

# Annual Activity Report 2025

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

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# DG FISMA IN BRIEF

The mission of the European Commission's Directorate-General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA) is *"to preserve financial stability, protect savers and investors, fight financial crime, as well as to ensure the flow and access to capital for businesses and consumers in the European Union"*.

DG FISMA is based in Brussels. During the reporting period, it was composed of five directorates with 22 units and two task forces. The DG is managed by Director-General John Berrigan under the political responsibility of Commissioner Maria Luís Albuquerque and Executive Vice-President Stéphane Séjourné.

DG FISMA plays a key role in delivering the Commission's 2024–2029 priority 'A new plan for Europe's sustainable prosperity and competitiveness'.

DG FISMA deploys a range of legislative and non-legislative tools to foster integration, ensure financial stability and apply common rules across the EU single market. DG FISMA drafts proposals for regulations and directives ('Level 1') legislation), which are further detailed by delegated and implementing acts ('Level 2'). Effective implementation and enforcement are also at the core of our work.

DG FISMA works closely with the European Supervisory Authorities (ESAs) to strengthen supervisory convergence and to ensure that EU law is applied correctly on the ground. It also cooperates with the Single Supervisory Mechanism, Single Resolution Mechanism, Single Resolution Board, European Systemic Risk Board and European Central Bank to address financial system risks. DG FISMA will continue to support and cooperate with the Anti-Money Laundering and Countering the Financing of Terrorism Authority (AMLA) to ensure the effective implementation of the new AML/CFT framework.

Coordination with partners and stakeholders both within the EU and internationally is crucial, involving collaboration with the European Parliament, Council of the EU and the Economic and Social Committee. DG FISMA supports Member States in addressing financial system weaknesses, transposing EU directives, and handling legal compliance and citizen complaints. Internationally, DG FISMA contributes to (including, but not exclusively) the work of the G20, Financial Stability Board, Basel Committee on Banking Supervision, Financial Action Task Force and the Organisation for Economic Co-operation and Development and participates in regulatory dialogues with major global partners (i.e. US, UK, Japan, China, Canada or Switzerland).

DG FISMA is also committed to maintaining relations with external stakeholders, including trade associations, social partners, academia, NGOs and citizens.

# EXECUTIVE SUMMARY

## A. Key results and progress towards achieving the Commission's general objectives and department's specific objectives <sup>(1)</sup>

The Annual Activity Report is a management report of the Director-General of DG FISMA to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitute the basis, on which the College takes political responsibility for the decisions it takes, as well as for the coordinating, executive and management functions it exercises as laid down in the Treaties.

This Annual Activity Report provides a comprehensive overview of the main activities and achievements of DG FISMA in 2025. It provides information on DG FISMA's contribution to delivering the Political Guidelines of President von der Leyen for the 2024-2029 mandate, namely the priority 'A new plan for Europe's sustainable prosperity and competitiveness', and the corresponding four specific objectives defined in DG FISMA Management Plan for 2025.

The following graph illustrates how these objectives translate into concrete actions carried out by the DG.

**Figure 1. General and specific objectives**



**Main deliverable: Savings and Investments Union**

In March 2025, the Commission adopted the ‘**Strategy towards the Savings and Investments Union**’. As the first step of its implementation, the Commission put forward in June 2025 a proposal to review the EU **securitisation** framework, simplifying due diligence and transparency rules and introducing greater risk sensitivity in the prudential framework for banks and insurers, thereby reducing barriers to investment.

Later on, in September 2025, the Commission adopted a recommendation setting out a **European blueprint for Savings and Investment Accounts (SIAs)**. The recommendation, prepared by DG FISMA in cooperation with DG TAXUD, encourages Member States to establish national SIA frameworks and provide tax incentives aligned with the treatment of comparable products, with the view of fostering greater retail participation in capital markets. In addition, a **new EU Financial Literacy Strategy** was adopted to support citizens in managing their finances, improve budgeting skills, and better understand the risks and opportunities associated with saving and investing.

In November 2025, the Commission came up with a comprehensive **package on supplementary pensions** aimed at enhancing retirement income and strengthening the role of the supplementary pensions' sector as a key provider of long-term financing to the EU economy. The package includes a **recommendation to Member States** on facilitating auto-enrolment, developing multi-pillar pension tracking systems and pension dashboards, prepared in cooperation between DG FISMA and DG EMPL. It also includes proposals for **targeted amendments to the IORP II Directive** and to the **PEPP Regulation**, designed to increase long-term retirement savings and enhance the attractiveness of the PEPP by simplifying its regulatory framework.

In December 2025, the Commission adopted the “**market integration and supervision**” package covering the **trading, post-trading and asset management sectors**. The package also included proposals on innovative technologies, such as distributed ledger technologies (DLT). The package aims to remove barriers in EU capital markets, enhance economies of scale and simplify requirements. Among other measures, the package proposes transferring **supervisory competences** for significant EU trading venues and financial market infrastructure to ESMA, improves connectivity between trading venues and CCPs and enhances market transparency. The proposal also facilitates cross-border activities for **asset managers and investment funds** by harmonising rules and simplifying passporting. In addition, the package aims to foster the uptake of new technologies by significantly expanding the scale and scope of the **DLT Pilot Regulation**. By strengthening supervisory convergence tools and transferring supervisory powers at EU level, it seeks to ensure consistent treatment of entities operating across borders. Overall, by reducing regulatory burdens for businesses and streamlining supervision, the package also contributes to the broader objective of simplification as highlighted below in the paragraph ‘competitiveness: simplification of the framework and burden reduction.

In February 2025, the Commission prepared a proposal to amend the Central Securities Depositories Regulation to **shorten the settlement cycle for transactions in EU securities from T+2 to T+1** by 11 October 2027. The proposal was adopted by the European Parliament and the Council on 8 October 2025.

In the area of banking, the **Capital Requirements Regulation (CRR) entered into application** on 1 January 2025, thereby implementing the Basel III standards in the EU, **with the exception of the market risk requirements**. Given the delays in the implementation of the Fundamental Review of the Trading Book (FRTB) standards in other major jurisdictions, DG FISMA prepared a second delegated act to **postpone the market risk requirements by one additional year, until 1 January 2027**. The act was adopted by the Commission on 12 June

2025 and entered into force on 20 September 2025. DG FISMA also developed a proposal to maintain, for the purposes of the net stable funding ratio (NSFR) requirement, certain transitional liquidity requirements for some financial transactions. The amendments aim to maintain liquidity in financial markets and aim to level the playing field for EU banks versus their international peers. The proposal was adopted by the Commission in March 2025 and by the co-legislators in June 2025.

In April 2025, DG FISMA **established a dedicated channel for market participants to report barriers to the single market for capital:** [fisma-siu-barriers-reporting@ec.europa.eu](mailto:fisma-siu-barriers-reporting@ec.europa.eu). After assessing the submissions, DG FISMA will take appropriate follow-up actions and, where necessary, will step up enforcement measures to remove identified barriers.

### **Competitiveness: simplification of the framework and burden reduction**

In 2025, DG FISMA enhanced its efforts to simplify the acquis in financial services, with a view to reducing regulatory burdens on undertakings while safeguarding core policy objectives, including financial stability and investor protection. Following the Commission Political Guidelines 2024-2029 and the mission letter to Commissioner Albuquerque, **simplification was at the core of DG FISMA initiatives in 2025** (including but not limited to its proposals on securitisation, SFDR and on market integration and supervision). FISMA initiatives contributed substantially to the Commission's administrative burden reduction target at least 25% for all businesses, and by at least 35% for small and medium sized companies. Early 2025, the Commission adopted its first **Omnibus package on simplification, with the aim of improving the overall usability of the sustainability framework and simplifying reporting requirements**. The co-legislators reached agreements to amend the Corporate Sustainability Reporting Directive (CSRD) introducing a two-year postponement of the sustainability reporting requirements for companies that would otherwise have been required to start reporting from 2025 onwards, and to significantly reduce the number of EU and non-EU companies in scope.

In a second step, to improve the usability of the sustainability framework, the Commission adopted **targeted "quick fix" amendments to the first set of European Sustainability Reporting Standards (ESRS)**, also reducing reporting requirements for companies. Furthermore, the Commission issued a **recommendation on voluntary sustainability reporting for small- and medium-sized companies** (VSME Recommendation), aimed at reducing administrative burdens for SMEs within the value chain of companies required to report under the CSRD. The Commission also **amended the Taxonomy Disclosures Delegated Act, as well as the Climate and Environmental Delegated Acts**, to simplify certain reporting requirements and certain 'do no significant harm' (DNSH) criteria relating to the use of chemicals.

In November 2025, the Commission adopted its proposal to **review the Sustainable Finance Disclosure Regulation** ('SFDR'). The proposal aims to simplify requirements, improve usability and strengthen the ability to combat greenwashing. Key proposed measures include removing entity-level disclosures, significantly reducing product-level disclosures, and introducing sustainability-related categories for financial products that make ESG claims.

To further reduce burdens at the level of delegated acts, **DG FISMA, after consultation with the co-legislators and ESAs, deprioritised 115 level 2 acts**, as they could be considered as non-essential for the effective functioning of the core level 1 provisions. As a first step, these acts will not be adopted before 1 October 2027. As a second step, the corresponding empowerments will be removed or amended when the respective Level 1 acts are opened. As a consequence, 21 of those empowerments have already been proposed for deletion or amendment.

Work with the ESAs also continued to streamline supervisory reporting, with the 2025 entry into force of the better data-sharing regulation further strengthening the requirement for the ESAs to remove redundant reporting and work towards a system where data is defined and reported only once.

Commissioner Albuquerque published the **first annual progress report on Simplification, Implementation and Enforcement** on 21 October 2025 describing the simplification, implementation and enforcement measures undertaken in her portfolio and providing feedback on the first implementation dialogue and reality checks in the period from January 2025 to July 2025. The Commissioner presented the report in both Council and European Parliament.

In 2025, DG FISMA organised **implementation dialogues and a series of reality check workshops** with different stakeholders. On 10 July 2025, Commissioner Albuquerque hosted her first implementation dialogue on the EU taxonomy – a key element of the EU’s sustainable finance framework. On 2 December 2025, Executive Vice-President Séjourné and Commissioner Albuquerque hosted a second implementation dialogue on banking integration and competitiveness.

### **Payment, Digital Finance and Retail Investment Strategy**

Since January 2025, **payment service providers (PSPs) in the euro area have been obliged to offer their clients the possibility to receive euro instant payments**. As of October 2025, PSPs are also obliged to offer their clients the service of sending instant payments in euro and, to help combat payment fraud in euro credit transfers, to provide payee verification (VoP) services. This helps make instant payments more widely available, safer, and more affordable for everyone across the euro area.

Throughout 2025, DG FISMA was focused on the implementation of the Markets in crypto-assets (MiCA) regulation, which started to apply in full in late 2024. The digital operational resilience act (DORA) started to apply in January 2025, and firms started to comply with the requirements, including the rules related to managing ICT risk and reporting on major ICT incidents.

In 2025, DG FISMA also worked closely with co-legislators on several **trilogue negotiations**: (1) on the revised Payment Services Directive (PSD3) and Regulation (PSR), where in November 2025, a political agreement was reached which would considerably reinforce the fraud prevention toolkit; (2) on the Retail Investment Strategy where a political agreement between co-legislators was reached in December 2025 which will further empower and protect consumers when they invest; (3) on the proposed framework for financial data access (FIDA) aimed at promoting innovation and making it easier for customers to access innovative

financial services. DG FISMA also worked on the proposed regulatory framework for a **digital euro**, where the Council reached a provisional general approach in December 2025.

### **Anti-Money laundering, energy markets and enforcement**

2025 was also the first year when the **Anti-Money Laundering Authority ('AMLA') became operational**. The main focus was the preparation of the implementation of the new framework, including starting the work on Level 2 measures essential for safeguarding the integrity of the EU financial system.

