

SUMMARY OF CONCLUSIONS

Management Board

Date: 18 March 2015
Time: 14:00 – 18:00
Location: ESMA, 103, rue de Grenelle, 75007 Paris
Contact: Frederiek.Vermeulen@esma.europa.eu Tel: +33 1 58 36 43 37

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| 1. Adoption of agenda | MB/18 | Decision |
| Decision: The agenda was adopted. | | |
| 2. Summary of Conclusions of 28 January 2015 meeting | MB/17 | Decision |
| Decision: The summary of conclusions was adopted. | | |
| 3. Report by Chair and Executive Director | Oral | Information |

The Chair reported on the meeting with Jonathan Hill, European Commissioner for Financial Stability, Financial Services and Capital Markets Union and in particular on the Commission's intention to find a way to eliminate EU and national budgetary contributions to the ESAs which should be wholly financed by the sectors they supervise.

The Executive Director reported on the:

- Submission of ESMA's 2016 budget request to the European Commission and the EU Budget Authority following the discussion that took place during the January 2015 meeting of the Board of Supervisors and the subsequent approval of the budget by written procedure;
- Different ongoing audits to which ESMA is subject and in particular on the European Court of Auditors' (ECA) financial audit where she mentioned the tentative conclusions at the end of the first part of the audit. In addition, Ernst&Young are carrying out the second part on the Court's behalf. She also updated the Board on the performance audit on stakeholder management by the European Commission's Internal Audit Service and the ECA's performance audit on supervisory activities; and
- Importance of the implementation of the Conflict of Interests Policy adopted earlier. She also informed the Board that both the Chair and the Executive Director were about to publish their detailed declaration of interests on ESMA's website.

4. 2014 Activity Report

MB/19

Discussion

The Executive Director and Head of Operations Division presented the 2014 Activity Report with a particular focus on the activities in relation to the development of a single rulebook for EU securities markets and the key performance indicators in relation to finance, procurement and human resources.

The Board discussed the Activity Report and in particular:

- The increasing number of activities of the European Systemic Risk Board (ESRB) in relation to securities markets;
- The amount of work to be done as part of the 3d country passporting regime under the Alternative Investment Fund Managers Directive (AIFMD);
- The background of the ongoing research projects on loan origination and smart-beta investments; and
- The impact of IT-projects on the budget execution.

Conclusion: The Board took note of the Activity Report.

5. 2015 Regulatory Work Programme

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| — Cover Note | MB/20 | Information |
| — 2015 Regulatory Work Programme | Annex 1 | Discussion |

The Head of Operations Division presented the revised 2015 Regulatory Work Programme following the budget constraints and staffing circumstances. He particularly highlighted the tasks ESMA will not be able to carry out in 2015.

The Board discussed the revised Regulatory Work Programme and in particular whether, considering the expected budget situation for 2016, ESMA is able to postpone some of its tasks to 2016 or whether there is a risk it will not be able to fulfil them at all.

Conclusion: The Board agreed to present the revised 2015 Regulatory Work Programme to the Board of Supervisors for approval.

6. 2014 Accounts

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| — Cover Note | MB/21 | Information |
| — 2014 Provisional Accounts | MB/22 | Information |
| — Report on Budgetary and Financial Management | MB/23 | Information |
| — Representation Letter 2014 provisional accounts | MB/24 | Information |

The Principal Accountant presented the provisional accounts and the reports on Budgetary and Financial Management and the Representation Letter on the 2014 provisional accounts. He informed the Board on the next steps in finalising the accounts and highlighted the ongoing audit by the European Court of Auditors and by Ernst & Young on behalf of the Court, in particular the tentative conclusions expressed by the auditors in relation to ESMA's procurement practices. The Principal

Accountant also informed the Board that the remaining outstanding reserves of the Committee of European Securities Regulators (amounting to 95 000 EUR) will not be directly reimbursed to the national competent authorities but allocated to the budget line for IT related expenses and as such be available for budgetary consumption in 2015.

The Board discussed the provisional accounts and in particular the ongoing activities and findings of the financial auditors and the comparatives of the Statement of Financial Performance.

Conclusion: The Board took note of the draft annual accounts.

7. ESMA strategy

— Cover Note	Oral	Information
— Strategic Orientation 2016-2020	Annex 1	Information
— Work Programme 2016-2020	Annex 2	Discussion

The Chair started the session by summarizing the amendments that have been introduced to the 2016-2020 Strategic Orientation Note following the discussion during the January 2015 meeting of the Board of Supervisors. He also highlighted the main strategic orientations and the importance of the accompanying work programme to achieve them.

The Executive Director then introduced the Work Programme highlighting the focus on supervisory convergence and the clear shift of resources made available to the different activities whilst broadly staying in line with the budget framework provided by earlier agreed Multi-Annual Financial Framework.

The Board welcomed the Strategic Orientation and the Work Programme for 2016-2020 and discussed in particular:

- Whether ESMA will have sufficient resources to execute the suggested work programme for 2016-2020;
- How national competent authorities (NCAs) and ESMA could further strengthen their co-operation to achieve economies of scale, for example in the area of risk analysis;
- The need to focus further on pan-European risk analysis rather than just increasing data collection;
- The benefits of developing an annual and detailed supervisory convergence work programme; and
- The importance of a strong and good co-operation with the European Central Bank.

Conclusion: The strategic orientation and the work programme will be further developed taking into account the views of the Management Board and will be presented to the Board of Supervisors for discussion (and decision) at a future meeting.

8. A.O.B.

Following the discussion on the ESMA strategy several Board members endorsed the suggestion from a Board member that ESMA may need to consider further initiatives to increase the convergence of supervisory activities across the EU in relation to services provided by investment firms.

9. Future meetings



- 23 June 2015
- 23 September 2015 (Luxembourg)
- 4 November 2015
- 9 December 2015

Participants list

	Members	Advisers
ESMA	Steven Maijor (Chair)	
AT	Erich Schaffer	Andrea Kuras-Goldman
EL	Konstantinos Botopoulos	Eleftheria Apostolidou Anastasia Maltoudi
FR	Gerard Rameix	Françoise Buisson
IE	Cyril Roux	Gareth Murphy (alternate)
PL	Marek Szuszkiewicz	Anna Skrzypek
UK	David Lawton (alternate)	Mark Aurliah

European Commission	Maria Teresa Fabregas Fernandez
Vice-Chair	Carlos Tavares Gabriela Figueiredo Dias
Executive Director	Verena Ross
Summary of Conclusions	Frederiek Vermeulen
Head of Operations	Nicolas Vasse

Done at Paris on 23 June 2015



Steven Maijor

Chair

For the Management Board