



Annual Activity Report 2021

Annexes

DG FISMA

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ANNEX 1: Statement of the Director(s) in charge of Risk Management and Internal Control

For the Director in charge of risk management and internal control

I declare that in accordance with the Commission's communication on the internal control framework ⁽¹⁾, I have reported my advice and recommendations on the overall state of internal control in the DG to the Director-General.

I hereby certify that the information provided in Section 2 of the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete.

Brussels, 30/03/2022

(Signed)

Henning ARP

For the Director taking responsibility for the completeness and reliability of management reporting on results and on the achievement of objectives

I hereby certify that the information provided in Section 1 of the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete.

Brussels, 30/03/2022

(Signed)

Alexandra JOUR-SCHROEDER

⁽¹⁾ C(2017)2373 of 19.04.2017.

ANNEX 2: Performance tables

General objective 1: An economy that works for people			
Impact indicator: Composite indicators of financial integration			
Source of the data: European Central Bank ⁽²⁾			
Baseline	Interim Milestone	Target	Latest known results
(2014-2019 average)	(2022)	(2024)	(Q3 2021)
Price-based indicator: 0.5	Increase	Increase	0.66
Quantity-based indicator: 0.3	Increase	Increase	0.37
Impact indicator: Composite indicators of systemic stress			
Source of the data: European Central Bank ⁽³⁾			
Baseline	Interim Milestone	Target	Latest known results
(1999-2019 average)	(2022)	(2024)	(2020-1/14/2022 average)
0.2	Below 0.2	Below 0.2	0.11

Specific objective 1.1: EU financial markets are more integrated and liquid, opening new opportunities for cross-border investments and funding for citizens and businesses			
<i>Related to spending programme(s): NO</i>			
Result indicator: Intra-EU home bias indicator for cross-border portfolio investment for debt and equity			
Source of the data: JRC and DG FISMA calculations based on FinFlows database, Eurostat/IMF			
Baseline	Interim Milestone	Target	Latest known results
(2018)	(2022)	(2024)	(2019)
78.1%	Decrease	Decrease	76.5%

⁽²⁾ Euro area data, [https://www.ecb.europa.eu/stats/financial markets and interest rates/financial integration/html/index.en.html](https://www.ecb.europa.eu/stats/financial%20markets%20and%20interest%20rates/financial%20integration/html/index.en.html)

⁽³⁾ Euro area data, [https://www.ecb.europa.eu/stats/financial markets and interest rates/financial integration/html/index.en.html](https://www.ecb.europa.eu/stats/financial%20markets%20and%20interest%20rates/financial%20integration/html/index.en.html)

Baseline (2018)	Interim Milestone	Target (2024)	Latest known results (2019)
	(2022)		
intra 27-EU home bias for cross-border portfolio investment			

Result indicator: Share of foreign branches and subsidiaries' assets in the total banking assets

Source of the data: ECB SDW Structural Indicators, ECB SDW Consolidated Banking Data, DG FISMA calculations

Baseline (2018)	Interim Milestone	Target (2024)	Latest known results (2020)
	(2022)		
19.9% share of foreign branches and subsidiaries ⁵ assets in the total banking assets in the EU-27 (as of 2018)	Increase	Increase	16.93%

Result indicator: Share of market funding in non-financial corporations' (NFCs) outstanding debt

Source of the data: ECB and DG FISMA calculations

Baseline (2019)	Interim Milestone	Target (2024)	Latest known results (2020)
	(2022)		
21%	Increase	Increase	26,19%

Result indicator: Number of initial public offerings (IPOs)

Source of the data: Dealogic and Bloomberg DG FISMA calculations

Baseline (2019)	Interim Milestone	Target (2024)	Latest known results (2020)
	(2022)		
69 IPOs ⁶ in the EU-27	Increase	Increase	126

Result indicator: Number of cross-border passported prospectuses, total number of approved prospectuses and number of approved EU Growth prospectuses ⁽⁴⁾

Source of the data: ESMA annual report on EEA prospectus and upcoming ESMA report on prospectuses (Art. 47 of Prospectus Regulation)

Baseline (2018)	Interim Milestone	Target (2024)	Latest known results (2020)
	(2022)		
In 2018 the number of prospectuses passported out of each EEA MSs is 817 (EU28). Prospectuses passported in EEA MSs is 2386 (EU28). In 2018 the total number of approved prospectuses in the EEA was 2953 (EU27)	Flat or decrease ⁽⁵⁾	Increase	In 2020 the number of prospectuses passported out of each EEA MSs is 728 (EU27). Prospectuses passported in EEA MSs is 2409 (EU27). In 2020 the total number of approved prospectuses in the EEA was 2612 (EU27), of which 185 EU Growth prospectuses. The total number of prospectus approvals across the EEA decreased by 4.8% % from 2019 to 2020 (EU 27). This negative change can be observed as part of a continuous declining trend in prospectus.



⁽⁴⁾ Data will become available only during the mandate on the number of approved EU Growth prospectuses

⁽⁵⁾ “Flat or Decrease” as the trend in terms of prospectuses approved in the EEA has been declining over the last decade and could be expected to continue (‘decrease scenario’). However, according to the IPO Watch Europe report of 2021 from PWC (IPO Watch Europe 2021 - Annual Review (pwc.co.uk)), in 2021 the number of IPOs in Europe has increased quite steeply compared to 2020 and this might reflect also in an increase in terms of prospectus approved for 2021. However, the IPO activity was also stronger in 2020 compared to 2019, while the number of prospectuses approved in 2020 declined by 4.8% compared to 2019. It has to be seen also to what extent the growth in terms of IPOs in 2021 is due to the recovery from the peak of COVID-19 pandemic and if it will continue in the next years.

Baseline (2018)	Interim Milestone	Target (2024)	Latest known results (2020)
	(2022)		
Result indicator: Proportion of proposed legislative revisions that include burden reduction measures ⁽⁶⁾ Source of the data: DG FISMA			
Baseline (2018)	Interim Milestone	Target (2024)	Latest known results (2021)
	(2022)		
N/A	Positive trend	Positive trend	3 out of 6 primary legislation initiatives in 2021

Main outputs in 2021:			
New policy initiatives			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2020/6892  Investment protection and facilitation framework (legislative proposal)	Adoption by the Commission	Q2 2021	Work is ongoing and measures will be announced in 2022.
PLAN/2019/6172  Revision of the Markets in Financial Instruments Directive with a view to further streamlining and strengthening the rules on the protection of retail investors and the operation of SME	Adoption by the Commission	Q4 2021	Work is ongoing and is linked to the Listing Act proposal and retail investment work to be presented end 2022 (scheduled for October 2022).

⁽⁶⁾ This indicator refers only to primary legislation initiatives during the year. It is worth noticing that the bulk of DG FISMA's legal acts are delegated and implementing acts. DG FISMA always considers burden-reduction when preparing legislative and other initiatives.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
growth markets			
PLAN/2019/6173  Revision of the Markets in Financial Instruments Regulation with a view to introduce a consolidated securities trading tape in the Union	Adoption by the Commission	Q4 2021	Adopted on 25/11/2021 as part of the CMU package - COM(2021)726.
Initiatives linked to regulatory simplification and burden reduction			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2020/8721  Commission proposal for a Regulation amending Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (CSDR)	Adoption by the Commission	Q4 2021	Adopted on 16/03/2022 - COM(2022)120.
PLAN/2020/8887 Strategy for supervisory data collection in EU financial services	Adoption by the Commission	Q2 2021	Adopted on 15/12/2021 - COM(2021)798.
PLAN/2020/8416 (included in MP	Adoption by the Commission	Q3 2021	Adopted on 25/11/2021 as


Output	Indicator	Target	Latest known results (situation on 31/12/2021)
2020) Proposal for a Regulation amending Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds (ELTIFs)			part of the CMU package - COM(2021)722.
PLAN/2019/6271 (included in MP 2020) Possible legislative amendments relating to Directive 2011/61/EU on Alternative Fund Managers Directive (AIFMD) and partly to 2009/65/EU on UCITS (UCITS IV), and to a lesser extent to Regulation 345/2013 on EuVECA and Regulation 346/2013 on EuSEF	Adoption by the Commission	Q4 2021	Adopted on 25/11/2021 as part of the CMU Package - COM(2021)721.

Evaluations and fitness checks			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Public consultations			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Enforcement actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Ensure timely and complete transposition of Directives.	Closing or referring to the Court of Justice at least 65% of the non-communication cases which were open at the beginning of 2021.	Throughout the year	<ul style="list-style-type: none"> Non-communication cases opened beginning of 2021: 46 Non-communication cases closed (25) or referred to the Court (0): 25 54% of the non-communication cases which were open at the beginning of 2021 were closed or referred to the Court of Justice during 2021.
Providing timely replies to the questions requiring interpretation of the financial services legislation to ensure uniform reading of legal obligations set out in the financial services legislation across the EU and supervisory convergence.	70% of the questions needing interpretation will be dealt within 6 months.	Throughout the year	Following the introduction of a new process to adopt questions and answers in quarterly batches, the Commission provided 164 answers to questions submitted by stakeholders to the ESAs requiring the interpretation of

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
			financial services legislation. In particular, the Commission provided in 2021 answers to 117 questions submitted by European Banking Authority (EBA), 16 questions submitted by European Insurance and Occupational Pensions Authority (EIOPA), 25 questions submitted by the European Securities and Markets Authority (ESMA) and 6 questions submitted by the Joint Committee of the ESAs. The Commission is currently building a system that allows monitoring the progress of individual questions from their receipt to the publication of answers.
Finalisation of the conformity checks of the following Directives: MiFID (2014/65, 2016/1034, 2017/593).	By end of 2021, confirming correct transposition or referring the case to the Court of Justice for non-conformity.	Throughout the year	Indicator achievement postponed to 2023.

External communication actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2017/1673 Commission Delegated Regulation amending Commission Delegated Regulation (EU) No 151/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories, with regard to regulatory technical standards specifying the data to be published and made available by trade repositories and operational standards for aggregating, comparing and accessing the data.	Adoption by the Commission	Q1 2021	Q1 2022 Part of technical package of reporting Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS).
PLAN/2016/191-193-194-195 - 196-197-198-199 (included in MP 2020)	Adoption by the Commission	Q1 2021	Adopted on 05/07/2021: C(2021)4845 (PLAN/2016/191) C(2021)4840 (PLAN/2016/193-194) C(2021)4847 (PLAN/2016/198) C(2021)4846

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2020/9440 Implementing acts of CCP equivalence under EMIR – Art. 13			(PLAN/2016/199) Adopted on 05/07/2021 – C(2021)4852.
PLAN/2019/5622 Delegated act specifying when commercial terms of central clearing are fair, reasonable, non-discriminatory and transparent – FRANDT	Adoption by the Commission	Q1 2021	Adopted on 02/06/2021 – C(2021)3817.
PLAN/2020/9779 Delegated act on the extension of the exemption from the clearing obligation for pension scheme arrangements	Adoption by the Commission	Q1 2021	Adopted on 06/05/2021 – C(2021)3114.
PLAN/2021/10073 Draft RTS on details of the reports to be reported to TRs under EMIR	Adoption by the Commission	Q1 2021	Q1 2022 Part of technical package of reporting RTSs and ITSs.
PLAN/2021/10075 Draft ITS on standards, formats, frequency and methods and arrangements for reporting to TRs under EMIR	Adoption by the Commission	Q1 2021	Q1 2022 Part of technical package of reporting RTSs and ITSs.
PLAN/2021/10072 Amendment to Delegated Regulation (EU) No 150/2013 on registration and extension of registration of TRs	Adoption by the Commission	Q1 2021	Q1 2022 Part of technical package of reporting RTSs and ITSs.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
under EMIR			
PLAN/2021/10071 ITS on registration and extension of registration of TRs under EMIR	Adoption by the Commission	Q1 2021	Q1 2022 Part of technical package of reporting RTSs and ITSs.
PLAN/2021/10070 RTS on procedures for ensuring data quality	Adoption by the Commission	Q1 2021	Q1 2022 Part of technical package of reporting RTSs and ITSs.
PLAN/2021/10074 RTS on operational standards for aggregation and comparison of data and on terms and conditions for granting access to data	Adoption by the Commission	Q1 2021	Q1 2022 Part of technical package of reporting RTS and ITSs.
PLAN/2020/8722  (included in MP 2020) General Report on CSDR	Adoption by the Commission	Q1 2021	COM(2021)348 Adopted 1 July 2021.
Feasibility assessment of a reporting framework to assess the effectiveness of national loan enforcement (with EBA)	Report or Staff Working Document	Q1 2021	Published on 2 August 2021.
2015/FISMA/135 2016/FISMA/090-092-093-095 PLAN/2021/10090-10091 Implementing acts of CCP equivalence under EMIR – Art.	Adoption by the Commission	Q1 2021 Q1 2021	2015/FISMA/135 adopted on 27/01/2021 - C(2021)379. Q2 2022

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
25(6)			
PLAN/2020/9116	Adoption by the Commission	Q1 2021	Adopted on 08/02/2021 - C(2021)579.
PLAN/2020/9117		Q2 2021	Adopted on 06/05/2021 – C(2021)3042.
PLAN/2020/9118		Q3 2021	Adopted on 06/08/2021 - C(2021)5778.
PLAN/2020/9119 Commission Implementing Regulation (EU) .../... of XXX laying down technical information for the calculation of technical provisions and basic own funds for reporting in accordance with Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance		Q4 2021	Adopted on 11/11/2021 - C(2021)7951.
2016/FISMA/027 Report on the systemic risk and cost compliance of interoperability arrangements	Adoption by the Commission	Q1 2021	Postponed to Q4 2022 The topic is linked to ongoing market developments.
PLAN/2020/9727 Financial Collateral Directive/ Settlement Finality Directive Review Report(s)	Adoption by the Commission	Q1 2021	Q3 2022
PLAN/2021/10092 Report on pension funds central	Adoption by the Commission	Q2 2021	Adopted on 06/05/2021 – C(2021)224.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
clearing			
PLAN/2020/6312 (included in MP 2020) Commission Implementing Regulation (EU) 2021/897 of 4 March 2021 with regard to implementing technical standards specifying under Regulation (EU) No 2019/1238 of the European Parliament and of the Council (PEPP Regulation) the format of supervisory reporting and the details of cooperation and exchange of information for the purpose of the cooperation between national competent authorities (NCAs) and between NCAs and EIOPA	Adoption by the Commission	Q2 2021	Adopted on 04/03/2021 - C(2021)1421. Published OJ 4 June 2021.
PLAN/2020/6313 (included in MP 2020) Commission Delegated Regulation (EU) .../... of XXX supplementing Regulation (EU) No 2019/1238 of the European Parliament and of the Council (PEPP Regulation) with regard to additional information for the	Adoption by the Commission	Q2 2021	Adopted on 24/02/2021 – C(2021)1134. Published OJ 22 March 2021.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
purposes of the convergence of supervisory reporting			
European financial stability and integration review (EFSIR) – annual report on market developments analysis relevant to financial market integration and stability, to be launched in a joint conference with the ECB	Staff working document	Q2 2021	Published on 27 May 2021.
PLAN/2021/10845 Commission Staff working document (initially “Communication”) on the CMU monitoring: comprehensive indicator dashboard	Communication or Staff Working Document	Q2 2021	SWD listing indicators to track capital markets’ developments and measure progress achieved towards a CMU published on 9 June 2021. SWD(2021)544 /F2 – 13/07/2021.
PLAN/2019/5318 Commission Delegated Regulation amending Commission Delegated Regulation (EU) 2018/65 of 29 September 2017 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council specifying technical elements of the definitions	Adoption by the Commission	Q3 2021	Issue will be addressed in a forthcoming benchmark review.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
laid down in paragraph 1 of Article 3 of the Regulation			
PLAN/2018/4511 Implementing Act establishing a list of public authorities in the Union falling within the definition under Article 3(3) of Regulation (EU) 2016/1011 (Benchmark Regulation)	Adoption by the Commission	Q3 2021	Postponed to Q4 2022. Awaiting information from Member States on which authorities should be included in the list.
Report on the functioning of the securitisation framework under Article 46 of Regulation (EU) 2017/2402 and Article 519a of Regulation (EU) No 575/2013. If found appropriate, the report would be accompanied by a legislative proposal.	Adoption by the Commission	Q4 2021	The report on Article 46 of Regulation (EU) 2017/2402. will be delivered in Q2 2022. The report on Article 519a of Regulation (EU) No 575/2013 will be delivered in Q4 2022.
Report on the functioning of the European Supervisory Authorities under Article 81 of Regulations (EU) 1093/2010, 1094/2010, 1095/2010 and following Action 16 of the CMU Action Plan.	Adoption by the Commission	Q4 2021	Report to be published in Q1 2022
Feasibility assessment of referral scheme to require banks redirect rejected	Report or Staff Working Document	Q4 2021	Feasibility assessment to be published in Q1 2022.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
SMEs to alternative providers of finance			
PLAN/2021/10077 ECAI mapping – ITS amending Implementing Regulation (EU) 2016/1799 Implementing Regulation (EU) 2016/1799 should be amended in order to provide mapping under CRR for newly registered ECAs and those that have been identified as needing amendments to their mapping reports.	Adoption by the Commission	Q4 2021	Adopted 16/11/2021 - C(2021)8129.
PLAN/2021/10078 ECAI mapping – ITS amending Implementing Regulation (EU) 2016/1800 Implementing Regulation (EU) 2016/1800 should be amended in order to provide mapping under Solvency II for newly registered ECAs and those that have been identified as needing amendments to their mapping reports.	Adoption by the Commission	Q4 2021	Adopted on 16/11/2021 - C(2021)8131.

