

SUMMARY OF CONCLUSIONS

Management Board

Date: 10 July 2019
Time: 14h00 – 17h00
Location: ESMA, rue de Grenelle 103, 75007 Paris, France
Contact: Frederiek.Vermeulen@esma.europa.eu Tel: +33 1 58 36 43 37

1. Adoption of agenda Decision

Decision: The agenda was adopted.

2. Report by Chair and Executive Director Oral Discussion

The Executive Director reported on:

- ESMA's activities in relation to preparing its future premises and the move;
- ESMA's public cloud implementation, in particular the fact that the tender for the future public cloud provider has been finalised;
- The ongoing audit activities, in particular the European Court of Auditors' preliminary observations following the financial audit 2018 and its audit on the performance of EU Agencies. She also mentioned the IT Security Audit the European Commission's Internal Audit Service is performing; and
- The EU Financial Regulation adopted by the Council of the European Union and the European Parliament impacting ESMA's Financial Regulation, in particular the fact that ESMA, together with EBA and EIOPA is discussing some derogations with the European Commission. ESMA's revised Financial Regulation will be presented to the Management Board for adoption in written procedure.

3. Activity Report

- 1) Cover Note Discussion
- 2) Activity Report Discussion

The Executive Director and Head of Resources Department presented the activity report.

The Board discussed the activity report, in particular:

- How ESMA should play a central role as data hub and the limited capacity for (and related de-prioritisation of) IT projects in that context;

- The importance for ESMA to promote supervisory convergence and whether further guidance should be prepared on how ESMA groups could contribute to that; and
- The increased requests for access to documents received by ESMA.

Conclusion: The Board took note of the report and decided that ESMA should consider developing criteria and procedures on how ESMA (sub)groups can contribute to promoting supervisory convergence by identifying and using “life cases discussions”. ESMA should also consider the future of the Supervisory Convergence Network and role of the Enforcement Network as part of its discussions to enhance the governance framework around ESMAs’ supervisory convergence activities when implementing the revised ESMA Regulation.

4. Strategic Orientation

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| 1) Presentation | Discussion |
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The ESMA Chair and Executive Director presented the supporting slide deck on the 2020-2022 strategic orientation.

The Board discussed the strategic orientation, in particular:

- The prominence to be given to investor protection and whether further initiatives are needed by ESMA in that respect;
- The fact that the strategic orientation will contribute to ESMA’s outcome-oriented focus and prioritising its work on the basis of risk-driven assessments;
- How ESMA could best contribute to (i) the development of the capital markets union, (ii) promoting sustainable finance and financial technology and (iii) ensuring proportionality; and
- ESMA’s focus on fostering supervisory convergence, in particular in relation to cross-border business.

Conclusion: The strategic orientation will be discussed with the Board of Supervisors during its July 2019 meeting after which ESMA staff will develop a proposal for the October 2019 Management Board and Board of Supervisors.

5. Impact new legislative files

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| 1) ESA review | |
| ○ Implementation | Discussion |
| ○ Governance | Discussion |

The Head of Resources Department presented the slide deck on the implementation of the revised ESMA Regulation.

The Board discussed the presentation, in particular the:

- Timing of the different projects, in particular whether the development of the proposed Supervisory Handbook and the Coordination groups should be prioritised;
- Need to discuss with the Board of Supervisors how the Board would like to monitor the implementation of the ESA review; and
- Importance of clear and timely communication to all involved parties.

The Chair presented the slide deck on the potential impact on the governance bodies following the revised ESMA Regulation.

The Board discussed the presentation, in particular the:

- Role of the Management Board vis-à-vis the Board of Supervisors, including whether the Management Board should provide an opinion on certain decisions to be taken by the Board of Supervisors; and
- Impact of the ESA and EMIR review on ESMA's internal committee structure.

Conclusion: The Board endorsed the suggested approach to the implementation of the ESA review noting that the work in relation to the Supervisory Handbook should be addressed with higher urgency (i.e. medium-priority). The involvement of the Board of Supervisors and the governance impact of the revised ESMA Regulation will be discussed during the July 2019 Board of Supervisors.

