



Annual Activity Report 2023

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."

26/03/2024

(e-signed)

Anne-Françoise MELOT

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.

27/03/2024

(e-signed)


Alexandra JOUR-SCHROEDER

⁽¹⁾ C(2017)2373 of 19.04.2017.

ANNEX 2: Performance tables ⁽²⁾

The target date for the delivery of initiatives is based on the planning made at the beginning of the year. During the year, priorities evolve and political decisions are taken with regard to the optimal timing for adopting a specific initiative, launching a public consultation or organising an event. In such cases, the planning was revised and the initial target dates were not achieved. Those initiatives are marked below with an **asterisk (*)** and a specific justification is provided in the event of a significant delay or when an initiative was cancelled or postponed *sine die*.

For the same reasons, new initiatives have been taken up relative to DG FISMA's Management Plan of 2023. Those initiatives are marked below as: **(NEW)**.

Initiatives that are part of the Commission Work Programme 2023 are marked with the following icon:  .

⁽²⁾ The cutoff date for this report is 22 January 2024. Therefore, the key performance indicators as well as the result indicators are updated based on the available data until this date.

General objective 1: An economy that works for people

Impact indicator: Composite indicators of financial integration

Source of the data: European Central Bank³

Baseline (2014-2019 average)	Interim Milestone (2023)	Target (2024)	Latest known results (Q3 2023 for the price- based indicator and Q1 2023 for the quantity- based indicator)
Price-based indicator: 0.5	Increase	Increase	0.53
Quantity-based indicator: 0.3	Increase	Increase	0.3

Impact indicator: Composite indicators of systemic stress

Source of the data: European Central Bank⁴

Baseline (1999- 2019 average)	Interim Milestone (2023)	Target (2024)	Latest known results (2020- 24/1/2024 average)
0.2	Below 0.2	Below 0.2	0.188

⁽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).

⁽⁴⁾ 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).

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

Related to spending programme(s): NO

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 (2018)	Interim Milestone (2023)	Target (2024)	Latest known results (2019)⁵
78.1% intra 27-EU home bias for cross-border portfolio investment	Decrease	Decrease	76.5%

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 (2023)	Target (2024)	Latest known results (2022) ⁽⁶⁾
19.9% share of foreign branches and subsidiaries' assets in the total banking assets in the EU-27 (as of 2018)	Increase	Increase	(2022: 16.1%)

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

Source of the data: ESTAT, ECB and DG FISMA calculations

Baseline (2019 Q4)	Interim Milestone (2023)	Target (2024)	Latest known results (2022 Q4)
20.2%	Increase	Increase	(2022 Q4: 24,6%)

Result indicator: Number of initial public offerings (IPOs)

Source of the data: Refinitiv DG FISMA calculations

⁽⁵⁾ This indicator cannot be updated because the indicator is no longer being produced by the data provider.

⁽⁶⁾ The update of the Structural Financial Indicators dataset used as a source for this indicator for the reference year 2023 is tentatively scheduled by the ECB for 7 June 2024.

Baseline (2019)	Interim Milestone	Target (2024)	Latest known results (2022)
	(2023)		
69 IPOs in the EU-27	Increase	Increase	(2022: 144)

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

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

Baseline (2018)	Interim Milestone	Target (2024)	Latest known results (2022)
	(2023)		
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)	Decrease ⁷	Increase	<ul style="list-style-type: none"> • Prospectus approved by EEA30 countries: 2425 • Prospectus passported to other MS: 773 • EU Growth prospectuses approved: 209

Result indicator: Proportion of proposed legislative revisions that include burden reduction measures⁸

Source of the data: DG FISMA

(⁷) “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’). While the slight increase of prospectuses approved in 2021 might be correlated to the increase in IPOs in the EU in the same year, according to the IPO Watch Europe report of 2022 from PWC ([IPO Watch Europe 2022 - PwC UK](#)), 2022 European IPO proceeds were down almost 80% compared to 2021, raising only €15.6bn vs. €75.0bn in 2021 and, in general, markets were affected by the of uncertainty stemming from rising inflation, aggressive interest rate hikes, the war in Ukraine, the energy crisis in Europe, lockdown in China and general recession fears. This is expected to negatively impact the prospectus activity in 2022.

(⁸) This indicator shows the proportion of DG FISMA initiatives that are focusing specifically on burden reduction. The base figure (“3” in this case) refers only to primary legislation initiatives or review reports analysing the need for legislation during the year. The counter (“3” in this case) includes only those DG FISMA initiatives aiming primarily at burden reduction as specified in the Management Plan 2023 for this purpose. It is worth noticing that burden reduction considerations are a standard step in all policy development in DG FISMA. We also recall that the bulk of DG FISMA’s legal acts are delegated and implementing acts.

Baseline (2018)	Interim Milestone	Target (2024)	Latest known results (2023)
	(2023)		
N/A	Positive trend	Positive trend	(3 out of 3 initiatives in 2022 <i>(read details on the methodology used in the footnote referred to in the header)</i>)

Main outputs in 2023:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
(*) Proposal for a regulation amending Regulation (EU) 2016/1011 to ensure EU users' continued access to non-EU benchmarks	Adoption by the Commission	Q2 2023	Adopted in October 2023, as part of the burden reduction package. The proposal was expanded to also reduce burden on EU-based benchmark administrators.

Enforcement actions

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Finalisation of the completeness checks of Directives with transposition deadline falling by the end of 2022	By end of 2023, confirming complete transposition in Themis database or pursue infringement proceedings for non-communication	Throughout the year	<ul style="list-style-type: none"> • 2019/2162 – Covered bonds/supervision – 26 finalised, 1 under examination by EC • 2020/1504 – Crowdfunding service providers – 19 finalised, 8 under examination by the EC • 2019/2177 – ESAs review amending Solvency II, AML IV and MIFID II – 27 finalised • 2019/1160 – Cross-border distribution – 24 finalised, 3 under examination by the EC • 2021/338 – Capital Market Recovery Package – 23 finalised, 4 under examination by the EC

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
			<ul style="list-style-type: none"> • 2021/2261 – KIID in UCITS – 27 finalised • 2021/1270 – delegated Dir on sustainability factors in UCITS – 26 finalised, 1 under examination by the EC • 2021/1269 – delegated Dir on sustainability factors – 26 finalised, 1 under examination by the EC
Finalisation of conformity checks of Directives with transposition deadlines falling by end 2020	By end of 2023, confirm largely correct transposition or pursue infringement proceedings for nonconformity.	Throughout the year	<ul style="list-style-type: none"> • 2013/50 – Transparency – 14 completed, 13 under assessment by EC • 2014/65 – MiFID II – 27 under assessment by EC • 2016/1034 – Amending MiFID II – 27 under assessment by EC • 2017/593 – MIFID II delegated Dir. on investment protection – 27 under assessment by the EC
External communication actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Joint Commission/ECB conference on European financial integration	Number of attendees [physical and online]	Broad participation from stakeholders	Closed (target reached, with approx. 70 participants in the room and a large online presence of 856 total connections in total)
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Commission Delegated Regulation supplementing Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms and amending	Adoption by the Commission	Q1 2023	Adopted 13 March 2023

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU with regard to regulatory technical standards under Article 40(6) of the Directive specifying how the risks and elements of risks referred to in Article 40(2) of the Directive are to be measured, including risks or elements of risks that are explicitly excluded from the own funds requirements set out in Part Three or Four of Regulation (EU) 2019/2033			
(NEW) RTS CBDF UCITS Regulatory Technical Standard on the notifications for cross-border marketing and cross-border management of AIFs and UCITS	Adoption by the Commission	Q4 2023	Adopted – December 2023
(NEW) RTS CBDF AIFM RTS on the notifications for cross-border marketing and cross-border management of AIFs and UCITS	Adoption by the Commission	Q4 2023	Adopted – December 2023
(NEW) ITS CBDF UCITS ITS on the notifications for cross-border marketing and cross-border management of AIFs and UCITS	Adoption by the Commission	Q4 2023	Adopted – December 2023
(NEW) ITS CBDF AIFM ITS on the notifications for cross-border marketing and cross-border management of AIFs and UCITS	Adoption by the Commission	Q4 2023	Adopted – December 2023

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
(*) Report on the application of the administrative and criminal sanctions for breaches of rules imposed by the Directive on Undertakings for Collective Investment in Transferrable Securities (UCITS), as required in art. 99(3)	Adoption by the Commission	Q4 2023	Under discussion with possible postponement to H2 2024.
(*) 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 for the assessment of market risk internal models and significant share under points (b) and (c) of Article 363(4) of Regulation (EU) No 575/2013 under CRR	Adoption by the Commission	Q3 2023	Discontinued. The Commission has decided that it will not continue its assessment of these RTS, given the anticipated adoption of FRTB in the new banking package (which overhauls the current internal model approach for market risk and hence, of the assessment methodology).
(*) Commission delegated regulation (EU) No .../.. of XXX amending Delegated Regulation (EU) No 526/2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for determining proxy spread and limited smaller portfolios for CVA risk under CRR	Adoption by the Commission	Q4 2023	Discontinued. The Commission will not continue its assessment of these RTS, given the changes introduced at Basel level in 2019 removing from the prudential framework the internal model approaches for CVA to which these RTS relate.
(*) RTS on the calculation of KIRB in accordance with the top-down approach and the use of proxy data (new Article	Adoption by the Commission	Q4 2023	Postponed. Planned for Commission adoption in Q1 2024.

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
255(9) of the CRR)			
(*) Report from the Commission to the European Parliament and to the Council under Article 12a of Directive 98/26/EC of the European Parliament and of the Council of 11 June 1998 on settlement finality in payment and securities settlement systems	Adoption by the Commission	Q1 2023	Adopted on 28/06/2023 – COM(2023)345
(NEW) COMMISSION DELEGATED REGULATION (EU) /... amending the regulatory technical standards laid down in Delegated Regulation (EU) 2015/2205 as regards the transition to the TONA and SOFR benchmarks referenced in certain OTC derivative contracts	Adoption by the Commission	Q4 2023	Adopted on 11/10/2023 – C(2023)6692
(NEW) COMMISSION DELEGATED REGULATION (EU) /... on amending the regulatory technical standards laid down in Delegated Regulation (EU) 2018/1229 as regards the penalty mechanism for settlement fails relating to cleared transactions submitted by CCPs for settlement	Adoption by the Commission	Q2 2023	Adopted on 19/04/2023 – C(2023)2484
(NEW) COMMISSION DELEGATED REGULATION (EU) /... amending the regulatory technical standards laid down in Delegated Regulation (EU) No 153/2013 as regards the extension of temporary emergency	Adoption by the Commission	Q4 2023	Adopted on 28/11/2023 – C(2023)8114

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
measures on CCP collateral requirements			
(*) 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 ECAIs and those that have been identified as needing amendments to their mapping reports.	Adoption by the Commission	Q3 2023	Postponed to Q1 2024
(*) 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 ECAIs and those that have been identified as needing amendments to their mapping reports.	Adoption by the Commission	Q3 2023	Postponed to Q1 2024
Delegated Regulation supplementing Regulation (EU) 2016/1011 extending the transitional period for the entry into application of the rules on the use of third country benchmarks by supervised entities in the Union until 31 December 2025.	Adoption by the Commission	Q2 2023	Adopted on 14/07/23 – C(2023)4849
(*) Delegated Regulation amending the regulatory technical standards laid down in Delegated Regulation (EU) 2018/1645	Adoption by the Commission	Q3 2023	ON HOLD – until BMR proposal is adopted

supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to regulatory technical standards for the form and content of the application for recognition with the European Securities and Markets Authority (ESMA)			
(* Implementing Regulation on the designation of a statutory replacement for certain settings of the USD London Interbank Offered Rate	Adoption by the Commission	Q2 2023	ON HOLD pending the expiry of synthetic LIBOR in September 2024
(* Commission Implementing Decision (EU) .../... on the equivalence of the legal and supervisory framework applicable to benchmarks in India in accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council	Adoption by the Commission	Q2 2023	ON HOLD pending review of the rules for use of non-EU benchmarks
(* Commission Implementing Decision (EU) .../... on the equivalence of the legal and supervisory framework applicable to benchmarks in New Zealand in accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council	Adoption by the Commission	Q2 2023	ON HOLD pending review of the rules for use of non-EU benchmarks
European Financial Stability and Integration Review (EFSIR)	Adoption by the Commission	Q2 2023 Launched at the annual joint COM/ECB conference on European financial integration on 7 June 2023	Published on 7 June 2023 – SWD(2023) 171 final

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 (2023)
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	(2023 Q3: 19.7%)

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 (2023)
EUR 178 billion	Increase	Increase	2023 Q2: EUR 2 476 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 (2023)
202% median SCR ratio (between 129% and 279%)	Insurance companies remain sufficiently capitalized	200%	2023 Q2 225% 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 (2022)	Target (2024)	Latest known results (2023)
<p>Baseline on supervisory actions (2018): 15175 off-site inspections, 4897 on-site inspections</p> <p>Baseline on identified breaches (2018): 2467</p> <p>Baseline on sanctions/administrative measures (2019; no 2018 data available): 19</p>	Increase in the number of supervisory actions and sanctions, when necessary	Increase in the number of supervisory actions and sanctions, when necessary	<p>Supervisory actions (2020): 43702 off-site inspections, 4481 on-site inspections; (2021): 38612 off-site inspections, 4691 on-site-inspections.</p> <p>Identified breaches (2020): 1999; (2021): 2373.</p> <p>Sanctions/administrative measures (2020):65; 2021: 386. 2022: 250; 2023: 236</p>

