

# Opinion

## On the 2024 Discharge Report of the European Parliament

### 1 Background and legal basis

- Article 64 of the ESMA Regulation<sup>1</sup> sets out arrangements for the implementation and control of ESMA's budget.
- Pursuant to Article 64(10) of the ESMA Regulation, the European Parliament, following a recommendation from the Council acting by qualified majority, shall, before 15 May of the year N+2, grant a discharge to the Authority for the implementation of the budget for the financial year N.
- Against this background, the EP adopted on 29 April 2026 a resolution with observations forming an integral part of the decisions on discharge in respect of the implementation of the budget of the European Union Agencies for the financial year 2024 (2025/2156(DEC))<sup>2</sup> – the '2024 discharge report'.
- Article 64(11) of the ESMA Regulation foresees that ESMA shall provide a reasoned opinion on the position of the European Parliament and on any other observations made by the European Parliament provided in the discharge procedure.
- ESMA hereby issues this opinion on the 2024 discharge report, focusing, as requested by the Committee on Budgetary Control of the European Parliament, on the specific paragraphs of the resolution in which ESMA is explicitly mentioned and follow-up is expressly requested.

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<sup>1</sup> [Regulation 1095/2010](#)

<sup>2</sup> [P10\\_TA\(2026\)0136](#)

## 2 Opinion

- ESMA welcomes the approval by the European Parliament of the closure of ESMA accounts for the financial year 2024 and the decision of the European Parliament to grant ESMA's Executive Director discharge in respect of the implementation of ESMA's budget for the financial year 2024.
- ESMA sets out below its comments on the observations specifically addressed to it by the European Parliament in the 2024 discharge report.

### *Budget and financial management*

EP resolution paragraph	ESMA's comments	Status
37. Acknowledges, specifically, that: [...] <b>agencies partially co-financed by national public authorities include</b> the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA) and the <b>European Securities and Markets Authority (ESMA)</b> ;	<p>According to article 62 of ESMA Founding Regulation, the revenues of ESMA are based on a combination of contributions of national public authorities, subsidies from the Union and fees paid to the authority.</p> <p>In 2024, 31% of revenues were fees paid by supervised entities and National Competent Authorities contributions amounted for 42% of revenues. The remaining part of the revenues stemmed from the EU subsidy (27%).</p>	[Ongoing]
39. Recalls that <b>the 2023 discharge resolution already noted the importance of strengthening the European supervisory authorities' (EBA, EIOPA, and ESMA)</b> ; is aware that their <b>founding regulations do not mandate a separation between activities funded by Union contributions and national contributions and that the overall cost-sharing mechanism does not require differentiation at the level of individual activities</b> , resulting in these authorities not differentiating between costs covered by the Union budget and those funded by Member States as highlighted by the Court in its Annual report in 2023;	<p>Please see comment in ESMA's 2025 opinion.</p> <p>ESMA takes note of European Commission proposal under the 'Market Integration and Supervision Package' whereby the co-financing retained would lead to a split of 50% contribution from the EU and 50% from NCAs for all supplementary activities linked to the package. The rationale of this proposal is that <i>'in light of the considerable reinforcement of ESMA's mandate and the increasing Union-wide nature of its supervisory responsibilities, the financing of its activities should more accurately reflect the Union interest served by its work'</i>.</p>	[Ongoing]

<p>40. Considers that enhancing transparency in budgeting and activity-based reporting would contribute to improved oversight and accountability, in particular for <b>agencies financed by multiple revenue streams</b> allowing stakeholders, including Member States, financial institutions and taxpayers to better assess efficiency and fairness; stresses that clarity regarding the link between revenue sources and activities strengthens confidence in the sound use of Union funds, while respecting the legal framework set out in the agencies' founding regulations;</p> <p>48. <b>Calls on the European supervisory authorities (EBA, EIOPA, and ESMA) to strengthen transparency in their activities financed by different revenue streams</b> in order to improve accounting oversight as recommended by the ECA in relation to revenue management and financing structures;</p>	<p>ESMA fully supports ensuring transparency, accountability, and oversight in relation to its budgeting and reporting framework, as highlighted by the European Parliament and the European Court of Auditors. ESMA's budgeting and cost reporting are based on an audited Activity-Based Budgeting (ABB) methodology and enterprise resource planning tool, providing a robust link between resources, activities, and strategic objectives.</p> <p>The methodology already clearly distinguishes between fee-funded direct supervisory and oversight activities and activities financed through contributions from the European Union and National Competent Authorities (NCAs). However, a further allocation of activities between EU-funded and NCA-funded components is not feasible in practice and would not accurately reflect the nature of ESMA's mandates.</p> <p>The majority of ESMA's tasks, to ensure financial stability, enhance customer protection and promote orderly financial markets, as defined in the Founding Regulation and subsequent sectoral legislation, are undertaken jointly with NCAs and generate benefits simultaneously for the Union as a whole and it is not possible to determine what proportion of a given activity or deliverable benefits the Union versus Member States, or to attribute the associated costs accordingly.</p>	<p>[Ongoing]</p>
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### Overview of the audit results

