



European Securities and
Markets Authority

2014 work programme

European Securities and Markets Authority

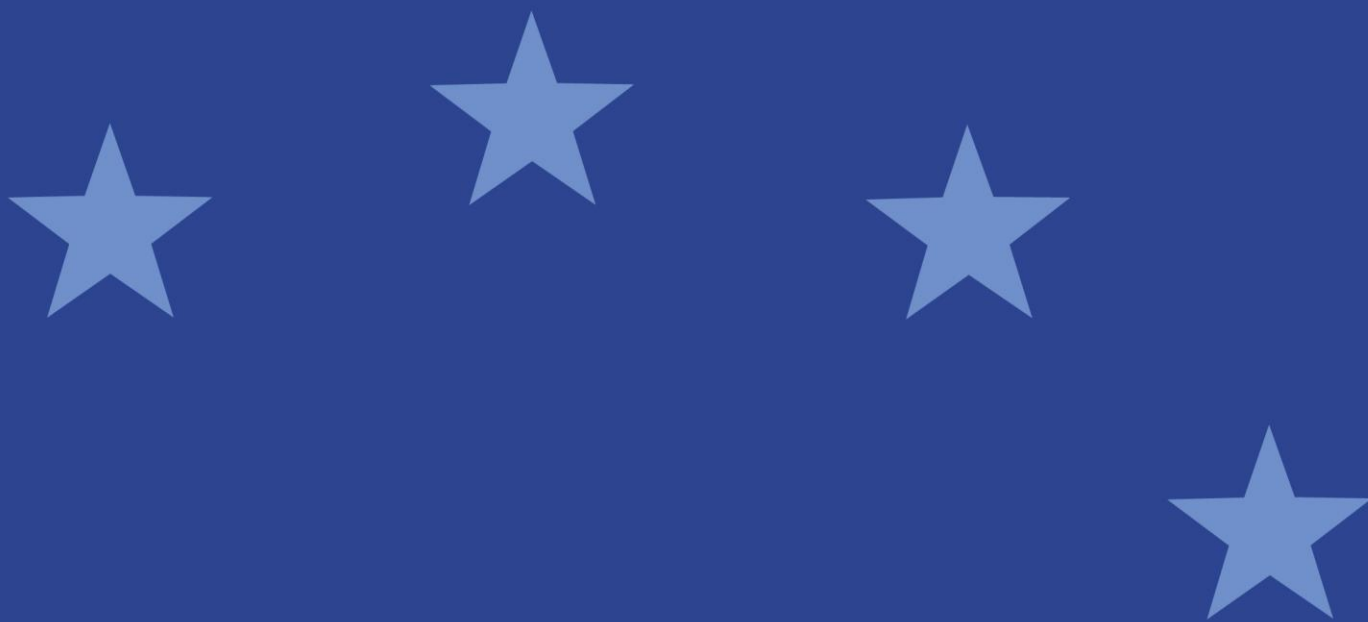




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ESMA's Mission

To enhance the protection of investors and promote stable and well-functioning financial markets in the European Union (EU). As an independent institution, ESMA achieves this aim by building a single rulebook for EU financial markets and ensuring its consistent application across the EU. ESMA contributes to the regulation of financial services firms with a pan-European reach, either through direct supervision or through the active co-ordination of national supervisory activity.

ESMA's characteristics

European

Independent

Co-operative

Accountable

Professional

Effective

ESMA's objectives

Convergence

Financial Consumer Protection

Financial Stability

Single Rulebook

Supervision

ESMA's activities /Priorities

- Corporate reporting
- Peer reviews, breach of union law and mediation
 - Training
- Joint Committee
- International co-operation

- Product intervention
- Co-ordinated regulatory approach
- Packaged Retail Investment Products

- Financial market surveillance
- Economic research

- Revision of MiFID and MAD
- European Investment Fund legislation
- Corporate finance
- CRA Regulation
- CSD Regulation

- Credit Rating Agencies
- Post trading
- Enforcement and independent investigation



I. Introduction

This document presents ESMA's work programme for 2014. It is based on a budget of 33 203 823€ and a staff base of 185 people.

ESMA's Governance and Management

Two decision-making bodies govern ESMA: the Board of Supervisors and the Management Board.

ESMA has a full-time Chair, Steven Maijoor, and an Executive Director, Verena Ross. Both are based at ESMA premises in Paris and serve a five year term which may be extended once. The Chair is responsible for preparing the work of the Board of Supervisors and chairs both the meetings of the Board of Supervisors and the Management Board. He also represents the Authority externally.

The Executive Director is responsible for the day-to-day running of the Authority, including staff matters, developing and implementing the annual work programme, developing the draft budget of the Authority and preparing the work of the Management Board.

ESMA's Board of Supervisors

In addition to the ESMA Chair, the Board of Supervisors is currently composed of the heads of 28 national authorities (where there is more than one national authority in a Member State those authorities will agree which of their heads will represent them), with one observer from the European Commission, a representative of EBA and EIOPA and one representative of the ESRB. In addition, Norway, Iceland and Liechtenstein were invited to attend as permanent observers. The Board guides the work of the Authority and has the ultimate decision-taking responsibility regarding the adoption of ESMA opinions, recommendations, guidelines and any other decisions, including the issuance of advice to the EU institutions.

ESMA's Management Board

In addition to the ESMA Chair, the Management Board of ESMA is composed of six members (and an alternate for each) selected from the Board of Supervisors by its members. The Executive Director and a representative from the European Commission (Commission) attend as non-voting participants (except on budget matters where the Commission has a vote).

The main role of the Management Board is to focus on the management aspects of the Authority, such as the development of a multi-annual Work Programme, the budget and staff resources.

ESMA's Securities and Markets Stakeholder Group

The Securities and Markets Stakeholder Group was established under ESMA's founding Regulation to help facilitate consultation with stakeholders in areas relevant to ESMA's tasks. ESMA is required to consult the Group on its draft guidelines and technical standards. The Group is composed of 30 members appointed by ESMA for a period of two and a half years; a new term will start on 1 January 2014. They variously represent financial market participants and their employees, consumers and other retail users of financial services, academics and small and medium sized enterprises.



Approval process for the Work Programme

Preparation for the work programme begins a year before its adoption with the creation of a high-level work programme to accompany the budget request. It is then developed as the tasks for the following year become clearer and input is sought from the relevant Standing Committees.

In accordance with ESMA's founding Regulation, ESMA's Management Board receives a first draft of the work programme by 30 June of the previous year. The work programme is then adopted by ESMA's Board of Supervisors on the basis of a proposal by ESMA's Management Board by 30 September.

Related documents

The work programme for 2014 is in line with ESMA's 2013-2015 Multi-Annual Work Programme.¹

In the overall ESMA work programme the legislative tasks related to ESMA's convergence and single rulebook objectives are not addressed in great detail. A more detailed regulatory work programme is adopted by the Board of Supervisors in the first quarter of the year concerned. This sets out a full list of the technical standards, technical advice and guidelines and recommendations that ESMA will produce within the year.

The annual work programme refers to IT projects required by some of the legislative work. The IT work programme is developed in the second part of 2013.

Performance and control

The work programme presents explanations around ESMA's main planned activities for 2014, as well as the budget and staff required to fulfil the tasks. A full break-down of tasks, including some lower priority tasks is attached at annex 4.

Progress against the work programme is monitored on a regular basis by ESMA's Management Board. ESMA has a list of key performance indicators that are annexed to this report and links between the activities and the KPIs are indicated. KPIs are not yet in place for all activities of the work programme, but it is intended to continue to develop KPIs in the coming years so that they cover all ESMA's activities.

¹ 2013-2015 Multi-Annual Work Programme available at: http://www.esma.europa.eu/system/files/2012-632_o.pdf

II. Acronyms used

AIFMD	Alternative Fund Managers Directive
AML Directive	Anti-Money Laundering Directive
CCP	Central Counterparty Clearing
Commission	European Commission
CRAs	Credit Rating Agencies
CSD	Central Securities Depositories
CSDR	Central Securities Depository Regulation
EBA	European Banking Authority
EDPS	European Data Protection Supervisor
EFC	Economic and Financial Committee
EIOPA	European Insurance and Occupational Pensions Authority
EMIR	European Market Infrastructure Regulation
EP	European Parliament
ESAs	European Supervisory Authorities
ESFS	European System of Financial Supervision
ESMA	European Securities and Markets Authority
ESRB	European Systemic Risk Board
ETFs	Exchange Traded Funds
EU	European Union
EuSEFs	European Social Entrepreneurship Funds
FMI	Financial Market Infrastructure
FSB	Financial Stability Board
FSC	Financial Services Committee
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IOSCO	International Organization of Securities Commissions
IT	Information Technology



KID	Key Information Document
KPIs	Key Performance Indicators
MAD	Market Abuse Directive
MiFID	Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
MoU	Memorandum of Understanding
NCAs	National Competent Authorities
OAMs	Officially Appointed Mechanisms
OTC	Over-The-Counter
PD	Prospectus Directive
PRIPs	Packaged Retail Investment Products
Q&As	Questions and Answers
RTS	Regulatory Technical Standards
SMEs	Small to Medium Enterprises
SMSG	Securities Markets Stakeholder Group
TD	Transparency Directive
TR	Trade Repository
TREM	Transaction Reporting Exchange Mechanism
UCITS	Undertakings for Collective Investment in Transferable Securities (Directive)
VC	Venture Capital
XBRL	eXtensible Business Reporting Language



III. ESMA’s planned activities in 2014

1) Objective: Convergence

Article 29 of ESMA’s founding Regulation establishes one of ESMA’s key objectives as fostering supervisory convergence and avoiding regulatory arbitrage resulting from different supervisory practices; as this has the potential to undermine not only integrity, efficiency and orderly functioning of markets but ultimately also financial stability. It therefore aims to build a level playing field by strengthening supervisory co-ordination and promoting supervisory convergence for the benefit of the financial markets at large, including financial institutions, other market players, investors and consumers. ESMA will also enhance its international engagement with non-EU regulators and supervisors to further improve the international consistency of regulation and effective co-operation between EU and non-EU supervisors, whether ESMA itself or the National Competent Authorities (NCAs).

