

SUMMARY OF CONCLUSIONS

Management Board

Date: 9 December 2015
Time: 14h00 – 18h00
Location: ESMA, rue de Grenelle 103, 75007 Paris, France
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| 1. Adoption of agenda | MB/71 | Decision |
| Decision: The agenda was adopted. | | |
| 2. Summary of Conclusions of 4 November 2015 meeting | MB/69 | Decision |
| Decision: The summary of conclusions of the 4 November 2015 meeting was approved. | | |
| 3. Report by Chair and Executive Director | Oral | Discussion |

The Chair reported on the need to appoint a new member of the Mediation Panel now the term of Konstantinos Botopoulos had come to an end. Elisabeth Roegele (DE) was appointed as member of the Mediation Panel for a two and a half year term starting with immediate effect.

The Executive Director reported on the:

- Organisational implications of the implementation of the 2016-2020 Strategic Orientation and in particular the new organigram that came into effect on 16 November 2015;
- Finalisation of the discussions with the European Court of Auditors (ECA) on the audit it is conducting on ESMA's CRA supervision activities (which will be an agenda item for the January 2016 Management Board);
- Preliminary findings received from the ECA following its first mission on the financial audit 2015;
- Strategic Audit Plan 2016-2018 that the European Commission's Internal Audit Service (IAS) will develop on the basis of the risk assessment that took place in October 2015; and
- Discussions that took place with ESMA's Staff Committee on the new contract policy and the introduction of heads of unit.

The Management Board agreed with the proposal of the Executive Director to invite the members of the Board of Supervisors to submit the annual declaration of interests by 31 March 2016 in line with ESMA's Conflict of Interest Policy for non-staff.

4. Activity Report

MB/72

Discussion

The Executive Director and the Head of Resources Department presented the Q3 2015 Activity Report with a particular focus on:

- The progress in executing the work programme, in particular Technical Standards and Technical Advice that have been completed. The ED highlighted the reprioritised Market Abuse Regulation work which has been delayed due to resource constraints, the further MiFID 2 related work ESMA expects to conduct and the ongoing discussions on the Benchmark Regulation;
- The supervisory convergence activities that have been conducted including the follow-up to previous peer reviews and the opinions issued in relation to the emergency measures taken by the Hellenic Capital Markets Commission (HCMC);
- The risk analysis work completed in relation to investor protection and orderly markets as well as the upcoming work on CCP stress-testing; and
- The budget execution, the progress against procurement plan and the staff turnover rate.

The Board discussed the Activity Report and in particular the

- Need for high-quality assessment groups to conduct peer reviews; and
- Whether there is a need for further analysis on the staff turnover rate.

Conclusion: The Board took note of the Activity Report.

5. 2016 Budget and Establishment Plan

MB/73

& Decision

Annexes 1-2

The Head of Resources Department presented the revised 2016 work program including the proposed de-prioritisation items following the lower budget approved by the EU Budget Authority compared to ESMA's budget request.

The Board discussed the items proposed for de-prioritisation, in particular:

- The concrete impact of the reduced travel budget; and
- The reduction of external support to cost benefit analyses.

Decision: The Board adopted the 2016 Budget and Establishment Plan.

6. 2017-2019 Planning

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| — Cover Note | MB/74 | Information |
| — 2017-2019 Single Programming Document | Annex 1 | Decision |
| — Additional Information on the potential opportunities to extend the premises | Annex 2 | Discussion |
| — Additional Information on the potential opportunities to extend schooling support | Annex 3 | Information |

The Executive Director introduced the 2017-2019 Single Programming Document and asked whether the Management Board supported the proposed budget and high-level work programme and whether it

would like ESMA staff to include the potential opportunities to extend ESMA's premises and the schooling support provided to (the children of) ESMA staff in the 2017 proposals.

The Board discussed the proposed 2017-2019 Single Programming Document, and in particular:

- Whether there is a need for more office space and the potential budget impact;
- How ESMA staff would benefit from the extended schooling support and the potential budgetary impact; and
- The proposed budget.

The Head of Resources Department stated that the figures provided for 2018 and 2019 were indicative but will need to be adopted by the Board of Supervisors at its January meeting together with the 2017 figures before presenting them to the European Commission as draft budget for adoption by the EU Budget Authority.

Decision: The Board agreed to present the 2017-2019 Single Programming Document, including the proposal to extend the premises and the schooling support offered to (the children of) ESMA staff, to the Board of Supervisors for discussion during its December 2015 meeting.

- Management of ESMA participation charges Annex 4 Information

Conclusion: The Board took note of the financial framework related to participation changes.

7. IT Strategy and multi-annual Work Programme

- Cover Note MB/75 Information
- ESMA IT Strategy 2016-2020 Annex 1 Decision
- IT Work Programme 2016-2018 Annex 2 Decision
- Implementation Report – ESMA IT Work Programme 2011-2015 Annex 3 Information

The IT Team Leader presented the ESMA IT Strategy 2016-2020 and related documents.