EP resolution paragraph	ESMA's comments	Status
<p>58. Highlights that the Court issued ‘<b>emphasis of matter</b>’ paragraphs to underline a matter presented or disclosed in the accounts which is of such importance that it is fundamental to the understanding of the accounts or the underlying revenue or payments; further notes that, <b>for the 2024 financial year, the Court used ‘emphasis of matter’</b> paragraphs for the following agencies that are part of this resolution: CdT, CEPOL, EBA, EIT, EMA and <b>ESMA</b>;</p>	<p>ESMA notes that the Court of Auditors Report on EU agencies highlighted an “emphasis of matter” for ESMA with regard to Case T-750/22, UniSystems Luxembourg and Unisystems sistimata pliroforikis v ESMA, concerning a public procurement procedure.</p> <p>ESMA takes note that the Court of Justice of the European Union rejected in its entirety the applicant’s requests for annulment and for compensation for damages in its judgement of 29 October 2025.</p>	<p>[closed]</p>
<p>60. Notes that out of a total of 109 observations made by the Court corresponding to previous years of the agencies that are part of this resolution, a total of 66 were closed during 2024, with a total of 39 still open and two partially closed; observes that the number of ongoing observations varies among the agencies, with <b>some having no open observations</b>, as is the case for [...] <b>ESMA</b>, [...];</p>	<p>ESMA confirms that there are no open observations.</p>	<p>[closed]</p>

### Contract management

EP resolution paragraph	ESMA's comments	Status
<p>62. Takes note of the <b>Court's observations on ESMA's contract management, particularly six incidents in 2024 where services were provided before contract signing</b>, contravening Article 172(1) of the Financial Regulation; acknowledges that EUR 30 556 in prior payments were irregular, though ESMA highlights low materiality (0,04 % of total payments) and notes internal detection of the cases; notes that all payments (EUR 30 606) were made under existing Framework Contracts, mitigating legal risk;</p>	<p>In terms of risk, ESMA highlights:</p> <ul style="list-style-type: none"> <li>- the low level of legal risk, given that all incidents, except one EUR 4 950 direct purchase order, refer to recurrent services carried out under ongoing Framework Contract which already establish the applicable legal framework and conditions with the relevant providers; and</li> <li>- the low materiality of the EUR 30 606 total amount of the six incidents, representing only 0,04% of ESMA's total payments in 2024 (EUR 76 094 599).</li> </ul> <p>In terms of timelines and the effectiveness of internal control, ESMA underlines that:</p> <ul style="list-style-type: none"> <li>• all the incidents had already been detected by ESMA's internal control, transparently registered in ESMA's official register of non-compliance and hence regularised by ESMA's Executive Director before the European Court of Auditors' visit.</li> <li>- all relevant contracts had already been signed prior to the execution of the total EUR 30 606 payments.</li> </ul>	[ongoing]
<p>64. Notes that the <b>procurement procedure led by ESMA, in which the EBA participated as a contracting authority</b>, resulted in the award of a framework contract with a ceiling of EUR 40,2 million in December 2022; notes that a <b>legal application concerning the outcome of the procedure was lodged in January 2023</b>, seeking annulment of the award decision and compensation; <b>welcomes that the judgment of the Court of Justice of the European Union of 29 October 2025 rejected in its entirety the applicant's requests for annulment and for compensation for damages;</b></p>	<p>ESMA takes note of the judgment of the Court of Justice of the European Union of 29 October 2025.</p>	[closed]

<p>65. Calls on the agencies, in particular to: – <b>ESMA, to strengthen ex ante controls, enhance monitoring tools, and provide training to prevent future recurrences;</b></p>	<p>ESMA highlights that it has already taken steps to further strengthen its internal contract management processes, notably through:</p> <ul style="list-style-type: none"> <li>• the implementation of a cloud-based tool for the management of all ICT service contracts – the most complex and significant area of expenditure in terms of contract management – which enables closer monitoring of specific contract deadlines;</li> <li>• the delivery by ESMA's Finance and Procurement Unit of dedicated, tailor-made trainings on contract management for project managers across the organisation; and</li> <li>• an assessment conducted by ESMA's Internal Control function of ESMA's contract management processes, which resulted in a set of recommendations for further improvements in this area.</li> </ul>	
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