



## SUMMARY OF CONCLUSIONS

### Management Board

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**Date:** 5 November 2012  
**Time:** 16:00 – 19:30h  
**Location:** Limassol, Cyprus  
**Contact:** [verena.ross@esma.europa.eu](mailto:verena.ross@esma.europa.eu) T: +33 1 58 36 51 13

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No Items

**1. Adoption of agenda** *MB/60* *decision*

**Decision:** The agenda was adopted.

**2. Summary of conclusions of September meeting** *MB/59* *decision*

**Decision:** The summary of conclusions was approved.

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

The Chair reported on;

- the length of the mandate of SMSG members and the activities of the SMSG in the area of SMEs;
- the level of and attendance by the 'head' of a national competent authority in the Board of Supervisors;
- the recent activities of the Joint Committee, in particular the approval of the work programme and the self-assessment of the ESAs regarding the ESFS 2013 review;
- a Council working group meeting regarding the proposal on auditing where he gave a presentation on ESMA's governance;
- the implementation of the Short Selling Regulation and the recent decisions taken by ESMA in this regard. The Chair stressed the importance of consistency of measures by NCAs;
- the preparation of the ESMA Consumer Day to take place on 12 December; and



- the upcoming high-level meeting on OTC derivatives and the presence of ESMA Board members.

The Executive Director reported on:

- the upcoming activities regarding the High Frequency Trading project;
- a meeting of Heads of EU agencies where information and experiences were exchanged;
- the attendance by ESMA staff at Council working groups on MiFID and MAD where the impact of these proposals on ESMA regarding resources and the envisaged timing of the proposals were discussed; and
- the current negotiations between Council and Parliament on the EU budget and the possible impact on ESMA if no agreement will be reached in the next months.

#### **4. Risk Assessment and Strategic Audit Plan**

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|---|----------------|--------------------|
| – Cover Note  | <i>MB/61</i>   | <i>information</i> |
| – Strategic audit plan 2013-2015                                      | <i>Annex 1</i> | <i>decision</i>    |
| – Decision on the adoption of IAS ESMA Strategic Audit Plan 2013-2015 | <i>Annex 2</i> | <i>decision</i>    |

Mr. Ilian Komitski, Head of Unit at the Internal Audit Service of the European Commission, presented the IAS Strategic Audit Plan.

The Board discussed the report, in particular;

- the results of the risk assessment and the subsequent risk-based strategic audit plan for 2013-2015;
- the selection of topics for future audits, including the implementation of internal control standards, supervision, human resources management and stakeholders relations and external communication;
- the actions planned by ESMA for the processes requiring mitigation to achieve improved controls;
- stressing the importance of having proper internal processes and controls; and
- the need for regular reporting on the implementation of the actions plans to the Management Board.

**Decision:** The Board endorsed the IAS Strategic Audit Plan 2013-2015.

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|---|----------------|-----------------|
| <b>5. Adoption of ESMA's Internal Control Standards</b> | <i>MB/62</i>   | <i>decision</i> |
|   | <i>Annex 1</i> |                 |
|   | <i>Annex 2</i> |                 |

The Executive Director presented the report.



The European Commission stressed the need for adequate internal control standards on document management and management supervision by aligning them with the European Commission's internal control standards.

**Decision:** The Board adopted the Internal Control Standards, taking into account the European Commission's comments. The Executive Director was entrusted to adopt detailed implementing rules and procedures.

## **6. Activity report Q3 2012**

*MB/63 information*

The Head of the Operations Division presented the activity report.

The Board discussed the report, in particular;

- the overall strategy on Information Technology and measures taken in order to ensure continuance of outsourced IT-projects;
- the amount of information to be collected and exchanged in different areas required by EU legislation; and
- the possibility to include performance indicators.

## **7. 2013 IT Work Programme**

*MB/64 decision*

The Head of the Operations Division presented the work programme.

The Board discussed the IT work programme, in particular;

- the involvement of the IT Management and Governance group (ITMG);
- finding a balance between outsourcing projects and handling projects by ESMA staff; and
- the need to include the man-days of contractors in the annex.

**Decision:** The Board in principle approved the work programme, with the inclusion of the monetary impact of the man-days of contractors. Feedback will be provided to the Board on the discussion in the ITMG and how comments were incorporated.

