



Annual Activity Report 2022

Annexes

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

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

For the director in charge of risk management and internal control:

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

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

Brussels, 29/03/2023

(Signed)

Henning ARP

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

hereby certify that the information provided in section 1 of the present annual activity report and in its annexes is, to the best of my knowledge, accurate and complete.

Brussels, 30/03/2023

(Signed)

Alexandra JOUR-SCHROEDER

⁽¹⁾ C(2017)2373 of 19.04.2017.

ANNEX 2: Performance tables

General objective 1: An economy that works for people

Impact indicator: Composite indicators of financial integration

Source of the data: European Central Bank²

Baseline (2014-2019 average)	Interim Milestone	Target (2024)	Latest known results (Q3 2022)
	(2022)		
Price-based indicator: 0.5	Increase	Increase	0.57
Quantity-based indicator: 0.3	Increase	Increase	0.29

Impact indicator: Composite indicators of systemic stress

Source of the data: European Central Bank³

Baseline (1999- 2019 average)	Interim Milestone	Target (2024)	Latest known results (2020- 1/27/2023 average)
	(2022)		
0.2	Below 0.2	Below 0.2	0.18

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

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

Specific objective 1.1: EU financial markets are more integrated and liquid, opening new opportunities for cross-border investments and funding for citizens and businesses

Related to spending programme(s): NO

Result indicator: Intra-EU home bias indicator for cross-border portfolio investment for debt and equity

Source of the data: JRC and DG FISMA calculations based on FinFlows database, Eurostat/IMF

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2019)⁴
78.1% intra 27-EU home bias for cross-border portfolio investment	Decrease	Decrease	76.5%

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

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

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
19.9% share of foreign branches and subsidiaries ⁵ assets in the total banking assets in the EU-27 (as of 2018)	Increase	Increase	16.42%

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

Source of the data: ECB and DG FISMA calculations

Baseline (2019 Q4)	Interim Milestone (2022)	Target (2024)	Latest known results (2022 Q3)
20.2%	Increase	Increase	24,6%

(⁴) This indicator cannot be updated because the indicator is no longer being produced by the data provider.

Result indicator: Number of initial public offerings (IPOs)

Source of the data: Refinitiv DG FISMA calculations

Baseline (2019)		Interim Milestone (2022)	Target (2024)	Latest known results (2022)
69 IPOs ⁶ in the EU-27		Increase	Increase	252

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

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

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
In 2018 the number of prospectuses passported out of each EEA MSs is 817 (EU28). Prospectuses passported in EEA MSs is 2386 (EU28). In 2018 the total number of approved prospectuses in the EEA was 2953 (EU27)	Decrease ⁵	Increase	In 2021 the number of prospectuses passported out of each EEA MSs is 739 (EEA). In 2021 the total number of approved prospectuses in the EEA was 2666 (in EU 27: 2518), of which were 227 EU Growth prospectuses. The total number of prospectus approvals across the EEA increased slightly by 2,1% from 2020 to 2021 (4% across EU 27 from 2020 to 2021). This is a slight reversal of the general downward trend.

(⁵) “Decrease” as the trend in terms of prospectuses approved in the EEA has been declining over the last decade and could be expected to continue (‘decrease scenario’). While the slight increase of prospectuses approved in 2021 might be correlated to the increase in IPOs in the EU in the same year, according to the IPO Watch Europe report of 2022 from PWC ([IPO Watch Europe](#))

Result indicator: Proportion of proposed legislative revisions that include burden reduction measures⁶

Source of the data: DG FISMA

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
N/A	Positive trend	Positive trend	2 out of 6 initiatives in 2022 (<i>read details on the methodology used in the footnote below</i>)

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2021/11366 Review of the listing rules applicable to companies issuing securities in the EU	Adoption by the Commission	Q3 2022	Adopted on 7 December 2022 COM(2022) 760 COM(2022) 761 COM(2022) 762
Commission proposal for a Directive of the European Parliament and of the Council to harmonise certain aspects of insolvency law	Adoption by the Commission	Q2 2022	Adopted on 7 December 2022 - COM(2022)702 final

[2022 - PwC UK](#)), 2022 European IPO proceeds were down almost 80% compared to 2021, raising only €15.6bn vs. €75.0bn in 2021 and, in general, markets were affected by the of uncertainty stemming from rising inflation, aggressive interest rate hikes, the war in Ukraine, the energy crisis in Europe, lockdown in China and general recession fears. This is expected to negatively impact the prospectus activity in 2022.