Specific objective 1.2: Financial stability is preserved and improved by efficient supervision and crisis management mechanisms, by means to absorb shocks and diversify risks, and a comprehensive approach is in place to fight money laundering and the financing of terrorist activities

Related to spending programme(s): NO

Result indicator: Banks' total capital ratio

Source of the data: ECB SDW (Consolidated Banking Data, CBD2)

Baseline (2019 Q3)	Interim Milestone (2022)	Target (2024)	Latest known results (2021 Q3)
18.04% in 2019 Q3 between 15.4% and 25.9% for banks supervised by the ECB	Banks remain sufficiently capitalised	Banks remain sufficiently capitalised	19.3%

Result indicator: Banks' build-up minimum required own funds and eligible liabilities (MREL)

Source of the data: EBA and SRB MREL dashboard

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2021 Q2)
EUR 178 billion	Increase	Increase	EUR 2 217 billion

Result indicator: Solvency Capital Requirements (SCR) ratio

Source of the data: EIOPA Insurance statistics

Baseline (2019 Q3)	Interim Milestone (2022)	Target (2024)	Latest known results (2021 Q3)
202% median SCR ratio (between 129% and 279%)	Insurance companies remain sufficiently capitalised	200%	204% median SCR ratio (between 163% and 294%)

Result indicator: Number of on-site and off-site Anti-Money Laundering supervisory actions, number of breaches identified on the basis of supervisory actions, and number of sanctions/administrative measures applied by supervisory authorities

Source of the data: EBA and national supervisory authorities

Baseline (2018/2019)	Interim Milestone	Target (2024)	Latest known results (2019/2020)
	(2022)		
Baseline on supervisory actions (2018): 15175 off-site inspections, 4897 on-site inspections	Increase in the number of supervisory actions and sanctions, when necessary	Supervisory actions (2019): 22200 offsite inspections, 4466 on-site inspections.	Baseline on supervisory actions (2018): 15175 off-site inspections, 4897 on-site inspections
Baseline on identified breaches (2018): 2467		Identified breaches (2019): 3646.	Baseline on identified breaches (2018): 2467
Baseline on sanctions/administrative measures (2019; no 2018 data available): 19		Sanctions/ad ministrative measures (2020): 65.	Baseline on sanctions/administrative measures (2019; no 2018 data available): 19


Result indicator: Proportion of proposed legislative revisions that include burden reduction measures



Source of the data: DG FISMA


Baseline (2018)	Interim Milestone	Target (2024)	Latest known results (2021)
	(2022)		
N/A	Positive trend	Positive trend	6 out of 9 primary legislation initiative in 2021

Main outputs in 2021:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2020/7886  Proposal for a Directive of the European	Adoption by the Commission	Q2 2021	Adopted on 20/07/2021 - COM(2021)423.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Parliament and the Council on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing (recast of Directive (EU) No 2015/849)			
PLAN/2020/7907  Proposal for a Regulation of the European Parliament and the Council on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing, amending Directive (EU) No 2015/849	Adoption by the Commission	Q2 2021	Adopted on 20/07/2021 - COM(2021)420 and COM(2021)422.
PLAN/2020/7908  Proposal for a Regulation of the European Parliament and the Council on the establishment of a Union anti-money laundering supervisor PLAN/2020/7909  Proposal for a Regulation of the European Parliament and of the Council on establishing a coordination and support mechanism for Financial Intelligence Units	Adoption by the Commission (these two AP items will be in the same legislative proposal)	Q2 2021	Adopted on 22/09/2021 – COM(2021)421.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2019/5384  Revision of prudential rules for insurance and reinsurance companies (Solvency II) including the effectiveness of tools and powers to address insurers' failures (recovery and resolution)	Adoption by the Commission	Q3 2021	Adopted on 22/09/2021 – COM(2021)580, COM(2021)581 and COM(2021)582.
PLAN/2020/7910 Commission Communication (or SWD) on the rules applicable to the use of public private partnerships in the framework of preventing and fighting money laundering and terrorist financing	Adoption by the Commission	Q4 2021	Postponed to Q2 2022.

Initiatives linked to regulatory simplification and burden reduction

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2020/8120  Proposal for a Directive of the European Parliament and of the Council amending Directive 2014/59/EU (BRRD)	Adoption by the Commission	Q4 2021	Postponed to Q4 2022.
PLAN/2020/8121  Proposal for a Directive of the European Parliament and of	Adoption by the Commission	Q4 2021	Postponed to Q4 2022.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
the Council amending Directive 2014/49/EU (DGSD)			
PLAN/2020/8122  Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 806/2014 (SRMR)	Adoption by the Commission	Q4 2021	Postponed to Q4 2022.
PLAN/2019/5320 (⁷) Regulation of the European Parliament and of the Council amending Regulation (EU) No 575/2013 (Capital Requirements Regulation - CRR) as regards risk-based own funds requirements	Adoption by the Commission	Q2 2021	Adopted 27/10/2021 - COM(2021)664.
PLAN/2019/5321 ² Directive of the European Parliament and of the Council amending Directive 2013/36/EU (Capital Requirements Directive - CRD) as regards risk management and supervisory review processes	Adoption by the Commission	Q2 2021	Adopted 27/10/2021 - COM(2021)663.
PLAN/2021/10416 Commission Implementing Regulation (EU)	Adoption by the Commission	Q2 2021	Adopted on 07/11/2021 – C(2021)8144.

(⁷) 2020 Commission work programme Annex I initiative.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
<p>2021/955 of 27 May 2021 laying down implementing technical standards for the application of Regulation (EU) 2019/1156 of the European Parliament and of the Council with regard to the forms, templates, procedures and technical arrangements for the publications and notifications of marketing rules, fees and charges, and specifying the information to be communicated for the creation and maintenance of the central database on cross-border marketing of AIFs and UCITS, as well as the forms, templates and procedures for the communication of such information</p>			

Evaluations and fitness checks			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Public consultations			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Enforcement actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
<p>Finalisation of the completeness checks of the following Directives:</p> <ul style="list-style-type: none"> 2015/849, on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (AML 4); 2017/2399, amending Directive 2014/59/EU as regards the ranking of unsecured debt instruments in insolvency hierarchy. 	By end of 2021, confirming complete transposition in Themis database or referring the case to the Court of Justice for non-communication.	Throughout the year	<ul style="list-style-type: none"> Complete transposition of Directive 2015/849 has been confirmed for 27 Member States. Complete transposition of Directive 2017/2399 has been confirmed for 19 Member States.
<p>Finalisation of the conformity checks of the following Directives:</p> <ul style="list-style-type: none"> 2015/849, on the prevention of the use of the financial system for the purposes of money 	By end of 2021, confirming correct transposition or referring the case to the Court of Justice for non-conformity.	Throughout the year	<ul style="list-style-type: none"> Conform transposition of Directive 2015/849 has been confirmed for 25 Member States. Conform transposition of Directive

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
laundering or terrorist financing (AML 4); • 2017/2399, amending Directive 2014/59/EU as regards the ranking of unsecured debt instruments in insolvency hierarchy.			2017/2399 has been confirmed for 15 Member States.
External communication actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2020/7926 Commission Delegated Regulation (EU) .../...of XXX amending Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions	Adoption by the Commission	Q1 2021	Adopted on 10/02/2022 - C(2022)722.
PLAN/2020/9353 Commission Implementing Regulation (EU)	Adoption by the Commission	Q1 2021	Adopted on 17/11/2021 - C(2021)7654.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
.../... of XXX amending Commission Implementing Regulation (EU) No 926/2014 laying down implementing technical standards with regard to standard forms, templates and procedures for notifications relating to the exercise of the right of establishment and the freedom to provide services according to Directive 2013/36/EU of the European Parliament and of the Council			
PLAN/2020/9352 Commission Delegated Regulation (EU) .../... of XXX amending Commission Delegated Regulation (EU) No 1151/2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards on the information to be notified when exercising the right of establishment and the freedom to provide services	Adoption by the Commission	Q1 2021	Adopted on 20/10/2021 - C(2021)7430.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
<p>PLAN/2016/515</p> <p>Regulatory Technical Standards (RTS) on the specification of the assessment methodology for market risk internal models and the assessment of significant share</p> <p>The RTS will specify the assessment methodology that competent authorities must follow in assessing the compliance of an institution with the requirements to use the Internal Model Approach (IMA) for the own fund requirements for market risk and specify what means a significant share of positions covered by the IMA to grant IMA approval for a given risk category.</p>	Adoption by the Commission	Q1 2021	Postponed to Q3 2022.
<p>PLAN/2017/1688</p> <p>Regulatory Technical Standards (RTS) amending the RTS on determining the proxy spread and on limited smaller portfolios for CVA risk</p> <p>Amendment to the existing RTS to reflect some changes to the advanced approach for the calculation of the</p>	Adoption by the Commission	Q1 2021	Postponed to Q3 2022.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
own fund requirement for CVA risks, as recommended in the EBA report published in 2015.			
PLAN/2017/2061 Regulatory Technical Standards (RTS) on the calculation of KIRB in accordance with the top-down approach and the use of proxy data (new Article 255(9) of the CRR)	Adoption by the Commission	Q1 2021	Postponed to Q3 2022. Delay due to technical reasons.
PLAN/2020/6371 Regulatory Technical Standards (RTS) on the Standardised Approach for Counterparty Credit Risk (SA-CCR)	Adoption by the Commission	Q1 2021	Adopted on 01/03/2021 – C(2021)1225.
PLAN/2020/7871 Commission Delegated Regulation (EU) No .../... of xxx supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards on back testing and profit and loss attribution requirements under Article 325bf and Article 325bg of Regulation (EU) No 575/2013	Adoption by the Commission	Q1 2021	Postponed to Q1 2022. Delay due to technical reasons.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2020/7872 Commission Delegated Regulation (EU) No .../... of xxx supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards on liquidity horizons for the Alternative Internal Model Approach under points (a) to (d) of Article 325bd(7) of the Regulation (EU) No 575/2013	Adoption by the Commission	Q1 2021	Postponed to Q1 2022. Delay due to technical reasons.
PLAN/2020/7873 Commission Delegated Regulation (EU) No .../... of xxx supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards to further specify the criteria for assessing the modellability of risk factors under the internal model approach (IMA) under Article 325be(3)	Adoption by the Commission	Q1 2021	Postponed to Q1 2022. Delay due to technical reasons.
PLAN/2020/8243 Commission Implementing Regulation (EU) No	Adoption by the Commission	Q1 2021	Adopted on 13/09/2021 - C(2021) 4738.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
.../... of xxx amending Implementing Regulation (EU) 2016/2070 as regards supervisory benchmark portfolios, reporting templates and reporting instructions to be applied in the Union for the reporting referred to in Article 78(2) of Directive 2013/36/EU of the European Parliament and of the Council.			
PLAN/2018/3348 Commission Implementing Regulation (EU) No .../... of xxx amending Implementing Regulation (EU) 2016/2070 as regards benchmarking portfolios and reporting instructions	Adoption by the Commission	Q1 2021	Adopted on 13/09/2021 – C(2021)4734.
PLAN/2020/8993 Commission Implementing Regulation (EU) No .../... of xxx amending Implementing Regulation (EU) 2015/2197 with regard to closely correlated currencies in accordance with Regulation (EU) No 575/2013 of the	Adoption by the Commission	Q1 2021	Adopted on 17/02/2021 – C(2021)944.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
European Parliament and of the Council			
PLAN/2020/9358 Commission Implementing Regulation (EU) No .../... of xxx amending Implementing Regulation (EU) 2016/1646 as regards the main indices and recognised exchanges in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council	Adoption by the Commission	Q1 2021	Postponed to Q2 2022 due to technical reasons.
PLAN/2020/8377 Commission Implementing Regulation (EU) No .../... of xxx laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council	Adoption by the Commission	Q1 2021	Adopted on 15/03/2021 – C(2021)1595.
PLAN/2017/1713 Commission Implementing Regulation (EU) No.../...of XXX supplementing Directive 2013/36/EU of the European	Adoption by the Commission	Q1 2021	Postponed to Q1 2022.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Parliament and of the Council of 26 June 2013 with regard to implementing technical standards in respect of the information to be provided for the authorisation of credit institutions			
PLAN/2017/1714 Commission Delegated Regulation (EU) No .../...of XXX supplementing Directive 2013/26/EU of the European Parliament and of the Council of 26 June 2013 with regard to regulatory technical standards in respect of the information to be provided in the application for the authorisation of credit institutions, the requirements applicable to shareholders and members with qualifying holdings and obstacles which may prevent the effective exercise of supervisory powers	Adoption by the Commission	Q1 2021	Postponed to Q1 2022.
PLAN/2018/4099 – new reference: PLAN/2021/10176 Draft implementing technical standards on the	Adoption by the Commission	Q1 2021	Postponed to Q2 2022.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
reporting of intra-group transactions under Article 8 (2) of Directive 2002/87/EC			
Report to the EP and Council on market developments potentially requiring the use of Article 459 CRR	Adoption by the Commission	Q1 2021	To be covered in the evaluation of the macroprudential framework as part of the 2022 review (due in Q4 2022).
Report to the EP and Council on effects of CRR/CRD on the economic cycle (art 502 CRR)	Adoption by the Commission	Q1 2021	To be covered in the evaluation of the macroprudential framework as part of the 2022 review (due in Q4 2022).
PLAN/2020/9526 Report on whether to introduce a leverage ratio surcharge for O-SIIs (Art 511(1)(a) of Regulation 2019/876)	Adoption by the Commission	Q1 2021	Adopted on 16/02/2021 – C(2021)62.
PLAN/2020/9527 Regulatory Technical Standards (RTS) specifying the methodology for the identification of global systemically important institutions (G-SIIs)	Adoption by the Commission	Q1 2021	Adopted on 11/02/2021 – C(2021)772.
PLAN/2021/10174 ITS on reporting of the minimum requirement for own funds and eligible liabilities to	Adoption by the Commission	Q1 2021	Adopted on 15/04/2021 – C(2021)2508.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
entities to EBA – Article 45j(2) BRRD II			
PLAN/2021/10094 RTS on the methodology for estimating certain prudential capital requirements by resolution authorities – Article 45c(4) BRRD II	Adoption by the Commission	Q1 2021	Adopted on 26/03/2021 – C(2021)1794.
PLAN/2021/10155 Commission Delegated Regulation (EU) No .../... of xxx supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards to further specify own funds requirements for market risk for non-trading book positions that are subject to foreign exchange risk or commodity risk	Adoption by the Commission	Q2 2021	Postponed to Q2.2022 Delay due to technical reasons.
PLAN/2021/10156 Commission Delegated Regulation (EU) No .../... of xxx supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical	Adoption by the Commission	Q2 2021	Postponed to Q2.2022 Delay due to technical reasons.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
standards to further specify the calculation of the stress scenario risk measure			
PLAN/2020/8852 ITS on Contractual recognition of bail-in – Article 55(8)BRRD II	Adoption by the Commission	Q2 2021	Adopted on 01/10/2021 - C(2021)6972.
PLAN/2020/8850 RTS on contractual recognition of bail-in power- Article 55(6) (a), (b), (c) BRRDII	Adoption by the Commission	Q2 2021	Adopted on 31/05/2021 - C(2021)3697.
PLAN/2021/10299 RTS on contractual recognition of resolution stay powers – Article 71a(5) BRRD II	Adoption by the Commission	Q2 2021	Adopted on 22/04/2021 - C(2021)2656.
European Semester, including Macroeconomic Imbalances Procedure (based on art 121 of the Treaty)	Adoption by the Commission and the Council of Country-Specific Recommendations	Q2/Q3 2021	In-Depth Reviews published on 02 June 2021 for HR, CY, FR, DE, EL, IE, IT, PT, RO, ES, SE, NL. No Country Specific Recommendations in 2021 given the RRF implementation
EU Semester – Recovery and Resilience Facility Contribution to monitoring the implementation of National Recovery and Resilience Plans on financial sector issues according to the agreed timeline and milestones	Adoption by the Commission	Q2/Q3/Q4 2021	Operational Arrangements signed with ES, FR, EL, IT and SK in 2021.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2021/10125-10126-10127 Commission Delegated Regulation supplementing Directive (EU) 2015/849 of the European Parliament and of the Council regarding third countries with strategic deficiencies in their regimes for countering money laundering and terrorism financing.	Adoption by the Commission	Q2/Q3/Q4 2021 (three Delegated Acts in the course of 2021)	PLAN/2021/10125: Adopted by College on 22/12/2021 by empowerment – official adoption 07/01/2022) – C(2021)4335.
PLAN/2020/9694 Report from the Commission to the European Parliament and the Council on the assessment of the risk of money laundering and terrorist financing affecting the internal market and relating to cross-border activities (Supranational Risk Assessment report, SNRA)	Adoption by the Commission	Q3 2021	Postponed to Q2 2022 (to be packaged with Communication /SWD on public-private partnerships).
Contribution to financial sector analysis in Country Reports	DG FISMA contribution to Commission Country Reports	Q3/Q4 2021	Publication foreseen in May 2022.
PLAN/2017/2047 Report from the Commission to the European Parliament and the Council on the functioning of the benchmarking of international	Adoption by the Commission	Q4 2021	Postponed to Q2 2022.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
models			
PLAN/2021/11516 Commission Implementing Regulation (EU) No .../... of xxx amending Implementing Regulation (EU) 2016/2070 as regards supervisory benchmark portfolios, reporting templates and reporting instructions to be applied in the Union for the reporting referred to in Article 78(2) of Directive 2013/36/EU of the European Parliament and of the Council (2022 benchmarking exercise).	Adoption by the Commission	Q4 2021	Postponed to Q2 2022.
Report from the Commission to the European Parliament and the Council on the Single Supervisory Mechanism established pursuant to Regulation (EU) No1024/2013	Adoption by the Commission	Q4 2021	Planned for Q4 2022.
PLAN/2022/3 Commission Implementing Regulation (EU) .../... of xxx amending Commission Implementing regulation (EU) .../.. of yyy laying down implementing	Adoption by the Commission	Q4 2021	Received in December 2021. Adoption planned for Q2 2022 (ISC ongoing).

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions			
PLAN/2021/10137 Commission Implementing Regulation (EU) No .../... of xxx amending Commission implementing Regulation (EU) No .../... of yyy laying down implementing technical standards with regard to public disclosures by institutions	Adoption by the Commission	Q4 2021	Received in January 2022. Adoption planned for Q2 2022.
Commission Delegated Regulation (EU) No .../... of xxx supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards to further specify what constitutes emerging market and advanced economies	Adoption by the Commission	Q4 2021	Received in February 2022. Adoption planned for Q2 2022.
PLAN/2021/13187 Commission Delegated	Adoption by the Commission	Q4 2021	Adoption planned for Q2 2022.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Regulation (EU) No .../... of xxx supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards to further specify the calculation of jump-to-default amounts			
PLAN/2021/12994 Commission Delegated Regulation (EU) No .../... of xxx supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards to further specify what is an exotic underlying and which instruments are exposed to other residual risks	Adoption by the Commission	Q4 2021	Received in October 2021. Adoption planned for Q2 2022.
PLAN/2021/12845 Report on use of equity in resolution (CCP RR/Art 27(6))	Adoption by the Commission	Q4 2021	Planned for Q1 2022.
Euro area recommendation on financial sector policy	Adoption by the Commission and the Council	Q4 2021	Adopted on 24/11/2021 – COM(2021)742 final.
Contribution on financial sector policy to the Staff Working Document accompanying	Completion of the contributions	Q4 2021	Adopted on 24/11/2021 – COM(2021)742 final.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Council euro area recommendations, published jointly with the Annual Sustainable Growth Strategy			
Post-Programme Surveillance for, Portugal, Ireland, Spain, Cyprus, Enhanced Surveillance for Greece (based on Commission Implementing Decision C(2018)4495 of 11 July 2018). Contribution about financial sector to Review Reports.	Adoption by the Commission of the Review Reports	Twice per year More frequent for Greece	Published on 24 February 2021 [EL] ; 02 June 2021 [ES, CY, IE, PT, EL] ; 22 September 2021 [EL] ; 24 November 2021 [ES, CY, IE, PT, EL] .
Development of country knowledge Monitoring of national financial and economic developments with a view to avoid financial distress and track policy implementation and initiatives to assess their contribution to growth and investment	Regular reporting	Ongoing	Regular country missions; weekly monitor, and ad hoc reports on horizontal schemes.
EU Semester – Recovery and Resilience Facility Contribution to Assessment of National Recovery and Resilience Plans on financial sector issues	Adoption by the Commission of proposals and approval by the Council	Throughout the year	22 Recovery and Resilience Plans adopted by Council.
Exercise the Commission's function as Resolution Authority	- Attending and preparing Executive and Plenary SRB Board Meetings	Throughout the year	RTF has attended all the monthly Regular Executive Board Meetings

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
	<ul style="list-style-type: none"> and preparatory bodies; - Monitoring banks in difficulty; - Endorsing resolution schemes; - Intervention in judicial and nonjudicial proceedings; Participating in Resolution colleges.		as well as the Extended Executive Board meetings dedicated to the adoption of Resolution Plans and preparing for the Resolution of ailing Banks. RTF has also attended all the Quarterly Regular Plenary Board Meetings. RTF has been included in the list of Members of Resolution Colleges.
Enhance preparedness for resolution cases	Preparation of and/or participation in: <ul style="list-style-type: none"> - Trilateral resolution exercise; - SRB dry runs; - Follow-up to Nordic-Baltic dry run; - FSB CBCM and Resolution Steering groups; - EBA resolution committees and groups. 	Throughout the year	RTF has participated in the Resolution Exercise (Cross border bank) organized by the SRB. RTF has also participated in the Trilateral Principal Level Exercise as well as the Nordic Baltic Exercise. Besides that, RTF is representing the Commission as Resolution Authority both at the FSB CBCM and the EBA.