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

Source of the data: DG FISMA

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2023)
N/A	Positive trend	Positive trend	0 out of 9 initiatives in 2022

Main outputs in 2023:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
(* Proposal for a Directive of the European Parliament and of the Council amending Directive 2014/59/EU (BRRD)	Adoption by the Commission	Q1 2023	Adopted 18/04/2023 - COM(2023)227
(* Proposal for a Directive of the European Parliament and of the Council amending Directive 2014/49/EU (DGSD)	Adoption by the Commission	Q1 2023	Adopted 18/04/2023 - COM(2023)228

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
(* Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 806/2014 (SRMR)	Adoption by the Commission	Q1 2023	Adopted 18/04/2023 - COM(2023)226
(* Communication to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of the Regions on completing the Banking Union	Adoption by the Commission	Q1 2023	Adopted 18/04/2023 - COM(2023)225
(* Proposal for a Directive of the European Parliament and of the Council amending Directive 2014/59/EU and Regulation (EU) No 806/2014 as regards certain aspects of the minimum requirement for own funds and eligible liabilities	Adoption by the Commission	Q1 2023	Adopted 18/04/2023 - COM(2023)229 Political agreement confirmed by European Parliament and Council on 20/12/2023

Enforcement actions

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Finalisation of the completeness checks of Directives with transposition deadline falling by the end of 2022	By end of 2023, confirming complete transposition in Themis database or pursue infringement proceedings for non- communication	Throughout the year	<ul style="list-style-type: none"> • 2017/2399 – BCHD – 27 finalised • 2018/843 - AML V – 23 completed, 4 under assessment by EC • 2019/878 - CRD V on credit institutions – 25 completed, 2 under assessment by EC • 2019/879 - BRRD II – 22 completed, 5 under assessment by EC • 2019/878 - CRD V on investment firms – 25 completed, 2 under assessment by EC • 2019/2034 - Supervision of investment firms – 24

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
			completed, one partial transposition, 3 under assessment by EC
Finalisation of conformity checks of Directives with transposition deadline falling by end 2020	By end of 2023, confirming correct transposition or pursue infringement proceedings for nonconformity.	Throughout the year	<ul style="list-style-type: none"> • 2015/849 - AML IV – 25 completed, 2 non-conformity cases • 2017/2399 – BCHD – 22 completed, 5 under assessment by EC • 2018/843 - AML V – 7 completed, 13 under assessment by EC, 7 non-conformity cases • 2019/879 - BRRD II – 9 completed, 18 under assessment by EC
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
(NEW) Financial stability was monitored at EU and Member State level in view of detecting and assessing emerging financial stability risks. This fed into Commission-wide workstreams, notably the European Semester, post-programme surveillance and assessment of the design, revisions and implementation of Recovery and Resilience Plans in the financial sector domain	Country knowledge gathered in FISMA internal financial sector country reports, input to internal FISMA discussions and decision making, timely contributions to European Semester and post-programme surveillance country reports and to negotiations and assessments in the context of the Recovery and Resilience Facility.	Continuous	<p>Daily and weekly reports on financial markets.</p> <p>Weekly bankmonitor Twice per year comprehensive EU financial stability reports.</p> <p>Post-programme surveillance on 5 countries twice a year to feed in the Semester.</p>
(*) Review and report on the macroprudential provisions for the banking and non-banking sector contained in: Regulation of the European Parliament and of the Council amending Regulation (EU) No 575/2013, as amended by Regulation (EU)	Adoption by the Commission	Q4 2023	Postponed to Q1 2024 (and adopted January 2024)

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
<p>876/2019 of the European Parliament and of the Council of 20 May 2019 (Capital Requirements Regulation – CRR) as regards macroprudential provision; Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, as amended by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 (Capital Requirements Directive - CRD) as regards macroprudential provisions.</p> <p>The Commission will issue a report on the macroprudential review to the co-legislators which will identify the main shortcomings in the existing framework to be addressed and possible ways to address them</p>			
<p>Regulatory technical standards under Article 10(12) of Regulation (EU) 2021/23 of the European Parliament and of the Council of 16 December 2020 on a framework for the recovery and resolution of central counterparties and amending Regulations (EU) No 1095/2010, (EU) No 648/2012, (EU) No 600/2014, (EU) No 806/2014 and (EU) 2015/2365 and Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU)</p>	Adoption by the Commission	Q1 2023	Adopted early on – 25/11/2022 – C(2022)8435

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
2017/1132 that specify further the factors referred to in points (a), (b) and (c) of Article 10(3) of that Regulation.			
Commission Delegated Regulation amending Commission Delegated Regulation (EU) 2015/63 as regards the valuation of derivatives used in the calculation of contributions to the resolution financing arrangements	Adoption by the Commission	Q1 2023	Adopted 20/01/2023 - C(2023)399 In force since 23.03.2023
(NEW) Commission Delegated Regulation amending Commission Delegated Regulation (EU) 2015/63 as regards the calculation of eligible liabilities and the transitional regime	Adoption by the Commission	Q4 2023	Adopted 13/12/2023 C(2023)8602
Report on the functioning of Regulation (EU) 2017/1131 of the European Parliament and of the Council on Money Market Funds	Adoption by the Commission	Q2 2023	Adopted on 20 July 2023 - COM(2023)452
ITS on Solvency II reporting - Commission Implementing Regulation laying down implementing technical standards with regard to the templates for the submission of information to the supervisory authorities according to Directive 2009/138/EC of the European Parliament and of the Council	Adoption by the Commission	2023	Adopted 04/04/2023 - C(2023)2225
ITS on Solvency II disclosure - Commission Implementing Regulation laying down	Adoption by the Commission	2023	Adopted 04/04/2023 - C(2023)2228

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
implementing technical standards with regard to the procedures, formats and templates of the solvency and financial condition report in accordance with Directive 2009/138/EC of the European Parliament and of the Council			
(*) Commission Delegated Regulation (EU) XXX/XXX amending Delegated Regulation (EU) 2015/35 supplementing the amendments to Directive 2009/138/EC	Adoption by the Commission	Soon after the adoption of the Solvency II review by co-legislators (2021/0295(COD))	Scheduled for 2024
Regulatory Technical Standard on written arrangements and procedures for the functioning of the resolution colleges (CCP RR/Article 4(7))	Adoption by the Commission	Q1 2023	Adopted 14/03/2023 - C(2023)1594
Regulatory Technical Standard on the contents of resolution plans (CCP RR: Article 12(9))	Adoption by the Commission	Q1 2023	Adopted 14/03/2023 - C(2023)1595
(*) Regulatory Technical Standard on the conditions for clearing members to pass on compensation to their clients and the conditions under which it is to be considered proportionate (CCP RR/Article 63(2))	Adoption by the Commission	Q1 2023	Adopted 03/05/2023 - C(2023)2786
(*) Regulatory Technical Standard on valuation of CCPs' assets and liabilities in Resolution (CCP RR/Article 25(6), Article 26(4) and Article 61(5))	Adoption by the Commission	Q1 2023	Adopted 03/05/2023 - C(2023)2782
(*) Commission Communication on climate related financial	Adoption by the Commission	Q3 2023	To be adopted in Q1 2024, in the form of a

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
stability risks in the context of the Strategy for Financing the Transition to a Sustainable Economy			Commission Staff Working Document
(*) Commission SWD on national non-performing loan market specificities	Adoption by the Commission	Q2 2023	Cancelled – will be reassessed next year
Commission implementing regulation specifying the templates to be used by credit institutions for the provision of information referred to in Article 16 of Directive (EU) 2021/2167 on credit servicers and credit purchasers and amending Directive 2008/48/EC and 2014/17/EU. The ITS shall be used by credit institutions for the provision of information referred to in Art. 15(1) of the Directive (EU) 2021/2167 in order to provide credit purchasers with detailed information on their credit exposures in the banking book for the analysis, financial due diligence and valuation of a creditor's rights under a non-performing credit agreement, or the non-performing credit agreement itself (NPL Transaction Data Templates)	Adoption by the Commission	Q2 2023	Adopted – November 2023
(NEW) Commission delegated regulation (EU).../... amending Delegated Regulation (EU) 2016/1675 as regards adding Nigeria and South Africa to the	Adoption by the Commission	Q2 2023	Adopted on 17/05/2023 - C(2023) 3247

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
table in point I of the Annex and deleting Cambodia and Morocco from that table			
(NEW) Commission delegated regulation (EU) /... amending Delegated Regulation (EU) 2016/1675 as regards adding Democratic Republic of the Congo, Gibraltar, Mozambique, Tanzania and United Arab Emirates to the table I of the Annex to Delegated Regulation (EU) 2016/1675 and deleting Nicaragua, Pakistan and Zimbabwe from that table	Adoption by the Commission	Q1 2023	Adopted on 19/12/2022 - C(2022)9649
(NEW) Commission delegated regulation (EU) /... amending Delegated Regulation (EU) 2016/1675 as regards deletion of the Cayman Islands and Jordan from the table in point I of the Annex to Delegated Regulation (EU) 2016/1675	Adoption by the Commission	Q4 2023	Adopted on 12/12/2023
Commission delegated regulation (EU) .../... amending Delegated Regulation (EU) 2016/1675 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council regarding an amended list of high risk third countries for the purpose of anti-money laundering and countering terrorist financing	Adoption by the Commission	Q32023	Adopted 12/12/2023

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
<p>(*) Report from the Commission to the European Parliament and the Council on the implementation of Directive 2015/849/EC as amended by 2018/843/EC on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (article 65 report)</p>	Adoption by the Commission	Q1 2023	Delayed because of delays in receiving input from MS and EBA
<p>(NEW) 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</p>	Adoption by the Commission	Q1 2023 Q2 2023 Q3 2023 Q4 2023	Adopted on 09/02/2023 - C2023/266 Adopted on 16/05/2023 - C2023/967 Adopted on 30/08/2023 - C2023/1672 Adopted on 20/11/2023 - C2023/2574
<p>(NEW) COMMISSION DELEGATED REGULATION (EU) .../... of 26.10.2023 supplementing Regulation (EU) 2021/23 of the European Parliament and of the Council with regard to regulatory technical standards specifying the minimum elements to be included in a business reorganisation plan and the criteria to be fulfilled for its approval by the resolution authority</p>	Adoption by the Commission	Q4 2023	Adopted on 26/10/2023 (2023) 7109

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 (2023)
	(2022)		
45.6%	Increase	Increase	2023 Q2: 43.7%

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 (2023)
	(year)		
1.89%	Decrease	Decrease	2023 1.5%

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

Source of the data: ESMA

Baseline (2018)	Interim Milestone	Target (2024)	Latest known results (2021)
	(year)		
470 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	362 According to ESMA's Report on Administrative and criminal sanctions and other administrative measures imposed under the Market Abuse Regulation in 2021, 366 administrative sanctions and measures 29 criminal sanctions

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 (2023)
	(year)		
N/A	Positive trend	Positive trend	2 out of 2 initiatives presented in 2023

Main outputs in 2023:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
 (*) A strategy to develop retail investments in the Internal Market	Adoption by the Commission	Q1 2023	Adopted on 24/05/2023 - COM(2023)279
 (*) Package of measures aimed to implement the retail investment strategy	Adoption by the Commission	Q1 2023	Adopted on 24/05/2023 - COM(2023)279 (B3 CF) COM(2023)278 (C4 CF)

Enforcement actions

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Timely assessment of complaints on possible breaches of EU law, received as of January 2022	70% of the complaints received as of January 2022 Closure or sending of a letter of formal notice within 12 months from the receipt of a complaint.	Throughout the year	In 2023 we have received 54 complaints. Out of them 34 were closed within a year (63%); 2 were transferred to EU Pilot/Infringement (4%); 4 are preclosed and preclosure letter was sent within one year (7%). The rest are still under assessment.
Finalisation of the completeness checks of Directives with transposition deadline falling by the end of 2022	By end of 2023, confirming complete transposition in Themis database or pursue infringement proceedings for non- communication	Throughout the year	2016/2341 - IORPs II – 27 completed.
Finalisation of the conformity checks of the Directives with transposition deadline falling by end 2020	By end of 2023, confirming correct transposition or pursue infringement proceedings for nonconformity	Throughout the year	<ul style="list-style-type: none"> • 2014/17 – MCD – 10 completed, 16 under assessment by EC, 1 non-conformity case • 2014/92 – PAD – 16 completed, 11 under assessment by EC • 2015/2366 – PSD2 – 7 completed, 20 under assessment by EC • 2016/97 – IDD – 27 under assessment by EC • 2016/2341 - IORPs II – 27 under assessment by EC

