrastructure matters:** shared data and digital tools make divergent explanations easier to identify.
- legal status matters:** existing duties, supervisory expectations, planned outputs and legislative proposals require different responses.

2027 priority	Supervisory shift	Immediate implication
AI and tokenisation	New coordinated priority focused on client-impacting uses.	Inventory live and planned uses; connect product governance, classification, testing and human accountability.
DORA and dependencies	Broader coverage and deeper checks alongside joint ICT-provider oversight.	Test an actual service chain, including subcontractors, recovery and exit.
CASP custody and substance	Greater attention to how authorised business models operate.	Reconcile authorisation materials, staffing, custody controls and group dependencies.
T+1 and clearing	Implementation, readiness monitoring and review of clearing arrangements.	Align cut-offs, funding, collateral, recalls, client terms and contingency procedures.

2027 priority	Supervisory shift	Immediate implication
Funds and retail distribution	Control-function scrutiny and technology-driven conduct risks.	Demonstrate independence, management challenge and evidence of client outcomes.
Data and reporting	Staged integration and greater supervisory reuse of information.	Strengthen lineage, identifiers, reconciliation and vendor migration rights.
Sustainability	Dedicated USSP closes; sectoral and ordinary supervision continue.	Maintain substantiation of claims and readiness for relevant ESG-rating and green-bond regimes.

Analytical summary prepared by PwC Legal. It is not an ESMA ranking or an assessment of any individual firm. Exposure depends on activities, legal perimeter and supervisory findings.

The analysis below follows ESMA's own three strategic priorities and two thematic drivers, before examining the USSPs, the related publications and the practical implications for firms.

Strategic priority 1: effective markets and financial stability

The first strategic priority concerns the market structure on which the rest of the programme depends.

Market integration and resilience

The AWP links market integration with the capacity to absorb shocks. Risk monitoring, supervisory cooperation, clearing and settlement projects sit alongside the SIU agenda. For firms, that creates a common implementation question: whether a change intended to improve access or efficiency also preserves liquidity, operational continuity and the ability to manage stress. Cross-border expansion and new infrastructure connections should therefore be assessed through both commercial and control-function lenses.

T+1 requires coordinated execution

The move to a shorter securities settlement cycle is a concrete 2027 implementation obligation. Regulation (EU) 2025/2075, amending the Central Securities Depositories Regulation (**CSDR**), establishes 11 October 2027 as the application date for the relevant T+1 changes, subject to the statutory scope and exclusions. The AWP provides for monitoring preparedness and supporting a coordinated transition.⁵

The legal and operational work extends beyond changing a settlement field. Investment managers, brokers, custodians and other affected participants should align allocation and confirmation practices, securities lending recalls, foreign-exchange funding, exception handling and communications. Contracts and service levels need to reflect the intended cut-offs, responsibility for late allocations and the allocation of costs where settlement fails or a dependency fails. The Activities Snapshot reports that more than half of readiness-survey respondents could not meet the tighter same-day deadlines; bilateral testing with clients and service providers therefore deserves immediate attention. Preparations should include realistic volumes and disruption scenarios, with clear ownership of unresolved dependencies.

⁵ See Regulation (EU) 2025/2075 of the European Parliament and of the Council of 8 October 2025 amending Regulation (EU) No 909/2014 as regards a shorter settlement cycle in the Union, OJ L, 2025/2075, 14 October 2025, Articles 1–2.

Clearing, market data and public access

For central counterparties (**CCPs**), the AWP combines supervisory work under the revised European Market Infrastructure Regulation (**EMIR 3**) with monitoring of the active account requirement (**AAR**) and systemic risk. It schedules the sixth CCP stress-test report for Q1 2027 and a report on AAR effectiveness for Q3. Clearing members and clients should treat those reviews as reasons to maintain dependable information on exposures, clearing arrangements and operational capacity, without assuming that a scheduled report itself changes their obligations. The Activities Snapshot records that 2026 already brought active-account guidance, reporting templates and the first Joint Monitoring Mechanism report, so the 2027 assessment will build on existing operational evidence; firms should retain a consistent record of clearing use, capacity and implementation costs.

