

Basic information	
2018/2204(DEC) DEC - Discharge procedure	Procedure completed
2017 discharge: European Securities and Markets Authority (ESMA) Subject 8.70.03.02 2017 discharge	

Key players			
European Parliament	Committee responsible		Rapporteur
	CONT Budgetary Control		SARVAMAA Petri (PPE)
			Shadow rapporteur KADENBACH Karin (S&D) CZARNECKI Ryszard (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) STAES Bart (Verts/ALE) KAPPEL Barbara (ENF)
			26/07/2018
	Committee for opinion		Rapporteur for opinion
	ECON Economic and Monetary Affairs		FRUNZULICĂ Doru-Claudian (S&D)
			13/09/2018
European Commission	Commission DG	Commissioner	
	Budget	OETTINGER Günther	

Key events			
Date	Event	Reference	Summary
28/06/2018	Non-legislative basic document published	COM(2018)0521 	Summary
11/09/2018	Committee referral announced in Parliament		
20/02/2019	Vote in committee		

01/03/2019	Committee report tabled for plenary	A8-0141/2019	Summary
26/03/2019	Decision by Parliament	T8-0276/2019	Summary
26/03/2019	Results of vote in Parliament		
26/03/2019	Debate in Parliament		
26/03/2019	End of procedure in Parliament		
27/09/2019	Final act published in Official Journal		

Technical information	
Procedure reference	2018/2204(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/14328

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE626.804	10/12/2018	
Committee opinion	ECON	PE629.653	24/01/2019	
Amendments tabled in committee		PE634.510	31/01/2019	
Committee report tabled for plenary, single reading		A8-0141/2019	01/03/2019	Summary
Text adopted by Parliament, single reading		T8-0276/2019	26/03/2019	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05825/2019	31/01/2019	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2018)0521 	28/06/2018	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0012/2019 OJ C 434 30.11.2018, p. 0001	18/09/2018	Summary

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Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act
Budget 2019/1500 OJ L 249 27.09.2019, p. 0258

2017 discharge: European Securities and Markets Authority (ESMA)

2018/2204(DEC) - 26/03/2019 - 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 2017 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 2017 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 488 votes to 116 with 23 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 [draft resolution on performance, financial management and control of EU agencies](#):

Authority's financial statements

The final budget of the Authority for the financial year 2017 was EUR 42 076 719, representing an increase of 6.37 % compared to 2016. The Authority is financed by a contribution from the Union (EUR 11 019 552), contributions from national supervisory authorities of the Member States (EUR 18 584 866) and fees received from supervised entities (EUR 11 831 781).

Budget and financial management

The budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 100 %, representing an increase of 0.03 % compared to 2016. Payment appropriations execution rate was at 89.76 %, representing an increase of 2.47 % compared to the previous year. The cancellation of carry-overs from 2016 to 2017 amounted to EUR 164 310, representing 3.51 % of the total amount carried over, and a decrease of 3.65 % in comparison to 2016.

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;
- as the Authority's workload is increasingly shifting from regulatory tasks to enforcing and applying the Union law, the Authority's budgetary and personnel resources should be reallocated;
- sufficient resources should be allocated to address existing anti-money laundering competences and to ensure a swift exchange EBA regarding money laundering and countering the financing of terrorism. A common guidance should be developed in exchange with EBA and the European Insurance and Occupational Pensions Authority (EIOPA) on how to integrate AML/CFT risks in prudential supervision;
- on 31 December 2017, the establishment plan was 97.33 % executed, with 146 temporary agents appointed out of 150 temporary agents authorised under the Union budget;
- 28 % of the Authority's budget came from fees charged to the entities it supervises. Parliament is pleased that measures have been implemented in order to mitigate any conflicts of interests, and that those structures and processes have been audited;
- when drafting implementing measures, the Authority needs to regularly and comprehensively inform the European Parliament and Council about its activities;

- the United Kingdom's decision to withdraw from the European Union 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 United Kingdom's decision to withdraw from the European Union is possible.

