



## SUMMARY OF CONCLUSIONS

### Management Board

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**Date:** 24 September 2014  
**Time:** 12:00 – 17:00h  
**Location:** Rome, Italy  
**Contact:** [frederiek.vermeulen@esma.europa.eu](mailto:frederiek.vermeulen@esma.europa.eu) T: +33 1 58 36 43 37

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No Items

1. – **Activity report on CRA and TR supervisory activities** MB/49 *discussion*

**- VOTING MEMBERS & ADVISORS ONLY -**

The Head of the Markets Division updated the Board on the activities related to Trade Repository supervision and CCPs.

The Board discussed the update, in particular;

- the action plan to improve the quality of data reported to Trade Repositories;
- the activities related to the supervision of Trade Repositories; and
- the upcoming horizontal EU wide stress test for CCPs by ESMA.

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 on-going thematic investigation of small and medium sized CRAs; and
- the involvement of national competent authorities in case of on-site visits or when specific national expertise is needed for the supervision of CRAs.

**Conclusion:** The Board took note of the reports.

- **Criteria and internal procedural steps for prioritisation of cases and enforcement referrals** MB/50 *discussion*

The Head of the Markets Division presented the report.

The Board discussed the report, in particular;

- the interpretation of the elements ‘serious indications’ and ‘serious breach’;
- the criteria for deciding on the prioritisation of referrals;
- the factors to take into account in determining whether the criteria are met; and
- the possibility to continue with supervisory actions in parallel with deciding not to start an enforcement procedure.

**Conclusion:** The Management Board supported the approach taken. The note will be further developed taking into account the discussions and submitted to a future Board of Supervisors meeting.

**2. ESMA Strategy 2016 – 2020** *MB/51*      *discussion*

**- VOTING MEMBERS & ADVISORS ONLY -**

The Chair introduced the topic indicating that following ESMA’s first years of operation and the reports on the review of the European System of Financial Supervision (ESFS) by the European Commission and European Parliament, ESMA should have a discussion on its strategy for the years ahead.

The external advisor presented the strategic orientations for the development of ESMA for 2016-2020.

The Board discussed the report, in particular;

- welcoming the opportunity to have a comprehensive discussion on the development of the Authority;
- refining ESMA’s mission, objectives and activities;
- the strategic direction for the main activities, in particular:
  - stressing the importance of increasing the focus on supervisory convergence and further defining the concept of supervisory convergence;
  - to give a higher operational priority to investor protection;
  - to enhance ESMA’s involvement at level 1;
  - the need for data to assess the potential risks to investors and the financial system.
- the independence and funding of the ESFS as a whole;
- the importance of cross-sectoral and international cooperation;
- the level and prioritisation of resources, in particular the need for a flexible allocation of staff; and
- potential new areas of responsibilities such as IFRS enforcement and supervision of CCPs.

**Conclusion:** The strategic orientation will be further developed taking into account the views from the Management Board and will be presented to the Board of Supervisors for discussion at a future meeting.

**3. Adoption of agenda** *MB/48*      *decision*

**Decision:** The agenda was adopted.

**4. Summary of conclusions of June/July meetings** *MB/52*      *decision*

*MB/53*

**Decision:** The summaries of conclusions were approved.

## 5. IT Steering Group

- IT Steering Group report

*MB/54 & discussion  
Annexes*

The Executive Director presented the report.

The Board discussed the report, in particular;

- the identified potential projects to share resources, reduce costs at EU level and exercise delegation of certain tasks from NCAs to ESMA;
- the need to have as many NCAs as possible involved in the project;
- the legal analysis for the delegations of tasks;
- the funding and budget management, in particular the funding key to define the contribution by each participant;
- the estimated costs of the projects, also taking into account the already incurred and the remaining costs at a national level; and
- the envisaged model for staffing the projects.

**Conclusion:** The topic will be further discussed at the Board of Supervisors on the following day. The Chair stressed that the project was undertaken on the basis of a request from Members and that ESMA would only continue with substantial support from the Board of Supervisors.

## 6. IT Multi-annual Work Programme

- Multi-annual IT Work Programme

*MB/55 Decision*

The Head of the Operations Division presented the work programme, in particular mentioning the de-prioritised projects.