Market-data infrastructure has separate delivery stages. The AWP plans authorisation of the first derivatives consolidated tape provider (**CTP**) in Q2 2027 and phase-one public rollout of the European Single Access Point (**ESAP**) in Q3, covering Transparency Directive and Prospectus Regulation information. The Activities Snapshot distinguishes the start of ESAP data collection on 10 July 2026, which also includes Short-Selling Regulation disclosures, from the public portal targeted for July 2027. Collection, provider selection, authorisation and service launch should not be treated as interchangeable milestones.⁶

For issuers, data contributors and users, these initiatives increase the importance of complete, consistent and reusable information. Internal ownership should cover the underlying source, the transformation applied, the submission channel and the correction process. Commercial data agreements also merit review where new access, redistribution or implementation arrangements affect existing service models.

Strategic priority 2: effective supervision

If the first priority concerns the infrastructure through which markets operate, the second concerns how supervisors test whether firms operate within it as represented.

Convergence and the evidence behind an operating model

The AWP combines ESMA's direct supervisory work with convergence through national competent authorities (**NCA**s), common supervisory actions (**CSA**s), peer reviews and shared tools. This reaches firms through different legal routes according to their sector. A nationally supervised firm can face more coordinated scrutiny without a transfer of its supervisor's formal competence to ESMA.

Groups should be able to explain consistently where decisions are taken, which entity owns a risk, which provider performs a function and how management challenges performance. In a cross-border structure, divergent submissions or descriptions of the same dependency can become a substantive governance issue. A central record should support local accountability, rather than replace the entity-level analysis required by the applicable regime.

DORA and the continuing resilience priority

Cyber and operational resilience remains a USSP in 2027, following its launch in 2025. The factsheet points towards broader coverage, including smaller entities and crypto-asset service providers (**CASPs**), greater

⁶ The 2026 collection stage and the targeted 2027 public portal are distinct. The snapshot's account of tape-provider selection is not used here to establish each provider's current authorisation or launch status.

use of incident and register-of-information data, further work on the effects of AI on cyber risk, and deeper supervisory tools, including on-site inspections. The AWP anticipates increased focus and intrusiveness.

In 2027, the Digital Operational Resilience Act (**DORA**) will be in its third year of application. DORA connects supervision of financial entities with joint oversight by the European Supervisory Authorities (**ESAs**) of designated critical information and communication technology (**ICT**) third-party providers. The AWP envisages risk assessments, information gathering, inspections, recommendations and follow-up. Preparatory work relating to a future review of DORA remains distinct from the current requirements.

A provider's designation does not discharge the financial entity's own responsibility. DORA retains that responsibility and imposes requirements on registers and contractual arrangements, together with exit planning for ICT services supporting critical or important functions. The precise requirements depend on the service and function concerned.⁷

Firms should test whether the contract, dependency map and exercise results tell the same story. Can access rights be exercised across the subcontracting chain? Can the service be restored within its tolerances? Is an exit executable with the available data, people and alternative capacity? Management should be able to explain both the residual risk accepted and the evidence supporting that decision.

CASPs and investment managers

The Markets in Crypto-Assets Regulation (**MiCAR**) workstream targets EU substance, outsourcing, operational resilience, liquidity, reverse solicitation and classification. It also provides for cooperation with the EU Anti-Money Laundering Authority (**AMLA**) on anti-money laundering and know-your-customer obligations. ESMA also plans further periodic-reporting harmonisation and follow-up of its 2025 fast-track peer review on authorisation and supervision. Separately, the second phase of ESMA's centralised crypto-asset market surveillance system (**MIDAS**) is scheduled for Q4 2027, subject to Board approval. These workstreams do not merge the legal bases of MiCAR and anti-money laundering supervision or transfer all CASP supervision to ESMA.,

The custody-resilience CSA announced on 8 July 2026 examines a risk-based sample of authorised CASPs during H2 2026–H1 2027. Its topics include custody governance, key management, storage, transaction processes, incidents, smart contracts and third-party arrangements. The final report is planned for Q4 2027. Firms should distinguish the examination period from the later publication of findings.⁸

Operators of trading platforms should identify legacy crypto-assets, other than asset-referenced and e-money tokens, admitted to trading before 30 December 2024. Where MiCAR requires a white paper, Article 143(2)(b) requires the operator to ensure that it is drawn up, notified, published and updated by **31 December 2027**. Responsibility and information access should be resolved early; this is not a general authorisation deadline for all CASPs.