Specific objective 1.3: The confidence and protection of consumers and investors on European financial markets, as well as market integrity, are enhanced

Related to spending programme(s): NO

Result indicator: Share of household assets invested in financial instruments

Source of the data: Eurostat (Financial balance sheets nasa_10_f_bs)

Baseline (2018)	Interim Milestone	Target (2024)	Latest known results (2021)
	(year)		
46.07%	Increase	Increase	46,6%

Result indicator: Equity UCITS fund costs for retail investors

Source of the data: ESMA, Refinitiv Lipper

Baseline (2009-2018)	Interim Milestone	Target (2024)	Latest known results (2020)
	(year)		
1.89%	Decrease	Decrease	Broadly stable

Result indicator: Number of infringements with sanctions under the Market Abuse Regulation

Source of the data: ESMA

Baseline (2019)	Interim Milestone	Target (2024)	Latest known results (2020)
	(year)		
281 infringements with sanctions	Increase in the number of infringements with sanctions when market abuse is detected	Increase in the number of infringements with sanctions when market abuse is detected	448 According to ESMA's Report on Administrative and criminal sanctions and other administrative measures imposed under the Market Abuse Regulation in 2020, these numbers, compared to last year's report, portray a significant increase in the number of sanctions under 'other infringements' (192 in 2019)

Baseline (2019)	Interim Milestone	Target (2024)	Latest known results (2020)
	(year)		
			and 348 in 2020). Similarly, sanctions imposed under Article 14 of MAR almost doubled compared to last year (15 in 2019 and 26 in 2020). The number of sanctions imposed under Article 15 of MAR stays the same compared to last year (74 in 2019 and in 2020).

Result indicator: Proportion of proposed legislative revisions that include burden reduction measures

Source of the data: DG FISMA

Baseline (2018)	Interim Milestone	Target (2024)	Latest known results (2021)
	(year)		
N/A	Positive trend	Positive trend	0 out of 1 primary legislation initiatives presented in 2021

Main outputs in 2021:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2019/5384 Directive on the minimum harmonisation of rules for national insurance guarantee schemes (IGSD).	Adoption by the Commission	Q3 2021	Project currently on hold.

Initiatives linked to regulatory simplification and burden reduction

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2020/6368 Commission Regulation (EC) No .../... of adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council (Repeal and Replacement of the IFRS Regulation)	Adoption by the Commission	Q4 2021	Postponed to 2023.

Evaluations and fitness checks

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2020/8624 Review of the Mortgage Credit Directive (2014/17/EU) and possible follow up work on a legislative proposal. The evaluation should include an	Adoption by the Commission	Q4 2021	Adoption of report on 11/05/2021 – COM(2021)229. Further preparatory work is continuing in 2022.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
assessment of the main provisions of the Directive notably on creditworthiness assessment, pre-contractual information and forbearance measures and evaluate if the Directive is fit for purpose for the challenges posed by the digitalisation of the economy and sustainable finance objectives.			
Public consultations			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Enforcement actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Timely assessment of complaints reporting possible breaches of EU law.	70% Closure or sending of a letter of formal notice within 12 months from a receipt of a complaint.	Throughout the year	<ul style="list-style-type: none"> Complaints opened beginning of 2021: 67 Complaints closed (28) or letter of formal notice sent (3): 31 46% of the complaints opened at the beginning of 2021 were closed or letters of formal notice were sent.
Finalisation of the completeness checks of the	By end of 2021, confirming complete	Throughout the year	<ul style="list-style-type: none"> Complete transposition of

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
following Directives: <ul style="list-style-type: none"> • 2015/2366, on payment services in the internal market (PSD2), • 2016/97, on insurance distribution (IDD), • 2016/2341, on the activities and supervision of institutions for occupational retirement provision (IORP). 	transposition in NIF database or referring the case to the Court of Justice for non-communication.		Directive 2015/2366 has been confirmed for 20 Member States. <ul style="list-style-type: none"> • Complete transposition of Directive 2016/97 has been confirmed for 20 Member States. • Complete transposition of Directive 2016/2341 has been confirmed for 2 Member States.
Finalisation of the conformity checks of the following Directives: <ul style="list-style-type: none"> • 2015/2366, on payment services in the internal market (PSD2), • 2016/97, on insurance distribution (IDD), • 2014/17, on credit agreements for consumers relating to residential immovable property (MCD). 	By end of 2021, confirming correct transposition or referring the case to the Court of Justice for non-conformity.	Throughout the year	<ul style="list-style-type: none"> • Indicator achievement for Directive 2015/2366 has been postponed to 2022. • Conform transposition of Directive 2016/97 has been confirmed for 27 Member States. • Conform transposition of Directive 2014/17 has been confirmed for 2 Member States.

External communication actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Report on the Payment Accounts Directive (2014/92/EU) in compliance with Article 27 of the Directive. Based on data provided by Member States, the report should present an overview of important parameters, including the number of credit institutions offering payment accounts with basic features, the number of such accounts that have been opened and the number of accounts that have been switched.	Adoption by the Commission	Q2 2021	The report is postponed until Q2 2022.
Report on the review of the Payment Accounts Directive (2014/92/EU) in compliance with Article 28 of the Directive and possible follow up work on a legislative proposal. The report should include an assessment of the main provisions of the Directive	Adoption by the Commission	Q2 2021	The report is postponed until Q2 2022.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
notably on switching of payment accounts and access to payment accounts with basic features and a feasibility analysis of new tools for cross-border account opening and switching, including IBAN portability.			
PLAN/2021/10360 Report from the Commission to the European Parliament and the Council on the activities of the IFRS Foundation, EFRAG and the IOB.	Adoption by the Commission on an annual basis	Q2 2021	Postponed to Q1 2022.
PLAN/2020/8271 Commission Regulation (EU) amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards amendments to IAS 16, IAS 37, IFRS 3 and Annual Improvements to IFRS Standards 2018–2020 Cycle	Adoption by the Commission	Q2 2021	Adopted on 28/06/2021 - C(2021)4530.
Feasibility assessment of a dedicated EU	Report or Staff Working Document	Q2 2021	Published on 8 April 2021.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
financial competence framework			
PLAN/2018/4555 Report from the Commission to the European Parliament and the Council pursuant to Article 38 of Regulation No 596/2014 on market abuse (market abuse regulation)	Adoption by the Commission	Q3 2021	Postponed to Q3 2022 It was decided that this initiative is addressed jointly with other sectorial reviews in the new Listing Act initiative.
PLAN/2018/3036 Commission Regulation (EU) .../... amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards IFRS 17	Adoption by the Commission	Q4 2021	Adopted on 19/11/21 - C(2021)8224.
PLAN/2021/10153 Commission Regulation (EU) amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards amendments to IAS 1 and IAS 8	Adoption by the Commission	Q4 2021	Planned for Q1 2022.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2021/10729 Commission Regulation (EU) amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards amendments to IFRS 16	Adoption by the Commission	Q3 2021	Adopted on 30/08/2021 - C(2021) 6644.
PLAN/2021/11185 Commission Regulation (EU) amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards amendments to IAS 12	Adoption by the Commission	Q1 2022	Planned for Q3 2022.
Safeguarding consumers' interests in financial services: <ul style="list-style-type: none"> To provide financial support to two EU-wide non-industry organisations, which enable civil society to have a stronger 	5 meetings of the Financial Services User Group (FSUG); 2 plenary meetings of FIN-NET; Successful implementation of the annual work programmes of the two grant beneficiaries.	All year	Financial Services User Group (FSUG): 2 meetings in 2021. FIN-NET: 2 plenary meetings and one webinar in 2021. For the grants: annual workplans of the two

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
<p>say in EU policy making on financial services.</p> <ul style="list-style-type: none"> • To manage the network of alternative dispute resolution bodies in the area of financial services, FINNET, to facilitate the resolution of cross-border complaints about financial services and to obtain information on consumer issues in the Member States. • To ensure that consumer interests are fully taken into account in financial services policymaking and that any consumer issues are closely monitored to identify needs for adapting or developing the regulatory framework. 			<p>beneficiaries were implement in 2021 but we are yet to evaluate them. (evaluation we did in 2021 on the 2020 workplans concluded that the action carried out by the beneficiaries was generally in compliance with the grant agreement).</p>

Specific objective 1.4: More private capital is made available for sustainable investments

Related to spending programme(s): NO

Result indicator: Green bonds issuance in the EU, total and as percent of total bond issuance

Source of the data: Bloomberg

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
EUR 113.5 billion face value issued in 2019 (up from EUR 54.9 billion in 2018), 2.3% of total bond issuance ⁽⁸⁾	Increase	Increase	5.1%

Result indicator: Provisional indicator – subject to data becoming available later in mandate ⁽⁹⁾: EU ecolabel for retail financial products (number of total assets of funds with new ecolabel)

Source of the data: Data will become available later on, sources to be clarified

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
No data currently available	Increase	Increase	Not yet available

⁽⁸⁾ Different options exist for presenting green bonds as a share of bonds issued in the EU. The figure above considers also government and supranational bonds.

⁽⁹⁾ For these indicators, data are not yet available as the policies are not yet in place, FISMA and ENV agreed in 2018 that the EU Ecolabel will take into account the results of the work on EU Taxonomy when possible and relevant. The work under the EU Taxonomy went on in 2021. Therefore, the vote of the EU EcolabelRegulatory Committee regarding a Commission Decision establishing EU Ecolabel criteria for retail financial products has been postponed to an unspecified date, potentially in 2022, to wait for the conclusion of the work on the EU taxonomy (1st delegated act on climate) put on hold to wait for . We reserve the right to revise these indicators later.

Result indicator: Provisional indicator – subject to data becoming available later in mandate ⁽¹⁰⁾: Climate benchmarks: measured as assets under management referenced against the respective benchmarks

Source of the data: Data will become available later on, sources to be clarified

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
No data currently available	Increase	Increase	Not yet available

Result indicator: Provisional indicator – subject to data becoming available later in the mandate ⁽¹¹⁾:

EU Taxonomy: measured as:

- a) The evolution of the size of taxonomy-aligned economic activities
- b) Financial flows to taxonomy-aligned activities

Source of the data: Data will become available later on, sources to be clarified

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
No data currently available	Increase	Increase	Not yet available

Result indicator: Proportion of proposed legislative revisions that include burden reduction measures

Source of the data: DG FISMA

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
N/A	Positive trend	Positive trend	1 out of 2 primary legislative initiatives in 2021.

⁽¹⁰⁾ For these indicators, data are not yet available as the policies are not yet in place. We reserve the right to revise these indicators later.

⁽¹¹⁾ For these indicators, data are not yet available as the policies are not yet in place. We reserve the right to revise these indicators later.

Main outputs in 2021:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2020/7030  Proposal for a Regulation of the European Parliament and of the Council on the Establishment of an EU Green Bond Standard	Adoption by the Commission	Q2 2021	Adopted on 06/07/2021 - COM(2021)391.
PLAN/2020/6361  Communication 'Strategy for Financing the Transition to a Sustainable Economy' As part of the European Green Deal, the Strategy sets out the Commission's agenda for sustainable finance in the coming years and identifies four policy areas to address: facilitating transition finance, supporting a more inclusive sustainable finance, strengthening work on resilience and impact of the financial sector, and adapting to a renewed global ambition..	Adoption by the Commission	H1 2021	Adopted on 06/07/2021 - COM(2021)390.

Initiatives linked to regulatory simplification and burden reduction			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2019/6123 Directive amending Directive 2014/95/EU (the Non-Financial Reporting Directive) as regards disclosure of non-financial information by certain undertakings and groups	Adoption by the Commission	Q2 2021	Adopted on 21/04/2021 – C(2021)189.
Evaluations and fitness checks			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Public consultations			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Enforcement actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
External communication actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2020/8119 Delegated Act under the Taxonomy Regulation Commission	Adoption by the Commission	Q2 2021	Adopted on 06/07/2021 – C(2021)4987.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Delegated Regulation 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation			
PLAN/2020/8849 Commission Delegated Regulation supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector with regard to the content, methodologies and presentation of information in relation to no significant harm principle, adverse	Adoption by the Commission	Q2 2021	The adoption is planned by Q1 2022 with application on 1 January 2023

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
impact indicators and the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, websites and periodic reports			
PLAN/2021/11268 Delegated Act under the Taxonomy Regulation Commission Delegated Regulation 2021/XXX of XXX 2021 on 4 environmental objectives supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.	Adoption by the Commission	Q4 2021	On 2 February 2022, the Commission approved in principle the Complementary Climate Delegated Act. Preparatory work inside the Commission is ongoing. Finalisation steps will follow as soon as the Platform on Sustainable Finance – the Commission’s advisory body on the Taxonomy developments – submits its own recommendations on technical screening criteria for the remaining environmental objectives, which is foreseen for Q1 2022.
Commission report on a possible extension of the scope of the Taxonomy Regulation The Commission shall publish a	Publication by the Commission	Q4 2021	Preliminary analysis has started and the Commission will finalise its findings as soon as the Platform on Sustainable Finance – the

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
report describing the provisions that would be required to extend its scope to cover economic activities that do not have a significant impact on environmental sustainability and economic activities that significantly harm environmental sustainability, a review of the appropriateness of specific disclosure requirements related to transitional and enabling activities, and other sustainability objectives, such as social objectives.			Commission's advisory body on the Taxonomy developments – submits its own reports on taxonomy extension options linked to environmental objectives and on social taxonomy, which are foreseen for Q1 2022.
Research study on ESG benchmark labels	Completion of external study	Q4 2021	Delivery of the research study is planned for Q3 2022.

Specific objective 1.5: Opportunities from digital technology are widely employed to implement a safe, competitive and inclusive digitalisation of financial services

Related to spending programme(s): NO

Result indicator: Number of payment transactions involving non-MFIs (non-monetary financial institutions)

Source of the data: ECB Statistical Data Warehouse,
<http://sdw.ecb.europa.eu/reports.do?node=1000001386>

Baseline (Average for 2014-2018)	Interim Milestone (year)	Target (2024)	Latest known results (2020)
The total number of payments: 139.9 billion in 2018 The total number per capita: 272.6 in 2018 (EU)	Increase Increase	Increase Increase	127 billion payments 284 per capita

Result indicator: Contribution of cyber risk, data security, IT failures and outsourcing to increasing operational risk at EU banks

Source of the data: EBA Risk Assessment Banks' Questionnaire <https://eba.europa.eu/risk-analysis-and-data/risk-dashboard>; Data Annex to the EBA Risk Assessment Report <https://eba.europa.eu/risk-analysis-and-data/risk-assessment-reports>

Baseline (2019)	Interim Milestone (year)	Target (2024)	Latest known results (Q3 2021)
89% for cyber risk/data security 31% for IT failures 23% for outsourcing	Decrease	Decrease	88% for cyber risk/data security 18% for IT failures 18% for outsourcing

Result indicator: IT systems spending allocated by EU banks to digital innovation/new technologies

Source of the data: EBA Risk Assessment Banks' Questionnaire <https://eba.europa.eu/risk-analysis-and-data/risk-dashboard>; EBA Risk Assessment Report <https://eba.europa.eu/risk-analysis-and-data/risk-assessment-reports>

Baseline (2018)	Interim Milestone	Target (2024)	Latest known results (2020)
	(year)		
17.5% of total IT investment (some EUR 24.7bn)	Increase	Increase ¹⁷	Increase ¹⁷

Result indicator: Proportion of proposed legislative revisions that include burden reduction measures

Source of the data: DG FISMA

Baseline (2018)	Interim Milestone	Target (2024)	Latest known results (2021)
	(2022)		
N/A	Positive trend	Positive trend	1 out of 1 primary legislation initiatives presented in 2021

Main outputs in 2021:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2020/9145 Proposal for a Directive/Regulation of the European Parliament and of the Council for a European single access point (ESAP) for financial and non-financial information publicly disclosed by companies (Text	Adoption by the Commission	Q3 2021	Adopted on 25/11/2021 as part of the CMU Package – COM(2021)723.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
with EEA relevance)			
Initiatives linked to regulatory simplification and burden reduction			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Evaluations and fitness checks			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Public consultations			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Enforcement actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
External communication actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2021/10089 Commission Delegated Regulation amending Delegated Regulation (EU) 2019/815 as regards the 2021 update of the taxonomy laid down in the regulatory technical	Adoption by the Commission	Q4 2021	Adopted on 29/11/2021 - C(2021) 8474.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
standards for the single electronic reporting format (2021 Amendment to the ESEF Regulation)			
Joint EU/OECD-INFE Financial Competence Framework for Adults – includes digital finance competences	Publication	Q1 2022	Published by the European Commission and the OECD's International Network on Financial Education on 11 January 2022.

Specific objective 1.6: The EU financial system's sovereignty and competitiveness in a challenging international environment are strengthened

Related to spending programme(s): NO

Result indicator: % of international debt securities in EUR

Source of the data: ECB IROE reports, data in annex

Baseline (2018 Q4)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
23.5% (¹²)	Increase	Increase	23%

Result indicator: The use of euro in international transactions

Source of the data: ECB IROE reports, data in annex

Baseline (2018)	Interim Milestone (2022) (year)		Target (2024)	Latest known results (2020)
51.4% (¹³)	Increase		Increase	51.3%

(¹²) The baseline has changed because the calculation method (constant exchange rate) implies that different exchange rates have been used for the past years (with a different calculation method – current exchange rate – the picture would be better: 2018: 22.4%; 2020: 23%. Nonetheless, we prefer using the constant exchange rates, as we consider them more appropriate for stocks.

Result indicator: % of adopted decisions having undergone equivalence monitoring

Source of the data: European Commission, DG FISMA

Baseline (2019)	Interim Milestone	Target (2024)	Latest known results (2020)
	(2022)		
3.5%	6%	10%	5%

Result indicator: % of Member States complying with reporting obligations under EU restrictive measures

Source of the data: DG FISMA

Baseline (2020)	Interim Milestone		Target	Latest known results (2021)
	(2021)	(2022)		
32%	40%	Increase 60-80% reporting obligations complied with	90+% reporting obligations complied with	40%

Result indicator: Proportion of proposed legislative revisions that include burden reduction measures

Source of the data: DG FISMA

Baseline (2018)	Interim Milestone	Target (2024)	Latest known results (2021)
	(2022)		
N/A	Positive trend	Positive trend	N/A (no primary legislation initiative presented in 2021)

Main outputs in 2021:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2020/9266 Communication on strengthening	Adoption by the Commission	Q1 2021	Adopted on 19/01/2021 – C(2021)32.