2017 discharge: European Securities and Markets Authority (ESMA)

2018/2204(DEC) - 31/01/2019 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2017 and the balance sheet as at 31 December 2017 of the European Securities and Markets Authority (ESMA), as well as the Court of Auditors' report on the annual accounts of the Authority for the financial year 2017, accompanied by the Authority's replies to the Court's observations, the Council recommended the European Parliament to give a discharge to the Executive Director of the Agency in respect of the implementation of the budget for the financial year 2017.

Nevertheless, the following observations were made:

- **Brexit:** the Council encouraged the Authority to take into account any possible financial impact of the withdrawal of the United Kingdom from the EU on its organisation, operations and accounts;
- **staff:** the Authority is encouraged to ensure proper transparency and publicity of its vacancy notices, while avoiding unjustified costs.

2017 discharge: European Securities and Markets Authority (ESMA)

2018/2204(DEC) - 28/06/2018 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2017, as part of the 2017 discharge procedure.

Analysis of the accounts of the **European Securities and Markets Authority (ESMA)**.

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

This Commission document concerns the **EU's consolidated accounts for the year 2017** and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge. It is the decision by which the European Parliament '**releases**' the Commission from its responsibility for management of a given budget by marking the end of that budget's existence. It is granted by the European Parliament on the recommendation of the Council.

The decision is based in particular on the European Court of Auditors reports, in particular its annual report, in which the Court provides a Statement of Assurance (DAS) on the legality and regularity of transactions (payments and commitments).

The procedure results in the granting, postponement or refusal of discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

All EU institutions and other agencies, bodies and joint undertakings are subject to their own discharge procedures.

The European Securities and Markets Authority (ESMA): the Authority, which is located in Paris (FR), was set up by [Regulation \(EU\) No 1095/2010](#) of the European Parliament and of the Council with a view to protecting the public interest by contributing to the short, medium and long-term stability and efficiency of the financial system for the economy of the European Union.

As regards the ESMA's accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2017:

Commitment appropriations:

- available: EUR 46 million;
- made: EUR 45 million.

Payment appropriations:

- available: EUR 50 million;

- paid: EUR 44 million.

For further details on expenditure, please refer to the [final accounts of the Securities and Market Authority](#).

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.

2017 discharge: European Securities and Markets Authority (ESMA)

2018/2204(DEC) - 01/03/2019 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Petri SARVAMAA (EPP, FI) on discharge in respect of the implementation of the budget of the European Securities and Markets Authority (ESMA) for the financial year 2017.

The committee called on the European Parliament to grant the Executive Director of the Authority discharge in respect of the implementation of the Authority's budget for the financial year 2017.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Authority for the financial year 2017 were reliable and that the underlying transactions were legal and regular, Members called on Parliament to approve the closure of the Authority's accounts.

They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the [draft resolution on performance, financial management and control of EU agencies](#):

Agency's financial statements

Members noted that the final budget of the Authority for the financial year 2017 was EUR 42 076 719, representing an increase of 6.37 % compared to 2016. The Authority is financed by a contribution from the Union (EUR 11 019 552), contributions from national supervisory authorities of the Member States (EUR 18 584 866) and fees received from supervised entities (EUR 11 831 781).

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The budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 100 %, representing an increase of 0.03 % compared to 2016. Payment appropriations execution rate was at 89.76 %, representing an increase of 2.47 % compared to the previous year.

The cancellation of carry-overs from 2016 to 2017 amounted to EUR 164 310, representing 3.51 % of the total amount carried over, and a decrease of 3.65 % in comparison to 2016.

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;
- as the Authority's workload is increasingly shifting from regulatory tasks to enforcing and applying the Union law, the Authority's budgetary and personnel resources should be reallocated;
- sufficient resources should be allocated to address existing anti-money laundering competences and to ensure a swift exchange EBA regarding money laundering and countering the financing of terrorism. A common guidance should be developed in exchange with EBA and the European Insurance and Occupational Pensions Authority ('EIOPA') on how to integrate AML/CFT risks in prudential supervision;
- on 31 December 2017, the establishment plan was 97.33 % executed, with 146 temporary agents appointed out of 150 temporary agents authorised under the Union budget;
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- when drafting implementing measures, the Authority needs to regularly and comprehensively inform the European Parliament and Council about its activities;
- the United Kingdom's decision to withdraw from the European Union 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 United Kingdom's decision to withdraw from the European Union is possible.