For investment managers, the AWP continues the 2026–2027 CSA on the risk management functions of alternative investment fund managers (**AIFMs**) and UCITS management companies, and identifies likely work on leverage, liquidity, fund stress testing and interconnectedness. That is distinct from the May 2026 review of compliance and internal-audit functions reported in the Activities Snapshot, which found that most assessed managers complied but identified weaknesses in independence and management oversight. Earlier findings should inform remediation without being mislabelled as results of the newer risk-management

⁷ These provisions include qualifications according to the service and function concerned.

⁸ See ESMA launches Common Supervisory Action on CASPs' digital operational resilience for custody. The public announcement specifies the sample, subject matter and H2 2026–H1 2027 examination period; the AWP schedules the final report for Q4 2027.

exercise. Boards can usefully ask now whether a control function can challenge revenue-generating activity, obtain information and secure timely remediation without its concerns being overridden or diluted.⁹

Strategic priority 3: retail investor protection

Supervisory scrutiny of operating models ultimately serves client outcomes, which the third strategic priority addresses directly.

Technology, distribution and client outcomes

Retail investor protection provides the conduct dimension of the 2027 programme. Work on distribution, investor information, costs and digital practices sits alongside the new innovation priority and possible implementation measures under the Retail Investment Strategy (**RIS**), including work relevant to disclosures, costs, value for money and undue costs. Changes to the key information document under the Packaged Retail and Insurance-based Investment Products Regulation (**PRIPs**) are also envisaged. The AWP makes relevant RIS-related outputs dependent on the legislative timetable, so provisional Q4 outputs should not be treated as settled application dates. Programme targets should therefore be used for scenario planning and readiness, with legal implementation dates tracked separately.

For firms, an effective review follows the client journey: how the product is presented, how choices are ranked, what information is delivered, how a recommendation or transaction is produced and how poor outcomes are detected. An automated explanation or product ranking should be tested in the context in which the client encounters it. Reducing the number of screens may improve accessibility, but it does not establish that the client has received or understood material information. Generic model documentation alone will not demonstrate that a particular distribution process is well controlled. For group management, this suggests a combined review of product governance, distribution agreements, fee flows, client information and the technology used to deliver them, so that separate projects do not produce inconsistent answers about who owns the client outcome.

Simplifying the investor journey

The SBR investor-journey workstream should be read alongside this conduct agenda. Reducing complexity can improve client understanding, but any proposed redesign should preserve the substance of the relevant protection. Firms can contribute most usefully by showing which steps create avoidable friction, what evidence supports a simpler alternative and how clients would remain able to understand the product and its risks. Existing disclosure, suitability and appropriateness requirements remain governed by the applicable instruments until changes take effect.

Alongside the three strategic priorities, ESMA identifies two thematic drivers that cut across every sector discussed above, beginning with sustainable finance.

⁹ The reported findings concern compliance and internal-audit functions; the AWP's separate 2026–2027 CSA concerns the risk management function.

Thematic driver 1: sustainable finance

The ESG priority closes, but supervision continues

The ESG-disclosures USSP, running since 2023, closes in 2026 after work on supervisory capacity, guidance and coordinated activity. ESMA and NCAs will maintain their efforts beyond the dedicated USSP. Closure of a dedicated priority therefore changes the organisation of supervisory effort; it does not release firms from existing disclosure, product-governance or anti-greenwashing obligations.

The AWP retains sustainable finance as a thematic driver and includes work on ESG-rating providers, external reviewers of European Green Bonds and possible Sustainable Finance Disclosure Regulation (**SFDR**) measures, where relevant subject to legislative timing. The Snapshot records the commencement of the ESG-ratings framework in July 2026 and the register for external reviewers in June. Firms must assess the applicable registration or authorisation route, exclusions and transitions under the relevant regime, rather than infer a universal deadline from those summaries. Users should also verify the status and transitional position of their ratings and review providers, as well as the methodology, permitted use and continuity of the service.¹⁰

Manufacturers, distributors and issuers should maintain a traceable basis for sustainability claims across names, marketing, regulated disclosures and portfolio or project information. Dependency on external ratings or data should be reflected in due diligence, methodology review and contractual access to information. The move into ordinary supervision makes consistent implementation more valuable than maintaining a separate policy document with limited operational use.