**Decision:** The Board approved the IT work programme for 2015 and the associated budget breakdown.

## 7. 2015 annual work programme

- Cover note

*MB/56 Information*

- Final 2015 annual work programme

*MB/57 Decision*

The Executive Director presented the draft 2015 work programme and the main changes following the discussion in the June Management Board meeting.

The Board discussed the report, in particular;

- the overall prioritisation of activities and the division of resources;
- the list of identified possible negative priorities, in particular with a view at the budget proposal by the European Commission;

- the resources relating to ESMA’s activities in the area of CRA supervision; and
- the possible preparatory work by ESMA for legislative proposals in the area of CCP recovery and resolution.

**Decision:** The Board approved the work programme, subject to minor textual changes. The Management Board will revisit the list of identified negative priorities following the adoption of the final 2015 budget by the Budgetary Authority.

## 8. Activity report

*MB/58*

*Discussion*

The Executive Director and the Head of the Operations Division asked whether there were any comments or questions on the general activity report.

The Board discussed the report, in particular;

- the current discussions on the implementation of the CPSS-IOSCO Principles for Financial Market Infrastructures in respect of Central Counterparties through ESMA’s guidelines;
- the future work by the Review Panel in the area of Money Market Funds; and
- the status of late payment rates.

**Conclusion:** The Board took note of the report.

## 9. Conflicts of interests policy

- Cover note *MB/59* *information*
- Conflicts of interests policy for non-staff *MB/60* *decision*

The Executive Director presented the conflicts of interest policy for non-staff, mentioning the overall agreement within the ESAs on an aligned policy.

The Board discussed the policy, in particular;

- whether the Management Board is the appropriate body to decide on the policy;
- the need for further clarity regarding the scope of Article 1;
- the requirement to publish the list of economic interests that create a conflict of interest;
- the provisions on prospective employment, in particular the two year notification period; and
- the procedure for identifying and handling potential conflicts of interest, in particular the envisaged governance and the possibility for the Chair to take preventive action.

**Decision:** The Board approved the conflicts of interests policy for non-staff. The Chair committed to involve the Management Board in the procedure for identifying and handling potential conflicts of interest.

## 10. Staffing of support functions

*MB/62*

*decision*

**Decision:** The Board approved the proposed approach to the staffing of support functions.

## 11. Rules on SNEs

- Cover note *MB/63*      *information*
- Revised decision on SNEs *MB/67*      *decision*

The Board discussed the policy, in particular the need to add a transparency requirement for the option to select SNEs through a direct agreement between ESMA and a NCA.

**Decision:** The Board approved the revised decision on SNEs, subject to the understanding that ESMA will have a light procedure ensuring a minimum level of transparency when selecting SNEs through a direct agreement between ESMA and a NCA.

## 12. HR Implementing Rules

- Cover note *MB/64*      *information*
- HR Implementing Rules *MB/65* & *decision*  
*Annex 1*

**Decision:** The Board approved the decision on the implementing rules for the Staff Regulations.

## 13. Budget transfers

*MB/66* & *decision*  
*Annex 1*

**Decision:** The Board approved the budget transfer.

## 14. Appraisal process Chair & ED

*Oral*      *discussion*

**- VOTING MEMBERS ONLY -**

## 15. Future meetings

*information*

- 7 November (Paris)
- 16 December 2014 (Paris)
- 28 January 2015
- 18 March 2015
- 23 June 2015
- 23 September 2015 (Luxembourg)
- 4 November 2015
- 9 December 2015

## Participants list

	Members	Advisers
ESMA	Steven Maijoor (Chair)	
AT	Klaus Kumpfmüller	Andrea Kuras-Goldman
FR	Gérard Rameix	Françoise Buisson
EL	Konstantinos Botopoulos	
LU	Jean Guill*	
UK	David Lawton (alternate)	Marie-Noëlle Loewe

European Commission	Martin Merlin
Vice-Chair	Carlos Tavares*
Executive Director	Verena Ross
Head of Operations Division	Nicolas Vasse
Head of Credit Rating Agencies Unit	Felix Flinterman
Head of Markets Division	Rodrigo Buenaventura
Summary of conclusions	Max Simonis
Legal, Cooperation and Convergence Unit	Frederiek Vermeulen
External advisor	Hanzo van Beuzekom **

\* Participation via video conference

\*\* Attending item 2

Done at Paris on 7 November 2014

Steven Maijoor  
Chair  
For the Management Board