

## INDEPENDENT AUDITOR'S REPORT

European Securities and Markets Authority  
Rue de Grenelle 103,  
75007 Paris,  
France

We have audited the accompanying final annual accounts of the European Securities and Markets Authority, here-after referred to as 'the Authority'. Their annual accounts consist out of the financial statements and the reports on the implementation of the budget for the financial year ended December 31, 2015. The financial statements comprise the balance sheet as at December 31, 2015, and the economic outturn account, the cash flow table and the statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

This opinion on the final annual accounts supersedes our opinion issued by us on any of the provisional annual accounts previously issued by 'the Authority'.

### Management's Responsibility for the final annual accounts

Management is responsible for the preparation of the final annual accounts in accordance with its Financial Regulation, and, in accordance with the accounting rules adopted by the Commission's accounting officer, which are derived from the International Public Sector Accounting Standards, as issued by the International Public Sector Accounting Standards Board.

Management's responsibilities in respect of the annual accounts include designing, implementing and maintaining an internal control system relevant to the preparation and the fair presentation of the annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies on the basis of the accounting rules adopted by the Commission's accounting officer; making accounting estimates that are reasonable in the circumstances. The Director approves the annual accounts of 'the Authority' after its accounting officer has prepared them on the basis of all available information and established a note to accompany the accounts in which he declares, inter alia, that he has reasonable assurance that they present a true and fair view of the financial position of 'the Authority' in all material respects.

### Auditor's Responsibility

Our responsibility is to express an opinion on the final annual accounts based on our audit. We conducted our audit in accordance with the International Standards on Auditing (ISA) and the ISSAI (International Standards of Supreme Audit Institutions, as issued by the International Organization of Supreme Audit Institutions (INTOSAI)). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the final annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the final annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the final annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the final annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the final annual accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the final annual accounts of 'the Authority' present fairly, in all material aspects, its financial position as at December 31, 2015, and the results of its operations and its cash flow, for the year then ended, and are prepared in accordance with its Financial Regulation, and, in accordance with the accounting rules adopted by the Commission's accounting officer, which are derived from the International Public Sector Accounting Standards, as issued by the International Public Sector Accounting Standards Board.

### Restriction on use and distribution

The opinion transmitted is only intended for 'the Authority' and for the European Court of Auditors, for the purpose of forming an opinion on the final annual accounts of 'the Authority' only. It may not be relied upon by you for any other objective or purpose, nor may it be distributed or made available to any other parties, except those who have regulatory rights of access to it. Any review, transmission, dissemination or other use of, or taking of any action in reliance upon this information by any persons or entities other than 'the Authority' is prohibited and we will not assume any duty of care or liability towards these persons or entities.

Date : *24 June 2016*  
Brussels, Belgium

Ernst & Young Réviseurs d'Entreprises scrl,  
Represented by,



Danielle Vermaelen  
Partner \*  
\* Acting on behalf of a BVBA/SPRL  
16DV0789

Ernst & Young et Associés,  
Represented by,

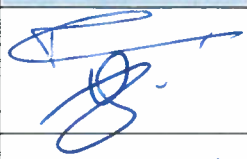




Isabelle Tracq-Sengeissen  
Partner

# **FINAL ACCOUNTS OF THE EUROPEAN SECURITIES AND MARKETS AUTHORITY**

## **Financial Year 2015**

### **Financial Statements Reports on the Implementation of the Budget**

	Name	Function	Date	Signature
Prepared by	Kate Maidens/ Stefan Meert	Accounting Assistant/ Senior Accounting Officer	03/05/2016	
Signed by	Stefan Meert	Senior Accounting Officer	22/6/16	
Signed by	Verena Ross	Executive Director	22/6/16	

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## STATEMENT OF THE ACCOUNTING OFFICER

The final accounts of the European Securities and Markets Authority for the year 2015 have been prepared in accordance with the Financial Regulation applicable to the general budget of the European Union and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings, and in accordance with Title IX of the Decision on the Financial Regulation of the European Securities and Markets Authority.

I acknowledge my responsibility for the preparation and presentation of the final accounts of the European Securities and Markets Authority in accordance with Article 68 of the Financial Regulation and with Article 50 of the Decision on the Financial Regulation of the European Securities and Markets Authority.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the assets and liabilities of the European Securities and Markets Authority and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the European Securities and Markets Authority.



Stefan Meert  
Senior Accounting Officer

## **PRESENTATION OF THE ORGANISATION**

### **Introduction**

The European Securities and Markets Authority was established by Regulation (EU) n° 1095/2010 of the European Parliament and the Council 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision n° 716/2009/EC and repealing Commission Decision 2009/77/EC.

The accounts of the European Securities and Markets Authority are kept in accordance with the Decision on the Financial Regulation of ESMA as adopted by its Management Board and its Implementing Rules.

In accordance with Article 147 of Council Regulation No 966/2012 (Financial Regulation) and Article 98 of the Decision on the Financial Regulation of the European Securities and Markets Authority, the following final accounts together with the reports on the implementation of the budget of the European Securities and Markets Authority have been drawn up.

### **Legal status and principal office**

The Authority is a body of the Union as referred to in article 208 of The Financial Regulation (EC, Euratom) n°966/2012 of the Council of 25 October 2012. It has legal personality. The Authority is represented by its Chair, Mr Steven MAIJOOR, and its management is entrusted to the Executive Director, Mrs Verena ROSS, both appointed by the Authority's Board of Supervisors.

The Authority's headquarters are located in Paris, France, 103 rue de Grenelle.

The Protocol on the Privileges and Immunities of the European Union applies to the Authority.

### **Governing structure**

ESMA's governing structure consists of a Board of Supervisors and a Management Board.

The Board of Supervisors is composed of the heads of the 28 national authorities competent for the supervision of financial markets participants in each EU Member State. The European Commission, the European Banking Authority, the European Insurance and Occupational Pensions Authority and the European Systemic Risk Board are non-voting Members. The heads of the national competent authorities for the supervision of financial markets participants from Iceland, Norway and Liechtenstein participate as observer.

The Board of Supervisors gives guidance to the work of the Authority and has key decision making responsibilities.

The Management Board is composed of the Chair and six members selected from the Board of Supervisors and the Executive Director and the European Commission as non-voting

member. The Vice-Chair is an observer. The Management Board deals with the management of the Authority.

Both the Board of Supervisors and the Management Board are chaired by the Chair while the Executive Director is entrusted with the management of the Authority and participates in Board meetings.

### **Further information sources**

More information on the Authority's administrative and operational activities, organisational chart, applicable legislation, Board of Supervisors and Management Board is available on the Authority's web site <http://www.esma.europa.eu> and in its annual report.



## **LEGAL BASE FOR DRAWING UP THE ANNUAL ACCOUNTS**

The final accounts of ESMA have been established in accordance with the following legislation:

- The Decision on the Financial Regulation of ESMA as adopted by its Management Board and its Implementing Rules (ESMA/2014/MB/38).
- The Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework Financial Regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council
- The accounting rules, methods and guidelines as adopted and provided by the Accounting Officer of the Commission.

**PART I**

**FINANCIAL STATEMENTS**

## BALANCE SHEET

	Notes n°	31.12.2015	31.12.2014
<b>A. NON CURRENT ASSETS</b>			
<b>Intangible assets</b>	<b>2.1.</b>	<b>6.012.653,28</b>	<b>4.403.572,97</b>
<b>Property, plant and equipment</b>	<b>2.2.</b>	<b>1.717.339,13</b>	<b>1.783.440,00</b>
Land and buildings		405.239,00	479.584,00
Plant and equipment		7.208,00	8.115,00
Computer hardware		369.983,13	299.061,00
Furniture		365.409,00	387.434,00
Other fixtures and fittings		569.500,00	609.246,00
<b>Long term receivables and recoverables</b>		<b>0,00</b>	<b>0,00</b>
<b>TOTAL NON CURRENT ASSETS</b>		<b>7.729.992,41</b>	<b>6.187.012,97</b>
<b>B. CURRENT ASSETS</b>			
<b>Exchange receivables and recoverables</b>	<b>2.3.</b>	<b>1.011.982,59</b>	<b>1.032.823,15</b>
Current receivables		0,00	0,00
Deferred charges		971.341,06	975.152,64
Sundry receivables		40.641,53	35.195,51
Other receivables		0,00	0,00
Accrued income with consolidated entities		0,00	22.475,00
<b>Non - exchange receivables and recoverables</b>	<b>2.4.</b>	<b>1.139.773,17</b>	<b>1.306.715,95</b>
Current receivables Member States		1.139.358,25	1.294.557,44
Other receivables		414,92	12.158,51
<b>Cash and cash equivalents</b>	<b>2.5.</b>	<b>7.129.280,66</b>	<b>4.703.962,82</b>
<b>TOTAL CURRENT ASSETS</b>		<b>9.281.036,42</b>	<b>7.043.501,92</b>
<b>TOTAL ASSETS</b>		<b>17.011.028,83</b>	<b>13.230.514,89</b>

	Notes n°	31.12.2015	31.12.2014
<b>A. NET ASSETS</b>	<b>2.6.</b>	<b>9.595.646,72</b>	<b>7.865.421,86</b>
Accumulated surplus/deficit		7.865.421,86	5.587.971,14
Economic result of the year – profit+/loss-		1.730.224,86	2.277.450,72
<b>B. NON CURRENT LIABILITIES</b>		<b>0,00</b>	<b>0,00</b>
<b>C. CURRENT LIABILITIES</b>		<b>7.415.382,11</b>	<b>5.365.093,03</b>
<b>Current provisions</b>	<b>2.7.</b>	<b>0,00</b>	<b>0,00</b>
Current provisions – legal cases		0,00	0,00
<b>Current payables</b>	<b>2.8.</b>	<b>1.273.474,64</b>	<b>1.269.310,78</b>
Current payables – vendors		1.165.777,09	1.158.186,56
Current payables – member states		0,00	94.751,52
Current payables - others		34.330,38	16.372,70
Current payables with consolidated entities		73.367,17	0,00
<b>Sundry payables</b>		<b>169.781,41</b>	<b>8.295,48</b>
Sundry payables		159.955,81	1.591,93
Sundry payables with consolidated entities		9.825,60	6.703,55
<b>Account payable with consolidated entities</b>		<b>438.888,38</b>	<b>0,00</b>
Pre-financing received from consolidated entities (EC) – budget outturn 2014		438.888,38	0,00
<b>Accrued charges and deferred income</b>	<b>2.9.</b>	<b>5.533.237,68</b>	<b>4.087.486,77</b>
Accrued charges		1.971.104,53	2.842.767,10
Accrued charges with consolidated entities		0,00	81.326,10
Other passive accruals & deferrals		0,00	15.600,57
Deferred income		3.562.133,15	1.147.793,00
<b>TOTAL LIABILITIES</b>		<b>17.011.028,83</b>	<b>13.230.514,89</b>

