

SUMMARY OF CONCLUSIONS

Management Board

Date: 11 July 2011
Time: 09:00 – 11:45h, 18.30 – 19:15h
Location: ESMA, 103 rue de Grenelle, 75007 Paris
Contact: Verena.Ross@esma.europa.eu T: +33 158 3651 13

No Items

1. Adoption of agenda MB/73 *decision*

The Chair welcomed members of the Management Board to ESMA's new premises, and Verena Ross to her first Management Board meeting as Executive Director (ED).

Members had received a note from Kurt Pribil which the Chair proposed to discuss under item 3 together with an update on ESMA's main objectives for 2011.

Decision: The agenda was adopted.

2. Summaries of conclusions of previous meetings MB/74 *decision*
MB/75
MB/76

Decision: The summaries were adopted with minor amendments to references to Karl-Burkhard Caspari and the addition of a participants list to the summary of the conference call on 28 April 2011.

3. Role of the Management Board MB/77 *discussion*

The Chair and ED presented the report on the role of the Management Board.

The Board discussed:

the need to review ESMA's guidelines on the role of its groups and of ESMA staff, in particular to ensure that groups' activities are aligned with ESMA's work programme;

involvement of competent authorities in ESMA contacts with national market participants;



the need for an international and European relations policy;

its potential role in emergency planning;

the Board's role in supporting ESMA's executive as part of its overall role of ensuring ESMA carries out its mission and assisting in the prioritisation of issues that will help ESMA succeed;

the need for the draft calendar of issues to be considered by the Board to be linked to the Commission's budget and work programme cycle which runs ahead of the formal deadline specified in the ESMA Regulation; and

adjustments to the Board meetings to: (1) enable the Board to be considering strategic issues relevant to its remit one cycle ahead of the BoS, without pre-empting specific policy discussions that should remain for the Board of Supervisors; and (2) carry out its control function more effectively and discuss budgetary and work programme issues in more depth as well as the annual report and its structure.

Conclusion: It was agreed that the Board should continue to meet the day before the Board of Supervisors but to schedule meetings for six hours. The agenda should include a standing item to cover items expected to be discussed in the Board of Supervisors at the next cycle of Board meetings and would increase the prominence of the Chair and ED report item. Quarterly reports would be provided on implementation of the budget and work programme, including standing committee work programmes. Consideration would be given to holding additional Board meetings where necessary. The draft calendar would be revised accordingly and tabled for discussion at the Board's meeting in September. Members were asked to provide any further comments in writing.

Kurt Pribil presented the issues raised in his letter to the Management Board.

In relation to the 'financial perspectives' proposals for 2014-2020, Olivier Salles noted that DG MARKET had been surprised that its proposal for 100% Union funding was not adopted by the college of Commissioners. However, negotiations would now proceed in the budgetary authority, which ESMA would be able to seek to influence. Olivier Salles also noted a proposal to reduce headcount by 5% between 2014 and 2018 in all Union institutions, bodies and agencies, the potential impact of which on ESMA was not yet known.

Conclusion: It was agreed that:

the annual report would be included in the Management Board calendar;

a discussion would be held in the autumn on ESMA's 2013 budget, the funding ratio and longer-term funding, based on a proposal by the Executive Director which includes relevant aspects of the work programme taking into account the particular concerns of smaller authorities;

ESMA would seek to influence budget and financial perspectives negotiations in the Council and Parliament. If unhappy about the procedure we can raise that with the Council and Parliament and, if necessary, raise it publicly in the annual report;

when work is within the remit of standing committees that work would in principle continue to be carried out through the standing committees, but that papers would sometimes be tabled without go-



ing through a standing committee;

standing committees would continue to be chaired by a member of the Board of Supervisors;

ESMA and national authorities should endeavour to keep each other up to date about key contacts with relevant stakeholders and when ESMA actively seeks contact with a national stakeholder it will contact the national authority; and

international relations issues would be on future agendas for strategic discussions, and discussions were already being held between the ESAs and externally in relation to securing positions on key international bodies.

The ED presented ESMA's key priorities and outcomes to be achieved by 1 January 2012.

The ED informed the Board that approximately 25% of ESMA's budget had been spent and approximately 40% of it committed. ESMA is also holding discussions with the Council and Parliament to ensure that it is given sufficient time in the short-selling and EMIR legislative proposals to deliver technical standards properly.

The Board discussed additional possible priorities, including:

ESMA's international profile;

the peer review task;

finalising a memorandum of understanding with the US in relation to CRAs; and

becoming more operational in cross-border cooperation and enforcement in relevant areas (e.g. CRAs and urgent issue groups).

The Board also discussed the desirability of linking such strategic overviews with ESMA's work programme, and providing information that would help identify relative priorities.

4. Finance

Future funding of ESMA

MB/78

discussion

The ED presented the report, noting that the executive's view that the proposals provide a reasonable outlook to 2020 is based on CRA work and any significant additional tasks being outside the proposed budget and staffing levels.