⁽¹³⁾ The baseline has slightly changed because of the calculation method used by the ECB.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Europe's open strategic autonomy in economy and finance			
Initiatives linked to regulatory simplification and burden reduction			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Streamline procedures relating to Regulation (EC) No 2271/96	Publication of revised template for authorisation requests Publication of Guidance Note	Q2 2021	Postponed. Link with ongoing review of Regulation 2271/96, publication of new templates and guidelines will follow the amendment of the Blocking Statute, 2023 at the earliest.
Evaluations and fitness checks			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Report to EP and Council, pursuant to Article 7(a) of Regulation (EC) No 2271/96	Publication of Report	Q3 2021	Report published and presented in Q3.
Evaluation of the effectiveness of sanctions, including novel threats in sanctions evasion and national penalties for the violation of EU sanctions	Assessment report Publication of Guidance Note	Q4 2021	Study on economic impact assessment, tender documents finalised, further actions to be taken upon finalisation of the study in Q4 2022.

Public consultations			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Enforcement actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Support provision of humanitarian aid in compliance with sanctions	Consultation with stakeholders Publication of Guidance Notes (COVID-19 specific and horizontal) Set up online system for single contact point	Throughout the year	Covid-19 guidance on terrorism published in Q3.
Ensure timely and complete reporting of information required by sanctions regulations	90% reporting on national authorities, assets frozen and penalties by 2024	Throughout the year	Ongoing dialogue with MS.
Establish an anonymous reporting tool on EU sanctions violations	Tool launch	Q4 2021	Tool procured in Q4 2021, implementation in Q1 2022.
Commission Opinions on sanctions interpretation	75% of the opinions adopted within 2.5 months of the request	Throughout the year	No new requests for opinions received in 2021.
External communication actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
PLAN/2020/8885 Establish an expert group on EU Restrictive Measures and Extra-territoriality.	Adoption by the Commission	Q1 2021	Adopted on 12/04/2021 – C(2021)2385.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Ensure sanctions compliance in EU fund spending	Signature of framework partnership agreements including sanctions clauses	Throughout the year	Ongoing cooperation with all services involved with several major agreements signed.
The Commission would support Member States in the set-up of national asset management companies (AMCs) – if they wish to do so – and would explore the merits of establishing a network of national AMCs at EU level, jointly with the national AMCs, the ECB and the EBA.	Work with Member States ⁽¹⁴⁾	Throughout the year	At this stage, close monitoring is key.

⁽¹⁴⁾ As announced in the NPL Action Plan, the Commission stands ready to support the establishment of national AMCs by those Member States that wish to do so, in order to remove COVID-19 NPLs from banks' balance sheets. We also stand ready to explore further the benefits of a European network of national AMCs. Given the reigning uncertainty and the delicate nature of the topic, no Member State has so far requested to engage in formal discussions regarding the establishment of a centralised AMC within their jurisdiction. It is clear that any further developments in this area will depend primarily on how the situation on the ground will develop in the near future. Paying close attention to the discussions with Member State authorities that took place in the context of the European Semester, FISMA.E.1 have reached out to selected Member States to engage in further (informal) discussions. The selected countries expressed an interest in establishing a national AMC in the past, especially in the context of the NPL industry roundtable (organised by DG FISMA).

ANNEX 3: Draft annual accounts and financial reports

AAR 2021 Version 2

Annex 3 Financial Reports - DG FISMA - Financial Year 2021

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures

Table 12 : Summary of Procedures

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2021 (in Mio €) for DG FISMA					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 02 European Strategic Investments					
02	02 04	Digital Europe programme	0,00	0,00	0,00 %
Total Title 02			0,00	0,00	0,00 %
Title 03 Single Market					
03	03 01	Support administrative expenditure of the 'Single Market' cluster	0,09	0,09	99,93 %
	03 02	Single Market Programme	15,26	15,25	99,95 %
	03 10	Decentralised agencies	51,84	49,18	94,86 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0,00	0,00	0,00 %
Total Title 03			67,19	64,52	96,02 %
Title 06 Recovery and Resilience					
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	0,05	0,05	100,00 %
	06 06	EU4Health Programme	0,06	0,06	100,00 %
Total Title 06			0,11	0,11	100,00 %
Title 07 Investing in People, Social Cohesion and Values					
07	07 07	Justice	0,00	0,00	0,00 %
	07 20	Pilot projects, preparatory actions, prerogatives and other actions	0,00	0,00	0,00 %
Total Title 07			0,00	0,00	0,00 %
Title 08 Agriculture and Maritime Policy					
08	08 01	Support administrative expenditure of the "Agriculture and Maritime Policy" cluster	0,00	0,00	0,00 %
	08 04	European Maritime and Fisheries Fund (EMFF)	0,09	0,09	99,79 %
Total Title 08			0,09	0,09	99,79 %
Title 11 Border Management					
11	11 02	Integrated Border Management Fund (IBMF) & Instrument for financial support for border management and visa	0,11	0,11	100,00 %
Total Title 11			0,11	0,11	100,00 %
Title 14 External Action					
14	14 01	Support administrative expenditure of the 'External Action' cluster	0,25	0,25	100,00 %
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	0,09	0,09	100,00 %
Total Title 14			0,34	0,34	100,00 %
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0,08	0,08	98,59 %
	20 04	Information and communication technology related expenditure	1,05	1,00	95,21 %

Total Title 20	1,13	1,08	95,45 %
Total Excluding NGEU	68,96	66,24	96,05 %
Total DG FISMA	68,96	66,24	96,05 %

** Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).*

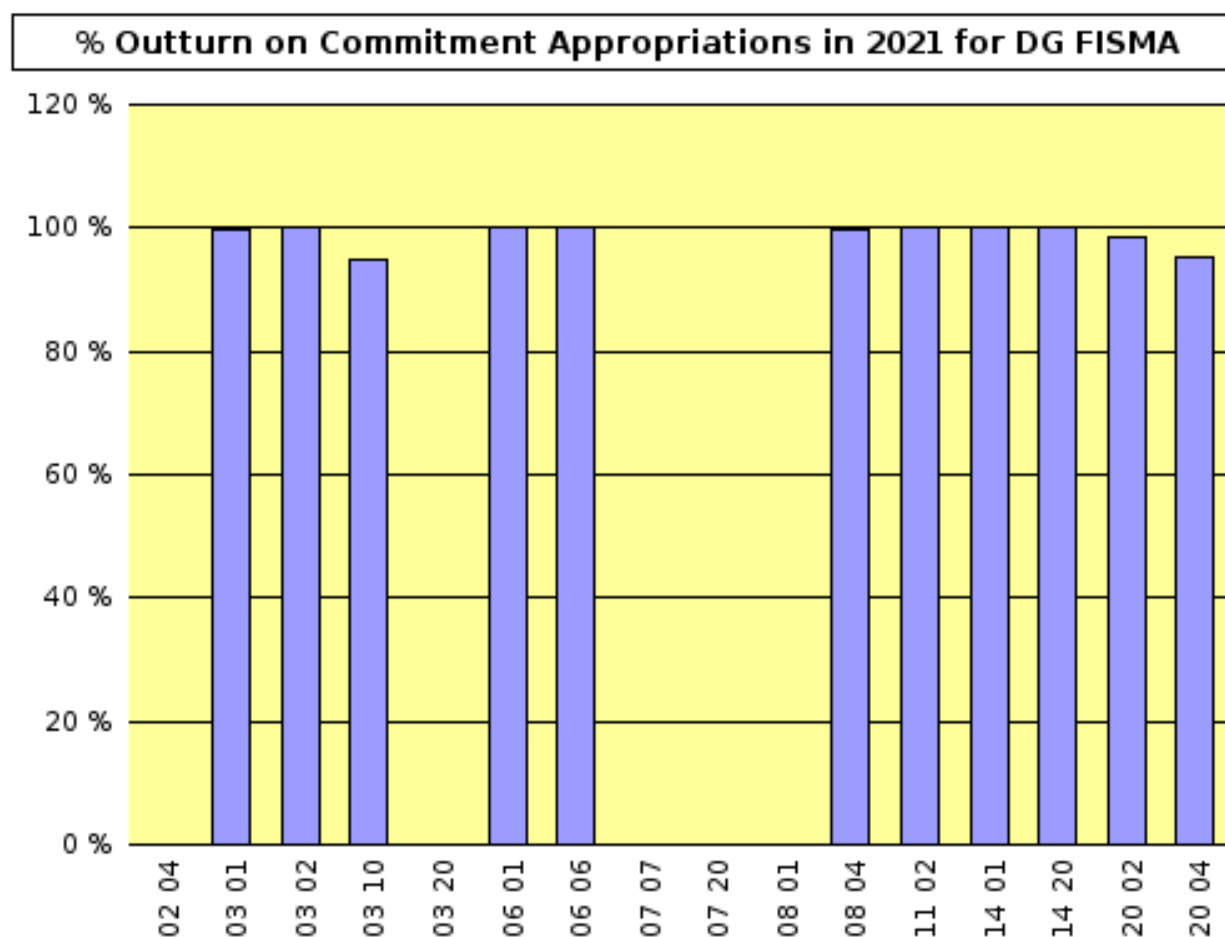


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2021 (in Mio €) for DG FISMA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 02 European Strategic Investments					
02	02 04	Digital Europe programme	0,00	0,73	0,00 %
Total Title 02			0,00	0,73	0,00%
Title 03 Single Market					
03	03 01	Support administrative expenditure of the `Single Market¿ cluster	0,14	0,07	49,33 %
	03 02	Single Market Programme	13,05	12,99	99,52 %
	03 10	Decentralised agencies	51,84	49,18	94,86 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0,16	0,16	100,00 %
Total Title 03			65,19	62,39	95,71%
Title 06 Recovery and Resilience					
06	06 01	Support administrative expenditure of the `Recovery and Resilience¿ cluster	0,05	0,02	44,27 %
	06 06	EU4Health Programme	0,00	0,00	0,00 %
Total Title 06			0,05	0,02	44,27%
Title 07 Investing in People, Social Cohesion and Values					
07	07 07	Justice	0,18	0,18	100,00 %
	07 20	Pilot projects, preparatory actions, prerogatives and other actions	0,00	0,00	0,00 %
Total Title 07			0,18	0,18	100,00%
Title 08 Agriculture and Maritime Policy					
08	08 01	Support administrative expenditure of the "Agriculture and Maritime Policy" cluster	0,09	0,09	100,00 %
	08 04	European Maritime and Fisheries Fund (EMFF)	0,00	0,00	0,00 %
Total Title 08			0,09	0,09	100,00%
Title 11 Border Management					
11	11 02	Integrated Border Management Fund (IBMF) ¿ Instrument for financial support for border management and visa	0,20	0,20	97,69 %
Total Title 11			0,20	0,20	97,69%
Title 14 External Action					
14	14 01	Support administrative expenditure of the `External Action¿ cluster	0,58	0,38	65,92 %
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	0,06	0,06	100,00 %
Total Title 14			0,64	0,44	69,19%
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0,58	0,39	67,40 %
	20 04	Information and communication technology related expenditure	1,97	1,12	56,62 %
Total Title 20			2,56	1,51	59,08%
Total Excluding NGEU			68,91	65,56	95,15%

Total DG FISMA	68,91	65,56	95,15 %
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* Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).

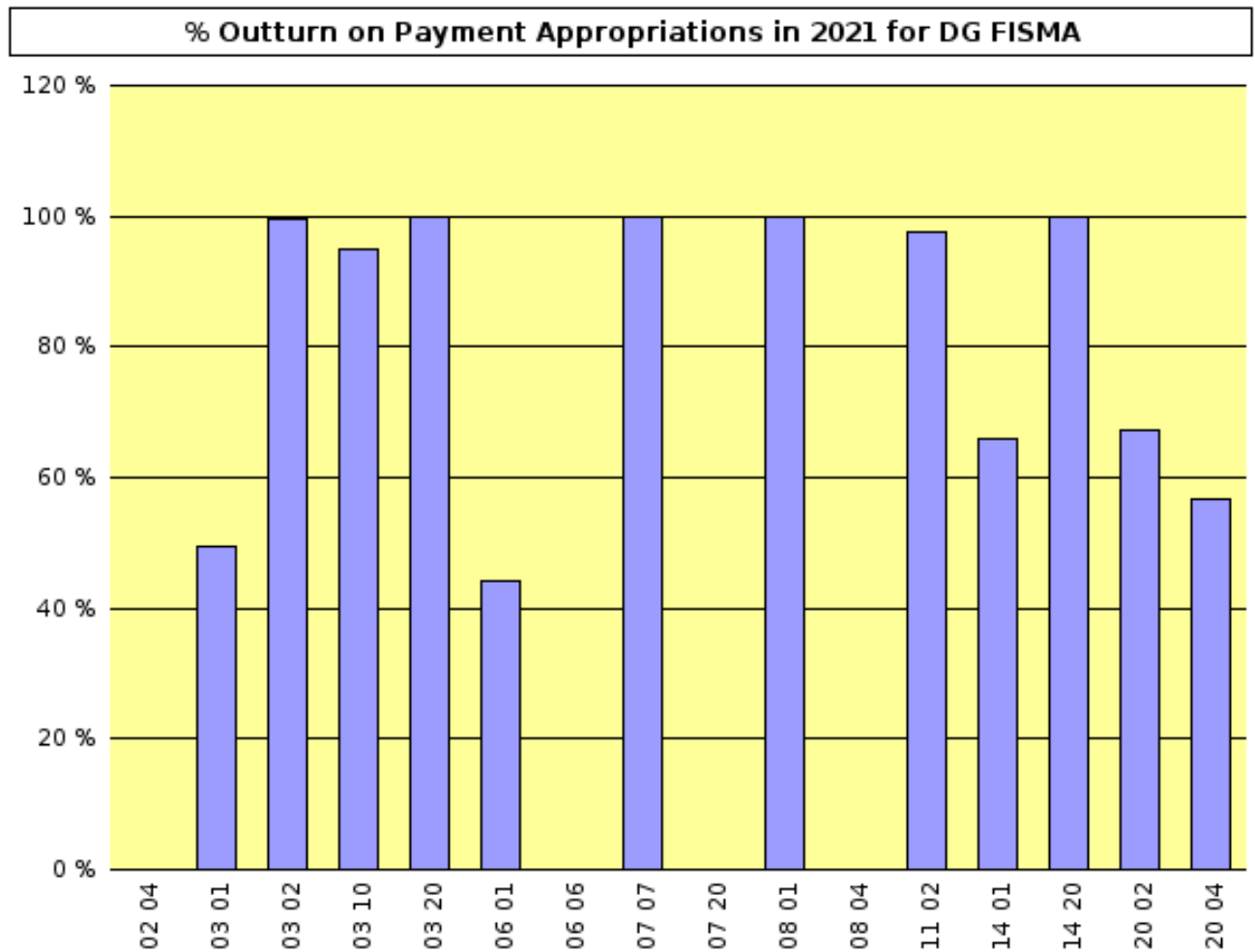


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG FISMA									
			Commitments to be settled				Commitment s to be settled from financial years previous to 2020	Total of commitment s to be settled at end of financial year 2021	Total of commitment s to be settled at end of financial year 2020
Chapter			Commitment s	Payment s	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
0 2	02 04	Digital Europe programme	0,00	0,00	0,00	0,00%	0,34	0,34	1,43
Total Title 02			0,00	0,00	0,00	0,00%	0,34	0,34	1,43
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG FISMA									
			Commitments to be settled				Commitment s to be settled from financial years previous to 2020	Total of commitment s to be settled at end of financial year 2021	Total of commitment s to be settled at end of financial year 2020
Chapter			Commitment s	Payment s	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
0 3	03 01	Support administrative expenditure of the `Single Market¿ cluster	0,09	0,02	0,07	79,98%	0,00	0,07	0,05
	03 02	Single Market Programme	15,25	6,21	9,04	59,27%	1,30	10,34	8,47
	03 10	Decentralised agencies	49,18	49,18	0,00	0,00%	0,00	0,00	0,00
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0,00	0,00	0,00	0,00%	0,68	0,68	0,84
Total Title 03			64,52	55,40	9,11	14,12%	1,98	11,09	9,36
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG FISMA									
			Commitments to be settled				Commitment s to be settled from financial years previous to 2020	Total of commitment s to be settled at end of financial year 2021	Total of commitment s to be settled at end of financial year 2020
Chapter			Commitment s	Payment s	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
0 6	06 01	Support administrative expenditure of the `Recovery and Resilience¿ cluster	0,05	0,02	0,03	58,77%	0,00	0,03	0,00
	06 06	EU4Health Programme	0,06		0,06	100,00%	0,00	0,06	0,00
Total Title 06			0,11	0,02	0,09	82,33%	0,00	0,09	0,00
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG FISMA									
			Commitments to be settled				Commitment s to be settled from financial years previous to 2020	Total of commitment s to be settled at end of financial year 2021	Total of commitment s to be settled at end of financial year 2020
Chapter			Commitment s	Payment s	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7

07	07 07	Justice	0,00	0,00	0,00	0,00%	0,00	0,00	0,18
	07 20	Pilot projects, preparatory actions, prerogatives and other actions	0,00		0,00	0,00%	1,75	1,75	1,75
Total Title 07			0,00	0,00	0,00	0,00%	1,75	1,75	1,93
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG FISMA									
			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
08	08 01	Support administrative expenditure of the "Agriculture and Maritime Policy" cluster	0,00	0,00	0,00	0,00%	0,00	0,00	0,09
	08 04	European Maritime and Fisheries Fund (EMFF)	0,09		0,09	100,00%	0,00	0,09	0,00
Total Title 08			0,09	0,00	0,09	100,00%	0,00	0,09	0,09
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG FISMA									
			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
11	11 02	Integrated Border Management Fund (IBMF) ; Instrument for financial support for border management and visa	0,11	0,00	0,11	100,00%	0,02	0,13	0,22
Total Title 11			0,11	0,00	0,11	100,00%	0,02	0,13	0,22
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG FISMA									
			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
14	14 01	Support administrative expenditure of the "External Action" cluster	0,25	0,08	0,17	67,08%	0,00	0,17	0,33
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	0,09	0,01	0,08	87,68%	0,00	0,08	0,05

Total Title 14			0,34	0,09	0,25	72,54%	0,00	0,25	0,38
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG FISMA									
			Commitments to be settled				Commitment s to be settled from financial years previous to 2020	Total of commitment s to be settled at end of financial year 2021	Total of commitment s to be settled at end of financial year 2020
Chapter			Commitment s	Payment s	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
20	20 02	Other staff and expenditure relating to persons	0,08	0,02	0,06	74,40%	0,00	0,06	0,50
	20 04	Information and communication technology related expenditure	1,00	0,22	0,78	78,25%	0,00	0,78	0,93
Total Title 20			1,08	0,24	0,84	77,97%	0,00	0,84	1,43
Total Excluding NGEU			66,24	55,75	10,48	15,83%	4,09	14,57	14,84
Total for DG FISMA			66,23666855	55,75	10,48	15,83 %	4,09	14,57	14,84