The Commission also reinforced international engagements on AML/CFT matters. It **updated the EU list of high risk third-country jurisdictions** three times to further protect the integrity of the Union's financial system and monitored emerging global financial risks. Internationally, DG FISMA continued contributing actively to the work of the Financial Action Task Force (FATF), including on virtual assets, payment transparency and de-risking, while supporting a coherent assessment of EU AML/CFT measures in FATF and Moneyval evaluations.

In the area of **commodities trading**, DG FISMA continued its work to further boost the attractiveness and depth of EU energy markets and, more broadly, commodity derivatives markets. DG FISMA worked closely with other Commission services and EU agencies in the context of the Gas Market Task Force to deliver an assessment of the overall functioning of gas markets in the EU.

In 2025, DG FISMA intensified efforts to identify and address regulatory barriers that hinder further development of the SIU, including through **targeted enforcement action**. DG FISMA supported Member States through **transposition workshops** and continued monitoring of **complaints**. As an example, DG FISMA launched 96 **infringement proceedings** against Member States, including six referrals to the Court, and closed 46 cases.

### **Sanctions and international**

DG FISMA continued to be actively involved in the Commission's work in **response to Russia's war of aggression against Ukraine** and its consequences.

Throughout 2025, the Union adopted **four additional packages of sanctions** against Russia and Belarus, including measures further restricting the ability of Russia's shadow fleet to export oil. In December 2025, the Union also added Russia to the list of high-risk jurisdictions in the international fight against financial crime.

Throughout the year, DG FISMA contributed to the Commission's efforts to support Ukraine, including in the area of immobilised assets and Ukraine's closer alignment with the EU financial services acquis. This covered both the enlargement process and the Ukraine Plan.

DG FISMA also supported the work undertaken by various enlargement countries on the steps needed to join the Single Euro Payment Area (SEPA).

Internationally, DG FISMA maintained **active regulatory dialogues** with partners including with the U.S., UK, Canada and Japan to promote sound international standards, ensure a level playing field and support the competitiveness of the EU financial system.

## B. Key performance indicators

DG FISMA has selected the following Key Performance Indicators (KPIs) to monitor the progress in achieving its specific objectives:

**Table 1. Key Performance Indicators**

KPI #	KPI title	Baseline	Latest known result		Change	Interim milestone	Target
		(2023)	Value	Date		(2027)	(2029)
<b>Specific objective 1.1: European financial markets are more competitive, more integrated and better channel savings to productive investments</b>							
Performance indicator 1.1.1	Share of market finance of non-financial corporations (NFCs)	63.7	64.01	2024, Q4		Increase	Increase
<b>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 financing of terrorist activities</b>							
Performance indicator 1.2.1	Composite systemic stress indicator	0.2	0.02	2026, 01		Decrease	Decrease
<b>Specific objective 1.3: European consumers and investors enjoy greater protection and have increased trust in European financial markets and institutions</b>							
Performance indicator 1.3.1	Direct and intermediated investment by households in market-based financial instruments (in %)	58%	59%	2024, Q4		Increase	Increase
<b>Specific objective 1.4: Strategic autonomy of the EU financial system is enhanced in a rapidly changing international environment</b>							
Performance indicator 1.4.1	% of Member States complying with reporting obligations under EU restrictive measures	80%	80%	2025, Q4		Increase	Increase

Notes: Light green denotes indicators with stable performance.

Progress towards the interim milestones was sustained throughout 2025 for all four key performance indicators (KPIs), despite a challenging macroeconomic and geopolitical environment. The KPIs moved in the desired direction but remained broadly stable overall. More specifically, the KPI for the specific objective one (on increasing market-based financing of EU non-financial corporations) and the specific objective three (on increasing retail participation in financial markets) increased slightly in line with the interim milestones and final targets. The KPI for the specific objective two (on maintaining financial stability) remained below the maximum value set as a ceiling for systemic stress. The KPI for the specific objective four (related to strategic autonomy of the EU financial system) remained stable, as a result of continued compliance by Member States with EU restrictive measures.

## **C. Key conclusions on internal control and financial management**

DG FISMA has systematically examined the available control results and indicators, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors.

The transition in 2025 to the Commission's new accounting system, SUMMA, has required the adjustment to a new system and has impacted budget implementation tasks, processes and financial management activities, particularly during the first part of the year. This has required careful management to ensure the same data quality as in previous years.

All the above elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer for further details to section 2 on Internal Control and Financial Management.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated. Improvements are necessary concerning the coordination mechanisms with the ESAs as identified by an IAS on the coordination between DG FISMA and the ESAs <sup>(2)</sup>. The mitigating measures addressing such deficiencies will be covered by an action plan that is currently under preparation and being discussed with the IAS. The Director-General, in his capacity as Authorising Officer by Delegation, has signed the Declaration of Assurance.

## **D. Provision of information to the Commissioner(s)**

In the context of the regular meetings during the year between DG FISMA and the Commissioner(s) on management matters, the main elements of this report and assurance declaration, have been brought to the attention of Commissioner Maria Luís Albuquerque, responsible for Financial Services and the Savings and Investments Union.

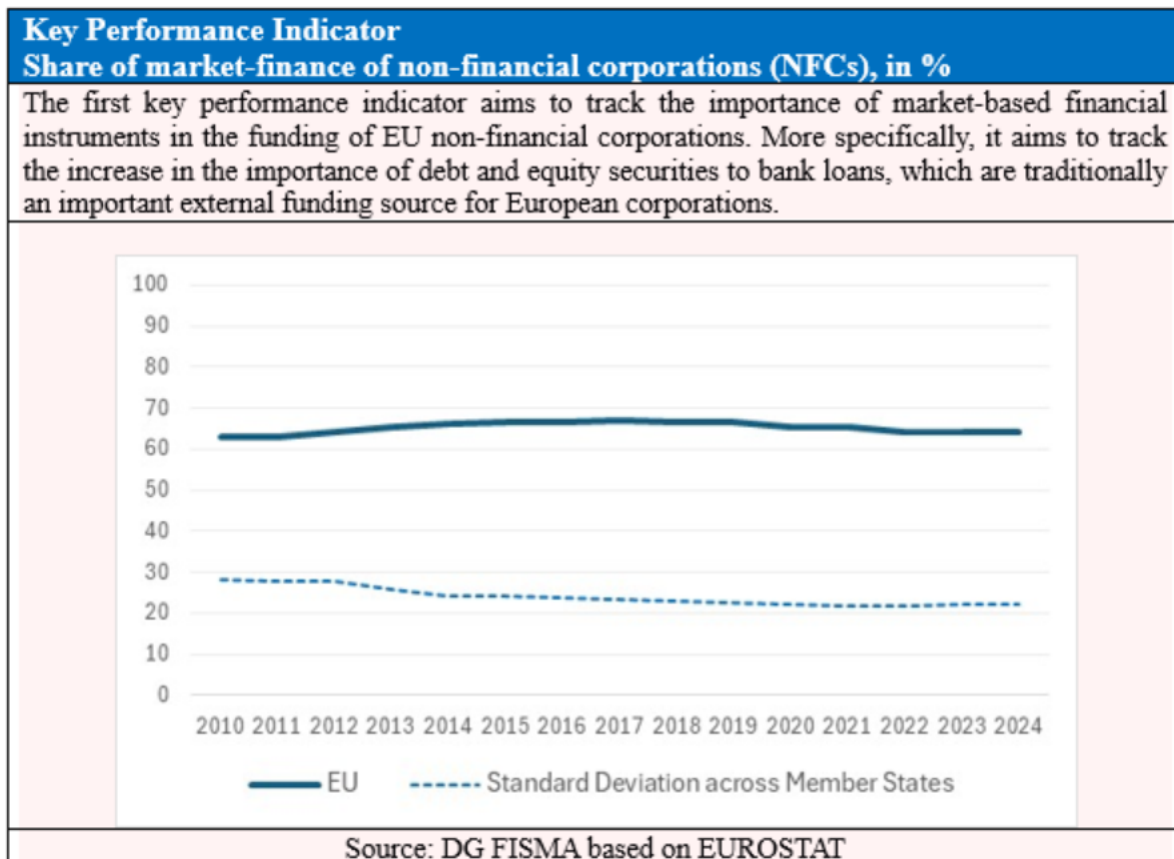
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<sup>(2)</sup> See section 2.2, 2.3 and Annex 8 for more details.

# 1. KEY RESULTS AND PROGRESS TOWARDS ACHIEVING THE COMMISSION’S GENERAL OBJECTIVES AND SPECIFIC OBJECTIVES OF THE DEPARTMENT <sup>(3)</sup>

**Specific Objective 1.1 – European financial market is more competitive, more integrated and better channels savings to productive investments.**

**Figure 2. Share of Market finance of non-financial corporations (NFCs)**



## **Savings and Investments Union**

On 19 March 2025, the Commission adopted its **‘Strategy towards the Savings and Investments Union’** which aims to improve the way the EU financial system channels savings to productive investment, creating more and a wider range of financial opportunities for people

<sup>(3)</sup> An executive agency uses as heading: "Implementation of the Agency's annual work programme - Highlights of the year".

and businesses. In preparation, DG FISMA conducted on-site stakeholder consultations in all EU Member States between autumn 2024 and March 2025 to identify concerns and opportunities.

The first initiative adopted within the scope of the SIU strategy was a **package of proposals adopted on 17 June 2025 reviewing the EU Securitisation framework** by simplifying due diligence and transparency requirements and introducing greater risk sensitivity in the prudential framework for banks and insurers. The package proposed amendments to the Securitisation Regulation, the Capital Requirements Regulation, the Liquidity Coverage Ratio Delegated Act and the Solvency II Delegated Act.

On 30 September, the Commission adopted a **recommendation setting out a European blueprint for Savings and Investment Accounts (SIAs)** and an **EU financial literacy strategy**. Developed in cooperation with DG TAXUD, the recommendation encourages Member States to create national SIA frameworks, drawing on best practices, while fully respecting national competences. The EU Financial Literacy Strategy aims to help citizens better manage their finances, budget more effectively, and understand investment risks and opportunities.

On 20 November, the Commission adopted a **comprehensive supplementary pensions package**, including both legislative and non-legislative measures, with a view to enhancing retirement income and strengthening the role of the supplementary pension sector as a provider of long-term financing to the EU economy. The package includes a **recommendation for Member States on facilitating auto-enrolment, developing multi-pillar pension tracking systems and pension dashboards** and was developed with DG EMPL. To ensure adequate retirement income, increase participation in complementary pensions and support long-term financing of the EU economy, the Commission proposed **targeted amendments to the IORP II Directive and the PEPP Regulation**. The Commission also adopted a communication that, among other things, clarifies the Commission's expectations regarding the application of the prudent person principle in the pension sector. The reforms aim to enable pension institutions to achieve greater scale, diversify investment portfolios, and deliver higher returns for their members. As regards PEPP, the amendments aim to enhance the attractiveness of PEPPs for both savers and providers by lowering distribution barriers and expanding consumer choice.

The Commission also advanced targeted measures to further facilitate investments by different actors. On 29 October, it adopted a **Communication on the prudential treatment of investments in equities by banks under legislative programmes in the Capital Requirements Regulation (CRR), as well as an amendment to the Solvency II Delegated Act**. As regards insurers specifically, the review of the Solvency II framework was further advanced. The Commission adopted a delegated regulation aiming, among other things, to facilitate long-term financing by insurers to the real economy, as well as to improve insurers' long-term guarantees and enhance proportionality.

Work also began to prepare the review of the EU venture capital funds (EuVECA) regulation scheduled for 2026. DG FISMA worked closely with Member States, the EIB Group and other DGs on topics such as the European Tech Champions Initiative 2.0, the 28th regime, and the European Innovation Investment Pact.

