

Annual Accounts 2022





Accounting Officer's Certificate on the Annual Accounts

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the European Securities and Markets Authority in accordance with Article 102 of the Framework Financial Regulation¹.

I hereby certify that the annual accounts of ESMA for the year 2022 have been prepared in accordance with Title IX of the Framework Financial Regulation and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and Union bodies.

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

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 ESMA.

Paris, 12 June 2023

Jordi Climent-Campins
Accounting Officer

COMMISSION DELEGATED REGULATION(EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.



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Abbreviations

ABAC	Accrual Based Accounting (accounting system used at ESMA)
BoS	Board of Supervisors
CA	Commitment appropriations
(TC)CCP	(Third Country) Central Counterparty
CRA	Credit Rating Agency
EAR	EU Accounting Rule
EBA	European Banking Authority
EC	European Commission
ECB	European Central Bank
EEA	European Economic Area
EIOPA	European Insurance and Occupational Pensions Authority
ESAs	European Supervisory Authorities
ESMA	European Securities and Markets Authority
ESP	European Supervisory Platform
EU	European Union
FISMA	Directorate-General for Financial Stability, Financial Services and Capital Markets
FR	Financial Regulation
FWC	Framework Contract
FX	Foreign exchange rate
ICT	Information and communication technologies
IPSAS	International Public Sector Accounting Standard
MB	Management Board
NCA	National Competent Authority
PA	Payment appropriations
P&L	Profit and loss account
RAL	Reste à liquider (share of a committed amount not yet paid)
SFTR	Securities Financing Transactions Regulation
SFTRs	Trade Repositories (under SFTR Regulation)
SPD	Single Programming Document
SR	Securitisation Repository
SSM	Single Supervisory Mechanism
TR	Trade Repository (under EMIR Regulation)
WP	Annual Work Programme



Background information

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. On 27 December 2019 Regulation (EU) 2019/2175, the revised version of ESMA's founding regulation was published amending Regulation (EU) n° 1095/2010. This new regulation, founding the European Supervisory Authorities (ESAs) and in particular ESMA, is applicable as from 1 January 2020.

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 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council C/2018/8599 (OJ L 122, 10.5.2019, p.1-38) and Article 98 of the Decision on the Financial Regulation of the European Securities and Markets Authority, the following 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 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council C/2018/8599 (OJ L 122, 10.5.2019, p.1-38). It has legal personality. The Authority is represented by its Chair, Mrs Verena ROSS, appointed by the Council after confirmation by the European Parliament. ESMA's management is entrusted to the Executive Director, Mrs Natasha CAZENAVE, who is appointed by the Authority's Board of Supervisors.

The Authority's headquarters are located in Paris, France, 201-203 rue de Bercy.

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 national authorities competent for the supervision of financial markets participants in each EU Member State and the Chair of ESMA. 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 are also non-voting members.

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 elected by the Board of Supervisors, the Executive Director and the European Commission as non-voting member. The Vice-Chair of the Board of Supervisors 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 the Board meetings.

Highlights of the year

During the financial year 2022, a series of key events had an impact in ESMA's financial statements, including:

- ⇒ This has been the first year ESMA supervises DRSPs and Benchmark administrators. To this end, the DRSPs IT system has gone live.
- ⇒ Salary indexations following the inflation surge in France as well as the increased number of staff following the ESAs Review and EMIR 2.2 have resulted in significantly higher staff costs.
- ⇒ ESMA has reprioritised its activities to be able to react to market developments and provide technical input as a result of increased volatility in energy prices resulting from the Russian invasion of Ukraine.
- ⇒ ESMA has ensured full business continuity during the Covid-19 pandemic and related restrictions in the first half of 2022.

Further information sources

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



Financial Statements

Statement of Financial Position

	Note	2022	2021
ASSETS			
Non-current Assets			
<i>Intangible fixed assets</i>	II.1.a		
Computer software		4,941,570	4,943,949
<i>Tangible fixed assets</i>	II.1.b		
Plant and equipment		17	96
Computer hardware		206,063	339,707
Furniture		314,883	379,675
Other fixtures and fittings		3,998,132	4,609,386
Total		9,460,666	10,272,813
Current Assets	II.2		
Current receivables	II.2.a	662,091	1,249,370
Sundry receivables	II.2.b	6,079,370	27,357
Deferred charges and accrued income	II.2.c	2,231,443	1,927,829
Cash and cash equivalents	II.2.d	737,030	6,563,604
Total		9,709,934	9,768,161
TOTAL ASSETS		19,170,599	20,040,974
LIABILITIES			
Non-current Liabilities			
Deferred revenue	II.3	3,889,911	4,724,421
Total		3,889,911	4,724,421
Current Liabilities			
Current payables	II.4.a	3,237,727	3,687,310
Payables towards consolidated entities	II.4.b	511,498	842,246
Deferred revenue	II.3	1,084,555	1,228,486
Total		4,833,781	5,758,042
TOTAL LIABILITIES		8,723,692	10,482,463
TOTAL NET ASSETS		10,446,907	9,558,511



Statement of Financial Performance

	Note	2022	2021
OPERATING RESULT			
Operating revenue	III.1		
Subsidy from the Member States		27,030,086	23,832,443
Subsidy from EFTA countries		836,845	737,847
EU Balancing subsidy		17,065,748	17,574,825
Fees from supervised entities		22,228,234	15,953,989
NCA contribution to IT delegated projects		249,178	2,833,732
Foreign currency conversion gains		5,458	3,868
Other miscellaneous revenue		177,107	12,492
Total		67,592,657	60,949,196
Operating Expenses	III.2		
Staff expenses	III.2.a	42,707,228	36,655,522
Building and related expenses	III.2.b	5,549,180	5,702,454
Other expenses	III.2.c	16,411,812	14,204,253
Depreciation and amortisation	III.2.d	2,040,562	2,792,499
Foreign currency conversion losses		9,041	4,862
Total		66,717,824	59,359,589
OPERATING RESULT		874,833	1,589,607
NON-OPERATING RESULT			
	III.3		
Financial revenue		16,436	12,314
Financial expenses		2,873	5,201
NON-OPERATING RESULT		13,563	7,112
Result from Ordinary Activities		888,396	1,596,719
Result from Extraordinary items		-	-
ECONOMIC RESULT FOR THE YEAR		888,396	1,596,719



Cashflow Statement

	2022	2021
CASHFLOW FROM ORDINARY ACTIVITIES		
Surplus/(Deficit) from ordinary activities	888,396	1,596,719
Depreciation and amortisation	2,040,562	2,792,499
Increase/(decrease) in provisions	-	-
(Increase)/decrease in receivables	(5,768,404)	(6,206)
Increase/(decrease) in accounts payable	(449,582)	(2,037,205)
Increase/(decrease) in liabilities to cons. entities	(330,747)	(1,616,992)
Increase/(decrease) in deferred income	(978,441)	(2,083,059)
Net cashflow from operating activities	(5,486,613)	(2,950,964)
CASHFLOW FROM INVESTING ACTIVITIES		
(Increase)/decrease in fixed assets	(1,228,357)	(3,502,340)
Net cashflow from investing activities	(1,228,357)	(3,502,340)
NET INCREASE/(DECREASE) IN CASH	(5,826,575)	(4,856,584)
Cash at the beginning of the period	6,563,604	11,420,188
Cash at the end of the period	737,030	6,563,604



Statement of Changes in Net Assets

Capital	Reserves		Acumulated equity	Economic result of the year	Total Net Assets
	Fair value	Other			
Balance as at 31 December 2021	-	-	7,961,792	1,596,719	9,558,511
Changes in accounting policies	-	-	-	-	-
Balance at 1 January 2022 (if restated)	-	-	7,961,792	1,596,719	9,558,511
Allocation of the result of 2021	-	-	1,596,719	(1,596,719)	-
Economic result for the year	-	-	-	888,396	888,396
Balance as at 31 December 2022	-	-	9,558,511	888,396	10,446,907



Notes to the Financial Statements

I. Significant accounting policies

1. Accounting principles

The annual accounts of the European Securities and Markets Authority comprise the financial statements and the reports on the implementation of the budget.

