



Management Plan 2016

Directorate-General for
Financial Stability, Financial Services and
Capital Markets Union

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PART 1. Overview of main outputs for the year

As part of the Commission's performance management framework, Directorate-Generals identified those political priorities determined by President Juncker in 2014 towards which they could contribute the most. These long-term priorities were set as "general objectives" in the multi-annual "Strategic Plan" 2016-2020 which is designed to orient the work of the DGs.

Under the leadership of Commissioner Hill, the Directorate-General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA) is responsible for initiating and implementing policy in the area of banking and finance. DG FISMA contributes to projects steered by Vice-Presidents Jyrki Katainen (in charge of Jobs, Growth, Investment and Competitiveness) and Valdis Dombrovskis (in charge of the Euro and Social Dialogue).

In its Strategic Plan, DG FISMA selected three general objectives that closely correspond to these priorities:

A New Boost for Jobs, Growth and Investment

Given its responsibilities, and given the importance of financial services to the EU economy, DG FISMA can significantly contribute to this priority. In his mission letter to Commissioner Hill, the first task given by President Juncker was to "Contribute to (...) jobs, growth and investment (...) by outlining measures to improve the investment environment and presenting concrete initiatives on the long-term financing of the economy". DG FISMA's flagship initiative with respect to this priority is the **Capital Markets Union**. A well-regulated EU Capital Markets Union encompassing all 28 Member States should mobilise capital in Europe and channel it to all companies – including SMEs – infrastructure and long-term sustainable projects that need it to expand and create jobs.

In 2016, the DG plans to make important strides towards the building of the Capital Markets Union by securing a final adoption of a package to revive a sustainable securitisation market in the EU and commencing trilogues on the prospectus regulation. These actions will diversify sources of funding and make it easier for businesses to raise the money they need, supporting growth and job creation in the EU.

The DG also aims at adoption in 2016 by the Commission of revised calibrations for corporate infrastructure investments by insurance and reinsurance undertakings under Solvency II (EU legislation for insurance companies). The adoption of this Delegated Act will give insurers incentive to invest in infrastructure products, thereby helping them to diversify and increasing the yield of their investment portfolios, in particular in a low interest rate environment. This is a building block of the Capital Markets Union and contributes to sustainable growth and job creation.

Furthermore, the DG is working towards a report on free movement of capital. The report, expected to be adopted by the Commission by the end of 2016, is part of the CMU Action Plan and will list the barriers to be addressed through national actions as a priority, as well as explain in a roadmap how, when and by whom they should be dismantled.

In 2016 the DG is reviewing the European Venture Capital (EuVECA) and European Social Entrepreneurship (EuSEF) Fund regulations. Through changes to these Regulations the Commission

will be able to increase cross-border investment in these funds and thereby enhance financing possibilities for these normally small entities. This is part of the CMU Action Plan.

A Deeper and Fairer Internal Market with a Strengthened Industrial Base

In Commissioner Hill's Mission Letter President Juncker emphasized the importance of ensuring "that the financial services regulatory framework takes into account the needs and interests of consumers and retail investors and [proposing] any necessary measures to make financial services work better for citizens". A potential initiative on retail financial services is likely to emerge in 2016 as a result of the Green Paper published in December 2015, aimed at benefitting consumers.

In the same mission letter, President Juncker asked Commissioner Hill to continue "to put in place a regulatory framework which ensures the resilience and stability of the financial services sector. Financial markets and institutions should be appropriately regulated and supervised with, where relevant, appropriate crisis management tools".

In 2016, DG FISMA is aiming at an adoption by the Commission of a legislative proposal to implement requirements for a Total Loss Absorbing Capacity (TLAC) and a review of the minimum requirement for own funds and eligible liabilities (MREL). This will reinforce financial stability and resilience by ensuring that financial institutions can absorb losses better and that bank resolution can be carried out properly.

FISMA also aims at the adoption by the Commission of a proposal on central counterparty (CCP) recovery and resolution. This follows the adoption of a comprehensive EU recovery and resolution framework for banks and investment firms. It would set out provisions comparable to those in the framework applicable to banks and investment firms to facilitate orderly recovery and resolution, adapting them to the specific features of CCPs' business models and the risks they incur, including by determining how losses would be shared in scenarios where CCPs' existing pre-funded resources required under the European Market Infrastructure Regulation (EMIR) are exhausted.

DG FISMA will also propose relevant follow-up initiatives to the EMIR review and modifications to the capital requirements regulation (CRR) review in order to incorporate changes to the BASEL framework. DG FISMA will also review the functioning of the Single Supervisory Mechanism.

Moreover, analytical work will also be conducted to assess the effectiveness of the financial rulebook and the effect of macro-prudential policies with respect to their impact on economic growth, performance in the financial sector and financial stability. To this end, DG FISMA will carry out a review of the EU macro-prudential framework. The objective of the review will be to address deficiencies in the capacity of the EU's framework to tackle systemic risks to financial stability, while preserving the balance between national flexibility on the one hand and common control mechanisms to protect the Single Market on the other.

This work will be accompanied by work in a number of other areas, including FISMA's ongoing surveillance of the EU financial system. This surveillance work will focus on monitoring the overall performance and efficiency of financial intermediation and identifying upcoming risks to financial stability.

A Deeper and Fairer Economic and Monetary Union.

The Five Presidents’ Report, published in 2015, set out a plan for strengthening Europe's Economic and Monetary Union. The report proposed concrete measures to deepen the Economic and Monetary Union (EMU) and complete it by 2025. One of these measures is the European Deposit Insurance Scheme (EDIS), which was adopted by the College in 2015. DG FISMA will play a leading role in making EDIS a reality.

With a final adoption of the European Deposit Insurance Scheme envisaged for the end of 2016, DG FISMA is proposing a key building block in the completion of the Banking Union and a stronger Economic and Monetary Union, particularly as we also propose parallel consideration of measures to reduce risk. Moreover, a final adoption of the Banking Structural Reform would represent a milestone in the DG’s work to ensure greater financial stability in the EU.

Other work in 2016

The results gathered from the Call for Evidence exercise, launched in September 2015, will help DG FISMA attain a clearer understanding of the interaction of individual rules and the cumulative impact of legislation as a whole, including potential overlaps, inconsistencies and gaps. This will inform the scheduled reviews of legislation and provide a basis for concrete and coherent action where required. DG FISMA will report on the main findings of the Call for Evidence and outline next steps in 2016.