Thematic driver 2: effective use of data and technological innovation

The evidential burden behind sustainability claims points to the second thematic driver: reliable data is what allows supervisors to compare firms and test what they say.

Data becomes part of supervisory delivery

ESMA's data and digital work includes shared platforms, improved access and reuse, data quality and AI-supported supervisory tools. The consequence for firms is practical: information submitted through different channels may increasingly be compared. Reporting governance should therefore address consistent definitions, identifiers, lineage, reconciliation, correction and accountability, rather than treat each submission as an isolated production exercise.

Innovation and resilience meet at the service level

The new innovation USSP seeks beneficial innovation, supervisory readiness and governance aligned with client interests. ESMA identifies opportunities in access, efficiency, new services and market integration, alongside risks including biased or misleading AI outputs, difficult-to-understand products and dependency on a small number of technology providers. Its initial focus includes uses of AI and tokenisation in core

¹⁰ Provider authorisation routes, exclusions and transitional permissions must be checked under the applicable sectoral regime; no universal authorisation or application deadline is inferred from the snapshot's summary.

processes and products directly affecting clients, beyond back-office activity. During 2027, authorities will map existing and planned uses and undertake initial checks at selected firms; firms can use that engagement to demonstrate improvements in accessibility, efficiency and investor experience alongside their safeguards. This is a coordinated supervisory programme, rather than a claim that AI and digital conduct risks were absent from the 2026 agenda.

For AI, the path from technology to client decision is a useful unit of review: an AI tool that drafts internal minutes presents different issues from one that ranks products, shapes an investment recommendation or explains risk to a retail client. The review should identify the accountable business owner, data and model inputs, testing, limitations, human intervention, complaints and monitoring after deployment. For tokenisation, the starting point is the legal rights represented by the asset. Crypto-assets qualifying as financial instruments are excluded from MiCAR; technology does not itself determine classification. Custody, transfer, settlement and insolvency consequences must be analysed within the relevant regime, and the AWP expressly identifies interoperability, custody, settlement and legal certainty as areas for further work.

Both USSPs may apply to the same service. An AI-assisted investment process may depend on an external model and cloud provider; a tokenised product may depend on wallet, ledger and custody arrangements. Product approval, resilience testing and third-party contracting should address those dependencies together. The evidence should explain how the proposed client benefit survives a provider change, failure or material system limitation.

The USSPs for 2027: how the priorities reach firms

The priorities and drivers described above may reach most firms not through ESMA directly but through the USSP mechanism and national supervision. Article 29a of the ESMA Regulation provides for up to two Union-wide strategic supervisory priorities. NCAs must take them into account when preparing their work programmes and notify ESMA accordingly. ESMA subsequently discusses relevant NCA activities and draws conclusions, with possible follow-up including guidelines, recommendations and peer reviews. National priorities and specificities continue to matter.

The factsheet also envisages implementation through ESMA’s direct supervision where applicable. The AWP supplies the activities and outputs around those priorities, while individual supervisory actions remain grounded in the relevant legal framework. Neither document independently creates a new authorisation condition, reporting duty or sanctioning power. Their commercial significance lies in the attention, evidence requests and follow-up that existing powers can support.

What changes from 2026 to 2027?

Theme	2026 baseline	2027 direction
Innovation	AI, digital distribution and data-driven supervision already feature.	A named USSP adds coordinated mapping and initial checks on client-impacting uses.
DORA	Implementation and joint provider oversight are established themes.	Broader firm coverage and deeper checks focus attention on effectiveness.
Reporting	Integrated funds reporting and transaction-reporting reform are underway.	Q2 funds-reporting drafts provide a nearer milestone; transaction integration remains multi-year.
Settlement	Preparation for the shorter settlement cycle.	T+1 application on 11 October requires coordinated operational delivery.