On 4 December 2025, the Commission adopted a comprehensive **market integration and supervision package** covering the trading, post-trading and asset management sectors, as well as innovation. The package aims to remove barriers stemming from the different national implementation of EU rules, gold plating, limited economies of scale within groups operating cross-border, and limited interconnectedness across markets. The package proposes to introduce, among others, the possibility for market operators to use a single pan-European licence, improves accessibility between trading venues and CCPs, and enhances market transparency. It proposes to make it easier for asset managers and investment funds to operate across the single market by, among others, harmonising rules and simplifying passporting. The package also focuses on removing barriers hindering the uptake of new technologies that can significantly enhance capital market efficiency, such as distributed ledger technologies (DLT). The proposal also aims at ensuring equal supervisory treatment for entities across borders by strengthening supervisory convergence tools and by transferring supervisory powers to ESMA for crypto-asset service providers (CASP) and significant financial market infrastructures (CSDs, CCPs and trading venues). By reducing regulatory burdens for businesses and streamlining supervisory arrangements, the package also contributes to the simplification of the applicable rules.

The annual Joint Conference of the Commission and the European Central Bank on financial integration took place in June 2025, with high-level discussions focused on advancing the SIU. The conference also marked the launch of the DG's annual flagship publication, the European Financial Stability and Integration Review (EFSIR).

In February 2025, the Commission adopted a proposal to amend the Central Securities Depositories Regulation to **shorten the settlement cycle** for transactions in EU securities from T+2 to T+1 by 11 October 2027. The European Parliament and the Council adopted the text on 8 October 2025.

Following the political agreement in December 2024, the Commission also finalised in 2025 the **review of the Benchmarks Regulation**, by adopting the necessary delegated legislation, simplifying the framework, while mitigating risks linked to the use of benchmarks. In the area of **commodities trading**, DG FISMA continued its work to further boost the attractiveness and depth of the EU energy and commodity derivatives markets in cooperation with other Commission services and EU agencies. A consultation was conducted on the functioning of the commodity derivatives and certain aspects of the spot energy markets.

In the area of **asset management**, in addition to the aforementioned deliverables under the Savings and Investments Union, DG FISMA supported the implementation of the **Directives on Alternative Investment Fund Managers (AIFMD) and on Undertakings for Collective Investment in Transferable Securities (UCITS) reforms by organising** a transposition workshop and preparing Delegated Acts on liquidity management tools. The Commission also adopted Q&As on the interpretation of the **European Long-Term Investment Funds (ELTIF) Regulation**.

In 2025, the Commission adopted several **Commission Regulations endorsing amendments to International Financial Reporting Standards (IFRS)** issued by the International Accounting Standards Board. These amendments included changes relating to contracts referencing nature-dependent electricity and amendments concerning the

classification and measurement of financial instruments. Furthermore, in December 2025, the Commission submitted to the European Parliament and the Council its annual report on the activities of the IFRS Foundation, EFRAG and the Public Interest Oversight Board (PIOB).

Key priorities of Commissioner Albuquerque are the development of a Savings and Investments Union and the removal of barriers hindering the single market for financial services, coupled with the simplification of the regulatory framework, notably on reporting requirements. To follow up on the simplification of the regulatory framework, all initiatives include a stress-testing of the respective acquis. To take stock of progress in this field, **Commissioner Albuquerque published on 21 October 2025 a first annual Progress Report on Simplification, Implementation and Enforcement, covering the period from January to July 2025**. It describes the simplification measures during this timeframe and provides feedback from the Commissioner's first implementation dialogue and reality checks. It also includes key implementation and enforcement actions undertaken in this reporting period. The Commissioner presented this report also to both Council and European Parliament.

### ***Sustainable finance***

In 2025, FISMA took several steps to **simplify and improve the usability of the sustainable finance framework** and to reduce administrative burdens on undertakings, without undermining the framework's core objectives.

In February 2025, the Commission adopted the **Simplification Omnibus I package** on sustainability reporting, including two legislative proposals: one proposal delaying the application of certain requirements (**'Stop the clock' proposal**) and one proposal amending the substantive requirements. In April 2025, the co-legislators reached an agreement on the Stop the clock proposal, amending the Corporate Sustainability Reporting Directive (CSRD) by introducing a two-year postponement of the sustainability reporting requirements for companies that would have had to start reporting from financial year 2025 or 2026. In December 2025, the co-legislators reached an agreement on the second proposal, which among other things, **reduces the number of EU and non-EU companies in scope and protects smaller companies** in the value chain of companies reporting pursuant to CSRD.

In July 2025, the Commission adopted **targeted "quick fix" amendments to the first set of European Sustainability Reporting Standards (ESRS)** reducing the regulatory burden and increasing legal certainty for companies.

In July 2025, the Commission also issued a **Recommendation on voluntary sustainability reporting for small and medium-sized companies** (VSME Recommendation), based on EFRAG's standards. This recommendation aims to reduce the administrative burden on SMEs by facilitating their response to sustainability information requests from companies subject to mandatory reporting under the CSRD and that include SMEs in their value chain. SMEs may also choose to report sustainability information voluntarily to improve their access to sustainable finance and better understand and monitor their own sustainability performance, thereby strengthening their resilience and competitiveness.

The Commission started working on a broader revision of the existing ESRS, with the aim of substantially reducing the number of data requirements, clarifying provisions deemed unclear

and improving consistency with other pieces of legislation. Following the Omnibus I proposal simplifying sustainability reporting, the Commission also **adopted in July 2025 the Taxonomy Omnibus Delegated Act, amending both the Taxonomy Disclosures Delegated Act, and the Climate and Environmental Delegated Acts** with the objective of simplifying certain reporting requirements and ‘do no significant harm’ (DNSH) criteria relating to the use of chemicals. In this context, Commissioner Albuquerque hosted an implementation dialogue on the EU taxonomy. In addition, several reality check workshops with different stakeholders took place.

The Commission also undertook a **comprehensive assessment of the Sustainable Finance Disclosure Regulation (SFDR)** and adopted a legislative proposal reviewing the SFDR. This proposal aims to simplify the framework, enhance usability and strengthen safeguards against greenwashing. Key proposed measures include removing entity-level disclosures, significantly reducing product-level disclosures, and introducing sustainability-related categories for financial products that make ESG claims. With the adoption of several Level 2 implementing measures, progress was made on the implementation of the European Green Bond standard, a new voluntary tool for issuers seeking to raise funding for the transition. The Commission also published voluntary disclosure templates for issuers of other types of sustainable bonds who seek to report on the alignment of these securities with the EU Taxonomy in a standardised way. Finally, to provide guidance to the market and support uptake, the Commission published a set of FAQs on the interpretation and implementation of the European Green Bond Regulation.

The Regulation on the transparency and integrity of ESG rating activities entered into force on 1 January 2025. The Commission initiated work on the implementation of the Regulation on ESG ratings, by preparing several level 2 measures. DG FISMA co-chaired the Reflection Group on Mobilising Climate Resilience Financing, which published its [final report](#) in December 2025. The report includes recommendations highlighting the need for collective action by both the public and private sectors, including insurers and banks, to strengthen the EU’s resilience to climate-related risks.

Internationally, DG FISMA continued to **engage with international partners** to scale up sustainable finance globally, notably through the International Platform on Sustainable Finance (IPSF) and the G20 Sustainable Finance Working Group (SFWG). Through the IPSF, work focused on improving the comparability and interoperability of approaches to align investments with sustainability goals, including on transition finance, biodiversity and nature, and taxonomies.

### **Digital Finance and Payments**

In 2025, DG FISMA worked closely with the co-legislators throughout the negotiations of the revised Payment Services Directive (PSD3) and Regulation (PSR). A political agreement was reached on 26 November 2025, enabling the EU to further harmonise the EU payment market, improve consumer trust by reducing new payment risks and ensure a level playing field between incumbent schemes and payment service providers and providers of account-to-account payments.

In September 2025, DG FISMA published <sup>(4)</sup> the second report assembling specific payment account related data from Member States, according to Article 27 of the Payment Accounts Directive (Directive 2014/92/EU).

In digital finance, 2025 was characterised by the **entry into application of two regulatory frameworks**. First, the regulation on markets in crypto-assets (**MiCA**) which started to apply in full in late 2024. Crypto-asset issuers and crypto-asset service providers began seeking authorisations, while supervisors started to implement the rules. Second, the digital operational resilience act (**DORA**) started to apply in January 2025, and firms began complying with DORA requirements. 2025 also saw the effective start of the oversight framework under DORA, with the European Supervisory Authorities (ESAs) designating 19 critical third-party providers of ICT services to the financial sector that will now become subject to ESA oversight.

In 2025, DG FISMA also contributed to trilogue negotiations on the proposed framework for financial data access (FIDA) and the proposed regulatory framework for the digital euro. FIDA is key to fostering innovation and facilitating customers' access to innovative financial services. Regarding the digital euro negotiations, the Council reached a provisional general approach in December 2025.

DG FISMA also continued monitoring AI deployment in financial services and worked closely with the AI Office on the implementation of the AI Act, notably regarding high-risk use cases relevant to finance and its interactions with EU financial legislation, in close cooperation with the ESAs.

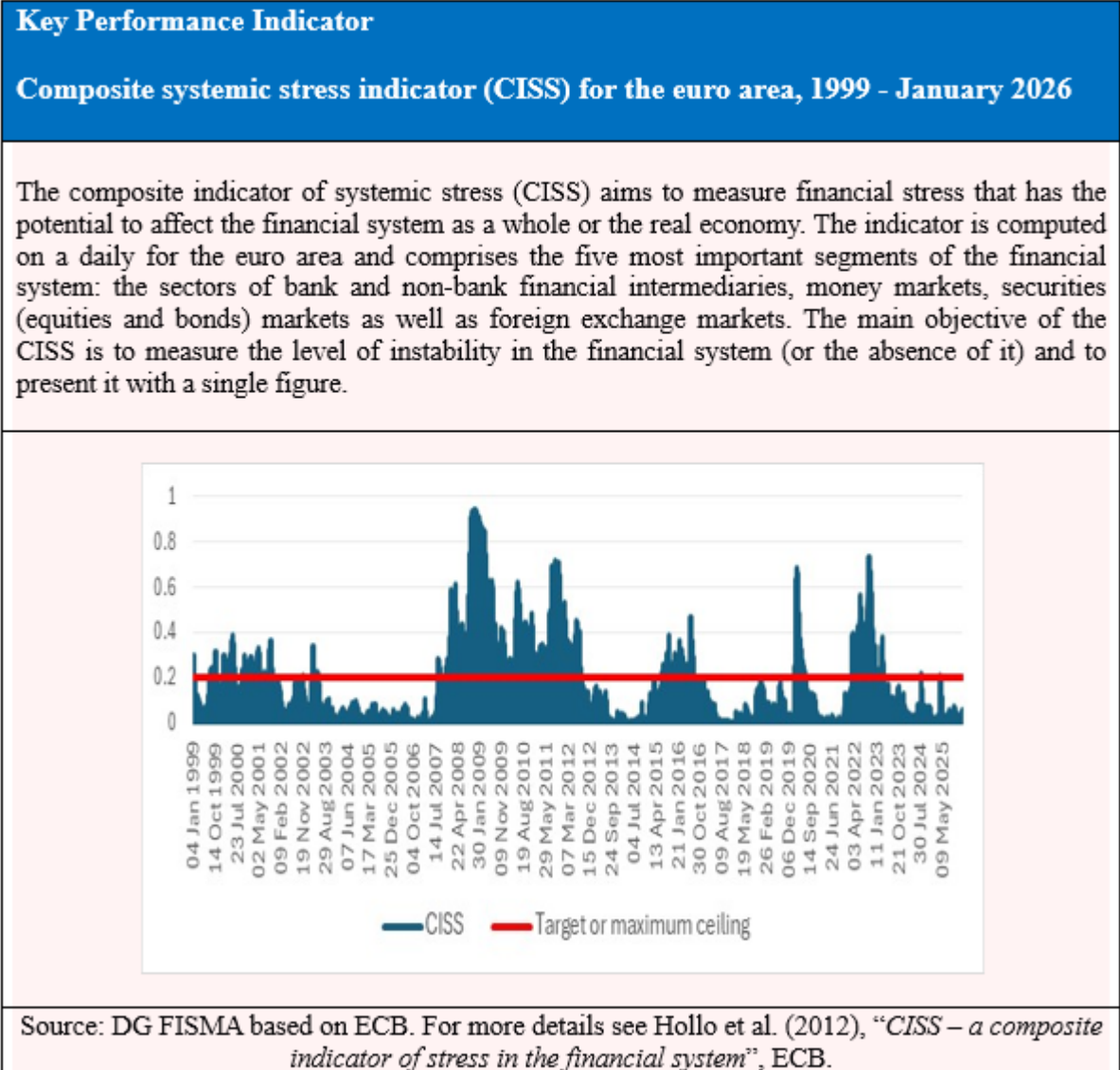
In November 2025, the **Regulation to facilitate supervisory data-sharing and reduce redundant reporting in EU financial services** entered into force, supporting a 'report once' approach to ensure that data are collected only once and then shared and reused to maximise the usefulness of collected data. In November 2025, the Commission also adopted an opinion on the European Central Bank Recommendation enabling broader access to ESCB data for other authorities. Further work to improve and integrate reporting and implement the Commission's supervisory data strategy is ongoing.