Activity 1.1: Corporate reporting	
<p>ESMA will seek ways to improve enforcement activities in order to contribute to stronger co-ordination and harmonisation of their application in the EU. Such an objective should be achieved by the issuance of guidelines on enforcement that NCAs should apply and which should ensure that co-ordination of enforcement actions happen more frequently on an ex-ante basis, emerging issues are brought forward for discussion in ESMA and common enforcement priorities are accurately reflected as part of the enforcement process across Europe.</p> <p>ESMA will monitor developments in International Financial Reporting Standards (IFRS) and will continue to strengthen its dialogue with representatives of the IFRS Interpretations Committee and will contribute pro-actively to the International Accounting Standards Board (IASB) by providing it with insights on experiences of the implementation of these standards in practice and how they could potentially be improved to enhance their enforceability.</p> <p>ESMA will also ensure more co-operation with authorities from third countries in which IFRS or declared equivalents to IFRS apply to listed issuers on regulated markets.</p> <p>The revision of the Transparency Directive provides that ESMA should work on further development of the network of Officially Appointed Mechanisms (OAMs) and consider the potential role of XBRL within that context.</p>	
Activity budget	940 000 €
Allocated staff	5

Activity 1.2: Peer reviews, breach of union law and mediation	
<p>In order to foster fair and balanced supervisory practices, ESMA will conduct peer reviews on the application of existing EU legislation in the field of securities regulation and report on those findings. As a result</p>	

of its new methodology for peer reviews ESMA differentiates between the kinds of peer reviews it will perform in 2014 and will make more use of on-site visits as a tool to gather and verify factual information.

Whereas targeted peer reviews will focus on supervisory practice and concern a sample of National Competent Authorities (NCAs) using on-site visits, general peer reviews, which will use mostly desk-based evidence, will concern all NCAs and focus on compliance with ESMA's guidelines and recommendations.

The aim of the targeted peer reviews is to identify those areas where national regulators' supervisory practices could benefit from learning from best practices in other countries. This will help ESMA to foster more convergent approaches and hence, reduce regulatory arbitrage, including through very practical tools such as Q&As.

The general peer reviews will cover compliance with guidelines and recommendations:

- Automated Trading, High-Frequency Guidelines;
- Suitability Guidelines, e.g. 2012/387 guidelines on the MiFID suitability requirements; and
- Compliance Function Guidelines, e.g. 2012/388 guidelines on MiFID Compliance function requirements.

ESMA aims to use its peer review work to inform its activities in other areas of its work programme, including enhancing the single rulebook through issuing guidelines and recommendations, as well as opinions, in areas where differences of application exist and through providing advice to the Commission on areas where revised legislation might be necessary to align practices.

ESMA will use its powers to investigate and remedy cases of breach of Union law and to settle disagreements between competent authorities in cross border situations. ESMA also has recourse to powers of binding mediation, in the event of disputes between national competent authorities, and non-binding mediation in order to promote a co-ordinated Union response. Should the need arise in 2014, ESMA will continue to exercise these powers either on its own initiative or at the request of the NCAs. ESMA will take into account the input of the Securities and Markets Stakeholder Group as regards its activities to foster convergence.

While expecting fewer emergencies, ESMA will continue to help improving the resilience of the European System of Financial Supervision (ESFS) as regards crisis situations: ESMA will continue working on potential crisis scenarios, coordinate NCAs actions, and ensure effective flow of information and good co-operation in crisis situations.

Activity budget 750 000 €

Allocated staff 4

Link to key performance indicator(s)

KPI 1, KPI 2, KPI 3, KPI 7

Activity 1.3: Training

In order to support the development of a common Union supervisory culture and consistent supervisory practices ESMA is planning to deliver the following learning and development tools:

- 24 training events, including soft-skill and technical skill development courses;
- an off-the shelf e-learning catalogue with a high number of courses covering the financial markets

and economics;

- tailor made e-learning courses to support the understanding and implementation of the relevant regulations and directives; and
- support to staff exchanges among the National Competent Authorities, in particular study-visits.

Activity budget 590 000 € **Allocated staff** 1

Link to key performance indicator(s) KPI 4, KPI 5, KPI 6

Activity 1.4: Joint Committee

In 2014, ESMA will pursue the regular co-operation and cross-sectoral consistency work with the other European Supervisory Authorities (ESAs) under the Joint Committee. This will involve contributing to the regular co-ordination of the Sub-Committees of the Joint Committee: Consumer Protection and Financial Innovation Sub-Committee, Financial Conglomerates Sub-Committee, Risk Sub-Committee and Anti-Money Laundering Sub-Committee. ESMA will work with the other ESAs to ensure that the ESAs staff exchange information and approach topics of cross-sectoral interest in a co-ordinated fashion.

In 2014 this is likely to include work on Financial Conglomerates, on the fourth Anti-Money Laundering (AML) Directive, on risks and vulnerabilities of the EU financial sector and on consumer protection, in particular on complaints handling procedures, and on investor protection. ESMA will play its part in the Joint Committee work on the European Commission's Packaged Retail Investment Products (PRIIPs) initiative. Finally, in collaboration with the other ESAs and working through the Joint Committee, ESMA will evaluate the report on the review of the European System of Financial Supervision, to be published by the Commission on 2 January 2014.

Activity budget 190 000 € **Allocated staff** 1

Activity 1.5: International Co-operation

ESMA will actively contribute to the International Organization of Securities Commissions (IOSCO), focusing on contributing to that organisation's most relevant Standing Committees and on co-operating with third countries on Credit Rating Agency and Trade Repository regulatory and supervisory issues. ESMA will continue to participate in the EU regulatory dialogues with third countries and to play a central role in assessing the equivalence of third country supervisory regimes and in providing advice to the European Commission, in close co-operation with EBA and EIOPA. ESMA will lead or assist in preparing and negotiating memoranda of understanding with third country supervisors when required by the EU legislation.

Activity budget 190 000 € **Allocated staff** 1

Activity 1.6: Other convergence activities	
<p>Existing legislation, such as the Short Selling Regulation, the Transparency Directive and the Prospectus Directive requires ESMA to maintain Q&As: this on-going task is an important tool for supervisory convergence.</p> <p>EMIR requires certain convergence activities in the area of Post Trading, including that ESMA should issue opinions on exceptions for pension scheme arrangements. In addition, ESMA must draft an annual report on the penalties imposed by competent authorities, including supervisory measures, fines, and periodic penalty payments.</p>	
Activity budget	190 000 €
Allocated staff	1



2) Objective: Financial Consumer Protection

Ensuring the interests of investors are properly met is another important objective for ESMA. ESMA achieves this through promoting transparency, simplicity and fairness in securities markets for consumers of financial products or services. As well as its on-going work to ensure a co-ordinated EU regulatory approach, ESMA will in 2014 particularly focus on tasks related to the Markets in Financial Instruments Regulation and the Packaged Retail Investment Products initiative.

Activity 2.1: Product intervention	
<p>The proposals in the draft Markets in Financial Instruments Regulation (MiFIR) on product intervention foresee the strengthening of the supervision of products and services by introducing the possibility for competent authorities to set permanent bans on financial products, activities or practices (and ESMA is to perform a facilitation and co-ordination role in relation to action taken by competent authorities); and for ESMA to set temporary bans on products, practices and services which could consist of a prohibition or restriction on the marketing, distribution or sale of certain financial instruments, on financial instruments with certain features or on a type of financial activity or practice.</p> <p>The provisions set specific conditions for the activation of both of these bans, which can notably happen when there are concerns to investor protection, or threats to the orderly functioning of financial markets or stability of the financial system. The MiFIR proposals foresee delegated acts on the criteria and factors to be taken into account when determining when some of the prerequisites for the product intervention right are met.</p> <p>ESMA will continue its preparatory work on the MiFID2/MiFIR Level 2 empowerments, of which product intervention forms a part, with a view to consulting on MiFID2/MiFIR proposals as soon as possible after the legal text is agreed.</p>	
Activity budget	565 000 €
Allocated staff	3

Activity 2.2: Co-ordinated regulatory approach	
<p>ESMA is required to play an active role in building a common Union supervisory culture and consistent supervisory practices, as well as in ensuring uniform procedures and consistent approaches throughout the Union. In the area of investor protection, ESMA seeks to prevent regulatory arbitrage, guarantee a level playing field, and strengthen supervisory co-ordination, for the benefit of consumers, through its constant work to improve the application and implementation of the MiFID conduct of business rules. ESMA also seeks to ensure, through a single rulebook (and the elaboration of draft technical standards), a co-ordinated regulatory approach to investor protection by providing advice to the Union institutions in the areas of MiFID.</p> <p>ESMA will continue to make extensive use of the legal instruments available to it as set out in the ESMA Regulation - such as, Article 16 guidelines, Article 29 supervisory convergence tools (including opinions issued to competent authorities, Questions and Answers, and supervisory briefings), and Article 9 investor</p>	

warnings. ESMA will enhance its ability to understand consumer trends and use this information to take appropriate policy actions.