In addition, DG FISMA will aim to have a number of major files adopted by the Commission, including 61 delegated acts on MAR (9), MiFIR (13) and MiFID II (39). These outputs will constitute significant progress towards the achievement of specific objectives chosen by DG FISMA in its Strategic Plan for the years 2016-2020.

Please note that in the tables below some indicators refer to achievements for which the Commission cannot fully exert control (e.g. start of trilogues, final adoption by legislators etc.). This are however key achievements for DG FISMA which is actively involved in supporting the legislators during the co-decision.

General Objective 1: A New Boost for Jobs, Growth and Investment			
Specific objective 1.1: Companies raise more equity in public and private capital markets		Related to spending programme(s) No	
Main outputs in 2016:			
Policy-related outputs			
Description	Lead service	Indicator	Target date
<p>2015 /FISMA/043, COM/2015/583 Prospectus regulation</p> <p>The regulation should reduce the cost of prospectuses considerably, in particular for frequent issuers and SMEs not listed on regulated markets. Together with a greater</p>	FISMA.DDG.C.3	Start of trilogues	Q3 2016

level of harmonisation of rules, this should give companies incentive to raise more money publicly.			
2016/FISMA/012 Possible AIFMD third country passport This initiative is expected to increase investment in the real economy of the EU. Marketing and distributing non-EU alternative investment funds in the internal market may provide greater choice for investors and should exert downwards pressure on the level of fund fees prevalent in the EU.	FISMA.DDG.C.4	Adoption by the Commission	September 2016

Specific objective 1.2: Debt funding for the corporate sector, in particular for SMEs, is more diversified.		Related to spending programme(s) No	
Main outputs in 2016:			
Policy-related outputs			
Description	Lead service	Indicator	Target date
2015 /FISMA/04 ; COM/2015/583 Prospectus regulation Cheaper and better access to capital markets for SMEs should help them diversify their financing so that they are less dependent on bank financing.	FISMA.DDG.C.3	Start of trilogues	Q3 2016
2015 /FISMA/064; COM/2015/0472 Package containing Regulation on simple, transparent and standardised (STS) securitisation and Regulation amending Capital Requirements Regulation as regards securitisation The initiative is intended to revive a sustainable securitisation market that will improve the financing of the EU economy, weakening the link between bank deleveraging and credit tightening in the short run and creating a more balanced and stable funding structure of the EU economy in the long run. This should diversify the debt funding for the corporate sector, including for SMEs.	FISMA.DDG.01 FISMA.DDG.D.1	Final adoption by colegislators	Q3 2016
2016/FISMA/012 Possible AIFMD third country passport This initiative is expected to increase investment in the real economy of the EU.	FISMA.DDG.C.4	Adoption by the Commission	September 2016

Marketing and distributing non-EU alternative investment funds in the internal market may provide greater choice for investors and should exert downwards pressure on the level of fund fees prevalent in the EU.			
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Specific objective 1.3: Access to funding for SMEs is less fragmented.		Related to spending programme(s) No	
Main outputs in 2016:			
Policy-related outputs			
Description	Lead service	Indicator	Target date
2015/FISMA/002+ Delegated and Implementing Act(s) on MiFID II This initiative includes the specification of the minimum requirements for registration as an SME growth market. In order to ensure that transparency rules are applied effectively, the delegated acts specify what constitutes a reasonable commercial basis on which trading venues must make data available.	FISMA.DDG.C.3	Adoption by the Commission	Q1 2016
2015 /FISMA/043; COM/2015/583 Prospectus regulation A greater level of harmonisation of prospectus rules will result in more equal access to finance for SMEs across the European Union.	FISMA.DDG.C.3	Start of trilogues	Q3 2016

Specific objective 1.4: Banks, insurance companies and pension funds have greater incentive to invest in and lend to the real economy in a sustainable way, including investing in long-term European projects.		Related to spending programme(s)	
Main outputs in 2016:			
Policy-related outputs			
Description	Lead service	Indicator	Target date
2015/FISMA/064; COM/2015/0472 Package containing Regulation on simple, transparent and standardised (STS) securitisation and Regulation amending Capital Requirements Regulation as regards securitisation Securitisation facilitates access to a broad range of investors, thereby increasing liquidity	FISMA.DDG.01 FISMA.DDG.D.1	Final adoption by co-legislators	Q3 2016

and freeing up capital from the banks for new lending to the economy.			
<p>2016/FISMA/051 Revised calibrations for corporate infrastructure investments by insurance and reinsurance undertakings under Solvency II</p> <p>European insurers are large institutional and long-term investors that manage around EUR 10 trillion in assets. The adaptation of the Solvency II Delegated Act to cater for tailored calibrations within the standard formula for this new asset class – STS securitisation – will give insurers incentive to invest in these products, thereby helping them to diversify and increasing the yield of their investment portfolios, in particular in a low interest rate environment. The development of a simple, transparent and standardised securitisation market is a building block of the Capital Markets Union and contributes to sustainable growth and job creation.</p>	FISMA.DDG.D.4	Adoption by the Commission and positive outcome of EP and Council scrutiny	Q2 2016
<p>2016/FISMA/017 Revised calibrations for securitisation investments by insurance and reinsurance undertakings under Solvency II</p> <p>European insurers manage around EUR 10 trillion in assets of which only about 0.25% is currently invested in infrastructure. The insurance industry has indicated that this level of investment can be doubled through appropriate regulatory treatment.</p> <p>The investment and growth objective of the CMU Action Plan will be supported through additional investments by insurers in infrastructure assets. In September 2015, the Commission adopted amendments to the Solvency II Delegated Act to cover the adapted treatment of qualifying infrastructure projects. The Commission has issued a request for further technical advice to EIOPA on infrastructure corporates.</p>	FISMA.DDG.D.4	Adoption by the Commission and positive outcome of EP and Council scrutiny	Q3/Q4 2016
<p>2015/FISMA/030 Possible initiative on an integrated covered bond framework</p> <p>The use of covered bonds reduces the cost of funding for banks and thus increases lending to the real economy.</p>	FISMA.DDG.D.1	Adoption by the Commission	Q4 2016