External communication actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Launch of second phase of the Capital Markets Union social media campaign	Number of impressions ⁽⁹⁾ on social media channels Target groups - segmentation: Young online investors 25-30 Retail investors > 30 Women > 30 Entrepreneurs & SME	2,5M impressions ⁽¹⁰⁾ -	2,75M impressions for the phases of the campaign ran in 2023. The campaign is divided in several phases. Phase 1 was in 2022 (4M impressions reached). Phase 2 was in Q2 2023 (1.5M impressions reached) and phase 3 in Q3 (1.2M impressions reached).
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
(NEW) Commission Delegated Directive (EU) 2023/2775 amending Directive 2013/34/EU of the European Parliament and of the Council as regards the adjustments of the size criteria for micro, small, medium-sized and large undertakings or groups	Adoption by the Commission	Q4 2023	Adopted on 17/10/2023 – C(2023)7020 as part of the burden reduction package.
(*) Commission Regulation (EU) 2023/1803 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	Q1 2023	Adopted on 13/08/2023 – C(2023)6067
(NEW) Commission Regulation (EU) 2023/2468 amending Regulation (EU) 2023/1803 as regards International Accounting	Adoption by the Commission	Q3 2023	Adopted on 08/11/2023 – C(2023)7457

⁽⁹⁾ Impressions = the number of times your content is shown in a social media feed

⁽¹⁰⁾ Impressions = the number of times your content is shown in a social media feed

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Standard 12			
(* Commission Regulation (EU) 2023/2579 amending Regulation (EU) 2023/1803 as regards International Financial Reporting Standard 16	Adoption by the Commission	Q3 2023	Adopted on 20/11/2023 – C(2023)7736
(* Commission Regulation (EU) 2023/2822 amending Regulation (EU) 2023/1803 as regards International Accounting Standard 1	Adoption by the Commission	Q3 2023	Adopted on 19/12/2023 – C(2023)8823
(* Commission report on the activities of the IFRS Foundation, EFRAG and the IOB in 2022	Adoption by the Commission	Q3 2023	Adopted on 20/11/2023 – COM(2023)712
(* A Commission implementing Regulation specifying the form and the contents of the claims history statements issued in accordance with Article 16 of Directive 2009/103/EC relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to insure against such liability as amended by Directive (EU) 2021/1118	Adoption by the Commission	Q3 2023	Postponed to Q1 2024. ISC finalised, currently under Have your say and EDPS consultation.
(* A Commission delegated Regulation specifying the procedural tasks and the procedural obligations of bodies referred to in Article 10a (1) of Directive 2009/103/EC relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to insure against such liability as	Adoption by the Commission	Q4 2023	Postponed to first half 2024. The empowerment has become active after 27 December 2023. This act should only be adopted, according to the Motor Insurance Directive (MID), in case where the compensation bodies fail to agree on the setting of the above obligations and arrangements.

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
amended by Directive (EU) 2021/1118			
(*) A Commission delegated Regulation specifying the procedural tasks and the procedural obligations of bodies referred to in Article 25a (1) of Directive 2009/103/EC relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to insure against such liability as amended by Directive (EU) 2021/1118	Adoption by the Commission	Q4 2023	Postponed to first half of 2024. The empowerment only became active after 27 December 2023. As this act should only be adopted, according to the Motor Insurance Directive (MID) in case where the compensation bodies fail to agree on the setting of the above obligations and arrangements.
Financial competence framework for young people developed together with the OECD/Member States	Publication by the Commission and the OECD	Q2 2023	Published on 27/09/2023
(*) Commission Report on the application of the collateralisation practices in Simple, Transparent and Standardised (STS) on-balance-sheet securitisations.	Adoption by the Commission	Q4 2023	The EBA report, which will be the basis for this Commission Report, will not be ready before Q3 2024. Hence, we need to push back the target adoption.
(*) Delegated Act on the significant risk transfer for securitisation transactions	Adoption by the Commission	Q2 2023	Possible adoption has been deprioritised and delayed, until after EP recess. Issues may be addressed by supervisory measures.
(NEW) Adaptation of the base amounts for professional indemnity insurance and financial capacity of insurance intermediaries	Adoption by the Commission	Q4 2023	Adopted on 05/12/2023, C(2023)8171

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: Refinitiv

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2023)
EUR 113.5 billion face value issued in 2019 (up from EUR 54.9 billion in 2018), 2.3% of total bond issuance ¹¹	Increase	Increase	2023: 6.2% %; 230 EUR bn

Result indicator: Provisional indicator – subject to data becoming available: 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 (2023)
No data currently available	Increase	Increase	2023: Not yet available- no ecolabel reference available at present.

Result indicator: Provisional indicator – subject to data becoming available¹²: 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 (2023)
No data currently available	Increase	Increase	2023: Not yet available

(¹¹) 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.

(¹²) For these indicators, the policies are not yet in place and/or the relevant data not yet available.

Result indicator: Provisional indicator – subject to data becoming available later in the mandate ¹³:

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: More data will become available later, including under the workstream of the Platform on Sustainable Finance on monitoring sustainable finance capital flows.

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2023)
No data currently available (Taxonomy Delegated Acts not yet applicable)	First-year reporting of Taxonomy-eligible activities under the Climate Delegated Act	Increase	2023: Mid-2023 average figures for over half of large listed EU companies shows around 23% Taxonomy-alignment for capital expenditure, 24% for operational expenditure and 17% for revenues ⁽¹⁴⁾ . The data has since been enriched by other accounts ⁽¹⁵⁾ .

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 (2023)
N/A	Positive trend	Positive trend	2 out of 2 initiatives in 2023.

Main outputs in 2023:

New policy initiatives

⁽¹³⁾ For these indicators, the policies are not yet in place and/or the relevant data not yet available.

⁽¹⁴⁾ COM/2023/317 final.

⁽¹⁵⁾ E.g. [Platform on Sustainable Finance report on a compendium of market practices - European Commission \(europa.eu\)](https://commission.europa.eu).

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
<p>Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities (OJ L, 2023/2486, 21.11.2023)</p> <p>Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening criteria for determining</p>	Adoption by the Commission	2023	Adopted as part of the SF Package of June. Exact date of adoption: 27/06/2023

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives (OJ L, 2023/2485, 21.11.2023)			
Proposal on ESG rating providers	Adoption by the Commission	Q2 2023	Adopted on 13/06/2023 - COM(2023)314
(*) Commission delegated regulation (EU) .../... of XXX supplementing Directive (EU) .../... of the European Parliament and of the Council as regards the European Sustainability Reporting Standards	Adoption by the Commission	Q2 2023	Adopted on 31/07/2023 - COM(2023)5303
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Midterm Report of the Climate Resilience Dialogue	Publication of the report	Q2 2023	Published in July 2023.
(*) Delegated act supplementing Regulation (EU) 2016/1011 to review the minimum standards for EU Climate Transition Benchmarks and for EU Paris-aligned.	Adoption by the Commission	Q3 2023	ON HOLD until review of Regulation (EU) 2016/1011 is complete (expected Q3 2024).
(NEW) Commission notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Regulation and links to the Sustainable Finance	Publication of FAQs	June 2023	Published in June 2023

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Disclosure Regulation			
(NEW) Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU taxonomy Regulation on the reporting of taxonomy-eligible and Taxonomy-aligned economic activities and assets (approved in principle)	Publication of the notice	December 2023	Published in December 2023
Report on the feasibility of an EU ESG benchmark label	Adoption by the Commission	Q2 2023	Published in February 2023

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	Target (2024)	Latest known results (2021)
	(year)		
The total number of payments: 139.9 billion in 2018 The total number per capita: 272.6 in 2018 (EU)	Increase Increase	Increase Increase	2021: 143 billion payments, 320 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	Target (2024)	Latest known results (2023)
	(year)		
89% for cyber risk/data security 31% for IT failures 23% for outsourcing	Decrease	Decrease	2023: 65% for cyber risk/data security 35% for IT failures 16% 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 (2023)
	(year)		
17.5% of total IT investment	Increase	Increase ¹⁷	2022: Increase ¹⁷

Baseline (2018)	Interim Milestone	Target (2024)	Latest known results (2023)
	(year)		
(some EUR 24.7bn)			

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 (2023)
	(2022)		
N/A	Positive trend	Positive trend	3 out of 3 initiatives presented in 2023

Main outputs in 2023:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
 Regulation of the European Parliament and of the Council on the establishment of the digital euro	Adoption by the Commission	Q2 2023	Adopted on 28/06/2023 - COM(2023)369
 (NEW) REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the scope and effects of legal tender of euro banknotes and coins	Adoption by the Commission	Q2 2023	Adopted on 28/06/2023 - COM(2023)364
 (NEW) Regulation of the European Parliament and of the Council on a Framework for Financial Data Access (FIDA)	Adoption by the Commission	Q2 2023	Adopted on 28/06/2023 - COM(2023)360
 (PSD2) Review of Directive (EU)	Adoption by the Commission	Q2 2023	Adopted on 28/06/2023 - COM(2023)365

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
<p>2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC</p>			
<p> (PSD3) Directive amending Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market PLAN/2022/1630  (PSD3) Proposal for a Regulation of the European Parliament and of the Council on payment services</p>	Adoption by the Commission	Q2 2023	<p>Adopted on 28/06/2023 - COM(2023)366</p> <p>Adopted on 28/06/2023 - COM(2023)367</p>
<p>(NEW) Proposal amending the amending Regulations (EU) No 1092/2010, (EU) No 1093/2010, (EU) No 1094/2010, (EU) No 1095/2010 and (EU) 2021/523 as regards certain reporting requirements in the fields of financial services and investment support (data-sharing proposal)</p>	Adoption by the Commission	2023	Adopted on 28/06/2023 - COM/2023/593
<p>Regulation/Directive of the European Parliament and of the Council on an Open Finance Framework</p>	Adoption by the Commission	Q2 2023	Adopted 28/06/2023 - COM(2023)360

Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
(*) Progress report on the implementation of the strategy on supervisory data in EU financial services	Adopted by Commission	Q4 2023	In progress. To be adopted in Q1 2024.

Specific objective 1.6: The EU financial system’s sovereignty and competitiveness in a challenging international environment are strengthened (this specific objective is also linked to general objective “A stronger Europe in the world”)

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 (2022)
21.3% ¹⁶	Increase		Increase	2022: 22%

Result indicator: The use of euro in international transactions

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

Baseline (2018)	Interim Milestone (2022)		Target (2024)	Latest known results (2022)
		(year)		
51.4%	Increase		Increase	2022: 51.6%

Result indicator: % of adopted decisions having undergone equivalence monitoring

Source of the data: European Commission, DG FISMA

Baseline (2019)	Interim Milestone (2022)		Target (2024)	Latest known results (2023)
3.5%	6%		10%	13% (This refers to 40 out of the total 311 equivalence decisions, based on monitoring carried out in cooperation with ESAs)

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

Source of the data: DG FISMA

⁽¹⁶⁾ The baseline has changed because the calculation method (constant exchange rate) implies that different exchange rates have been used for the past years.

Baseline (2020)	Interim Milestone		Target	Latest known results (2023)
	(2021)	(2022)		
32%	40%	Increase 60-80% reporting obligations complied with	90+% reporting obligations complied with	2022: 55% (Indicator cannot be updated due to changing into a new reporting system.) (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 (2023)
	(2022)			
N/A	Positive trend		Positive trend	2 out of 2 initiative presented in 2022)

Main outputs in 2023:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
(*) Commission Communication on the state of implementation of the measures announced on 19 January 2021 to foster the openness, strength, and resilience of the European economic and financial system	Adoption by the Commission	Q4 2023	Cancelled – state of play will be provided by a Commissioner's speech

(17) In 2023 DG FISMA launched the Sanctions Information Exchange Repository (SIER), which is a new platform to better assist Member States in complying with the reporting and information exchanged obligations under EU restrictive measures. SIER replaced the existing underlying reporting system in June 2023.

ANNEX 3: Draft annual accounts and financial reports

Annex 3 Financial Reports - DG FISMA - Financial Year 2023

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 16 : Commitments co-delegation type 3 in 2022

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2023 (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 %
	02 20	Pilot projects, preparatory actions, prerogatives and other actions	0.13	0.13	100.00 %
Total Title 02			0.13	0.13	100.00 %
Title 03 Single Market					
03	03 01	Support administrative expenditure of the 'Single Market' cluster	0.16	0.16	100.00 %
	03 02	Single Market Programme	16.24	16.24	100.00 %
	03 10	Decentralised agencies	53.97	52.61	97.49 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0.80	0.80	100.00 %
Total Title 03			71.17	69.82	98.09 %
Title 06 Recovery and Resilience					
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	0.04	0.04	100.00 %
	06 06	EU4Health Programme	0.02	0.02	100.00 %
Total Title 06			0.07	0.07	100.00 %
Title 07 Investing in People, Social Cohesion and Values					
07	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 04	European Maritime, Fisheries and Aquaculture Fund (EMFAF)	0.09	0.09	100.00 %
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	0.00	0.00	0.00 %
Total Title 11			0.00	0.00	0.00 %
Title 14 External Action					
14	14 01	Support administrative expenditure of the 'External Action' cluster	0.43	0.43	100.00 %
	14 04	Common Foreign and Security Policy	0.00	0.00	0.00 %
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	0.07	0.07	100.00 %
Total Title 14			0.51	0.51	100.00 %
Title 15 Pre-accession Assistance					
15	15 01	Support administrative expenditure of the "Pre-accession Assistance" cluster	0.06	0.06	99.90 %
Total Title 15			0.06	0.06	99.90 %
Title 20 Administrative expenditure of the European Commission					

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2023 (in Mio €) for DG FISMA					
			Commitment appropriations authorised*	Commitments made	%
			1	2	3=2/1
20	20 02	Other staff and expenditure relating to persons	0.09	0.09	100.00 %
	20 04	Information and communication technology-related expenditure	0.75	0.75	100.00 %
Total Title 20			0.84	0.84	100.00 %
Title 30 Reserves					
30	30 02	Reserves for operational expenditure	0.00	0.00	0.00 %
Total Title 30			0.00	0.00	0.00 %
Total Excluding NGEU			72.87	71.52	98.14 %
Total DG FISMA			72.87	71.52	98.14 %

* 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).