Activity budget 1 315 000 € **Allocated staff** 7

Link to key performance indicator(s) KPI 8

Activity 2.3: Packaged Retail Investment Products

The European Commission’s proposed Regulation on key information documents for investment products (generally referred to as the Packaged Retail Investment Products (PRIPs) initiative) foresees delegated acts on the form and content of the Key Information Document (KID), as well as requiring the three European Supervisory Authorities (ESAs) to draft regulatory technical standards setting out a methodology for the calculation of the risk and cost disclosures in the KID. The PRIPs initiative takes as a benchmark the work done on key investor information disclosures for Undertakings for Collective Investment in Transferable Securities (UCITS) and will include an extensive consumer testing exercise to inform the policy choices.

Activity budget 375 000 € **Allocated staff** 2

3) Objective: Financial Stability

ESMA was created as part of a Europe-wide response to a financial and economic crisis that posed risks to the stability of the financial system and the functioning of the internal market. To this end ESMA will continue to strengthen its activities in analysing developments, systemic risks, and structures in the financial markets within its remit. The focus of the Authority’s work will be on financial market surveillance and economic research. In these efforts, ESMA will further intensify its co-operation with the EU Institutions, the other European Supervisory Authorities and the European Systemic Risk Board (ESRB) on a regular and ad hoc basis.

Activity 3.1:		Financial market surveillance	
<p>ESMA will develop its proprietary market intelligence through continuous evaluation of markets trends, enhanced co-operation with NCAs and ESFS bodies and the ESRB, and intensified interaction with market participants. Focus will be given to enhancing ESMA’s capabilities regarding collection, management, and accessibility of commercial and proprietary databases.</p> <p>These capabilities will inform ESMA’s financial innovation work, which requires significant investment in the detection of innovative products or processes, including maintaining a regular dialogue with a wide variety of market participants. The work streams for these groups in 2014 may include topics such as:</p> <ul style="list-style-type: none"> • Financial innovation; • Collateral transformation; and • Crowdfunding. <p>ESMA will enhance the coverage and sophistication of its reporting on market and systemic risks through its semi-annual “Report on Trends, Risks and Vulnerabilities” and its quarterly Risk Dashboard. Stress testing of securities markets and financial market infrastructures will be developed.</p> <p>Market surveillance work is transversal to all ESMA’s activities and also informs tasks that stem from legislation, such as keeping the MiFID database for shares updated and conducting EU wide stress tests on Central Counterparty (CCP).</p>			
Activity budget	2 010 000 €	Allocated staff	10
Link to key performance indicator(s)	KPI 10		

Activity 3.2:		Economic research	
<p>ESMA conduct research projects in close co-operation with National Competent Authorities (NCAs), the Joint Committee and the ESRB. It will aim to widen the number and variety of issues covered through its Economic Papers and Working Papers and will conduct systematic impact assessments of regulatory measures.</p> <p>The upcoming Benchmarks legislation and inter-bank reference rate reform will absorb half of ESMA’s</p>			

resources in this area.

Activity budget	835 000 €	Allocated staff	4
Link to key performance indicator(s)	KPI 11, KPI 12		

4) Objective: Single Rulebook

ESMA's single rulebook work is aimed at strengthening regulation and creating a level playing field across the EU. It involves delivering technical advice on legislation to the European Commission, drafting regulatory technical standards and issuing advice and guidelines on the application of Union law.

In 2014 ESMA's single rulebook work will be focussed, amongst others, on the revision of the Markets in Financial Instruments (MiFID) and Market Abuse Directives (MAD), legislation related to European investment funds and corporate finance, and the implementation of the CRA III legislation.

Activity 4.1: Revision of MiFID and MAD

One of the main projects ESMA will have to undertake in 2014 is the implementation of the review of MiFID, which is currently being negotiated in the European Council and Parliament. ESMA expects to be involved in preparing a large number of important and highly complex implementing measures. These will take the form of ESMA technical standards or advice to the Commission on delegated acts. Assuming political agreement is reached on MiFID by end 2013; ESMA will be formally working on the issues concerned in 2014. At the moment, ESMA is doing preparatory work on the topics mentioned below.

The main topics to be dealt with are:

- pre- and post-trade transparency requirements for trading in equity and non-equity financial instruments on trading venues and OTC and the requirement to trade derivatives on organised venues;
- improving the quality of trade data in Europe by defining the regime for a European consolidated tape;
- specifying the authorisation and organisational requirements for entities foreseen in the MiFID II proposals dealing with the publication of OTC trade data (Approved Publication Arrangements), providing a consolidated tape (Consolidated Tape Provider) and serving as a reporting mechanism for transaction reports (Approved Reporting Mechanisms);
- micro-structural issues (e.g. trading halts, tick sizes, order to trade ratios) in relation to new requirements to be fulfilled by trading venues and investment firms offering and engaging in algorithmic trading;
- all other organisational requirements for trading venues such as those on the contexts of the suspension and removal of financial instruments from trading, the admission of financial instruments to trading, obligation to maintain records of the relevant data relating to orders or the establishment of trading venues specifically for small to medium enterprises (SMEs);
- position monitoring, reporting and management for commodity derivatives (including energy (gas, oil and electricity), metals, agriculturals and soft commodities, as well as emission allowances and freights);
- organisational requirements for investment firms and branches of third country firms performing investment services and/or activities and ancillary services (covering topics such as product governance, record keeping, safeguarding of clients' assets, transaction reporting, etc.);
- operational and co-operation issues between national competent authorities (such as authorisation of investment firms, sanctioning regimes, exchange of information between national authorities; and
- conditions to be met by firms for the provision of 'independent advice' to clients.

In the context of the review of MAD, ESMA expects to be involved in preparing a large number of important implementing measures. These will take the form of ESMA technical standards or advice to the Commission on delegated acts and will run in parallel to the MiFID review work stream on implementing measures, on the basis of the preparatory work that ESMA is currently conducting on the following topics:

- specification of indicators of market manipulation;
- means for disclosing inside information;
- conditions for shares buy-back programmes and stabilisation of securities;
- preventive measures such as reporting of managers transactions, insider list, reporting of suspicious orders and transactions by firms and trading venues and reporting of violations;
- arrangements and procedures for Market sounding;
- procedures for establishing an Accepted Market Practice; and
- arrangements for ensuring the objective presentation of investment recommendations.

Activity budget 3 380 000 €

Allocated staff

18

Link to key performance indicator(s)

KPI 14, KPI 15

Activity 4.2: European Investment Fund Legislation

ESMA's focus in 2014 in the investment funds area will be divided between on-going work on key elements of the Alternative Investment Fund Managers Directive (AIFMD) framework, work in the area of Undertakings for Collective Investment in Transferable Securities Directive (UCITS) and additional activity arising from the Regulations on European Venture Capital Funds (VC), European Social Entrepreneurship Funds (EuSEFs) and Money Market Funds.

Regarding AIFMD, ESMA will play a key role in ensuring the proper functioning of the third country chapter of the Directive. This notably includes a role in the assessment of the legislative frameworks for depositaries in non-EU jurisdictions and the preparation of the report on the switching-on of the passport for non-EU AIFMs, which must be delivered to the European Commission by July 2015. Beyond the provisions that are specific to non-EU entities, in 2014 ESMA will start receiving a wide range of information from National Competent Authorities (NCAs) on the activities of alternative investment fund managers. ESMA will monitor this information for the purposes of systemic risk oversight and in order to carry out certain specific tasks foreseen by the legislation, such as with respect to leverage.

On UCITS, ESMA expects to provide input at the relevant stage on the delegated acts, technical standards and guidelines that may be required under the UCITS V Directive. ESMA's previous work on depositaries and remuneration under the AIFMD will provide useful benchmarks on which to build its input.

The Regulations on European Venture Capital Funds and European Social Entrepreneurship Funds published earlier this year foresee a number of delegated acts and technical standards that are likely to lead to new tasks for ESMA. In addition, both Regulations require the establishment of a public database of entities by ESMA. ESMA will be able to build on its existing work to create registers under the UCITS Directive and AIFMD.

Finally, ESMA will continue its work to promote supervisory convergence in the area of investment funds. This may include maintaining existing documents (such as on the Guidelines on ETFs and other UCITS

issues), drafting new guidelines and recommendations, and drafting opinions addressed to NCAs.			
Activity budget	750 000 €	Allocated staff	4
Link to key performance indicator(s)	KPI 14, KPI 15		

Activity 4.3: Corporate finance			
<p>ESMA’s work on corporate finance in 2014 will include work on the Prospectus Directive, Transparency Directive and on Corporate Governance.</p> <p>Regarding the Prospectus Directive (PD) ESMA will continue the development of Technical Standards contemplated by the Amended Prospectus Directive, Omnibus I Directive and particularly the expected Omnibus II Directive as well as providing guidance and supervisory briefings. The work is expected to focus on the means to improve the co-ordination and harmonisation of the application of the PD in Europe. Further equivalence assessments under the PD are expected to be performed.</p> <p>The IT Register to deal with notifications of approved prospectuses, supplements and passports concerning pan-European offerings and admission to trading of securities is expected to go live at the beginning of the year. ESMA will then display on its website all approved prospectuses and supplements in Europe within the latest 12 months at any given time.</p> <p>The proposed revision of the Transparency Directive (TD) is expected to be finalised and ESMA envisages development of technical standards and advice to the Commission on delegated acts in accordance with its provisions and to integrate any potential new responsibilities foreseen by the Regulation.</p> <p>ESMA expects to continue to expand its activity with regard to corporate governance, particularly as the Commission is expected to present new proposals in the area of corporate governance by the end of 2013 following from the Commission Action Plan on Company Law and Corporate Governance, which was released in December 2012. ESMA will monitor closely activity in this area and embark on relevant new workflows which may arise.</p> <p>Regarding the Takeover Bids Directive ESMA expects to continue providing a forum for exchange of experiences between competent authorities and to set out guidance where deemed necessary.</p>			
Activity budget	750 000 €	Allocated staff	4
Link to key performance indicator(s)	KPI 14, KPI 15		