The objective of the annual accounts is to provide information on the financial position, performance and cash flows of ESMA in a way that is useful to a wide range of stakeholders and other users.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in the EU Accounting Rule 1 'Financial Statements' and are the same as those described in IPSAS 1: fair presentation, accrual basis, going concern, consistency of presentation, materiality, aggregation, offsetting, prudence and comparative information. The qualitative characteristics of the financial reporting are relevance, faithful representation (reliability), understandability, timeliness, comparability and verifiability.

The financial statements show all charges and income for the financial year, based on accrual accounting rules that comply with the EU Accounting Rules, and are designed to establish the financial position in the form of a balance sheet as at 31 December.

The budgetary accounts give a detailed picture of the implementation of the budget. They are based on a modified cash accounting principle.

2. Basis of preparation

The financial statements are prepared on a going concern basis as there is no indication that the Authority will not continue to operate in its current state for the twelve months from the date of establishing these accounts. The reporting period elapses between 1 January to 31 December.

Impact of the COVID-19 pandemic on the Authority's operations

During 2022 the coronavirus pandemic continued to have a material impact on the EU economy, with an uneven impact across the various industries and firms.

With respect to the ESMA's income, revenue streams have not been affected directly by the COVID-19.

On the expenditure side, the cost reductions directly attributable to the COVID-19, and more precisely to the travel restrictions, social distancing measures and remote working resulted in the decrease of mission and meeting costs, facility management, canteen and associated services costs. Despite these



circumstances, through regular budgetary reviews and the resulting budgetary transfers and amendment, ESMA was able to keep its carry-overs to an acceptable level and to maintain the rates of budget implementation and cancellations within the regulatory requirements.

Whilst uncertain, it is deemed unlikely that the impact of the COVID-19 pandemic will have a material adverse effect on the Authority's financial condition or liquidity in future reporting periods.

Functional and reporting currency

The euro is the functional and reporting currency of the Authority and amounts shown in the financial statements are presented in euros (EUR) unless indicated otherwise. Any slight differences versus the actual balances are due to rounding.

Currency and basis for conversion

Foreign currency transactions are recorded in euros using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euros at the date when they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into euros on the basis of the European Central Bank (ECB) exchange rates applying on 31 December.

Use of estimates

In accordance with IPSAS and other generally accepted accounting principles, the financial statements include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to, amounts for provisions, accounts receivables, accrued income and charges, contingent assets and liabilities, and degree of impairment of intangible assets and property, plant and equipment. Actual results could differ from those estimates.

Changes in estimates are reflected in the period in which they become known.



3. Statement of financial position

Non-current assets

Non-current fixed assets encompass all acquisitions made since 1 January 2011 and still in use at the closing date.

Internally generated intangible assets are capitalised when the Management Board has authorised a project with an asset value higher than EUR 480 000 and when it complies with the relevant criteria laid down in the EU accounting rules. The capitalisable costs include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management (development). Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses when incurred.

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction 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 costs are charged to the statement of financial performance during the financial period in which they are incurred.

Assets under construction are not depreciated as these assets are not yet available for use.

Fixed assets depreciation is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:



Intangible assets	
Software for personal computers and servers	25%
Other intangible fixed assets	25%
Tangible assets	
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	12,5% / 25%
Furniture for restaurant/cafeteria/bar area	10% / 12,5%
Computer hardware	
Computers, servers, accessories, printers, screens	25%
Copying equipment, digitising and scanning equipment	25%
Other fixtures and fittings	
Telecommunications equipment	25%
Audiovisual equipment	25%
Computer books, CDs, DVDs	25% / 33%
Other	10%
Fit-out works buildings	10% - 12%
Fixed assets under construction	
Intangible fixed assets under construction	0%
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.

Leases

Lease of fixed assets where the Authority has substantially all the risks and rewards of ownership are classified as financial leases. There are no items to be reported under this category.

Leases where the lessor retains a significant portion of the risks and rewards inherent to ownership are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance on a straight-line basis over the period of the lease. This is the case for rent paid.

Receivables and recoverables

Receivables and recoverables from non-exchange transactions are carried at original amount (adjusted for interests and penalties) less write-down for impairment. A write-down for impairment is established when there is objective evidence that the Authority will not be able to collect all amounts due according



to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

Cash and cash equivalents

Cash only encompasses cash in hand, as there are no other cash equivalents or liquid investments with original maturities of three months or less to be reported. Currently, the Authority has contracts with one commercial banking entity.

Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services and to non-exchange transactions e.g. amounts to be paid back to the funding entities as a result of balancing subsidies.

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.

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. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Accrued and deferred revenue and charges

Transactions and events are recognised in the financial statements in the period to which they relate.

All revenue due to the Authority according to existing contractual arrangements and not yet cashed, will lead to the recognition of an accrued revenue in the financial statements. In addition, when ESMA has authorised and cashed amounts relating to activities not yet incurred, the revenue will be deferred and recognised in subsequent accounting periods.



In accordance with EU Accounting Rule 10 supplemented by paragraph 19 of IPSAS 19 (Provisions, contingent liabilities and contingent assets), accruals recognise the amounts to be paid for goods or services that have been received or supplied but which have not yet been paid, invoiced or formally agreed with the supplier, including amounts due to employees (for instance, amounts relating to accrued vacation pay). Accrued charges are determined based on estimates received from the Authorising Officer as a result of the analysis of the budget amounts carried to the next year. These accruals are reported under current liabilities-current payables.

4. Statement of financial performance

Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets. ESMA's revenue is in full of a non-exchange nature, meaning that it is composed by economic inflows for which the transferor provides resources to the Authority without the recipient entity providing approximately equal value directly in exchange.

ESMA's revenue consists of contributions received from the EU and from the EU National Competent Authorities (NCAs), increased by the EFTA NCAs' contributions and the amount of the employer's contribution of the European pension scheme to be financed by the EU and the EFTA NCAs, in compliance with Article 83(a)(2) of the Staff Regulations and CEOS (SR) applicable to the European Securities and Markets Authority.

Pursuant to Article 16(5) of the ESMA Financial Regulation, the EU contribution constitutes a balancing subsidy to the budget of the Authority. As a result, it is recognised as revenue in the amount necessary to cover budget expenditure. The difference between the amount actually received and the balancing contribution has to be returned to the European Commission and booked as a liability.

Contributions from the National Competent Authorities are recognised as revenue when these resources are adopted together with the budget by the Board of Supervisors.

ESMA is as well funded by fees received from supervised entities: credit rating agencies, trade repositories, SFTRs, STSs, entities subject to EMIR 2.2, Benchmark administrators and DRSPs. These constitute roughly a 30-35% of ESMA's budget.

Another main source of revenue corresponds to the NCAs' contribution to the TRACE Delegated Project.



Expenditure

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets/equity. ESMA's expenditure consists in full of exchange expenses.

Expenses arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the Authority. They are valued at original invoice cost.

At year-end, incurred eligible expenses already due to the beneficiaries but not yet reported are estimated and recorded as accrued expenses.

5. Contingent assets and liabilities

In line with EU Accounting Rule 10, the term 'contingent' is used for liabilities and assets that are not recognised because their 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.

6. Other

Employee benefits

The staff of the Authority is entitled to pension rights according to the pension scheme as defined in the Staff Regulations and CEOS of the European Communities (SRG). The corresponding pension benefits are managed and paid by the European Commission. In compliance with Article 83(a) of the SRG, the contribution needed to fund the scheme is financed by the General Budget of the European Communities and no employer contribution is paid by the Authority, except for the part financed by the Member States and the EFTA National Competent Authorities pursuant to Article 83(a)(2) of the SRG. As a result of this, no pension liability is recognised in the balance sheet of the Authority.

7. Consolidation

The accounts of the European Securities and Markets Authority are fully consolidated with the EU annual accounts.

8. Changes in Accounting Policies

With effect from 1 January 2022, the threshold for the recognition of internally generated intangible assets has been set to EUR 480 000 (previously EUR 150 000) and for all other assets to EUR 1 220 (previously EUR 420).



Please note that assets that were already under construction on 31 December 2021 will still be considered eligible for capitalisation independently of whether they comply with the new recognition threshold. This change is therefore not retroactive.