Theme	2026 baseline	2027 direction
Data infrastructure	ESAP build and collection; CTP selection, authorisation and early supervision.	Public ESAP rollout and a planned derivatives CTP authorisation are distinct delivery steps.
CASPs	Implementation and authorisation convergence.	Operating-model and custody scrutiny, follow-up and further reporting harmonisation.
Sustainability	Dedicated ESG-disclosures USSP alongside sectoral supervision.	Dedicated priority ends; ordinary and sector-specific work continues.
SIU and supervision	Convergence and growth in supervisory responsibilities.	Existing supervisory tools develop while MISP-related institutional changes remain conditional.

PwC Legal comparison of the 2026 and 2027 programmes, read with the revised USSP factsheet. This summarises direction; it does not replace the legal status analysis of individual measures.

Further developments that sharpen the 2027 agenda

Several publications issued around the AWP refine the timing and practical content of the agenda described above.

1. Simplification and burden reduction

The 28 September SBR report identifies four flagship projects: transaction reporting, integrated funds reporting, the investor journey and risk-based supervision. Their common purpose is to reduce duplication and complexity while preserving useful supervisory information and investor protection. Simplification should therefore be built into operating-model design and change governance, rather than treated as an immediate reduction in compliance obligations.

For transaction reporting under the Markets in Financial Instruments Regulation (**MiFIR**), EMIR and the Securities Financing Transactions Regulation (**SFTR**), the report envisages a conditional, multi-year reform. The report's optimistic scenario envisages an integrated operational model within five years of September 2026, dependent on policy choices and primary-law amendments by mid-2028. This remains a conditional expectation, not a committed implementation date. References to implementation work in 2027 must not be read as a 2027 switch-off of current reporting regimes.

Integrated funds reporting has a nearer design milestone: draft regulatory and implementing technical standards (**RTS** and **ITS**) for Alternative Investment Fund Managers Directive (**AIFMD**) and Undertakings for Collective Investment in Transferable Securities (**UCITS**) reporting in Q2 2027, alongside supporting IT development. The report recognises that benefits follow legal and technical implementation. Firms should identify common source data and reusable controls now, while protecting the quality of current submissions.

Reporting-vendor and administrator agreements should permit schema changes, transparent change charges, usable data exports, migration support and continuity during transition. An early commercial objective is to avoid duplicated transformation logic and unmanaged dependence on proprietary interfaces. Consultation responses should quantify avoidable costs and explain how a proposed alternative preserves the regulatory outcome.

2. The Activities Snapshot as implementation evidence

The Snapshot was prepared for the annual ECON hearing on 28 September 2026. Its stated period is 1 November 2025–31 August 2026, although it discusses some subsequent developments. It is a selected account of activity, rather than the full annual report. Its value for 2027 planning is to show which initiatives already have operating experience or supervisory findings behind them.

It records January 2026 risk-based supervision principles and the Digital Strategy, work on common internal-control and periodic-reporting expectations, and joint oversight of critical ICT providers. These developments support a practical inference: the next supervisory cycle builds on existing information, findings and remediation, rather than starting afresh when a new programme is published.

The enforcement record also reinforces the importance of reporting controls. ESMA's 2 July 2026 announcement of a EUR 2,145,000 fine against Moody's Deutschland concerned four negligent breaches of the Credit Rating Agencies Regulation involving information reported to ESMA and related controls. The announcement expressly distinguished those errors from ratings published on the firm's own website. The relevant lesson is that regulatory-data accuracy can have enforcement consequences in its own right.