## STATEMENT OF FINANCIAL PERFORMANCE

	Note	2015	2014
<b>Non-exchange revenue</b>		<b>23.819.668,43</b>	<b>26.623.822,98</b>
<b>Revenue from consolidated EC entities (EU subsidy)</b>		<b>11.639.668,62</b>	<b>12.127.558,00</b>
<b>Contributions NCAs</b>		<b>12.179.999,81</b>	<b>14.496.264,98</b>
Contributions MS NCAs		14.153.059,00	15.122.386,74
Contributions observers NCAs		402.075,54	429.613,26
Deduction surplus		-2.375.134,73	- 1.055.735,00
<b>Exchange revenue</b>		<b>9.885.793,54</b>	<b>6.675.491,39</b>
<b>Exchange revenue – Fees from Supervised Entities</b>		<b>9.752.296,98</b>	<b>6.623.000,01</b>
CRA Fees		7.621.316,98	5.583.000,01
TR Fees		2.130.980,00	1.040.000,00
<b>Contributions NCAs</b>		<b>64.710,85</b>	<b>0,00</b>
Contributions MS NCAs IT-delegated projects		2.708.543,00	0,00
Deferred income MS NCAs IT-delegated projects		-2.643.832,15	0,00
<b>Other exchange revenue</b>		<b>68.785,71</b>	<b>52.491,38</b>
Fixed assets related revenue		-958,91	- 2.033,36
Other administrative revenue		0,00	45,00
Exchange rate differences gains		7.428,62	32.004,74
Revenue from consolidated entities		62.316,00	22.475,00
<b>TOTAL OPERATING REVENUE</b>	<b>3.1</b>	<b>33.705.461,97</b>	<b>33.299.314,37</b>
<b>Administrative expenses</b>	<b>3.2</b>	<b>-30.541.981,24</b>	<b>-29.337.121,11</b>
Staff expenses		-16.367.081,93	-14.622.410,06
Staff expenses with other consolidated entities		-188.391,19	-153.395,25
Fixed asset related expenses		-1.584.065,08	-1.150.382,28
Other administrative expenses		-12.402.443,04	-13.410.933,52
<b>Operational expenses</b>	<b>3.3</b>	<b>-1.445.879,38</b>	<b>-1.706.757,44</b>
Other operational expenses		-1.445.879,38	-1.706.757,44
<b>TOTAL OPERATING EXPENSES</b>		<b>-31.987.860,62</b>	<b>-31.043.878,55</b>
<b>SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES</b>		<b>1.717.601,35</b>	<b>2.255.435,82</b>
Financial revenues		14.044,74	28.745,54
Financial expenses		-1.421,23	-6.730,64
<b>SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES</b>		<b>12.623,51</b>	<b>22.014,90</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>1.730.224,86</b>	<b>2.277.450,72</b>

## ESMA – CASH FLOW STATEMENT

	2015	2014
<b>Cash Flows from ordinary activities</b>		
<b>Economic result of the year</b>	<b>1.730.224,86</b>	<b>2.277.450,72</b>
<b>Operating activities</b>		
Amortisation (intangible fixed assets) + Depreciation (tangible fixed assets) +	1.160.282,92	742.246,46
Increase/(decrease) in Provisions for risks and liabilities	405.938,16	403.779,82
Increase/(decrease) in Value reduction for doubtful debts	0,00	-317.557,38
(Increase)/decrease in Stock	0,00	0,00
(Increase)/decrease in Long term Pre-financing	0,00	0,00
(Increase)/decrease in Short term Pre-financing	0,00	0,00
(Increase)/decrease in Long term Receivables	0,00	0,00
(Increase)/decrease in Short term Receivables	187.783,34	351.617,39
(Increase)/decrease in Receivables related to consolidated EC entities	0,00	0,00
	0,00	0,00
Increase/(decrease) in Other Long term liabilities	0,00	0,00
Increase/(decrease) in Accounts payable	2.050.289,08	-5.544.017,93
Increase/(decrease) in Liabilities related to consolidated EC entities	0,00	0,00
	0,00	0,00
(Gains)/losses on sale of Property, plant and equipment	0,00	2.033,36
<b>Net cash Flow from operating activities</b>	<b>5.534.518,36</b>	<b>-2.084.447,56</b>
<b>Cash Flows from investing activities</b>		
Increase of tangible and intangible fixed assets (-)	-3.127.044,52	-2.552.519,79
Proceeds from tangible and intangible fixed assets (+)	17.844,00	4.356,00
<b>Net cash flow from investing activities</b>	<b>-3.109.200,52</b>	<b>-2.548.163,79</b>
<b>Increase/(decrease) in Employee benefits</b>	<b>0,00</b>	<b>0,00</b>
Net increase/(decrease) in cash and cash equivalents	2.425.317,84	-4.632.611,35
<b>Cash and cash equivalents at the beginning of the period</b>	<b>4.703.962,82</b>	<b>9.336.574,17</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>7.129.280,66</b>	<b>4.703.962,82</b>

## ESMA – STATEMENT OF CHANGES IN NET ASSETS

Capital	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Net assets (total)
	Fair value reserve	Other reserves			
<b>Balance as of 31 December 2014</b>	<b>0,00</b>	<b>0,00</b>	<b>5.587.971,14</b>	<b>2.277.450,72</b>	<b>7.865.421,86</b>
Changes in accounting policies					
<b>Balance as of 1 January 2015 (if restated)</b>	<b>0,00</b>	<b>0,00</b>	<b>5.587.971,14</b>	<b>2.277.450,72</b>	<b>7.865.421,86</b>
Allocation of the Economic Result of Previous Year			2.277.450,72	-2.277.450,72	<b>0,00</b>
Economic result of the year			0,00	1.730.224,86	<b>1.730.224,86</b>
<b>Balance as of 31 December 2015</b>	<b>0,00</b>	<b>0,00</b>	<b>7.865.421,86</b>	<b>1.730.224,86</b>	<b>9.595.646,72</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

### 1.1. General

In accordance with Article 147 of Council Regulation No 966/2012 and Article 98 of the Decision on the Financial Regulation of ESMA, the final accounts together with the reports on implementation of the budget of European Securities and Markets Authority have been drawn up.

The accounts are drawn up in accordance with the accounting rules and methods adopted by the Accounting Officer of the Commission as stated in article 143 and 208 of the Financial Regulation. These financial statements are prepared on the basis of the EU Accounting Rules as adopted by the Commission's Accounting Officer which adapt the International Public Sector Accounting Standards (and in some cases International Financial Reporting Standards) to the specific environment of the EU, while the reports on implementation of the budget continue to be primarily based on movements of cash.

The objective of the financial statements is to provide information about the financial position, performance and cash-flows of an entity that is useful to a wide range of users.

The accounting system of the European Securities and Markets Authority comprises general accounts and budget accounts. These accounts are kept in euro on the basis of the calendar year. The budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle.<sup>1</sup> The general accounts allow for the preparation of the financial statements as they show all charges and income for the financial year and are designed to establish the financial position in the form of a balance sheet as at 31 December.

The European Securities and Markets Authority financial statements have been drawn up using the methods of preparation as set out in the accounting rules laid down by the European Commission's Accounting Officer.

The accounting principles to be applied in drawing up the financial statements are:

- ✓ Going concern basis
- ✓ Prudence
- ✓ Consistent accounting methods
- ✓ Comparability of information
- ✓ Materiality
- ✓ No netting
- ✓ Reality over appearance

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<sup>1</sup> This differs from cash-based accounting because of elements such as carryovers.



✓ Accrual-based accounting

The financial statements are presented in euro, the functional and reporting currency. Foreign currency transactions are translated into euro using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translations at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the economic outturn account.

## 1.2. Balance Sheet

Assets are resources controlled by the European Securities and Markets Authority as a result of past events and from which future economic benefits or service potential are expected to flow.

➤ Intangible assets.

Acquired computer software licences are stated at cost less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over their estimated useful life, being 4 years.

With the entry into force of EU accounting rule n° 6 on internally developed intangible assets costs directly linked to an internally developed intangible asset, providing they meet the necessary criteria, must be capitalised as assets under construction. Once the project goes live, the resulting asset will be amortised over its useful life. In addition the amount of research expenses incurred on IT projects and development costs not capitalised (e.g. for small projects below threshold) must be disclosed in the financial statements. It must be noted that the threshold for capitalising these costs has been set at 150 000 EUR for the Authority.

➤ Property, plant and equipment

In compliance with the accounting rules, fixed assets are considered as such when their nominal value is equal or above €420 and their useful life is greater than one year. The assets are reflected in the balance sheet at year end for their net value. The depreciation method used is the straight-line method and prorata temporis from the month of first use or delivery of the asset in the Authority premises.

The assets registration system, integrated in the Authority's accounting systems, is identical to the one used by the European Commission (ABAC Assets). It is operational since July 2011.

All property, plant and equipment are stated at historical costs less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the Authority and its cost can be measured reliably. Repairs and maintenance are charged to the economic outturn account during the financial period in which they are incurred.

Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

## TABLE OF DEPRECIATION RATES

### **Intangible assets**

Software for personal computers and servers	25%
Other intangible fixed assets	25%

### **Tangible assets**

#### **Buildings**

4%

#### **Plant and equipment**

Tools for industry and workshops	12,5%
Specific electric equipment	25%

#### **Furniture and vehicles**

Office, laboratory and workshop furniture	10%
Electrical office equipment, printing and mailing equipment	25%
Printshop and postroom equipment	12,5%
Equipment and decorations for garden, kitchen, canteen, restaurant, crèche and school	12,5%
Furniture for restaurant/cafeteria/bar area	10% / 12,5%
Cash registers and card acceptor devices	25%
Antiques, artistic works, collectors' items	0%
Transport equipment (vehicles and accessories)	25%

#### **Computer hardware**

Computers, servers, accessories, data transfer equipment, printers, screens	25%
Copying equipment, digitising and scanning equipment	25%

#### **Other fixtures and fittings**

Telecommunications equipment	25%
Audiovisual equipment	25%
Computer, scientific and general books, documentation	
Computer books, CDs, DVDs	33%
Scientific books, general books, CDs, DVDs	25%
Health, safety and protective equipment, medical equipment, fire-fighting, surveillance, security, Medical and nursing equipment	12,5%
Other	25%
Other	10%

#### **Tangible fixed assets under construction**

0%

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

➤ Receivables.

Receivables are carried at original amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that ESMA will not be able to collect all amounts due according to the original terms of receivables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the writedown is recognised in the statement of financial performance.

➤ Cash and cash equivalents

Cash and cash equivalents are financial instruments and classified as available for sale financial assets. They include cash at hand and deposits held at call with banks.

➤ Provisions

Provisions are recognised when the Authority has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenditures expected to be required to settle the present obligation at the reporting date.

➤ Payables

A significant amount of the payables of the Authority are not related to the purchase of goods or services – instead they are unpaid cost claims from beneficiaries of grants or other EU funding. They are recorded as payables for the requested amount when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount.

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the Authority.

➤ Accrued and deferred income and charges

Following the accrual accounting principle, transactions and events are recognised in the financial statements in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. Revenue is also accounted for in the period to which it relates.