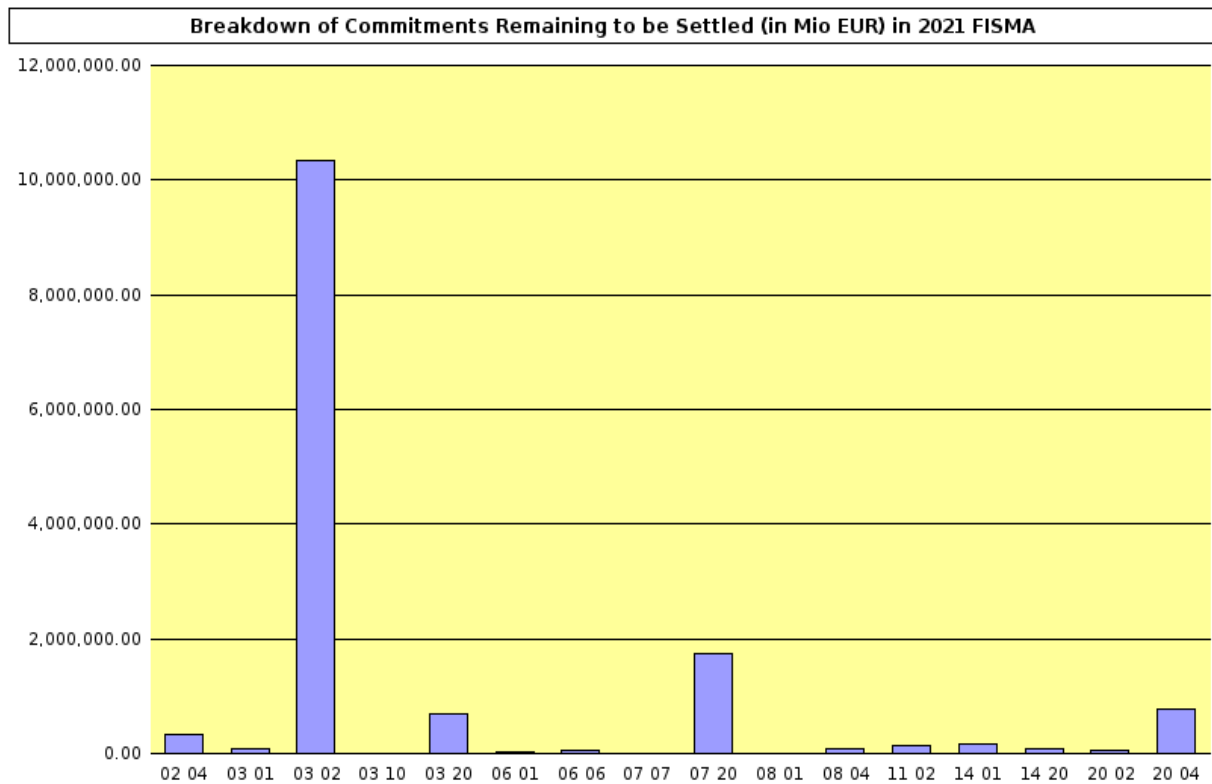


TABLE 4 : BALANCE SHEET for DG FISMA

BALANCE SHEET	2021	2020
A.I. NON CURRENT ASSETS	0	0
A.I.2. Property, Plant and Equipment	0,00	0,00
A.II. CURRENT ASSETS	7453443,18	8327775,79
A.II.2. Current Pre-Financing	7.447.155,91	8.321.488,52
A.II.3. Curr Exch Receiv &Non-Ex Recoverables	6.287,27	6.287,27
ASSETS	7453443,18	8327775,79
P.II. CURRENT LIABILITIES	3295,45	3295,45
P.II.4. Current Payables	3.295,45	3.295,45
LIABILITIES	3295,45	3295,45
NET ASSETS (ASSETS less LIABILITIES)	7456738,63	8.331.071,24
P.III.2. Accumulated Surplus/Deficit	387.531.350,24	332047904,2
Non-allocated central (surplus)/deficit*	-394.988.088,87	-340378975,4
TOTAL DG FISMA	0,00	0,00

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

The accounting situation presented in the Balance Sheet and Statement of Financial Performance does not include the accruals and deferrals calculated centrally by the services of the Accounting Officer.

The controls applied at the level of grants, procurement and contributions to the ESAs described in this report and in Annex 6 also cover the management of 'Current assets – Current Pre-financings'.

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG FISMA

STATEMENT OF FINANCIAL PERFORMANCE	2021	2020
II.1 REVENUES	-6870046,21	-4724658,81
II.1.1. NON-EXCHANGE REVENUES	-6546000	-5081738,77
II.1.1.4. FINES	-5.501.000,00	-5.000.000,00
II.1.1.5. RECOVERY OF EXPENSES	-1.045.000,00	-81.738,77
II.1.1.7. OTHER NON-EXCHANGE REVENUES	0,00	
II.1.2. EXCHANGE REVENUES	-324046,21	357079,96
II.1.2.1. FINANCIAL INCOME	-327,38	
II.1.2.2. OTHER EXCHANGE REVENUE	-323.718,83	357.079,96
II.2. EXPENSES	63661470,3	60208104,85
II.2. EXPENSES	63661470,3	60208104,85
II.2.10.OTHER EXPENSES	3.798.865,30	2.425.730,04
II.2.2. EXP IMPL BY COMMISS&EX.AGENC. (DM)	12.549.605,37	15.119.060,15
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	47.312.999,63	42.663.314,66
STATEMENT OF FINANCIAL PERFORMANCE	56.791.424,09	55.483.446,04

The accounting situation presented in the Balance Sheet and Statement of Financial Performance does not include the accruals and deferrals calculated centrally by the services of the Accounting Officer.

The controls applied at the level of grants, procurement and contributions to the ESAs described in this report also cover the 'revenue' operations made in these areas. Following two judgments of the European Court of Justice imposing lump sums and penalty payments on two Member States not having fully transposed the 4th Anti-money Laundering Directive, DG FISMA launched two recovery orders. These recovery orders (indicated as 'fines' in table 7 of Annex 3 and also reflected in table 9) were prepared in agreement with the Legal Service and in line with Chapter 2 of the Commission Decision C(2018) 511 of 3.8.2018 on the recovery of lump sums and penalty payments imposed by the Court of Justice of the European Union under Articles 260 and 279 of the Treaty on the Functioning of the European Union ⁽¹⁵⁾.

⁽¹⁵⁾ Considering the exceptional nature of these recoveries and the process governing them, DG FISMA does not report separately on the controls applied to the management of these 'fines'.

TABLE 5bis : OFF BALANCE SHEET for DG FISMA

OFF BALANCE	2021	2020
OB.1. Contingent Assets	0	0
GR for pre-financing	0,00	0,00
OB.4. Balancing Accounts	0	0
OB.4. Balancing Accounts	0,00	0,00
OFF BALANCE	0,00	0,00

TABLE 6 : AVERAGE PAYMENT TIMES

Legal Times									
Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
30	224	223	99,55 %	14,46 6368	1	0,45 %	41	35509,92	0,06 %
40	1	1	100,00 %	12				0	0 %
60	27	25	92,59 %	27,8	2	7,41 %	78	81550,83	1,3 %
90	1	1	100,00 %	15				0	0 %
117	1	1	100,00 %	49				0	0 %

Total Number of Payments	254	251	98,82 %		3	1,18 %		117060,75	0,17 %
Average Net Payment Time	16,5118 1102			15,92 4303			65,6666 6667		
Average Gross Payment Time	18,1889 7638			17,10 3586			109		

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	30	14	5,51 %	254	4.300.065,22	6,57 %	65.491.077,79

DG	GL Account	Description	Amount (Eur)

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2021 for DG FISMA								
Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
33	Other administrative revenue	396.354,00	0,00	396.354,00	396.354,00	0,00	396.354,00	0,00
42	Fines and penalties	5.501.327,38	5.000.000,00	10.501.327,38	5.501.327,38	5.000.000,00	10.501.327,38	0,00
60	Single market, innovation and digital	1.045.000,00	0,00	1.045.000,00	1.045.000,00	0,00	1.045.000,00	0,00
66	Other contributions and refunds	2.665.228,27	0,00	2.665.228,27	2.665.228,27	0,00	2.665.228,27	0,00
67	Completion for outstanding recovery orders prior to 2021	8.099,35	0,00	8.099,35	8.099,35	0,00	8.099,35	0,00
Total DG FISMA		9616009	5000000	14616009	9616009	5000000	14616009	0

TABLE 8 : RECOVERY OF PAYMENTS in 2021 for DG FISMA
(Number of Recovery Contexts and corresponding Transaction Amount)

Year of Origin (commitment)	Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	N br	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2019			1	8099,35		
2020			3	2665228,27		
No Link			1	1045000		
Sub-Total			5	3718327,62		

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	N br	Amount	N br	Amount	N br	Amount	N br	Amount	Nbr	Amount
INCOME LINES IN INVOICES										
NON ELIGIBLE IN COST CLAIMS	3	38457,11			3	38457,11	3	38.457,11	100,00 %	100,00 %
CREDIT NOTES	5	22807,61			5	22807,61	6	32.013,21	83,33 %	71,24 %
Sub-Total	8	61264,72			8	61264,72	9	70470,32	88,89 %	86,94 %
GRAND TOTAL	8	61264,72			8	61264,72	14	3788797,94	57,14 %	1,62%

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 12/31/2021 for DG FISMA

	Number at 1/1/2021 1	Number at 12/31/2021	Evolution	Open Amount (Eur) at 1/1/2021 1	Open Amount (Eur) at 12/31/2021	Evolution
2020	2		-100,00 %	5.000.000,00		-100,00 %
	2		-100,00 %	5.000.000,00		-100,00 %

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2021 for DG FISMA

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
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Total DG FISMA

Number of RO waivers

TABLE 11 : Negotiated Procedures in 2021 for DG FISMA

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Total		

TABLE 12 : Summary of Procedures in 2021 for DG FISMA

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Open procedure (FR 164 (1)(a))	4	6.018.850,00
Total	4	6.018.850,00

TABLE 13 : BUILDING CONTRACTS in 2021 for DG FISMA

Legal Base	Procedure subject	Contract Number	Contractor Name	Contract Subject	Contracted Amount (€)

TABLE 14 : CONTRACTS DECLARED SECRET in 2021 for DG FISMA

Legal Base	LC Date	Contract Number	Contract Subject	Contracted Amount (€)

TABLE 15 : FPA duration exceeds 4 years - DG FISMA

Not applicable

TABLE 16 : Commitments co-delegation type 3 in 2021 for DG FISMA

Not applicable

ANNEX 4: Financial Scorecard

The Annex 4 summarises the annual result of the standard financial indicators measurement for DG FISMA. Annexed to the Annual Activity Report 2021, 10 standard financial indicators are presented below, each with its objective and result for the Commission service and for the Commission as a whole (for benchmarking purposes) ⁽¹⁶⁾:

- Commitment Appropriations (CA) Implementation
- CA Forecast Implementation
- Payment Appropriations (PA) Implementation
- PA Forecast Implementation
- Global Commitment Absorption
- Timely Payments
- Timely Decommitments
- Invoice Registration Time
- Accounting Data Quality
- Management Data Quality

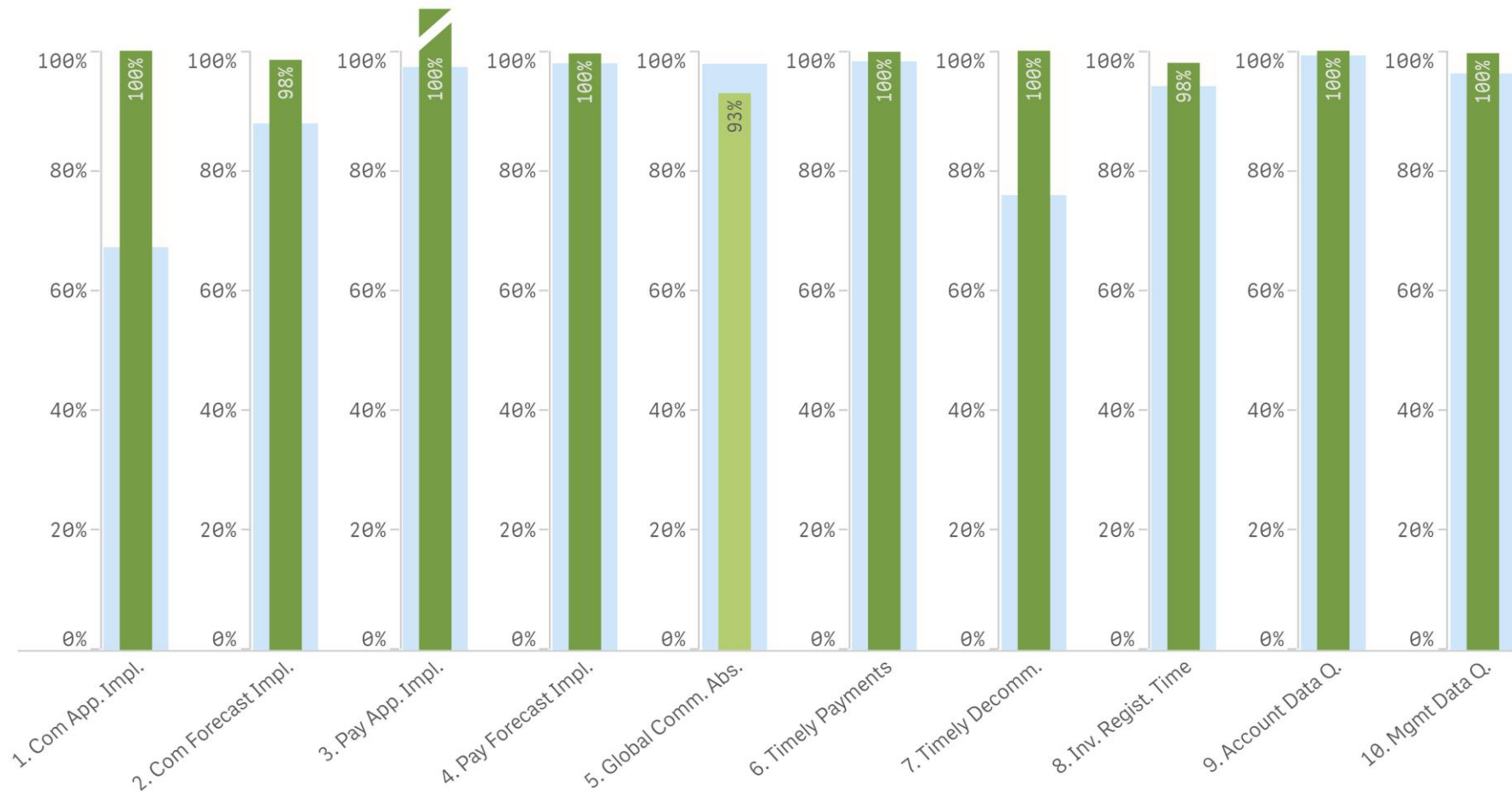
For each indicator, its value (in %) for the Commission service is compared to the common target (in %). The difference between the indicator's value and the target is colour coded as follows:

- 100 – >95% of the target: dark green
- 95 – >90% of the target: light green
- 90 – >85% of the target: yellow
- 85 – >80% of the target: light red
- 80 – 0% of the target: dark red

DG FISMA recorded excellent results in all 10 indicators also compared to Commission's averages.

⁽¹⁶⁾ If the EC service did not perform any transaction in the area measured by the indicator or the information is not available in the central financial system, the indicator is not calculated (i.e. displayed as “-”) in this Annex.

FISMA Indicator Scores 2021



For each indicator the light blue bar denotes the EC Score.

Indicator	Objective	Comment	FISMA Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year		100%	67%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year		98%	88%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year	*PA Implementation higher than 100% is a result of DG FISMA consuming payment appropriations of a different DG under a co-delegation, which were not transferred to DG FISMA.	100%	97%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year		100%	98%
5. Global Commitment Absorption ⁽¹⁷⁾	Ensure efficient use of already earmarked commitment appropriations (at L1 level)		93%	98%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	Very close to 100% of the total value of payments were made on time (compared to 91% last year). Only 3 payments out of 254 were executed late. The average net time to make a payment in DG FISMA was 16,5 days which is stable compared to 2020 (16.8).	100%	98%
7. Timely Decommittments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle		100%	76%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC		98%	94%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the		100%	99%

⁽¹⁷⁾ Due to technical limitation, the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

	focus on fields having a primary impact on the accounts			
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions		100%	96%

ANNEX 5: Materiality criteria

The materiality criteria is the benchmark against which DG FISMA identifies in qualitative and quantitative terms the overall impact of a weakness and judges whether it is significant enough to have an impact on the assurance. Even if the amount at risk is under the materiality threshold, a reservation may still be made on qualitative grounds. Non-quantifiable weaknesses are also considered such as deficiencies in the internal control system, critical issues reported by the European Court of Auditors, the Internal Audit Service or OLAF and events affecting the reputation of the DG or the Commission.

Qualitative assessment of materiality

To assess the significance of a weakness, DG FISMA considers the following factors in qualitative terms:

- the nature of the weakness;
- the duration of the weakness and whether it is systematic;
- the existence of compensatory measures (mitigating controls which reduce the impact of the weakness);
- the reputational impact of the weakness;
- the existence of effective actions to correct the weaknesses (action plans and financial corrections) which have had a measurable impact.

Quantitative assessment of materiality

As regards legality and regularity, the weakness is considered material if the estimated error rate (referring to authorised financial operations that do not comply with the applicable contractual or regulatory provisions) exceeds the materiality threshold of **2%** of total annual expenditure.

Indicators

Quantitative and qualitative indicators are calculated based on the errors detected *ex-ante* or *ex-post* as well as by any other relevant source of information such as the exception or non-compliance events recorded during the year. These indicators are reported in Annex 6 and Annex 7.

Since 2019⁽¹⁸⁾, a 'de minimis' threshold for financial reservations has been introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

⁽¹⁸⁾ Agreement of the Corporate Management Board of 30/4/2019.

ANNEX 6: Relevant Control System(s) for budget implementation (RCSs)

The list of controls described in this Annex is not exhaustive and it is focused on the main controls carried out by DG FISMA under the relevant control systems identified in direct management (grants and procurement) and indirect management. Additional controls are in place to cover other processes linked to horizontal controls such as budgetary planning, internal control, accounting and antifraud when linked to budget implementation.

DIRECT MANAGEMENT - Grants

Stage 1 — Programming and assessing grant applications

A — Preparation, adoption and publication of the work programmes

Main control objectives: Ensuring that the work programmes reflect the objectives of the programme as set in the legal base, that it contributes to the policy needs of the DG and that it is timely adopted.

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<p>The work programmes do not adequately reflect the objectives of the programme as set in the legal base and/or the evolving policy needs of the DG.</p> <p>If the work programme is adopted late there might be a risk of disrupting beneficiaries funding which may in turn hinder the adequate implementation of their actions and activities. The late adoption of the work programme may delay the signature of operating grants beyond the deadlines established in the financial regulation and may lead to complaints and potential</p>	<p>Consultation of operational units ahead of the preparation of the work programme at SMP level.</p> <p>Hierarchical validation by the AOSD and the operational units.</p> <p>Soliciting the involvement of the hierarchy of the financial unit in the governance bodies of the Single Market Programme in order to ensure timely escalation of issues/concerns on the content or timing of the work programme, including in relation to budgetary/financial issues.</p> <p>Preliminary discussions with the designated beneficiaries ahead of the preparation of the work programme as from the start of year N-1.</p>	<p>Coverage: 100% of work programmes.</p> <p>Depth: Strong controls on the operational/financial content of the work programme.</p> <p>Frequency: Annual.</p>	<p>Effectiveness: Number of negative opinions or substantial comments received via the inter-service consultation.</p> <p>Efficiency Adoption of the work programme before 31st March of year N.</p> <p>Economy: Costs of controls of stage 1 and stage 2 over value of grants.</p>

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
reputational damage.	Inter-service consultation including all relevant services also beyond the SMP family if needed.		

