

# 2022 discharge: European Securities and Markets Authority (ESMA)

2023/2162(DEC) - 11/04/2024 - 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 2022 and to approve the closure of the accounts for that year.

Noting that the Court of Auditors has stated that it has obtained reasonable assurance that the Authority's annual accounts for the financial year 2022 are reliable and that the underlying transactions are legal and regular, Parliament adopted, by 526 votes to 35, with 36 abstentions, a resolution containing a series of recommendations which form an integral part of the discharge decision and which complement the general recommendations set out in the [resolution](#) on the performance, financial management and control of EU agencies.

## *Authority's financial statements*

The Authority's final budget for the financial year 2022 **EUR 68 068 551**, representing an increase of 12.32 % compared to 2021. The Authority is financed by a contribution from the Union (EUR 17 301 544, representing 25.41 % of the total budget), contributions from national supervisory authorities of the Member States (EUR 27 293 765, or 40.10 %) and fees received from supervised entities (EUR 22 228 234 or 32.66 %).

## *Budgetary and financial management*

Budget monitoring efforts during the financial year 2022 resulted in a budget implementation rate of 98.78 %, representing a small decrease of 1.17 % compared to 2021. The execution rate of payment appropriations was 89.83 %, representing a slight decrease of 0.08 % compared to the previous year.

Given the growing complexity of its budget structure, the Authority considers it necessary to revise its fee-funding model to enable it to react both suitably and swiftly to significant financial market developments while being able to manage more efficiently the increasing number of fee sources derived from direct supervisory mandates.

## *Other observations*

Parliament also made a number of observations concerning performance, staff, public procurement and internal controls.

In particular, it noted that:

- the Authority intensified its risk monitoring and supervisory activities in response to Russia's unprovoked and illegal invasion of Ukraine, ensuring heightened vigilance in assessing potential impacts on Union's financial markets and taking necessary actions to safeguard market stability and investor protection;
- on 31 December 2022, the establishment plan was 87.60 % implemented, with 219 temporary agents appointed out of 243 temporary agents authorised under the Union budget, compared to 250 authorised posts in 2021;

- the total number of staff increased by 45 % compared to 2021;
- the Authority managed 14 procurement procedures, out of which three were open tenders in the area of IT representing a total value of EUR 99.4 million;
- the internal audit system identified weaknesses in both the design, and effective and efficient implementation of the internal control systems set up for the data management processes;
- the Authority identified risks in 2022 such as fragile, more volatile markets that may affect financial stability, put investors at risk and increase supervisory risk for the Authority, the risk of inadequate resources or lack of expertise in certain areas to adapt to the new challenges and the risk of a cyberattack targeting the Authority and affecting the security of IT systems. Parliament called on it to take all the mitigation actions necessary to address those risks;
- the Authority, together with the other European Supervisory Authorities, issued warnings to consumers in relation to the high-risk and speculative activities associated with many crypto-assets.