### **1.3. Statement of financial performance**

#### ➤ Revenues and expenses

Revenues and expenses are accounted for in accordance with the accrual accounting basis principle.

Non-exchange revenue makes up the vast majority of ESMA's revenue and includes mainly the EU subsidy and the contributions from the National Competent Authorities.

Exchange revenue is the revenue from the sale of goods and services. It is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

Interest income consist of received bank interest.

### **1.4. Contingent assests and liabilities**

#### ➤ Contingent assets

A contingent asset is a possible right that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

#### ➤ Contingent liability

A contingent liability is:

- A possible obligation, that arises from past events, and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority; or

- A present obligation that arises from past events but is not recognized either because it is unlikely that the Authority will use its own resources to settle the obligation or because the value of the obligation cannot be measured with sufficient reliability.

A commitment for future funding represents a legal or constructive commitment, usually contractual, that the Authority has entered into and which may require a future outflow of resources.

Guarantees are possible assets or obligations that arise from past events and whose existence will be confirmed by the occurrence or non-occurrence of the object of the guarantee. It can thus be qualified as a contingent asset or liability. A guarantee is settled when the object of the guarantee no longer exists.

## 2. NOTES TO THE BALANCE SHEET

### 2.1. Intangible assets

		Internally generated Computer Software	Other Computer Software	Intangible assets under constructions	Total
<b>Gross carrying amounts 01.01.2015</b>		<b>2.826.874,24</b>	<b>546.873,04</b>	<b>2.392.466,41</b>	<b>5.766.213,69</b>
Additions	+		407.150,72	2.387.875,71	2.795.026,43
Disposals	-		-1.404,10		-1.404,10
Transfer between headings	+/-	3.061.219,66		-3.061.219,66	0,00
Other changes	+/-	-37.164,20			-37.164,20
<b>Gross carrying amounts 31.12.2015</b>		<b>5.850.929,70</b>	<b>952.619,66</b>	<b>1.719.122,46</b>	<b>8.522.671,82</b>
<b>Accumulated amortisation and impairment 01.01.2015</b>		<b>-887.930,92</b>	<b>-474.709,80</b>	<b>0,00</b>	<b>-1.362.640,72</b>
Amortisation	-	-822.012,73	-338.270,19		-1.160.282,92
Write-back of amortisation	+		11.501,00		11.501,00
Disposals	+		1.404,10		1.404,10
Impairment	-				0,00
Write-back of impairment	+				0,00
Transfer between headings	+/-				0,00
Other changes	+/-				
<b>Accumulated amortisation and impairment 31.12.2015</b>		<b>-1.709.943,65</b>	<b>-800.074,89</b>	<b>0,00</b>	<b>-2.510.018,54</b>
<b>Net carrying amounts 31.12.2015</b>		<b>4.140.986,05</b>	<b>152.544,77</b>	<b>1.719.122,46</b>	<b>6.012.653,28</b>

### Other computer software

In the course of 2015 the Authority has purchased some new licenses for software for a total amount of € 407.150,72 €.

### Internally generated computer software

In the course of 2015 a significant number of additional internally generated intangible fixed assets have been capitalised. Here below a detailed breakdown can be found:

Name of the project	Description	Development cost capitalised (in €)
	<b>Balance as per 01.01.2015</b>	<b>2.826.874,24</b>
AIFMD	The objective of the AIFMD project is to organise the reporting required by the AIFM Directive between the NCAs and ESMA.	665.592,00
DIFEA	Data Integration for Economic Analytics. The objective is setting up analytics capabilities at ESMA.	597.232,67
DOCUM	Document Management System allowing that any document can be electronically filed and stored	921.941,83
EMIRN	EMIR - Intragroup Notifications. The objective of the project is to allow NCAs to report Intragroup Notifications to ESMA.	273.658,01
REGST (extension OMNIB)	ESMA Registers. The project objective is to organise reporting from NCAs to ESMA's web site for the publication of financial data such as for example sanctions, investment firms, etc....	560.010,42
SECEX	Secure exchange of electronic documents. The objective is to organise for the secure electronic exchange, storage, access and the protection of information exchanged between the European Securities and Markets Authority (ESMA), national competent authorities and other third parties where needed.	269.099,19
IAMAN	Identity and Access Management tool enabling efficient management of identity resources across the IT systems used by ESMA and external entities accessing ESMA applications.	-263.478,66 <sup>2</sup>
	<b>Balance as per 31.12.2015</b>	<b>5.850.929,70</b>

<sup>2</sup> This system had been capitalised at the end of 2015 but further analysis has shown that given the fact that all development costs related to this system are rather to be considered as evolutive maintenance no capitalisation should have taken place. For that reason the total development costs were removed from the internally generated computer software.

In addition the Authority has incurred IT-system research costs for a total amount of € 271.335,50 during 2015.

### Intangible assets under constructions

During 2015 the Authority has started/continued the development of a number of IT-systems which are expected to go live in the course of 2016 or beyond. Below an overview can be found of the capitalised internal and external development at the end of 2015 for the development of these IT-systems.

<b>Project Code</b>	<b>Description</b>	<b>Development cost capitalised (in €) – 2015</b>
CRA3T	CRAs III Transparency System allowing the reception, storage and publication of data from CRAs (Ratings and Fees) as required by the CRA III regulation	974.363,01
FIRDS	Financial Instruments Reference Data System for collection of reference and transparency data from trading venues and NCAs, performing transparency calculations and publication of reference data and calculations results as required by the MIFIR regulation	615.765,70
TRACE	Access to Trade Repositories for data queries submission by NCAs, distribution of those queries to Trade Repositories (TRs), receiving the queries results from TR and deliver them to NCAs	128.993,75
<b>Balance as per 31.12.2015</b>		<b>1.719.122,46</b>

## **2.2 Property, plant and equipment**

Tangible (fixed) assets at ESMA consist of leasehold improvements, technical equipment, vehicles, furniture, kitchen and cafeteria equipment, computer hardware and telecommunication and audio-visual equipment.

- Table of tangible assets
- Assets under construction
- Further explanations
- Finance leases

		Buildings	Plant and Equipment	Computer hardware	Furniture	Other Fixtures and Fittings	Total
<b>Gross carrying amounts 01.01.2015</b>		<b>744.105,38</b>	<b>11.241,11</b>	<b>894.893,03</b>	<b>669.730,02</b>	<b>848.332,24</b>	<b>3.168.301,78</b>
Additions	+		549,41	233.243,77	44.603,25	79.284,86	357.681,29
Disposals	-			-128.444,57	-48.390,86	-7.793,69	-184.629,12
Transfer between headings	+/-						0,00
Other changes	+/-						0,00
<b>Gross carrying amounts 31.12.2015</b>		<b>744.105,38</b>	<b>11.790,52</b>	<b>999.692,23</b>	<b>665.942,41</b>	<b>919.823,41</b>	<b>3.341.353,95</b>
<b>Accumulated amortisation and impairment 01.01.2015</b>		<b>-264.521,38</b>	<b>-3.126,11</b>	<b>-595.832,03</b>	<b>-282.296,02</b>	<b>-239.086,24</b>	<b>-1.384.861,78</b>
Amortisation	-	-74.345,00	-1.456,41	-154.730,64	-57.698,25	-117.707,86	-405.938,16
Write-back of amortisation	+						0,00
Disposals	+			120.853,57	39.460,86	6.470,69	166.785,12
Impairment	-						0,00
Write-back of impairment	+						0,00
Transfer between headings	+/-						0,00
Other changes	+/-						0,00
<b>Accumulated amortisation and impairment 31.12.2015</b>		<b>-338.866,38</b>	<b>-4.582,52</b>	<b>-629.709,10</b>	<b>-300.533,41</b>	<b>-350.323,41</b>	<b>-1.624.014,82</b>
<b>Net carrying amounts 31.12.2015</b>		<b>405.239,00</b>	<b>7.208,00</b>	<b>369.983,13</b>	<b>365.409,00</b>	<b>569.500,00</b>	<b>1.717.339,13</b>



### 2.3. Exchange receivables and recoverables

	31/12/2015	31/12/2014
Current receivables	0,00	0,00
Sundry receivables	40.641,53	35.195,51
Deferred charges	971.341,06	975.152,64
Other receivables	0,00	0,00
Accrued income with consolidated entities	0,00	22.475,00
<b>TOTAL</b>	<b>1.011.982,59</b>	<b>1.032.823,15</b>

- The sundry receivables mainly relate to amounts to be recovered from staff members.
- The deferred charges consist of prepaid rent for the first quarter of 2016.

### 2.4. Non-exchange receivables and recoverables

	31/12/2015	31/12/2014
VAT refund	1.139.358,25	1.294.557,44
Other receivables	414,92	12.158,51
<b>TOTAL</b>	<b>1.139.773,17</b>	<b>1.306.715,95</b>

- The European Securities and Markets Authority pays the invoices from local suppliers with Value Added Tax (VAT) and claims the VAT refund from the Host State on a quarterly basis. The outstanding amount at year-end amounts to € 1.139.358,25.
- The total of other receivables relate to salary payments made to staff members previously employed by the Commission and/or other agencies and to be recovered from the latter for total amount of € 414,92.

### 2.5. Cash and cash equivalents

The cash and cash equivalents position of the Authority at 31st December 2015 amount to 7.129.280,66 € on the current account of ESMA with ING and Société Générale.

	2015	2014
Bank account ING Belgium – accrued interest	3.224,93	0,00
Bank account ING – Income	6,76	0,00
Bank account ING Belgium	7.126.042,97	0,00
Bank account Citibank	0,00	4.703.956,82
Bank account Société Générale	6,00	6,00
<b>Total</b>	<b>7.129.280,66</b>	<b>4.703.962,82</b>

The significant increase in cash can mainly be explained by the funds received from the NCAs for the IT-delegated tasks.

## 2.6. Net Assets

The equity of the Authority amounts to € 9.595.646,72 of which:

- € 7.865.421,86 are the accumulated surplus from previous years;
- € 1.730.224,86 is the economic outturn of 2015.

## 2.7. Provision for risks and charges

No short term provision for outstanding salary payments has been made in 2015 since the yearly adaptation was included in the December salary payment.

## 2.8. Current payables

The total amount of current payables as per 31.12.2015 can be broken down as follows:

- € 1.200.107,45 representing current payables to third parties of which the main amount relates to the outstanding payment for the Q1/2016 rent that was paid in the beginning of 2016 and € 73.367,17 representing current payables to consolidated entities.
- € 9.825,60 representing payables to consolidated entities for staff members previously employed by the Commission and/or other agencies and to be paid to the latter.
- € 159.955,81 representing other payables.

## 2.9. Accrued charges and deferred income

The total amount of accrued charges and deferred income as per 31.12.2015 can be broken down as follows:

- € 1.971.104,53 representing accrued charges for goods and services provided to the Authority in 2015 but not registered as invoiced at year end. This amount also includes a provision of € 354.986,27 for untaken leave of staff members.
- € 918.301,00 representing the reduction on the rental costs to be spread over the remaining years of the rental contract.
- € 2.643.832,15 representing the deferred income relating to the NCAs contributions received to execute the IT-delegated tasks.

