



SUMMARY OF CONCLUSIONS

Management Board

Date: 13 February 2012
Time: 15:00 – 18:00h
Location: ESMA, 103 rue de Grenelle, 75007 Paris
Contact: verena.ross@esma.europa.eu T: +33 1 58 36 51 13

No Items

1. Adoption of agenda *MB/2* *decision*

The Chair welcomed the members of the Board and noted that the Board will discuss certain confidential issues at the end of the agenda.

Decision: The agenda was adopted.

2. Summary of conclusions of December meeting and January conference call *MB/3* *decision*
MB/4

The Chair noted that the Commission should not be mentioned in the summary of conclusions as a member of the Management Board but as a participant.

Decision: The summaries of conclusions were adopted.

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

The Chair reported on:

- meetings with the European Parliament, Commission and Council, noting in particular discussions on budgetary implications of new legislative proposals, moving to 100% Union funding, the involvement of ESMA in the negotiation process regarding legislative proposals and the need for reasonable timescales to be set in legislation for producing technical standards;
- the recent decision by IOSCO to approve ESMA as an affiliate member and the appointment of David Wright as IOSCO Secretary-General;

- the application of the 12-hour rule in the CRA Regulation in relation to the Market Abuse Directive;
- discussions between ESMA and audit firms on possible liquidity and going concern risks in year end 2011 reporting; and
- media contacts of national competent authorities regarding ESMA and the need for cooperation between ESMA and the national competent authorities on this issue.

The Executive Director reported on:

- a visit from the European Court of Auditors to ESMA and its preliminary findings. The next visit will take place in early March. The internal audit service from the Commission will visit ESMA in June. The Management Board will be regularly updated on any developments in this area;
- the on-going negotiations with the French government regarding the Headquarters Agreement;
- ESMA's activities in the field of CRA supervision and cooperation with 3rd country regulators; and
- her participation in European Parliament hearings and ESMA for the first time participating in the Council negotiations on the CRA III legislative proposal.

4. ESMA objectives for 2012

MB/5 information

The Executive Director presented the document. The document will be used for internal purposes only and reflects the major challenges for ESMA's work in 2012. The Board discussed the document, in particular:

- the objectives and its relation with the ESMA work programme and the tasks and responsibilities stemming from the ESMA regulation;
- the need to put more emphasis on investor protection in the document as an important objective;
- the concern that due to the heavy regulatory programme ESMA and national competent authorities might not be able to dedicate sufficient resources to the objective of supervisory convergence; and
- the importance of early involvement of ESMA in the negotiation process regarding legislative proposals.

Conclusion: The Board will be kept updated on the implementation of the objectives.

5. Report on budgetary process in the EU

MB/6 information

The Head of Operations presented the report noting in particular the difference in timelines in the budget setting process between the ESMA regulation and the actual process for the EU budget.

The Commission acknowledged the differences in the process and the unfortunate problems it poses to ESMA in its budget setting process.

6. 2013 budget

*MB/119C discussion
& annex*

The Executive Director presented the draft 2013 budget. The budget had been revised downwards by 10 % reflecting the earlier discussions with the Management Board resulting in having a staff of 160 fte and a budget of around 28 million euros for 2013. ESMA will discuss the budget with the European Commission on 22 February. The 2013 budget will be reassessed after the summer, when there should be more clarity on the implications of the current legislative proposals for ESMA.

The Board discussed the report, in particular:

- the need for sufficient staff for the IT activities regarding Trade Repository supervision;
- the possible use of the budget ‘promoting supervisory convergence’ for activities such as onsite visits of the Review Panel.

Decision: The Management Board approved the draft 2013 budget. The need for sufficient staff for the IT activities regarding Trade Repository supervision was acknowledged. It will be further examined whether the budget for ‘promoting supervisory convergence’ can also be used for activities such as onsite visits of the Review Panel.

7. Report on premises

MB/7 Decision

The Head of Operations presented the report noting in particular the mandate required and the different phases of the process.

The Board discussed the report, in particular:

- the need for an analysis of the maximum capacity of the floors 2-6;
- the possibility to have flexible working space for ESMA staff;
- the costs involved for the rental of the additional floors; and
- the possible need for a market study.

Decision: The Management Board agreed on the mandate for the Executive Director. The Executive Director will come back to the Management Board on the possible options for further consideration and decision, likely by June / July. The Management Board will be provided with an analysis of the maximum capacity of the floors 2-6 as soon as possible.

8. Proposal on team leaders

MB/9 Discussion

The Executive Director presented the proposal on team leaders. The Board discussed the proposal, in particular:

- the concern that by appointing team leaders the authority will create a rigid structure and an additional management layer;



- the need for a team leader to have managerial qualities as well as technical expertise;
- the span of control of Heads of Divisions / Units and the threshold for appointing team leaders;
- the possibility of appointing project leaders; and
- the need to discuss the organisational structure with a view at the rapid expansion of the authority in the coming years.

Conclusion: The Executive Director will reflect the discussion in taking the next steps, including the indication for a threshold of around 15 people in a Unit before recruiting a team leader. In the current organisation, this will mean recruiting a team leader this year for the Operations Division and CRAs Unit. ESMA will draft a discussion paper on the organizational structure to meet ESMA's future needs.

9. Annual Report *MB/10 Discussion*

The Executive Director updated the Management Board on the production process of ESMA's annual report 2011. The Board discussed the report, in particular:

- the need to give feedback on ESMA's activities in relation to its main objectives;
- to include market developments in combination with related ESMA activities.

Conclusion: The Management Board will receive an advanced draft of the report in the next few weeks with a near final draft for comments in late March.

10. Board of Supervisors forward agenda *MB/11 Information*

The Chair indicated that he will propose to the Board of Supervisors to have an additional meeting of the Board of Supervisors in March.

11. Financing decisions 2012 *MB/12 Decision
annex 1
Annex 2*

The Executive Director and the Head of Operations presented the report, noting that the financing decisions by the Management Board are required in order for the Executive Director to commit to operational expenditure.

Decision: The Management Board approved the financing decisions.

12. Budget transfers *Oral Information*

This item was not discussed since there were no budget transfers.

13. Update on contributions *MB/13 & Information
annex*

The Executive Director and the Head of Operations updated the Management Board on the payment of contributions by national competent authorities.



14. Future meetings

Information

16 April 2012 (pm) (Paris)

18 June 2012 (pm) (Copenhagen, Denmark)

10 September 2012 (pm) (Paris)

5 November 2012 (pm) (Nicosia, Cyprus)

17 December 2012 (pm) (Paris)

Decision: The Management Board agreed that in case of an additional meeting of the Board of Supervisors in March, it was not necessary to organise a meeting of the Management Board prior to the Board of Supervisors.

Steven Maijoor
Chair



PARTICIPANT LIST

	Members	Advisers
ESMA	Steven Maijoor (Chair)	
DE	Karl-Burkhard Caspari	Philipp Sudeck
EE	Raul Malmstein	Gerle Reinumägi
ES	Fernando Restoy	Antonio Mas
LU	Jean Guill	
AT	Kurt Pribil	Andrea Kuras-Goldmann
UK	Martin Wheatley	Cristina Frazer

European Commission	Emil Paulis Anthony Dempsey
Vice-Chair	Carlos Tavares Manuel Costa
Executive Director	Verena Ross
Head of Operations	Nicolas Vasse
Minutes	Max Simonis