<p>2014/MARKT; COM/2014/043 Banking Structural Reform (BSR)</p> <p>Banks, insurance companies and pension funds have greater incentive to invest in and lend to the real economy in a sustainable way, including investing in long-term European projects.</p>	FISMA.DDG.D.2	Final adoption by co-legislators	Q4 2016
<p>2011/MARKT/002; COM/2014/0167 Institutions for Occupational Retirement Provisions (IORPs II)</p> <p>This initiative strengthens governance requirements for IORPs which increases their readiness to diversify their investments. Furthermore, the Commission proposal on IORP2 removes national investment restrictions on IORPs and introduces flexible investment rules that aim for the long-term. The investment rules accommodate low carbon and climate resilient infrastructure projects. The proposal also clarifies cross-border procedures including the cross-border transfer of pension funds, making it easier for IORPs to carry out cross-border activity.</p>	FISMA.DDG.D.4	Final adoption by co-legislators	December 2016

<p>Specific objective 1.5: Barriers to the free movement of capital are identified and eliminated. Related to spending programme(s)No</p>			
<p>Main outputs in 2016:</p>			
<p>Policy-related outputs</p>			
Description	Lead service	Indicator	Target date
<p>2015 /FISMA/043; COM/2015/583 Prospectus regulation</p> <p>Remaining fragmentation in the prospectus requirements represents a barrier to the free movement of capital as it entails legal uncertainty and/or considerable costs in accessing capital markets in other Member States.</p>	FISMA.DDG.C.3	Start of trilogues	Q3 2016
<p>2016/FISMA/001 Report on barriers to free movement of capital</p> <p>The report, which is part of the CMU Action Plan, will list the barriers to be addressed through national actions as a priority and explain in a roadmap how, when and by whom</p>	FISMA.DDG.B.1	Adoption by the Commission	Q4 2016

<p>they should be dismantled.</p> <p>The report will build on the work done with national experts designated by Member States at the request of the EFC secretariat. This group of Member States has been tasked with mapping national barriers which prevent a fully integrated and well-functioning Capital Markets Union, identifying the most damaging ones and finding the most efficient ways to remove them. It follows a collaborative approach aimed at encouraging Member States to remove existing barriers on a voluntary basis, based on methods such as mutual evaluation, performance checks and peer reviews.</p>			
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Specific objective 1.6: An increased cross-border investment flow		Related to spending programme(s) No	
Main outputs in 2016:			
Policy-related outputs			
Description	Lead service	Indicator	Target date
<p>2015/FISMA/153 Review European Venture Capital (EuVECA) and European Social Entrepreneurship (EuSEF) Fund regulations</p> <p>Through changes to these Regulations we will be able to increase cross-border investment in these funds and thereby enhance financing possibilities for these normally small entities.</p>	FISMA.DDG.C.4	Adoption by the Commission	July 2016
<p>2015/FISMA/064; COM/2015/0472 Package containing Regulation on simple, transparent and standardised (STS) securitisation and Regulation amending Capital Requirements Regulation as regards securitisation</p> <p>The initiative is intended to revive a sustainable securitisation market that will improve the financing of the EU economy, weakening the link between bank deleveraging and credit tightening in the short run and creating a more balanced and stable funding structure of the EU economy in the long run. This should increase the cross-border investment flow.</p>	FISMA.DDG.01 FISMA.DDG.D.1	Final adoption by colegislators	Q3 2016

<p>2015 /FISMA/043; COM/2015/583 Prospectus regulation</p> <p>A greater level of harmonisation of rules and greater transparency will make it easier for investors to invest in transferable securities which come with a prospectus as it will be easier to compare these investment opportunities.</p>	FISMA.DDG.C.3	Start of trilogues	Q3 2016
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General Objective 2: A Deeper and Fairer Internal Market with a Strengthened Industrial Base.

Specific objective 2.1: Banks and non-banks compete to provide cheap, safe and reliable payment systems and funding to consumers. Related to spending programme(s)
No

Main outputs in 2016:

Policy-related outputs

Description	Lead service	Indicator	Target date
<p>2015/FISMA/064; COM/2015/0472 Package containing Regulation on simple, transparent and standardised securitisation (STS) and Regulation amending CRR as regards securitisation (CRR)</p> <p>The initiative is intended to revive a sustainable securitisation market that will improve the financing of the EU economy, weakening the link between bank deleveraging and credit tightening in the short run and creating a more balanced and stable funding structure of the EU economy in the long run. This should allow banks and non-banks to compete to provide cheap, safe and reliable funding to consumers.</p>	FISMA.DDG.01 FISMA.DDG.D.1	Final adoption by colegislators	Q3 2016
<p>2016/FISMA/013 Possible initiative on Retail Financial Services</p> <p>The Green Paper on retail financial services aims at better identifying the remaining obstacles to a fully integrated retail financial services market across the EU, and to explore all potential initiatives that could be taken at EU level to overcome those obstacles.</p> <p>European consumers should benefit in the long run from greater choice and better offers</p>	FISMA.DDG.D.3	Adoption by the Commission of a follow-up action plan Possible follow-up actions (legislative or not)	Q3 2016 Q4 2016

for a wide range of financial products, such as current accounts, loans, payment services and insurance products.			
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Specific objective 2.2: Strengthened legal and investor protection for intra-EU investors and a financial system that is less reliant on external credit ratings, with greater diversity in the credit rating industry.		Related to spending programme(s) - no	
Main outputs in 2016:			
Policy-related outputs			
Description	Lead service	Indicator	Target date
<p>2015/FISMA/003+ Delegated & Implementing Acts on MAR</p> <p>By further specifying the Regulation on Market Abuse that prohibits market manipulation and insider dealing, these acts will contribute to the general objective of a fairer internal market, strengthening market integrity and investor protection.</p>	FISMA.DDG.C.3	Adoption by the Commission	Q1 2016
<p>2016/FISMA/058</p> <p>Proposal amending Directive 2014/65/EU on markets in financial instruments as regards certain datesThe amendment will cover the delay of one year to the entry of application of the Act. The delay will mean that the date changes from 3 January 2017, most probably to 3 January 2018.</p> <p>The objectives of MiFID are the enhancement of the rules on inducements; new product governance rules; specification of information to be disclosed to the client ex-ante and ex-post; and rules addressing conflicts of interest.</p>	FISMA.DDG.C.3	Adoption by the Commission	Q1 2016
<p>2016/FISMA/057</p> <p>Proposal for a Regulation amending Regulation (EU) No 600/2014 on markets in financial instrumentsThe amendment will cover the delay of one year to the entry of application of the Act. The delay will mean that the date changes from 3 January 2017, most probably to 3 January 2018.</p> <p>MiFIR objectives are:</p> <ul style="list-style-type: none"> • The enhancement of pre- and post-trade transparency; • Trading obligations for derivatives 	FISMA.DDG.C.3	Adoption by the Commission	Q1 2016