The Board discussed the need to have an overview of both ESMA's short-term and long-term funding continuous view of how funding changes, and the fact that the increased level of resources in 2020 for the current range of tasks indicates the significant limits on resources current and over the next few years. The difficulty of forecasting through to 2020 was also noted, particularly in the light of the 2014 review of the ESAs.

Conclusion: As agreed under item 3, an update on financing proposals would be provided at the Board



meeting in September.

5. Human resources

Role and recruitment of team leaders

Oral update *discussion*

The ED noted that a report on the outcome of the middle management recruitment process had been circulated to the Boards, and thanked Olivier Salles and Carlos Tavares for the roles they played. The new arrivals are hoped to be in place in the course of September.

In relation to the proposals for team leaders, the ED was looking at where team leaders may be needed in the short-term taking account of the current size of teams and how to fill those positions. This included considering the scope for both appointing existing staff and advertising vacancies publicly, taking account of the need to provide career development opportunities, ensure continuity and respect the ESMA Regulation's staff migration provisions, while also benefiting from expertise that may be available through external appointments.

Recruitment update

Oral update *Information*

The ED explained that as the staff migration arrangements require a number of positions in the establishment plan to be held open for an additional period, ESMA was looking to use more contract agents and seconded national experts to fill upcoming positions.

Conclusion: The ED would provide an update on the establishment plan in September which will provide a clear overview of positions budgeted and filled together with the respective grades.

6. Board of Appeal

MB/80

discussion

The Chair presented the report.

Conclusion: The Board agreed one change to the candidates proposed for adoption by the Management Board and to update the Board of Supervisors on the proposal.

7. Policy on sectoral and cross-sectoral training and e-learning programmes

MB/81

discussion

The ED presented the proposed policy.

The Board discussed:

the expected level of take-up of the e-learning programme and the limited take-up of the separate programme of staff exchanges to date;

how ESMA would determine authorities that are facing budgetary constraints; and

the operation of the grant system.

Conclusion: The Board supported the revisions to the training policy.



8. New premises

MB/82

information

Nicolas Vasse presented the report.

The ED thanked Nicolas and his team for their fantastic job in getting ESMA into the new premises on time and largely on budget.

9. IT Management Group

MB/83

information

Nicolas Vasse presented the report, noting that the ESAs had held their first joint discussion on IT governance, the scope for synergies on current projects, and the adoption of a protocol on assessing synergies. The protocol will be discussed by ITMG and circulated to the Management Board.

The initial conclusions reached on the following projects are:

CRA supervision – no synergies;

Video-conferencing – possible interest from EIOPA and EBA in 2012;

Document management – EBA and EIOPA expect to develop their systems next year and therefore ESMA will develop its business requirements and request comments from EBA and EIOPA;

Secure exchange of documents – EIOPA is about to launch a project, so ESMA will circulate its requirements for comments, with a view to a common project between at least EIOPA and ESMA;

Financial institution registers – EBA has started work and circulated its specification for comments.

The Chair noted that there will be a constant need to weigh the costs and benefits of joint projects, including any reductions in flexibility to adapt systems to new requirements.

The Board discussed the delays on the website project. The ED noted additional costs would arise from the need to engage consultants for longer.

10. Report by Chair and Executive Director

Oral report

information

The Chair noted that Carlo Comporti has been appointed as an adviser to the Chair. The role may include acting in a middle management role pending the arrival of the new middle managers.

The Chair would propose Julie Galbo to the Board of Supervisors as Fernando Restoy's successor as Chair of the Corporate Reporting Standing Committee and would also call for candidates both for ESMA's committee on financial innovation and for the Joint Committee's sub-committee on consumer protection.

The Chair noted a combined effort by the EC and the Chair to ensure the correct level of representation in the Board of Supervisors to ensure compliance with the ESMA Regulation and that this has resulted in changes in representation and will lead to further changes.

The ED noted that there will be a meeting with the Treasury regarding the headquarters agreement in the coming weeks.



11. AOB

No additional items were raised for discussion.

12. Future meetings

information

19 September 2011 (pm) (Warsaw)

7 November (pm) (Paris)

19 December 2011 (pm) (Paris)

13 February 2012 (pm) (tbd)

16 April 2012 (pm) (tbd)

18 June 2012 (pm) (tbd)

10 September 2012 (pm) (tbd)

5 November 2012 (pm) (tbd)

17 December 2012 (pm) (tbd)

Steven Maijoor
Chair



Participant List

	Members	Advisers
ESMA	Steven Maijoor (Chair)	
EC	Olivier Sallès	
DE	Karl-Burkhard Caspari	Philipp Sudeck
EE	Kilvar Kessler (alternate)	
ES	Fernando Restoy	Antonio Mas
LU	Jean Guill	
AT	Kurt Pribil	Andrea Kuras-Goldmann
UK	Alexander Justham	Cristina Frazer

Vice-Chair	Carlos Tavares
Executive Director	Verena Ross
Head of Operations	Nicolas Vasse
Minutes	Jonathan Overett Somnier