2018 discharge: European Securities and Markets Authority (ESMA)

2019/2092(DEC) - 13/05/2020 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Executive Director of the European Securities and Markets Authority (ESMA) for the financial year 2018 and to approve the closure of the accounts for the financial year in question.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Authority's annual accounts for the financial year 2018 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 605 votes to 58 with 30 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the resolution on performance, financial management and control of EU agencies:

Authority's financial statements

The final budget of the Authority for the financial year 2018 was EUR 44 191 067, representing an increase of 5.02 % compared to 2017. The Authority is financed by a contribution from the Union (26.59 %), contributions from

national supervisory authorities of the Member States (46.44 %) and fees received from supervised entities (25.78 %).

Budget and financial management

The budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 99.99 %, representing a slight decrease of 0.01 % compared to 2017. The payment appropriations execution rate was 88.87 %, representing a decrease of 0.89 % compared to the previous year.

Other observations

Members also made a series of observations regarding performance, staff policy, procurement and conflicts of interest.

In particular, they noted that:

- the Authority completed 90 % of the activities included in its annual work programme;

- the implementation of MiFID II was the biggest project the Authority delivered in 2018;

- one of the Authority's main challenges and objectives was the preparation for an orderly process to deal with the withdrawal of the United Kingdom from the Union without a deal, where higher efforts were needed in the context of uncertainty;

- on 31 December 2018, the establishment plan was 95.51 % executed, with 149 temporary agents appointed out of 156 temporary agents authorised under the Union budget;

- the Authority reported an even gender balance within senior management;

- in 2018, the Authority launched the procurement procedure for the renting of new office space in Paris;

- 28 % of the Authority’s budget came from fees charged to the entities it supervises. Measures have been implemented in order to mitigate any conflicts of interests and that those measures have been audited;

- the expected withdrawal of the United Kingdom from the Union had a significant impact on the Authority’s planned work and deliverables, and generated a lot of preparatory work, particularly in the areas of supervisory convergence, prevention of fragmentation and regulatory arbitrage and direct supervision and risk assessment. The Authority analysed in detail what operational impact the expected withdrawal of the United Kingdom from the Union would have on its organisation, and that it has allocated dedicated staff to provide advice and regularly report on those issues.