<p>and shares;</p> <ul style="list-style-type: none"> • Strengthened supervisory powers and a harmonised position-limits regime for commodity derivatives to improve transparency, support orderly pricing and prevent market abuse; • A position-reporting obligation by category of trader. This will help regulators and market participants to have better information on the functioning of these markets; • The improvement of conditions for competition in the trading and clearing of financial instruments as well as the smooth application of these provisions; • The introduction of trading controls for algorithmic trading activities 			
<p>2015/FISMA/002+ Delegated and Implementing Act(s) on MiFID II</p> <p>MiFID II seeks to ensure enhanced investor protection and make EU financial markets more transparent, robust and efficient. A number of technical points in MiFID II need to be further specified by way of delegated acts.</p>	FISMA.DDG.C.3	Adoption by the Commission	Q2 2016
<p>2015/FISMA/025+ Delegated and Implementing Act(s) on MiFIR</p> <p>These acts set out criteria and factors to be taken into account by European Securities Markets Authority (ESMA) or national competent authorities when intending to use their product intervention powers. These powers could be used in case of significant investor protection concerns or threats to the orderly functioning and integrity of financial or commodity markets or to the stability of the whole or part of the financial system of the Union or respectively of at least one Member State. They also clarify the circumstances under which ESMA can use its position management powers.</p>	FISMA.DDG.C.3	Adoption by the Commission	Q22016
<p>2013 / MARKT/011, COM/2013/0641 Benchmarks Regulation</p> <p>The Regulation improves the governance of benchmark administration and should</p>	FISMA.DDG.C.3	Final adoption by co-legislators	June 2016

contribute to the use of appropriate benchmarks in financial instruments and contracts.			
2016/FISMA/009 White paper on the governance and the financing of the European Supervisory Authorities Moving to industry-funded European Supervisory Authorities (ESAs) as per the President's mandate letter to Commissioner Hill and the CMU Action Plan commitment to adopt a White Paper in Q2 2016. Since it aims at streamlining action at EU level, it contributes in broad terms to General Objective 2.	FISMA.DDG.01	Adoption by the Commission	Q2 2016
2015 /FISMA/043, COM/2015/583 Prospectus regulation A greater level of harmonisation of rules and greater transparency will strengthen investor protection.	FISMA.DDG.C.3	Start of trilogues	Q3 2016

Specific objective 2.3 Financial and non-financial reporting by companies, as well as audit, is of a high quality.		Related to spending programme(s) ...	
Main outputs in 2016:			
Policy-related outputs			
Description	Lead service	Indicator	Target date
2015/FISMA+/107 Corporate Tax Transparency This initiative will contribute to the achievement of Specific Objective 2.4 by exploring whether and how, by enhancing transparency with respect to the way companies manage taxable profits per jurisdiction and the related amounts of corporate income tax paid, more intense scrutiny by investors and the public at large could contribute to the reduction of tax avoidance by companies.	FISMA.DDG.B.3	Adoption by the Commission	April 2016
2015/FISMA/230 Non-binding guidelines on methodology for reporting non-financial information by certain undertakings and groups The non-binding guidelines on non-financial information will facilitate the disclosure of	FISMA.DDG.B.3	Adoption by the Commission	November 2016

relevant and useful environmental and social information by EU companies concerned, and in particular by smaller and less experienced companies. Thus, this will facilitate the practical application of the Directive on disclosure of non-financial information as of financial year 2017.			
Main expenditure outputs		Related to spending programme: Union programme to support specific activities in the field of financial reporting and auditing for the period 2014-2020	
Description	Lead service	Indicator	Target date
<p>2015/FISMA/105 Prolongation of the Union programme to support specific activities carried out by the European Financial Reporting Advisory Group (EFRAG) in the field of financial reporting for the period 2017-2020</p> <p>Amending regulation to the Financing Regulation (EU) No 258/2014 establishing a Union Programme to support specific activities in the field of financial reporting and auditing for the period of 2014-2020. EFRAG plays a key role in providing input to the development of the IFRS by the IASB and provides the European Commission with endorsement advice on new or amended financial reporting standards.</p>	FISMA.DDG.B.3	Adoption by the Commission	March 2016

Specific objective 2.4 Consumers have access to safe and reliable insurance, pension and UCITS products		Related to spending programme(s)	
Main outputs in 2016:			
Policy-related outputs			
Description	Lead service	Indicator	Target date
<p>2016/FISMA/013 Possible initiative on Retail Financial Services</p> <p>The Green Paper on retail financial services aims at better identifying the remaining obstacles to a fully integrated retail financial services market across the EU, and to explore all potential initiatives that could be taken at EU level to overcome those obstacles. European consumers should benefit in the long run from greater choice and better offers for a wide range of financial products, such as current accounts, loans, payment services and</p>	FISMA.DDG.D.3	Adoption by the Commission of a follow-up action plan Possible follow-up actions (legislative or not)	Q3 2016 Q4 2016

insurance products.			
<p>2016/FISMA/005 Possible initiative on the multi-annual funding of non-financial industry interest groups.</p> <p>The promotion of end-user/consumer views in the context of policy making will contribute to policies that integrate the interests of end-users/consumers and give them incentive to participate in the economy.</p>	FISMA.DDG.D.3	Decision to fund non-financial interest group(s) following a tender procedure	Q4 2016
<p>2016/FISMA/030 Revision of material and geographic scope of the Motor Insurance Directive with the aim to focus only on traffic related accidents</p> <p>Following the Vnuk ruling C-162/13 that extended the scope of the Motor Insurance Directive to cover any motor vehicle under almost any circumstances, this revision aims at protecting consumers (policyholders) of MTPL insurances across the EU from the exposure to possibly having to contribute to compensations of accidents that are not traffic related.</p>	FISMA.DDG.D.4	Adoption by the Commission Positive outcome of the negotiations between the EP and Council	Q2 2016