Accrued expenses	31/12/2015	31/12/2014	% change
<b>Accrued expenses</b>	<b>1.971.104,53</b>	<b>2.924.093,20</b>	<b>-33%</b>
Accrued expenses based on carry-over analysis	1.616.118,26	2.589.716,48	-38%
Accrual for untaken holidays	354.986,27	334.376,72	+6%

Accrued expenses based on carry-over analysis	31/12/2015	31/12/2014	% change
Title 1 – Staff	243.143,94	292.229,36	- 17%
Title 2 – Buildings, equipment and miscellaneous expenditure	481.837,00	553.060,41	- 13%
Title 3 – Operational expenditure	741.326,69	1.744.426,71	- 58%
Title 4 – Delegated projects	149.810,63	0,00	100%
<b>Total</b>	<b>1.616.118,26</b>	<b>2.589.716,48</b>	<b>- 38%</b>

Accrual for untaken holidays	31/12/2015	31/12/2014	% change
Number of days not taken	1.298	1.199	+8%
Accrued amount	354.986,27	334.376,72	+6%

### 3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

#### 3.1. Operating revenue

The total operating revenue of the Authority consists mainly of contributions received from the National Competent Authorities, the Commission and fees received from supervised entities (Credit Rating Agencies (CRA) and Trade Repositories (TR)). As compared to 2014 the total operating revenue of the Authority has remained stable. However there has been a decrease in the contributions from the NCAs and an increase in the fees received from supervised entities. In addition, new funds were received from the NCAs specifically to be used for the IT-delegated tasks entrusted to the Authority by them.

Type of revenue	2015	2014	% change
Non-exchange	23.819.668,43	26.623.822,98	-10%
Exchange	9.885.793,54	6.623.000,01	+49%
Other	68.785,71	52.491,38	+31%
<b>TOTAL</b>	<b>33.774.247,68</b>	<b>33.299.314,37</b>	<b>+1%</b>

#### 3.2. Administrative expenses

These include staff expenses, costs relating to intangible assets and property, plant and equipment (mainly depreciation) and other expenses.

Type of Expense	2015	2014	% change
Staff expenses	-16.555.473,12	-14.775.805,31	+12%
Fixed asset related expenses	-1.584.065,08	-1.150.382,28	+38%
Other administrative expenses	-12.402.443,04	-13.410.933,52	-8%
<b>TOTAL</b>	<b>-30.541.981,24</b>	<b>-29.337.121,11</b>	<b>+4%</b>

As compared to 2014 there has been an increase of 4% which can be explained by:

- The reason for the significant increase in staff expenses of 12% is twofold. In 2014 ESMA paid only a part of salary for those recruited as from the second semester of 2014, and thus in 2015 their salary was paid in full. Second, there was an increase of 6% in staff in 2015 (167 at the end of 2014 to 177 at the end of 2015).
- An increase of 38% in depreciation of intangible and tangible fixed assets mainly as a result of the amortisation of the capitalised internally generated intangible assets.
- A decrease of 8% in other administrative expenses. This can mainly be explained by the capitalisation of the development costs for IT-projects and an overall reduction in other administrative expenses as a result of a closer monitoring of the latter.

### **Average number of employees**

	2015	2014
Temporary agents	126	125
Contract agents	31	26
SNE	20	16
<b>TOTAL</b>	<b>177</b>	<b>167</b>

### **3.3. Operating expenses**

The decrease in the operational expenses is mainly due a decrease in the mission costs (linked to operational activities) and to a decrease of expenses for consultancy services and specific legal advice.

## **4. NOTES TO THE CASH-FLOW STATEMENT**

Cashflow information is used to provide a basis for assessing the ability of ESMA to generate cash and cash equivalents, and its needs to utilise those cashflows.

The cashflow statement is prepared using the indirect method. This means that the economic result of the financial year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing cashflows.

Cashflows arising from transactions in a foreign currency are recorded in the EU's reporting currency (euro), by applying to the foreign currency amount the exchange rate between the euro and the foreign currency at the date of the cashflow.

The cashflow statement presented reports cashflows during the period classified by operating and investing activities (ESMA does not have financing activities).

#### 4.1. Operating activities

Operating activities are the activities of the EU that are not investing activities. These are the majority of the activities performed.

#### 4.2. Investing activities

Investing activities are the acquisition and disposal of intangible assets and property, plant and equipment and of other investments which are not included in cash equivalents. The objective is to show the real investments made by ESMA.

### 5. CONTINGENT ASSETS AND LIABILITIES AND OTHER SIGNIFICANT DISCLOSURES

#### 5.1. Contingent Liabilities

##### 5.1.1. Other contingent liabilities

These relate to potential costs which might be incurred if and when ESMA would leave its present premises. An exact amount cannot be calculated as there are variable factors laid down in the rent agreement. The current lease contract of ESMA is due to end by 2020. There is no planned change of premises until at least this date. Therefore the probability of such expenditure in the near future is very low.

In addition ESMA provided the landlord of its premises with a bank guarantee for the lease contracts.

##### 5.1.2. Contingent liabilities – amounts relating to legal cases

There are currently no pending legal cases concerning staff members. As regards previous year's cases before the Civil Service Tribunal (CST) the judgements in two of them were in favour of the Authority. At this stage it is very difficult to provide indications as to the estimated recovery of expenses for the Authority.

#### 5.2. Other significant disclosures

##### 5.2.1. Operating leases

Assets subject to an operating lease are regarded as rentals.

Description	Charges paid in 2015	Charges to be paid next year	Charges to be paid later than one year	Total charges to be paid
Rent 1	3.461.382,81	3.446.435,50	13.860.478,55	20.768.296,86
<b>Total Rent</b>	<b>3.461.382,81</b>	<b>3.446.435,50</b>	<b>13.860.478,55</b>	<b>20.768.296,86</b>

## 5.2.2. Outstanding commitments not yet expensed (Carryovers)

Unconsumed budgetary commitments for future funding (C8 + R0 carry-forward) have been registered by the Authority with an amount of € 5.518.942,01 at year end, of which € 1.849.428,27 relate to 2015. Additional expenditure of € 3.669.513,74 is expected for 2016, whereby budgetary commitments have been registered but do not have any impact on the 2015 accruals based accounting.

	2015	2014
Automatic carryovers C1	5.139.444,44	5.897.873,79
Automatic carryovers C4	0,00	55.326,12
Automatic carryovers R0	379.497,57	0,00
Accrued expenses	-1.849.428,27	-2.589.716,48
<b>Outstanding commitments not yet expensed</b>	<b>3.669.513,74</b>	<b>3.363.483,43</b>

The amount disclosed above is the budgetary RAL ("Reste à Liquider") less related amounts that have been included as expenses in the 2015 statement of financial performance. The budgetary RAL is an amount representing the open commitments for which payments and/or de-commitments have not yet been made.

## 6. FINANCIAL INSTRUMENTS

Financial instruments comprise cash, current receivables and recoverables, current payables, amounts due to and from consolidated entities. Financial instruments give rise to liquidity, credit, interest rate and foreign currency risks, information about which and how they are managed is set out below (*prepayments, accrued income, accruals and deferred income are not included*).

The carrying amounts of financial instruments are as follows:

	2015	2014
<b>Financial assets</b>		
Exchange receivables and recoverables	40.641,53	35.195,51
Non - exchange receivables and recoverables	1.139.773,17	1.306.715,95
Cash and deposits	7.129.280,66	4.703.962,82
<b>Total monetary assets (A)</b>	<b>8.309.695,36</b>	<b>6.045.874,28</b>
<b>Financial liabilities</b>		
Current payables	1.273.474,64	1.269.310,78
Sundry payables	169.781,41	8.295,48
Accounts payables with consolidated entities	438.888,38	0,00
<b>Total monetary liabilities (B)</b>	<b>1.882.144,43</b>	<b>1.277.606,26</b>
<b>Total net financial instruments (A) – (B)</b>	<b>6.427.550,93</b>	<b>4.768.268,02</b>

### Liquidity risk

Liquidity risk is the risk that arises from the difficulty of selling an asset; for example, the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or

meet an obligation. Liquidity risk arises from the ongoing financial obligations, including settlement of payables.

The Authority manages liquidity risk by continually monitoring forecast and actual cash flows.

Bank accounts opened in the name of the Authority may not be overdrawn.

Treasury and payment operations are highly automated and rely on modern information systems. Specific procedures are applied to guarantee system security and to ensure segregation of duties in line with the Financial Regulation, the internal control standards, and audit principles.

EU budget principles ensure that overall cash resources for a given year are always sufficient for the execution of all payments.

### Credit risk

Credit risk is the risk of loss due to a debtor's/borrower's non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

Treasury resources are kept with commercial banks. Contributions are requested 2 times a year based on cash forecasts.

In addition, specific guidelines are applied for the selection of commercial banks in order to further minimise counterparty risk to which the Authority is exposed:

All commercial banks are selected by call for tenders. The minimum short term credit rating required for admission to the tendering procedures is Moody's P-1 or equivalent (S&P A-1 or Fitch F1). A lower level may be accepted in specific and duly justified circumstances.

The maximum exposure to credit risk is:

	2015	2014
Exchange receivables and recoverables	40.641,53	35.195,51
Non-exchange receivables and recoverables	1.139.773,17	1.306.715,95
Cash and deposits	7.129.280,66	4.703.962,82
<b>Total monetary assets (A)</b>	<b>8.309.695,36</b>	<b>6.045.874,28</b>
Impairment (C)	0,00	0,00
Guarantees (E)	0,00	0,00
<b>Total credit risk (A+C+E)</b>	<b>8.309.695,36</b>	<b>6.045.874,28</b>

### Interest rate risk

Interest rate risk is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa.

Interest rate risk at the Authority arises from cash. It is recognised that interest rates fluctuate and the Authority accepts the risk and does not consider it to be material.

The Authority's treasury does not borrow any money; as a consequence it is not exposed to interest rate risk. It does, however, earn interest on balances it holds on its banks accounts. The Authority has therefore put in place measures to ensure that interest earned on its bank accounts regularly reflects market interest rates, as well as their possible fluctuation.

Overnight balances held on commercial bank accounts earn interest on a daily basis. This is based on variable market rates to which a contractual margin (positive or negative) is applied. For most of the accounts, the interest calculation is linked to the EONIA (Euro over night index average) or EURIBOR (Euro InterBank Offer Rate) and is adjusted to reflect any fluctuations of this rate. In case the resulting interest rate to be applied is less than 0, then a fixed rate is applied for a certain period of time. As a result no risk exists that the Authority earns interest at rates lower than market rates.

### **Foreign currency risk**

Currency risk is the risk that the EU's operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another.

Most financial assets and liabilities are in euro, so in these cases the Authority has no foreign currency risk.

When miscellaneous receipts are received in currencies other than euro, they are converted into euro and transferred to accounts held in euro.