Activity 4.4: CRA Regulation			
<p>ESMA must submit its draft Regulatory Technical Standards (RTS) required under the CRA III Regulation by 21 June 2014. These draft RTS also require the establishment of two IT platforms (European Rating Platform and Structured Finance Transparency Platform) by mid-2015. Finally, ESMA is actively involved in IOSCO's work on the review of IOSCO's Code of Conduct for CRAs which should be concluded in 2014/2015.</p>			
Activity budget	940 000 €	Allocated staff	5
Link to key performance indicator(s)	KPI 14, KPI 15		

Activity 4.5: CSD Regulation			
<p>ESMA also will have to draft around 30 technical standards and other measures under the Central Securities Depository Regulation (CSDR); while some preparatory work has begun in 2013 consultation and delivery is likely to be in 2014. Because the Regulation is still under negotiation, its timeline and the precise mandates are yet to be confirmed.</p> <p>Beyond ESMA's role in technical standards and guidelines and advice to the Commission, ESMA will also be expected to:</p> <ol style="list-style-type: none"> 1) create and manage a register of designated National Competent Authorities for Central Securities Depositories (CSDs), relevant authorities or the central bank of issue of the relevant currency, CSDs their branches and links, CSDs with designated credit institutions and those institutions; 2) report annually on market developments and risks; 3) recognise CSDs established in third countries; 4) establish co-operation arrangements with competent authorities of concerned third countries; 5) hold a peer review of the supervision by competent authorities of CSDs with links; and report to the Commission on access to financial markets infrastructure licensing arrangements and negative impacts on the establishment of a competitive single market in post-trading. 			
Activity budget	940 000 €	Allocated staff	5
Link to key performance indicator(s)	KPI 14, KPI 15		

Activity 4.6: Other single rulebook activity	
<p>A new Regulation on Audit Oversight is currently in discussion with the European Institutions. Following their conclusions, ESMA will develop technical standards in relation to audit matters and organise a new co-ordination role of audit oversight bodies in this field. The work related to the Audit Regulation would require two staff out of the 185 staff that ESMA requested for 2014..</p> <p>In 2014 ESMA will also be required to draft guidelines on Exchange Traded Derivatives reporting, as well as technical standards on bilateral margins (under EMIR) and for the Capital Requirements Regulations. In addition, under the Short Selling Regulation, ESMA will need to draft a template for a Memorandum of Understanding between EU and third country regulators.</p>	
Activity budget	750 000 €
Allocated staff	4



5) Objective: Supervision

In 2014 ESMA will have direct supervisory powers in two areas: credit rating agencies and trade repositories.

Activity 5.1: Credit Rating Agencies			
<p>As regards supervision of CRAs in 2014, the number of registered and certified CRAs will have increased up to 25-30 by end 2013. This implies that on-going supervision, including enforcement, of all those CRAs will require more resources within the CRA Unit and ESMA as a whole during 2014. Moreover, the entry into force of the CRA III Regulation on 20 June 2013 added various new supervisory tasks to ESMA which will require immediate monitoring by ESMA supervisory staff. In addition, we expect a few additional applications for registration/certification in 2014 and the international co-operation with non-EU supervisory authorities will intensify through the establishment of supervisory colleges for CRAs which are globally active. Finally, ESMA will also issue supervisory guidance on subjects which require clarification (e.g. such as the guidelines on scope issued on 17 June 2013).</p>			
Activity budget	5 000 000 €	Allocated staff	25
Link to key performance indicator(s)	KPI 16, KPI 18		

Activity 5.2: Post trading	
<p>ESMA will continue the registration of applicants for Trade Repository (TR) status and will increase its supervisory efforts towards the TRs authorised in 2013. In line with the supervisory approach for TRs and supervisory work plan to be defined in the course of 2013, the main focus of 2014 will be to monitor the on-going compliance with EMIR of the TRs expected to be registered in 2013 and the concrete assessment of any specific risk faced by registered TRs. The registration experience will be key to assessing the appropriateness of the TR's internal procedures to meet EMIR requirements and also to identify the main risks in the TR industry, and therefore the main priorities for ESMA's supervisory work. ESMA will closely monitor the TR activity and compliance at all times with EMIR requirements and conditions for registration perform inspections, investigations and where appropriate, consider any necessary enforcement measures.</p> <p>Through its participation in Central Counterparty (CCP) colleges, ESMA will ensure the consistent application of regulatory requirements across CCPs and will ensure common working procedures for the different colleges of national supervisors, in order to achieve strong supervision and a level playing field. ESMA will also run annual EU wide stress tests for CCPs to ensure an adequate and consistent coverage by all EU CCPs of similar risks they might face.</p> <p>Following the Commission decisions on equivalence, ESMA will enter into the relevant Memorandums of Understanding with the foreign competent authorities and start recognising third country CCPs and TRs.</p> <p>Following the authorisation of CCPs under EMIR in the course of 2013 and the notification received,</p>	

ESMA will issue regulatory technical standards determining the classes of derivatives subject to the clearing obligation and will ensure the consistent application of such obligation among the different Member States.			
Activity budget	3 290 000 €	Allocated staff	17
Link to key performance indicator(s)	KPI 16, KPI 18		

Activity 5.3: Enforcement and independent investigation			
The establishment of Trade Repository supervision at ESMA in 2013 and the increasing number of registered CRAs, and their respective effective supervision, requires a significant effort in terms of legal advice to the supervisory units and is likely to lead to significant work for the Independent Investigation Officer Function established within the Legal Co-operation and Convergence Unit.			
Activity budget	940 000 €	Allocated staff	5
Link to key performance indicator(s)	KPI 17		



6) Objective: ESMA as an organisation

Activity 6.1: EU IT projects			
<p>ESMA's IT work programme is approved by the Management Board, on advice of the IT Management and Governance Group, at the end of 2013 and is informed by the annual work programme. In particular the IT work programme will include projects to establish systems to register and report on Central Securities Depositories and Trade Repositories. It will also feature a new version of the Transaction Reporting Exchange Mechanism (TREM 4.0) to respond to the changes in MiFID and MAD. Several on-going projects related, for example, to the Alternative Investment Funds Directive have been launched in 2013 and are planned to be delivered in 2014.</p>			
Activity budget	7 380 000 €	Allocated staff	14
Link to key performance indicator(s)	KPI 27, KPI 28		

Activity 6.2: Contact with the EU institutions, key stakeholders and NCAs			
<p>ESMA will further develop its relationships with key stakeholders e.g. its Securities and Markets Stakeholder Group, associations of investors and key actors of the financial markets industry. In its contacts with EU Institutions, ESMA will continue to ensure accountability, openness and transparency on its work and to strive to make sure that practical implications for ESMA stemming from new tasks provided for in forthcoming legislative proposals are adequately taken into account.</p> <p>ESMA will continue in 2014 to support its Boards, Standing Committees and Technical Committees where National Competent Authorities exchange information and work on areas of common interest to achieve convergence. This activity remains a key pillar of ESMA's work and helps to ensure the quality of ESMA's work programme. These Committees are usually supported by Consultative Working Groups of relevant stakeholders.</p>			
Activity budget	565 000 €	Allocated staff	3

Activity 6.3: Ethics, data protection and internal control			
<p>ESMA will strive to take a pro-active stance regarding data protection. Accordingly it will be in close contact with the European Data Protection Supervisor (EDPS) in particular as regards necessary notifications of data processing procedures and their prior checking by the EDPS.</p> <p>ESMA will continue to foster knowledge about Ethics rules in general and about the provisions on Conflicts of Interest in particular among its staff, but also among Members of the Management Board and the</p>			

Board of Supervisors.	
ESMA will continue to strengthen its internal control culture and activity in 2014 and cooperate closely with its auditors.	
Activity budget	565 000 €
Allocated staff	3
Link to key performance indicator(s)	KPI 29, KPI 30

Activity 6.4: Organisational support	
<p>In 2014 ESMA will still be classed as a start-up agency; as such there is still a considerable workload to finalise the set-up of the organisation. In particular, ESMA's budget request for 2014 would require the recruitment of 35 temporary and contract agents and seconded national experts. There will also be work required to further develop ESMA's strategy on career development and mobility.</p> <p>In addition, the on-going legislative programme indicates that ESMA's staff may need to continue to grow into 2015 and 2016. Clarity on this growth will be achieved as part of the budget request process for 2015 but should this be the case, bigger premises might be needed from 2015/6 and therefore the launch of the subsequent planning will be required in 2014.</p> <p>During this start-up phase ensuring consistent and broad communications about ESMA's role and its work to a range of different audiences is a key activity for the organisation. This also involves facilitating co-operation with national authorities on communications issues and improving ESMA's website. To support the continued development of the organisation, strengthening internal communication will be another focus.</p> <p>ESMA will also aim to start setting up activity and zero based budgeting for 2015 in line with the recommendations of the European Parliament. As well as launching work streams on security and business continuity planning.</p>	
Activity budget*	Allocated staff Senior Management/ Communication/ Accounting: 13 Administration: 26
* Budget repartitioned among activities on a pro-rata basis	
Link to key performance indicator(s)	KPI 19, KPI 20, KPI 21, KPI 22, KPI 23, KPI 24, KPI 25, KPI 26

IV. Annexes

Annex 1 – Human resources

The exact repartition of posts in the Establishment Plan has not yet been validated.