II. Statement of financial position

1. Non-current assets

Non-current assets are fixed assets used and controlled by the Authority and are composed of tangible, intangible and other non-current assets.

a. Intangible fixed assets

Intangible fixed assets relate to internally generated software and computer software licences. Internally generated software corresponds to development costs incurred in the implementation of projects in relation with the mission of the Authority.

	Computer software	Intangible assets under construction	Total
Gross carrying amounts on 01.01.2022	16,450,407	3,567,112	20,017,519
Additions	234,512	989,084	1,223,596
Disposals	-	-	-
Transfers between headings	2,491,472	(2,491,472)	-
Other changes	-	-	-
Gross carrying amounts on 31.12.2022	19,176,391	2,064,724	21,241,115
Accumulated amortisation and impairment on 01.01.2022	(15,073,571)	-	(15,073,571)
Amortisation	(1,225,975)	-	(1,225,975)
Disposals	-	-	-
Transfers between headings	-	-	-
Other changes	-	-	-
Accumulated amortisation and impairment on 31.12.2022	(16,299,546)	-	(16,299,546)



Additions of internally generated software in 2022, and their respective status at the reporting date, correspond to:

Acronym	Project name	Status	2022 Acc. Value
CBDIF	Cross-border Distribution of Investment Funds	Live	169,407
CSDRS	Central Securities Repositories Regulation	Live	470,174
DATAD	Data Dictionary & Metadata Repository	Under construction	230,504
DSIGN	Redesign of ESMA's Website	Under construction	333,898
DRSPS	Data Reporting Service Providers Supervision	Live	1,500,837
HUBRE	ESMA Hub Replacement	Under construction	44,781
RAFSP	BWISE Extension to EMIR and SFT	Live	203,723
REMAN	Online Collaboration and Records Management	Under construction	407,852
SECEX	Secure Exchange of Electronic Documents	Live	138,895
STSRE	STS Register	Live	242,948
TRACE4	Trade Repositories System (Phase 4)	Under construction	113,000



b. Tangible fixed assets

Tangible fixed assets include mainly furniture, fixtures and IT equipment.

	Plant and equipment	Furniture	Computer hardware	Fixtures and fittings	Assets under construction	Total
Gross carrying amounts on 01.01.2022	1,019	794,780	1,159,178	5,542,581	-	7,497,559
Additions	-	-	5,707	2,076	-	7,783
Disposals	-	(913)	(58,098)	(11,757)	-	(70,768)
Transfers between headings	-	-	-	-	-	-
Gross carrying amounts on 31.12.2022	1,019	793,867	1,106,787	5,532,900	-	7,434,574
Accumulated amortisation and impairment on 01.01.2022	(923)	(415,105)	(819,471)	(933,195)	-	(2,168,695)
Depreciation	(79)	(64,149)	(137,536)	(612,766)	-	(814,530)
Disposals	-	270	56,283	11,193	-	67,746
Transfers between headings	-	-	-	-	-	-
Accumulated amortisation and impairment on 31.12.2022	(1,002)	(478,984)	(900,724)	(1,534,768)	-	(2,915,478)

In the course of 2022, the Authority has mainly purchased computer tablets, mobile phones, other IT equipment and furniture for a total amount of EUR 7 783.



2. Current assets

Non-current assets are fixed assets used and controlled by the Authority and are composed of tangible, intangible and other non-current assets.

a. Current receivables

	2022	2021
VAT recoverable	496,330	674,830
Other receivables from Member States	14,258	424,520
Receivables from consolidated entities	1,502	20
Other current receivables	150,000	150,000
Total	662,091	1,249,370

The recoverable VAT relates to payments to suppliers made during the year 2022 and still to be refunded by the French authorities. Other receivables from the Member States include outstanding contributions from NCAs at the reporting date.

b. Sundry receivables

	2022	2021
Amounts to be regularised from staff	53,911	27,357
Liaison bank account with the EC	6,025,460	-
Total	6,079,370	27,357

c. Deferred charges and accrued income

	2022	2021
Deferred charges	2,223,628	1,920,555
Accrued income	7,815	7,274
Total	2,231,443	1,927,829

Deferred charges relate mostly to rental and IT expenses, whereas the accrued income includes the default interest yielded by overdue amounts at the reporting date.



d. Cash and cash equivalents

	2022	2021
Crédit Agricole - current account	720,102	914,926
Crédit Agricole - deposit account	16,927	5,648,678
Total	737,030	6,563,604

Since November 2022, ESMA is using the central treasury services provided by the European Commission. Consequently, the cash available to the Authority is now disclosed as a sundry receivable. The remaining funds at the Crédit Agricole bank account correspond to outstanding balances still to be transferred to the central account in 2023 as well as accrued bank interest for the 2022 exercise.

3. Deferred revenue

Description	2021	Additions	Reversed	2022	Thereof non-current	
					2022	2021
iBox – Landlord incentives	5,152,594	-	(760,135)	4,392,459	3,634,070	4,394,205
IT Delegated Projects	376,466	-	(46,250)	330,216	255,841	330,216
Advanced contributions	423,848	250,448	(422,504)	251,792	-	-
Total	5,952,908	250,448	(1,228,889)	4,974,467	3,889,911	4,724,421

The lease agreement for the premises in iBox provided for a set of incentives by the landlord, namely a contribution to the fit-out costs and the rent of 2019 (EUR 5 377 730), a rent-free period (EUR 1 467 650) and a yearly invoicing discount (EUR 3 101 660). The two first items have been deferred at the taking over of the new premises (EUR 6 845 381) and are being reversed against revenue evenly over the whole duration of the lease (9 years).

The deferred income relating to the NCAs contributions received to execute the IT delegated tasks includes a total of EUR 57 813 for TRACE Phase 3 and EUR 272 403 for TRACE Phase 4.

At the reporting date, ESMA had received an advance contribution to the 2023 subsidy made by the Republic of Bulgaria (EUR 230 000) and by BMRK entities (EUR 20 000) and an advance payment to IT delegated tasks by the Republic of Iceland (EUR 1 344) and by the Grand Duchy of Luxembourg (EUR 448).



4. Current liabilities

a. Current payables

	2022	2021
Payables to suppliers	544,184	97,518
Accrued charges – untaken annual leave	1,073,287	1,075,771
Accrued charges – core business	1,620,256	2,514,021
Total	3,237,727	3,687,310

The core business accrued charges correspond to invoices to be received at 31 December 2021 for goods delivered and services rendered in 2022, mainly for IT and operational costs.

b. Payables towards consolidated entities

	2022	2021
European Commission balancing subsidy	507,639	603,746
Other payables towards consolidated entities	3,860	238,500
Total	511,498	842,246

The contribution to repay to the European Commission corresponds to the budgetary result for the financial year 2022, which was determined on a modified cash basis. The detailed calculation is presented in the budget result (see section “Budget implementation reports”).

In 2022, ESMA was financed by Union funds (EUR 17 301 544) and contributions from Member States and EFTA countries (EUR 28 138 773). According to Articles 16(5) and 17(1) of the ESMA Financial Regulation, the Union contribution paid to the Authority constitutes a balancing contribution which is accounted for as pre-financing. If the balance of the budget result account is positive, it is to be repaid to the Commission up to the amount of the Union contribution paid during the year.

ESMA has therefore allocated 100% of the surplus to the European Commission. In 2024, and in accordance with the agreements reached between the ESAs and the European Commission, should those still remain applicable, the Authority will recover the 60% of this budget result, which will be deducted from the Member States’ and EFTA countries’ contribution for 2024.



III. Statement of financial performance

In 2022, the Authority has closed the year with an economic surplus of EUR 888 396.

1. Operating revenue

The Authority's 2022 revenue comes from the following sources:

	2022	2021
Subsidy from the Member States	27,030,086	23,832,443
Subsidy from EFTA countries	836,845	737,847
EU Balancing subsidy	17,065,748	17,574,825
Fees from supervised entities	22,228,234	15,953,989
<i>Of which fees from CRAs</i>	10,021,978	10,545,743
<i>Of which fees from TRs</i>	1,915,408	2,405,728
<i>Of which fees from SFTRs</i>	841,322	643,298
<i>Of which fees from TC CCPs</i>	5,247,111	2,277,380
<i>Of which fees from SRs</i>	411,648	81,840
<i>Of which fees from BMRKs</i>	740,767	-
<i>Of which fees from DRSPs</i>	3,050,000	-
NCA contribution to IT delegated projects	249,178	2,833,732
Foreign currency conversion gains	5,458	3,868
Other miscellaneous revenue	177,107	12,492
	67,592,657	60,949,196

The 2022 budgeted contributions from National Competent Authorities amounted to EUR 28 138 773.