***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 financing of terrorist activities***

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<sup>(4)</sup> In cooperation with DG JUST.

**Figure 3. Composite systemic stress indicator (CISS)**



**Banking, macro-prudential and AML**

The **Capital Requirements Regulation (CRR) entered into application on 1 January 2025**, thereby implementing the Basel III standards in Europe, **with the exception of the market risk requirements**. DG FISMA prepared a second delegated act to postpone by one additional year, until 1 January 2027, the market risk prudential requirements in light of the delays in the implementation of the Fundamental Review of the Trading Book (FRTB) standards in other major jurisdictions. It was adopted by the Commission on 12 June 2025 and entered into force on 20 September 2025. To avoid possible unintended consequences on capital markets liquidity and considering the safeguards provided by the current framework for banks, DG FISMA developed a proposal, adopted by the Commission in March 2025, to maintain, for the purpose of the net stable funding ratio (NSFR) requirement, the transitional treatment for monies due from securities financing transactions and for unsecured transactions with a residual maturity of less than six months with financial customers. These amendments to the Capital Requirements Regulation (CRR) ensures a level playing field between banks in the EU

and in third countries. The legislative proposal was adopted by the co-legislators and entered into application in June 2025.

In June 2025, a **political agreement was reached on the review of the Crisis Management and Deposit Insurance (CMDI) framework**. That agreement was formally endorsed by the co-legislators in October 2025. The revised framework will further strengthen the EU's crisis management capabilities and enhance protection for depositors. The reform is also an important milestone in advancing the banking union and further integrating EU banking markets, which are key pillars of the Savings and Investments Union.

In 2025, DG FISMA started working on the 2026 **banking competitiveness report. It organised two stakeholder workshops covering the economics of the banking single market and regulatory complexities**. On 2 December 2025, Executive Vice-President Séjourné and Commissioner Albuquerque hosted an **implementation dialogue** on banking integration and competitiveness. On the same date, a meeting was hosted by Commissioner Albuquerque on the complexity of the EU framework for banks as a **reality check** to seek concrete feedback from participants on regulatory barriers holding back further integration of the EU banking sector.

In 2025, DG FISMA continued verifying the effective transposition of the Credit Servicers and Credit Purchasers Directive (NPL Directive), in line with the enforcement policy of the Commission. The Commission has also taken steps to renew the NPL Advisory Panel, which is instrumental in gathering feedback from external stakeholders.

In 2025, in line with the 2024 Report on the Macroprudential Review that identified areas requiring further analysis and work, DG FISMA continued its internal work aimed at clarifying and fine-tuning the macroprudential framework for banks. DG FISMA also continued its engagement with stakeholders and Member States on macroprudential aspects, including through a meeting of the Expert Group on Banking, Payments and Insurance (EGBPI), which took place in March, and a Workshop on the Complexity of the Regulatory Framework, organised by the Commission in November. Building on the recommendations of the High-Level Task Force on the European Systemic Risk Board (ESRB) Review, which presented its report in December 2024, DG FISMA continued its work with the ESRB on enhancing its effectiveness in tackling the challenges posed by the current financial landscape.

DG FISMA published in March 2025 a summary report of the targeted consultation responses on the adequacy of macroprudential policies for NBFIs that were submitted at the end of 2024. It continued engagement with stakeholders and Member States' experts to further develop targeted measures to support the stability of NBFIs sectors. DG FISMA was actively involved in the preparation of reports in international fora, including the Financial Stability Board and the European Systemic Risk Board.

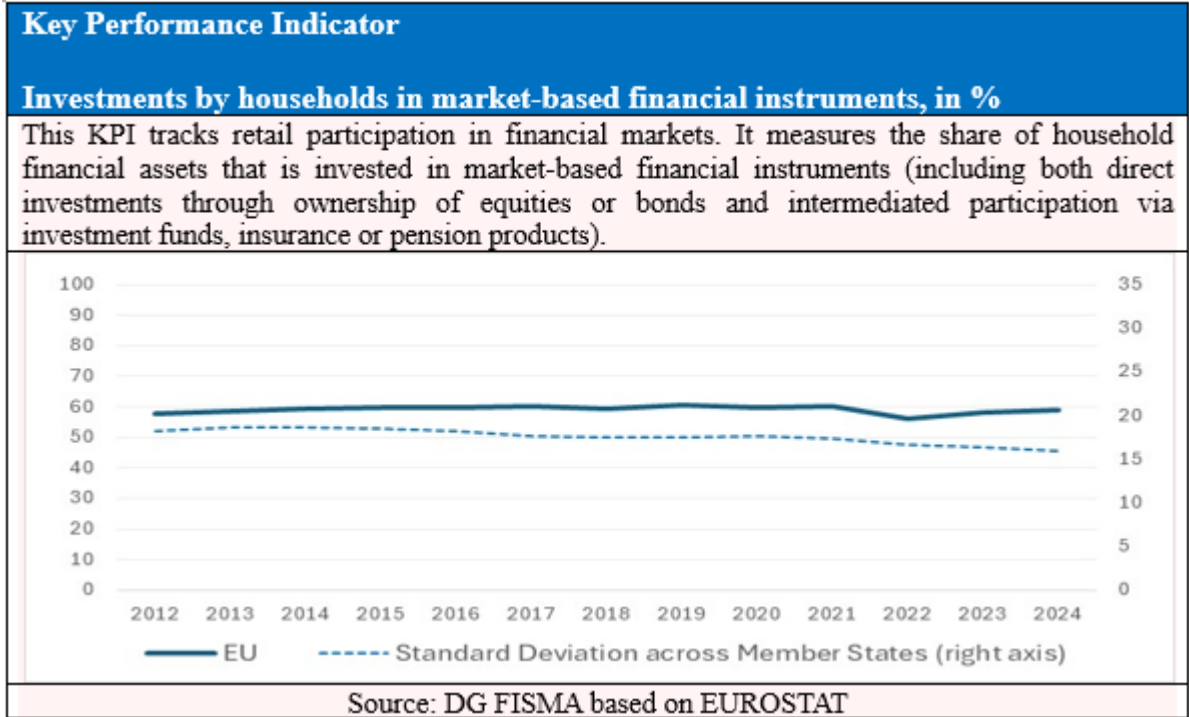
After the adoption of the legislative package on anti-money laundering and countering the financing of terrorism in May 2024, the focus in 2025 was on the preparation of the implementation of the new framework, which is essential to ensure the integrity and competitiveness of the EU financial system. Preparatory work started regarding the adoption of level 2 measures on AML/CFT. DG FISMA continued to work to ensure that the Anti-Money Laundering and Countering the Financing of Terrorism Authority (AMLA) becomes fully

operational. In this context, DG FISMA commenced transitioning IT systems, such as the FIU.net, to AMLA.

DG FISMA continued its **engagement with third countries on AML/CFT matters**. Through three targeted updates of the EU list of high risk third-country jurisdictions with deficiencies in their AML/CFT regimes, the Commission took action to further protect the integrity of the Union’s financial system. In parallel, the Commission has continued to monitor developments in the international financial system to make sure emerging AML/CFT threats are identified and addressed in a timely manner. Another important area of work was the international engagement on AML/CFT matters. On that front, DG FISMA has continued to actively contribute to the work of the Financial Action Task Force (FATF), in particular on policy issues such as virtual assets, payment transparency and de-risking. In 2025, the Commission was also closely involved in ongoing FATF work aimed at ensuring a consistent and coherent assessment of EU measures, notably the AML/CFT package, in the assessment of its Member States by FATF and Moneyval.

**Specific Objective 1.3 – European consumers and investors enjoy greater protection and have increased trust in European financial markets and institutions.**

**Figure 4. Investments by households in market-based financial instruments**



**Citizens**

Financial literacy is integral to the Savings and Investments Union (SIU) as it can help address the gap between the high savings rates of EU households and their relatively low participation in capital markets. As mentioned under specific objective 1.1 above, the Commission adopted the **Financial Literacy Strategy Communication** on 30 September 2025. The Financial Literacy Strategy aims to help citizens make sound financial decisions, ultimately improving their well-being, financial security and independence. With the right combination of financial

knowledge and skills, citizens can budget better, avoid scams and fraud, save more efficiently and feel better equipped to invest for their future. The Financial Literacy Strategy aims to raise citizens' awareness about how to better plan and use their savings, and how to understand investment risks and opportunities. The strategy adopts a comprehensive approach and is based on four interrelated pillars of action: 1) Coordination and best practices, 2) Communication and awareness-raising; 3) Funding for financial literacy initiatives, including research; 4) Monitoring progress and assessing impacts. The Commission after its adoption started to focus on the implementation of the strategy.

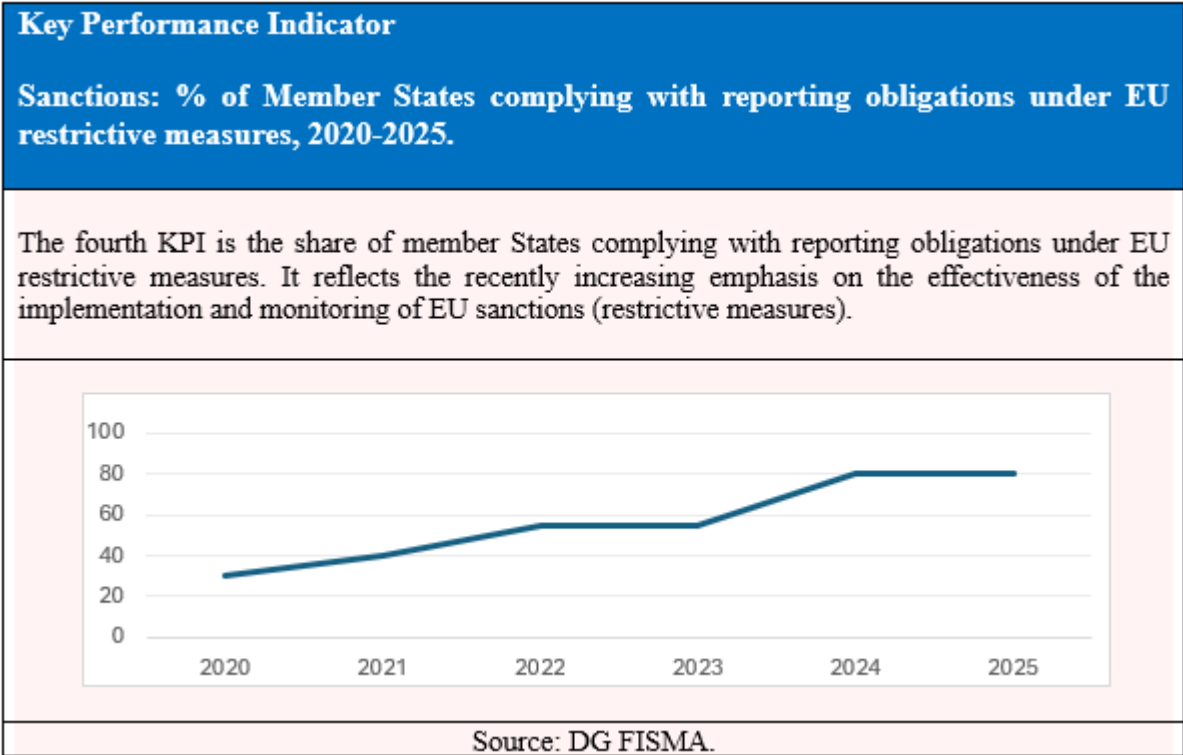
In December 2025, a **political agreement was reached on the Retail Investment Strategy** (RIS), representing an important milestone towards the achievement of the Savings and Investments Union. The new rules strengthen the investor protection framework. Once adopted, the Retail Investment Strategy should contribute to encouraging greater participation of retail investors in EU capital markets.