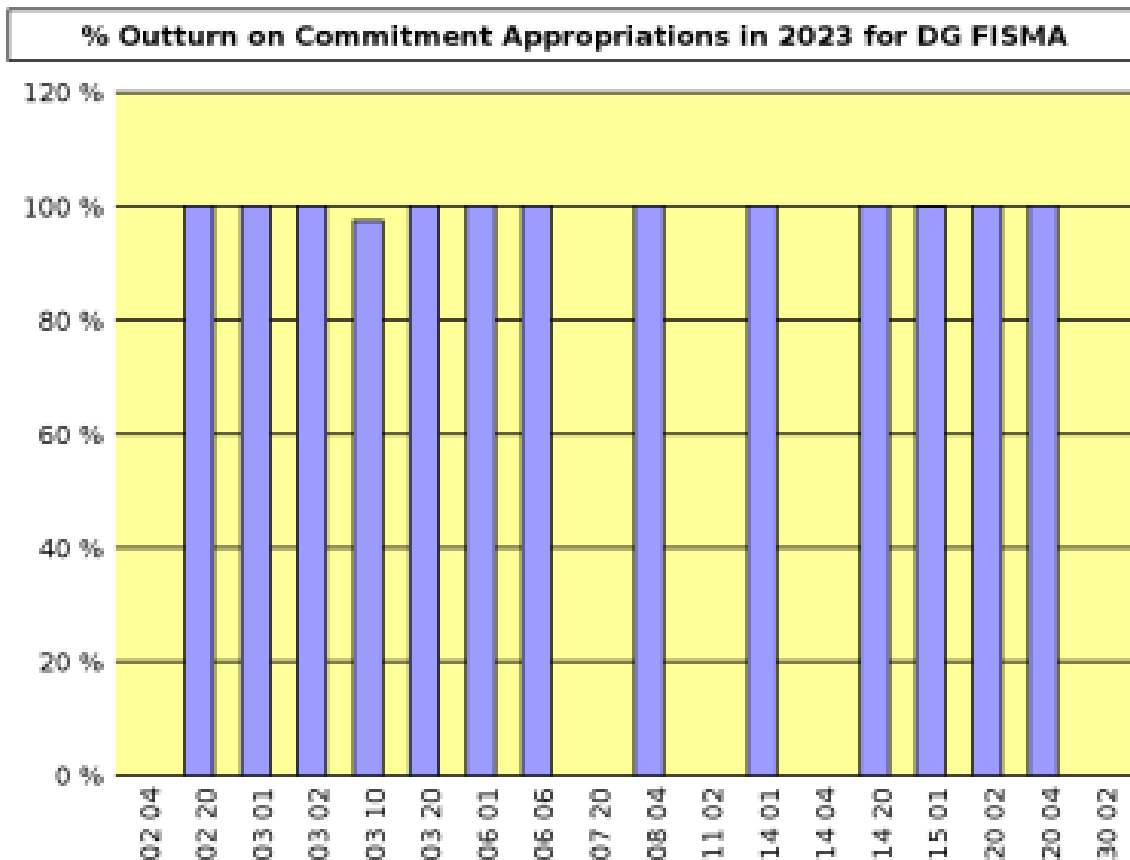


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2023 (In Mio €) for DG FISMA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 02 European Strategic Investments					
02	02 04	Digital Europe programme	0.07	0.07	100.00 %
	02 20	Pilot projects, preparatory actions, prerogatives and other actions	0.08	0.08	100.00 %
Total Title 02			0.15	0.15	100.00%
Title 03 Single Market					
03	03 01	Support administrative expenditure of the 'Single Market / cluster	0.32	0.23	71.93 %
	03 02	Single Market Programme	16.08	15.36	95.65 %
	03 10	Decentralised agencies	53.97	52.61	97.49 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0.19	0.19	100.00 %
Total Title 03			70.54	68.40	96.96%
Title 06 Recovery and Resilience					
06	06 01	Support administrative expenditure of the 'Recovery and Resilience/ cluster	0.09	0.05	50.03 %
	06 06	EU4Health Programme	0.03	0.03	100.00 %
Total Title 06			0.12	0.08	62.57%
Title 07 Investing in People, Social Cohesion and Values					
07	07 20	Pilot projects, preparatory actions, prerogatives and other actions	1.05	1.05	100.00 %
Total Title 07			1.05	1.05	100.00%
Title 08 Agriculture and Maritime Policy					
08	08 04	European Maritime, Fisheries and Aquaculture Fund (EMFAF)	0.11	0.11	100.00 %
Total Title 08			0.11	0.11	100.00%
Title 11 Border Management					
11	11 02	Integrated Border Management Fund (IBMF) / Instrument for financial support for border management and visa	0.16	0.16	100.00 %
Total Title 11			0.16	0.16	100.00%
Title 14 External Action					
14	14 01	Support administrative expenditure of the 'External Action / cluster	0.76	0.44	57.34 %
	14 04	Common Foreign and Security Policy	0.24	0.24	100.00 %
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	0.07	0.07	100.00 %
Total Title 14			1.08	0.75	69.85%
Title 15 Pre-accession Assistance					
15	15 01	Support administrative expenditure of the "Pre-accession Assistance" cluster	0.06	0.02	26.93 %
Total Title 15			0.06	0.02	26.93%
Title 20 Administrative expenditure of the European Commission					

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2023 (in Mio €) for DG FISMA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
20	20 02	Other staff and expenditure relating to persons	0.20	0.07	34.22 %
	20 04	Information and communication technology-related expenditure	1.29	0.80	62.12 %
Total Title 20			1.50	0.87	58.30%
Title 30 Reserves					
30	30 02	Reserves for operational expenditure	0.00	0.00	0.00 %
Total Title 30			0.00	0.00	0.00%
Total Excluding NGEU			74.76	71.58	95.74%
Total DG FISMA			74.76	71.58	95.74 %

* 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).

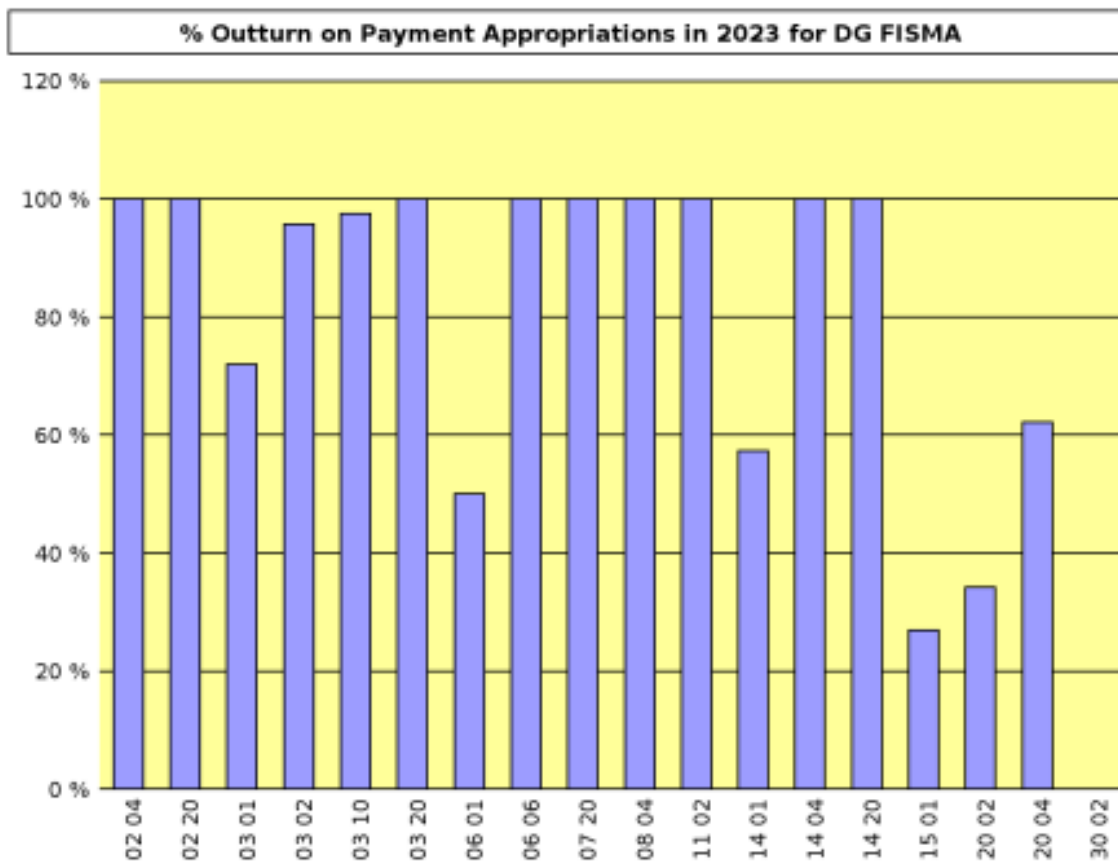


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG FISMA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 04	Digital Europe programme Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00	0.00%	0.41	0.41	0.49
	02 20		0.13	0.02	0.11	85.40%	0.00	0.11	0.06
Total Title 02			0.13	0.02	0.11	85.40%	0.41	0.53	0.55
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG FISMA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
03	03 01	Support administrative expenditure of the 'Single Market' cluster	0.16	0.07	0.09	56.21%	0.00	0.09	0.16
	03 02	Single Market Programme	16.24	8.97	7.27	44.78%	1.21	8.48	8.06
	03 10	Decentralised agencies	52.61	52.61	0.00	0.00%	0.00	0.00	0.00
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0.80	0.00	0.80	100.00%	0.44	1.24	0.63
Total Title 03			69.82	61.65	8.16	11.69%	1.65	9.81	8.85
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG FISMA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	0.04	0.00	0.04	100.00%	0.00	0.04	0.05
	06 06	EU4Health Programme	0.02	0.01	0.01	61.17%	0.00	0.01	0.02
Total Title 06			0.07	0.01	0.06	87.24%	0.00	0.06	0.07
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG FISMA									

			Commitments to be settled				Commitments to be settled from financial years previous to 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
07	07 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00	0.00%	0.00	0.00	1.22
Total Title 07			0.00	0.00	0.00	0.00%	0.00	0.00	1.22

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG FISMA

			Commitments to be settled				Commitments to be settled from financial years previous to 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
08	08 04	European Maritime, Fisheries and Aquaculture Fund (EMFAF)	0.09	0.04	0.05	59.33%	0.00	0.05	0.07
Total Title 08			0.09	0.04	0.05	59.33%	0.00	0.05	0.07

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG FISMA

			Commitments to be settled				Commitments to be settled from financial years previous to 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
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	0.00	0.00	0.00	0.00%	0.06	0.06	0.22
Total Title 11			0.00	0.00	0.00	0.00%	0.06	0.06	0.22

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG FISMA

			Commitments to be settled				Commitments to be settled from financial years previous to 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
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	0.43	0.11	0.33	74.78%	0.00	0.33	0.33
	14 04	Common Foreign and	0.00	0.00	0.00	0.00%	0.17	0.17	0.41

		Security Policy							
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	0.07	0.00	0.07	100.00%	0.00	0.07	0.07
Total Title 14			0.51	0.11	0.40	78.34%	0.17	0.57	0.81
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG FISMA									
			Commitments to be settled				Commitments to be settled from financial years previous to 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
1 5	15 01	Support administrative expenditure of the "Pre-accession Assistance" cluster	0.06	0.02	0.04	73.04%	0.00	0.04	0.00
Total Title 15			0.06	0.02	0.04	73.04%	0.00	0.04	0.00
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG FISMA									
			Commitments to be settled				Commitments to be settled from financial years previous to 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
2 0	20 02	Other staff and expenditure relating to persons	0.09	0.02	0.07	74.39%	0.00	0.07	0.11
	20 04	Information and communication technology-related expenditure	0.75	0.27	0.48	63.61%	0.00	0.48	0.54
Total Title 20			0.84	0.30	0.55	64.77%	0.00	0.55	0.65
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG FISMA									
			Commitments to be settled				Commitments to be settled from financial years previous to 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled at end of financial year 2022
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
3 0	30 02	Reserves for operational expenditure	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Total Title 30			0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Total Excluding NGEU			71.52	62.14	9.38	13.11%	2.30	11.67	12.44
Total for DG FISMA			71.52	62.14	9.38	13.11 %	2.30	11.67	12.44

Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2023 FISMA

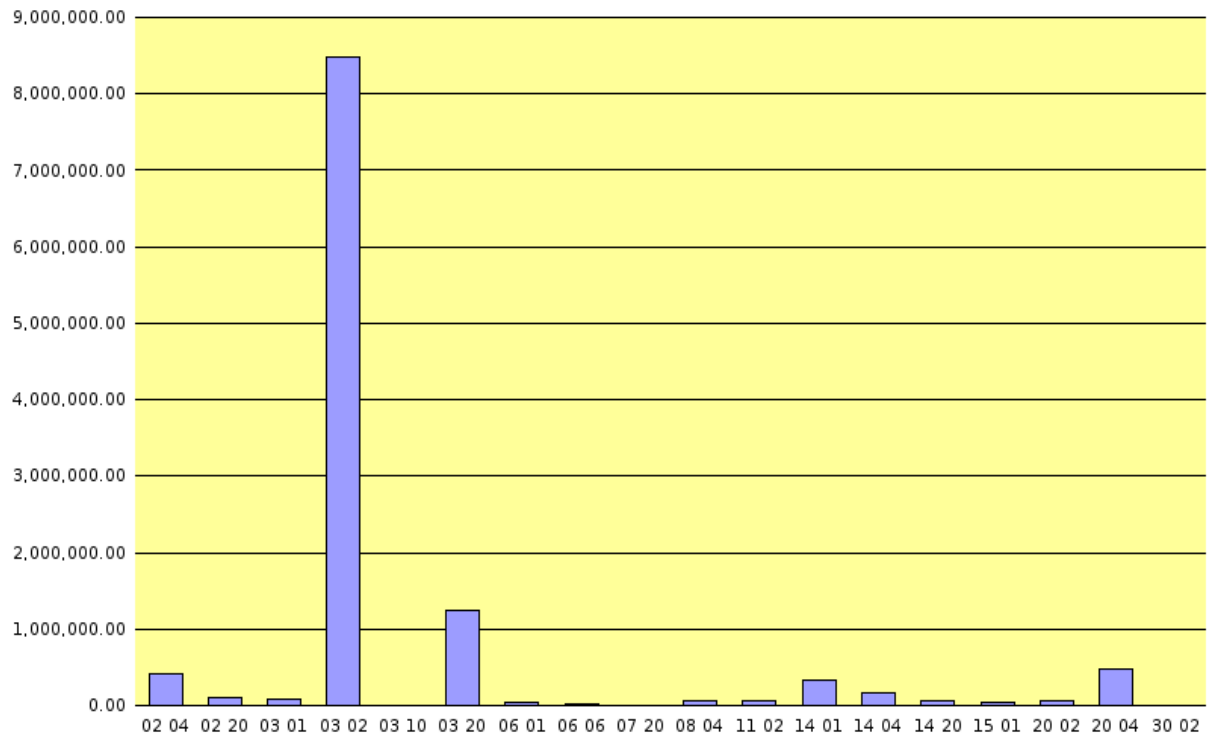


TABLE 4 : BALANCE SHEET for DG FISMA

BALANCE SHEET	2023	2022
A.I. NON CURRENT ASSETS	0.00	0.00
A.I.2. Property, Plant and Equipment	0.00	0.00
A.II. CURRENT ASSETS	9,575,321.26	8,448,989.32
A.II.2. Current Pre-Financing	9,550,517.24	8,442,702.05
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	24,804.02	6,287.27
ASSETS	9,575,321.26	8,448,989.32
P.II. CURRENT LIABILITIES	-243,904.55	-412,820.01
P.II.4. Current Payables	-243,904.55	-412,820.01
LIABILITIES	-243,904.55	-412,820.01
NET ASSETS (ASSETS less LIABILITIES)	9,331,416.71	8,036,169.31

Non-allocated central (surplus)/deficit*	-520,130,051.92	-452,358,943.64
TOTAL DG FISMA	0.00	0.00
P.III.2. Accumulated Surplus/Deficit	510,798,635.21	444,322,774.33

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.

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG FISMA

STATEMENT OF FINANCIAL PERFORMANCE	2023	2022
II.1 REVENUES	-1,459,212.85	-346,002.86
II.1.1. NON-EXCHANGE REVENUES	-1,537,264.30	-424,500.00
II.1.1.5. FINES	-1,110,000.00	-424,500.00
II.1.1.6. RECOVERY OF EXPENSES	-427,264.30	
II.1.2. EXCHANGE REVENUES	78,051.45	78,497.14
II.1.2.1. FINANCIAL INCOME	-5.45	-32.39
II.1.2.2. OTHER EXCHANGE REVENUE	78,056.90	78,529.53
II.2. EXPENSES	69,041,979.84	66,821,863.74
II.2. EXPENSES	69,041,979.84	66,821,863.74
II.2.11. OTHER EXPENSES	5,133,542.35	5,185,322.99
II.2.2. EXP IMPLM BY COMMISS&EX.AGENC	13,174,473.51	13,200,950.62
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES	50,733,963.98	48,435,590.13
STATEMENT OF FINANCIAL PERFORMANCE	67,582,766.99	66,475,860.88

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.

TABLE 5bis : OFF BALANCE SHEET for DG FISMA

OFF BALANCE	2023	2022
OB.1. Contingent Assets	0.00	0.00
GR for pre-financing	0.00	0.00
OB.4. Balancing Accounts	0.00	0.00
OB.4. Balancing Accounts	0.00	0.00
OFF BALANCE	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.

TABLE 6: AVERAGE PAYMENT TIMES for DG FISMA

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	314	313	99.68 %	12.06	1	0.32 %	34.00	396.60	0 %
60	27	27	100.00 %	24.15				0.00	0 %
90	6	6	100.00 %	46.00				0.00	0 %

Total Number of Payments	347	346	99.71 %		1	0.29 %		396.6	0 %
Average Net Payment Time	13.65			13.59			34.00		
Average Gross Payment Time	15.19			15.14			34		

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	26	21	6.05 %	347	3,124,132.92	4.37 %	71,500,254.82

DG	GL Account	Description	Amount (Eur)

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2023 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	427,264.30	0.00	427,264.30	402,557.55	0.00	402,557.55	24,706.75
42	Fines and penalties	1,110,005.45	0.00	1,110,005.45	1,110,005.45	0.00	1,110,005.45	0.00
66	Other contributions and refunds	1,356,689.74	0.00	1,356,689.74	1,356,689.74	0.00	1,356,689.74	0.00
Total DG FISMA		2,893,959.49	0.00	2,893,959.49	2,869,252.74	0.00	2,869,252.74	24,706.75

TABLE 8 : FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS in 2023 for DG FISMA

EX-ANTE CONTROLS BY TRANSACTION	Irregularity	Total ex-ante amounts
NON ELIGIBLE IN COST CLAIMS	46.666.57	46.666.57
CREDIT NOTES	357.536.69	357.536.69
RECOVERY ORDERS ON PRE-FINANCING		
Sub-Total	404.203.26	404.203.26

EX-POST CONTROLS BY TRANSACTION	Irregularity	Total ex-post amounts
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING	427.264.30	427.264.30
INCOME LINES IN INVOICES		
Sub-Total	427.264.30	427.264.30
GRAND TOTAL (EX-ANTE + EX-POST)	831.467.56	831.467.56

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 12/31/2023 for DG FISMA

	Number at 1/1/2023 1	Number at 12/31/2023	Evolution	Open Amount (Eur) at 1/1/2023 1	Open Amount (Eur) at 12/31/2023	Evolution
2023		1			24,706.75	
		1			24,706.75	

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2023 for DG FISMA

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

Total DG FISMA	
-----------------------	--

Number of RO waivers	
-----------------------------	--

There are no waivers below 60 000 €

TABLE 11 : Negotiated Procedures in 2023 for DG FISMA

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

TABLE 12 : Summary of Procedures in 2023 for DG FISMA**Internal Procedures > € 60,000**

Procedure Legal base	Number of Procedures	Amount (€)
Open procedure (FR 164 (1)(a))	3	8,466,439.61
Total	3	8,466,439.61

TABLE 13 : BUILDING CONTRACTS in 2023 for DG FISMA

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

TABLE 14 : CONTRACTS DECLARED SECRET in 2023 for DG FISMA

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

TABLE 15 : FPA duration exceeds 4 years - DG FISMA

TABLE 16 : Commitments co-delegation type 3 in 2023 for DG FISMA

ANNEX 4: Financial scorecard

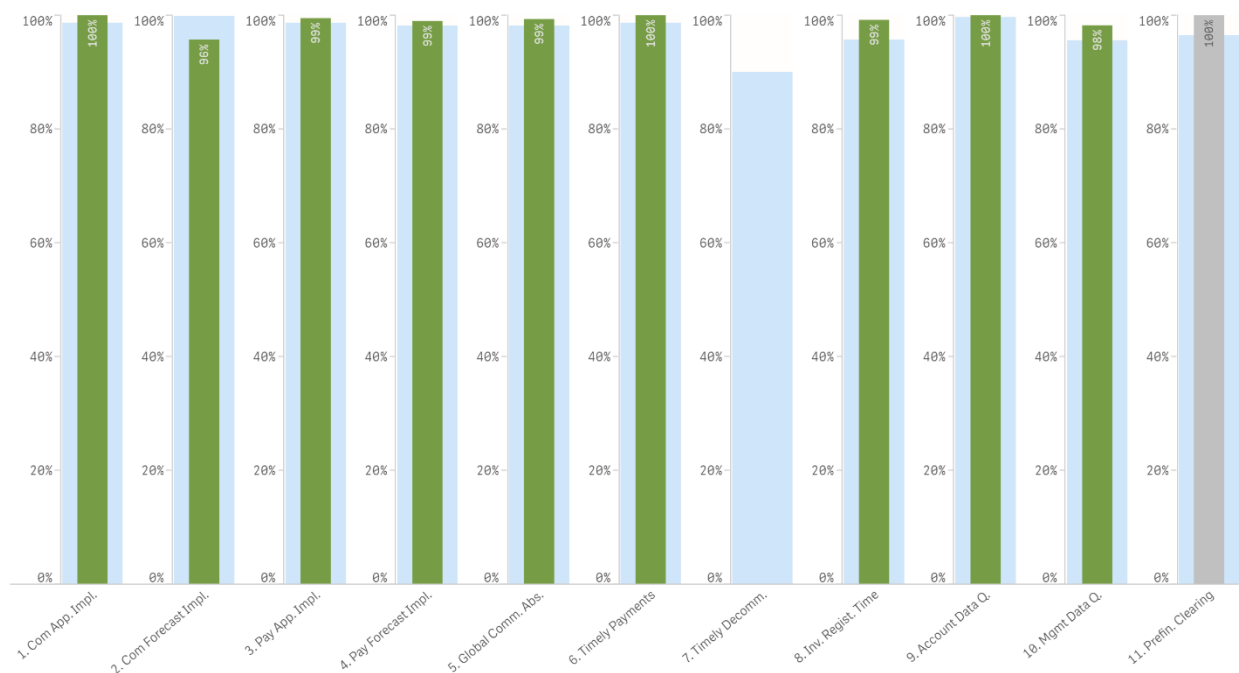
The Annex 4 of each Commission service summarises the annual result of the standard financial indicators measurement. 11 standard financial indicators are presented below, each with its objective and result for the Commission service and for the EC as a whole (for benchmarking purposes) ⁽¹⁸⁾:

- 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
- Timely Invoice PF clearing

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

FISMA Indicator Scores for 2023 12



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

⁽¹⁸⁾ 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.

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%	99%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year		96%	100%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year		99%	99%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year		99%	98%
5. Global Commitment Absorption ⁽¹⁹⁾	Ensure efficient use of already earmarked commitment appropriations (at L1 level)		99%	98%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	As last year very close to 100% of the total value of payments were made on time in accordance with article 116.1 of the Financial Regulation. The average net time to make a payment in DG FISMA was 15.2 days which is slightly improved compared to 2022 (14.8 days), 2021 (16.5) and 2020 (16.9).	100%	99%
7. Timely Decommittments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	The indicator is not applicable for DG FISMA in 2023 due to the lack of underlying transactions recorded by DG FISMA in 2023.	-	-
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC		99%	96%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the		100%	100%

⁽¹⁹⁾ Due to technical limitation: 1. 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. 2. it is technically not possible to exclude the decommitment of RAL (C8) which is subsequently re-committed for a new purpose. 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		98%	96%
11. Timely Invoice PF clearing	Ensure efficient clearing by invoices of prefinancing payments within the invoice payment time limit		100%	100%

ANNEX 5: Materiality criteria

The materiality criteria are the benchmarks 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 a weakness; the duration of a weakness and whether it is systematic; the existence of compensatory measures (mitigating controls which reduce the impact of the weakness); the reputational impact of a weakness; the existence of effective actions to correct a 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 as per corporate rules if the estimated **residual 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 expenditure²⁰.

The residual error rate takes into account the multi-annual cycle of controls implemented by DG FISMA via the on-the-spot checks. Since the number of grant agreements awarded by DG FISMA every year is very low as well as the number of beneficiaries to which they are awarded (5), these controls allow a gradual process of reassurance are all beneficiaries of grant agreements through the years and a **low residual error rate at the end of the multi-annual cycle of controls**.

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.

⁽²⁰⁾ Maximum threshold authorised.

Since 2019 ⁽²¹⁾, a 'de minimis' threshold for financial reservations has been introduced. Quantified annual activity report 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.

⁽²¹⁾ 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.