B — Assessment of the grant applications received

Main control objectives: Ensuring that the applications received comply with the objectives of the programme, are legal and regular.

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<p>The grant applications do not comply with the objectives of the programme as set in the legal base and the annual work programme</p> <p>The grant applications do not contain all information and supporting documents required for its assessment.</p>	Assessment of applications by competent staff in both the financial unit and the lead operational units [B3 and C1] in consultation with other policy units concerned.	<p>Coverage: 100% of applications are assessed.</p> <p>Depth: Strong controls on the operational/financial content of the grant agreement and on the eligibility of costs.</p> <p>Frequency: Annual.</p>	<p>Effectiveness: No cases of cases of litigation. Grants applications corrected since missing information/supporting documents.</p> <p>Economy: Costs of controls of stage 1 and stage 2 over value contracted.</p>

Stage 2 — Contracting: Transformation of grants applications into legally binding grant agreements

Main control objectives: Ensuring that the allocation of funds is optimal (best value for public money; effectiveness, economy, efficiency); compliance (legality and regularity); prevention of fraud (anti-fraud strategy)

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the programme's objectives	<p>Validation of beneficiaries.</p> <p>Use of latest version of the standard grant agreement templates.</p> <p>Adaptation of payment</p>	<p>Coverage: 100% of draft grant agreements.</p> <p>Depth: Strong controls on</p>	<p>Effectiveness: Amount of EU funding proposed by beneficiary that was rejected (not included in the grant agreement budget).</p>

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<p>and/or that the budget foreseen overestimates the costs necessary to carry out the work programme.</p> <p>The beneficiary lacks operational and/or financial capacity to carry out the work programme.</p> <p>Procedures do not comply with the financial regulation (e.g. the grant agreement does not contain all applicable provisions or is signed late).</p> <p>The grant agreement is not adapted considering the specific needs of the action or issues linked to sound financial management (eg payment modalities, conditional release of payments, etc.).</p>	<p>schedules and reporting requirements based on sound financial management.</p> <p>Involvement of financial and operational units in the preparation of the grant agreement.</p> <p>Financial workflows set up in the manual of financial circuits of the DG.</p>	<p>the operational/financial aspects of the grant agreement and on the eligibility of costs.</p> <p>Frequency: Annual.</p>	<p>Efficiency</p> <p>Signature of grants agreements before 30th April of year N.</p> <p>Economy: Costs of controls of stage 1 and stage 2 over value contracted.</p>

Stage 3 — Monitoring the execution (this stage covers the monitoring of the operational, financial and reporting aspects relating to the project and grant agreement)

Main control objectives: Ensuring that the operational results (deliverables) of the projects are of good value and meet the objectives and conditions (effectiveness and efficiency); ensuring that the related financial operations comply with regulatory and contractual provisions (legality and regularity); prevention of fraud (anti-fraud strategy); ensuring appropriate accounting of the operations (reliability of reporting, safeguarding of assets and information)

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost- Effectiveness indicators
The work programme (activities or actions) of the beneficiary is not, totally or partially, carried	Operational and financial checks underlying payments/recoveries and amendments are done in	Coverage: 100% of operations	Effectiveness: Number or % of grants with cost claim errors.

<p>out in accordance with the provisions of the grant agreement</p> <p>The amounts paid exceed those due in accordance with the applicable contractual and regulatory provisions (ineligible costs).</p> <p>Beneficiaries do not report on key performance indicators preventing the Commission to evaluate and assess the performance of the action and the programme as a whole.</p> <p>Changes to grant agreements are not properly documented or authorised.</p> <p>Payments to beneficiaries are made late.</p> <p>Beneficiaries claim the costs of activities already reimbursed by the EU in the context of other grants, studies, experts' reimbursement, etc.</p>	<p>accordance with the Financial Regulation and financial circuits</p> <p>Regular operational and financial monitoring of the execution of the action and follow up of issues linked to the grants that the beneficiaries may have raised with the Commissioner or Director-General</p> <p>In depth checks of cost eligibility (including potential double funding) at final payment and follow-up of progress made in the implementation of the action at the stage of progress reports. Checks are done by all financial agents according to instructions which they confirm having executed by giving their visa in Ares.</p> <p>Financial workflows set up in the manual of financial circuits of the DG.</p> <p>If needed: application of suspension/interruption of payments to request clarifications or missing information/documents.</p> <p>If needed: rejection of ineligible costs, application of liquidated damages.</p> <p>If needed: request clarifications linked to previous years' grants if the errors detected ex-ante can be assumed as systematic and launch a recovery order to recuperate the amounts due</p> <p>If needed: report suspicious cases of fraud to OLAF.</p>	<p>Depth: Strong controls on the operational/financial aspects of the report especially on the eligibility of costs.</p> <p>Frequency: Continuous, based on individual files</p>	<p>Amount of rejected costs (total ineligible costs).</p> <p>Value of cost claims items adjusted as percentage of total cost claim value.</p> <p>Number of potential fraud cases.</p> <p>Efficiency: Time-to-payment</p> <p>Economy: Costs of control of stage 3 over amount paid.</p>
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Stage 4 — Ex-post checks

A — Reviews, audits and monitoring

Main control objectives: Measuring the effectiveness of ex-ante controls by ex-post checks; detecting and correcting any error or fraud remaining undetected after implementation of ex-ante controls (legality and regularity; anti-fraud strategy); addressing systemic weaknesses in the ex-ante controls, based on analysis of the findings (sound financial management); ensuring appropriate accounting of recoveries to be made (reliability of reporting, safeguarding of assets and information)

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
The ex-ante controls (as such) fail to prevent, detect and correct erroneous payments or attempted fraud.	<p>Desk reviews of a representative sample of transactions to determine effectiveness of ex-ante controls and consider findings for improving them.</p> <p>If needed: report to OLAF.</p> <p>On-the-spot checks at the premises of grants beneficiaries on a risk basis.</p>	<p>Coverage: Sample and frequency of ex-post checks and on-the-spot checks determined based on DG FISMA internal guidelines.</p> <p>Depth: Based on DG FISMA internal guidelines on desk reviews and on-the-spot controls.</p> <p>Frequency: On a risk basis</p>	<p>Effectiveness: Amount of errors detected.</p> <p>Amounts of errors detected compared to amounts sampled.</p> <p>Number of transactions with errors.</p> <p>Number of transactions with errors compared to number of transactions sampled.</p> <p>Economy: Costs of controls of stage 4 over amounts checked.</p>

B — Implementing results from ex-post checks

Main control objectives: Ensuring that the results from the ex-post checks lead to effective recoveries (legality and regularity; fight against fraud); ensuring appropriate accounting of recoveries made (reliability of reporting)

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<p>Errors, irregularities and cases of fraud detected are not addressed (in time).</p> <p>Lessons learned from the implementation of audit results are not exploited to reinforce the control systems.</p>	<p>Result of the desk reviews or on-the-spot checks are documented and communicated to the AOSD.</p> <p>Financial and operational validation of recoveries in accordance with financial circuits.</p>	<p>Coverage: 100% of final ex-post checks results with a financial impact.</p> <p>Implement procedures to extend the results of audits to other grants of the beneficiary if that beneficiary is deemed to have committed</p>	<p>Effectiveness: Total amount of recovery orders still pending following the results of ex-post checks and on-the-spot checks (€).</p>

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
		<p>systemic or recurrent irregularities, fraud or breach of obligations.</p> <p>Depth: Based on the nature of the findings.</p> <p>Frequency: Depending on on-the-spot checks.</p>	

DIRECT MANAGEMENT – Procurement

Stage 1: Procurement

A – Planning

Main control objectives: Effectiveness, efficiency and economy; compliance (legality and regularity); ensuring efficient and effective organisation of the procurement procedure in order to obtain timely and relevant deliverables, while allocating adequate resources to manage procurement procedures and complying with the established rules regulating the award of public contracts.

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<p>The planning of needs is not done on time preventing the DG to procure the studies or databases needed.</p> <p>Services procured are discontinued due to poor planning and poor organisation of procurement process.</p> <p>Similar services are already available within the Commission or other sources or the</p>	<p>The list of studies to be procured are discussed and agreed by management under the coordination of the financial unit and are validated by senior management.</p> <p>Studies that are particularly sensitive for certain group of stakeholders are also identified by senior management and subject to special scrutiny.</p> <p>Unit E4, leading the</p>	<p>Coverage: All key procurement procedures (eg studies and other services above 60.000 EUR).</p> <p>Depth:)Planning coordinated centrally and done at unit/directorate level.</p> <p>Frequency: Annual planning, but also in the course of the year for updates and shifting priorities.</p>	<p>Effectiveness: Number of planned calls for tenders cancelled.</p> <p>Number of contracts discontinued due to lack of use (poor planning).</p> <p>Economy: Cost of controls of stage 1 over value contracted.</p>

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<p>objectives can be achieved alternatively at lower/no cost.</p> <p>Existing Framework Contracts are not considered leading to the purchase of more expensive services or the use of less cost-effective procurement procedures.</p>	<p>Centre of expertise of DG FISMA is consulted on the list of studies and on the databases to which operational units want to subscribe.</p> <p>In the request for launching a call for tender operational units must specify that needs cannot be covered by already available sources.</p>		

B – Definition of needs,tender specifications and invitations to tender

Main control objectives: Ensuring adequate needs analysis to demonstrate that public procurement is the most appropriate (effective, efficient and economical) way of meeting the DG's objectives and operational needs and carried out in accordance with the established rules on awarding public contracts; compliance (legality and regularity).

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost- Effectiveness indicators
<p>Poor, unclear or vague tender specifications, including too short deadlines or too restrictive selection criteria, prevent the submission of best offer(s), unnecessarily exclude potential tenderers or require subsequent clarifications leading to potential cancellation of the tender or complaints.</p> <p>Failing to identify relevant selection and award criteria to ensure adequate capacity from contractors and satisfactory offers.</p> <p>An offer is biased due to rigged/unbalanced specifications.</p> <p>The tender specifications are</p>	<p>The financial unit, also at management level, verifies the accuracy/completeness/ clarity of all tender documents and the appropriate choice of the procedure. Including the realistic nature of the duration of the contract proposed.</p> <p>If needed, Unit E4 (leading the Centre of expertise of DG FISMA) is consulted on the tender specifications for matters linked to data and statistics.</p> <p>AOSD's final supervision and approval of specifications.</p> <p>Coaching operational agents on how to draft good tender specifications.</p> <p>The use of e-tools for</p>	<p>Coverage: 100% of tender specifications are scrutinised.</p> <p>Depth: Riskbased- (depends on the complexity and/or sensitivity of file).</p> <p>Frequency: Continuous, based on individual files .</p>	<p>Effectiveness: Number of procedures where only one or no offers were received.</p> <p>Number of requests for clarification regarding tender specifications.</p> <p>Number of procedures cancelled because of the late preparation of tender specifications .</p> <p>Economy: Cost of controls of</p>

<p>not prepared on time by the services to allow a timely launch of the procurement procedure leading to a delay in the provision of the services compared to the needs of the DG.</p> <p>The duration of the contract defined in the tender specifications is too short and may lead to unforeseen delays in the course of the implementation.</p> <p>Staff do not use properly the e-tools linked to procurement leading to delays in the publication of the invitations or procedural flaws in the various steps of the procurement process with a potential reputational damage and risk of complaints.</p> <p>Staff having a conflict of interest or receiving instructions from external parties is involved in the drafting of tender specifications.</p> <p>Misleading or incomplete information leads to the choice of a wrong procedure (eg justifying a situation of monopoly or extreme urgency).</p> <p>Information on the tender specifications is leaked prior to publication leading to cancellation of the tender, complaints and reputational damage.</p>	<p>procurement is centralised in the financial unit where competent staff is trained to use the tool and ensure timely follow up of all steps of the procurement process in coordination with the operational units.</p> <p>Fiche on aspects linked to fraud, ethics, and protection of sensitive information (including conflicts of interests in procurement) distributed to operational and financial agents.</p>		<p>stage 1 over value contracted.</p>
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C- Replies to tenderers, selection and evaluation

Main control objectives: Ensuring that the selection and evaluation process is compliant with rules (legality and regularity); free from any fraud and ethics risks (fraud prevention and detection) are effective, efficient and economic.

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<p>The most economically advantageous offer is not selected, due to a biased, inaccurate or 'unfair' evaluation process.</p> <p>There is a conflict of interests between evaluators and tenderers/candidates.</p> <p>There is an overdependence on a limited pool of tenderers given the low number of economic operators able to provide the DG with specialised input.</p> <p>There is corruption or collusion, bids are manipulated or submitted by phantom serviceproviders-.</p> <p>Situations of professional conflicting interests are not assessed leading to reputational damage and complaints.</p> <p>Service does not reply to questions of the tenders on time because of absence of back-ups technically competent in the field or because of poor coordination between the financial unit and the operational unit</p>	<p>Appointment of the opening and evaluation committees (the last last being composed composed of at least three persons representing at least two organisational entities of the service).</p> <p>The award decision (including all evaluation documents) is reviewed for coherency and consistency by the central financial unit (two ex ante- verifications if necessary) before the AOSD's signature.</p> <p>Situations of potential professional conflicting interests are assessed and clarifications requested to tenderers when needed and within the limits allowed by the financial regulation and related guidelines.</p> <p>Training to operational agents explain their role in the selection and evaluation process. Members of opening and evaluation committees' sign declarations of absence of conflict of interests.</p> <p>Standstill period – opportunity for unsuccessful tenderers to put forward concerns on the award decision.</p>	<p>Coverage: 100% of procurement procedures with selection and evaluation processes.</p> <p>Depth: Strong controls.</p> <p>Frequency: Continuous, based on individual files.</p>	<p>Effectiveness: Number of 'valid' complaints or of litigation cases filed.</p> <p>Number of fraudulent cases detected.</p> <p>Number of companies excluded from participation in public procurement/awarding.</p> <p>Efficiency Time-to-award.</p> <p>Economy: Cost of controls of stage 1 over value contracted.</p>

Stage 2: Financial transactions

Main control objectives: Ensuring that the contract is implemented in compliance with rules and according to planning, that reports are submitted on time and are complete, that payments are timely made and that non-compliance with contractual requirements is addressed by applying corrective measures when needed.

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<p>The planned products/services/works are not, totally or partially, provided in accordance with the technical description and requirements in the contract and/or the amounts paid exceed those due in accordance with the applicable contractual and regulatory provisions.</p> <p>Contract is interrupted because contractor fails to deliver results.</p> <p>The terms of the contracts are changed without the explicit approval of the AOSD (e.g. extension of deadlines).</p> <p>The contract is not monitored regularly leading to delays in the submission of the deliverables.</p> <p>The exchanges of information between the contractor and the Commission are not properly recorded.</p> <p>Questions and invoices from contractors are not treated on time.</p> <p>The content of the deliverables is not sufficiently checked - leading to the payment of a price higher than</p>	<p>Close monitoring of the execution of studies by the operational units in coordination with the central finance unit.</p> <p>Obligation for the financial unit to encode the final study in the Interinstitutional study database.</p> <p>Check of plagiarism in the final report of studies using an IT tool.</p> <p>Training to operational agents explaining their role in the monitoring of contracts.</p> <p>If needed: application of liquidated damages, reduction of price or termination of the contract in case of non-compliance with the contractual requirements.</p> <p>Interim and final payments checked by financial and operational agents based on a predetermined list of checks and according to the manual of financial circuits.</p> <p>For riskier operations, a second ex-ante in-depth verification before payment.</p>	<p>Coverage: 100% contracts controlled.</p> <p>Depth: Complex, sensitive, riskier operations subject to indepth controls. The depth depends on the amount of the transaction and also on the potential reputational impact.</p> <p>Frequency: Continuous, based on individual files.</p>	<p>Effectiveness: Number/amount of liquidated damages.</p> <p>Number of transactions 'refused for correction'.</p> <p>Economy: Cost of controls of stage 2 per payment/recovery order made.</p> <p>Efficiency: Average time (days) to payment.</p> <p>Number of late payments.</p>

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
actually due. The final report of studies contains existing information (plagiarism or self-plagiarism).			

Stage 3: Supervisory measures

Main control objectives: Ensuring that any weakness in the procedures (tender and financial transactions) is detected and corrected

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
An error, non-compliance with regulatory and contractual provisions, including technical specifications, or fraud is not prevented, detected or corrected by ex-ante control prior to payment.	<p>Publication of award decisions and modification of contracts as required by the financial regulation allowing scrutiny by other economic operators.</p> <p>Desk reviews of a representative sample of transactions to determine effectiveness of ex-ante controls and consider findings for improving them.</p>	<p>Coverage: 100% of contracts subject to obligation of ex-post publication (contract award notices or Financial Transparency Register – FTS).</p> <p>Coverage: Random and/or judgmental sampling.</p> <p>Depth: Look for systemic problems in procurement procedure and financial circuits.</p> <p>Frequency: Once a year</p>	<p>Effectiveness: Amount associated with errors detected ex-post (relating to fraud, irregularity and error). System improvements made.</p> <p>Efficiency: Costs of ex-post- reviews as compared with 'benefits'.</p>

INDIRECT MANAGEMENT –

Union contribution to the European Supervisory Authorities (ESAs)

Given the governance system of the ESAs as laid down in their founding regulations, DG FISMA's controls are limited to strategic planning and programming, budgeting and the

effective transferring of the EU contribution to the ESAs. DG FISMA is informed about antifraud, ethics and overall internal control matters in the context of the meetings of the Management Board and Board of Supervisors in which DG FISMA's representatives participate as non-voting members (except for budgetary matters in the Management Board).

Stage 1 — Establishment (or prolongation) of the mandate to the decentralised agency ('delegation act'/'contribution agreement'/etc.)

Main control objectives: Ensuring that the legal framework governing the ESAs and any Legislative Financial Statements entrusting new tasks to them are effective and that issues of conflicts of interest are addressed

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
The establishment (or prolongation) of the mandate of the ESAs as well as the Legislative Financial Statements (LFS) of proposals entrusting additional tasks to them are not timely prepared or are affected by qualitative issues undermining the achievement of the objectives.	Ex-ante evaluation. Hierarchical validation within the authorising department. Inter-service consultation, including all relevant DGs. Support of the financial unit during the preparation of LFS.	Coverage/Frequency: one-off depending on the revision/prolongation of mandate or LFS. Depth: In depth analysis related to a package of proposals revising the mandate, governance and funding modalities of the agencies or entrusting new tasks to them.	Effectiveness: Quality of the legal work (basic act, LFS and delegation act/contribution agreement/etc.): Number of initially negative CIS opinions. Economy: Cost of controls of stage 1 over payments made.

