2017 discharge: European Securities and Markets Authority (ESMA)

2018/2204(DEC) - 18/09/2018

PURPOSE: presentation of the EU Court of Auditors’ report on the annual accounts of the European Securities and Markets Authority for the financial year 2017 together with the Authority’s reply.

CONTENT: the Court of Auditors carried out the audit on the annual accounts of the European Securities and Markets Authority (ESMA).

In brief, the Authority’s task is to improve the functioning of the EU internal financial market by ensuring a high, effective and consistent level of regulation and supervision, promoting the integrity and stability of the financial systems and strengthening international supervisory coordination in order to ensure the stability and effectiveness of the financial system.

Statement of assurance and reliability of the accounts

The Court considered that:

- the Authority’s annual accounts present fairly, in all material respects, its financial position as at 31 December 2017 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission’s accounting officer;

- the transactions underlying the annual accounts for the year ended 31 December 2017 are legal and regular in all material respects.

The report also makes a series of observations on the budgetary and financial management of the Authority, accompanied by the latter’s response. The main observations may be summarised as follows:

The Court’s observations

Performance

The Court drew attention to the fact that the United Kingdom (UK) notified the European Council on 29 March 2017 of its decision to withdraw from the European Union. An agreement setting out the arrangements for its withdrawal will be negotiated. The Authority’s budget is financed by 27 % from European Union funds, by 42 % through direct contributions from EU Member States and by 29 % from fees received from supervised entities (Credit Rating Agencies and Trade Repositories), and 2 % others sources. The departure of the UK might affect the Authority’s activities since the most significant supervised entities are currently located there. A future decrease of the Authority’s revenue resulting from the UK’s decision to leave the EU is possible.

The Authority’s relies

Performance

ESMA acknowledged the issue and continues to monitor the progress on the Brexit negotiations.

The Court did not make any other particular comment on the Authority’s budgetary management.

Lastly, the Court of Auditors’ report also contained a summary of the Authority’s key figures in 2017:

Budget

EUR 42 million.

Staff

226 including officials, temporary and contract staff and seconded national experts.