Specific objective 2.5 The financial regulatory framework is evaluated, appropriately implemented and enforced across the EU.			Related to spending programme(s)
Main outputs in 2016:			
Policy-related outputs			
Description	Lead service	Indicator	Target date
<p>2016/FISMA/019 EU Regulatory Framework for Financial Services - Report on the main findings and next steps resulting from the Call for Evidence</p> <p>This initiative will contribute to the achievement of the objective by gathering feedback from stakeholders and gauging the cumulative impact and interaction of current financial rules. Through the consultation, the Commission is seeking to identify possible inconsistencies, incoherence and gaps in financial rules, as well as unnecessary regulatory burdens and factors negatively affecting long-term investment and growth.</p>	FISMA.DDG.B.2	Adoption by the Commission	Q4 2016

<p>2016/FISMA/009 White paper on the governance and the financing of the European Supervisory Authorities</p> <p>Moving to industry funded ESAs as per the President's mandate letter to Commissioner Hill and the CMU Action Plan commitment to adopt a White Paper in Q2 2016.</p>	FISMA.01	Adoption by the Commission	Q2 2016
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<p>Specific objective 2.6: Financial institutions can absorb losses and liquidity shocks, financial market infrastructures are stable and function effectively, and structural and cyclical macro-prudential risks are proactively addressed</p>		<p>Related to spending programme(s)</p>	
<p>Main outputs in 2016:</p>			
<p>Policy-related outputs</p>			
Description	Lead service	Indicator	Target date
<p>2013/MARKT/011, COM/2013/0641 Benchmarks Regulation</p> <p>Major benchmarks such as Libor or Euribor are being used in financial instruments and contracts worth hundreds of billion euros. Their manipulation could result in the frustration of many contracts and a loss of trust in the related financial instruments.</p>	FISMA.DDG.C.3	Final adoption by co-legislators	June 2016
<p>2015/FISMA/042 International agreement on access to data held in trade repositories</p> <p>The G20 committed to addressing "legal barriers to the reporting of OTC derivatives contracts to trade repositories and to the cross-border access of authorities to trade repository data, as well as to improve the usability of that data." An international agreement will enable direct access to trade repositories by 3rd country authorities.</p>	FISMA.DDG.C.2	Adoption by the Commission	Q2/2016
<p>2016/FISMA/004 Possible initiative resulting from the EMIR review</p> <p>The Commission is mandated to review regulation 648/2012, to produce appropriate legislative proposals. EMIR aims to improve the stability, transparency and efficiency of derivatives markets. The EMIR review is assessing what, if any, measures are needed to contribute to achieve those goals.</p>	FISMA.DDG.C.2	Adoption by the Commission	December 2016
<p>COM /2013/0615</p>	FISMA.DDG.C.4	Council General Agreement	December 2016

<p>Money Market Funds Regulation (MMFs)</p> <p>The proposed regulation introduces rules that will make the MMFs more resilient to future financial crisis and at the same time secure their financing role for the economy. The absence of EU rules relating to Money Market Funds is a critical gap that could negatively affect financial stability.</p>		(Depending on the timeline / completion of the trilogues)	
<p>2015/FISMA/003+ Delegated & Implementing Acts on MAR</p> <p>By further specifying the Regulation on Market Abuse that prohibits market manipulation and insider dealing, these acts will contribute to the general objective of a fairer internal market, strengthening market integrity and investor protection</p>	FISMA.DDG.C.3	Adoption by the Commission	Q1 2016
<p>2015 / FISMA / 154, COM/2015/ 648 Extension of exemptions for commodity dealers</p> <p>The CRD / CRR impose prudential capital requirements and large exposure limits on investment firms but exempt "commodity dealers". Commodity dealers can be specialised investment firms that provide investment services or deal with derivative contracts exclusively in relation to commodities or ancillary services to energy and commodity producing companies. The overall investment firms review currently undertaken by the Commission is the most appropriate project to define a proportionate prudential treatment for the broad and diverse spectrum of "commodity dealers". However the investment review and possible legislative proposals will not be ready by the end of current exemption period of "commodity dealers" by end 2017. To provide legal certainty and regulatory stability the Commission proposes to extend the current exemption for commodity dealers until end 2020 by when a proportionate effective prudential framework can be expected to be in place.</p>	FISMA.DDG .D.1	Final adoption by co-legislators	Q2 2016
<p>2015/FISMA/079 Review of the Single Supervisory Mechanism</p> <p>The SSM regulation lists a number of issues to assess the effectiveness of the SSM supervision and its implications for the</p>	FISMA.DDG.D.1	Adoption by the Commission	Q3 2016

<p>smooth functioning of the single market. An effective and common supervisory function will contribute to a financial system that is safe and resilient and where financial institutions can absorb losses and liquidity risks. The report constitutes a key deliverable for DG FISMA in 2016.</p>			
<p>2016/FISMA/014 Possible legislative proposal amending CRR to incorporate modifications to the BASEL framework</p> <p>The Basel Committee has adopted/is considering certain changes to the Basel framework (e.g. Net Stable Funding Ratio, Leverage Ratio). The Commission will need to decide whether to incorporate those changes in the CRR. Furthermore, the CRR mandates various reviews which may lead to targeted changes to the CRR.</p> <p>Net-stable-funding ratio ensures that banks have adequate level of stable funding and thus it reduces liquidity shocks. Leverage ratio ensures the minimum amount of loss absorbing capacity in any bank notwithstanding their riskiness.</p>	<p>FISMA.DDG.D.1</p>	<p>Adoption by the Commission</p>	<p>Q4 2016</p>
<p>2014/MARKT; COM/2014/043 Banking Structural Reform (BSR) The BSR is complementing the CRD/CRR framework to deal more specifically with risks stemming from trading activities. It broadens supervisory powers to ensure that large banks can withstand financial stress.</p>	<p>FISMA.DDG.D.2</p>	<p>Final adoption by co-legislators</p>	<p>Q4 2016</p>
<p>2015/FISMA/084 Review of the EU macro-prudential framework – possible report to Council/EP preceding legislative proposal</p> <p>The review of the ESRB and the wider macro-prudential framework is provided for in the respective legislative texts and has been addressed in the President’s mandate letter to Commissioner Hill and the Five Presidents’ Report.</p> <p>The objective is to review the macro-prudential legislative framework in a way allowing authorities in charge to better address systemic risk to financial stability (review of the macro-prudential instruments;</p>	<p>FISMA.DDG.E.3</p>	<p>Adoption by the Commission</p>	<p>Q4 2016</p>