The Commission also continued its work on safeguarding the interests of consumers in financial services through its Financial Services User expert group and by managing the network of alternative dispute resolution bodies in financial services (FIN-NET).

**Specific Objective 1.4 – Strategic autonomy of the EU financial system is enhanced in a rapidly changing international environment.**

The following key performance indicator has been selected to measure the progress made by DG FISMA towards implementing its policies and attaining specific objective 4.

**Figure 5. Member States complying with reporting obligations under EU restrictive measures**



DG FISMA continued to play a crucial role in the design and implementation of the EU restrictive measures (sanctions) to fight against terrorism financing, defend human rights and democratic institutions or prevent the proliferation of weapons of mass destruction. In recent years, the focus has been on the adoption of unprecedented sanctions **in response to Russia's war of aggression against Ukraine**. Restrictive measures are designed to maximise economic and financial pressure to curtail Russia's ability to wage war. In 2025, **four additional packages of sanctions** against Russia were adopted by the Commission.

The Commission continued to use sanctions as a key foreign policy tool, including in the context of the Russian war of aggression against Ukraine. The development of sanctions also enabled other services of the Commission to respond to developments on the international stage. In 2025, the Commission continued its work on ensuring the effective implementation of sanctions, closing loopholes and tackling sanctions circumvention as well as protecting EU operators from illegitimate actions of the Russian state by issuing guidance, ensuring the continuous development of supporting IT tools, operating the EU Sanctions Helpdesk for SMEs and monitoring possible sanctions violations through the EU Sanctions Whistleblower Tool.

DG FISMA also strengthened its close relationships with concerned stakeholders, including national competent authorities, other institutions and private operators to reinforce this role in monitoring the implementation and enforcement of sanctions and ensuring uniform implementation across the Union. Also in 2025, the **EU Sanctions Envoy played an important role in reaching out to the EU's likeminded partners as well as to third countries** identified at high risk of being used for the circumvention of EU sanctions. Crucial outreach activities accompanied this work, such as the sanctions capacity-building seminars for the public and the private sector that were organised together with the Service for Foreign Policy Instruments, as well as outreach to address the use of 'shadow fleet' vessels to evade the G7 oil price cap and EU sanctions.

DG FISMA also continued regular exchanges with Member States' officials via the Expert Group on sanctions implementation, including its High-Level format and sub-group on asset freezes and reporting. Further, DG FISMA continued implementing the Blocking Statute with a view to protecting EU operators from the risks caused by extraterritorial sanctions imposed by third countries and ensuring EU's economic sovereignty.

Finally, DG FISMA contributed to the Commission's actions to **support Ukraine and other candidate countries on their path towards their future accession to the Union**, and their progressive integration into the single market, notably by contributing to the screening processes and to the monitoring of their progress in aligning legislation with the financial services acquis. This covered both the enlargement process and the implementation of the Ukraine Plan, the Growth Plan for the Western Balkans and for Moldova. DG FISMA also supported the work undertaken by various enlargement countries on the steps needed to join the Single Euro Payment Area (SEPA).

DG FISMA continued its **engagement with international partners** to promote sound international standards that ensure a level-playing field for financial markets, manage risks deriving from cross-border activities, and promote the competitiveness of the EU financial system. This included participation in the work of international bodies such as the G20, the

Financial Stability Board (FSB) and bilateral regulatory dialogues with third country jurisdictions (US, UK, Canada, Switzerland and Japan), and ongoing engagement with China.

DG FISMA continued monitoring the equivalence decisions granted to third-country jurisdictions and adopted new ones in line with the Commission's equivalence policy. The European Supervisory Authorities ("ESAs") actively participated in the regulatory dialogues with third country jurisdictions and provided technical input to DG FISMA in the adoption and monitoring of equivalence decisions.

DG FISMA actively contributed to the Commission Trade agenda for the areas within its remit, by taking forward ongoing negotiations for Free Trade Agreements with several third countries, including India, with whom a political agreement was found, as well as Thailand, Malaysia, the United Arab Emirates and Philippines.

### **Enforcement and implementation**

In 2025, DG FISMA intensified its efforts to identify and address regulatory barriers that hinder further development of the SIU, including through **targeted enforcement action** supporting the achievement of its policy objectives. Ensuring the full and correct incorporation of EU rules into national legal frameworks is essential to ensure that European consumers and businesses enjoy greater protection and to increase trust in European financial markets and institutions. Therefore, DG FISMA continued its work to ensure the **correct transposition of financial services legislation** and organised **transposition workshops** to support Member States in their transposition efforts. DG FISMA views **complaints** as important signals of possible shortcomings in the application of Union law: it received 81 new complaints and closed 53 pending cases, resulting in a total of 95 outstanding complaints.

In 2025, DG FISMA intensified its efforts to identify and address regulatory barriers that hinder further development of the SIU, including through **targeted enforcement action** supporting the achievement of its policy objectives.

Where there were delays in the adoption of national transposition measures, or where such measures incorrectly transposed EU rules, the Commission initiated **infringement proceedings** against the Member States concerned and held them accountable before the EU Court of Justice for failure to fulfil their obligations under the EU Treaties. The Court may ultimately impose financial penalties on Member States that persist in non-compliance. DG FISMA initiated 96 infringement proceedings against Member States, including 6 referrals to the Court and closed 46 cases. This brought the total number of open infringement cases for DG FISMA to 170.

While infringement procedures remained an essential tool, DG FISMA continued to place **strong emphasis on preventing non-compliance and supporting Member States** at an early stage. To this end, template explanatory documents and transposition roadmaps were provided and 12 workshops were organised to support Member States' national processes for transposing directives. Non-conformity issues were mostly addressed through bilateral pre-infringement dialogues rather than through formal infringement proceedings. To resolve identified deficiencies swiftly, in 2025, **DG FISMA started 68 pre-infringement dialogues with Member States and closed 50.**

DG FISMA handled complaints and took legal actions to ensure the free movement of capital with a view to enabling individuals and businesses to transfer money cross-border, to invest and raise capital where the conditions are favourable for them or to acquire real estate in any Member State. DG FISMA thus contributed to making the Single Market a unique area for investment opportunities.

## 2. INTERNAL CONTROL AND FINANCIAL MANAGEMENT

Management monitors the functioning of the internal control systems on a continuous basis and carries out an objective assessment of their efficiency and effectiveness. In annex 7, there is a list and details of the reports that have been considered. The results of the above assessment are explicitly documented and reported to the Director-General.

### 2.1. Control results

Management uses control results to support its assurance and reach a conclusion about the cost-effectiveness of those controls, meaning whether the right balance between the following elements is achieved:

- **Effectiveness** The level of error found, based on the controls carried out.
- **Efficiency** The average time taken to inform or pay.
- **Economy** The proportionality between the costs of controls and the funds managed.

#### 2.1.1. Overview of the budget and relevant control systems (RCS)

DG FISMA's total expenditure in 2025 was **EUR 89 425 779.43** of which **EUR 3 638 883.11 administrative expenditure** <sup>(5)</sup> <sup>(1)</sup> and **EUR 85 786 896.32 operational expenditure**. The majority of DG FISMA's expenditure (65.4%) covers the subsidies from the EU budget to the European Supervisory Authorities (ESAs). The Anti-Money Laundering Authority was not financially independent in 2025 and in consequence its budget was still directly implemented by DG FISMA <sup>(6)</sup>.

**Table 2. Overview of DG FISMA expenditure**

Relevant Control System	Type of expenditure	Payments made	% of total payments
<b>Procurement and administrative expenditure</b> <sup>(7)</sup>	Procurement and membership fees	EUR 14 166 713.49	15.84%
	Administrative expenditure	EUR 3 638 883.11	4.07%

<sup>(5)</sup> 'Expenditure' here refers to Payment Appropriations.

<sup>(6)</sup> The Anti-money laundering authority (AMLA) has become financially independent on 1/1/2026.

<sup>(7)</sup> Including EUR 6 911 934.36 of payments made by the PMO and DG HR for salaries, missions, expert groups and committees' meetings. In 2025, administrative expenses related to salaries, missions, expert groups and committees' meetings, are reported by the service responsible for the commitment, although the payments were executed by another service, notably the PMO

<b>Grants</b>	Grants	EUR 12 831 107.5	14.35%
<b>Subsidies to the ESAs</b>	Subsidies to the ESAs	EUR 58 457 159.33	65.37%
<b>International Organisations – Contribution Agreement</b>	Indirect management	EUR 331 916	0.37%
<b>TOTAL</b>		EUR 89 425 779.43	100%

The detailed controls and results under each of the above control systems are detailed in the following sections and Annexes 5, 6 and 7.

A separate relevant control system not related to expenditure covers the **safeguarding of information** whose controls and results are detailed in section 2.1.2.d) and Annexes 6 and 7.

## 2.1.2. Effectiveness of controls

### ***a) Assessment of control results per segment of expenditure***

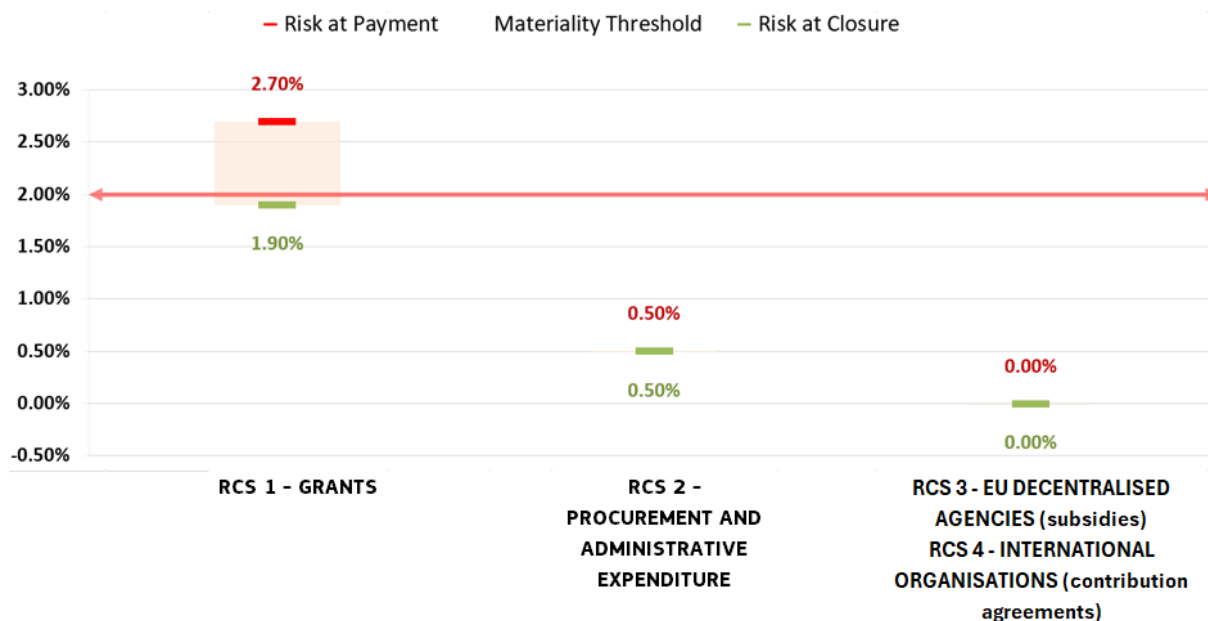
The legality and regularity of transactions is ensured by the ex-ante controls and ex-post checks undertaken by DG FISMA as described in Annex 6 and monitored according to the indicators established therein.

