



SUMMARY OF CONCLUSIONS

Management Board

Date: 17 December 2012
Time: 15:00 – 18:00h
Location: Paris
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No Items

1. Adoption of agenda *MB/73* *decision*

Decision: The agenda was adopted.

2. Summary of conclusions of November meeting *MB/74* *decision*

Decision: The summary of conclusions was approved.

3. Report by Chair and Executive Director *Oral* *information*

The Chair reported on;

- the recent activities of the Securities and Markets Stakeholder Group;
- the recent activities of the Joint Committee and joint work done by the ESAs, in particular the self-assessment of the ESAs regarding the ESFS 2013 review and the work by the subcommittee on consumer protection and financial innovation;
- developments regarding the IMF EU-wide Financial Sector Assessment Program;
- the review of the functioning of the European Systemic Risk Board;
- the ESMA Consumer Day that took place on 12 December;
- a recent visit to the US and Canada for the high-level meeting on OTC derivatives and meetings with the SEC, CFTC, US Treasury and other organisations;
- a letter sent to the Greek Minister of Finance regarding the Greek austerity measures and its impact



on the budget of the Hellenic Capital Market Commission; and

- the upcoming appraisal procedures for the Chair and Executive Director.

The Board discussed whether ESMA should be involved in the work of the International Financial Consumer Protection Network (FinCoNet). ESMA staff will conduct an analysis and report back to the Management Board.

The Executive Director reported on:

- the recent activities of the CRA Unit, in particular the future work stemming from the CRA 3 Regulation and the negotiations on a Memorandum of Understanding with the Dubai Financial Services Authority;
- the establishment of a task force in order to replace the CESR MoU by developing technical standards and guidelines on information exchange and cooperation arrangements;
- the review of the Terms of Reference for the Standing Committees;
- the recent discussions within the FSB on the creation of a Legal Entity Identifier and the proposed line to be taken by ESMA in the on-going discussions;
- the meeting of the Financial Services Committee that took place on 14 November;
- a visit to ESMA by the European Court of Auditors in order to verify the legality and regularity of transactions performed by ESMA during 2012 and their initial oral feedback at the end of the visit;
- the procedure for translations of documents and the proposal to set up a Translation Network; and
- the project to extend ESMA's premises.

The Executive Director updated the Board on the discussions in the Joint Committee on the remuneration policy of the members of the Board of Appeal, explaining the different positions between the ESMA Management Board and the EBA and EIOPA Management Boards.

The Board recognised the need to have alignment between the ESAs. The Executive Director was asked to discuss the policy with EBA and EIOPA on the basis of remunerating the members of the Board of Appeal for their travel expenses and participation in one regular meeting per year.

4. Annual Activity Report 2011

*MB/75 decision
+ annex 1
& 2*

The Executive Director presented the Annual Activity Report 2011.

Decision: The Board approved the Annual Activity Report. The report will be revised in order to have consistent wording throughout the document and submitted to the Board of Supervisors for approval by written procedure.

5. Update on Internal Control Standards

MB/76 information



The Internal Control Officer presented the report informing the Board on the activities undertaken in order to comply with the Internal Control Standards.

The Board discussed the report, in particular;

- the need to have more detailed information in the form of a detailed 2013 work programme;
- the need to have regular reporting to the Management Board on the activities of the internal control function; and
- whether Units/Divisions need to have individual mission statements.

Conclusion: The Chair indicated that the comments by the Board will be reflected in the next report to the Board. It was agreed to remove the establishment of individual mission statements for each Unit/Division from the ICS requirements.

6. Financial Implementing Rules

*MB/77 decision
+ annex*

The Head of the Operations Division presented the report on the Implementing Rules of the Financial Regulation.

Decision: The Board approved the Implementing Rules of the Financial Regulation.

7. Reclassification and promotion rules for 2013

*MB/78 decision
+ annex*

The Head of the Operations Division presented the report on reclassification and promotion rules for 2013, explaining the transitional nature of the rules until the Staff Regulation is formally approved.

The Board discussed the report, noting in particular the legal risks of adopting implementing rules without a proper legal basis.

The European Commission indicated to liaise with DG HR in order to get more clarity on the envisaged timeline of adoption of the new Staff Regulation.

Conclusion: The reclassification and promotion rules for 2013 will be discussed in a next meeting of the Management Board following the information from the European Commission on the timeline of adoption of the new Staff Regulation. The Board acknowledged the need to find a balance between postponing the adoption of the reclassification and promotion rules in order to have a proper legal basis, while at the same time avoiding too much delay resulting in withholding promotion opportunities for ESMA staff.

8. Budget transfers

MB/79 information

The Executive Director presented the report on budget transfers.

The Board discussed the report, noting in particular the need to get a better overview of all transfers within an individual Budget Title and between the different Budget Titles throughout the year.



Conclusion: The future reports on budget transfers will provide a clearer overview of all transfers within an individual Budget Title and between the different Budget Titles. The Board will receive an overview for the year 2012.

9. ESMA Budget 2013

- Decision on Liechtenstein contribution *MB/80 decision*
+ annex

The Head of the Operations Division presented the report on the annual contribution of Liechtenstein to the ESMA Budget.