3. T+1 has preparation milestones before October 2027

ESMA's July statement urges early preparation for allocation and confirmation changes, including timing and the default use of international communication standards, associated with a stated 7 December 2026 milestone. The Commission's July delegated-act text provides for phased application, while ESMA's published timetable placed parliamentary and Council scrutiny through 6 October 2026, envisaged Official Journal publication and entry into force in early Q4, and anticipates revised guidelines. The passage of a forecast scrutiny date does not establish publication or entry into force, and we have not confirmed subsequent Official Journal publication or the final status of the revised guidelines. 7 December 2026 should therefore be treated as the stated timetable milestone, rather than a verified operative deadline, until the final instruments are confirmed. Firms should maintain a legal-status checkpoint while advancing the operational work needed for the stated timetable.¹¹

4. Tokenised collateral connects innovation with clearing resilience

ESMA's 9 October call for evidence examines tokenised collateral in central clearing, with responses due **15 January 2027**. ESMA plans to consider the feedback in Q1 2027 before deciding on next steps. It considers legal, liquidity, custody, settlement and operational issues across the collateral lifecycle, including realisation after default. It does not propose expanding eligible asset categories. For CCPs, clearing members and technology providers, the useful preparation is evidence of enforceable rights and reliable performance under stress, alongside claimed efficiency benefits.

5. Stablecoin supervision reaches the service model

The 8 October opinion on non-MiCAR-compliant asset-referenced and e-money tokens addresses NCA supervision across CASP services, including custody and transfers. For affected CASPs, the immediate decision is which services and tokens require restriction, remediation or a permitted orderly exit. The opinion calls for controls preventing new or increased client exposure and, for identified legacy exposures, remediation as soon as possible and no later than three months after publication (paragraph 27). That period is not a general permission to continue business as usual: residual activity is limited to tightly controlled exit and safekeeping services where permitted by the NCA, and the relevant token definitions remain subject to

¹¹ The timetable anticipates later steps; final publication, entry into force and application should be checked against the adopted instruments.

the applicable exemptions and transitional provisions. This is a supervisory expectation, not an amendment to MiCAR or a new legislative application date. CASPs should map affected services and client communications against the opinion’s scope and discuss remediation with their NCA.¹²

6. Supervisory allocation and legislative dependency

The AWP anticipates work relating to the EU’s efforts on the Market Integration and Supervision Package (**MISP**), but the outcome and timing of legislation remain material dependencies. ESMA’s existing direct work already covers CTPs, benchmark administrators within its remit, ESG-rating providers and European Green Bond reviewers, together with follow-up to earlier reviews of Brexit-related relocations and CASP authorisation, supported by its Data Platform and AI-based supervisory tools. Firms should distinguish preparation for possible future responsibilities from the powers already exercised through direct supervision, convergence and peer reviews, and budget for scenarios rather than assume a particular transfer date or final perimeter. A useful response is to map each regulated activity to its competent authority, group owner, key service providers and evidence sources, so that facts about governance, substance, outsourcing and client services do not change with the audience.

The 7 October statement on third-country CSDs illustrates the distinction. For third-country CSDs already providing relevant notary and central-maintenance services for financial instruments constituted under Member-State law, the existing transition ends on a recognition decision or 17 January 2027, whichever is earlier. ESMA’s statement concerns supervisory non-prioritisation pending the proposed legislative extension. ESMA expressly acknowledges that it and NCAs cannot suspend or disapply EU law. A statement about enforcement priorities is therefore not equivalent to an enacted extension or a recognition decision.

Practical considerations for firms

Taken together, the programme, the USSPs and these further developments call for decisions rather than a longer compliance inventory. The practical response is best organised by affected business. For each, the useful question is which decision must be resolved and which legal work product records it.

Affected business	Decision to resolve	Concrete legal output	Linked milestone	Legal status of milestone
Broker, custodian or investment manager	Which in-scope flows and counterparty cut-offs threaten T+1 delivery?	Scope map; amended service levels and client terms, including responsibility for late allocations and settlement-fail costs; escalation and fallback arrangements.	7 December 2026; 11 October 2027	Stated timetable milestone, final instruments not yet confirmed; CSDR application date for in-scope transactions.
CASP or crypto-asset trading platform	Can current custody, token availability and legacy listings continue on the proposed model?	Service and token perimeter assessment; NCA engagement plan; remediation and white-paper responsibility map, reconciled with the substance	Three months after 8 October 2026; H1 2027; 31 December 2027	Supervisory expectation for identified legacy exposures, not a legislative date; end of the announced custody CSA examination period (supervisory exercise); MiCAR Article

¹² See ESMA, Opinion on the provision of crypto-asset services in relation to non-MiCAR-compliant asset-referenced tokens and e-money tokens, ESMA75-113276571-1742, 8 October 2026, especially paragraphs 7–14 and the concluding supervisory expectations.