The estimated error rate for DG FISMA's expenditure is low overall but risks of errors are more likely to materialise in grants expenditure mostly because of errors linked to the eligibility of costs. Therefore, while the risk at closure remains below the materiality threshold of 2% in grants, the risk at payment in this specific area of expenditure is estimated to be above 2%.

### **Figure 6. Estimated risks (error rates) per segment of expenditure**

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and DG HR, which, until 2024, also reported the corresponding expenditure. This new reporting arrangement was introduced in the context of data rationalisation linked to the implementation of the Commission's new IT accounting system. In 2025, these expenses represented 7,7% of DG FISMA's total payments.



The ex-ante controls carried out by DG FISMA led to both **qualitative and quantitative benefits**.

The **ex-ante controls on grants** aim at ensuring that the **work undertaken by the beneficiaries contributes to the political priorities** of the Commission and that the **costs claimed are eligible**. Since the number of beneficiaries is limited (5 beneficiaries designated in the legal base) DG FISMA implements **on-the-spot checks for each beneficiary** on a multi-annual basis covering all grants awarded. Therefore, while the estimated detected error rates in grants are higher than in other segments of expenditure <sup>(8)</sup>, the systematic on-the-spot checks carried on each beneficiary and grant awarded give reasonable assurance that **at the closure of the multi-annual cycle** of controls the **residual error rate is below 2%** and that ineligible expenditure is recovered.

The **ex-ante controls on procurement procedures and contracts** ensure that the budget is well used, focused on actual needs and that the tender specifications are well drafted to meet these needs. Contracts are managed to ensure that contractors deliver the services requested as planned. These controls also led to the correction of several invoices for a total amount of EUR 40 392.51 and a total value of liquidated damages of EUR 22 640.75.

On the **payment of subsidies to the ESAs** DG FISMA did not detect events or weaknesses of a substantial nature which could affect the reputation of the DG, raise concerns about fraudulent activities linked to their transactions or prejudice the reliability of the key conclusions mentioned under point C) of the Executive Summary. Improvements in some coordination mechanisms were mentioned by the IAS audit on the coordination between DG FISMA and the ESAs but they do not have an impact on assurance (see section 2.2).

As far as **contribution agreements** are concerned the controls put in place by DG FISMA are proportionate to the risks. DG FISMA paid in 2025 only EUR 331 916 to an international organisation already covered by an ex-ante assessment and having already a Financial Framework Partnership Agreement with the Commission.

<sup>(8)</sup> See Annex 9 for more details.

**Table 3. Main controls for each RSC and main KPIs (see Annex 7 for details)**

Relevant Control System (RCS)	Main controls (details in Annex 6)	Main indicators See Annex 6 and 7 for more details/indicators	Main results in 2025
<b>Procurement and administrative expenditure<sup>(9)</sup></b>	Centralised in-depth ex-ante controls at all stages, ex-post checks, check lists and instructions for staff.	Risk at closure	0.5%
		Litigation of fraud cases	Zero
		Liquidated damages	EUR 22 640.75
		Credit notes linked to ineligible amounts (ex-ante controls)	EUR 40 392.51
<b>Grants</b>	Centralised in-depth ex-ante controls at all stages, ex-post checks, on the spot checks, check lists and instructions for staff.	Risk at closure	1.9%
		Litigation or fraud cases	Zero
		Ineligible costs linked to ineligible amounts (ex post controls)	EUR 479 921.76 <sup>(10)</sup>
<b>Subsidies to the ESAs</b>	Payments: Centralised in-depth ex-ante controls at all stages, check lists and instructions for staff. Overall oversight: Participation to Management Boards and Boards of Supervisors, opinion on Single Programming Document.	Errors detected when clearing the pre-financing	Zero
		Amounts recovered not cashed on time	Zero
		Positive discharge	Yes
<b>Contribution agreements to international organisations</b>	Check whether the entity is ex ante assessed and concluded a Financial Framework Partnership Agreement (FFPA) with the Commission. Check presence of management declaration and independent audit report. Verify financial report on trust fund is complaint with standard requirements.	All agreements signed with entities already ex-ante assessed and covered by a partnership agreement.	Yes
		Cases where management declaration or audit report not submitted	Zero
		Management declarations affecting assurance	Zero

### ***b) Estimation of the overall risk at payment and risk at closure***

The estimated overall risk at payment for 2025 expenditure is the AOD's best conservative estimate of the amount of relevant expenditure during the year that is not in conformity with the contractual and regulatory provisions applicable at the time the payment was made. A proportion of the underlying errors will be corrected in subsequent years and until the end of the programming cycle, corresponding to the conservatively estimated future corrections for 2025 expenditure. The difference between the risk at payment and the estimated future corrections results in the estimated overall risk at closure <sup>(11)</sup>.

**Table 4. Estimated risk at payment and at closure**

<sup>(9)</sup> This control system also applies to the budgetary operations of the Anti-Money Laundering Authority in 2025 since the authority was not yet financially independent and all budgetary operations were directly implemented by DG FISMA with equivalent controls.

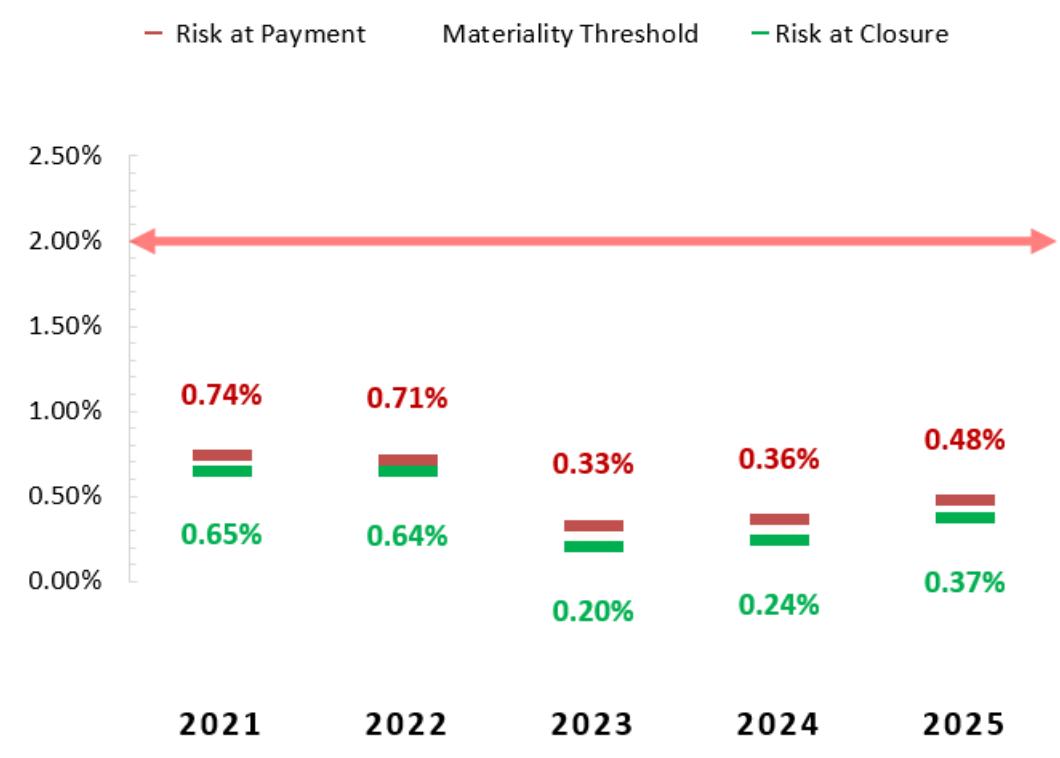
<sup>(10)</sup> On-the-spot checks finalised in 2025 but whose recovery will be launched in Q1 2026.

<sup>(11)</sup> This is the AOD's best, conservative estimation of the expenditure authorised during the year that would remain not in conformity of applicable regulatory and contractual provisions by the end of implementation of the programme.

DG FISMA	Payments made	Relevant expenditure	Estimated risk (error rate %) at payment		Estimated future corrections and deductions		Estimated risk (error rate %) at closure <sup>(12)</sup>	
	m EUR	m EUR	m EUR	%	m EUR	%	m EUR	%
RCS 1 - Grants	12.83	11.53	0.31	2.70%	0.09	0.80%	0.22	1.90%
RCS 2 - Procurement and Administrative expenditure	17.81	17.80	0.09	0.50%	0.00	0.00%	0.09	0.50%
RCS 3 - EU Decentralised agencies - Subsidies	58.46	54.86	0.00	0.00%	0.00	0.00%	0.00	0.00%
RCS 4 - International Organisations – Contribution Agreement	0.33	0.00	0.00	0.50%	0.00	0.00%	0.00	0.00%
<b>DG total</b>	<b>89.43</b>	<b>84.19</b>	<b>0.40</b>	<b>0.48%</b>	<b>0.09</b>	<b>0.11%</b>	<b>0.37</b>	<b>0.37%</b>

In terms of the evolution of risk at payment and closure there is a **stable trend since 2023** mainly due to the type of grants and the beneficiaries funded by DG FISMA being the same over the years and due to the multi-annual controls in place. The slight increase in the estimated risk at payment is due to the higher error rate detected in grants following the most recent on the spot checks finalised in 2025 (see section a) above and Annex 9).

**Figure 7. Evolution of overall risks at payment and closure for the period 2021-2025**



<sup>(12)</sup> 'At closure' is intended at the end of the multiannual cycle of controls.

For an overview at Commission level, the departments' estimated overall risk at payment, estimated future corrections and risk at closure are consolidated in the AMPR.

### ***c) Quantitative benefits of controls: Preventive and corrective measures***

DG FISMA continued to perform ex-ante controls and ex-post controls as an effective mechanism in place for detecting and correcting errors. In 2025, due to the transition to SUMMA, only preventive measures exceeding EUR 500 000 are reported. All corrections made by DG FISMA fall below this threshold and therefore are outside the reporting scope. Ex-post controls resulted in corrective measures of EUR 0.02 million.

There is therefore a stable trend compared to 2024, with EUR 0.043 million of preventive measures and EUR 0.005 million of corrective measures. The amount of preventive measures linked to ex-ante controls remains unchanged but is not reported this year since below EUR 500 000. The amount of corrective measures linked to ex-post controls is low in 2024 and 2025 because of the multiannual nature of DG FISMA cycle of controls in grants. It will increase in the course of 2026 following the recovery orders linked to the recent on-the-spot checks on grants.

### ***d) Fraud: prevention, detection, and correction and safeguarding information <sup>(13)</sup>***

DG FISMA has developed and implemented its own **anti-fraud strategy since 2020**, based on the methodology provided by OLAF. It is updated every 3 years and was last updated in 2025 following a fraud risk assessment. Its implementation is being **monitored and reported to the management once a year**. All necessary actions have been completed except few actions that have been postponed and whose implementation is expected to be completed in Q2 2026.