The Board discussed the IT strategy and multi-annual work programme and in particular:

- The importance of data harmonisation at EU level;
- The execution of the IT delegated projects;
- The fact that ESMA engaged voluntarily to conduct some IT projects for which national competent authorities are paying as part of a formal delegation agreement but cannot execute some mandatory IT projects due to budget constraints mainly introduced by the EU institutions;
- Whether further assessment is needed as to whether ESMA should consider outsourcing more or less IT projects;
- The reasons behind increasing maintenance costs and whether further assessment is needed; and
- The importance to ensure that policy staff does not take decisions with strong IT implications without involving IT people (both at ESMA and at national competent authorities level) where relevant.

The European Commission representative expressed his disagreement with the proposed de-

prioritisation of the IT projects related to the Central Securities Depositories Regulation (CSDR) and the Transparency Directive, in particular the projects on the European Electronic Access Point (EEAP) and the European Single Electronic Format (ESEF). The Executive Director highlighted that the implementation of those projects was deprioritised due to resource constraints. The policy related work, such as the development of Technical Standards, has not been postponed.

The Head of Resources Department clarified that ESMA does not, and does not plan to, have an IT project in relation to the supervision of central counterparties (CCPs).

Decision: The Board adopted the IT Strategy 2016-2020 and the IT Work Programme 2016-2018. The Board took note of the Implementation Report.

8. Supervisory Convergence

- Supervisory Convergence Work Programme 2016 BS/76 & Discussion
Annex 1

The Executive Director introduced the draft 2016 Supervisory Convergence Work Programme.

The Board welcomed the Work Programme and discussed in particular:

- How supervisory convergence and initiatives at EU level can contribute to the development of the EU Single Market;
- Whether the key priorities identified were the right ones and the importance of setting key annual priorities;
- How ESMA should follow-up on peer reviews;
- The need for a continued focus on the implementation of EMIR such as on clearing obligations; and
- The future involvement of the Supervisory Convergence Standing Committee in the development of the Work Programme and the need for an adjusted timeline for the preparation and the approval of the Work Programme.

Conclusion: The Board discussed the Work Programme and agreed to present it to the Board of Supervisors for adoption during its January 2016 meeting. It was agreed that in relation to peer reviews to be conducted in 2016 the Board of Supervisors will be proposed to conduct a peer review on the Guidelines on enforcement of financial information and a possible second review on the compliance function guidelines. The latter would depend on resource availability and the work ESMA will conduct in relation to follow-up of already conducted peer reviews.

9. 2016 Training Programme for NCAs MB/77 Information

The Head of Resources Department presented the Note.

The Board welcomed the training programme for staff employed by national competent authorities and discussed whether ESMA should provide training to non-EU supervisory authorities.

Conclusion: The Board took note of the 2016 training programme and decided that ESMA staff should further analyse, and report to the Management Board at a later stage, if and how non-EU supervisory authorities could benefit from the training programme.

10. HR

- Cover Note MB/78 & Information Annexes 1-2
- Decision on the IR on measures concerning unpaid leave for temporary and contract staff of the EU MB/79 Decision

Decision: The Board adopted the decision on the Implementing Rules on measures concerning unpaid leave for temporary and contract staff of the EU.

- Decision on a Payment of Social Assistance to some Commission staff members employed in Luxembourg MB/80 & Discussion Annex 1

Conclusion: The Board adopted the Decision on a Payment of Social Assistance to some Commission staff members employed in Luxembourg.

11. A.O.B.

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12. Future meetings

- 12 January 2016 (conference call) - TBC
- 26 January 2016 (Paris)
- 22 March 2016 (Amsterdam)
- 24 May 2016 (Paris)
- 27 September 2016 (Bratislava)
- 8 November 2016 (Paris)
- 13 December 2016 (Paris)

Participants list

	Members	Advisors
ESMA	Steven Maijor (Chair)	
IE	Cyril Roux	Gareth Murphy
DE	Elisabeth Roegele	Philipp Sudeck
ES	Lourdes Centeno	Antonio Mas
FR	Gérard Rameix	Dora Blanchet
AT	Klaus Kumpfmüller	Andrea Kuras-Goldmann
PL	Marek Szuszkiewicz	Joanna Kot

European Commission	Martin Merlin
Executive Director	Verena Ross
Vice-Chair	Carlos Tavares

Summary of Conclusions	Frederiek Vermeulen
Head of Resources Department	Nicolas Vasse
Head of Supervision Department	Felix Flinterman
IT Team Leader	Alexandru Dincov

Done at Paris on 26 January 2016



Steven Maijor

Chair

For the Management Board