Stage 2 — Operations: monitoring, supervision, reporting ('representation'/'control with or around the entity')

Main control objectives: Ensuring that the Commission is informed fully and in time of any relevant management issues encountered by the decentralised agencies, in order to be able to mitigate any potential financial and/or reputational impacts (legality and regularity, sound financial management, true and fair view reporting, fight against fraud).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
Due to insufficient cooperation, supervision and reporting arrangements, the Commission is not informed (in time) of	Monitoring or supervision of decentralised agency (e.g. review of management reports, representation and intervention on the board, scrutiny of annual report,	Coverage: 100% of entities are monitored/ supervised. Depth: Depends on the riskiness of the identified issues, if any. Overall light level of	Effectiveness: Quality of management reports. Amount of errors detected.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
relevant management issues encountered by the decentralised agency and/or does not react (in time) to issues by mitigating them or entering a reservation. This may reflect negatively on the Commission's reputation and reliability of reporting.	annual meetings on resources and internal control matters with ESAs senior management, etc.). <u>If appropriate/needed:</u> - reinforced monitoring of operational and/or financial aspects of the entity; - potential escalation of any major governance-related issues with entrusted entities; - referral to OLAF	control considering the degree of independence of the decentralised agencies. Frequency: Before every board meeting and on receipt of key management reports/documents <u>In the event of</u> operational and/or financial issues, measures are reinforced.	Positive discharge. Economy: Cost of controls of stage 2 over payments made.

Stage 3 — Commission contribution: payment or suspension/interruption and recovery of unused contribution

Main control objectives: Ensuring that the Commission assesses the management situation at the decentralised agency, before either paying out the (next) contribution or deciding to suspend/interrupt the (next) contribution (legality and regularity, sound financial management, antifraud strategy) and ensuring effective recovery of the unused contributions paid to the ESAs following the adoption of their audited financial statements.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<p>The Commission does not take into account information available at the moment of the payment indicating that there were management issues leading to financial and/or reputational damage for the Commission.</p> <p>The Commission pays the wrong amount of prefinancing (or clear the wrong amount of prefinancing), or does not issue timely</p>	<p>Hierarchical validation of payments/recoveries and clearance of pre-financing.</p> <p>Set up of a process to clear prefinancing and recover unused operating budget upon submission of the audited financial statements of the ESAs.</p>	<p>Coverage: 100% of the contribution payments/recoveries. Frequency: annually Depth: light level of control considering the degree of independence of the decentralised agencies.</p>	<p>Effectiveness: Amount of any unused operating budget recovered.</p> <p>Cases of amounts recovered not cashed by 31/12 of year N to allow a repayment to the ESAs in year N+1.</p> <p>Amount of the suspended/interrupted payments (if any).</p> <p>Economy: Cost of controls of stage 3 over payments made.</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
a recovery order for the budgetary surplus.			Efficiency: Time-to-payment.

NON-EXPENDITURE ITEM – Protection of sensitive information and IT security

Main control objectives: Ensure that sensitive information is not disclosed and its integrity protected, including by ensuring the security of DG FISMA's IT systems.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
Sensitive information is disclosed or its integrity breached due to insufficient security of IT systems, staff misconduct or negligence.	<ul style="list-style-type: none"> - Update of IT security plans. - Limit access rights to sensitive IT systems. - Assess posts requiring security clearance. - Keep updated procedures/guidelines to protect sensitive information in MyFISMAintranet. - Follow up on the use of markings in Ares. - Promote staff awareness actions and trainings on the protection of sensitive information and cybersecurity. - Put in place specific awareness tools for staff having regularly access to sensitive non-classified information of individual companies, including about conflict of interests and insider dealing. 	Coverage/Frequency: Continuous, monthly or annual depending on the control.	Effectiveness: <ul style="list-style-type: none"> - Number of leaks - % of IT systems covered by a security plan - Number of IT security breaches - Number of IDOC cases linked to leaks or insider dealing Economy: Cost of controls (no ratio since this is a non-expenditure item).

ANNEX 7: Specific annexes related to "Financial Management"

A. Coverage (linked to paragraph 2.1.1 of the report)

A.1 Operational – Procurement

Budget line	Description	Payments made (in €)
02.049901 + 03.020106 + 03.029903 + 03.029905 + 03.029906 + 03.200100 + 07.079901 +	Studies/service contracts	2.595.883,32
02.049901 + 03.020106 + 03.029905 + 11.029901 + 14.200402 +	Specific contracts under IT Framework contracts	1.776.117,95
03.029905 + 03.020106 +	Subscription to databases	320.045,19
03.020104 + 03.020106	Membership fees	274.315,10

A.2 Operational – Grants

Budget line	Description	Payments made (in €)
03.020302 + 03.029904	<i>Single market Programme - Specific objective in the field of financial reporting and auditing</i>	8.044.301
03.020402 + 03.029904	<i>Single market Programme - Specific objective on enhancing the involvement of consumers and other financial services end-users in Union Policy making in the field of financial services</i>	1.315.958

A.3 Administrative expenditure (global envelope)

Description	Payments made (in €)	Made by FISMA itself	Made by PMO (not reflected in table 2 of	Made by DG HR (not reflected in table 2
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			Annex 3)	of Annex 3)
Representation expenses	0	X		
Conferences and internal meetings	0	X		
Development of management and information systems	1.678.774, 81	X		
Training	43.737, 20	X		X
Technical assistance	0	X		
Studies and consultations	386.430	X		
Committee meetings	0		X	
External meetings and expert groups	0		X	
Missions	10.583,51		X	

A.4 Cross-subdelegations and co-delegations (excluding administrative expenditure above)

DG FISMA's controls on the cross-subdelegated credit appropriations were based on the reports of the delegated DGs having implemented the budget. Based on these reports, DG FISMA detected no events, control results or issues that could have a material impact on assurance.

Budget line	Payments made (in €)
Co-delegations received (amounts included in the Annex 3 – table 2 of DG FISMA)	
02.049901 DIGIT>FISMA	730.375,18
33.029903 JUST>FISMA	95.561,25
14.200402 TRADE>FISMA	61.089,98
03.020104 JUST>FISMA	153.095
03.010101 SANTE>FISMA	70.102, 78
06.010501 SANTE>FISMA	21.009,89
07.079901 JUST>FISMA	184.173
08.010301 MARE>FISMA	90.293,20

11.029901 HOME>FISMA	196.191
Co-delegations given (amounts <u>not</u> included in the Annex 3 – table 2 of DG FISMA)	
03.020106 FISMA>BUDG	27.725
03.020106 FISMA>OLAF	8.881,36
03.029905 FISMA>BUDG	28.757,66
03.029905 FISMA>DIGIT	234.842,74
03.029905 FISMA>OLAF	552.963,42
14.010300 FISMA>DIGIT	30.219,72
Cross subdelegations given (amounts included in the Annex 3 – table 2 of DG FISMA)	
03.020106 FISMA/TRADE	60.000

B. Legality and regularity (linked to paragraph 2.1.1.1.a) of the report)

DIRECT MANAGEMENT – GRANTS		
Years	2020	2021
Stage 1 — Programming and assessing grant applications		
Number of negative opinions or substantial comments received via the inter-service consultation	Zero - All comments received were constructive	Zero, the consultation received 24 replies, no negative comments
Number of cases of litigation	Zero	Zero ¹⁹
Adoption of the work programme before 31st March of year N.	No	No ²⁰
Stage 2 - Contracting: Transformation of grants applications into legally binding grant agreements		
Amount of EU funding proposed by beneficiary that was rejected (not included in	7.037 EUR (0,1% of total EU	579.400 EUR (5,6% of total EU

⁽¹⁹⁾ DG FISMA maintains constant contacts with its five beneficiaries. As in previous years, conflicting views over the eligibility of claims emerged in the course of 2021 but did not lead to litigation cases.

⁽²⁰⁾ The delay was directly related to the delayed adoption of the Regulation establishing the Single Market Programme.

the grant agreement budget)	funding requested in awarded grants)	funding requested in awarded grants)
Signature of grants agreements before 30th April of year N		No. The operating grants awarded by DG FISMA could not be signed before 30 April 2021 because of the late adoption of the Regulation establishing the Single Market Programme by the co-legislator ⁽²¹⁾ , which in turn resulted from the late adoption of the Multiannual Financial Framework (MFF) by the Budgetary Authority ⁽²²⁾
Stage 3 - Monitoring the execution (this stage covers the monitoring of the operational, financial and reporting aspects relating to the project and grant agreement)		
Number or % of grants with cost claim errors	3 out of 5	4 out of 5
Amount of cost items rejected (total ineligible costs)	42 408 EUR	231.096,92 EUR (or 38 457 EUR of EU contribution)
Value of cost claims items adjusted as percentage of total cost claim value in all grants	0,1%	0,64 % (or 0,4% of the EU contribution)
Number of potential fraud cases	Zero	Zero
Stage 4 — Ex-post checks ⁽²³⁾		
Amount of errors detected	N/A	N/A

⁽²¹⁾ Regulation (EU) 2021/690 of the European Parliament and of the Council of 28 April 2021 establishing a programme for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed, and European statistics (Single Market Programme) and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014 and (EU) No 652/2014 (Text with EEA relevance).

⁽²²⁾ Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027.

⁽²³⁾ On-the-spot checks were organised for December 2021 but have been further postponed due to new restrictions related to COVID-19.

Number of transactions with errors	N/A	N/A
Total amount of recovery orders still pending following the results of ex-post checks and on-the-spot checks	Zero	Zero
DIRECT MANAGEMENT – PROCUREMENT		
Stage 1: Procurement		
Number of projected calls for tenders cancelled	1 negotiated procedure cancelled due to the impossibility of reaching an agreement on contractual terms	Zero
Number of contracts discontinued due to lack of use (poor planning)	Zero	Zero
Number of procedures where only one or no offers were received	Zero	Zero
Average number of requests for clarification regarding tender specifications	17	5,5
Number of 'valid' complaints or of litigation cases filed	Zero	Zero
Number of fraudulent cases detected	Zero	Zero
Number of companies excluded from participation in public procurement/awarding	Zero	Zero
Stage 2: Financial transactions		
Number/amount of liquidated damages	EUR 44.194 (2 contracts)	EUR 9.205,60
Number of transactions 'refused for correction'	(all transactions not only procurement) 15% of commitments + 2% of payments + 50% of recovery orders	(all transactions, not only procurement) 35% of commitments (38 out of 109) + 3,5% of payments (9 out of 256) + 30% recovery orders (3 out of 10)
Stage 3: Supervisory measures		
Amount associated with errors detected ex-post (relating to fraud, irregularity and error)	Zero	Zero
System improvements made	Enforcement of new procedure to monitor studies, application of new manual of financial circuits fully based on electronic	-

	workflows, reinforcement of interinstitutional study database follow-up, new training format for OIA/OVA and regular follow up of the Legal Commitment Kernel to improve timely update of existing legal commitments.	
INDIRECT MANAGEMENT		
Stage 1 — Establishment (or prolongation) of the mandate to the decentralised agency (‘delegation act’/‘contribution agreement’/etc.) —		

Quality of the legal work (basic act, Legislative Financial Statements and delegation act/contribution agreement/etc.):	Legislative Financial Statements of legislative proposals requiring efforts from the ESAs were updated on the basis of ESAs budgetary needs and within budget availabilities. DG FISMA also continued to work with the ESAs on the enforcement of the new mandate adopted by the co-legislators in 2019 ⁽²⁴⁾ .	In 2021 DG FISMA submitted a proposal for the creation of AMLA ⁽²⁵⁾ . The proposal included a comprehensive assessment of AMLA budgetary needs. Legislative Financial Statements were prepared for AMLA and ESAP ⁽²⁶⁾ .
Number of initially negative opinions in inter-service consultations.	No negative opinions.	No negative opinions.
Stage 2 — Operations: monitoring, supervision, reporting ('representation'/'control with or around the entity')		
Quality of management reports	Annual reports assessed by operational and financial units	Annual reports assessed by operational and financial units
Amount of errors detected	461.066 EUR	EUR 12.316

⁽²⁴⁾ Regulation (EU) 2019/2175 of the European Parliament and of the Council of 18 December 2019 amending Regulation (EU) No 1093/2010 establishing a European Supervisory Authority (European Banking Authority), Regulation (EU) No 1094/2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), Regulation (EU) No 1095/2010 establishing a European Supervisory Authority (European Securities and Markets Authority), Regulation (EU) No 600/2014 on markets in financial instruments, Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, and Regulation (EU) 2015/847 on information accompanying transfers of funds.

⁽²⁵⁾ COM/2021/421 final. Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) 1094/2010, (EU) 1095/2010.

⁽²⁶⁾ COM/2021/723 final. Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a European single access point providing centralised access to publicly available information of relevance to financial services, capital markets and sustainability.

Positive discharge	Yes	Yes
Stage 3 — Commission contribution: payment or suspension/interruption and recovery of unused contribution		
Amount of any unused operating budget recovered	EUR 1.221.728	EUR 2.665.228,27 ⁽²⁷⁾
Cases of amounts recovered not cashed by 31/12 of year N to allow a repayment to the ESAs in year N+1.	Zero	Zero
Budget amount of the suspended/interrupted payments (if any).	Zero	Zero

C. Implementation of antifraud actions planned in the Management Plan 2021 (link to paragraph 2.1.1.1.b) of the report)

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CASF) ⁽²⁸⁾ aimed at the prevention, detection and correction ⁽²⁹⁾ of fraud			
Indicator: Implementation of the actions included in DG FISMA anti-fraud strategy over the whole strategic plan lifecycle (2020-2024)			
Source of data: DG FISMA annual activity report, DG FISMA anti-fraud strategy, OLAF reporting			
Baseline (2018)	Target (2024)		Latest known results (31/12/2021)
0%	100% of action points implemented on time		100% of action points implemented
Main outputs in 2021:			
Output	Indicator	Target	Latest known results
Financial circuits trainings	Number of events	2	1

⁽²⁷⁾ Related to the budgetary surplus of the ESAs for 2020. In addition, DG FISMA recovered EUR 1.045.000 related to the advance provided to ESMA in 2019 for the direct supervision of third countries' CCPs under EMIR 2.2. According to the LFS accompanying the legislative proposal for the revisions to the European Market Infrastructure Regulation the advance is to be repaid to the Union.

⁽²⁸⁾ Communication from the Commission "Commission Anti-Fraud Strategy: enhanced action to protect the EU budget", COM(2019) 176 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan, SWD(2019) 170 – 'the CAFS Action Plan'.

⁽²⁹⁾ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

Reinforce reporting and follow up at senior management level	Number of reporting to senior managers	1 on DG FISMA relations with stakeholders ⁽³⁰⁾	Yes
		1 on follow up of files marked as sensitive ⁽³¹⁾	Yes, integrated into mid-term report on the implementation of the antifraud strategy
IT tool to detect plagiarism	Proportion of final studies checked using IT tool	100%	100%

D. Estimated “cost of controls” at Commission level (linked to paragraph 2.1.1.2 of the report)

While estimating its costs of controls DG FISMA applied the corporate guidance on the estimation, assessment and reporting on the cost-effectiveness of controls, adopted in December 2018 by the Commission and revised in 2020. The following functions/activities are considered for assessing the costs of controls:

1. Functions/activities “performed both in the context of the spending programmes design (the ‘policy dimension’) and of their operational and financial implementation (the ‘operational dimension’).”
2. Activities representing at least 10% of the FTE/year of a jobholder.

DG FISMA is a policy DG with a limited budget implemented through fully centralised financial circuits. Therefore, the staff involved at least 10% of FTEs/year to activities related to the policy or operational dimension of spending programmes are concentrated in the central Resources’ Unit.

Overview of DG’s/EA’s estimated cost of controls at Commission (EC) level:

⁽³⁰⁾ DG FISMA’s Director-General, Deputy Director-General and directors receive an assessment of DG FISMA’s relations with stakeholders at least once a year. All meetings with stakeholders are transparently recorded by DG FISMA in the Event Management Tool.

⁽³¹⁾ To ensure that sensitive files are protected DG FISMA monitors on a monthly basis the number of files marked as sensitive by each unit and reports at least once per year to the Director-General, Deputy Director-General and directors.

Relevant Control Systems of Annex 6 linked to expenditure items

FISMA	Ex ante controls			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR	EC total costs	related payments Made	Ratio (%) (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%)** (g)/(b)
Direct management - Procurement ⁽³²⁾	629.520,00 €	7.081.708,00 €	8,89%	- €	- €	0,00%	629.520,00 €	8,89%
Direct management - Grants	205.170,00 €	9.360.259,00 €	2,19%	- €	- €	0,00%	205.170,00 €	2,19%
Indirect management	390.060,00 €	49.175.076,00 €	0,79%	- €	- €	0,00%	390.060,00 €	0,79%
Horizontal controls on expenditure not directly attributable to direct management, indirect management or indirect management specifically ⁽³³⁾	248.250,00 €	-€	0,00%	- €	- €	0,00%	248.250,00 €	0,00%

⁽³²⁾ Including costs and funds in administrative expenditure.

⁽³³⁾ Budget and accounting and budget and accounting and - if linked to the policy or operational dimension of spending programmes - the costs of evaluations, internal control, antifraud, financial procedures, audits and strategic planning activities.

OVERALL total estimated cost of control at EC level for expenditure	1.473.000,00 €	65.617.043,00 € ⁽³⁴⁾	2,24%	- €	- €	0,00%	1.473.000,00 €	2,24%
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⁽³⁴⁾ This amount differs from the amount mentioned in Table 2 of Annex 3 because for the assessment of costs of controls DG FISMA took as a reference the 'funds managed' for which controls are in place at the level of the DG even if the actual payment is delegated to other DGs (i.e. PMO or DH HR for missions, meetings, conferences, trainings).

Relevant Control Systems of Annex 6 not linked to expenditure items

FISMA	Ex ante controls***			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related amounts	Ratio (%)** (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%)** (g)/(b)
Only applicable for DGs with non-expenditure items								
Protection of sensitive information and security of IT systems	350.000,00 €	- €	N/A	- €	- €	N/A	350.000,00 €	N/A

**Indicators on economy of controls by control stage
(for Relevant Control Systems of Annex 6 linked to expenditure)**

Overall indicators							
Stage	Description	Year 2019		Year 2020		Year 2021	
Overall indicator	Total costs of controls / value of payments made ⁽³⁵⁾	2,9%	Direct management: 6,4%	3%	Direct management: 7,3%	2,2% ⁽³⁶⁾	Direct management : 6,6% ⁽³⁷⁾
			Indirect management: 1,4%		Indirect management: 1,3%		Indirect management : 0,8%

Grant indicators				
Stage	Description	Year 2019	Year 2020	Year 2021
Overall indicator	Total cost of controls of grants' processes / value of grants payments made	1,2%	1,9%	2,2%
All controls from programming to contracting	Cost of assessing the applications submitted, preparation of financing decisions and contracting/ value of grants contracted	0,3%	0,3%	0,6%

⁽³⁵⁾ Calculation of overall indicator. **Denominator:** amount of the expenditure implemented by the DG as per Annex 3 plus administrative expenditure paid by PMO and DG HR but for which controls are also taking place in DG FISMA (i.e. missions, external and expert group meetings, committee meetings, trainings). **Nominator:** sum of the costs of controls identified for each Relevant Control System identified in Annex 6 (grants, procurement, ESAs) plus the costs of horizontal controls related to budget and accounting and - if linked to the policy or operational dimension of spending programmes - the costs of evaluations, internal control, antifraud, financial procedures, audits and strategic planning activities.

⁽³⁶⁾ **1,9%** if only operational expenditure considered. The horizontal controls mentioned in the previous footnote are included in the denominator of this indicator since mainly covering direct management.

⁽³⁷⁾ **5,9%** if only operational expenditure considered.