The contribution actually received in 2022 by the Directorate-General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA) amounted to EUR 17 573 387, including the reimbursement of the Member States' and Observers' share in the 2020 Budgetary surplus (EUR 271 843). Moreover, EUR 23 674 relating to the UK share in the ESMA 2020 Budgetary surplus was also received from DG FISMA and reimbursed back to the UK.

In accordance with Article 17(1) of the ESMA Financial Regulation, the unused part of the Union contribution, which corresponds to EUR 507 639 in the 2022 budget result, has to be reimbursed to the European Commission. Therefore, EUR 17 065 748 is recognised as operating revenue corresponding to the difference between the total Union contribution received (EUR 17 573 387) and the Budgetary surplus (EUR 507 639).



Other miscellaneous revenue includes EUR 147 593 stemming from the European Commission's earmarked contribution to the EU Supervisory Digital Finance Academy (EU-SDFA).

2. Operating expenses

a. Staff expenses

	2022	2021
Salaries and related allowances	37,124,659	32,093,339
Social contributions	4,427,456	3,721,585
Staff perquisites	1,155,114	840,598
	42,707,228	36,655,522

The increase in salaries and related allowances between 2021 and 2022 (cca. EUR 5 million) can be explained by (i) an increase in salaries of approximately EUR 1 million as a result of the salary indexations foreseen in the Staff Regulation (net increase of 4.3% as a result of the impact of inflation adjusted for staff based in France) and (ii) the increased number of staffing following the ESAs Review and EMIR 2.2 of approximately EUR 4 million.

b. Building and related expenses

	2022	2021
Rent	4,866,529	4,836,939
Rent related expenses	682,652	865,515
	5,549,180	5,702,454

c. Other expenses

	2022	2021
Office supplies	70,519	177,117
Communications and Legal	179,611	255,920
Recruitment	135,549	220,468
Training	359,364	266,440
Travel	180,412	12,189
Experts and related expenditure	3,142	16,554
ICT costs	12,901,173	11,143,089
Other services	829,436	471,249
Operational expenses	1,752,607	1,641,228
	16,411,812	14,204,253



The increase in ICT costs has been driven notably by the initial setup of the Data Reporting Service Providers supervision (big data platform).

ICT costs include project costs for their part not capitalised, which amount to EUR 1 347 936. Costs incurred for other projects which do not meet the requirements for capitalisation amount to EUR 1 553 717. Operational activities include translation costs amounting to EUR 462 480.

Expenses with consolidated entities are recorded in accordance with the nature of the services rendered to provide for better clarity to the reader. All variations in the amounts for 2021 relate solely to the structure and presentation of the incurred expenses.

d. Fixed asset related expenses

	2022	2021
Depreciation of tangible fixed assets	813,083	845,743
Depreciation of intangible fixed assets	1,225,975	1,929,863
Amounts written-off	1,504	16,892
	2,040,562	2,792,499

3. Non-operating result

	2022	2021
Non-operating revenue		
Bank interest received	15,895	5,040
Other financial income	541	7,274
	16,436	12,314
Non-operating expenses		
Bank charges	2,645	5,201
Other financial expenses	228	-
	2,873	5,201
Total non-operating activities (net)	13,563	7,112



IV. Other significant disclosures

1. Contingent liabilities

Dilapidation costs

The lease agreement between ESMA and the iBox landlord stipulates that the Authority needs to re-instate the premises to their original state at the time it departs. The related article states, however, that the necessary costs need to be requested by the landlord based on their assessment of the condition of the offices. As a consequence, it is not possible to make a reasonable estimation at the reporting date of the costs that will need to be incurred in order to comply with this contractual obligation.

Accounting RAL

Contingent liabilities do as well include the part of the outstanding budgetary commitments which have not yet been recognised as expenses by 31 December 2022:

	2022	2021
Budgetary commitments carried forward to 2023	6,204,322	6,443,836
(Less) Expenses already recognised in 2022	(2,155,520)	(2,629,532)
	4,048,802	3,814,304

Ongoing legal cases

On 23 January 2023, ESMA was formally notified of the application in Case T-750/22, “*UniSystems Luxembourg et Unisystems systimata pliroforikis v ESMA*” lodged in front of the EU General Court (GC) in relation to the outcome of joint procurement procedure ref. PROC/2021/12, for which ESMA was the leading entity.

This procurement procedure led to the award of a framework contract with a ceiling of EUR 40.2 million on 19 December 2022, with a life span of 4 years. Apart from ESMA, 3 other EU Agencies participated in this joint procedure (EBA, EIOPA and ERA).

By the end of 2022, ESMA had signed specific contracts under the aforementioned framework contract amounting up to EUR 225 974.

The claims put forward by the applicant are essentially:

- Request for annulment of the decision to select the tender of the applicant as second in the cascade at the open call for tenders for PROC/2021/12 and to award the first cascade contract at the same call for tenders to the first cascade consortium;



- Request for compensation. The monetary compensation demanded by the applicant ranges from EUR 400 000 to EUR 3.5 million.

Given in particular the early stages in the proceedings as well as the broad range of options to be considered by the GC in relation to the exact value of a potential compensation, if any, if the action for annulment is upheld, it is not possible for management to make a reliable estimate of the possible costs to be borne by ESMA as a result of this court case.

Should the outcome not be positive, in financial terms (i) ESMA may be ordered to pay the legal costs incurred by the applicant for the proceedings; and (ii) should the Court also uphold the action for damages, ESMA may be condemned to pay those damages on the basis of what the Court will rule in that respect. Should the outcome of the Case be fully positive, ESMA may be entitled to recover its legal costs in the proceedings (so far, related to external lawyers' support).

2. Events after the reporting date

At the date on which the accounts are authorised, no material issue came to the attention of the Accounting Officer of the Authority or were reported to him that would require separate disclosure under this section. The annual accounts and related notes were prepared using the most available information and this is reflected in the information presented above.

3. Operating lease commitments

Below an overview can be found of the yearly rental charges to be paid by ESMA for the rent of its offices. The gross rental amount is € 4 774 580 from which an amount of € 344 629 is deducted representing the yearly lease incentive granted to ESMA.

<i>iBox premises (Paris)</i>	<1 year	2-5 years	>5 years	Total
Rent	4,429,951	16,727,301	3,437,448	24,594,700
Bank guarantee (commission)	2,420	9,143	1,878	13,441
Total	4,432,371	16,736,444	3,439,326	24,608,141

The total amount corresponding to the lease incentives that ESMA has obtained as part of the lease agreement for its new premises is € 9 947 041. This amount includes € 5 377 730 corresponding to the cost of the fit-out works done in ESMA's new premises and the 2019 rent value. The aggregate is recognised as a reduction of the rent expense over the lease term on a straight-line basis.



4. Related party disclosures

Highest grades description	Grade
Chair CCP Supervisory Committee	AD 16
Chairperson	AD 15
Independent Members of the CCP Supervisory Committee	AD 15
Executive Director	AD 14

The remuneration equivalent to the grades of the key management personnel in the table can be found in the Official Journal of the European Union, 2022/C 474/10 of 14 December 2022.



V. Financial risk management

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 rate currency risks. Information about which and how they are managed is set out below. Deferred and accrued charges and income are not included.

The carrying amounts of financial instruments are as follows:

	2022	2021
Financial assets		
Current receivables	662,091	1,249,370
Sundry receivables	6,079,370	27,357
Cash and cash equivalents	737,030	6,563,604
	7,478,491	7,840,332
Financial liabilities		
Current payables	544,185	97,518
Sundry payables	-	-
Payables towards EU entities	511,498	842,246
	1,055,683	939,764
Total net financial instruments	6,422,807	6,900,568

[EAR 11: Revised EAR effective for periods beginning on or after 1 January 2021](#)

In 2020, the Accounting Officer of the European Commission adopted the revised EAR 11 '*Financial Instruments*', which is mandatorily effective as of 1 January 2021. The revised EAR 11 is based on the new IPSAS 41 '*Financial Instruments*', the amended IPSAS 28 '*Financial Instruments: Presentation*' and the amended IPSAS 30 '*Financial Instruments: Disclosures*'. It establishes the financial reporting principles for financial assets and financial liabilities. In accordance with the transition provisions of the revised EAR 11, the entity accounts for any changes from the initial application, on 1 January 2021. The revised EAR 11 does not require the restatement of prior periods.