		promised at authorisation.		143(2)(b) deadline for trading-platform operators.
Fund manager and reporting sponsor	Which changes are needed now, and which depend on future standards?	Current-duty inventory; controlled migration plan; vendor change and data-export provisions; tracked closure of earlier control-function findings.	Q2 2027	Draft AIFMD/UCITS RTS and ITS, subject to later adoption; not a reporting switch-off.
Client-facing AI or tokenisation sponsor	What rights, controls and dependencies must be resolved before launch or expansion?	Classification and product-approval record; third-party terms; accountable monitoring and exit design.	During 2027	Supervisory priority (innovation USSP mapping and initial checks); no new legal duty.

These are recommended client work products, not additional duties imposed by the AWP. Owners and internal dates should be assigned for the actual client; there is no universal deadline for them.

ESMA outputs to monitor in 2027

Firm-facing dates and supervisory expectations appear in the decision matrix above. The following consultations, authority reports and IT targets do not of themselves impose obligations on firms, but may shape later supervision, policy or commercial arrangements. They are selected planning points, not a comprehensive calendar, and remain subject to the qualifications in the AWP.

Timing	Output	Type of output	Relevance
15 January 2027	Tokenised CCP collateral call for evidence closes	Consultation; does not propose expanding eligible assets	Opportunity to evidence legal and operational benefits, limitations and safeguards.
Q1 2027	Sixth CCP stress-test report	Planned report	May inform supervisory engagement on clearing resilience.
Q2 2027	Integrated AIFMD/UCITS reporting draft RTS and ITS	Draft standards	Design milestone for data and vendor planning; subject to later adoption and not a reporting switch-off.
Q2 2027	First derivatives CTP authorisation	Planned authorisation	Not a service-launch date; monitor resulting implementation and commercial arrangements separately.
Q3 2027	ESAP phase-one public rollout	System target	Distinguish public access from data collection already underway.
Q3 2027	Report on AAR effectiveness	Planned report	Track implications for clearing capacity and subsequent policy or supervision.
Q4 2027	CASP custody-resilience CSA final report	Planned report	Assess findings and apply relevant remediation to the firm's own model.
Q4 2027	MIDAS phase-two delivery	IT target	Conditional on Board approval; monitor data requirements and implementation detail.

Sources: AWP 2027 output tables; USSP factsheet; MiCAR Article 143(2)(b); Regulation (EU) 2025/2075; ESMA T+1 statement and timetable; July CASP CSA announcement; October stablecoin opinion; October tokenised-collateral call. Dates describe the source's stated stage and should be monitored for change.

Cross-cutting steps

Beyond the sector-specific decisions above, three steps apply to all affected firms. Earlier applicable deadlines, including the stated December 2026 T+1 milestone and the stablecoin remediation expectation, take priority; these steps do not extend any regulatory timetable.

1. **Map the perimeter and legal status.** Identify affected entities, services, supervisors and instruments. Separate current duties, future application dates, planned outputs and proposals, with an owner for each dependency. Present the result in a short decision paper for the relevant management body, with named owners and budget dependencies.
2. **Test a complete service chain and close earlier findings.** Select material services and test disruption, recovery and third-party failure. Reconcile results with incident processes, registers, contracts, exit arrangements and management decisions, and track owners, due dates and retesting for existing remediation.
3. **Prepare a coherent supervisory account.** Ensure board papers, regulatory submissions, contracts and technical records describe the same model. Evidence both the client benefit and the controls supporting it.

Selected contractual and policy considerations with a distinct legal effect

Most documentation work follows from the sector actions above. Three areas raise separate legal points; policies should then be aligned with the same service and dependency map.