the governance structure and the ECB/SSM's role in macro-prudential oversight).			
<p>2015/FISMA/245 Delegated and Implementing Regulations concerning CRDIV/CRR on the identification methodology for global systemically important institutions (G-SIIs) and uniform format and dates for the disclosure by G-SIIs</p> <p>The framework as such forms part of the higher own funds requirements for G-SIIs under CRD IV in order to compensate for the higher risk that G-SIIs represent for the financial system and the potential impact of their failure on taxpayers.</p>	FISMA.DDG.E.3	Adoption by the Commission	Q1 2016
<p>2015/FISMA/240 Delegated Regulation concerning Directive 2014/59/EU – Exclusion from bail-in (Article 44 (11) of the BRRD)</p> <p>The details in this level 2 Regulation will ensure that the general BRRD criteria for exclusions will be applied by the national resolution authorities and the Single Resolution Board (SRB) in a consistent manner. This will increase legal certainty and predictability for investors and resolution authorities in future resolution cases.</p>	FISMA.DDG.E.4	Adoption by the Commission	February 2016
<p>2015/FISMA/206 Delegated Act pursuant to Article 2 (2) and Article 104 (4) of Directive 2014/0059/EU (BRRD)</p> <p>The continuity of critical functions and core business lines is essential to safeguard financial stability and to preserve the real economy. BRRD allows resolution authorities to exclude certain liabilities from bail in, and pass the losses on to other creditors, if it is strictly necessary and proportionate to achieve the continuity of critical functions and core business lines. These functions should be identified by the resolution authority in the resolution plans. BRRD requires the Commission to specify the criteria for resolution authorities to determine these "critical functions" and "core business lines". This will ensure legal certainty and predictability for investors, contribute to financial stability and ensure a level playing</p>	FISMA.DDG.E.4	Adoption by the Commission	February 2016

field within the EU.			
<p>2015/FISMA/157 Delegated Act pursuant to Article 65(5) of Regulation (EU) No 806/2014 of SRMR</p> <p>The Single Resolution Mechanism gives to the Single Resolution Board planning and crisis management powers and a Single Resolution Fund in order to ensure the continuity of critical functions in the banking sector, preserve financial stability and protect public funds. This delegated act will ensure that the Single Resolution Board has the budgetary independence to operate its functions without relying on public resources.</p>	FISMA.DDG.E.RTF	Adoption by the Commission	May 2016
<p>2015/FISMA/095 Delegated Act I pursuant to Article 76 (4) of Directive 2014/0059/EU (BRRD)</p> <p>The initiative is specifying rules and definitions to be applied by the Resolution Authority to the following classes of arrangements, in case of a partial property transfer of assets, rights and liabilities of an institution under resolution or in the event of forced contractual modifications: security arrangements; set-off arrangements; netting arrangements; structured financing arrangements, including securitisations and instruments used in issuances of covered bonds. The aim of this protection is to prevent, when a partial transfer or a contractual modification has been done, the splitting of assets rights and liabilities which are linked by virtue of certain arrangements, when such linkage is justified by a lawful objective.</p>	FISMA.DDG.E.4	Adoption by the Commission	March 2016
<p>2016/FISMA/006 TLAC implementation and MREL review</p> <p>In view of the fact that both MREL and TLAC aim at achieving the same policy objective which is to ensure that banks hold a sufficient amount of bail-in-able liabilities that would allow for smooth and quick absorption of losses and bank recapitalisation, this initiative aims at combining the review of MREL (in accordance with the mandate given to the Commission under Article 45(18) of the BRRD) with the implementation of the international TLAC</p>	FISMA.DDG.E.4	Adoption by the Commission	By Q4 2016

standard.			
<p>2015/FISMA/029 Legislation on the recovery and resolution of central counterparties</p> <p>A proposal on the recovery and resolution of central counterparties (CCPs) is signalled in the Commission 2015 work programme. This follows the adoption of a comprehensive EU recovery and resolution framework for banks and investment firms. It would set out provisions comparable to those in the framework applicable to banks and investment firms to facilitate orderly recovery and resolution, adapting them to the specific features of CCPs' business models and the risks they incur, including by determining how losses would be shared in scenarios where CCPs' existing pre-funded resources required under EMIR are exhausted.</p>	FISMA.DDG.E.4	Adoption by the Commission	Q3/4 2016

General Objective 3: A Deeper and Fairer Economic and Monetary Union.			
Specific objective 3.1: The market exit of a non-major financial institution has a limited economic impact in the euro area.		Related to spending programme(s) No	
Main outputs in 2016:			
Policy-related outputs			
Description	Lead service	Indicator	Target date
<p>2016/FISMA/007 , COM/2015/586/3 European Deposit Insurance Scheme</p> <p>Follow-up of the Banking Union aspects of the Five Presidents' Report and the President's 2016 State of the Union speech - Legislative proposal regarding the introduction of a European Deposit Insurance Scheme. This is a CWP 2016 key initiative.</p> <p>The proposal would increase resilience against future financial crises by making national schemes less vulnerable to large localised shocks, it would also contribute to severing the link between banks and their home sovereign.</p>	FISMA.DDG.E.4	Final adoption by co-legislators	Q4 2016

Specific objective 3.2: Risk in the banking sector is reduced.