While not corresponding to any existing management mode, the payment of the subsidies to the European Supervisory Authorities are also considered to fall under the indirect management mode by analogy with the categorization applied in the Commission's accounts for these transactions. DG FISMA does not have any contribution agreement with the ESAs and does not entrust the ESAs with any budget implementation tasks but simply pays to the ESAs the amounts established in the general budget of the Union for their administrative and operational costs needed to carry out their core tasks established in the founding regulations. Therefore, the controls mentioned in section C below exclude controls linked to the legality and regularity of the ESAs commitments and payments for which the AOD of DG FISMA is not responsible.

A. 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</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</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:</p>

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
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 reputational damage.	<p>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>Inter-service consultation including all relevant services also beyond the SMP family if needed.</p>		Costs of controls of stage 1 and stage 2 over value of grants.

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 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 litigation.</p> <p>Grants applications corrected since missing information/supporting documents.</p> <p>Economy: Costs of controls of stage 1 and stage 2 over value of grants.</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
<p>The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the programme’s objectives 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>Validation of beneficiaries.</p> <p>Use of latest version of the standard grant agreement templates.</p> <p>Adaptation of payment 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>Coverage: 100% of draft grant agreements.</p> <p>Depth: Strong controls on the operational/financial aspects of the grant agreement and on the eligibility of costs.</p> <p>Frequency: Annual.</p>	<p>Effectiveness: Amount of EU funding proposed by beneficiary that was rejected (not included in the grant agreement budget). I would delete it.</p> <p>Efficiency: Signature of operating 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
<p>The work programme (activities or actions) of the beneficiary is not, totally or partially, carried 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,</p>	<p>Operational and financial checks underlying payments/recoveries and amendments are done in 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</p>	<p>Coverage: 100% of operations</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>Effectiveness: Number or % of grants with cost claim errors.</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 notified to OLAF/EPPO.</p> <p>Efficiency: Time-to-payment</p> <p>Economy: Costs of control of stage 3 over amount paid.</p>

studies, experts' reimbursement, etc.	<p>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>		
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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>Ex-post checks of a 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 ex-post checks and on-the-spot checks.</p> <p>Frequency:</p>	<p>Effectiveness: Amount of errors detected. 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:</p>

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
		On a risk basis	Costs of controls of stage 4 over amounts checked.

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 ex-post checks 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 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>	<p>Effectiveness: Total amount of recovery orders still pending following the results of ex-post checks and on-the-spot checks.</p>

B. 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 effectively and on time preventing the DG from procuring what is 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 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>The allocation of the operational budget is 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 A5, leading the 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> <p>In their requests for procurement operational units must give details on the timing for preparing the procurement.</p> <p>Close monitoring and follow-up of the preparations of procurement procedures by the financial unit.</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 studies cancelled.</p> <p>Value of global commitment at the end of the year due to delayed procurement procedures.</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>

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 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>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 A5 (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 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>Coverage: 100% of tender specifications are scrutinised.</p> <p>Depth: Risk based- (depends on the complexity and/or sensitivity of file).</p> <p>Frequency: Continuous, based on individual files.</p>	<p>Effectiveness: Number of procedures > EUR 15.000 where only one or no offers were received.</p> <p>Number of requests for clarification regarding tender specifications.</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>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>			

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); is 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 service providers-.</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 no 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 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 specifications 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>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>Coverage: 100% contracts controlled.</p> <p>Depth: Complex, sensitive, riskier operations subject to in-depth 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 due to delays in the implementation of the work. 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. Number of late payments.</p>

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<p>The content of the deliverables is not sufficiently checked – leading to the payment of a price higher than actually due.</p> <p>The final report of studies contains existing information (plagiarism or self-plagiarism).</p>	<p>For riskier operations, a second ex-ante in-depth verification before payment.</p>		

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
<p>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>	<p>Publication of award decisions and modification of contracts as required by the Financial Regulation allowing scrutiny by other economic operators.</p>	<p>Coverage: 100% of contracts subject to obligation of ex-post publication (contract award notices or Financial Transparency Register – FTS).</p>	<p>Effectiveness: Amount associated with errors detected ex-post (relating to fraud, irregularity and error). System improvements made.</p>
	<p>Ex-post checks of a sample of transactions to determine effectiveness of ex-ante controls and consider findings for improving them.</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>Efficiency: Costs of ex-post reviews as compared with 'benefits'.</p>

C. 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).

The term 'indirect management' is used in the context of this report for practical purposes only.

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/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: Availability of LFS, when needed, for proposals entrusting the Agencies with new tasks. 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
<p>Due to insufficient cooperation, supervision and reporting arrangements, the Commission is not informed (in time) of 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.</p>	<p>Monitoring or supervision of decentralised agency (e.g. review of management reports, representation and intervention on the board, scrutiny of annual report, annual meetings on resources and internal control matters with ESAs senior management, etc.).</p> <p>Close involvement of relevant units in the preparation of briefings for Commission representatives on the ESAs’ boards.</p> <p><u>If appropriate/needed:</u></p> <ul style="list-style-type: none"> - 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. 	<p>Coverage: 100% of entities are monitored/ supervised.</p> <p>Depth: Depends on the riskiness of the identified issues, if any. Overall light level of control considering the degree of independence of the decentralised agencies.</p> <p>Frequency: Before every board meeting and on receipt of key management reports/documents</p> <p><u>In the event of</u> operational and/or financial issues, measures are reinforced.</p>	<p>Effectiveness: Potential non-compliances with the founding regulations and the related financial regulations.</p> <p>Amount of errors detected when clearing prefinancing.</p> <p>Positive discharge.</p> <p>Economy: Cost of controls of stage 2 over payments made.</p>

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 clears the wrong amount of prefinancing), or does not issue timely a recovery order for the budgetary surplus.</p>	<p>Hierarchical validation of payments/recoveries and clearance of pre-financing.</p> <p>Clearly defined 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.</p> <p>Frequency: annually</p> <p>Depth: light level of control considering the degree of independence of the decentralised agencies.</p>	<p>Effectiveness:</p> <p>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>Number and amount of suspended payments (if any).</p> <p>Economy:</p> <p>Cost of controls of stage 3 over payments made.</p> <p>Efficiency:</p> <p>Time-to-payment.</p>

D. 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
<p>Sensitive information is disclosed or its integrity breached due to insufficient security of IT systems, staff misconduct or negligence.</p> <p>Unavailability of IT systems following a cyber-attack.</p>	<ul style="list-style-type: none"> - Compliance with DG DIGIT’s IT security rules. - Risk-based updating of IT security plans. - Secure IT development (e.g. source code scans, security assessments, vulnerability reports) - External IT service providers required to get national security clearance. 	<p>Coverage/Frequency:</p> <p>Continuous, monthly or annual depending on the control.</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - Number of leaks - Number of IT security breaches - Number of unavailabilities of IT systems due to a cyber-attack - Number of IDOC cases linked to leaks or insider dealing <p>Economy:</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
	<ul style="list-style-type: none"> - Promotion of staff awareness and knowledge on the protection of sensitive information and cybersecurity e.g. through trainings, information on MyFISMAIntranet, annual ethics declarations. - Specific awareness-raising for staff having regularly access to sensitive non-classified information on individual companies, including about conflict of interests and insider dealing. 		Cost of controls (no ratio since this is a non-expenditure item).

ANNEX 7: Specific annexes related to "financial management"

1. Free content

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

A.1 Operational expenditure – PROCUREMENT & MEMBERSHIP FEES

Description	Payments made	Of which via co-delegations received from other DGs (see table below for details**)
Procurement (Studies, IT, databases and other service contracts)	EUR 6 627 551.28	EUR 1 137 158.87 (from DG HOME, TRADE, ENER, SANTE, MARE, MOVE, FPI, CNECT, JUST)
Membership fees	EUR 322 924.04	EUR 169 121 (from DG JUST)

Budget line co-delegated	Payments made
**Co-delegations received (amounts included in the Annex 3 – table 2 of DG FISMA)	
02.040501-CNECT>FISMA	EUR 71 700.52 (studies and other services)
02.200402-ENER>FISMA	EUR 49 163.79 (IT)
02.200401-MOVE>FISMA	EUR 29 916.54 (IT)
03.020104-JUST>FISMA	EUR 323 139.75 (studies and other services, membership fees)
03.020600-SANTE>FISMA	EUR 50 296.92 (IT)
06.060100-SANTE>FISMA	EUR 30 143.21 (IT)
08.040300-MARE>FISMA	EUR 109 127.10 (IT)
11.020100-HOME>FISMA	EUR 157 342.39 (IT)
14.040104-FPI>FISMA	EUR 244 360.45 (IT)
14.200402-TRADE>FISMA	EUR 71 968.2 (IT)
Co-delegations given (amounts <u>not</u> included in the Annex 3 – table 2 of DG FISMA)	
03.020106-FISMA>DGT	EUR 21 642.68 (IT)

03.020106-FISMA>DIGIT	EUR 302 776.21 (IT)
03.020106-FISMA>OLAF	EUR 296 854.08 (IT)
03.020106-FISMA>OP	EUR 97 397.04 (studies and other services)
03.029905.01-FISMA>OLAF	EUR 29 269.51 (IT)
Cross subdelegations received (amounts <u>not</u> included in the Annex 3 – table 2 of DG FISMA)	
20.031700.0010901.02-C1-OLAF/FISMA	EUR 10 373.83 (IT)

A.2 Operational expenditure – GRANTS

Description	Payments made
Single market Programme – Specific objective in the field of financial reporting and auditing	EUR 8 625 964.38
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	EUR 1 626 371

A.3 Administrative expenditure

Description	Payments made	Of which via co-delegations received from other DGs (see table below for details**)
Conferences and internal meetings	EUR 37 470.33	-
Studies and consultations	32 670	-
Development of management and information systems (IT)	899 589,8 EUR + 730 882,59 EUR	293 741.08 EUR (from DG TAXUD, SANTE, NEAR)

Budget line co-delegated	Payments made
**Co-delegations received (amounts included in the Annex 3 – table 2 of DG FISMA)	
03.010101.02-SANTE>FISMA	EUR 132 904.47 (IT)
03.010200-TAXUD>FISMA	EUR 63 730.16 (IT)
03.010300-TAXUD>FISMA	EUR 35 946.62 (IT)
06.010501-SANTE>FISMA	EUR 45 000 (IT)
15.010101.02-NEAR>FISMA	EUR 16 159.83 (IT)

Co-delegations given (amounts <u>not</u> included in the Annex 3 – table 2 of DG FISMA)	
20.020601.01 FISMA:PMO	EUR 769 944.23 (missions)
20.020602.01 FISMA:PMO	EUR 195 498.19 (external meetings and experts groups)
20.020603 FISMA:PMO	EUR 23 522.64 (committee meetings)
20.040100.01 FISMA>DIGIT	EUR 48 239.26 (IT)
20.040100.02 FISMA>DIGIT	EUR 48 250.97 (IT)

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.

B. Legality and regularity (linked to paragraph 2.1.1.a) of the report

DIRECT MANAGEMENT – GRANTS			
Stage 1 – Programming and assessing grant applications			
Indicators	2021	2022	2023
Number of negative opinions or substantial comments received via the inter-service consultation	Zero, the consultation received 24 replies, no negative opinions or substantial comments related to the grants under DG FISMA remit	Zero, the consultation received 28 replies, no negative opinions or substantial comments related to the grants under DG FISMA remit	Zero, the consultation received 28 replies, no negative opinions or substantial comments related to the grants under DG FISMA remit
Number of cases of litigation	Zero	Zero ²²	Zero
Adoption of the work programme before 31 st March of year N ⁽²³⁾ .	No ²⁴	Yes	Yes
Stage 2 – Contracting: Transformation of grants applications into legally binding grant agreements			
Indicators	2021	2022	2023
Amount of EU funding proposed by beneficiary that was rejected (not included in the grant agreement budget)	EUR 579 400 (5,6% of total EU funding requested in awarded grants)	EUR 1 563 272	EUR 222 159
Signature of operating grants agreements before 30 th April of year N.	No. The operating grants awarded by DG FISMA could not be signed before 30 April	Yes	Yes

⁽²²⁾ 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 2022 but did not lead to litigation cases.

⁽²³⁾ DG FISMA has limited control over the timing of the adoption since the process for the adoption of the work programme is coordinated by DG GROW together with all DGs involved in the implementation of the Single Market Programme.

⁽²⁴⁾ The delay was directly related to the delayed adoption of the Regulation establishing the Single Market Programme.

DIRECT MANAGEMENT – GRANTS			
	2021 because of the late adoption of the Regulation establishing the Single Market Programme by the co-legislator ⁽²⁵⁾ , which in turn resulted from the late adoption of the Multiannual Financial Framework (MFF) by the Budgetary Authority ⁽²⁶⁾		
Stage 3 – Monitoring the execution (this stage covers the monitoring of the operational, financial and reporting aspects relating to the project and grant agreement)			
Indicators	2021	2022	2023
Number or % of grants with cost claim errors	3 out of 5	1 out of 5	4 out of 5
Amount of cost items rejected (total ineligible costs)	EUR 231 096.92 (or EUR 38 457 of EU contribution)	EUR 113 676.88 (or EUR 68 206.13 of EU contribution)	EUR 1 681 621 (or EUR 46 667 EU contribution)
Value of cost claims items adjusted as percentage of total cost claim value in all grants	0.64 % (or 0.4% of the EU contribution)	0.3% (or 0.7% of the EU contribution)	4.3% (or 0.5% of the EU contribution)
Number of potential fraud cases notified to OLAF/EPPO	Zero	Zero	Zero
Stage 4 – Ex-post checks ⁽²⁷⁾			
Indicators	2021	2022	2023
Amount of errors detected (also compared to amounts sampled)	Zero	Zero	EUR 762 706.65 ineligible costs corresponding to EUR 427 264.30 of EU contribution (7.13 % of sample) The sample was selected on a risk basis during the on-the-spot checks carried out in 2022-

⁽²⁵⁾ 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).