In 2025, DG FISMA had no corrective measures based on OLAF recommendations to be reported in the context of annual monitoring exercises conducted by OLAF, in accordance with Article 11 of Regulation 883/2013 <sup>(14)</sup>.

Given the low value of DG FISMA's expenditure, the **exposure to fraud entailing financial risks is low**. However, DG FISMA continued its efforts to limit risks of fraud, even if they would only have a reputational impact.

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<sup>(13)</sup> These two internal control objectives are integrated into DG FISMA anti-fraud strategy and reported jointly.

<sup>(14)</sup> [REGULATION \(EU, EURATOM\) No 883/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office \(OLAF\) and repealing Regulation \(EC\) No 1073/1999 of the European Parliament and of the Council and Council Regulation \(Euratom\) No 1074/1999.](#)

DG FISMA is not (co-)leading any action of the Commission’s Anti-Fraud Strategy action plan but contributed to it, namely to the action related to the **training and raising awareness of staff on professional ethics**. DG FISMA also continued to require **in-house annual ethics declarations** from selected staff members more exposed to market sensitive information as well as **security clearance** for certain staff members having access to particularly sensitive information. The DG also checked for **plagiarism in final reports from contractors** using a dedicated IT tool.

DG FISMA kept strict controls in place to **protect sensitive information** by monitoring and mapping the correct marking of sensitive documents. **High security standards were applied in daily IT development** (e.g. implementation of DG DIGIT’s standards and technology, IT security plans, vulnerability assessments) <sup>(15)</sup>.

Other results achieved during the year thanks to the anti-fraud measures in place can be summarised as follows:

**Table 4 – Other results achieved in the area of fraud, protection of sensitive information and IT security**

Indicators	Status
<b>Fraud cases notified to OLAF/EPPO and/or investigations opened by OLAF/EPPO</b>	1 case notified, zero cases opened
<b>New disciplinary cases</b>	0
<b>Leaks of sensitive information reported/detected</b>	1
<b>New or pending OLAF financial recommendations</b>	0
<b>% of IT tools covered by an updated security plan</b>	100%
<b>Cases of violation of data integrity in IT systems</b>	0

On the basis of the available information, DG FISMA has **reasonable assurance that the anti-fraud measures in place are effective**.

### 2.1.3. Efficiency of controls

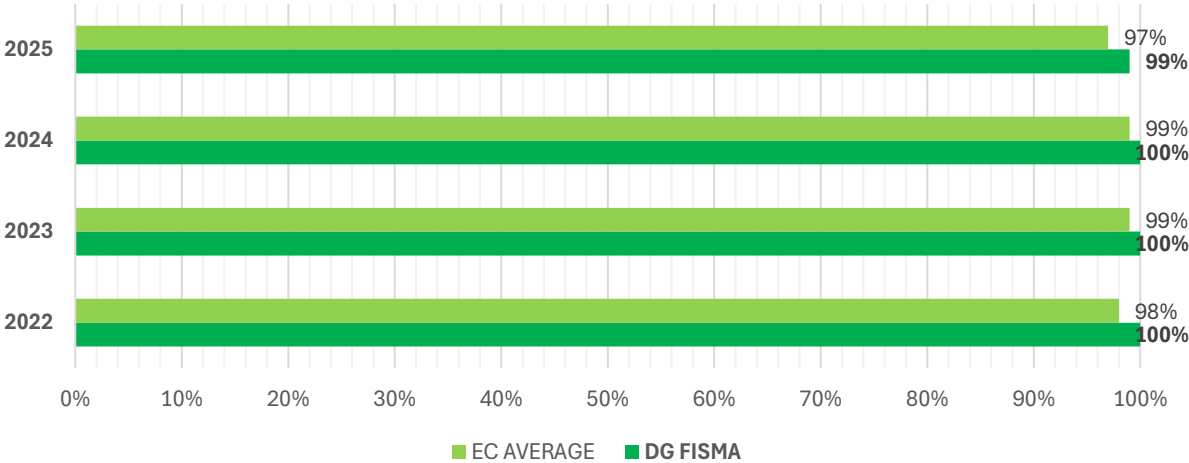
As in previous years, DG FISMA has achieved excellent results in 2025 with high scores in all major financial performance indicators (see Annex 4).

#### *Timely payments*

As last year **99% of the total value of payments were made on time** in accordance with article 116.1 of the Financial Regulation, compared to 97% at Commission’s level. The average net time to make a payment in DG FISMA was 20 days in 2025 compared to 14 days in 2024, 15.2 days in 2023, 14.8 days in 2022, 16.5 in 2021 and 16.9 in 2020.

<sup>(15)</sup> See section 3.2 for more details.

**Figure 8. Timely payments compared to EC average**



*Time for registration of invoices*

**97% of invoices were registered on time** within an average of 5 days from the date of reception compared to an average of respectively 85% and 17.6 days at Commission’s level.

*Time-to-award and time-to-inform*

Tenders for 4 open procedures were **awarded within an average of 211 days** from the invitation to tender to the award compared to 2024 (165 days), 2023 (188 days), 2022 (114 days), 2020 (136,5 days) and 2019 (139,7 days).

Since all beneficiaries of the five grants managed by DG FISMA are identified in a basic act, DG FISMA has no elements for reporting on time-to-inform or time-to-grant as required by the Financial Regulation for grants awarded through calls for proposals. However, all grants have been **signed within an average of 175 days from the submission of a complete application** (compared to 112 days in 2024). The increase is due to specific circumstances where DG FISMA had to delay the signature of two grants so as to ensure that, before the signature of the grants, the financial interests of the Union would be protected. The delay in signing these grants, one of which was an operating grant meant that the operating grant could not be signed within 4 months from the beginning of their financial year of the beneficiaries as required by Article 196.4 of the financial regulation.

*Transition to a new Commission’s accounting system*

The transition in 2025 to the Commission’s new accounting system, SUMMA, has required the adjustment to a new system and has impacted budget implementation tasks, processes and financial management activities, particularly during the first part of the year. This has required careful management to ensure the same data quality as in previous years. In some cases, this may have resulted in lower performance for some standard financial indicators such as the timely payments (see Annex 4).

## 2.1.4. Economy of controls

The overall cost of controls related to DG FISMA expenditure in both direct and indirect management are **2.8 % of the payments made <sup>(16)</sup>**. The overall costs of controls remain stable compared to 2024 (2.8%), 2023 (2.6%), 2022 (2.5%), 2021 (2,2%). The decrease of the cost of controls under procurement compared to 2024 is due to the additional payments made for AMLA by DG FISMA before its financial autonomy.

The cost of controls linked to the protection of sensitive information and the security of IT systems are not linked to expenditure and are estimated to be indicatively EUR 200 000.

**Table 5. Costs of controls by type of expenditure <sup>(17)</sup>**

Type of expenditure	2021	2022	2023	2024	2025
Procurement and administrative expenditure	8.9%	8.3%	9.3%	10.5%	<b>8.7%</b> <sup>(18)</sup>
Grants	2.2%	2.7%	3%	2.2%	<b>2.8%</b> <sup>(19)</sup>
Subsidies to the ESAs	0.8%	0.9.	0.9%	0.9%	<b>1.1%</b> <sup>(20)</sup>
Contribution agreements	N/A	N/A	N/A	N/A	<b>0%</b>
<b>TOTAL</b>	2.2%	2.5%	2.6%	2.8%	<b>2.8%</b>

## 2.1.5. Conclusion on the cost-effectiveness of controls

Based on the most relevant key indicators and control results reported above, DG FISMA has assessed the effectiveness, efficiency and economy of its controls of its financial management and reached a **positive conclusion on the cost-effectiveness of the controls** for which it is responsible.

As in previous years, the **main drivers that** contribute to DG FISMA's cost of controls are linked to the **basic checks implemented by staff on a high number of low value transactions** (e.g. administrative expenditure and contracts with a relatively low value) and to the **preparation of procurement procedures** for studies, including drafting of tender specifications. In 2025, more controls at a higher frequency also had to be carried to ensure a correct **encoding of each transaction into the new IT system SUMMA**.

<sup>(16)</sup> See Annex 7 for more details on the costs of controls.

<sup>(17)</sup> Total costs of controls/value of payments made.

<sup>(18)</sup> EUR 943 760 (of which EUR 0 linked to ex-post controls).

<sup>(19)</sup> EUR 360 420 (of which EUR 75 235 linked to ex-post controls, corresponding to 0,3% of the amount of the grants verified).

<sup>(20)</sup> EUR 653 700 (of which EUR 0 linked to ex-post controls).

The basic checks on low value transactions cannot be reduced since they contribute to ensuring the legality and regularity of the transactions and sound financial management.

## 2.2. Audit observations and recommendations

This section sets out briefly the state of play for all audit observations and recommendations reported by auditors related either to performance aspects or to internal control and financial management. Further details for IAS and ECA audits can be found in Annex 8. Where an audit has detected weaknesses affecting an internal control principle or the department’s assurance, a detailed analysis is provided further below in section 2.3 and, where applicable, the incidence on the AOD’s assurance is presented in section 2.4, accordingly. Where an audit has detected weaknesses to performance aspects, an analysis is made in section 1.

### Internal Audit Service

The action plan addressing the recommendations identified by the **IAS audit on HR management** was implemented in 2025 and is being reviewed by the IAS. The action plan linked to the **Multi-entity audit on coordination between DG FISMA and the ESAs** concluded in December 2025 is currently under preparation and being discussed with the IAS.

Reported	Audit Title	Accepted Recommendation (critical or very important)	State of play in 2025	Impact on the assurance for 2025
2025	Human Resources Management in DG FISMA	Very important: HR strategic framework [on internal control aspects]		
2025	Multi-entity audit on coordination between DG FISMA and the ESAs	Very important: Enhance Q&As process design [on internal control and performance management aspects]		
		Very important: Enhance the implementation of the Q&As process [on internal control and performance management aspects]		
		Very important: Improve review process design [on internal control and performance management aspects]		

State of play		Assurance	
	Action plan implemented		No impact on the assurance
	Action plan implementation is ongoing		Impact on the assurance
	Preparation of the action plan		

### European Court of Auditors

In addition to the recommendations listed below, DG FISMA has not accepted one recommendation made by the ECA in the audit related to Digital payments in the EU (see

detailed Commission’s replies in the footnotes below and Annex 8 for more information on recommendations not accepted or partially accepted).

Reported	Audit Title	Accepted Recommendations	State of play in 2025	Impact on the assurance for 2025
2022	Implementation of SPECIAL REPORT No 04 2022 Investment funds EU actions have not yet created a true single market benefiting investors <sup>(21)</sup>	2 [on performance management aspects]		
2025	Implementation of SPECIAL REPORT No 01 2025 - Digital payments in the EU <sup>(22)</sup>	4 [on performance management aspects]		
2025	Implementation of SPECIAL REPORT No 14 2025 - Developing supplementary pensions in the EU – EU action not effective in strengthening occupational pensions and establishing a pan-European personal pension product <sup>(23)</sup>	3 [on performance management aspects]		

More details on the status of each IAS and ECA recommendation are provided in Annex 8.

## 2.3. Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework based on the highest international standards. <sup>(24)</sup>

DG FISMA has adapted the Internal Control Framework to its specific characteristics and organisational structure. The internal control systems are suited to achieving its policy and internal control objectives in accordance with the internal control principles, having due regard to the risks associated with the environment in which it operates.

DG FISMA has assessed its internal control system during the reporting year and has concluded that it is **effective and the components and principles are present and functioning well overall, but some improvements are needed** as deficiencies were identified by the IAS in

<sup>(21)</sup> [Special report 04/2022: Investment funds EU actions have not yet created a true single market benefiting investors | European Court of Auditors](#). See Commission’s replies here: [COM-Replies-SR-22-04\\_EN.pdf](#).