At the end of 2015 the Authority had no outstanding receivables in foreign currency and no material outstanding payable balance in foreign currency.

### **Fair value**

The estimated fair values of all financial instruments of the Authority are equal/approximate to their book values as at 31 Dec 2015. All financial assets and liabilities are receivable or repayable on demand or within one year.

## **7. CHANGES IN ACCOUNTING POLICIES**

There have been no changes in accounting policies for the financial year 2015.

## **8. RELATED PARTY DISCLOSURE**

The related parties of the Authority are the key management personnel. Transactions between the Authority and the key management personnel take place as part of the normal operations and as this is the case, no specific disclosure requirements are necessary for these transactions in accordance with the EU Accounting rules.

<b>Highest grade description</b>	<b>Grade</b>	<b>Number of persons of this grade</b>
Chair	AD15	1
Executive Director	AD14	1



The remuneration equivalent to the grades of the key management personnel in the table can be found in Official Journal L 345/10 of 23 December 2008.

## **9. EVENTS AFTER THE BALANCE SHEET DATE**

At the date of issue of the accounts, no material issue came to the attention of the Accounting officer of the Authority or were reported to him/her that would require separate disclosure under that section.

**REPORTS ON IMPLEMENTATION OF THE BUDGET OF  
THE EUROPEAN SECURITIES AND MARKETS  
AUTHORITY**

## BUDGETARY STRUCTURE AND PRINCIPLES

The budgetary accounts are kept in accordance with the Financial Regulation and its rules of application. The budget is the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the implementation of the Authority's Decision.

Every year, the Authority estimates its revenue and expenditure for the year and draws up a draft budget which it sends to the Commission. The Commission then sends it to the budgetary authority. On the basis of this draft budget, the Council draws up its position which is then the subject of negotiations between the two arms of the budgetary authority. The President of the Parliament declares that the joint draft has been finally adopted, thus making the budget enforceable. The task of executing the budget is the responsibility of the Authority.

The budget structure for the Authority consists of administrative and operational appropriations and has non-differentiated appropriations for titles I to III and differentiated appropriations for title IV.

### Origin of Appropriations

The main source of appropriations is the Authority's budget for the current year. However, there are other types of appropriations resulting from the provisions of the Financial Regulation. They come from previous financial years or outside sources:

– **Initial budget appropriations** adopted for the current year can be supplemented with transfers between lines and by amending budgets.

– **Appropriations carried over** from previous year or made available again also supplement the current budget. These are:

(i) non-differentiated payment appropriations which may be carried over automatically for one financial year only;

(ii) appropriations carried over by decision of the Authority in one of two cases: if the preparatory stages have been completed or if the legal base is adopted late.

– **Assigned revenue** which is made up of:

(i) internal assigned revenue such as refunds where the amounts are assigned revenue on the budget line which incurred the initial expenditure and may be carried over for one year only;

(ii) external assigned revenue

### Composition of Appropriations Available

– Initial budget = appropriations voted in year N-1;

– Final budget appropriations = initial budget appropriations adopted + amending budget appropriations + transfers + additional appropriations;

– Additional appropriations = assigned revenue (see above) + appropriations carried over from the previous financial year.

### **Calculation of the Budget Result**

The revenue entered in the accounts is the amount actually received during the course of the year. For the purposes of calculating the budget result for the year, expenditure comprises payments made against the year's appropriations plus any of the appropriations for that year that are carried over to the following year. Payments made against the year's appropriations means payments that are made by the accounting officer by 31 December of the financial year.

The following are added to or deducted from the resulting figure:

- the net balance of cancellations of payment appropriations carried over from previous years and any payments which, because of fluctuations in the euro rate, exceed non-differentiated appropriations carried over from the previous year; and
- the balance of exchange-rate gains and losses recorded during the year.

Payment appropriations carried over include: automatic carryovers and carryovers by decision. The cancellation of unused payment appropriations carried over from the previous year shows the cancellations on appropriations carried over automatically and by decision. It also includes the decrease in assigned revenue appropriations carried over to the next year in comparison with 2014.

### **Budgetary principles**

The budget of the Authority has been established in compliance with the principles of unity, budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency as set out in the Financial Regulation of the Authority.

**BUDGET RESULT**  
**1.1.2015 – 31.12.2015**

		2015	2014	
<b>REVENUE</b>				
	Contributions from MS NCAs	+	11.777.924,27	12.515.665,29
	Commission subsidy received by the Authority for 2015	+	9.703.422,27	11.071.823,00
	Budgetary surplus 2013	+	2.375.134,73	1.055.735,00
	Contributions from Observer NCAs	+	402.075,54	297.461,22
	Fees from Supervised Entities	+	9.752.296,98	6.781.416,67
	NCA contributions for delegated tasks	+	2.708.543,00	0,00
	Other Fee income	+		0,00
	Other revenue	+	105.539,31	20.365,00
	<b>TOTAL REVENUE (a)</b>		<b>36.824,936,10</b>	<b>31.742.466,18</b>
<b>EXPENDITURE</b>				
	<b>Title I: Staff</b>			
	Payments	-	17.556.744,76	16.268.421,34
	Appropriations carried over	-	555.710,99	472.662,45
	<b>Title II: Administrative Expenses</b>			
	Payments	-	6.270.201,82	5.732.029,59
	Appropriations carried over	-	2.193.972,15	1.361.631,66
	<b>Title III: Operating Expenditure</b>			
	Payments	-	4.688.992,05	5.075.606,74
	Appropriations carried over	-	2.308.938,37	4.118.905,80 <sup>3</sup>
	<b>Title IV: Delegated Tasks Expenditure</b>			
	Payments	-	734.678,91	0,00
	Appropriations carried over	-	2.365.317,09	0,00
	<b>TOTAL EXPENDITURE (b)</b>		<b>36.674.556,14</b>	<b>33.029.257,58</b>
<b>OUTTURN FOR THE FINANCIAL YEAR (a-b)</b>			<b>150.379,96</b>	<b>-1.286.791,40</b>
	Cancellation of unused payment appropriations carried over from previous year	+	567.061,99	940.054,06
	Adjustment for carry-over from the previous year of appropriations available at 31.12 arising	+	55.326,12	0,00
	Exchange differences for the year (gain +/-loss -)	+/-	-8.098,58	20.956,23
<b>BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR</b>			<b>764.669,49</b>	<b>-325.781,11</b>
	Balance year N-1	+/-	-325.781,11	3.958.557,88
	Positive balance from year N-1 reimbursed in year N to the Commission (actual payment/offset of debit in 2014)	-	0,00	-3.958.557,88
<b>Result used for determining amounts in general accounting</b>			<b>438.888,38</b>	<b>-325.781,11</b>
<b>Commission subsidy - Authority registers accrued revenue and Commission accrued expense</b>			<b>11.639.668,62</b>	<b>12.127.558,00</b>
<b>Pre-financing remaining open to be reimbursed by Authority to Commission in year N+1</b>			<b>438.888,38</b>	<b>0,00</b>
<b>Not included in the budget outturn</b>				
	Interests generated by 31/12/2012 on the EC subsidy and to be reimbursed to the Com <sup>o</sup> (liability) (amounts related to EC subsidy PF only)	+	0,00	0,00

<sup>3</sup> Contains also 55.326,12€ of carried over C4 payment appropriations.

## RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR

	2015	2014
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>1.730.224,86</b>	<b>2.277.450,72</b>
<b>Adjustments for accrual items (items included in the economic result but not in the budget result)</b>		
Accrual Cut-off (reversal 31.12.N-1)	-2.924.093,20	-2.287.821,85
Accrual Cut-off (cut-off 31.12.N)	2.030.752,70	2.924.093,20
Unpaid invoices at year end but booked in charges	542,10	9.056,15
Depreciation/amortisation of intangible and tangible assets	1.584.065,08	1.152.415,64
Provisions	0,00	-317.557,38
Recovery Orders issued in year N and not yet cashed	13.719,00	-1.683.138,47
Payments made from carry-over of payment appropriations	5.330.811,80	4.879.718,65
Other	2.305.919,02	123.802,52
<b>Adjustments for budgetary items (items included in the budget result but not in the economic result)</b>		
Asset acquisitions (less unpaid amounts)	-2.967.084,76	-2.552.821,11
New prefinancing received in year N and remaining open as at 31.12.2015	438.888,38	0,00
Budgetary recovery orders issued before year N and cashed in the year	22.475,00	162.166,67
Payment appropriations carried over to year N+1	-7.423.938,60	-5.953.199,91
Cancellation of unused carried over payment appropriations from previous year	567.061,99	940.054,06
Adjustment for carry-over from the previous year of appropriations available at 31.12.N arising from assigned revenue	55.326,12	0,00
Other	0,00	0,00
<b>Total</b>	<b>764.669,49</b>	<b>-325.781,11</b>
<b>BUDGET RESULT OF THE YEAR</b>	<b>764.669,49</b>	<b>-325.781,11</b>

The economic result of the year is calculated on the basis of accrual accounting principles. The budget result is however based on modified cash accounting rules, in accordance with the Financial Regulation. As the economic result and the budget result both cover the same underlying operational transactions, it is a useful control to ensure that they are reconcilable.

The actual budgetary revenue for a financial year corresponds to the revenue collected from entitlements established in the course of the year and amounts collected from entitlements established in previous years. Therefore the entitlements established in the current year but not yet collected are to be deducted from the economic result for reconciliation purposes as they do not form part of budgetary revenue. On the contrary the entitlements established in previous years and collected in current year must be added to the economic result for reconciliation purposes.

The net accrued expenses mainly consist of accruals made for year-end cut-off purposes, i.e. eligible expenses incurred by beneficiaries of EU funds but not yet reported to the Agency. While accrued expenses are not considered as budgetary expenditure, payments made in the current year relating to invoices registered in prior years are part of current year's budgetary expenditure.

The net effect of pre-financing is the combination of (1) the new pre-financing amounts paid in the current year and recognised as budgetary expenditure of the year and (2) the clearing of the pre-financing paid in current year or previous years through the acceptance of eligible costs. The latter represent an expense in accrual terms but not in the budgetary accounts since the payment of the initial pre-financing had already been considered as a budgetary expenditure at the time of its payment.

Besides the payments made against the year's appropriations, the appropriations for that year that are carried to the next year also need to be taken into account in calculating the budget result for the year. The same applies for the budgetary payments made in the current year from carry-overs and the cancellation of unused payment appropriations.

The movement in provisions relates to year-end estimates made in the accrual accounts (employee benefits mainly) that do not impact the budgetary accounts. Other reconciling amounts comprise different elements such as asset depreciation, asset acquisitions, capital lease payments and financial participations for which the budgetary and accrual accounting treatments differ.