⁽²⁶⁾ Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027.

⁽²⁷⁾ Following the re-initiation of the on-the-spot checks in 2022/2023 after the COVID crisis the errors detected in 2023 are higher than in 2021 and 2022. The on-the-spot checks also covered on a multi annual basis the grants awarded in previous years where on-the-spot checks could not be carried out.

DIRECT MANAGEMENT – GRANTS			
			2023. The detected error rate is therefore not representative for all beneficiaries and has been adjusted accordingly in section 2.1.1.a).5) and Annex 9 of the AAR
Number of transactions with errors (also compared to number of transactions sampled)	Zero	Zero	11 final payments (grants agreements of two beneficiaries covering 2016-2021 period)
Total amount of recovery orders still pending following the results of ex-post checks and on-the-spot checks	Zero	Zero	All recovery orders related to the above findings initiated in 2023

DIRECT MANAGEMENT – PROCUREMENT			
Stage 1: Procurement			
Indicators	2021	2022	2023
Number of planned studies cancelled	N/A	6 out of 10	6 out of 13
Value of global commitment at the end of the year due to delayed procurement procedures	N/A	EUR 3 050 491.23	N/A. All procedures not cancelled have been launched in 2023 as planned.
Number of contracts discontinued due to lack of use (poor planning)	Zero	Zero (subscriptions to 2 databases were not renewed due to price increases no longer resulting in value for money)	Zero
Number of procedures > 15.000 where only one or no offers were received	Zero	1 negotiated procedure > EUR 15 000 received zero offers at first. It was relaunched successfully with a longer deadline. Average of 6.5 offers per procedures awarded.	Zero. An average of 6.3 offers were received.

DIRECT MANAGEMENT – PROCUREMENT			
Average number of requests for clarification regarding tender specifications	5.5	7	25 ⁽²⁸⁾
Number of 'valid' complaints or of litigation cases filed	Zero	Zero	Zero
Number of fraudulent cases notified to OLAF/EPPO	Zero	Zero	Zero
Number of companies excluded from participation in public procurement/awarding	Zero	Zero for procedures awarded in 2022. For an ongoing procedure one company was excluded due to no access to market.	5 either because not having access to the market or because not complying with the minimum exclusion or selection criteria
Stage 2: Financial transactions			
Indicators	2021	2022	2023
Number/amount of liquidated damages due to delays in the implementation of the work	EUR 9 205.60	EUR 64 485.90	EUR 0 (but procedures initiated in 2023 for one case due to delays in the implementation of the contract)
Number of transactions 'refused for correction'	(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)	(all transactions, not only procurement) 18.3% of commitments (31 out of 169) + 5% of payments (17 out of 337) + 0% recovery orders (0 out of 5)	(all transactions, not only procurement) 12.8% of commitments (17 out of 133) + 3.1% of payments (11 out of 353) + 66% recovery orders (4 out of 6)
Stage 3: Supervisory measures			
Indicators	2021	2022	2023
Amount associated with errors detected ex-post (relating to fraud, irregularity and error)	Zero	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	Update of the procedure to encode certain items of administrative expenditure in ABAC which allows an easier and prompter	Simplification of workflows for the payment of IT contracts

⁽²⁸⁾ This increase is not due to potential issues related to the tender specifications. The questions were mostly related to procedural matters rather than content. It is also linked to the interest raised by two procedures awarded in 2023.

DIRECT MANAGEMENT – PROCUREMENT			
	interinstitutional study database follow-up, new training format for OIAs/OVA and regular follow up of the Legal Commitment Kernel to improve timely update of existing legal commitments.	follow up and prevents errors related to the encoding of legal commitments in ABAC.	

INDIRECT MANAGEMENT			
Stage 1 – Establishment (or prolongation) of the mandate to the decentralised agencies (basic act establishing/prolonging an agency and Legislative Financial Statements – LFS – of proposals entrusting the agency with new resources)			
Indicators	2021	2022	2023
Availability of LFS, when needed, for proposals entrusting the Agencies with new tasks	In 2021 DG FISMA submitted a proposal for the creation of AMLA ⁽²⁹⁾ . The proposal included a comprehensive assessment of AMLA budgetary needs. Legislative Financial Statements were	Legislative Financial Statements were updated in light of the changes required by the co-legislators (MICA ³¹ , DORA ³² , DLT pilot regime ³³). No new proposal was submitted in 2022 requiring	Proposals requiring a Legislative Financial Statement were related to ESG ratings ⁽³⁵⁾ , RIS ⁽³⁶⁾ and a revision of the LFS for AMLA following changes made by co-legislators ⁽³⁷⁾ .

⁽²⁹⁾ 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.

⁽³¹⁾ COM/2020/593 final. Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on Markets in Crypto-assets, and amending Directive (EU) 2019/1937.

⁽³²⁾ COM/2020/595 final. Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014 and (EU) No 909/2014

⁽³³⁾ COM (2020) 594. Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on a pilot regime for market infrastructures based on distributed ledger technology.

⁽³⁵⁾ COM (2023) 314: Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities.

⁽³⁶⁾ COM/2023/279 final: Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directives (EU) 2009/65/EC, 2009/138/EC, 2011/61/EU, 2014/65/EU and (EU) 2016/97 as regards the Union retail investor protection rules.

⁽³⁷⁾ 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.

INDIRECT MANAGEMENT			
	prepared for AMLA and ESAP ⁽³⁰⁾ .	the preparation of LFS ³⁴ .	
Stage 2 — Operations: monitoring, supervision, reporting ('representation'/'control with or around the entity')			
Indicators	2021	2022	2023
Potential non-compliance with the founding regulations and the related financial regulations	-	The ESAs were advised to include internal assigned revenue in the budgets adopted by their Boards of Supervisors prior to incurring expenditure with internal assigned revenues. An ESA was reminded of the need to align its adopted Establishment Plan with the Establishment Plan adopted by the Budgetary Authority with the Union budget for 2023.	-
Amount of errors detected when clearing prefinancing	EUR 12 316	Zero	Zero
Positive discharge	Yes	Yes	Yes
Stage 3 — Commission contribution: payment, suspension of payments and recovery of unused contribution			
Indicators	2021	2022	2023
Amount of any unused operating budget recovered	EUR 2 665 228.27 ⁽³⁸⁾	EUR 1 862 076.91 ³⁹	EUR 1 356 689.74 ⁽⁴⁰⁾
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	Zero

⁽³⁰⁾ 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.

⁽³⁴⁾ This may not exclude the need of an LFS depending on the changes that co-legislators make to the original Commission's proposals.

⁽³⁸⁾ 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.

⁽³⁹⁾ Related to the budgetary surplus of the ESAs for 2021.

⁽⁴⁰⁾ Related to the budgetary surplus of the ESAs for 2022.

INDIRECT MANAGEMENT			
Number and amount of suspended payments (if any)	Zero	Zero	Zero

C. Implementation of antifraud actions planned in the Management Plan 2023 (link to paragraph 2.1.1.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) ⁽⁴¹⁾ aimed at the prevention, detection and correction ⁽⁴²⁾ 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 (31/12/2022)	
0%	100% of action points implemented on time	100% of actions planned up to 2023 implemented ⁴³	
Main outputs in 2023:			
Output	Indicator	Target	Latest known results
Reporting and follow up at senior management level	Number of reporting to senior managers	1 report on the implementation of the DG FISMA antifraud strategy	Yes
		1 on DG FISMA relations with stakeholders ⁽⁴⁴⁾	Yes
		1 on follow up of files marked as sensitive ⁽⁴⁵⁾	Yes, integrated into the report on the implementation of the antifraud strategy

⁽⁴¹⁾ 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’.

⁽⁴²⁾ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

⁽⁴³⁾ The only deviation is that the annual meeting with the ESAs on internal control has been postponed to 2024.

⁽⁴⁴⁾ 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 Events Management Tool (EMT).

⁽⁴⁵⁾ To ensure that sensitive files are protected DG FISMA monitors 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.

2. Table on the estimated “cost of controls” at Commission level

A. 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)
Procurement and administrative expenditure	897.360.00 €	9.671.563.00 €	9.28%	- €	- €	0.00%	897.360.00 €	9.28%
Grants	311.240.00 €	10.252.335.00 €	3.04%	65.620.00 €	15.000.000.00 €	0.44%	376.860.00 €	3.68%
Payments to the ESAs	500.000.00 €	52.614.025.00 €	0.95%	- €	- €	0.00%	500.000.00 €	0.95%
Horizontal controls on expenditure not directly attributable to direct management, indirect management or indirect management specifically	205.290.00 €	- €	0.00%	- €	- €	0.00%	205.290.00 €	0.00%
OVERALL total estimated cost of control at EC level for expenditure	1.913.890.00 €	72.537.923.00 €	2.64%	65.620.00 €	15.000.000.00 €	0.44%	1.979.510.00 €	2.73%

B. 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)
Protection of sensitive information and security of IT systems	150 000.00 €	- €	N/A	- €	- €	N/A	150 000.00 €	N/A

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

Overall indicators							
Stage	Description	Year 2021		Year 2022		Year 2023	
Overall indicator	Total costs of controls / value of payments made ⁽⁴⁶⁾	2.2% ⁽⁴⁷⁾	Direct management: 6.6% ⁽⁴⁸⁾	2.5% ⁽⁴⁹⁾	Direct management: 6.7% ⁽⁵⁰⁾	2.6% ⁽⁵¹⁾	Direct management: 7.1% ⁵²
			Indirect management: 0.8%		Indirect management: 0.85%		Indirect management: 0.95%

Grant indicators				
Stage	Description	Year 2021	Year 2022	Year 2023
Overall indicator	Total cost of controls of grants' processes / value of grants payments made	2.2%	2.7%	3%
All controls from programming to contracting	Cost of assessing the applications submitted, preparation of financing decisions and contracting/ value of grants contracted	0.6%	1.1%	0.8%

⁽⁴⁶⁾ 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.

⁽⁴⁷⁾ **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.

⁽⁴⁸⁾ **5.9%** if only operational expenditure considered.

⁽⁴⁹⁾ **2.1%** 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.

⁽⁵⁰⁾ **5.6%** if only operational expenditure considered.

⁽⁵¹⁾ **2.1%** 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.

⁽⁵²⁾ **5.4%** if only operational expenditure considered.

Grant indicators				
Stage	Description	Year 2021	Year 2022	Year 2023
Monitoring and payments	Cost of control from monitoring the execution up to payment/value of grants payments made	1.5%	1.5%	1.5%
Supervisory measures	Cost of ex-post checks and on-the-spot checks/ value of grants audited	0%	0.2%	0.4%

Procurement indicators				
Stage	Description	Year 2021	Year 2022	Year 2023
Overall indicator	Total cost of controls/ value of procurement payments made ⁽⁵³⁾	8.9%	8.3%	9.3%
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	4.9%	4.4%	6.1% ⁽⁵⁴⁾
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	3.6%	3.3%	3.7%
Supervisory measures	Cost of ex-post checks /value of procurements audited	0%	0%	0%⁽⁵⁵⁾

⁽⁵³⁾ 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).

⁽⁵⁴⁾ This increase of almost 2% is linked to the lower amount of contracts under operational expenditure committed in 2023 compared to 2022 and does not reflect a structural increase of costs of controls.

⁽⁵⁵⁾ The involvement of DG FISMA staff in ex-post checks is not substantial and below 10% of their FTEs/year.

Indirect management indicators ⁽⁵⁶⁾				
Stage	Description	Year 2021	Year 2022	Year 2023
Overall indicator	Overall supervision cost (%) Staff FTEs costs/annual subsidies paid to ESAs	0,8%	0.85%	0.95%
Establishment (or prolongation) of the mandate to the decentralised agency (ESAs REVIEW and related implementation)⁵⁷	Relevant staff FTEs costs/annual subsidies paid to ESAs	0%	0.05%	0.05%
Operations: monitoring, supervision, reporting ('representation'/'control with or around the entity')⁽⁵⁸⁾	Relevant staff FTEs costs/annual subsidies paid to ESAs	0.8%	0.8%	0.9%
Commission contribution: payment or suspension/interruption and recovery of unused contribution	Relevant Staff FTEs costs/annual subsidies paid to ESAs	0%	0%	0%⁽⁵⁹⁾

⁽⁵⁶⁾ DG FISMA does not pay any management, administrative or other remunerated fees to the European Supervisory Authorities (ESAs) and therefore does not report these costs separately.

⁽⁵⁷⁾ Including the preparation of Legislative Financial Statements accompanying proposals entrusting the ESAs with additional tasks.

⁽⁵⁸⁾ 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.