Related to spending programme(s) ...
No

Main outputs in 2016:

Policy-related outputs

Description	Lead service	Indicator	Target date
<p>2016/FISMA/006 TLAC implementation and MREL review</p> <p>In view of the fact that both MREL and TLAC aim at achieving the same policy objective which is to ensure that banks hold a sufficient amount of bail-in-able liabilities that would allow for smooth and quick absorption of losses and bank recapitalisation, this initiative aims at combining the review of MREL (in accordance with the mandate given to the Commission under Article 45(18) of the BRRD) with the implementation of the international TLAC standard.</p>	FISMA.DDG.E.4	Adoption by the Commission	By Q4 2016
<p>2016/FISMA/014 Possible legislative proposal amending CRR to incorporate modifications to the BASEL framework</p> <p>The Basel Committee has adopted/is considering certain changes to the Basel framework (e.g. Net Stable Funding Ratio, Leverage Ratio). The Commission will need to decide whether to incorporate those changes in the CRR. Furthermore, the CRR mandates various reviews which may lead to targeted changes to the CRR.</p> <p>Net-stable-funding ratio ensures that banks have adequate level of stable funding and thus it reduces liquidity shocks. Leverage ratio ensures the minimum amount of loss absorbing capacity in any bank notwithstanding their riskiness.</p>	FISMA.DDG.D.1	Adoption by the Commission	Q4 2016

PART 2. Organisational management outputs for the year

A. Human Resources Management

In 2016, DG FISMA will concentrate on paving the way to reach the target of 40% of its middle managers being women, ensuring the well-being of staff and keeping staff engagement at a high level. In order to increase the pool of qualified candidates for Head of Unit positions in the future, DG FISMA will open its training programme currently designed for DHU to female team leaders.

The Head of the Human Resources unit will meet female managers to discuss the obstacles encountered by women in management positions. The results of the meeting together with those of a survey for AD women will serve as a basis for defining further actions for 2017 and beyond. In addition, there will be coaching for women ADs on project team leadership, with a view to helping them to acquire management experience.

With the objective of ensuring the well-being and integration of its staff, DG FISMA will organise social activities, fit at work activities and information sessions on well-being topics.

Finally, in order to keep staff engagement at a high level the DG will organise a workshop for Assistants (AST workshop) and will run an AST pro network. The Learning & Development (L&D) sector will organise “knowledge hours” during which staff members will present their field of activity to all staff as well as mini-coaching sessions during which Directors will offer career advice to interested staff members. DG FISMA will consult and involve all staff in the devising of new working methods.

Objective: The DG deploys effectively its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions.

Main outputs in 2016:

Description	Indicator	Target
Opening the current deputy heads of unit coaching to female team leaders in order to prepare women for management positions and increase the pool of female applicants for middle management positions in DG FISMA.	Participation rate of female team leaders in the coaching	50%
Survey on equal opportunities for AD women to serve as the basis for designing further actions in this field.	Expected response rate of the surveyed population	40%
Meeting between the Head of the HR unit and female managers in DG FISMA to learn about their experiences and provide better support for women interested in management positions.	Meeting between Head of HR unit and female managers	1 meeting
Coaching for women ADs on project team leadership, with a view to helping them to acquire management experience.	Number of participants in coaching	At least 5 women
Survey on well-being to serve as the basis for designing further actions in this field.	Response rate	30%
Social activities (Easter Egg Hunt, yearly	Number of participants	Easter Egg hunt – 50

party) to foster further staff integration.		children
Lunchtime fit at work activities and information sessions on well-being topics.	Participation rate	50% of available places
An AST workshop and regular activities for AST staff.	Participation rate	AST workshop - 50% of all assistants Activities for ASTs – 50% of available places
Knowledge hours during which units and staff members will present their field of activities to all staff.	Number of sessions	15 per year
Mini coaching sessions offered by Directors to interested staff.	Number of participants	15 participants
Active staff participation in devising DG FISMA's new working methods.	Number of all-staff meetings	4 per year

B. Financial Management: Internal control and Risk management

DG FISMA 2016 expenditure is geared towards providing support to policies, by procuring data sources and studies and co-funding three financial supervisory agencies (EBA, ESMA and EIOPA). Data sources and studies are necessary to provide information on current financial market conditions in various sectors across the EU and feed into reports, impact assessments and evaluations, or else give the DG information on the state of transposition or implementation of European law.

Grant funding is made available to the European Financial Reporting Advisory Group (EFRAG), International Financial Reporting Standards Foundation (IFRS) and the Public Interest Oversight Board (PIOB). In addition, DG FISMA pursues the implementation of the preparatory action called 'Capacity building of end-users and other non-industry stakeholders in Union policymaking in the area of financial services' for the last year.

In 2016 DG FISMA will ensure that:

- Its level of budget implementation remains high and that contractual deadlines for payments are respected;
- The awarding of contracts is made in respect of public procurement principles and rules, with no complaints and legal proceedings started from unsuccessful tenderers/candidates;
- A new anti-fraud strategy is implemented as a result of an assessment of the risks and the existing control processes already in place;
- Internal control measures are aligned with the Commission standards and they are proportionate to the risks of the DG's operations.

Objective 1: Effective and reliable internal control system giving the necessary guarantees concerning the legality and the regularity of the underlying transactions

Main outputs in 2016:

Description	Indicators	Target
Execution of the annual voted budget, and in compliance with the legal requirements applying to	% of payments executed within the contractual time limits	90%
	% of budget commitment appropriations made (administrative	95%

transactions.	and operational lines)	
	% of payments appropriations made (administrative and operational lines)	95%

Objective 2 : Effective and reliable internal control system in line with sound financial management.

Main outputs in 2016:

Description	Indicator	Target
Procurement procedures are carried out in compliance with the principles and rules governing public procurement at the EC and according to sound financial management.	Number of legal proceedings following complaints in procurement procedures	0 (zero)

Objective 3: Minimisation of the risk of fraud through application of effective anti-fraud measures, integrated in all activities of DG FISMA, based on the DG's anti-fraud strategy (AFS) aimed at the prevention, detection and reparation of fraud.

Main outputs in 2016:

Description	Indicator	Target
Review and update of the existing anti-fraud strategy of DG FISMA (DG MARKT AFS, Dec. 2013).	Reassessment of DG FISMA fraud risks and fraud awareness after the implementation of the action plan of the AFS of DG FISMA	Adoption of an updated anti-fraud strategy

C. Better Regulation

In 2016, DG FISMA will deliver on the Better Regulation objectives in two ways:

First, two REFIT exercises (the Financial Conglomerates Directive, the Motor Insurance Directive) will be carried out in 2016.

