



Legal Update

ESMA's Spotlight on Markets Newsletter

The European Securities and Markets Authority ("ESMA"), the lead regulatory authority in the European Union, has issued the latest edition of its newsletter, "Spotlight on Markets" (the "Newsletter"). This 50th edition covers its activities during November and December 2023. The Newsletter addresses the key activities and focus of ESMA during the relevant period, as well as giving updates in relation to upcoming events ESMA will be participating in, as well as consultations and hearings. As such it is both an excellent source of news as well as giving an insight into ESMA's current focus.

Costs and Charges

The latest edition of the Newsletter leads with an article on the sixth edition of its annual market report on the costs and performance of EU retail investment products. This report notes that the average cost of retail products has declined across Europe but notes that significant differences remain. A webinar was held online on 10 January 2024 to discuss the findings of this report in greater detail. Fund Boards are subject to an obligation to address the requirements of the Central Bank of Ireland "Dear Chair" letter of March 2023 to address issues relating to fees and charges. This is stated to apply to both UCITS and AIFs authorised in Ireland.

ESG

ESG and sustainability related matters are a key focus of the Newsletter with the majority of the articles in it focusing on related themes. These include:

- ESG Disclosures for Benchmark Administrators;
- Guidelines on fund names;
- Amended sustainability disclosures for the financial sector;
- Consumer clarity for sustainable finance;
- Climate risk stress testing and the financial impact of greenwashing.

Other Areas of Focus

Other topics focused on in the Newsletter include:

- Cyber Risk as a strategic priority
- The Technical Standards ("RTS") for ELTIFs

How Clerkin Lynch can Help

The asset management team at Clerkin Lynch LLP provides timely regulatory updates and aids firms to ensure compliance with Irish and EU law. We can assist with the establishment of new European fund products or with regard to compliance for existing financial products and for regulated service providers.



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