**COMPARISON OF BUDGET AND ACTUALS**  
for appropriations of the current budget – fund source C1

BL	BUDGET CHAPTER / LINE	BUDGET 2015 (€)	Transferred and amended (€) - sender	Transferred and amended(€) - receiver	Final Budget	Actual Committed	Actual Paid
<b>TITLE I - STAFF EXPENDITURE</b>							
	<b>11. Staff in active employment</b>	<b>17.919.500,00</b>	<b>-1.531.653,70</b>	<b>631.700,00</b>	<b>17.019.546,30</b>	<b>16.991.732,92</b>	<b>16.847.076,33</b>
1100	Basic salaries	9.870.000,00	-831.304,73	22.000,00	9.060.695,27	9.060.695,27	9.060.695,27
1101	Family allowances	880.000,00	-21.696,31	19.000,00	877.303,69	877.303,69	877.303,69
1102	Expatriation and foreign residence allowances	1.260.000,00	-113.689,92	11.000,00	1.157.310,08	1.157.310,08	1.157.310,08
1110	Seconded national experts	960.000,00	-42.824,69	55.000,00	972.175,31	972.175,31	972.175,31
1111	Contract agents	1.580.000,00	-30.844,26	95.000,00	1.644.155,74	1.644.155,74	1.644.155,74
1112	Trainees	100.000,00	-11.034,27	47.000,00	135.965,73	135.965,73	135.965,73
1120	Local salaries	450.000,00	-81.391,77	325.300,00	693.908,23	666.094,85	521.438,26
1121	French Social Security System contributions	0,00	0,00	0,00	0,00	0,00	0,00
1130	Insurance against sickness	330.000,00	-18.419,10	1.500,00	313.080,90	313.080,90	313.080,90
1131	Insurance against accidents and occupational disease	50.000,00	-4.266,45	500,00	46.233,55	46.233,55	46.233,55
1132	Insurance against unemployment	120.000,00	-3.066,51	400,00	117.333,49	117.333,49	117.333,49
1140	Birth and death grants	3.500,00	-1.516,90	0,00	1.983,10	1.983,10	1.983,10
1141	Travel expenses for annual leave	160.000,00	-45.761,42	0,00	114.238,58	114.238,58	114.238,58
1142	Other allowances and repayments	450.000,00	-173.894,92	55.000,00	331.105,08	331.105,08	331.105,08
1160	Salary weighting	1.706.000,00	-151.942,45	0,00	1.554.057,55	1.554.057,55	1.554.057,55



BL	BUDGET CHAPTER / LINE	BUDGET 2015 (€)	Transferred and amended (€) - sender	Transferred and amended(€) - receiver	Final Budget	Actual Committed	Actual Paid
	<b>12. Expenditure relating to staff management and recruitment</b>	<b>180.000,00</b>	<b>-42.670,00</b>	<b>188.200,00</b>	<b>325.530,00</b>	<b>325.521,45</b>	<b>238.273,71</b>
1200	Expenditure relating to staff management and recruitment	180.000,00	-42.670,00	188.200,00	325.530,00	325.521,45	238.273,71
	<b>14. Socio-medical infrastructure</b>	<b>394.000,00</b>	<b>-68.000,00</b>	<b>57.000,00</b>	<b>383.000,00</b>	<b>380.376,54</b>	<b>282.250,88</b>
1400	Medical service	34.000,00	-18.000,00	0,00	16.000,00	15.208,80	4.147,91
1410	Schools and Kindergartens	50.000,00	-50.000,00	0,00	0,00	0,00	0,00
1420	Canteen	310.000,00	0,00	57.000,00	367.000,00	365.167,74	278.102,97
	<b>16. Training</b>	<b>300.000,00</b>	<b>0,00</b>	<b>115.000,00</b>	<b>415.000,00</b>	<b>414.824,84</b>	<b>189.143,84</b>
1600	Training	300.000,00	0,00	115.000,00	415.000,00	414.824,84	189.143,84
	<b>TOTAL TITLE I</b>	<b>18.793.500,00</b>	<b>-1.642.323,70</b>	<b>991.900,00</b>	<b>18.143.076,30</b>	<b>18.112.455,75</b>	<b>17.556.744,76</b>

BL	BUDGET CHAPTER / LINE	BUDGET 2015 (€)	Transferred and amended (€) - sender	Transferred and amended(€) - receiver	Final Budget	Actual Committed	Actual Paid
<b>TITLE II - INFRASTRUCTURE AND ADMIN. EXPENDITURE</b>							
	<b>20. Rental of building and associated costs</b>	<b>4.895.000,00</b>	<b>-643.700,00</b>	<b>365.200,00</b>	<b>4.616.500,00</b>	<b>4.615.955,31</b>	<b>4.437.967,28</b>
2000	Rental of building	3.800.000,00	-179.500,00	300.200,00	3.920.700,00	3.920.605,66	3.793.723,12
2010	Building taxes	480.000,00	-46.200,00		433.800,00	433.714,05	433.714,05
2020	Maintenance	325.000,00	-329.200,00	40.000,00	35.800,00	35.800,00	35.098,69
2030	Works - refurbishment	100.000,00	-60.000,00		40.000,00	39.849,26	37.918,24
2090	Other expenditure on buildings	190.000,00	-28.800,00	25.000,00	186.200,00	185.986,34	137.513,18
	<b>21. Information and communication technology</b>	<b>1.420.000,00</b>	<b>0,00</b>	<b>958.652,00</b>	<b>2.378.652,00</b>	<b>2.332.049,31</b>	<b>1.133.850,51</b>
2100	Internal IT and telecommunications	1.420.000,00	0,00	958.652,00	2.378.652,00	2.332.049,31	1.133.850,51
	<b>22. Movable property and associated costs</b>	<b>60.000,00</b>	<b>-56.000,00</b>	<b>20.000,00</b>	<b>24.000,00</b>	<b>22.803,75</b>	<b>16.563,15</b>
2200	Movable property and associated costs	60.000,00	-56.000,00	20.000,00	24.000,00	22.803,75	16.563,15
	<b>23. Current administrative expenditure</b>	<b>766.000,00</b>	<b>-314.011,82</b>	<b>1.051.900,00</b>	<b>1.503.888,18</b>	<b>1.486.249,11</b>	<b>674.704,39</b>
2300	Stationery	55.000,00	-25.000,00	10.000,00	40.000,00	29.972,69	28.335,09
2301	Printing and photocopying	85.000,00	-70.000,00	20.000,00	35.000,00	29.792,12	10.831,79
2302	Banking and financial charges	30.000,00	-26.000,00	0,00	4.000,0	3.740,44	2.707,44
2303	Insurances	13.000,00	-3.472,00	0,00	9.528,00	9.527,42	9.211,07
2304	Services on administrative matters	450.000,00	-177.000,00	990.000,00	1.263.000,00	1.262.650,10	481.487,54
2305	Subscriptions	100.000,00	0,00	30.000,00	130.000,00	129.602,23	124.702,23
2307	Postal Charges	28.000,00	-12.539,82	0,00	15.460,18	14.064,11	12.448,67
2308	Library Expenditure	5.000,00	0,00	1.900,00	6.900,00	6.900,00	4.980,56
	<b>27. Representation expenses, receptions and events</b>	<b>25.000,00</b>	<b>-15.964,50</b>	<b>0,00</b>	<b>9.035,50</b>	<b>7.116,49</b>	<b>7.116,49</b>
2700	Representation expenses, receptions and events	25.000,00	-15.964,50	0,00	9.035,50	7.116,49	7.116,49
	<b>TOTAL TITLE II</b>	<b>7.166.000,00</b>	<b>-1.029.676,32</b>	<b>2.395.752,00</b>	<b>8.532,075,68</b>	<b>8.464.173,97</b>	<b>6.270.201,82</b>

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<b>TITLE III - OPERATING EXPENDITURE</b>							
	<b>31. Common Supervisory Culture: training and events</b>	<b>110.000,00</b>	<b>-90.000,00</b>	<b>70.000,00</b>	<b>90.000,00</b>	<b>89.920,00</b>	<b>54.000,00</b>
3100	Training costs	60.000,00	-40.000,00	70.000,00	90.000,00	89.920,00	54.000,00
3120	Events	50.000,00	-50.000,00	0,00	0,00	0,00	0,00
	<b>32. Collection of information; IT projects</b>	<b>4.600.000,00</b>	<b>-611.000,00</b>	<b>671.000,00</b>	<b>4.660.000,00</b>	<b>4.657.431,96</b>	<b>2.896.648,89</b>
3200	IT project costs	4.600.000,00	-611.000,00	671.000,00	4.660.000,00	4.657.431,96	2.896.648,89
	<b>33. Supervision</b>	<b>590.000,00</b>	<b>-779.000,00</b>	<b>326.000,00</b>	<b>137.000,00</b>	<b>134.410,47</b>	<b>105.848,46</b>
3300	On-site inspections CRA	225.000,00	-225.000,00	0,00	0,00	0,00	0,00
3301	Delegation to National Competent Authorities	25.000,00	-20.000,00	0,00	5.000,00	5.000,00	0,00
3302	Missions on CRA supervision	75.000,00	-234.000,00	225.000,00	66.000,00	66.000,00	56.336,28
3320	Legal advice on on-going CRA supervision	75.000,00	-75.000,00	0,00	0,00	0,00	0,00
3330	On site inspections TRs	100.000,00	-100.000,00	0,00	0,00	0,00	0,00
3331	Missions on TR supervision	50.000,00	-85.000,00	101.000,00	66.000,00	63.410,47	49.512,18
3340	Legal advice on ongoing TR supervision	40.000,00	-40.000,00	0,00	0,00	0,00	0,00
	<b>34. Studies and legal advice</b>	<b>300.000,00</b>	<b>-514.100,00</b>	<b>215.000,00</b>	<b>900,00</b>	<b>900,00</b>	<b>0,00</b>
3400	Legal advice	100.000,00	-314.100,00	215.000,00	900,00	900,00	0,00
3401	Legal advice on enforcement	200.000,00	-200.000,00	0,00	0,00	0,00	0,00
	<b>35. Access to data for Economic Research</b>	<b>300.000,00</b>	<b>0,00</b>	<b>335.769,00</b>	<b>635.769,00</b>	<b>635.448,07</b>	<b>535.086,07</b>
3500	Access to data for Economic Research	300.000,00	0,00	335.769,00	635.769,00	635.448,07	535.086,07
	<b>36. Mission expenses, travel and incidental expenses</b>	<b>1.100.000,00</b>	<b>-514.000,00</b>	<b>45.378,00</b>	<b>631.378,00</b>	<b>629.119,26</b>	<b>518.189,57</b>
3600	Mission expenses	1.100.000,00	-514.000,00	45.378,00	631.378,00	629.119,26	518.189,57
	<b>37. Information and publishing</b>	<b>621.855,00</b>	<b>-328.000,00</b>	<b>100.145,02</b>	<b>394.000,02</b>	<b>384.452,67</b>	<b>266.442,54</b>
3700	Translation and interpretation	521.855,00	-260.000,00	145,00	262.000,00	261.999,30	228.769,45
3701	ESMA publications and events	100.000,00	-68.000,00	100.000,02	132.000,02	122.453,37	37.673,09