## **8. Election of Mediation Panel members**

*MB/65 discussion*

The Chair presented the report on the composition of the Mediation Panel.

Kurt Pribil (AT) and Jean Guill (LU) volunteered to serve as full members.

**Conclusion:** The Board agreed with the proposal to have Kurt Pribil (AT) and Jean Guill (LU) serving as full members. The Board of Supervisors will be asked to confirm the composition of the Mediation Panel.



**9. Selection of Board of Appeal alternate member**

*MB/66 decision  
+ Annexes*

The Chair presented the report and proposed on the basis of an evaluation of the candidates to elect Mr Lamandini as alternate member of the Board of Appeal of the ESAs.

**Decision:** The Board approved the appointment of Mr Lamandini as alternate member of the Board of Appeal of the ESAs.

**10. Update of expense policy for non-ESMA persons**

*MB/67 decision  
+ Annex 1*

The Head of the Operations Division presented the report.

The Board discussed the report, in particular;

- aligning the fees for speakers with the other ESAs; and
- the remuneration of the members of the Board of Appeal for attending regular meetings.

**Decision:** The Board approved the decision on the Stakeholder Groups remuneration. The Board requested to align the fees for speakers with the other ESAs, considering to only reimburse speakers from NCAs that otherwise will not be able to participate. The Board agreed to remunerate the travel expenses of the members of the Board of Appeal for participation in one educational meeting per year.

**11. NCAs ‘best practices’ on SNE positions**

*MB/68 discussion*

The Executive Director presented the note.

The Board discussed the note, in particular;

- noting that some NCAs offer additional arrangements to staff taking up SNE positions, such as relocation arrangements, tax advice and by making secondments part of the career development process;
- the term of secondments and the impact on budgets of NCAs; and
- noting that positions open to SNEs often require very technical skills limiting the number of possible interested staff at NCAs.

**Conclusion:** ESMA and NCAs will look into the practical arrangements offered to SNEs. Where possible, vacancies will require less specific expertise.

**12. Progress report on premises**

*MB/69 information*

The Head of the Operations Division presented the report.

The Board discussed the report, in particular the long term strategy and the possible options of taking the opportunity of another tenant ending its lease contract and transforming meeting rooms into office space.



**Conclusion:** The Board took note of the report. The Board will be kept informed on this topic at future meetings.

**13. Budget transfers** *MB/70* *information*

The Management Board took note of the budget transfers.

**14. Board of Supervisors forward agenda** *MB/71* *information*

The Management Board took note of the forward agenda.

**15. VOTING MEMBERS ONLY - Quarterly update on CRA supervision** *MB/72* *information*

The Head of the Credit Rating Agencies Unit updated the Board on the activities of the CRA Unit.

The Board discussed the update, in particular;

- the implementation of action plans, on-going reviews, work on the regulatory perimeter, the planning for implementation of the CRA 3 Regulation, pending and expected registration applications;
- the need to have internal manuals and document management controls; and
- the upcoming 2013 work programme and risk report for discussion at the December Board of Supervisors meeting.

**Conclusion:** The Board took note of the report. The Board will be kept informed on this topic at future meetings.

**16. Future meetings** *information*

- 17 December 2012 (pm) (Paris)
- 28 January 2013
- 13 March 2013
- 18 June 2013
- 23 September 2013
- 16 December 2013



## Participants list

	<b>Members</b>	<b>Advisers</b>
ESMA	Steven Maijoor (Chair)	
DK	Julie Galbo	
DE	Karl-Burkhard Caspari	Philipp Sudeck
EE	Raul Malmstein	Gerle Reinumägi
LU	Jean Guill	
AT	Kurt Pribil	Andrea Kuras-Goldmann
UK	Martin Wheatley	Cristina Frazer

European Commission	Nadia Calvino Valérie Ledure
Vice-Chair	- Manuel Ribeiro da Costa (advisor)
Executive Director	Verena Ross
Head of Operations	Nicolas Vasse
Head of the Credit Rating Agencies Unit	Felix Flinterman
Summary of Conclusions	Max Simonis
European Commission - Internal Audit Service	Ilian Komitski (for item 4)



Steven Maijoor  
Chair