Monitoring and payments	Cost of control from monitoring the execution up to payment/value of grants payments made	0,9%	1,6%	1,5%
Supervisory measures	Cost of ex-post checks and on-the-spot checks/ value of grants audited	0%	0%	0% ⁽³⁸⁾

Procurement indicators				
Stage	Description	Year 2019	Year 2020	Year 2021
Overall indicator	Total cost of controls/ value of procurement payments made ⁽³⁹⁾	7,9%	8,8%	8,9%
Procurement stage up to evaluation, selection, final award and contracting	Cost for planning, needs assessment and definition, selection, evaluation, award and contracting/ value of procurement contracted	4,8%	4,8%	4,9%
Financial transactions and monitoring	Related costs of cost of control for all transactions related to procurement (payments and recovery orders)/ value of procurement payments made	3,2%	3,5%	3,6%
Supervisory measures	Cost of ex-post checks /value of procurements audited	0%	0%	0% ⁽⁴⁰⁾

⁽³⁸⁾ The involvement of DG FISMA staff in ex-post checks is not substantial and below 10% OF their FTEs/year. On-the-spot checks were planned for 2021 but could not be carried out due to COVID-19.

⁽³⁹⁾ For the calculation of the denominator DG FISMA used the amount of the expenditure implemented by the DG as per Annex 3 plus administrative expenditure paid by PMO and DG HR but for which controls are also taking place in DG FISMA (i.e. missions, external and expert group meetings, committee meetings, trainings).

⁽⁴⁰⁾ The involvement of DG FISMA staff in ex-post checks is not substantial and below 10% of their FTEs/year. No on-the-spot checks were carried out in 2021.

Indirect management indicators ⁽⁴¹⁾				
Stage	Description	Year 2019	Year 2020	Year 2021
Overall indicator	Overall supervision cost (%) Staff FTEs costs/annual subsidies paid to ESAs	1,4%	1,3 %	0,8% ⁽⁴²⁾
Establishment (or prolongation) of the mandate to the decentralised agency (“delegation act”/ “contribution agreement” / etc.). (ESAs REVIEW and related implementation)	Relevant staff FTEs costs/annual subsidies paid to ESAs	0,8%	0,8%	0%
Operations: monitoring, supervision, reporting (‘representation’/‘control with or around the entity’) ⁽⁴³⁾	Relevant staff FTEs costs/annual subsidies paid to ESAs	0,6%	0,5%	0,8%

⁽⁴¹⁾ DG FISMA does not pay any management, administrative or other remunerate fees to the European Supervisory Authorities (ESAs) and therefore does not report these costs separately.

⁽⁴²⁾ The decrease is due to the fact that, contrary to 2020, no costs occurred in relation to the establishment or prolongation of the mandate of the ESAs. The costs related to the preparation of the proposal for the creation of a new decentralised agency (Authority for Anti-Money Laundering and Countering the Financing of Terrorism) are not taken into account in the report of this year.

⁽⁴³⁾ This stage includes the costs of controls related to the preparation and participation to ESAs Management Board and Board of Supervisors as well as the overall controls made by DG FISMA in the context of the annual programming and budgetary process.

Commission contribution: payment or suspension/interruption and recovery of unused contribution	Relevant Staff FTEs costs/annual subsidies paid to ESAs	0%	0%	0% ⁽⁴⁴⁾
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⁽⁴⁴⁾ The involvement of DG FISMA staff in ex-post checks is not substantial and below 10% of their FTEs/year.

ANNEX 8: Specific annexes related to "Assessment of the effectiveness of the internal control systems"

Revision of internal control indicators

In 2021 DG FISMA revised the internal control monitoring criteria for 2022 to measure the presence and well-functioning of its internal control system. The revision was overseen by the Head of Unit exercising the functions of Risk Management and Internal Control Director and senior management.

Annual assessment of the internal control systems

The annual assessment on the presence and functioning of the internal control framework was coordinated by the Head of Unit exercising the functions of Risk Management and Internal Control Director. It was carried out in line with corporate instructions and in direct collaboration with DG FISMA's competent services.

The results of the assessment were included in a report addressed to senior managers. This report also contained a detailed description of all strengths and deficiencies identified under each principle and included recommendations when needed. The assessment also took stock of the mitigating measures taken in 2021 to address the minor deficiencies identified in 2020.

The assessment was carried out based on several sources of information:

- the list of internal control monitoring indicators
- the strengths/weaknesses reported by competent services under each principle
- the results of the internal control meetings with managers held in 2021
- the exceptions and non-compliance events recorded in 2021
- the recommendations of IAS or ECAs audits
- the results of the annual risk assessment process
- the implementation of the antifraud strategy
- other relevant elements raised by staff or external actors
- the results of the latest internal staff survey on internal control key areas including procedures, ethics and antifraud

No critical/major deficiencies were detected but areas of improvement as identified in paragraph 2.1.3.

ANNEX 9: Specific annexes related to "Control results" and "Assurance: Reservations"

Estimated risk at payment and at closure

DG FISMA	'payments made' (2021;MEUR)	minus new prefinancing [plus retentions made] (in 2021;MEUR)	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in 2021;MEUR)	'relevant expenditure' (for 2021;MEUR)	Detected error rate or equivalent estimates	estimated risk at payment (2021;MEUR)	Adjusted Average Recoveries and Corrections (<i>adjusted</i> ARC; %)	estimated future corrections [and deductions] (for 2021;MEUR)	estimated risk at Closure (2021;MEUR)
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
Procurement and administrative expenditure	7,03	0,00	0,00	7,03	0,50% - 0,50%	0,04 - 0,04	0,10% - 0,10%	0,01 - 0,01	0,03 - 0,03
Grants	9,36	- 5,59	5,64	9,42	2,00% - 2,00%	0,19 - 0,19	0,50% - 0,50%	0,05 - 0,05	0,14 - 0,14
Payments to the ESAs	49,18	- 49,18	42,67	42,67	0,50% - 0,50%	0,21 - 0,21	0,00% - 0,00%	0,00 - 0,00	0,21 - 0,21
DG total	65,56	- 54,76	48,31	59,12		0,44 - 0,44	0,09% - 0,09%	0,05 - 0,05	0,38 - 0,38
					Overall risk at payment in %	0,74% - 0,74% (7) / (5)		Overall risk at closure in %	0,65% - 0,65% (10) / (5)

Notes

(1) Relevant Control Systems differentiated per relevant portfolio segments and at a level which is lower than the DG total.

(2) Payments made or equivalent, e.g. expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle.

In all cases of Co-Delegations (Internal Rules Article 3), "payments made" are reported by the Delegated DGs. For Cross-SubDelegations (Internal Rules Article 12), the reporting remains with the Delegating DGs.

(3) New pre-financing actually paid by out by the department itself during the financial year (i.e. excluding any pre-financing received as a transfer from another department). as per note 2.5.1 to the Commission annual accounts thus excluding "Other advances to Member States" which are covered on a purely payment-made basis (note 2.5.2). Pre-financing paid/cleared" are always covered by the Delegated DGs, even for Cross-SubDelegations.

(4) Pre-financing actually cleared during the financial year (i.e. their 'delta' in the Financial Year 'actuals', not their 'cut-off' based estimated 'consumption').

(5) For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to legality & regularity errors (see the ECA's Annual Report methodological Annex 1.1), our concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out, and adds the pre-financing actually cleared during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting.

(6) In this column, we disclose the detected error rates or equivalent estimates. The average of 0.5% is used by DG FISMA for low risk type of expenditure such as procurement, administrative expenditure and payment of the annual contributions to the ESAs. The higher average error rate of 2% for grants is a prudent estimate aimed at covering the worst-case scenario.

(8) The adjusted average recovery and corrections percentage is based on the 7 years historic Average of Recoveries and financial Corrections (ARC), which is the best available indication of the corrective capacity of the ex-post control systems implemented by the DG over the past years. However, the AOD has adjusted this historic average from 0,08 to 0,09 by considering only the average of the recent 4 years that reflects more appropriately the control environment currently in force and by mitigating the impact of one-off events in the calculation. Following these adjustments the final average remains almost identical to the 7 years historic average.

(9) For some programmes with no set *closure* point (e.g. EAGF) and for some multiannual programmes for which corrections are still possible afterwards (e.g. EAFRD and ESIF), all corrections that remain possible are considered for this estimate

ANNEX 10: Reporting – Human resources, digital transformation and information management and sound environmental management

Human resources

Objective: DG FISMA employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the Commission's priorities and core business

Indicator 1: Number and percentage of first female appointments to middle management positions

Source of data: Commission Decision SEC(2020)146 of 1 April 2020

Baseline (2019)	Target (2022) + (2024)	Latest known results (2021)
Female representation in management: 38%, 8 out of 21	2022: 2 first female appointments to middle management positions 2024: still to be defined	Exceed target : 4 female newly appointed middle managers (1 on 01/01/2021, 1 on 01/04/2021, 1 on 16/09/2021, 1 on 01/12/2021).

Indicator 2: DG FISMA staff engagement index

Source of data: Commission Decision SEC(2020)146 of 1 April 2020

Baseline (2018)	Target (2024)	Latest known results (2021)
75%	75%	75%

Main outputs in 2021:

Description	Indicator	Target	Latest known results
Knowledge hours in which units present their activities to whole DG	Number of such events and participation	8 Knowledge Hours minimum 15 participants	17 Knowledge Hours
Support to AST professionalisation by FISMA's AST network	Dedicated events on exchanging of best practise and / or improving working methods	5	8 FISMA AST breakfast (all virtual)
Mini-coaching by Directors to interested non-management staff	Numbers of participants	minimum 20 participants	31 participants (they met virtually or in presence depending on participants' preference). FISMA DDG also participated in the mini-coaching sessions
Continuation and extension of programme for Deputy Heads of Unit	Number of participants	4-10 participants	9 participants

Description	Indicator	Target	Latest known results
Adoption of DG FISMA local HR strategy	Y	Y	N (Senior Management Board decided to wait for Corporate HR Strategy before developing the local one + discuss all related issues first in the new regular meetings of the board dedicated to HR issues)
Supporting on-boarding of newcomers	Percentage a new colleagues	minimum 60% of newcomers	75% of newcomers attended the in-house newcomers training 91% of newcomers attended the introductory meeting with the Director-General
All staff meetings on policy and HR related issues	Frequency/ Number of participants	Three times a year Minimum 100 participants if physical meeting 80% of all staff when virtual	7 all staff meetings, all virtual. 80% participation rate on average.
Informal virtual meetings in view of new 'normal working' methods	Number of such events participation	5 online coffees with senior managers / 20 randomised coffee meetups	As a progressive return to the office was possible, staff showed little interest in this initiative. It was replaced by systematic invitation of all newcomers to introductory meetings with the Director-General and his assistant.

Digital transformation and information management

Objective: DG FISMA is using innovative, trusted digital solutions for better policyshaping, information management and administrative processes to forge a truly digitally transformed, user-focused and data-driven Commission

Indicator 1: Degree of implementation of the digital strategy principles by the most important IT solutions

Source of data: DG FISMA

IT solution	Baseline (2018)	Milestone (2022)	Target (2024)	Latest known result (2021)
BASIS	40%	81%	95%	80%
EMT	40%	95%	100%	80%
KOEL	40%	95%	100%	80%

Indicator 2: Percentage of DG FISMA key data assets for which corporate principles for data governance have been implemented

Source of data: DG FISMA

Baseline (2020)	Milestone (2022)	Target (2024)	Latest known result (2021)
30%	50%	80%	100% (All key data assets are managed according to DG FISMA's statistics and data quality framework)

Indicator 3: Percentage of staff attending awareness raising activities on data protection compliance

Source of data: DG FISMA

Baseline (2018)	Milestone (2022)	Target (2024)	Latest known result (2021)
30% of staff as an estimation ⁽⁴⁵⁾	85%	100%	70%

⁽⁴⁵⁾ The baseline being before the introduction of the new data protection rules, fewer general awareness-raising activities were organised.

Main outputs in 2021:

Description	Indicator	Target	Latest known result
Units enabled to co-authoring	Number of Units having their own SharePoint site	100%	100%
EU Search able to search in all DG FISMA data sources in one shot	Number data sources indexed into EU Search	85%	75%
Improve the experience of users in EU Search by using automatic tagging	Development of a beta system for the automatic tagging and related libraries for DG FISMA's information systems and tools	40%	0% ⁽⁴⁶⁾
BASIS, EMT, KOEL, MICE ready for the Cloud	BASIS, EMT, KOEL, MICE migrated in the new technological stack	100%	100%
Increase in ARES use by all categories of staff	Percentage of registered documents that are not treated/filed (ratio) <i>Source of data: Hermes-Ares-Nomcom (HAN) statistics</i>	less than 0.5%	0,31%
	Percentage of HAN files readable/accessible by all units in DG FISMA <i>Source of data: HAN statistics</i>	90%	91,3%
Increased awareness among staff on data protection issues	Percentage of staff attending awareness raising activities on data protection compliance	60% for 2021	70%
Transfer of FIU.net from EUROPOL to the Commission	Yes	Q3 2021	YES in Q3

⁽⁴⁶⁾ No progress could be made on the development of automatic tagging in 2021 due to other more compelling priorities and lack of resources.

Sound environmental management

Objective: DG FISMA takes full account of its environmental impact in all its actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work

Main outputs in 2021:

Description	Indicator	Target	Latest known results
Raise staff awareness on sustainability including DG FISMA's performance on energy, water, waste, paper and missions	Number of events (videos, news in MyFISMA intranet, trainings, posters)	At least 6 events	More than 6 events including promotion of corporate campaigns such as VeloMai, mobility weeks, tips to reduce digital carbon footprint, sustainable events competition, use of sorting stations and use of train for short distance missions.
Enforce ban of flights for short distance missions	Number of non-justified flights for missions of less than 500 km	0	0 ⁽⁴⁷⁾
Encourage virtual/hybrid conferences and other events including by increasing VC rooms	% of virtual/hybrid events compared to total events	At least 50% of total events	100% experts and committee meetings virtual/hybrid 90% of conferences virtual/hybrid (1 out of 8 physical) ⁽⁴⁸⁾
Monitor digital waste linked to data storage and integrated document management	Creation of a project team to define objectives and actions to control digital waste	Q4	New information management policy for SharePoint adopted in August 2021 (automatic document deletion, monthly monitoring of storage by unit)

⁽⁴⁷⁾ Connection flights of <500 km linked to long distance missions not considered.

⁽⁴⁸⁾ Such results are also due to the COVID-19 pandemic and can not be set as a baseline for the future.

ANNEX 11: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission (if applicable)

Not applicable

ANNEX 12: EAMR of the Union Delegations (if applicable)

Not applicable.

ANNEX 13: Decentralised agencies and/or EU Trust Funds

Entity: European Banking Authority (EBA) Role of the DG: Parent DG		
Policy area concerned	Contribution to the Operating (administrative) budget	Contribution to the Operational Budget
An economy that works for people	EUR 18.846.550,20 ⁽⁴⁹⁾	

Entity: European Securities and Markets Authority (ESMA) Role of the DG: Parent DG		
Policy area concerned	Contribution to the Operating (administrative) budget	Contribution to the Operational Budget
An economy that works for people	EUR 18 187 926,34	

Entity: European Insurance and Occupational Pensions Authority (EIOPA) Role of the DG: Parent DG		
Policy area concerned	Contribution to the Operating (administrative) budget	Contribution to the Operational Budget
An economy that works for people	EUR 12 140 600	

Entity: Single Resolution Board (SRB) ⁽⁵⁰⁾ Role of the DG: Parent DG		
Policy area concerned	Contribution to the Operating (administrative) budget	Contribution to the Operational Budget
An economy that works for people	EUR 0	EUR 0

DG FISMA controls over the ESAs' operations are conditioned by their governance structure. DG FISMA does not entrust the ESAs with programme implementation tasks. Given the governance system of the ESAs as laid down in their founding regulations, DG FISMA's controls are limited to its participation as the Commission's representative to the ESAs

⁽⁴⁹⁾ The provisional accounts of the ESAs are not yet adopted. It is therefore not possible to calculate the split between the EU contribution to the operating and operational budget.

⁽⁵⁰⁾ Fully self-financed agency.

Boards as a non-voting member ⁽⁵¹⁾, each year proposing the estimates in respect of the establishment plans and the amount of the balancing contribution it deems necessary for the Commission to enter in the draft budget of the Union and effectively transferring of the EU contribution to the ESAs.

While DG FISMA is accountable for the legality and regularity of the payments of the subsidies to the agencies, the accountability for the regularity and the legality linked to the use of such expenditure resides ultimately with the agencies themselves. The extent of DG FISMA controls over agencies' operations does not therefore imply a financial review of the agencies' individual transactions and internal control framework. DG FISMA's supervision/monitoring arrangements were limited to the following:

- Unit A1 coordinated with the ESAs on horizontal operational, institutional and legal questions.
- Unit O1 provided support for budgetary procedures.
- DG FISMA represented the Commission on the ESAs' management boards, usually through the Director or Head of Unit in charge at operational level. It had a vote on budgetary issues only.
- DG FISMA also represented the Commission on the ESAs' boards of supervisors.

Since the three ESAs were established in 2011, their operating costs have been mainly funded by the national supervisory authorities (60 %) and the EU (40 %). ESMA is also funded by fees from supervised entities (i.e. credit-rating agencies, trade repositories, trade repositories under transparency of securities financing transactions, securitisation repositories and third-countries central counterparties (CCPs) under EMIR 2.2).

In order to ensure effective collaboration with the ESAs, DG FISMA established working arrangements with the three Authorities: a working arrangement on the ESAs' proposal to issue Guidelines (2013), a working arrangement on the process for the development of Technical Standards (2015) and a working arrangement on the coordination of international matters (2016).

In March 2019 the co-legislators agreed a legislative package to strengthen the European System of Financial Supervision (ESFS) and the final text was published in the Official Journal in December 2019 ⁽⁵²⁾. The final text agreed improved the mandates and

⁽⁵¹⁾ In accordance with Article 45a of the ESA's constituent acts, the Commission has a right to vote in the Management Board on matters referred in Article 63, which relates to the establishment of the budget.

⁽⁵²⁾ Regulation (EU) 2019/2175 of the European Parliament and of the Council of 18 December 2019 amending Regulation (EU) No 1093/2010 establishing a European Supervisory Authority (European Banking Authority), Regulation (EU) No 1094/2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), Regulation (EU) No 1095/2010 establishing a European Supervisory Authority (European Securities and Markets Authority), Regulation (EU) No 600/2014 on markets in financial instruments, Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and

governance of the three ESAs and the functioning of the ESRB to ensure stronger and more integrated financial supervision across the EU. In 2021, DG FISMA continued working to clarify different aspects of the changes agreed by the co-legislators in order to ensure their correct and consistent implementation. DG FISMA continues to be ready to support the ESAs in their efforts to implement the new rules.

In 2021 the Commission also proposed the creation of a new EU authority that will transform AML/CFT supervision in the EU and enhance cooperation among financial intelligence units (FIUs) ⁽⁵³⁾. The organisational matters related to the creation of the Agency are outlined in the legislative financial statement accompanying the proposal.

financial contracts or to measure the performance of investment funds, and Regulation (EU) 2015/847 on information accompanying transfers of funds(OJ L 334, 27.12.2019, p. 1–145).

⁽⁵³⁾ Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) 1094/2010, (EU) 1095/2010 – COM/2021/421 final.

ANNEX 14: Reporting on the Recovery and Resilience Facility

Not applicable.