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	<b>38. Meeting expenses</b>	<b>311.500,00</b>	<b>-186.000,00</b>	<b>232.000,00</b>	<b>357.500,00</b>	<b>352.755,87</b>	<b>255.499,40</b>
3800	General meeting expenses	191.500,00	-89.000,00	130.000,00	232.500,00	229.755,87	162.832,82
3810	Stakeholder groups – consultations	50.000,00	-50.000,00	65.000,00	65.000,00	65.000,00	51.236,23
3820	Governance	40.000,00	-2.000,00	2.000,00	40.000,00	38.000,00	30.619,05
3830	Board of Appeal costs	30.000,00	-45.000,00	35.000,00	20.000,00	20.000,00	10.811,30
	<b>39. Services on operational matters</b>	<b>100.000,00</b>	<b>-98.049,00</b>	<b>56.500,00</b>	<b>58.451,00</b>	<b>58.166,00</b>	<b>1.951,00</b>
3900	Services on operational matters	100.000,00	-98.049,00	56.500,00	58.451,00	58.166,00	1.951,00
	<b>TOTAL TITLE III</b>	<b>8.033.355,00</b>	<b>-3.120.149,00</b>	<b>2.051.792,02</b>	<b>6.964.998,02</b>	<b>6.942.604,30</b>	<b>4.633.665,93</b>

BL	BUDGET CHAPTER / LINE	BUDGET 2015 (€)	Transferred and amended (€) - sender	Transferred and amended(€) - receiver	Final Budget	Actual Committed	Acutal Paid
<b>TITLE IV – DELEGATED TASKS</b>							
	<b>40. Single Interface to Trade Repositories</b>	<b>50.000,00</b>	<b>0,00</b>	<b>0,00</b>	<b>50.000,00</b>	<b>50.000,00</b>	<b>50.000,00</b>
4000	Single Interface to Trade Repositories	50.000,00	0,00	0,00	50.000,00	50.000,00	50.000,00
	<b>41. Instruments Reference Data</b>	<b>341.453,00</b>	<b>0,00</b>	<b>0,00</b>	<b>341.453,00</b>	<b>341.453,00</b>	<b>260.630,07</b>
4100	Instruments Reference Data	341.453,00	0,00	0,00	341.453,00	341.453,00	260.630,07
	<b>TOTAL TITLE IV</b>	<b>391.453,00</b>	<b>0,00</b>	<b>0,00</b>	<b>391.453,00</b>	<b>391.453,00</b>	<b>310.630,07</b>
	<b>TOTAL BUDGET 2015</b>	<b>34.384.308,00</b>	<b>-5.792.149,00</b>	<b>5.439.444,00</b>	<b>34.031.603,00</b>	<b>33.910.687,02</b>	<b>28.771.242,58</b>

**COMPARISON OF BUDGET AND ACTUALS**  
for appropriations of the current budget – fund source R0

BL	BUDGET CHAPTER / LINE	BUDGET 2015 (€)	Transferred and amended (€) - sender	Transferred and amended(€) - receiver	Final Budget	Actual Committed	Acutal Paid
<b>TITLE IV – DELEGATED TASKS</b>							
	<b>40. Single Interface to Trade Repositories</b>	<b>649.995,00</b>	<b>0,00</b>	<b>0,00</b>	<b>649.995,00</b>	<b>121.633,24</b>	<b>11.888,24</b>
4000	Single Interface to Trade Repositories	649.995,00	0,00	0,00	649.995,00	121.633,24	11.888,24
	<b>41. Instruments Reference Data</b>	<b>2.078.548,00</b>	<b>-20.000,00</b>	<b>0,00</b>	<b>2.058.548,00</b>	<b>681.913,17</b>	<b>412.160,60</b>
4100	Instruments Reference Data	2.078.548,00	-20.000,00	0,00	2.058.548,00	681.913,17	412.160,60
	<b>TOTAL TITLE IV</b>	<b>2.728.543,00</b>	<b>-20.000,00</b>	<b>0,00</b>	<b>2.708.543,00</b>	<b>803.546,41</b>	<b>420.048,84</b>
	<b>TOTAL BUDGET 2015</b>	<b>2.728.543,00</b>	<b>-20.000,00</b>	<b>0,00</b>	<b>2.708.543,00</b>	<b>803.546,41</b>	<b>420.048,84</b>

## **BUDGET IMPLEMENTATION**

## EXPLANATORY NOTES

### Management Systems

- ABAC - The accounting and budgetary information is integrated in one system which has SAP as a back-end for the accounting part. The reporting system for ABAC which is used by ESMA is ABAC Datawarehouse. The workflow system in ABAC allows the authorising officer to ensure that the “four eyes” principle has been observed for each transaction. To manage its inventory in accordance with the requirements of the Financial Regulation, the Agency uses ABAC Assets.

### Nomenclature

The nomenclature of appropriations is as follows:

C1: Current Appropriations

C3: Appropriations non automatically carried over

C4: Appropriations Internal Assigned Revenue

C5: Appropriations Internal Assigned Revenue (carried over)

C8: Appropriations automatically carried forward

IC1: Universal income voted in the budget

IC4: Internal assigned revenue

R0: External assigned revenue

# **ANNEX TO THE BUDGET ACCOUNTS**

## **BUDGETARY TABLES 01.01.2015 – 31.12.2015**



**BUDGET IMPLEMENTATION CREDIT OF THE YEAR – Fund Source: C1**

**Title I: Staff Expenditure**

Budget line	Description	Commitment & Payment Appropriations (1)	Commitment (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	R A L (2-3)
A-1100	Basic salaries	9.060.695,27	9.060.695,27	100,00 %	9.060.695,27	100,00 %	0,00
A-1101	Family allowances	877.303,69	877.303,69	100,00 %	877.303,69	100,00 %	0,00
A-1102	Expatriation and foreign residence allowances	1.157.310,08	1.157.310,08	100,00 %	1.157.310,08	100,00 %	0,00
A-1110	Seconded national experts	972.175,31	972.175,31	100,00 %	972.175,31	100,00 %	0,00
A-1111	Contracts agents	1.644.155,74	1.644.155,74	100,00 %	1.644.155,74	100,00 %	0,00
A-1112	Trainees	135.965,73	135.965,73	100,00 %	135.965,73	100,00 %	0,00
A-1120	Local salaries	693.908,23	666.094,85	95,99 %	521.438,26	75,15 %	144.656,59
A-1121	French social security system contributions	0,00	0,00	0,00 %	0,00	0,00 %	0,00
A-1130	Insurance against sickness	313.080,90	313.080,90	100,00 %	313.080,90	100,00 %	0,00
A-1131	Insurance against accidents and occupational disease	46.233,55	46.233,55	100,00 %	46.233,55	100,00 %	0,00
A-1132	Insurance against unemployment	117.333,49	117.333,49	100,00 %	117.333,49	100,00 %	0,00
A-1140	Birth and death grants	1.983,10	1.983,10	100,00 %	1.983,10	100,00 %	0,00
A-1141	Travel expenses for annual leave	114.238,58	114.238,58	100,00 %	114.238,58	100,00 %	0,00
A-1142	Other allowances and repayments	331.105,08	331.105,08	100,00 %	331.105,08	100,00 %	0,00
A-1160	Salary weighting	1.554.057,55	1.554.057,55	100,00 %	1.554.057,55	100,00 %	0,00
A-1200	Expenditure relating to staff management and recruitment	325.530,00	325.530,00	100,00 %	238.273,71	73,20 %	87.247,74
A-1400	Medical service	16.000,00	15.208,80	95,06 %	4.147,91	25,92 %	11.060,89
A-1420	Canteen	367.000,00	365.167,74	99,50 %	278.102,97	75,78 %	87.064,77
A-1600	Training	415.000,00	414.824,84	99,96 %	189.143,84	45,58 %	225.681,00
<b>Title I: Staff Expenditure</b>		<b>18.143.076,30</b>	<b>18.112.455,75</b>	<b>99,83 %</b>	<b>17.556.744,76</b>	<b>96,77 %</b>	<b>555.710,99</b>

**Title II: Infrastructure and Administrative Expenditure**

Budget line	Description	Commitment & Payment Appropriations (1)	Commitment (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	R A L (2-3)
A-2000	Rental of building	3.920.700,00	3.920.605,66	100,00 %	3.793.723,12	96,76 %	126.882,54
A-2010	Building taxes	433.800,00	433.714,05	99,98 %	433.714,05	99,98 %	0,00
A-2020	Maintenance	35.800,00	35.800,00	100,00 %	35.098,69	98,04 %	701,31
A-2030	Works - refurbishment	40.000,00	39.849,26	99,62 %	37.918,24	94,80 %	1.931,02
A-2090	Other expenditure on buildings	186.200,00	185.986,34	99,89 %	137.513,18	73,85 %	48.473,16
A-2100	Internal ICT and telecommunications	2.378.652,00	2.332.049,31	98,04 %	1.133.850,51	47,67 %	1.198.198,80
A-2200	Movable property and associated costs	24.000,00	22.803,75	95,02 %	16.563,15	69,01 %	6.240,60
A-2300	Stationery	40.000,00	29.972,69	74,93 %	28.335,09	70,84 %	1.637,60
A-2301	Printing and photocopying	35.000,00	29.792,12	85,12 %	10.831,79	30,95 %	18.960,33
A-2302	Banking and financial charges	4.000,00	3.740,44	93,51 %	2.707,44	67,69 %	1.033,00
A-2303	Insurances	9.528,00	9.527,42	99,99 %	9.211,07	96,67 %	316,35
A-2304	Services on administrative matters	1.263.000,00	1.262.650,10	99,97 %	481.487,54	38,12 %	781.162,56
A-2305	Subscriptions	130.000,00	129.602,23	99,69 %	124.702,23	95,92 %	4.900,00
A-2307	Postal charges	15.460,18	14.064,11	90,97 %	12.448,67	80,52 %	1.615,44
A-2308	Library expenditure	6.900,00	6.900,00	100,00 %	4.980,56	72,18 %	1.919,44
A-2700	Representation expenses, receptions and events	9.035,50	7.116,49	78,76 %	7.116,49	78,76 %	0,00
<b>Title II: Infrastructure and Administrative Expenditure</b>		<b>8.532.075,68</b>	<b>8.464.173,97</b>	<b>99,20 %</b>	<b>6.270.201,82</b>	<b>73,49 %</b>	<b>2.193.972,15</b>