Contractual documentation

- **Technology and AI agreements.** Address model or service changes, testing support, auditability and intellectual-property arrangements, which determine whether the firm can evidence and control the client-facing output.
- **ICT outsourcing and subcontracting.** Align information, access, subcontracting and termination rights with DORA's contractual requirements, which apply irrespective of a provider's designation for ESA oversight.
- **Custody and tokenised assets.** Address asset rights, segregation, key control, transfer authority and responsibility in failure or insolvency scenarios, which turn on the legal regime rather than the technology.
- **Distribution and client terms.** Reconcile product descriptions, digital communications, allocation of manufacturer/distributor responsibilities and the information needed to investigate poor outcomes or complaints.
- **Post-trade and reporting services.** Review cut-offs, instructions, recalls, funding, error handling, data quality, change charges and migration support against the intended T+1 and reporting arrangements.

Policy documentation

- **Governance and change approval.** Connect product, technology and outsourcing approvals to named owners, legal classification, testing and escalation, including material changes after launch.
- **Resilience and third-party risk.** Reconcile inventories, criticality assessments, incident management, continuity, testing, concentration and exit policies with the same service and dependency map.
- **Data and reporting controls.** Define source ownership, common identifiers, lineage, reconciliation, quality thresholds, correction and evidence retention across current and prospective regimes.
- **Conduct and sustainability.** Maintain review and substantiation standards for digital journeys, AI outputs, client communications and ESG claims, supported by monitoring and remediation.

Resource constraints remain part of the supervisory story

The question of allocation applies to ESMA as much as to firms. The SPD identifies constrained resources alongside more complex responsibilities. The AWP's budget and establishment-plan material must be read with its approval qualifications. These constraints support prioritisation and shared infrastructure; they do not provide a basis for firms to assume lighter scrutiny in their own sector.

For firms, the relevant management question is similarly one of allocation. A long regulatory inventory is less useful than a funded plan showing which controls, contractual changes and data dependencies are critical to delivery. Boards should test whether scarce specialist capacity is directed towards the services and weaknesses most likely to produce material harm.

Outlook

The AWP 2027, USSPs, SBR report and Activities Snapshot demonstrate that 2027 will be the year in which ESMA's supervisory focus moves from whether new rules have been implemented to whether services perform as represented. The first evidence will come from T+1 go-live, the CASP custody findings and the initial innovation checks. Firms that resolve their own perimeter, remediation and dependency decisions before those exercises begin will be better placed to shape their supervisory dialogue, rather than respond to conclusions drawn from comparison with peers.

For firms, the opportunity is to use the same work to improve commercial delivery: clearer accountabilities, more dependable data, resilient services and contracts that support the intended business model. Simplification becomes more valuable when those foundations allow a firm to remove duplication without losing control of its current obligations.

The strongest preparation for 2027 will connect the client proposition with evidence that it works in practice. Firms able to explain their technology, dependencies and remediation consistently across legal entities and supervisory relationships will be better placed both to respond to scrutiny and to pursue sustainable growth.



About us

PwC Legal is assisting a number of financial services firms and market participants in forward planning for changes stemming from relevant related developments. We have assembled a multi-disciplinary and multi-jurisdictional team of sector experts to support clients navigate challenges and seize opportunities as well as to proactively engage with their market stakeholders and regulators.

Moreover, we have developed a number of RegTech and SupTech tools for supervised firms, including PwC Legal's Rule Scanner tool, backed by a trusted set of managed solutions from PwC Legal Business Solutions, allowing for horizon scanning and risk mapping of all legislative and regulatory developments as well as sanctions and fines from multiple thousands of legislative and regulatory policymakers and other industry voices in over 170 jurisdictions impacting financial services firms and their business.

Equally, in leveraging our Rule Scanner technology, we offer a further solution for clients to digitise financial services firms' relevant internal policies and procedures, create a comprehensive documentation inventory with an established documentation hierarchy and embedded glossary that has version control over a defined backward plus forward looking timeline to be able to ensure changes in one policy are carried through over to other policy and procedure documents, critical path dependencies are mapped and legislative and regulatory developments are flagged where these may require actions to be taken in such policies and procedures.

The PwC Legal Team behind Rule Scanner are proud recipients of ALM Law.com's coveted "2024 Disruptive Technology of the Year Award" and the "2025 Regulatory, Governance and Compliance Technology Award in 2025".

If you would like to discuss any of the developments mentioned above, or how they may affect your business more generally, please contact any of our key contacts or PwC Legal's RegCORE Team via de_regcore@pwc.com or our [website](#).



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