Decision: The Board approved the weighting applied to Liechtenstein to determine the annual contribution to the ESMA budget.

- 2013 NCA contributions and supervision fees *MB/81 decision*
+ annex 1
& 2

The Executive Director presented the report on the 2013 NCA contributions and supervision fees, noting that the final ESMA budget, as included in the overall EU budget, will be € 28.235.000.

The Board discussed the report, in particular the balance of payments from NCAs and the need to include account statements when invoicing NCAs.

Decision: The Board approved the 2013 NCA contributions and supervision fees and the next steps to be taken.

- 2013 Budget *MB/82 decision*
+ annex
- 2013 financing decisions *MB/83 decision*
+ annex

The Executive Director presented the report on the 2013 budget noting that the presented document should be amended following the final decision from the EU institutions. She indicated that the discussion should focus on the principles of the budget but the final approval will happen by written procedure.

The Board discussed the report, in particular;

- the need to include more information on the reasoning of transfers;
- the inclusion in the budget of an amount for supervising Trade Repositories;
- the increase of costs related to training and social and medical contributions; and
- the balance between outsourcing projects and handling projects by ESMA staff.

The Head of the Operations Division presented the report on the 2013 financing decisions.



The Board discussed the report, in particular the need to develop a strategy regarding handling legal matters internally or outsourcing certain legal services.

Conclusion: The revised budget and financing decisions will be submitted to the Management Board for approval by written procedure.

— 2013 procurement plan *MB/84 decision*

The Head of the Operations Division presented the report on the 2013 procurement plan.

Decision: The Board approved the 2013 procurement plan.

10. ESMA Budget 2014

— 2014 budget *MB/85 discussion*

The Executive Director presented the report on the 2014 budget. The Chair asked the Board to provide high level comments; a further discussion by the Board will take place in January.

The Board discussed the report, in particular;

- the impact of expected coming legislation in 2013 and the estimated resources needed for additional tasks for ESMA;
- the need for additional information on additional resources in the areas of economic analysis and financial stability as well as convergence and peer reviews;
- to provide the Management Board with an overview of the organisation;
- the need to provide information on the allocation of resources initially provided for tasks related to auditing;
- the need to have a broader discussion on the outsourcing of tasks or handling tasks within ESMA in the areas of IT and legal; and
- to include information on current resources that may become available for new tasks in the near future.

Conclusion: The report will be revised taking into account the discussion in the Board. A further discussion by the Board will take place in January.

— 2014 work plan - key priorities *MB/86 discussion*

The Executive Director presented the 2014 work plan.

The Board discussed the report, in particular;



- the need to have a broader discussion on the outsourcing of tasks or handling tasks within ESMA in the areas of IT and legal;
- to make a clearer distinction between strategic directions and planned activities; and
- whether to include work on the Securities Law Directive and to remove the work on Q&As under the Transparency Directive.

Conclusion: The report will be revised taking into account the discussion in the Board.

- Multi-annual staff policy plan *MB/87* *discussion*

The report was in draft format and will be adjusted and updated based on the outcome of the discussion on the previous two documents.

11. Resources for EMIR and Short Selling *MB/88* *decision*

The Head of the Markets Division presented the reports on staffing and resources for EMIR and the Short Selling Regulation (SSR).

The Board discussed the reports, in particular;

- the estimated resources needed for drafting guidelines and Q&As under the SSR;
- the estimated resources needed for the supervision of complex and non-complex trade repositories under EMIR;
- the estimated resources needed for the participation in colleges of European CCPs under EMIR;
- the estimated resources needed for the determination of the classes of derivatives subject to the clearing obligation under EMIR;
- the need to also include resources for supporting staff such as legal advice; and
- whether the staffing and resources for EMIR are comparable with figures from the CFTC.

Decision: The Board approved the report on staffing and resources for EMIR, without inclusion of the Annex on supervisory fees. The Board approved the report on staffing and resources for Short Selling, subject to possible minor amendments downwards.

12. Decision on disciplinary procedures *Oral* *decision*
- MEMBERS ONLY - *update*

Confidential item.

13. Future meetings *information*



- 28 January 2013 (Paris)
- 13 March 2013 (Paris)
- 18 June 2013
- 23 September 2013
- 16 December 2013



Participant List

	Members	Advisers
ESMA	Steven Maijoor (Chair)	
DE	Karl-Burkhard Caspari	Philipp Sudeck
DK	Hanne Rae Larsen (alternate)	
EE	Raul Malmstein	Gerle Reinumägi
LU	Jean Guill	
AT	Andrea Kuras-Goldmann (alternate)	Stefan Maier
UK	Cristina Frazer (alternate)	

European Commission	Anthony Dempsey
Executive Director	Verena Ross
Vice-Chair	Carlos Tavares Manuel Ribeiro da Costa (advisor)
Summary of Conclusions	Max Simonis
Head of Operations Division	Nicolas Vasse
Head of Markets Division	Rodrigo Buenaventura (item 11)
Internal Control Officer	Elena Munoz (items 4 and 5)
Operations Division	Louise Waller (item 9)
Accountant	Christine Kleinsasser (item 9)



Steven Maijoor
Chair