<sup>(22)</sup> [Special report 01/2025: Digital payments in the EU](#). See Commission’s replies here: [COM-Replies-SR-2025-01\\_EN.pdf](#).

<sup>(23)</sup> [Special report 14/2025: Developing supplementary pensions in the EU | European Court of Auditors](#). See Commission’s replies here: [COM-Replies-SR-2025-14\\_EN.pdf](#).

<sup>(24)</sup> The Committee of Sponsoring Organizations of the Treadway Commission Internal Control Integrated Framework, the golden standard for internal control systems.

the coordination mechanisms with the ESAs <sup>(25)</sup> and affecting the presence and functioning of Principle 3 of the internal control framework. The mitigating measures addressing such deficiencies will be covered by an action plan currently under preparation and being discussed with the IAS.

The above deficiencies affect only to a minor extent the overall functioning of the internal control system due to other strengths identified under the relevant internal control components and principles. They do not have a material impact on assurance. More details on the process related to the annual internal control assessment and overall functioning of DG FISMA internal control system are available in Annex 8.

## 2.4. Conclusions on the assurance

According to the information provided in section 2.1.2, DG FISMA's controls on financial operations provide sufficient assurance that risks related to their **legality and regularity** are properly managed, also in relation to the **fight against fraud and protection of sensitive information**.

As demonstrated in sections 2.1.3 and 2.1.4, DG FISMA financial operations are managed **efficiently** with excellent results in terms of **timely payments and budget management**. They are also **economic** and while the costs of controls are higher in procurement and administrative expenditure this is due to the basic checks required in this type of transactions compared to the low amounts involved.

As mentioned in sections 2.2 and 2.3 the **assessment of the presence and functioning of DG FISMA control system** was positive and did not detect any deficiency detrimentally affecting conclusions on the assurance and where minor deficiencies were identified actions are planned to mitigate them. The **recommendations of the IAS and ECA audits** have no material impact on assurance and the audits recommendations are being implemented. The overall conclusions of the IAS on DG FISMA internal control system were also positive.

The assessment of the elements above is **corroborated by adequate evidence** (reports to managers or data extracted from IT tools), is **complete and covers all budget areas of DG FISMA**. No significant information has been omitted from this report.

In conclusion, based on the elements reported above, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director-General, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

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<sup>(25)</sup> IAS audit on the coordination between DG FISMA and the ESAs concluded in December 2025.

## 2.5. Declaration of Assurance

I, the undersigned,

Director-General of DG FISMA

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view <sup>(26)</sup>.

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the work of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the institution.

Brussels, 30/03/2026

John BERRIGAN

E-signed

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<sup>(26)</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG.

# 3. A MODERN AND SUSTAINABLE PUBLIC ADMINISTRATION

## 3.1. Human resource management

In 2025, DG FISMA continued to prioritise **effective human resources management in support of the delivery of its policy objectives**. In parallel, efforts were made to promote a working environment supportive of staff well-being, engagement, and motivation. The staff of DG FISMA remained highly committed and continued to demonstrate extremely high levels of adaptability, efficiency and engagement amid a complex political landscape and, at times, under considerable resource constraints. Staff continued to deliver **high quality work on numerous legislative proposals** (as detailed in the previous section), on the ongoing negotiations with co-legislators, on various international work streams, and on new and occasionally unexpected workstreams.

DG FISMA implemented various actions which contributed to the DG's ability to carry out its tasks in a stable and effective manner throughout the year:

- DG FISMA conducted **regular reviews of workload**, staff allocation and redeployment of resources during meetings with management and monitored HR indicators (in particular working hours recorded by staff) to inform decision-making.
- DG FISMA organised **weekly meetings of all Heads of Unit** to discuss key policy issues, and quarterly meetings of all Heads of Unit to address HR related issues.
- The DG continued to use its **informal matrix structure** with work carried on in project teams and other *ad hoc* horizontal structures (e.g. task forces) which complemented unit work when relevant. In 2025, this was strongly the case with various informal Task Forces set up to manage the SIU deliverables, including the package on market integration and supervision in December 2025. This collaborative approach supported more effective allocation of resources, improved workload management and enhanced knowledge sharing.
- DG FISMA organised **regular interactive and hybrid all-staff meetings** addressing policy developments as well as human resources and working environment matters. Topics covered included updates to the Code of Conduct of DG FISMA, training recommendations, the development of key policy files, the presentation of the new anti-harassment policy, ethics and professional conduct, data protection, and the use of artificial intelligence in daily work. These were complemented by the establishment of a Sounding Board, providing an additional forum to gather staff input on related topics. To ensure broad accessibility and follow-up, recordings of the all-staff meetings and summary pages were published on the intranet.
- DG FISMA continued to support a **collaborative and inclusive working environment**. Newcomers' integration remained a priority through dedicated training sessions, introductory meetings with senior management, and enhanced internal communication, including presentation of newcomers on the intranet. In addition, outreach to ESAs was

further developed through joint project work and introductory exchanges. Peer networks (AST professionalisation, Heads of Units policy group, coaching for Deputy Heads of Units) were maintained to support knowledge sharing and professional exchanges.

- DG FISMA continued to prioritise the **intranet as the main channel for internal communication**, with regular updates, news items and short videos on recent policy developments and organisational or staff matters, while also introducing content to increase awareness among colleagues of work carried out across DG FISMA.
- To ensure adequate learning and development opportunities for staff, DG FISMA organised **local learning and development initiatives**, such as monthly financial services conferences, in-house training developed by expert colleagues tailored to the specific needs of FISMA staff, digital talks and knowledge hours, covering both work-related processes and broader financial services topics. These sessions recorded consistently good participation rates, reflecting staff interest in maintaining and developing their expertise.
- FISMA Equality Working Group coordinated initiatives to foster a **culture of equality, diversity and inclusion in the DG** via promotion of specific corporate events, training sessions and the organisation of Knowledge Hours to mark the International Women Day and the EU Diversity Month.

On gender equality, DG FISMA continued its efforts to **maintain gender balance in middle management**, including by creating a talent pipeline for succession planning. DG FISMA participated in a specific talent development programme for more junior women organised by DG FISMA with other economic DGs.

Finally, DG FISMA implemented the **action plan addressing the observations and recommendations of the IAS on HR management**. DG FISMA developed its local HR strategy framing all initiatives on human resources, contributing to the achievements of the operational objectives of the DG.

## 3.2. Digital transformation and data management

### *Digital transformation and cybersecurity*

**Digital Culture.** During 2025 DG FISMA continued to foster a digital-first mindset by fully leveraging M365 to enhance secure collaboration across the organisation. DG FISMA empowered decentralised “digital enablers” and strengthened digital transformation communities to facilitate comprehensive knowledge sharing, networking, and collaboration among staff and stakeholders. Building on the foundations previously laid, DG FISMA continued to rely on the M365 Champions network to boost engagement within the DG. DG FISMA also continued to raise staff awareness on cybersecurity by encouraging staff to follow the CyberAware – Security Education Programme, by promoting corporate events like the European Cybersecurity Month, by briefing its senior management on cybersecurity posture and by starting to prepare a cybersecurity roadshow for staff due for Q1 2026.

**Digital-ready EU policy making.** DG FISMA pursued its efforts to implement the Digital Ready Policy Making (DRPM) framework by coordinating the efforts and roles of relevant units,

by reviewing digital elements of new legislative proposals and preparing timely Legislative Financial and Digital Statements (LFDS).

**Business-driven digital transformation.** In 2025, DG FISMA created a network of “AI Champions” to promote the use of AI tools developed by the Commission. DG FISMA started to develop the proof of concept on a chatbot dedicated to financial services topics. Through these efforts, DG FISMA aims to cultivate a culture of innovation and ensure that AI dimension is effectively integrated into the majority of its operations and strategic objectives.

**Seamless digital environment.** In 2025 DG FISMA continued to modernise its digital landscape, with a strong emphasis on reusing corporate information systems through the reuse-buy-build approach. Collaborative efforts with OP, DIGIT, and the Secretariat-General are well underway to promote the KOEL system (Knowledge On European Legislation) as the base for the new Corporate Acquis Management Platform (Pillar 3). Additionally, DG FISMA completed the transfer of BASIS to SG at the end of the year. 2025 also marks the ongoing progress in DG FISMA’s cloudification programme, aiming to transition its entire IT portfolio to the cloud by 2029. The FISMA Cloud Strategy involves a rationalisation phase targeting the transfer or decommissioning of selected IT systems, all supported by a robust governance framework. An essential enabler is the FISMA CoPA (Common Platform Architecture), which defines technical stack standards to streamline implementation and maintain consistency across the portfolio. FISMA has advanced significantly in the cloudification of its systems reaching a 36% of cloudified ready systems by end 2025.

**Green, secure and resilient infrastructure.** In 2025, DG FISMA made IT systems more secure thanks to containerization and cloudification. It also increased security of its systems by starting to perform penetration testing (in FIU.net system). DG FISMA continued to maintain all information systems with proper encoding in GovIS2, with all priority controls being attested in the GRC tool. The organisation consistently produces vulnerability reports for each IT system during every test and production environment installation, and it updates risk assessments and security plans that are older than two years. The attestation rate for priority controls remains at 100%, and the implementation rate is also high, as documented in the quarterly IT Security and Risk Reports.

### *Data management*

DG FISMA continued to apply its Quality framework and guidelines for the statistical activity and data acquisitions, **implementing the European Commission’s data governance** requirements to its key data assets. The intranet pages on the rules governing the acquisition and use of data, as well as on the databases subscribed to by DG FISMA have been kept updated. The documentation on DG FISMA’s data products, and the respective contact points, including the EC data catalogue, have been updated. The DG continued to **upgrade and modernise its internal data infrastructure**. This includes an interactive web dashboard page and other static and dynamic outputs available on the DG FISMA intranet, making data resources more accessible. An introduction to data assets and products was offered to all newcomers semi-annually and regular hands-on trainings on tools and software have been organised. DG FISMA has currently an ‘established’ maturity level for all dimensions of data management, ownership and responsibilities, data quality and data skills with the aim of maintaining this maturity level for 2026 and achieving an ‘advanced’ maturity level in 2029.

## Data Protection

In 2025 DG FISMA continued to implement the five objectives defined in the current **Commission's data protection action plan** <sup>(27)</sup>. One data breach was reported in 2025 which was caused by a human error. Regarding the objective of **ensuring proper record-keeping**, DG FISMA is continuously monitoring its processing operations and further progressing in ensuring their complete and proper documentation. Regarding the objective **empowerment of staff and awareness-raising activities**, DG FISMA organised regular training sessions as well as other awareness-raising activities for DG FISMA management and staff and promoted training courses organised at corporate level. Regarding the objective of **improving the relationship with citizens**, DG FISMA did not receive any data subjects' requests from citizens in 2025.

## 3.3. Sound environmental management

DG FISMA continued contributing to an environmentally friendly Commission by pursuing the objectives established in its Strategic Plan and the Commission's action plan to become carbon neutral by 2030. As in previous years DG FISMA focused on activities on areas that have most impact in terms of CO2 emissions and on which the DG has margins of initiative beyond corporate decisions (staff travel, expert travel and building energy consumption).

To that end DG FISMA ensured that:

- The majority of **expert groups and committees' meetings** held in 2025 were held in virtual or hybrid mode.
- The **CO2 emissions from staff missions** are monitored on a yearly basis. The level of emissions of DG FISMA is less than half of the pre-COVID pandemic levels.
- Its building joined the corporate effort of **closing Commission buildings during the summer** and end of the year holidays to contribute to energy savings.
- to join corporate actions to **promote sustainable commuting** and **circular economy** projects.

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<sup>(27)</sup> C(2018)7432 final.