After due consideration of the effect of the revised EAR 11, the Accounting Officer has concluded that it results in no material impact in these annual accounts.



1. Liquidity risk

Liquidity risk arises from the ongoing financial obligations, including settlement of payables. The Authority manages liquidity risk by continually monitoring forecasted and actual cashflows. EU budget principles ensure that overall cash resources for a given year are always sufficient for the execution of all payments. Details of contractual maturities for assets and liabilities form an important source of information for the management of liquidity risk.

The table below provides detail on the contractual maturity of all financial instruments of the Authority:

<i>At 31.12.2022</i>	On demand	<1 year	1-2 years	>2 years	Total
Current receivables	-	662,091	-	-	662,091
Sundry receivables	6,025,460	53,911	-	-	6,079,370
Cash and cash equivalents	737,030	-	-	-	737,030
Total financial assets (A)	6,762,489	716,001	-	-	7,478,491
Current payables	-	544,185	-	-	544,185
Sundry payables	-	-	-	-	-
Payables to EU entities	-	511,498	-	-	511,498
Total financial liabilities (B)	-	1,055,683	-	-	1,055,683
Cumulative liquidity gap (A-B)	6,762,489	6,422,807	6,422,807	6,422,807	6,422,807

2. 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) and 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 the EC since November 2022. ESMA recovers contributions from national supervisory authorities and the European Commission two or more times per year to ensure appropriate cash management and to maintain a minimum cash balance on its bank account. This is with a view to limit its risk exposure. Requests to the European Commission are accompanied by cash forecasts. Following the externalisation of the treasury to the EC, the counterparty risk to which ESMA is exposed is minimized.

The maximum exposure to credit risk is:

<i>At 31.12.2022</i>	2022	2021
Current receivables	662,091	1,249,370
Other receivables	6,079,370	27,357
Cash in banks	737,030	6,563,604
	7,478,491	7,840,332



3. Market risk

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, consequently, it is not exposed to interest rate risk. It does, however, earn interest on balances it holds in its bank 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.

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 2022 the Authority had no outstanding receivable, or payable balances in foreign currency.

<i>As at 31.12.2022</i>	EUR	Other EUR equivalent	Total (EUR)
Other receivables	6,741,461	-	6,741,461
Receivables from other EU entities	-	-	-
Cash and cash equivalents	737,030	-	737,030
Total monetary assets (C)	7,478,491	-	7,478,491
Payables to third parties	544,185	-	544,185
Payables to other EU entities	511,498	-	511,498
Total monetary liabilities (D)	1,055,683	-	1,055,683
Net Position (C)-(D)	6,422,807	-	6,422,807



Budget implementation reports

I. Budget principles, structure and implementation

1. Budgetary principles

The establishment and implementation of the Authority's budget shall comply with the principles of unity and budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency as provided for in the Authority's Financial Regulation.

⇒ Principle of unity and budget accuracy

The budget is the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the Authority's activities. No revenue shall be collected, and no expenditure effected unless booked to a line in the budget. An appropriation must not be entered in the budget if it is not for an item of expenditure considered necessary. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget.

⇒ Principle of annuality

The appropriations entered in the budget shall be authorised for one financial year which shall run from 1 January to 31 December, inclusive. Commitments shall be entered in the accounts on the basis of the legal commitments entered into up to 31 December. Payments shall be entered in the accounts for a financial year on the basis of the payments effected by the Accounting Officer by 31 December of that year at the latest.

⇒ Principle of equilibrium

The Authority's budget revenue and payment appropriations must be in balance. Commitment appropriations may not exceed the amount of the voted budget, plus own revenue and any other revenue. The Authority may not raise loans.

⇒ Principle of unit of account

The budget shall be drawn up and implemented in euro and the accounts shall be presented in euro.

⇒ Principle of universality

Total revenue shall cover all expenditure. All revenue and expenditure shall be entered in full without any adjustment against each other.



⇒ Principle of specification

The appropriations in their entirety shall be earmarked for specific purposes by title and chapter; the chapters shall be further subdivided into articles and items. The Executive Director may authorise transfers from one article to another within each chapter.

⇒ Principle of sound financial management

Budget appropriations shall be used in accordance with the principle of sound financial management, that is to say, in accordance with the principles of economy, efficiency and effectiveness.

The principle of economy requires that the resources used by the Authority for the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price. The principle of efficiency is concerned with the best relationship between resources employed and results achieved. The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

⇒ Principle of transparency

The budget shall be drawn up and implemented and the accounts presented in compliance with the principle of transparency. The budget, as finally adopted, shall be published in the Official Journal of the European Communities and amending budgets shall be published in an appropriate way within two months of their adoption.

2. Types of appropriations

The Authority makes use of non-differentiated appropriations for both its administrative (Title I & II) and operational expenditure (Title III & IV).

3. Description of the budget accounts

Following the provisions of the Financial Rules of the Authority, the budget accounts shall provide a detailed record of the budget implementation and shall record all budget revenue and expenditure operations (voted appropriations, commitments and payments of the financial year, entitlements established).

The content of the budget accounts, also called budget lines, is adopted annually by the Board of Supervisors, taking into account the general budgetary nomenclature and the Authority's rules on the structure and presentation of the statement of expenditure.

Title I budget lines are related to staff expenditure: salaries and allowances of the staff members working for the Authority and all other entitlements such as removal expenditures, installation costs. Title I also includes recruitment costs incurred by the Authority. Training, staff perquisites and administrative mission costs are incorporated also under Title I.



Title II budget lines relate to all buildings, equipment, IT and other miscellaneous administrative expenditure.

Title III budget lines provide for the implementation of all the activities carried out in the frame of the missions and tasks assigned to the Authority by its founding Regulation. The accounts under this Title are sub-divided into the main activities performed in each area such as organisation of meetings, training, coordination missions, supervisory activities, etc

Title IV budget lines relate to external assigned revenue – activities for which earmarked funds are made available. Such is the case for the budget management of the TRACE project.



II. Budget result for the financial year

	2022	2021
Revenue		
Balancing NCAs contribution	27,030,086	23,832,443
Balancing Commission subsidy	17,301,544	18,071,139
Recovery of the NCA surplus N-2	271,843	107,431
Contributions from other consolidated entities	150,193	-
Balancing observer's contribution	836,845	737,847
Fees from Supervised Entities	22,228,234	16,218,989
NCA contributions for delegated tasks	140,802	1,895,958
Other income	29,399	12,492
Bank Interest	15,895	4,922
Total Revenue	68,004,840	60,881,220
Expenditure		
<i>Title I: Staff</i>		
Payments	43,273,593	37,328,586
Appropriations carried over	491,075	302,354
<i>Title II: Administrative expenses</i>		
Payments	7,033,431	6,867,878
Appropriations carried over	1,021,678	1,039,187
<i>Title III: Operating expenditure</i>		
Payments	10,660,459	7,848,539
Appropriations carried over	5,187,412	4,561,736
<i>Title IV: Expenditure on Delegated Tasks</i>		
Payments	671,144	2,191,662
Appropriations carried over	987,185	1,519,542
Total Expenditure	69,325,977	61,659,485
RESULT FOR THE FINANCIAL YEAR	(1,321,137)	(778,265)
Cancellation of unused appropriations carried over from previous years	300,324	301,931
Adjustment for carry-over of appropriations arising from assigned revenue	1,532,034	1,081,073
Exchange differences for the year	(3,582)	(994)
BALANCE OF THE RESULT ACCOUNT	507,639	603,745