⁽⁵⁹⁾ The involvement of DG FISMA staff in the controls related to these payments and recoveries are below 10% of their FTEs/year.

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

ANNUAL REVIEW OF INTERNAL CONTROL INDICATORS

In 2023 DG FISMA reviewed the internal control monitoring criteria for 2024 to measure the presence and well-functioning of its internal control system. The review 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 the competent DG FISMA 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 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 2023
- the exceptions and non-compliance events recorded in 2023
- the recommendations of IAS or ECA audits (if any)
- the results of the annual risk assessment process
- the implementation of the antifraud strategy
- the data and statistics available in relevant IT tools
- the results of the latest internal staff survey and quiz on internal control key areas including procedures, ethics and antifraud

No critical/major deficiencies were detected but areas of improvement as identified in paragraph 2.3.

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

Annex related to "Control results" - Table: Estimated risk at payment and at closure

DG FISMA	Payments made (2023;MEUR)	minus new prefinancing [plus retentions made] (in 2023;MEUR)	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in 2023;MEUR)	Relevant expenditure (for 2023;MEUR)	Detected error rate or equivalent estimates	Estimated risk at payment (2023;MEUR)	Adjusted Average Recoveries and Corrections (adjusted ARC; %)	Estimated future corrections [and deductions] (for 2023;MEUR)	Estimated risk at Closure (2023;MEUR)
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
Procurement and administrative expenditure	8.71	0.00	0.00	8.71	0.50% - 0.50%	0.04 - 0.04	0.00% - 0.00%	0.00 - 0.00	0.04 - 0.04
Grants	10.25	- 7.61	7.02	9.67	1.80% - 1.80%	0.17 - 0.17	0.90% - 0.90%	0.09 - 0.09	0.09 - 0.09
Payments to the ESAs	52.61	- 52.61	48.50	48.50	0.00% - 0.00%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
DG total	71.58	- 60.22	55.52	66.88		0.22 - 0.22	0.13% - 0.13%	0.09 - 0.09	0.13 - 0.13
					Overall risk at payment in %	0.33% - 0.33% (7) / (5)		Overall risk at closure in %	0.20% - 0.20% (10) / (5)

Notes to the table

- (1) Relevant Control Systems differentiated per relevant portfolio segments and at a level which is lower than the 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 departments. For Cross-SubDelegations (Internal Rules Article 12), the reporting remains with the Delegating departments.
- (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 departments, 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. **For low-risk types of expenditure**, where there are indications that the equivalent error rate might be close to 'zero' (e.g. *procurement and administrative expenditure*), the rate used is **0.5%** as a conservative estimate. **For subsidies given by DG FISMA to the ESAs** as part of their establishment and core tasks are considered error-free types of expenditure and the rate used is **0%**. The rate **for grants' expenditure** has been set to **1.8%**. DG FISMA carried out two on-the-spot checks in 2022/2023 on grant agreements awarded to two beneficiaries in the period from 2016 to 2021. The sample verified during these on-the-spot checks was selected on a risk basis and could not be considered representative. The error rate detected during these checks (7% in average) has therefore been weighted for the other grants taking into consideration (1) the actual financial impact of this error rate in the different type grants not having been subject to these checks up to now; (2) the gradual cleaning effect for the grants that have been already subject to these checks and (3) the ex-ante corrections already made on 2023 relevant expenditure in light of the findings of the above on-the-spot checks. In total only 5 grants are awarded by DG FISMA every year, this allows a detailed analysis of the estimated risks for each of them.

(8) The adjusted average recovery and corrections percentage is mostly based on the **7 years historic Average of Recoveries and financial Corrections** (ARC), which is the best available indication of the corrective measures each department applied over the past years as a result of ex post controls. The AOD has not adjusted this historic average since this average reflects the best and most conservative estimate of the ex-post future corrections to be applied to the reporting year's relevant expenditure. The corrective capacity of DG FISMA during the whole multi-annual control cycle (all beneficiaries and grants awarded will be gradually controlled via on-the spot checks in subsequent years) allows to maintain the actual residual risk at closure below the materiality threshold of 2%. The ineligible amounts detected during the on-the-post checks carried out in 2022/2023 have been already recovered. The average amount of the implemented corrections over the past 4 years (2019-2022) is 0.08 (million) euros (0.04% of the average amount of relevant expenditure of that period), compared to an average amount of estimated future corrections during the same period of 0.16 (million) euros (0.09% of the average amount of relevant expenditure of that period). The deviation between the two averages is considered marginal and due to (1) the fact that on-the-spot checks were re-initiated only in 2022-2023 following the COVID crisis and that the corresponding recoveries will be visible in the statistics only as from 2023 and (2) the fact that the corporate methodology to estimate average corrections changed in 2022, date as from when credit notes could not be considered anymore for the estimations as it was done until 2022.

(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 MANAGEMENT

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

Source of data: Commission Decision SEC(2020)146 of 1 April 2020 and SEC (2023)200

Baseline (2019)	Target (2024)	Latest known results (31/12/2023)
38% (8 out of 21)	For the period 2023-2024: 1 first female appointment Period 2020-2022: 2 first female appointments to middle management positions	No first female appointments in 2023 and 2 first male appointments 45.5% female representation end of 2023 (10 female HoUs out of 22)

Indicator: DG FISMA staff engagement index

Source of data: Commission staff survey

Baseline (2019)	Target (2024)	Latest known results (Staff survey 2023)
75%	75%	77%

Main outputs in 2023:

Description	Indicator	Target	Latest known results (31/12/2023)
Appropriate allocation of resources to deliver DG FISMA's priorities	Regular meetings of the DG/DDG of DG FISMA with each directorate to agree future priorities and implications for resources as well as regular meetings of the senior management board of DG FISMA on HR issues more generally	Twice a year for the dedicated meetings with each directorate on priorities, 6 meetings a year of the senior management board dedicated to HR issues only	2 dedicated meetings with each directorate on priorities 7 meetings of the senior management board dedicated to HR issues only
New staff onboarded effectively	Dedicated training package	Twice a year	2 sessions were organised, in March and November 2023
Knowledge Hours in which units present their activities to whole DG	Number of such events and participation	8 Knowledge Hours minimum 15 participants if physical, and 30 when hybrid/ virtual	9 Knowledge Hours in 2023, most of them hybrid, with an average of 56 participants

Description	Indicator	Target	Latest known results (31/12/2023)
Support to AST professionalisation by FISMA's AST network	Dedicated events on exchanging of best practise and / or improving working methods	6	7 events
Mini-coaching focussed on career development by Directors to interested non-management staff	Numbers of participants to take place once or twice a year	Minimum 20 participants for each session	1 session organised in July 2023, with 28 participants
Continuation programme for Deputy Heads of Unit	Number of participants	All new deputies who have not yet done the course ⁽⁶⁰⁾	Postponed to 2024 as the minimum number of participants was not reached. The Deputy Heads of Unit appointed in 2023 will be invited to the programme in 2024.
All staff meetings on policy and HR related issues	Frequency/ Number of participants	Three times a year minimum Minimum 100 participants if physical meeting 60% of all staff when virtual	4 meetings in 2023: one virtual meeting and three hybrid meetings, with an average attendance rate of 70%
Number of female staff participating in tailored development programmes	Number of participants	At least 5 AD colleagues	8 participants in total (2 participants in the Corporate programme and 6 participants in the cross-DG programme)
Raise awareness on equality and inclusion	Review and update as necessary DG FISMA's equality work plan	DG FISMA's senior management board to adopt the revised equality work plan by end of 2023	The Equality Mainstreaming Workplan of DG FISMA for 2024 is approved.
Take stock and review - if needed - the "Code of Conduct for the new normal"	Adoption of the new code of conduct (if review is needed)	Q2 2023	Done

⁽⁶⁰⁾ The programme will be continued only if and when at least 5 new deputy heads of unit will be appointed.

DIGITAL TRANSFORMATION AND INFORMATION MANAGEMENT

Objective: DG FISMA is using innovative, trusted digital solutions for better policy shaping, 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) ⁶¹	Latest known result (2023)
BASIS ⁽⁶²⁾	40%	81%	95%	86%
EMT ⁽⁶³⁾	40%	95%	100%	86%
KOEL ⁽⁶⁴⁾	40%	95%	100%	86%

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 (2023)
30%	50%	80%	100% (All key data assets are managed according to DG FISMA's Quality framework and guidelines for the statistical activity and data acquisitions)

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 (2023)
30% of staff as an estimation ⁶⁵	85%	100%	85%

⁽⁶¹⁾ The targets for BASIS, EMT and KOEL in DG FISMA's Strategic Plan 2020-2024 will not be achieved for some of the digital strategy principles given the nature of the data preventing their publication, the fact that these IT systems are not shared with the Member States and resources constraints.

⁽⁶²⁾ BASIS (Briefings and Speeches Information System) is a tool used to prepare briefings and speeches.

⁽⁶³⁾ EMT (Events Management Tool) is a tool designed to manage the interaction between DG FISMA and interest representatives.

⁽⁶⁴⁾ KOEL (Knowledge Online on European Legislation) is a web-based application specifically developed in DG FISMA to manage Legislative Acts, Legal Obligations and Case Law.

⁽⁶⁵⁾ The baseline being before the introduction of the new data protection rules, fewer general awareness-raising activities were organised.

Main outputs in 2023:

Description	Indicator	Target	Latest known result (2023)
M365 guidelines	Approval of document by management	Q1	Postponed to Q1 2024
New Data Hub under the Digital Finance Platform	Data Hub online	Q4	90%
Sanctions Information Exchange Repository (SIER)	Delivery in production of the first increment	Q2	100%
Next Generation FIU.net	Delivery in production of the first increment	Q4	Postponed to Q3 2024
Awareness raising activities on data protection	Percentage of staff attending awareness raising activities on data protection compliance	90% of DG FISMA staff	85%
Reporting to senior management	Number of reports to senior management	1 report to senior management on the implementation of the Commission's data protection action plan (Q4 2023)	Postponed to Q1 2024

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 2023:

Description	Indicator	Target	Latest known result
Participation in corporate energy saving actions, by closing down SPA2 building during end of year and summer holidays. Possible closure during other holiday periods where the physical presence of staff is expected to be <50% ⁽⁶⁶⁾	Number of actions	2 actions at the end of the year and summer holidays preceded by a survey to decide the exact dates of the closure. Ad hoc surveys to consult staff about the possible closure of SPA2 building in other holiday periods	2 actions at the end of the year and summer holidays. No survey preceded the closure of the building since DG FISMA aligned with the dates of closure proposed at corporate level.
Staff awareness actions, including for supporting corporate campaigns, focused on how to reduce environmental footprint in daily work: digital pollution, missions, events, commuting, waste, water, gas and electricity	Number of events (videos, news in MyFISMA intranet, trainings, posters)	At least 6 events	6 events

⁽⁶⁶⁾ Subject to the agreement of OIB and other services occupying the SPA2 building.

Description	Indicator	Target	Latest known result
Encourage virtual/hybrid conferences and other events	% of physical expert groups, committee meetings and conferences	< 50% of total meetings	32% in-person ⁶⁷
Reduce DG FISMA CO2 emissions from missions compared to 2019 benchmarks to contribute to 2024 corporate target of halving emissions from staff and experts travel	Report to senior managers on CO2 emissions by directorate and type of transport and showing trends compared to previous periods	Q3	Q4

(⁶⁷) Expert groups and committee meetings (81% virtual/hybrid): 56 virtual, 25 hybrid, 19 physical. Conferences/webinars/workshops/etc. (42% virtual/hybrid): 12 virtual, 10 hybrid, 30 physical.

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

Not applicable

ANNEX 12: EAMR of the Union Delegations

Not applicable

ANNEX 13: Decentralised agencies (European Supervisory Authorities)

Name of the entity	Role of the DG	Policy area concerned	Amount paid in 2023 in €			
			Contribution to			Contribution agreement
			Operating (admin) budget	Operational budget	Total in €	
European Supervision and markets Authority (ESMA)	Parent DG	Financial Stability, Financial services and Capital Markets Union	18 950 825.77	N/A	18 950 825.77	N/A
European Banking Authority (EBA)	Parent DG	Financial Stability, Financial services and Capital Markets Union	20 033 451.47	N/A	20 033 451.47	N/A
European Insurance and Occupational Pension Authority	Parent DG	Financial Stability, Financial services and Capital Markets Union	13 629 747.67	N/A	13 629 747.67	N/A
Total			52 614 024.91	N/A	52 614 024.91	N/A

DG FISMA oversight 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 Boards as a non-voting member ⁽⁶⁸⁾, 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 oversight arrangements were limited to the following:

⁽⁶⁸⁾ 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.

- Representing the Commission by participating in the Management Boards and Boards of Supervisors at which the Commission is a non-voting member (except for budgetary matters where it has a vote in the Management Boards).
- Contributing to the Commission's opinion on the ESAs Single Programming Documents, annual statements and establishment plans on which the Commission should be consulted.

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).

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 ⁽⁶⁹⁾. The final text agreed improved the mandates 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 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) ⁽⁷⁰⁾. The organisational matters related to the creation of the Agency are outlined in the legislative financial statement accompanying the proposal.

⁽⁶⁹⁾ 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 (OJ L 334, 27.12.2019, p. 1–145).

⁽⁷⁰⁾ 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.