2014 Establishment Plan			
AD 16			
AD 15	1	AST 11	
AD 14	1	AST 10	
AD 13		AST 9	1
AD 12	3	AST 8	
AD 11	5	AST 7	
AD 10	6	AST 6	1
AD 9	14	AST 5	2
AD 8	27	AST 4	6
AD 7	27	AST 3	2
AD 6	20	AST 2	3
AD 5	14	AST 1	
AD total	118	AST total	15
GRAND TOTAL		133	

Contract Agents	2014 estimate
Function Group IV	15
Function Group III	4
Function Group II	12
Function Group I	
Total	31

Seconded National Experts	2014 estimate
Total	21

Annex 2 – Draft budget

REVENUE	EUR
Revenue from fees and charges	6 580 000
EU Contribution	11 071 823
Contribution from National Competent Authorities	15 552 000
TOTAL REVENUE	33 203 823

EXPENDITURE	EUR
Staff Expenditure	17 797 823
Infrastructure and operating expenditure	6 455 000
Operational expenditure	8 951 000
TOTAL EXPENDITURE	33 203 823



Annex 3 – List of ESMA’s KPIs

ESMA has defined a list of key performance indicators that are reported to the Management Board. ESMA’s work programme in 2014 will be measured against these indicators.

KPI no	ESMA’s KPIs
Convergence	
1	Number of Breach of Union Law/Mediation cases launched/concluded
2	Peer reviews conducted: non-compliant findings (%), follow-up results
3	Number of “comply and explain”
4	Number of training events held
5	Participation rate at training events
6	Range of topics of training events
7	Number of opinions issued
Financial Consumer Protection	
8	Number of NCAs using the warnings/alerts issued by ESMA in their website or communication
9	Number of hits on the retail investors page of ESMA website
Financial Stability	
10	TRV/JC risk reports delivered against work plan (%)
11	Number of ESMA contributions to ESRB, ESA Joint Committee and IOSCO working papers
12	Number of working papers

KPI no	ESMA's KPIs
Single Rulebook	
13	Progress against Regulatory Work Programme
14	Technical standards delivered on time (%)
15	Number of impact assessments delivered against plan
Supervision	
16	Progress against supervisory work programme
17	Enforcement cases launched/concluded (%)
18	Authorised/rejected applications for registration (%)
ESMA as an organisation	
19	Budget execution (%)
20	Late payments (%)
21	Collected/requested (%)
22	Progress against procurement plan (%)
23	Establishment Plan achieved (%)
24	Progress against recruitment plan (%)
25	Staff turnover rate (%)
26	Gender/nationality ratio
27	Progress against IT work programme (%)
28	Budget execution: IT work programme (%)
29	Internal control reviews conducted/planned reviews (%)
30	Progress in audit action plan implementation: recommendations implemented/delayed/planned

Annex 4 – Detailed work programme

Ref no	Strategic Aim	Activity	Tasks	Deliverable	Delivery date	New task in 2014	Priority	Mandatory task	Unit / Division	Standing Committee
1	1 - Convergence	1.1 - Corporate Reporting	Implementation of strategy on strengthening supervisory convergence, including review of accounting practices	Opinion, statements, extracts from database, Activity Report, Reports, etc.	Permanent	No	1 - high	Mandatory	Investment and Reporting	Corporate Reporting
2	1 - Convergence	1.1 - Corporate Reporting	Developments on XBRL and OAM	Consultation Paper	Permanent	No	2 – medium/high	Mandatory	Investment and Reporting	Corporate Reporting
3	1 - Convergence	1.1 - Corporate Reporting	Specific tasks related to the implementation of the Accounting and Transparency Directives, as required by the EC	Advice on third country equivalence	Permanent	Yes	3 - medium/low	Mandatory	Investment and Reporting	Corporate Reporting
4	1 - Convergence	1.1 - Corporate Reporting	Regulatory standards on electronic reporting format and access to regulated information	Regulatory Technical Standard	Q4	Yes	3 - medium/low	Mandatory	Investment and Reporting	Corporate Reporting
5	1 - Convergence	1.1 - Corporate Reporting	Framework on the establishment of the common supervisory culture on financial information	Final ESMA guidelines on enforcement of financial information	Q2	No	1 - high	Not mandatory	Investment and Reporting	Corporate Reporting
6	1 - Convergence	1.1 - Corporate Reporting	Limited monitoring of IFRS developments (IASB), contribution to EFRAG and ARC	Comment letters IASB and EFRAG	Permanent	No	2 – medium/high	Not mandatory	Investment and Reporting	Corporate Reporting
7	1 - Convergence	1.1 - Corporate Reporting	Issuance of guidelines on alternative performance measures	Guidelines	Q4	No	2 – medium/high	Not mandatory	Investment and Reporting	Corporate Reporting

Ref no	Strategic Aim	Activity	Tasks	Deliverable	Delivery date	New task in 2014	Priority	Mandatory task	Unit / Division	Standing Committee
8	1 - Convergence	1.2 - Peer reviews, BUL and Mediation	Execution of ESMA's powers (BUL, Mediation, Crisis Mgmt., Product Intervention) incl. representation in front of Board of Appeal	Handling of Cases	Permanent	No	1 - high	Mandatory	Legal, co-operation and convergence	None
9	1 - Convergence	1.2 - Peer reviews, BUL and Mediation	General Peer reviews and reports	Reports	Permanent	No	1 - high	Mandatory	Legal, co-operation and convergence	Review Panel
10	1 - Convergence	1.2 - Peer reviews, BUL and Mediation	Targeted Peer Reviews: Convergence investigations including On Site visits at NCAs	Reports	Permanent	Yes	1 - high	Mandatory	Legal, co-operation and convergence	None
11	1 - Convergence	1.3 - Training	Regulatory and supervisory training (including E-learning) and staff exchange fostering convergence	more than 24 trainings	Permanent	No	2 – medium/high	Mandatory	Legal, co-operation and convergence	None
12	1 - Convergence	1.4 - Joint Committee	Joint Committee work : support, Packaged Retail Investor Products (PRIPs), Asset Money Laundering (AML), Non-Cooperative Jurisdictions, Financial Conglomerates, Joint Committee Risk Sub-Committee, Evaluation of EC's EFSF Report	Reports	Permanent	No	2 – medium/high	Mandatory	Legal, co-operation and convergence	Joint Committee
13	1 - Convergence	1.5 - International Co-operation	External relations	Legal advice, governance and organisational support	Permanent	No	2 – medium/high	Mandatory	Legal, co-operation and convergence	None

Ref no	Strategic Aim	Activity	Tasks	Deliverable	Delivery date	New task in 2014	Priority	Mandatory task	Unit / Division	Standing Committee
14	1 - Convergence	1.5 - International Co-operation	Limited legal advice on information exchange, equivalence and drafting of MoU	MoUs	Permanent	Yes	2 – medium/high	Not mandatory	Legal, co-operation and convergence	None
15	1 - Convergence	1.6 - Other convergence activities	Opinions on exemptions for pension scheme arrangements	Opinion	Permanent	No	1 - high	Mandatory	Markets	Post-Trading
16	1 - Convergence	1.6 - Other convergence activities	Annual report under EMIR on penalties imposed by competent authorities	Report	Permanent	No	2 – medium/high	Mandatory	Markets	Post-Trading
17	2 - Consumer Protection	2.1 - Product intervention	Collect specific data to identify areas for product intervention	Report	Permanent	Yes	1 - high	Mandatory	Investment and Reporting	Financial Innovation
18	2 - Consumer Protection	2.1 - Product intervention	Preparatory work on MiFIR	Delegated acts and technical standards to the Commission	Q4	No	1 - high	Mandatory	Investment and Reporting	Investor Protection and Intermediaries
19	2 - Consumer Protection	2.2 - Coordinated regulatory approach	Monitoring of Investor trends	Report, opinion	Q3	No	1 - high	Mandatory	Investment and Reporting	Financial Innovation
20	2 - Consumer Protection	2.2 - Coordinated regulatory approach	Impact Assessment: Support to IA activities in ESMA divisions. Coordination within ESA IA Network, methodologies, data provision. (Assumes 80% outsourcing of IA work)	Support to IA activities in ESMA divisions. Methodologies, data provision	Permanent	No	2 – medium/high	Mandatory	Economic Research and Financial Stability	CEMA
21	2 - Consumer Protection	2.2 - Coordinated regulatory approach	Joint Committee Subcommittee Consumer Protection	Cross-sectoral work (guidelines, common positions, etc.)	Permanent	No	2 – medium/high	Mandatory	Investment and Reporting	Investor Protection and Intermediaries

Ref no	Strategic Aim	Activity	Tasks	Deliverable	Delivery date	New task in 2014	Priority	Mandatory task	Unit / Division	Standing Committee
22	2 - Consumer Protection	2.2 - Coordinated regulatory approach	Structured Retail Products - Recommendation to IPISC for possible issuance of best practices	Report to IPISC	Q1	No	2 – medium/high	Mandatory	Investment and Reporting	Financial Innovation
23	2 - Consumer Protection	2.2 - Coordinated regulatory approach	Coordination of financial education programs across Member States	Report, advice	Permanent	Yes	3 - medium/low	Mandatory	Investment and Reporting	Financial Innovation
24	2 - Consumer Protection	2.2 - Coordinated regulatory approach	MiFID 1	Consumer protection, supervisory convergence - Art 16/Art 9/Art 29 output (guidelines, supervisory convergence tools)	Permanent	No	3 - medium/low	Mandatory	Investment and Reporting	Investor Protection and Intermediaries
25	2 - Consumer Protection	2.2 - Coordinated regulatory approach	MiFID 1	Consumer protection, supervisory convergence - Art 16/Art 9/Art 29 output (investor warnings)	Permanent	No	1 - high	Not mandatory	Investment and Reporting	Investor Protection and Intermediaries
26	2 - Consumer Protection	2.2 - Coordinated regulatory approach	Self Placement	Report to IPISC	Q1	No	2 – medium/high	Not mandatory	Investment and Reporting	Financial Innovation
27	2 - Consumer Protection	2.3 - Packaged Retail Investment Products	Packaged Retail Investment Products	Advice, technical standards and input to consumer testing (IMSC); MiFID selling practices input (Investor Protection and Intermediaries Standing Committee)	Q4	No	1 - high	Mandatory	Investment and Reporting	Investment Management