**Title III: Operating Expenditure**

Budget line	Description	Commitment & Payment Appropriations (1)	Commitment (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	R A L (2-3)
B3-100	Training costs	90.000,00	89.920,00	99,91 %	54.000,00	60,00 %	35.920,00
B3-200	IT project costs	4.660.000,00	4.657.431,96	99,94 %	2.896.648,89	62,16 %	1.760.783,07
B3-300	On-site inspections CRA	0,00	0,00	0,00 %	0,00	0,00 %	0,00
B3-301	Delegation to National Competent Authorities	5.000,00	5.000,00	100,00 %	0,00	0,00 %	5.000,00
B3-302	Missions on CRA supervision	66.000,00	66.000,00	100,00 %	56.336,28	85,36 %	9.663,72
B3-320	Legal advice on ongoing CRA supervision	0,00	0,00	0,00 %	0,00	0,00 %	0,00
B3-330	On-site inspections TRs	0,00	0,00	0,00 %	0,00	0,00 %	0,00
B3-331	Missions on TR supervision	66.000,00	63.410,47	96,08 %	49.512,18	75,02 %	13.898,29
B3-340	Legal advice on ongoing TR supervision	0,00	0,00	0,00 %	0,00	0,00 %	0,00
B3-400	Legal advice	900,00	900,00	100,00 %	0,00	0,00 %	900,00
B3-401	Legal advice on enforcement	0,00	0,00	0,00 %	0,00	0,00 %	0,00
B3-500	Access to data for Economic Research	635.769,00	635.448,07	99,95 %	535.086,07	84,16 %	100.362,00
B3-600	Mission expenses	631.378,00	629.119,26	99,64 %	518.189,57	82,07 %	110.929,69
B3-700	Translation and interpretation	262.000,00	261.999,30	100,00 %	228.769,45	87,32 %	33.229,85
B3-701	ESMA publications	132.000,02	122.453,37	92,77 %	37.673,09	28,54 %	84.780,28
B3-800	General meeting expenses	232.500,00	229.755,87	98,82 %	162.832,82	70,04 %	66.923,05
B3-810	Stakeholder group - Consultations	65.000,00	65.000,00	100,00 %	51.236,23	78,82 %	13.763,77
B3-820	Governance	40.000,00	38.000,00	95,00 %	30.619,05	76,55 %	7.380,95
B3-830	Board of Appeal costs	20.000,00	20.000,00	100,00 %	10.811,30	54,06 %	9.188,70
B3-900	Services on operational matters	58.451,00	58.166,00	99,51 %	1.951,00	3,34 %	56.215,00
<b>Title III: Operating Expenditure</b>		<b>6.964.998,02</b>	<b>6.942.604,30</b>	<b>99,68 %</b>	<b>4.633.665,93</b>	<b>66,53%</b>	<b>2.308.938,37</b>

**Title IV: Delegated Tasks Expenditure**

Budget line	Description	Commitment & Payment Appropriations (1)	Commitment (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	R A L (2-3)
B4-000	Single Interface to Trade Repositories	50.000,00	50.000,00	100,00 %	50.000,00	100,00 %	0,00
B4-100	Instruments Reference Data	341.453,00	341.453,00	100,00 %	260.630,07	76,33 %	80.822,93
<b>Title IV: Delegated Tasks Expenditure</b>		<b>391.453,00</b>	<b>391.453,00</b>	<b>100,00 %</b>	<b>310.630,07</b>	<b>79,35 %</b>	<b>80.822,93</b>
<b>TOTAL FUND SOURCE C1</b>		<b>34.031.603,00</b>	<b>33.910.687,02</b>	<b>99,64 %</b>	<b>28.771.242,58</b>	<b>84,54 %</b>	<b>5.139.444,44</b>

**BUDGET IMPLEMENTATION CREDIT OF THE YEAR – Fund Source: C8**

**Title I: Staff Expenditure**

Budget line	Description	Commitment & Payment Appropriations (1)	Commitment (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	R A L (2-3)
A-1120	Local salaries	188.026,97	173.822,56	92,45 %	173.822,56	92,45 %	0,00
A-1200	Expenditure relating to staff management and recru	33.177,29	25.824,68	77,84 %	25.824,68	77,84 %	0,00
A-1400	Medical Service	20.000,00	14.718,68	73,59 %	14.718,68	73,59 %	0,00
A-1420	Canteen	67.226,67	63.237,77	94,07 %	63.237,77	94,07 %	0,00
A-1600	Training	164.231,52	148.206,17	90,24 %	148.206,17	90,24 %	0,00
<b>Title I: Staff Expenditure</b>		<b>472.662,45</b>	<b>425.809,86</b>	<b>90,09 %</b>	<b>425.809,86</b>	<b>90,09 %</b>	<b>0,00</b>

## Title II: Infrastructure and Administrative Expenditure

Budget line	Description	Commitment & Payment Appropriations (1)	Commitment (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	R A L (2-3)
A-2020	Maintenance	114.016,57	72.506,55	63,59 %	72.506,55	63,59 %	0,00
A-2030	Works - refurbishment	11.845,68	11.845,64	100,00 %	11.845,64	100,00 %	0,00
A-2090	Other expenditure on buildings	50.103,46	50.103,46	100,00 %	50.103,46	100,00 %	0,00
A-2100	Internal ICT and telecommunications	749.358,49	717.200,52	95,71 %	717.200,52	95,71 %	0,00
A-2200	Movable property and associated costs	68.737,09	67.152,37	97,69 %	67.152,37	97,69 %	0,00
A-2300	Stationery	3.229,76	3.229,76	100,00 %	3.229,76	100,00 %	0,00
A-2301	Printing and photocopying	1.542,06	1.002,79	65,03 %	1.002,79	65,03 %	0,00
A-2302	Banking and financial charges	1.700,00	1.700,00	100,00 %	1.700,00	100,00 %	0,00
A-2303	Insurances	476,83	476,83	100,00 %	476,83	100,00 %	0,00
A-2304	Services on administrative matters	350.479,01	347.432,59	99,13 %	347.432,59	99,13 %	0,00
A-2305	Subscriptions	6.970,74	6.970,74	100,00 %	6.970,74	100,00 %	0,00
A-2307	Postal charges	1.457,45	838,23	57,51 %	838,23	57,51 %	0,00
A-2308	Library expenditure	332,63	289,13	86,92 %	289,13	86,92 %	0,00
A-2700	Representation expenses, receptions and events	1.381,89	154,19	11,16 %	154,19	11,16 %	0,00
<b>Title II: Infrastructure and Administrative Expenditure</b>		<b>1.361.631,66</b>	<b>1.280.902,80</b>	<b>94,07 %</b>	<b>1.280.902,80</b>	<b>94,07 %</b>	<b>0,00</b>

**Title III: Operating Expenditure**

<b>Budget line</b>	<b>Description</b>	<b>Commitment &amp; Payment Appropriations (1)</b>	<b>Commitment (2)</b>	<b>% Committed (2/1)</b>	<b>Paid (3)</b>	<b>% Paid (3/1)</b>	<b>R A L (2-3)</b>
B3-100	Training costs	65.783,99	50.179,83	76,28 %	50.179,83	76,28 %	0,00
B3-200	IT project costs	2.907.404,59	2.811.298,80	96,69 %	2.811.298,80	96,69 %	0,00
B3-302	Missions on CRA supervision	31.492,13	15.118,31	48,01 %	15.118,31	48,01 %	0,00
B3-331	Missions on TR supervision	584,76	584,76	100,00 %	584,76	100,00 %	0,00
B3-400	Legal advice	150.000,00	150.000,00	100,00 %	150.000,00	100,00 %	0,00
B3-500	Access to data for Economic Research	85.789,57	72.514,39	84,53 %	72.514,39	84,53 %	0,00
B3-600	Mission expenses	110.727,82	76.665,83	69,24 %	76.665,83	69,24 %	0,00
B3-700	Translation and interpretation	18.843,43	18.843,43	100,00 %	18.843,43	100,00 %	0,00
B3-701	ESMA publications and events	1.961,00	1.961,00	100,00 %	1.961,00	100,00 %	0,00
B3-800	General meeting expenses	59.248,47	57.125,87	96,42 %	57.125,87	96,42 %	0,00
B3-820	Governance	4.443,10	4.443,10	100,00 %	4.443,10	100,00 %	0,00
B3-900	Services on operational matters	682.626,94	420.689,94	61,63 %	420.689,94	61,63 %	0,00
<b>Title III: Operating Expenditure</b>		<b>4.118.905,80</b>	<b>3.679.425,26</b>	<b>89,33 %</b>	<b>3.679.425,26</b>	<b>89,33 %</b>	<b>0,00</b>
<b>TOTAL FUND SOURCE C8</b>		<b>5.953.199,91</b>	<b>5.386.137,92</b>	<b>90,47 %</b>	<b>5.386.137,92</b>	<b>90,47 %</b>	<b>0,00</b>

**BUDGET IMPLEMENTATION CREDIT OF THE YEAR – Fund Source: R0**

**Title IV: Delegated Tasks Expenditure**

<b>Budget line</b>	<b>Description</b>	<b>Commitment &amp; Payment Appropriations (1)</b>	<b>Commitment (2)</b>	<b>% Committed (2/1)</b>	<b>Paid (3)</b>	<b>% Paid (3/1)</b>	<b>R A L (2-3)</b>
B4-000	Single Interface to Trade Repositories	649.995,00	121.633,24	18,71 %	11.888,24	1,83 %	109.745,00
B4-100	Instruments Reference Data	2.058.548,00	681.913,17	33,13 %	412.160,60	20,02 %	269.752,57
<b>Title IV: Delegated Tasks Expenditure</b>		<b>2.708.543,00</b>	<b>803.546,41</b>	<b>29,67 %</b>	<b>424.048,84</b>	<b>15,66 %</b>	<b>379.497,57</b>
<b>TOTAL FUND SOURCE R0</b>		<b>2.708.543,00</b>	<b>803.546,41</b>	<b>29,67 %</b>	<b>424.048,84</b>	<b>15,66 %</b>	<b>379.497,57</b>

## List of ESMA's Management Board Members

(Status December 2015)

ESMA	Chair	Steven Maijor
Spain	Comisión Nacional del Mercado de Valores (CNMV)	Lourdes Centeno
Austria	Finanzmarktaufsicht (FMA)	Klaus Kumpfmüller
France	Autorité des Marchés Financiers (AMF)	Gérard Rameix
Germany	Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)	Elisabeth Roegele
Ireland	Central Bank of Ireland	Cyril Roux
Poland	Komisji Nadzoru Finansowego (KNF)	Marek Szuszkiewicz
ESMA	Executive Director (non-voting Member )	Verena Ross
European Commission	(non-voting Member)	Martin Merlin
ESMA	Vice-Chair (Observer)	Carlos Tavares



## ESTABLISHMENT PLAN 2015

Function group and grade	2015			
	Authorised under the EU Budget		Filled as at 31/12/2015	
	Permanent posts	Temporary Posts	Permanent posts	Temporary Posts
AD16				
AD15		1		1
AD14		1		1
AD13				
AD12		3		2
AD11		5		3
AD10		6		1
AD9		14		16
AD8		27		25
AD7		27		36
AD6		22		14
AD5		16		17
<b>Total AD</b>		<b>122</b>		<b>116</b>
AST11				
AST10				
AST9		1		
AST8				
AST7				
AST6		1		
AST5		2		2
AST4		6		1
AST3		2		6
AST2		3		1
AST1				3
<b>Total AST</b>		<b>15</b>		<b>13</b>
<b>Total AD + AST</b>		<b>137</b>		<b>129</b>
<b>GRAND TOTAL</b>		<b>137</b>		<b>129</b>