

SUMMARY OF CONCLUSIONS

Management Board

Date: 6 November 2018
Time: 14h00 – 17h30
Location: ESMA, rue de Grenelle 103, 75007 Paris, France
Contact: Frederiek.Vermeulen@esma.europa.eu Tel: +33 1 58 36 43 37

1. Adoption of agenda 22-106-1316 Decision

Decision: The agenda was adopted.

2. Report by Chair and Executive Director Oral Discussion

The Executive Director reported on the:

- Activities of the European Court of Auditors (ECA) in relation to ESMA, in particular the publication of ECA's annual report on EU agencies and the fact that the ECA will perform a follow-up to its earlier audit on ESMA's supervision activity; and
- Impact of the United Kingdom's withdrawal on UK nationals employed by ESMA, in particular the process of individual exceptions in the interest of the service in order to continue to work at ESMA.

3. Activity Report

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| 1) Cover Note | 20-95-1061 | Discussion |
| 2) Presentation | 20-95-1060 | Discussion |

The Executive Director, the Head of Resources Department and Head of Corporate Affairs Department presented the Activity Report.

The Board discussed the Report, in particular:

- The European Commission's view on the status of UK CCPs after the UK's withdrawal from the Union;
- ESMA's activities in relation to the impact of the UK's withdrawal from the Union on existing IT/Data-systems;
- The implementation of national measures following ESMA's product intervention decisions; and
- The data quality of the Transaction Reporting and Exchange Mechanism (TREM).

Conclusion: The Board took note of the Activity Report. It was agreed that the Board of Supervisors should discuss the status of UK CCPs following the UK’s withdrawal and that national competent authorities should be reminded of the importance of proceeding with national measures implementing ESMA’s product intervention decisions.

4. Organisational risk assessment

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| 1) Cover Note | Discussion |
| 2) Presentation | Decision |
| 3) Follow-up 2017 organisational risk assessment | Information |

The Executive Director presented the organisational risk assessment.

The Board discussed the risk assessment, in particular the:

- Risks identified for 2019 compared to previous years;
- Interaction with ESMA’s Trends, Risks and Vulnerabilities Report; and
- Need for future work on assessing how MIFID II has contributed to limiting risks within financial markets.

Conclusion: The Board adopted the 2018 organisational risk assessment

5. Internal Control Framework

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| 1) Cover Note | Discussion |
| 2) Internal Control Framework | Decision |

The Head of Corporate Affairs Department presented the Internal Control Framework.

The Board discussed the Internal Control Framework, in particular the:

- Need for the Board of Supervisors to set the “tone at the top”;
- Implementation of the Framework and the allocation of that responsibility within ESMA; and
- Development of key performance indicators (KPIs).

Decision: The Board adopted the Internal Control Framework subject to amendments. The revised version will be shared with the Management Board.

6. High-level budget and priorities for 2020

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| 1) Cover Note | 63-43-1071 | Discussion |
| 2) Presentation | 63-43-1062 | Discussion |

The Executive Director presented the high-level budget and priorities for 2020.

The Board discussed the budget, in particular the :

- Concrete modalities of the ‘EU advance’ suggested by the European Commission in the context of the review of the operations of the European Supervisory Authorities (ESAs); and
- Potential impact of the United Kingdom’s withdrawal from the Union on ESMA’s budget and whether there is a need for contingency planning.

Conclusion: The Board agreed to propose the suggested high-level budget and priorities for 2020 to the November 2018 Board of Supervisors.

7. Delegation Project under CSDR

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| 1) Issues Note | 65-8-5927 | Discussion |
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The Executive Director presented the note on the potential delegation project under CSDR.

The Board discussed the note, in particular:

- The implementation of the IT-project by national competent authorities;
- The economies of scale by launching the project at EU level compared to the risks associated to such an approach;
- Whether it would be feasible to leverage on the implementation of the project by a national competent authority; and
- The scope of the data to be reported and its added value for competent authorities.

Conclusion: The Board took note of the fact that a significant number of national competent authorities expressed an interest in delegation the project to ESMA. The Board was however of the opinion that ESMA should not engage in such a project. It was agreed that the topic should be discussed with the Board of Supervisors during its December 2018 meeting. This discussion will also include the possibility of delegation to a national competent authority; collective forbearance of the project and the possibility of a letter to the EU Institutions questioning the added value of developing such IT-systems.

8. IT Work Programme

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| 1) Cover Note | Discussion |
| 2) 2019 IT Work Programme | Discussion |
| 3) 2018 IT maintenance costs | Information |

The Head of ICT Unit presented the 2019 IT Work Programme and 2018 IT maintenance cost.

The Board discussed the work programme and the 2018 IT maintenance cost, in particular the:

- Interaction with ESMA's work programme and the uncertainties in light of the ongoing reviews of the operations of the European Supervisory Authorities and EMIR as well as the UK's withdrawal from the Union;
- Development of the maintenance cost.

Conclusion: The Board took note of the Work Programme and the 2018 IT maintenance costs and agreed presenting the 2019 Work Programme to the Board of Supervisors for adoption.

9. Securities and Markets Stakeholder Group (SMSG)

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| 1) Cover Note | Discussion |
| 2) Report | Decision |

The Head of Corporate Affairs Department presented the note on the Securities and Markets Stakeholder Group (SMSG).

The Board discussed the note, in particular:

- The gender balance, especially the relatively low number of women in the SMSG;
- How ESMA could stimulate representatives of Small- and Medium-Sized Entities (SME) and employees to apply for the SMSG; and
- The non re-appointment of an existing active SMSG Member.

Decision: The Board agreed presenting the proposed composition of the next Securities and Markets Stakeholder Group (SMSG) to the November 2018 Board of Supervisors for adoption. It was agreed that when in future a candidate should be selected from the reserve list a preference should be given to a female candidate.

10. Report on internal survey on ESMA Groups

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| 1) Presentation | Discussion |
| 2) Report | Discussion |

The Head of Corporate Affairs Department presented the report on the internal survey on ESMA groups.

The Board discussed the report, in particular:

- How best practices could be shared between standing committee Chairs and rapporteurs;
- The composition of Standing Committees, in particular in light of ESMA's objective to promote supervisory convergence;
- How to deal with transversal projects;
- How to make best use of Consultative Working Groups (CWGs); and
- The need to continue monitoring the number of ESMA groups.

Conclusion: The Board took note of the report and agreed with the suggested way forward.

11. 2018 Annual Budget Amendment Number 1

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| 1) Decision on 2018 Annual Budget Amendment Number 1 | 63-43-1058 | Decision |
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Decision: The Board adopted the Decision on the 2018 Annual Budget Amendment (number 1).

12. A.O.B.

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Participants list

	Members	Advisors
ESMA	Steven Maijoor (Chair)	
DE	Elisabeth Roegele	Marcus Hein
IE	Martin Moloney (alternate)	Cormac Staunton
ES	Ana Martinez-Pina (alternate)	Fatima Cerdan de la Cruz
FR	Benoit de Juvigny (alternate)	Francoise Buisson
PT	Joao Gao (alternate)	Susana Neto
SE	Sophie Degenne (alternate)	Fredrik Elmberg Malin Omberg

	Non-Voting Members and Observers	
European Commission	Jorge Revilla-Garcia	

Summary of Conclusions	Frederiek Vermeulen
Head of Resources Department	Nicolas Vasse
Head of Corporate Affairs Department	Roxana Damianov
Head of Markets Department	Fabrizio Planta
Head of ICT Unit	Alexandru Dincov



Done at Paris on 29 November 2018

Steven Maijoor
Chair
For the Management Board