Ref no	Strategic Aim	Activity	Tasks	Deliverable	Delivery date	New task in 2014	Priority	Mandatory task	Unit / Division	Standing Committee
28	3 - Financial Stability	3.1 - Financial market surveillance	EFC, EP: Reporting on Trends, Risks, Vulnerabilities, and Risk Dashboard.	2 TRV report, 2 RD per year.	Permanent	No	1 - high	Mandatory	Economic Research and Financial Stability	CEMA
29	3 - Financial Stability	3.1 - Financial market surveillance	ESRB: Relationship management, reporting, working groups, analyses.	Regular reporting, working group contributions, meeting preparation, analyses	Permanent	No	1 - high	Mandatory	Economic Research and Financial Stability	CEMA
30	3 - Financial Stability	3.1 - Financial market surveillance	Gathering of financial market intelligence to detect innovative products or processes, which involves a regular dialogue with a wide variety of market participants.	Report, opinion, advice	Permanent	No	1 - high	Mandatory	Investment and Reporting	Financial Innovation
31	3 - Financial Stability	3.1 - Financial market surveillance	MiFID Database : Annual market transparency calculations	Publication and ad hoc update of MiFID Database for shares	Q1	No	1 - high	Mandatory	Markets	Secondary Markets
32	3 - Financial Stability	3.1 - Financial market surveillance	Annual EU wide stress tests for CCPs	Stress tests	Permanent	No	2 – medium/high	Mandatory	Markets	None
33	3 - Financial Stability	3.1 - Financial market surveillance	Consultative Working Group Work streams: Index Innovation, Collateral Transformation, Financial Innovation, Crowdfunding	Reports, recommendation	Q1	No	2 – medium/high	Not mandatory	Investment and Reporting	Financial Innovation
34	3 - Financial Stability	3.2 - Economic Research	Joint Committee: Semi-annual Risk Reports, research projects, enhanced cooperation.	2 JC RR per year, management of chairmanship	Permanent	No	1 - high	Not mandatory	Economic Research and Financial Stability	CEMA

Ref no	Strategic Aim	Activity	Tasks	Deliverable	Delivery date	New task in 2014	Priority	Mandatory task	Unit / Division	Standing Committee
35	3 - Financial Stability	3.2 - Economic Research	CEMA: 2 research projects running in parallel per year, 2 working papers per year. Benchmarks: coordination FSB, IOSCO, EBA-ESMA TF activities; input to EU and international workstreams.	CEMA: 2 research projects running in parallel per year, 2 working papers per year. Benchmarks: coordination FSB, IOSCO, EBA-ESMA TF activities; input to EU and international workstreams.	Permanent	No	2 – medium/high	Not mandatory	Economic Research and Financial Stability	CEMA
36	4 - Single Rulebook	4.1 - Revision of MiFID & MAD	Legal advice and legal quality control regarding Sectoral ESMA Legislation	Legal advice	Permanent	No	1 - high	Mandatory	Legal, co-operation and convergence	None
37	4 - Single Rulebook	4.1 - Revision of MiFID & MAD	MAR - development of delegated acts and technical standards (e.g. list of instruments, indicators of market manipulation, STRs, managers dealings, technical specifications for order book data ...)	Technical advice; draft technical standards	Q4	Yes	1 - high	Mandatory	Markets	Market Integrity
38	4 - Single Rulebook	4.1 - Revision of MiFID & MAD	MAR - Technical standards on cooperation Support to Legal, Cooperation and Convergence Unit	Support to Legal, Cooperation and Convergence Unit	Q4	No	1 - high	Mandatory	Markets	Market Integrity
39	4 - Single Rulebook	4.1 - Revision of MiFID & MAD	MAR- Guidelines (e.g. market sounding)	Guidelines	Q4	Yes	1 - high	Mandatory	Markets	Market Integrity
40	4 - Single Rulebook	4.1 - Revision of MiFID & MAD	MiFIR - Transaction reporting technical standards	Draft technical standards	Q4	No	1 - high	Mandatory	Markets	Investor Protection and Intermediaries

Ref no	Strategic Aim	Activity	Tasks	Deliverable	Delivery date	New task in 2014	Priority	Mandatory task	Unit / Division	Standing Committee
41	4 - Single Rulebook	4.1 - Revision of MiFID & MAD	Preparatory work on MiFID II and MiFIR	Delegated acts and technical standards to the Commission	Q4	No	1 - high	Mandatory	Markets	Secondary Markets
42	4 - Single Rulebook	4.1 - Revision of MiFID & MAD	Preparatory work on MiFID II and MiFIR	Preparatory work on technical standards and advice on delegated and implementing acts under MiFID 2 and MiFIR.	Q4	No	1 - high	Mandatory	Investment and Reporting	Investor Protection and Intermediaries
43	4 - Single Rulebook	4.1 - Revision of MiFID & MAD	Preparatory work on MiFID II and MiFIR	Preparatory work on technical standards and advice on delegated and implementing acts under MiFID 2 and MiFIR; position limits, position reporting, ancillary activities exemption, ESMA position management powers, specifications of definitions of commodity and exotic derivatives	Q4	No	1 - high	Mandatory	Markets	Commodity Derivatives Task Force
44	4 - Single Rulebook	4.1 - Revision of MiFID & MAD	Preparatory work on MiFID II and MiFIR	Preparation to publish and maintain website which has (1) summaries of national position limits and position mgt controls, (2) weekly COTs reports, (3) ESMA opinions	Permanent	Yes	2 – medium/high	Mandatory	Markets	Commodity Derivatives Task Force
45	4 - Single Rulebook	4.1 - Revision of MiFID & MAD	Assessment applications for pre-trade transparency waivers	Update of the document "Waivers of pre-trade transparency: CESR positions and ESMA opinions	Permanent	No	2 – medium/high	Not mandatory	Markets	Secondary Markets

Ref no	Strategic Aim	Activity	Tasks	Deliverable	Delivery date	New task in 2014	Priority	Mandatory task	Unit / Division	Standing Committee
46	4 - Single Rulebook	4.2 - European Investment Fund Legislation	AIFMD - assessments of depositary frameworks in non-EU jurisdictions	Advice to COM	Q4	Yes	1 - high	Mandatory	Investment and Reporting	Investment Management
47	4 - Single Rulebook	4.2 - European Investment Fund Legislation	AIFMD - report on switching-on of passport for non-EU AIFMs	Advice to COM	Q4	Yes	1 - high	Mandatory	Investment and Reporting	Investment Management
48	4 - Single Rulebook	4.2 - European Investment Fund Legislation	Money market funds	Technical standards	Q4	Yes	1 - high	Mandatory	Investment and Reporting	Investment Management
49	4 - Single Rulebook	4.2 - European Investment Fund Legislation	AIFMD - Article 47(4) powers in relation to non-EU AIFMs	Prohibitions/restrictions	Permanent	Yes	2 – medium/high	Mandatory	Investment and Reporting	Investment Management
50	4 - Single Rulebook	4.2 - European Investment Fund Legislation	AIFMD - monitoring and analysis of data reported by AIFMs via NCAs under Articles 24 & 25	Warnings, recommendations	Permanent	Yes	2 – medium/high	Mandatory	Investment and Reporting	Investment Management
51	4 - Single Rulebook	4.2 - European Investment Fund Legislation	UCITS V - advice, technical standards and guidelines	Advice, technical standards and guidelines	Q4	No	2 – medium/high	Mandatory	Investment and Reporting	Investment Management
52	4 - Single Rulebook	4.2 - European Investment Fund Legislation	European Social Entrepreneurship Funds Regulation	Technical standards and guidelines	Q4	No	3 - medium/low	Mandatory	Investment and Reporting	Investment Management
53	4 - Single Rulebook	4.2 - European Investment Fund Legislation	European Venture Capital Regulation	Technical standards and guidelines	Q4	No	3 - medium/low	Mandatory	Investment and Reporting	Investment Management
54	4 - Single Rulebook	4.3 - Corporate Finance	Technical Advice, technical standards following revision of Transparency Directive	technical standards, advice	Q4	No	1 - high	Mandatory	Investment and Reporting	Corporate Finance
55	4 - Single Rulebook	4.3 - Corporate Finance	Technical standards and guidelines on prospectus regime	technical standards, guidelines, supervisory convergence tools	Q4	No	1 - high	Mandatory	Investment and Reporting	Corporate Finance