III. Reconciliation between the budget result and the economic result

	2022	2021
ECONOMIC OUTTURN	888,396	1,596,719
Adjustment for accrual items		
Adjustment for accrual cut-off N-1	(1,478,881)	(1,341,422)
Adjustment for accrual cut-off N	(88,445)	(805,325)
Unpaid invoices at year end but booked in charges	140,601	12,775
Depreciation and amortisation	2,040,562	2,792,499
Provisions	-	-
Recovery orders booked in revenue not yet cashed	(64,258)	(102,016)
Pre-financing given in previous years and cleared in N	-	-
Pre-financing received in previous years and cleared in N	-	-
Payments made from carry-over of N-1 appropriations	5,590,461	6,754,811
Other	354	(3,289)
Adjustment for budgetary items		
Asset acquisitions (less unpaid amounts)	(1,228,414)	(3,502,340)
Pre-financing paid in N and open at 31.12.N	-	-
Pre-financing received in N and open at 31.12.N	510,239	603,746
Recovery orders issued before N and cashed in N	52,016	365,000
Cashed recovery orders issued against balance sheet items	-	272,403
Payment appropriations carried over to N+1	(7,687,350)	(7,422,820)
Cancellation of unused n-1 appropriations	300,324	301,931
Adjustment for carry-over of assigned revenue from N-1	1,532,034	1,081,073
BUDGET RESULT	507,639	603,746



IV. Budget Accounts

1. Revenue

Line	Item	Income appropriations			Entitlements established			Revenue			Outstanding
		Initial budget	Amending budget	Final budget	Current year	Carried over	Total	Current year	Carried over	Total	
1000	Contribution from Member States NCAs	27,293,765	-	27,293,765	27,293,765	-	27,293,765	27,293,765	-	27,293,765	-
1001	Contribution from Observer NCAs	845,008	-	845,008	845,008	-	845,008	845,008	-	845,008	-
Total Title I		28,138,773	-	28,138,773	28,138,773	-	28,138,773	28,138,773	-	28,138,773	-
2000	Contribution from the EU	17,301,544	-	17,301,544	17,301,544	-	17,301,544	17,301,544	-	17,301,544	-
2100	EU contribution - Digital Academy Project	-	-	-	150,193	-	150,193	150,193	-	150,193	-
Total Title II		17,301,544	-	17,301,544	17,451,737	-	17,451,737	17,451,737	-	17,451,737	-
3000	Fees from CRAs	10,021,978	-	10,021,978	10,021,978	-	10,021,978	10,021,978	-	10,021,978	-
3001	Fees from TRs	1,915,408	-	1,915,408	1,915,408	-	1,915,408	1,915,408	-	1,915,408	-
3002	Fees from SFTRs	841,322	-	841,322	841,322	-	841,322	841,322	-	841,322	-
3003	Fees from TC CCPs	4,701,769	545,342	5,247,111	5,247,111	100,000	5,347,111	5,197,111	50,000	5,247,111	100,000
3004	Fees from SRs	411,648	-	411,648	411,648	-	411,648	411,648	-	411,648	-
3005	Fees from BMRKs	649,479	91,288	740,767	740,767	-	740,767	740,767	-	740,767	-
3006	Fees from DRSPs	3,000,000	50,000	3,050,000	3,050,000	-	3,050,000	3,050,000	-	3,050,000	-
Total Title III		21,541,604	686,630	22,228,234	22,228,234	100,000	22,328,234	22,178,234	50,000	22,228,234	100,000
6002	Bank interest	-	-	-	-	-	-	-	-	-	-
Total Title VI		-	-	-	-	-	-	-	-	-	-
7000	Contribution to IT Delegated Projects	-	-	-	152,928	2,016	154,944	138,786	2,016	140,802	14,142
Total Title VII		-	-	-	152,928	2,016	154,944	138,786	2,016	140,802	14,142



9000	Miscellaneous Revenue	-	-	-	29,515	-	29,515	29,399	-	29,399	116
Total Title IX		-	-	-	29,515	-	29,515	29,399	-	29,399	116
GRAND TOTAL		66,981,921	686,630	67,668,551	68,001,187	102,016	68,103,203	67,936,929	52,016	67,988,945	114,258

2. Commitment and payment appropriations (breakdown and changes)

Line	Item	Initial adopted budget	Budget appropriations			Additional appropriations			Total approp. available
			Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
1100	Staff salaries - allowances - insurance and grants	38,987,627	-	(829,589)	38,158,038	6,761	119,414	126,174	38,284,212
1120	Temporary workers	58,000	-	(58,000)	-	-	-	-	-
1133	Contribution to the Community pension scheme	4,044,525	-	(397,896)	3,646,629	-	-	-	3,646,629
1200	Expenditure staff management and recruitment	300,000	-	424,016	724,016	116,789	-	116,789	840,805
1400	Medical service	85,000	-	(25,539)	59,461	1,198	-	1,198	60,659
1410	Schools and kindergartens	300,000	-	30,000	330,000	37,324	-	37,324	367,324
1420	Canteen and associated services	600,000	-	(268,000)	332,000	46,500	-	46,500	378,500
1600	Training	400,000	-	8,000	408,000	93,782	-	93,782	501,782
Total Title I		44,775,151	-	(1,117,008)	43,658,143	302,354	119,414	421,768	44,079,911
2000	Building rental - charges and taxes	6,000,000	-	22,154	6,022,154	181,442	55,426	236,868	6,259,022
2020	Maintenance - works and refurbishment	120,000	-	(41,759)	78,241	10,427	-	10,427	88,668
2090	Other expenditure on building	400,000	-	70,000	470,000	79,171	-	79,171	549,171
2100	Internal ICT and telecommunications	450,000	-	79,000	529,000	345,627	-	345,627	874,627
2300	Facility management services	350,000	-	(156,387)	193,613	48,321	-	48,321	241,934
2304	Services on administrative matters	550,000	-	109,000	659,000	363,650	-	363,650	1,022,650



2305	Subscriptions	100,000	-	41,116	141,116	9,383	-	9,383	150,499
2308	Library expenditure	7,000	-	-	7,000	1,166	-	1,166	8,166
2700	Representation expenses - receptions and events	6,000	-	-	6,000	-	-	-	6,000
Total Title II		7,983,000	-	123,124	8,106,124	1,039,187	55,426	1,094,613	9,200,737
3100	Training costs	70,000	-	(55,300)	14,700	-	-	-	14,700
3200	IT project costs	12,250,000	230,630	1,341,537	13,822,167	3,603,219	-	3,603,219	17,425,386
3400	Legal advice	130,000	-	(50,000)	80,000	4,950	-	4,950	84,950
3500	Access to data for Economic Research	625,000	-	45,000	670,000	334,299	-	334,299	1,004,299
3600	Mission expenses	320,000	-	(140,000)	180,000	6,711	4,752	11,463	191,463
3700	Translation and interpretation	188,679	522,000	60,000	770,679	218,020	-	218,020	988,699
3701	Communications services	100,000	-	(10,816)	89,184	164,357	-	164,357	253,541
3800	General meeting expenses	180,001	-	(88,000)	92,001	-	-	-	92,001
3810	Stakeholder groups - Consultations	110,000	-	(40,000)	70,000	10,800	-	10,800	80,800
3820	Governance	75,000	-	(55,698)	19,302	-	-	-	19,302
3830	Board of Appeal costs	55,000	-	(25,400)	29,600	2,400	-	2,400	32,000
3900	Services on operational matters	54,090	-	12,561	66,651	216,980	-	216,980	283,631
Total Title III		14,157,770	752,630	993,884	15,904,284	4,561,736	4,752	4,566,488	20,470,771
4000	Single Interface to Trade Repositories	66,000	(66,000)	-	-	992,016	138,786	1,130,802	1,130,802
4100	Instruments Reference Data	-	-	-	-	527,527	-	527,527	527,527
Total Title IV		66,000	(66,000)	-	-	1,519,542	138,786	1,658,329	1,658,329
GRAND TOTAL		66,981,921	686,630	-	67,668,551	7,422,820	318,378	7,741,198	75,409,749