Second, after the DG has launched a public consultation (Call for evidence) on 30 September 2015 which closes on 29 January 2016 to identify inter alia gaps and inconsistencies of the existing financial acquis, by mid-2016 the DG will publish an assessment of the gaps and inconsistencies that have been identified and that could trigger additional REFIT exercises in the period 2017-2020.

The DG will extensively rely on its internal economic analysis and evaluation capacity to implement better regulation practices in both cases. On particular topics that require specific knowledge of industry structure, business models, or technology being used, external studies will continue to complement the internal analysis and evaluation work.

Objective: Prepare new policy initiatives and manage the EU's financial acquis in line with better regulation practices to ensure that EU policy objectives are achieved effectively and efficiently.

Main outputs in 2016:

Description	Indicator	Target
Enhancing impact assessments' compliance with	Percentage of impact assessments that will be submitted to the Regulatory Scrutiny Board and	90%

Better Regulation Principles.	receive a favourable opinion on first submission.	
Enhancing retrospective reviews/evaluations' compliance with Better Regulation Principles.	Percentage increase of retrospective reviews/evaluations that follow the Better Regulation principles since 2015.	100%

D. Information management aspects

DG FISMA strives to maintain high standards in the areas of Informatics Technology and Document Administration.

In 2016 the focus will be put on the quality of the ARES¹ files. The DMO team will continue regularly reminding colleagues and Heads of Unit in particular of the eDomec rules and of the fact that there are no longer paper files. File sampling and quality assessments will be made using objective criteria (e.g. nominated file manager; file name with a date for serial files; clear relationship with a real activity of the unit; etc.). Heads of Units will be personally requested to review a (simplified) version of their filing plan with reference to the creation date, file manager and the number of documents.

Objective: Information and knowledge in DG FISMA which is shared and reusable by other DGs. Important documents are registered, filed and retrievable

Main outputs in 2016:

Description	Indicators	Target
Increase of ARES quality files.	Number of units visited by Document Management Officer (DMO) Checking of sample files in units	22 (out of 22 units)
Review of filing plans by Heads of Units (based on a report containing the list of files, the corresponding file managers, number of files, file creation date).	Number of Heads of Units having reviewed their filing plan	22 (out of 22 units)

E. External Communication

The DG's communication will focus on its main policy deliverables. Two important work streams will be:

- The implementation of the Capital Markets Union action plan through a series of individual initiatives. The communication objective will be to show progress in implementing the CMU;
- Communication on retail finance, accompanying the ongoing Green Paper consultation and a possible action plan in 2016.

¹ ARES is a web application used by all the Commission services to register, file and store documents in the common repository for electronic documents.

For other main policy deliverables, DG FISMA will support the Commissioner, cabinet and spokesperson through the preparation of press material and speeches; prepare visual content for its website, social media and the Finance Newsletter; share information on Twitter and its website; and engage in any other appropriate communication. The details will be decided depending on the deliverables and targeted stakeholders in question.

The DG will invest in the improvement of its internet presence through active participation in DG COMM's digital transformation project.

Timely and attractive content under these communication activities will make the DG’s main information channels – i.e. the website, Finance Newsletter and Twitter account – relevant and interesting to users. Digital transformation will, in addition, improve the user-friendliness of its website. Work in 2016 will thereby contribute to the objective in the Strategic Plan of improving users' satisfaction with DG FISMA's main information channels by 10% until 2020.

Presentation of main outputs for organisational management:

Objective (definition): To ensure high visibility for two of DG FISMA's main policy deliverables, i.e. Capital Markets Union and retail finance, particularly for media and stakeholders.
Main outputs in 2016:

Description	Indicator	Target
Capital Markets Union communications plan: targeted communication actions around each CMU-related deliverable.	Number of mentions of #CapitalMarketsUnion (measured in Engagor).	1,500 mentions in 2016
Retail finance communications plan, including ongoing #MyMoneyEU social media campaign (to end on 18.3.2016), a webchat and a Eurobarometer survey.	Number of mentions of #MyMoneyEU (measured in Engagor).	2,000 mentions by 18.3.2016

For external communication overall spending:

- An estimate of their **overall communication spending** for the year ahead (this is a reporting and transparency requirement).

Annual communication spending (based on estimated commitments):	
Baseline (Year n-1): EUR 86,000 (excluding Eurobarometer and conferences)	Target (Year n): EUR 250,000 (EUR 106,000 for Eurobarometer on retail financial services; remaining budget for other ad hoc communication actions on main policy deliverables and possible web support for digital transformation; excluding conferences)

Initiatives to improve economy and efficiency of financial and non-financial activities

The following are two examples of how DG FISMA strives to improve its operations with a view to optimising the economy and efficiency of resources.

a) **Event Management Tool (EMT)** is an information system that was developed in 2015 by DG FISMA to provide a transparent overview of all the meetings held with interest representatives, while rationalising (e.g. avoiding duplication of meetings) these interactions. EMT contributes to the reduction of administrative workload linked to the organisation of meetings by supporting the lifecycle of such meetings, from meeting requests to draft and automatic transfer of the minutes into the corporate document management system.

As a priority, in 2016 FISMA will develop the support functionalities that EMT can offer to other administrative tasks (e.g. recording visitors' information into the corporate security system, while avoiding double registration of data). Moreover, with the aim to reduce internal circulation of correspondence linked to the organisation of meetings, DG FISMA will promote direct encoding of meetings by the same staff receiving the relevant requests. These two priorities will contribute to reduce further the administrative work required to manage meetings with interested representatives, while increasing the quality (e.g. completeness and reliability) of information.

b) **E-submission** is an electronic submission process allowing tenderers to send their bids to the Commission in an electronic way. This process implements the Commission commitment made in 2012 to a complete e-procurement by mid-2015. E-submission has been developed by DIGIT and it is planned to be rolled out though the whole Commission on a mandatory basis by 2017 at the latest.

In 2016 FISMA aims to join this process for compliance purposes and to make efficiency gains in terms of time and administrative management of tenders. To this end, an electronic authentication and validation process will replace the manual initialisation of unbound voluminous tenders; storage will also be dematerialized with corresponding economies for tenderers and the contracting authority; security of tenders will be improved by the use of encryption protocols.

Annexes to the Management Plan

NOT TO BE PUBLISHED