Ref no	Strategic Aim	Activity	Tasks	Deliverable	Delivery date	New task in 2014	Priority	Mandatory task	Unit / Division	Standing Committee
56	4 - Single Rulebook	4.3 - Corporate Finance	Equivalence assessment of 3rd country regimes regarding prospectuses and transparency	Report	Q4	Yes	3 - medium/low	Not mandatory	Investment and Reporting	Corporate Finance
57	4 - Single Rulebook	4.3 - Corporate Finance	Possible delegated acts derived from the EC Action Plan on Company Law and Corporate Governance	technical standards, advice, guidelines	Q4	Yes	4 - low	Not mandatory	Investment and Reporting	Corporate Finance
58	4 - Single Rulebook	4.4 - CRA Regulation	CRA3 implementation	Draft RTS/IT platforms/revision of existing guidelines/reports to COM	Permanent	No	1 - high	Mandatory	CRA	CRAs, other SCs including Corporate Finance SC
59	4 - Single Rulebook	4.4 - CRA Regulation	Guidelines to ensure consistent application by CRAs of CRA Regulations	Guidelines (subject not defined yet)	Q4	No	2 – medium/high	Mandatory	CRA	CRAs
60	4 - Single Rulebook	4.4 - CRA Regulation	Endorsement/equivalence assessment of non-EU regulatory frameworks	Endorsement decisions/equivalence advice to COM	Permanent	No	3 - medium/low	Not mandatory	CRA	CRAs
61	4 - Single Rulebook	4.5 - CSD Regulation	CSDR - Draft RTS, ITS, guidelines and technical advices as envisaged in the 2013 regulatory work programme, given the postponement of the adoption of the primary legislation	Draft RTS, ITS, guidelines and technical advices		Yes	1 - high	Mandatory	Markets	Post-Trading
62	4 - Single Rulebook	4.6 - Other single rulebook activity	EMIR- Regulatory Technical Standards on bilateral margins	Draft technical standards	Q1	Yes	1 - high	Mandatory	Markets	Post-Trading
63	4 - Single Rulebook	4.6 - Other single rulebook activity	Guidelines on Exchange Traded Derivatives reporting	Guidelines	Q4	No	1 - high	Mandatory	Markets	Market Data Reporting Working Group

Ref no	Strategic Aim	Activity	Tasks	Deliverable	Delivery date	New task in 2014	Priority	Mandatory task	Unit / Division	Standing Committee
64	4 - Single Rulebook	4.6 - Other single rulebook activity	Implementing measures for the Capital Requirements Regulations	Preparation of ESMA technical standards	Q4	Yes	1 - high	Mandatory	Markets	Secondary Markets
65	5 - Supervision	5.1 - CRAs	On-going supervision of CRAs (including enforcement) / Registration/certification assessments upon applications by CRAs / Risk analysis. Enforcement of perimeter	Implementation of CRA supervisory work program 2014 / Registration/certification decisions by BoS / Providing risk report as part of supervisory work program on basis of risk analysis plus on-going assistance to supervisors. Identify freeriding CRAs and draft enforcement proposal where necessary.	Permanent	No	1 - high	Mandatory	CRA	None
66	5 - Supervision	5.2 - Post Trading	Authorisation of trade repositories	Decisions	Permanent	No	1 - high	Mandatory	Markets	None
67	5 - Supervision	5.2 - Post Trading	Determination of OTC derivatives subject to the clearing obligation	Decisions	Permanent	No	1 - high	Mandatory	Markets	None
68	5 - Supervision	5.2 - Post Trading	Participation in CCP colleges		Permanent	No	1 - high	Mandatory	Markets	None
69	5 - Supervision	5.2 - Post Trading	Recognition of third country CCPs	Decisions	Permanent	No	1 - high	Mandatory	Markets	None
70	5 - Supervision	5.2 - Post Trading	Recognition of third country TRs	Decisions	Permanent	No	1 - high	Mandatory	Markets	None
71	5 - Supervision	5.2 - Post Trading	Supervision of trade repositories	Decisions	Permanent	No	1 - high	Mandatory	Markets	None
72	5 - Supervision	5.2 - Post Trading	Validation of CCPs risk models and parameters		Permanent	Yes	1 - high	Mandatory	Markets	None

Ref no	Strategic Aim	Activity	Tasks	Deliverable	Delivery date	New task in 2014	Priority	Mandatory task	Unit / Division	Standing Committee
73	5 - Supervision	5.3 - Enforcement/Independent Investigation	Enforcement and sanctions regarding CRA and TR	Possible CRAs and TRs sanctions	Permanent	No	1 - high	Mandatory	Legal, co-operation and convergence	None
74	5 - Supervision	5.3 - Enforcement/Independent Investigation	Legal advice regarding ongoing supervision of CRAs and TRs	Legal advice	Permanent	No	1 - high	Mandatory	Legal, co-operation and convergence	None
75	5 - Supervision	5.3 - Enforcement/Independent Investigation	Stress Testing: Support to ST activities in ESMA divisions. Coordination of ST activities through TF, methodologies, data provision.	Support to ST activities in ESMA divisions. Coordination of ST activities through TF, methodologies, data provision	Permanent	No	1 - high	Not mandatory	Economic Research and Financial Stability	CEMA
76	6 - Operational set up	6.1 - EU IT Projects	IT architecture and infrastructure management	Begin definition of architecture and technical strategy Management of technical projects	Permanent	No	1 - high	Mandatory	Operations	None
77	6 - Operational set up	6.1 - EU IT Projects	Management of IT projects	Cf IT work plan	Permanent	No	1 - high	Mandatory	Operations	ITMG
78	6 - Operational set up	6.1 - EU IT Projects	Transaction data consistency test	Report	Permanent	No	2 – medium/high	Mandatory	Markets	Market Data Reporting Working Group
79	6 - Operational set up	6.1 - EU IT Projects	Review (every two years) of the list of exempted shares under the Short Selling Regulation	Publication of the updated list	Q1	No	2 – medium/high	Mandatory	Markets	Market Integrity
80	6 - Operational set up	6.1 - EU IT Projects	List of Market makers/primary dealers exempted under the Short Selling Regulation	Publication of the list and access by competent authorities to additional information	Q4	No	2 – medium/high	Mandatory	Markets	Market Integrity

Ref no	Strategic Aim	Activity	Tasks	Deliverable	Delivery date	New task in 2014	Priority	Mandatory task	Unit / Division	Standing Committee
81	6 - Operational set up	6.2 - Stakeholder management	Relations with institutional stakeholders (EC, EP, Council, FSC, EBA, EIOPA)	Legal advice, governance and organisational support	Permanent	Yes	1 - high	Mandatory	Legal, co-operation and convergence	All
82	6 - Operational set up	6.2 - Stakeholder management	Support and advice to Senior Management, Board of Supervisors, Management Board, groups reporting to Board	Legal advice, governance and organisational support	Permanent	No	1 - high	Mandatory	Legal, co-operation and convergence	All
83	6 - Operational set up	6.2 - Stakeholder management	Secretariat of Board of Appeal	Support to BoA	Permanent	No	2 – medium/high	Mandatory	Legal, co-operation and convergence	None
84	6 - Operational set up	6.3 - Ethics, Data Protection & Internal Control	Data Protection	Handle register of Data Processing Procedures, Notifications for Prior Checking to EDPS, Training of ESMA Staff	Permanent	Yes	1 - high	Mandatory	Legal, co-operation and convergence	None
85	6 - Operational set up	6.3 - Ethics, Data Protection & Internal Control	Ethics	Legal advice and handling of cases	Permanent	No	1 - high	Mandatory	Legal, co-operation and convergence	None
86	6 - Operational set up	6.3 - Ethics, Data Protection & Internal Control	Internal control planning / follow up / reporting	- Internal control WP 2015 -Quarterly reporting to MB on audit/ KPIs -Annual activity report -Discharge 2012 -ESMA replies to audit report -Assessment of implementation of ICS	Permanent	No	2 – medium/high	Mandatory	Senior Management	None

Ref no	Strategic Aim	Activity	Tasks	Deliverable	Delivery date	New task in 2014	Priority	Mandatory task	Unit / Division	Standing Committee
87	6 - Operational set up	6.3 - Ethics, Data Protection & Internal Control	Ex-post controls	ABAC access rights validation Finance ex-post control	Q2	No	2 – medium/high	Mandatory	Senior Management	None
88	6 - Operational set up	6.3 - Ethics, Data Protection & Internal Control	ICS2. Ethics. Implementation of new policy on Conflict of Interest	Policy	Q2	Yes	2 – medium/high	Mandatory	Legal, co-operation and convergence	None
89	6 - Operational set up	6.3 - Ethics, Data Protection & Internal Control	ICS8. Processes and procedures Data protection	Data protection framework Data protection compliance follow up	Q2	Yes	2 – medium/high	Mandatory	Legal, co-operation and convergence	None
90	6 - Operational set up	6.3 - Ethics, Data Protection & Internal Control	ICS2. Ethics. Anti-fraud	Anti-Fraud strategy	Q4	Yes	2 – medium/high	Mandatory	Senior Management	None
91	6 - Operational set up	6.3 - Ethics, Data Protection & Internal Control	ICS6. Risk Management	Risk assessment 2014	Q3	No	2 – medium/high	Not mandatory	Senior Management	None
92	6 - Operational set up	6.3 - Ethics, Data Protection & Internal Control	Internal Control assessment	IC assessment report	Q4	No	2 – medium/high	Not mandatory	Senior Management	None
93	6 - Operational set up	6.3 - Ethics, Data Protection & Internal Control	Assessment of sensitive functions	2014 sensitive functions assessment	Q2	No	3 - medium/low	Not mandatory	Senior Management	None
94	6 - Operational set up	6.3 - Ethics, Data Protection & Internal Control	Internal control procedures	Internal control procedures	Q4	Yes	3 - medium/low	Not mandatory	Senior Management	None