3. Implementation of commitment appropriations

Line	Item	Total approp. available	from final adopted budget	Commitments made		Total	Appropriations carried over to 2023		
				from carry-overs	from assigned revenue		Carry over on decision	Assigned revenue	Total
1100	Staff salaries - allowances - insurance and grants	38,284,212	38,155,219	4,030	119,414	38,278,662	-	-	-
1120	Temporary workers	-	-	-	-	-	-	-	-
1133	Contribution to the Community pension scheme	3,646,629	3,646,629	-	-	3,646,629	-	-	-
1200	Expenditure staff management and recruitment	840,805	722,778	85,872	-	808,650	-	-	-
1400	Medical service	60,659	59,461	1,198	-	60,659	-	-	-
1410	Schools and kindergartens	367,324	330,000	37,324	-	367,324	-	-	-
1420	Canteen and associated services	378,500	332,000	30,062	-	362,062	-	-	-
1600	Training	501,782	396,769	82,863	-	479,632	-	-	-
Total Title I		44,079,911	43,642,855	241,349	119,414	44,003,618	-	-	-
2000	Building rental - charges and taxes	6,259,022	6,022,154	71,587	55,426	6,149,167	-	-	-
2020	Maintenance - works and refurbishment	88,668	78,241	5,356	-	83,597	-	-	-
2090	Other expenditure on building	549,171	412,197	69,470	-	481,667	-	-	-
2100	Internal ICT and telecommunications	874,627	509,335	323,246	-	832,581	-	-	-
2300	Facility management services	241,934	178,931	44,803	-	223,734	-	-	-
2304	Services on administrative matters	1,022,650	648,897	360,849	-	1,009,746	-	-	-
2305	Subscriptions	150,499	137,673	8,878	-	146,552	-	-	-
2308	Library expenditure	8,166	6,256	1,166	-	7,422	-	-	-
2700	Representation expenses - receptions and events	6,000	6,000	-	-	6,000	-	-	-
Total Title II		9,200,737	7,999,683	885,355	55,426	8,940,464	-	-	-
3100	Training costs	14,700	12,579	-	-	12,579	-	-	-
3200	IT project costs	17,425,386	13,181,167	3,581,512	-	16,762,679	641,000	-	641,000
3400	Legal advice	84,950	75,360	-	-	75,360	-	-	-
3500	Access to data for Economic Research	1,004,299	650,620	304,565	-	955,185	-	-	-
3600	Mission expenses	191,463	180,000	6,149	2,152	188,301	-	2,600	2,600



3700	Translation and interpretation	988,699	770,679	194,817	-	965,496	-	-	-
3701	Communications services	253,541	63,094	157,374	-	220,469	-	-	-
3800	General meeting expenses	92,001	84,845	-	-	84,845	-	-	-
3810	Stakeholder groups - Consultations	80,800	70,000	9,000	-	79,000	-	-	-
3820	Governance	19,302	16,379	-	-	16,379	-	-	-
3830	Board of Appeal costs	32,000	25,705	800	-	26,505	-	-	-
3900	Services on operational matters	283,631	66,650	216,980	-	283,630	-	-	-
Total Title III		20,470,771	15,197,078	4,471,197	2,152	19,670,426	641,000	2,600	643,600
4000	Single Interface to Trade Repositories	1,130,802	-	-	598,007	598,007	-	532,795	532,795
4100	Instruments Reference Data	527,527	-	-	220,895	220,895	-	306,632	306,632
Total Title IV		1,658,329	-	-	818,902	818,902	-	839,427	839,427
GRAND TOTAL		75,409,749	66,839,617	5,597,901	995,893	73,433,411	641,000	842,028	1,483,028



Line	Item	from final adopted budget	Appropriations lapsing		Total
			from carry-overs	from assigned revenue	
1100	Staff salaries - allowances - insurance and grants	2,819	2,731	-	5,550
1120	Temporary workers	-	-	-	-
1133	Contribution to the Community pension scheme	-	-	-	-
1200	Expenditure staff management and recruitment	1,238	30,917	-	32,155
1400	Medical service	-	-	-	-
1410	Schools and kindergartens	-	-	-	-
1420	Canteen and associated services	-	16,438	-	16,438
1600	Training	11,231	10,919	-	22,150
Total Title I		15,288	61,005	-	76,293
2000	Building rental - charges and taxes	-	109,855	-	109,855
2020	Maintenance - works and refurbishment	-	5,071	-	5,071
2090	Other expenditure on building	57,803	9,702	-	67,505
2100	Internal ICT and telecommunications	19,665	22,380	-	42,045
2300	Facility management services	14,682	3,518	-	18,200
2304	Services on administrative matters	10,103	2,801	-	12,904
2305	Subscriptions	3,443	505	-	3,948
2308	Library expenditure	744	-	-	744
2700	Representation expenses - receptions and events	-	-	-	-
Total Title II		106,440	153,832	-	260,272
3100	Training costs	2,121	-	-	2,121
3200	IT project costs	-	21,604	102	21,706
3400	Legal advice	4,640	-	4,950	9,590
3500	Access to data for Economic Research	19,380	29,735	-	49,115
3600	Mission expenses	-	562	-	562
3700	Translation and interpretation	-	23,203	-	23,203
3701	Communications services	26,090	6,983	-	33,073
3800	General meeting expenses	7,156	-	-	7,156
3810	Stakeholder groups - Consultations	-	1,800	-	1,800
3820	Governance	2,923	-	-	2,923
3830	Board of Appeal costs	3,895	1,600	-	5,495
3900	Services on operational matters	1	-	-	1
Total Title III		66,206	85,487	5,052	156,745
4000	Single Interface to Trade Repositories	-	-	-	-
4100	Instruments Reference Data	-	-	-	-
Total Title IV		-	-	-	-
GRAND TOTAL		187,934	300,324	5,052	493,310



4. Implementation of payment appropriations

Line	Item	Total approp. available	from final adopted budget	Payments made		Total	Appropriations carried over to 2023			
				from carry- overs	from assigned revenue		Automatic carry-overs	Carry over on decision	Assigned revenue	Total
1100	Staff salaries - allowances - insurance and grants	38,284,212	38,151,628	4,030	119,414	38,275,072	3,590	-	-	3,590
1120	Temporary workers	-	-	-	-	-	-	-	-	-
1133	Contribution to the Community pension scheme	3,646,629	3,646,629	-	-	3,646,629	-	-	-	-
1200	Expenditure staff management and recruitment	840,805	451,737	85,872	-	537,609	271,041	-	-	271,041
1400	Medical service	60,659	40,918	1,198	-	42,117	18,542	-	-	18,542
1410	Schools and kindergartens	367,324	294,744	37,324	-	332,068	35,256	-	-	35,256
1420	Canteen and associated services	378,500	278,874	30,062	-	308,936	53,126	-	-	53,126
1600	Training	501,782	287,251	82,863	-	370,114	109,518	-	-	109,518
Total Title I		44,079,911	43,151,781	241,349	119,414	43,512,544	491,075	-	-	491,075
2000	Building rental - charges and taxes	6,259,022	5,840,154	71,587	55,426	5,967,167	182,000	-	-	182,000
2020	Maintenance - works and refurbishment	88,668	53,090	5,356	-	58,446	25,151	-	-	25,151
2090	Other expenditure on building	549,171	313,345	69,470	-	382,815	98,852	-	-	98,852
2100	Internal ICT and telecommunications	874,627	222,103	323,246	-	545,349	287,232	-	-	287,232
2300	Facility management services	241,934	136,957	44,803	-	181,760	41,974	-	-	41,974
2304	Services on administrative matters	1,022,650	289,009	360,849	-	649,859	359,887	-	-	359,887
2305	Subscriptions	150,499	115,014	8,878	-	123,892	22,659	-	-	22,659
2308	Library expenditure	8,166	4,968	1,166	-	6,134	1,289	-	-	1,289
2700	Representation expenses - receptions and events	6,000	3,366	-	-	3,366	2,634	-	-	2,634
Total Title II		9,200,737	6,978,005	885,355	55,426	7,918,786	1,021,678	-	-	1,021,678
3100	Training costs	14,700	12,579	-	-	12,579	-	-	-	-
3200	IT project costs	17,425,386	9,644,348	3,581,512	-	13,225,860	3,536,819	641,000	-	4,177,819
3400	Legal advice	84,950	31,105	-	-	31,105	44,255	-	-	44,255
3500	Access to data for Economic Research	1,004,299	308,213	304,565	-	612,777	342,407	-	-	342,407