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| 2) EMIR 2.2 Governance | Discussion |
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The Chair presented the slide deck on the EMIR 2.2 governance.

The Board discussed the presentation, in particular the:

- Need to ensure the timely set-up of the CCP Supervisory Committee, including the recruitment of the Chair and the Independent Members; and
- Profile of the national representatives in the Committee.

Conclusion: The EMIR 2.2 governance will be discussed during the July 2019 Board of Supervisors.

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| 3) Prolonging mandate of Standing Committee Chairs | Discussion |
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Conclusion: The Management Board endorsed the suggestion to prolong the mandate of the Standing Committee Chairs in light of the implementation of the ESA and EMIR review.

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| 4) Impact of the new mandates on 2019 resources, on key elements of 2020-2022 Programming Document and on 2020 high-level IT Planning | Decision |
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Decision: The Board agreed with the impact of the new mandates on 2019 resources, on key elements of the 2020-2022 Programming Documents and on the 2020 high-level IT planning.

6. ESMA's IT Implementation Report 2018

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| 1) Annual Report | Discussion |
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Conclusion: The Board took note of ESMA's IT Implementation Report.

7. 2020 Annual Work Programme

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| 1) Cover Note | Discussion |
| 2) 2020 Annual Work Programme | Discussion |
| 3) Risk Assessment | Discussion |
| 4) Note on KPIs | Discussion |

The Executive Director presented the 2020 annual work programme and the accompanying documents.

The Board discussed the 2020 work programme, in particular:

- Welcoming the streamlining of the different activity-based work programmes into one;
- The impact of the UK's withdrawal from the Union and the new European Commission initiatives; and
- ESMA's activities in relation to security tokens.

Conclusion: The Board discussed the 2020 annual work programme which will be further developed by ESMA staff after consulting national authorities and the SMSG. Board Members were invited to share comments in writing after the meeting.

8. Streamlining ESMA work programmes and annual reports

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| 1) Note | Discussion |
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Conclusion: The Board endorsed the suggested streamlining of ESMA work programmes and annual reports.

9. Appointment of a Member of the Securities and Markets Stakeholder Group

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| 1) Note | Decision |
| 2) Report to the Board of Supervisors | Discussion |

Decision: The Board agreed proposing to the Board of Supervisors to appoint Morten Pedersen as Member of the Securities and Markets Stakeholder Group (SMSG) in the category of consumer representatives.

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| 3) List of applicants | Information |
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Conclusion: The Board took note of the list of applicants.

10. Activity-Based costing and fee management – 2018 results

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| 1) Cover Note | Information |
| 2) Presentation | Information |

Conclusion: The Board welcomed the presentation on activity-based costing and fee management.

11. HR Implementing Rules

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| 1) Cover Note | Information |
| 2) Decision on the non-application of the Commission Decision on the conduct of administrative inquiries and disciplinary proceedings | Decision |

Decision: The Board adopted the Decision on the non-application of the Commission Decision on the conduct of administrative inquiries and disciplinary proceedings.

- 3) Commission Decision C(2019)4231 on the conduct of administrative inquiries and disciplinary proceedings

Information

12. A.O.B.

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Participants list

| | Members | Advisors |
|------|-----------------------------|---------------------|
| ESMA | Steven Maijoor (Chair) | |
| DE | Elisabeth Roegele | Marcus Hein |
| IE | Derville Rowland | Colm Kincaid |
| ES | Sebastian Albella | Antonio Mas |
| FR | Robert Ophele | Viet-Linh Nguyen |
| PT | Gabriela Figuerido Dias | Rita Oliveira Pinto |
| SE | Fredrik Elmberg (alternate) | |

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| Executive Director | Verena Ross |
| European Commission | Jorge Revilla-Garcia |

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| Summary of Conclusions | Frederiek Vermeulen |
| Head of Resources Department | Nicolas Vasse |

For the Management Board,

Done at Paris on 27 August 2019

Steven Maijoor
ESMA Chair