Ref no	Strategic Aim	Activity	Tasks	Deliverable	Delivery date	New task in 2014	Priority	Mandatory task	Unit / Division	Standing Committee
95	6 - Operational set up	6.4 - Organisational support	Chair and Executive Director and their office	Strategic direction	Permanent	No	1 - high	Mandatory	Senior Management	None
96	6 - Operational set up	6.4 - Organisational support	External Communications: daily communications with external stakeholders - institutional Communications Network	Press queries, press releases, briefings, publications,	Permanent	No	1 - high	Mandatory	Senior Management	None
97	6 - Operational set up	6.4 - Organisational support	Finance and procurement support to organisation	Commitment/payments. Procurement and advice on contract management Budget management	Permanent	No	1 - high	Mandatory	Operations	None
98	6 - Operational set up	6.4 - Organisational support	HR support to organisation	Recruitment HR management Payroll Staff evaluation and development. Training	Permanent	No	1 - high	Mandatory	Operations	None
99	6 - Operational set up	6.4 - Organisational support	ICT support to organisation and EU projects	Service desk Telephony Contract management	Permanent	No	1 - high	Mandatory	Operations	None
100	6 - Operational set up	6.4 - Organisational support	Logistical support to organisation	Premises and inventory management Mail, reception, office supplies Meeting and mission support	Permanent	No	1 - high	Mandatory	Operations	None
101	6 - Operational set up	6.4 - Organisational support	Preparatory work for Audit SC if responsibilities granted to ESMA	Operational set-up, technical standards and guidelines	Permanent	Yes	1 - high	Mandatory	Investment and Reporting	Corporate Reporting

Ref no	Strategic Aim	Activity	Tasks	Deliverable	Delivery date	New task in 2014	Priority	Mandatory task	Unit / Division	Standing Committee
102	6 - Operational set up	6.4 - Organisational support	Senior management support: Briefings, speeches for senior management. Data and methodology support for divisions.	Briefings, speeches for senior management. Data and methodology support for divisions	Permanent	No	1 - high	Mandatory	Economic Research and Financial Stability	CEMA
103	6 - Operational set up	6.4 - Organisational support	Translations	Translations	Permanent	No	1 - high	Mandatory	Senior Management	None
104	6 - Operational set up	6.4 - Organisational support	Accounting (ESMA)	ESMA 2013 Annual Accounts	Q2	No	1 - high	Mandatory	Senior Management	None
105	6 - Operational set up	6.4 - Organisational support	ESMA's 2013 Annual Report	Annual Report	Q2	No	1 - high	Mandatory	Senior Management	None
106	6 - Operational set up	6.4 - Organisational support	Access to documents issues	Application of Access to Documents Regulation	Permanent	No	2 – medium/high	Mandatory	Legal, co-operation and convergence	None
107	6 - Operational set up	6.4 - Organisational support	Securities and Markets Stakeholder Group Support	Support to SMSG	Permanent	No	2 – medium/high	Mandatory	Legal, co-operation and convergence	None
108	6 - Operational set up	6.4 - Organisational support	Work programme co-ordination	Annual work programme and ongoing reporting (objectives and performance indicators)	Permanent	No	2 – medium/high	Mandatory	Operations	None
109	6 - Operational set up	6.4 - Organisational support	Activity based budgeting/planning and Zero-based budgeting	-Work programme and budget 2015 (activity based / Zero-based)	Q4	Yes	2 – medium/high	Mandatory	Operations	None

Ref no	Strategic Aim	Activity	Tasks	Deliverable	Delivery date	New task in 2014	Priority	Mandatory task	Unit / Division	Standing Committee
110	6 - Operational set up	6.4 - Organisational support	Project on security	Requirements on physical security at ESMA Begin work on IT Security strategy (to be finished 2015) and begin audit of security implementation Security arbitrages Health & safety	Q3	Yes	3 - medium/low	Mandatory	Operations	None
111	6 - Operational set up	6.4 - Organisational support	Website	Improved website	Permanent	Yes	1 - high	Not mandatory	Senior Management	None
112	6 - Operational set up	6.4 - Organisational support	Intranet & internal communications	Strategy	Permanent	No	2 – medium/high	Not mandatory	Senior Management	None
113	6 - Operational set up	6.4 - Organisational support	Partial development of external and internal communication plan and strategy, implementation and adherence	Annual Plan and Monitoring	Permanent	No	2 – medium/high	Not mandatory	Senior Management	None



Annex 5 – List of tasks removed from ESMA’s original proposal

ESMA’s original work programme required 195 full time equivalents (FTE). This is the summarised list of tasks that ESMA will not be able to complete in 2014 or will have to reduce resources for with only 185 FTEs:

Strategic Aim	Activity	Tasks	Deliverable	Delivery date	New task in 2014	Priority	Mandatory task	Unit / Division	Standing Committee
1 - Convergence	1.1 - Corporate Reporting	Specific tasks related to the implementation of the Accounting and Transparency Directives, as required by the EC	Advice on third country equivalence	Permanent	Yes	3 – medium/low	Mandatory	Investment and Reporting	Corporate Reporting
1 - Convergence	1.5 - International Co-operation	MAR - Development of third country MoU template			Yes	3 – medium/low	Mandatory	Markets	Market Integrity
2 - Consumer Protection	2.2 - Coordinated regulatory approach	Coordination of financial education programs across Member States	Report, advice	Permanent	Yes	3 – medium/low	Mandatory	Investment and Reporting	Financial Innovation
2 - Consumer Protection	2.2 - Coordinated regulatory approach	MiFID 1	Consumer protection, supervisory convergence - Art 16/Art 9/Art 29 output (guidelines, supervisory convergence tools)	Permanent	No	3 – medium/low	Mandatory	Investment and Reporting	Investor Protection and Intermediaries
3 - Financial Stability	3.1 - Financial market surveillance	EFC, EP: Reporting on Trends, Risks, Vulnerabilities, and Risk Dashboard.	2 TRV report, 2 RD per year. Reduced compared to initial work programme draft, as staff resources for this task have been reduced.	Permanent	No	1 - high	Mandatory	Economic Research and Financial Stability	CEMA
4 - Single Rule-book	4.1 - Revision of MiFID & MAD	Guidelines on harmonised transaction reporting	Guidelines	Q4	No	1 - high	Mandatory	Markets	Market Data Reporting Working Group
4 - Single Rule-book	4.2 - European Investment Fund Legislation	Developing Q&As (including update of existing Q&As e.g. MMFs, UCITS notification, risk measurement, KIID)	Q&As	Permanent	No	3 – medium/low	Mandatory	Investment and Reporting	Investment Management

Strategic Aim	Activity	Tasks	Deliverable	Delivery date	New task in 2014	Priority	Mandatory task	Unit / Division	Standing Committee
4 - Single Rule-book	4.2 - European Investment Fund Legislation	European Social Entrepreneurship Funds Regulation	Advice	Q4	No	3 – medium/low	Not mandatory	Investment and Reporting	Investment Management
4 - Single Rule-book	4.2 - European Investment Fund Legislation	European Venture Capital Regulation	Advice	Q4	No	3 – medium/low	Not mandatory	Investment and Reporting	Investment Management

Annex 6 – Procurement Plan 2014

Nº.	Project title	Maximum budget in €	Budget to be committed in 2014	Type of procedure	Contract type	Duration of contract (years)	Expected procurement launch date (publication)	Expected procurement end date (contract signature)
1	Study to support exploring approach on fees supervision	EUR 75,000	N/A	Single Contractor	Direct Service	1	Q4 2014	Q2 2015
2	Study on reducing contractual reliance on ratings and availability of alternative instruments to ratings	EUR 150,000.00	N/A	Single Contractor	Direct Service	2	Q4 2014	Q2 2015
3	Cost Benefit Analysis support - MiFID	EUR 500,000.00	EUR 460,000.00	Single Contractor	Direct Service	1	Q2 2013	Q1 2014
4	External service provision for information systems (studies, development and support) and general administration	EUR 12,000,000.00	EUR 2,500,000.00	Cascade	Framework Contract	4	Q4 2013	Q1 2014
5	Physical security support services	EUR 600,000.00	EUR 100,000.00	Cascade	Framework Contract	4	Q2 2014	Q4 2014
6	Economic and Financial Databases	EUR 2,400,000	EUR 300,000.00	Cascade	Framework Contract	4	Q3 2013	Q1 2014
7	Cost Benefit Analysis support -CSD	EUR 100,000.00	EUR 100,000.00	Single Contractor	Direct Service	1	Q1 2014	Q3 2014
8	Data Integration and Analytics System (Data Warehouse)	EUR 5,000,000.00	EUR 400,000.00	Single Contractor	Framework Contract	4	Q2 2014	Q4 2014

Nº.	Project title	Maximum budget in €	Budget to be committed in 2014	Type of procedure	Contract type	Duration of contract (years)	Expected procurement launch date (publication)	Expected procurement end date (contract signature)
9	Document Management System	EUR 3,000,000.00	EUR 350,000.00	Single Contractor	Framework Contract	4	Q1 2014	Q3 2014
10	Managed desktop services	EUR 2,000,000.00	EUR 300,000.00	Single Contractor	Framework Contract	4	Q1 2014	Q3 2014

Negotiated procedures

Nº.	Project title	Budget to be committed in 2014	Type of procedure	Contract type	Framework contract type	Duration of contract (years)	Expected procurement launch date (publication)	Expected procurement end date (contract signature)
1	Cost Benefit Analysis support on MiFIR transaction reporting guidelines	EUR 60,000.00	Negotiated	Direct Service	n/a	1	Q2 2014	Q3 2014
2	Cost Benefit Analysis support on procedures for approval of prospectuses	EUR 60,000.00	Negotiated	Direct Service	n/a	1	Q2 2014	Q3 2014
3	Support to implement compliance with EU and French rules on Health and safety issues at ESMA	EUR 60,000.00	Negotiated	Framework Contract	n/a	4	Q1 2014	Q2 2014
4	Mail services	EUR 45,000.00	Negotiated	Framework Contract	n/a	4	Q2 2014	Q3 2014
5	CBA on Market Abuse Regulation technical standards and guidelines	EUR 60,000.00	Negotiated	Direct Service	n/a	1	Q1 2014	Q2 2014
6	HR Support in implementing Internal Control Standards related to the set-up of job descriptions and transversal analysis of posts at ESMA	EUR 60,000.00	Negotiated	Direct Service	n/a	2	Q2 2014	Q3 2014