3600	Mission expenses	191,463	165,218	1,108	2,152	168,477	14,782	-	7,642	22,424
3700	Translation and interpretation	988,699	267,664	194,817	-	462,480	503,015	-	-	503,015
3701	Communications services	253,541	53,318	157,374	-	210,692	9,777	-	-	9,777
3800	General meeting expenses	92,001	60,604	-	-	60,604	24,241	-	-	24,241
3810	Stakeholder groups - Consultations	80,800	43,909	9,000	-	52,909	26,091	-	-	26,091
3820	Governance	19,302	16,379	-	-	16,379	-	-	-	-
3830	Board of Appeal costs	32,000	25,705	800	-	26,505	-	-	-	-
3900	Services on operational matters	283,631	29,268	216,980	-	246,248	37,382	-	-	37,382
Total Title III		20,470,771	10,658,308	4,466,156	2,152	15,126,615	4,538,770	641,000	7,642	5,187,412
4000	Single Interface to Trade Repositories	1,130,802	-	-	450,249	450,249	-	-	680,553	680,553
4100	Instruments Reference Data	527,527	-	-	220,895	220,895	-	-	306,632	306,632
Total Title IV		1,658,329	-	-	671,144	671,144	-	-	987,185	987,185
GRAND TOTAL		75,409,749	60,788,094	5,592,860	848,135	67,229,088	6,051,523	641,000	994,827	7,687,350



Line	Item	from final adopted budget	Appropriations lapsing		Total
			from carry-overs	from assigned revenue	
1100	Staff salaries - allowances - insurance and grants	2,819	2,731	-	5,550
1120	Temporary workers	-	-	-	-
1133	Contribution to the Community pension scheme	-	-	-	-
1200	Expenditure staff management and recruitment	1,238	30,917	-	32,155
1400	Medical service	-	-	-	-
1410	Schools and kindergartens	-	-	-	-
1420	Canteen and associated services	-	16,438	-	16,438
1600	Training	11,231	10,919	-	22,150
Total Title I		15,288	61,005	-	76,293
2000	Building rental - charges and taxes	-	109,855	-	109,855
2020	Maintenance - works and refurbishment	-	5,071	-	5,071
2090	Other expenditure on building	57,803	9,702	-	67,505
2100	Internal ICT and telecommunications	19,665	22,380	-	42,046
2300	Facility management services	14,682	3,518	-	18,201
2304	Services on administrative matters	10,103	2,801	-	12,904
2305	Subscriptions	3,443	505	-	3,948
2308	Library expenditure	744	-	-	744
2700	Representation expenses - receptions and events	-	-	-	-
Total Title II		106,441	153,832	-	260,273
3100	Training costs	2,121	-	-	2,121
3200	IT project costs	-	21,604	102	21,706
3400	Legal advice	4,640	-	4,950	9,590
3500	Access to data for Economic Research	19,380	29,735	-	49,115
3600	Mission expenses	-	562	-	562
3700	Translation and interpretation	-	23,203	-	23,203
3701	Communications services	26,090	6,983	-	33,072
3800	General meeting expenses	7,156	-	-	7,156
3810	Stakeholder groups - Consultations	-	1,800	-	1,800
3820	Governance	2,923	-	-	2,923
3830	Board of Appeal costs	3,895	1,600	-	5,495
3900	Services on operational matters	1	-	-	1
Total Title III		66,206	85,487	5,052	156,744
4000	Single Interface to Trade Repositories	-	-	-	-
4100	Instruments Reference Data	-	-	-	-
Total Title IV		-	-	-	-
GRAND TOTAL		187,934	300,324	5,052	493,310



5. Commitments outstanding at the end of the year

Line	Item	Commitments outstanding at the end of 2020				Commitments of the current year			Total commitments outstanding
		Commitments carried forward	Decommitments/ Cancellations	Payments	Total	Commitments made	Payments	Commitments outstanding	
1100	Staff salaries - allowances - insurance and grants	4,362	(2,731)	(1,631)	-	38,277,031	(38,273,440)	3,590	3,590
1120	Temporary workers	-	-	-	-	-	-	-	-
1133	Contribution to the Community pension scheme	-	-	-	-	3,646,629	(3,646,629)	-	-
1200	Expenditure staff management and recruitment	116,789	(30,917)	(85,872)	-	722,778	(451,737)	271,041	271,041
1400	Medical service	1,198	-	(1,198)	-	59,461	(40,918)	18,542	18,542
1410	Schools and kindergartens	37,324	-	(37,324)	-	330,000	(294,744)	35,256	35,256
1420	Canteen and associated services	46,500	(16,438)	(30,062)	-	332,000	(278,874)	53,126	53,126
1600	Training	93,782	(10,919)	(82,863)	-	396,769	(287,251)	109,518	109,518
Total Title I		299,956	(61,005)	(238,951)	-	43,764,667	(43,273,593)	491,075	491,075
2000	Building rental - charges and taxes	181,442	(109,855)	(71,587)	-	6,077,580	(5,895,580)	182,000	182,000
2020	Maintenance - works and refurbishment	10,427	(5,071)	(5,356)	-	78,241	(53,090)	25,151	25,151
2090	Other expenditure on building	79,171	(9,702)	(69,470)	-	412,197	(313,345)	98,852	98,852
2100	Internal ICT and telecommunications	345,627	(22,380)	(323,246)	-	509,335	(222,103)	287,232	287,232
2300	Facility management services	48,321	(3,518)	(44,803)	-	178,931	(136,957)	41,974	41,974
2304	Services on administrative matters	363,650	(2,801)	(360,849)	-	648,897	(289,009)	359,887	359,887
2305	Subscriptions	9,383	(505)	(8,878)	-	137,673	(115,014)	22,659	22,659
2308	Library expenditure	1,166	-	(1,166)	-	6,256	(4,968)	1,289	1,289
2700	Representation expenses - receptions and events	-	-	-	-	6,000	(3,366)	2,634	2,634
Total Title II		1,039,187	(153,832)	(885,355)	-	8,055,109	(7,033,431)	1,021,678	1,021,678
3100	Training costs	-	-	-	-	12,579	(12,579)	-	-
3200	IT project costs	3,603,117	(21,604)	(3,581,512)	-	13,181,167	(9,644,348)	3,536,819	3,536,819
3400	Legal advice	-	-	-	-	75,360	(31,105)	44,255	44,255
3500	Access to data for Economic Research	334,299	(29,735)	(304,565)	-	650,620	(308,213)	342,407	342,407
3600	Mission expenses	1,670	(562)	(1,108)	-	187,193	(167,369)	19,824	19,824



3700	Translation and interpretation	218,020	(23,203)	(194,817)	-	770,679	(267,664)	503,015	503,015
3701	Communications services	164,357	(6,983)	(157,374)	-	63,094	(53,318)	9,777	9,777
3800	General meeting expenses	-	(0)	-	-	84,845	(60,604)	24,241	24,241
3810	Stakeholder groups - Consultations	10,800	(1,800)	(9,000)	-	70,000	(43,909)	26,091	26,091
3820	Governance	-	-	-	-	16,379	(16,379)	-	-
3830	Board of Appeal costs	2,400	(1,600)	(800)	-	25,705	(25,705)	-	-
3900	Services on operational matters	216,980	-	(216,980)	-	66,650	(29,268)	37,382	37,382
Total Title III		4,551,642	(85,487)	(4,466,156)	-	15,204,271	(10,660,459)	4,543,811	4,543,811
4000	Single Interface to Trade Repositories	332,156	(12,444)	(300,405)	19,306	278,296	(149,843)	128,452	147,758
4100	Instruments Reference Data	220,895	-	(220,895)	-	-	-	-	-
Total Title IV		553,050	(12,444)	(521,300)	19,306	278,296	(149,843)	128,452	147,758
GRAND TOTAL		6,443,836	(312,768)	(6,111,762)	19,306	67,302,344	(61,117,327)	6,185,017	6,204,322



Financial systems and management

The accounting system of ESMA is ABAC, where 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.

In December 2022, the ESMA’s financial systems were validated by the Accounting Officer in compliance with Article 49(e) of the ESMA Financial Regulation.

A full physical check of all IT items and all furniture items was performed in November-December 2022. No material discrepancies were identified.