⁽⁶⁾ This indicator shows the proportion of DG FISMA initiatives that are focusing specifically on burden reduction. The base figure (“6” in this case) refers only to primary legislation initiatives or review reports analysing the need for legislation during the year. The counter (“2” in this case) includes only those DG FISMA initiatives aiming primarily at burden reduction as specified in the Management Plan 2022 for this purpose. It is worth noticing that burden reduction considerations are a standard step in all policy development in DG FISMA. We also recall that the bulk of DG FISMA’s legal acts are delegated and implementing acts.

Initiatives linked to regulatory simplification and burden reduction

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2021/12898 Report to the European Parliament and the Council on the functioning of the EU securitisation legislative framework	Adoption by the Commission	Q2 2022	Adopted on 10 October 2022 - COM(2022)517
PLAN/2020/8721 Commission proposal for a Regulation amending Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (CSDR)	Adoption by the Commission	Q1 2022	Adopted on 16/03/2022 - C(2022)120

Enforcement actions

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Providing timely replies to the questions requiring interpretation of the financial services legislation	70% of the questions needing interpretation will be dealt within 6 months.	Throughout the year	As of end-March 2022, a new system was put into place to use BASIS for handling and monitoring the ESAs Q&As. At the same time, a common template was agreed with the ESAs for submitting new questions. A total of 59 Q&As were adopted in 2022 (21 from EBA, 16 from ESMA, 12 from EIOPA and 10 from the Joint Committee of the ESAs).

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Finalisation of the completeness checks of Directives with transposition deadline falling by the end of 2021.	By end of 2022, confirming complete transposition in Themis database or referring the case to the Court of Justice for non-communication	Throughout the year	For the following Directives: <ul style="list-style-type: none"> • 2013/50 on Transparency – all⁷ finalized checks • 2014/65 MiFID II - all finalized checks • 2016/1034 Amending MiFID II - all finalized checks • 2019/2162 Covered bonds/supervision – 26 under examination by the EC, and 1 case where the Member State declared partial transposition, therefore the assessment cannot start for this Member State

(⁷) Completeness assessment for all MS finished but 1 MS submitted additional notifications in the end of 2022, which are currently being assessed.

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Finalisation of the preliminary conformity checks of the Directives with transposition deadline falling between February 2020 and end 2020.	By end of 2022, launching of EU Pilot or confirming correct transposition in Themis.	Throughout the year	<p>The directives at stake are:</p> <ul style="list-style-type: none"> • 2019/878/EU (CRD V) • 2019/879/EU (BRRD2) • For CRD V 26 conformity assessment reports carried out by an external contractor were finalised. The internal assessment for these 26 Member States is ongoing. 1 MS declared complete transposition in the end of 2022, therefore the contractor has not yet finalised the report. • For BRDD2, 26 conformity assessment reports carried out by an external contractor were finalised. The internal assessment for these 26 Member States is ongoing. 1 MS declared complete transposition in the end of 2022, therefore the contractor could not finalise the report by the end of 2022.

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Finalisation of the conformity checks of the Directives with transposition deadline falling by January 2020.	By end of 2022, confirming correct transposition or referring the case to the Court of Justice for non-conformity.	Throughout the year	For the following Directives: <ul style="list-style-type: none"> • 2013/50/EU (Transparency Directive) – 14 completed conformity checks and 13 cases under assessment by the EC • 2014/65/EU (MiFID II) – conformity check is postponed until the Retail Investment Strategy and the Listing Act reviews are finalized (and MIFID text is stable) • 2016/1034 Amending MiFID II –Conformity check is postponed until the Retail Investment Strategy and the Listing Act reviews are finalized (and MIFID text is stable) • 2017/593 (MIFID II Implementing Dir. on investment protection) – under assessment for all Member States.

Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2018/4555 Report from the Commission to the European Parliament and the Council pursuant to Article 38 of Regulation No 596/2014 on market abuse (Market Abuse Regulation)	Adoption by the Commission	Q3 2022	Included in the listing proposals above – adopted on 07/12/2022 –COM(2022)762

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2018/4851 Commission Delegated Regulation on the review of the calculation method used to determine the thresholds of critical benchmarks	Adoption by the Commission	Q1 2022	This workstream has been integrated into a broader review of the scope and third country regime under the Benchmark Regulation, for which a proposal for a directive is planned to be adopted by the Commission in Q2 2023.
PLAN/2018/4853 Commission Delegated Regulation on the review of the calculation method used to determine the thresholds of significant benchmarks	Adoption by the Commission	Q1 2022	This workstream has been integrated into a broader review of the scope and third country regime under the Benchmark Regulation, for which a proposal for a directive is planned to be adopted by the Commission in Q2 2023.
PLAN/2020/6892 EU investment protection, facilitation initiative	Announcement by the Commission	2022	In April 2022, the European Commission published a statement on the CMU Action Plan website. On 28 June, during the Forum for protecting and facilitating investment in the Single Market, organized by DG FISMA, Commissioner McGuinness presented a package of non-legislative measures to address shortcomings of the EU investment protection environment.

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
<p>PLAN/2016/090 (United States of America) PLAN/2016/092 (Chile) PLAN/2016/093 (Indonesia)- 095 (Malaysia) PLAN/2022/642 (South Africa) PLAN/2022/626 (India), PLAN/2021/10091 (China) PLAN/2022/1080 (Taiwan * - (*This Decision should not be interpreted as reflecting any official position of the European Union with regard to the legal status of Taiwan)), PLAN/2021/10090 (Israel) PLAN/2022/1853 (Colombia) Implementing acts of CCP equivalence under EMIR – Art. 25(6)</p>	<p>Adoption by the Commission</p>	<p>Q1 2022</p>	<p>Adopted on 4/04/2022 - C(2022)1962 (PLAN/2016/090)</p> <p>Adopted on 8/06/2022 C(2022)3632 C(2022)3635 C(2022)3633 C(2022)3634 C(2022)3636 (PLAN/2016/092-093-095, PLAN/2022/642, PLAN/2022/626)</p> <p>Adopted on 22/06/2022 - C(2022)4301 (PLAN/2021/10091)</p> <p>Adopted on 28/09/2022 C(2022) 6916 C(2022)4306 C(2022) 6915 (PLAN/2022/ 1080, PLAN/2021/10090, PLAN/2022/1853)</p>
<p>PLAN/2016/195-196-197 Implementing acts of margins under EMIR on transaction requirements – Art. 13</p>	<p>Adoption by the Commission</p>	<p>Q1 2022</p>	<p>Postponed indefinitely: changes were included in the EMIR review Q4 2022.</p>
<p>PLAN/2020/9727 Report from the Commission to the European Parliament and to the Council under Article 12a of Directive 98/26/EC of the European Parliament and of the Council of 11 June 1998 on settlement finality in payment and securities settlement systems</p>	<p>Adoption by the Commission</p>	<p>Q1 2022</p>	<p>Q2 2023. A targeted consultation on the SFD (as well as the FCD) was launched on 12 March 2021 and was open for feedback until 7 May 2021. Based on the feedback received from Member States and the targeted consultation the report will be prepared.</p>

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2021/12897 Report to the European Parliament and the Council on the functioning of the European Supervisory Authorities.	Adoption by the Commission	Q1 2022	Adopted on 23/05/2022 -COM(2022)228
PLAN/2021/12444 Commission Delegated Regulation (EU) No C(2022)4841 of 13.07.2022 supplementing Regulation (EU) 2020/1503 of the European Parliament and of the Council with regard to regulatory technical standards specifying requirements for individual portfolio management of loans	Adoption by the Commission	Q1 2022	Adopted on 13/07/2022 - C(2022)4841
PLAN/2021/12458 Commission Implementing Regulation (EU) No C(2022)4852 of 13.07.2022 supplementing Regulation (EU) 2020/1503 of the European Parliament and of the Council with regard to implementing technical standards specifying the standard forms, templates and procedures for the notifications of national marketing requirements applicable to crowdfunding service providers by competent authorities to ESMA	Adoption by the Commission	Q1 2022	Adopted on 13/07/2022 - C(2022)4852

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2021/12460 Commission Implementing Regulation (EU) No xx/xx of xxx supplementing Regulation (EU) 2020/1503 of the European Parliament and of the Council with regard to standard forms, templates and procedures for the cooperation and exchange of information between competent authorities	Adoption by the Commission	Q1 2022	Adopted on 13/07/2022 – C(2022)4839
PLAN/2021/12461 Commission Implementing Regulation (EU) No C(2022)4839 of 13.07.2022 supplementing Regulation (EU) 2020/1503 of the European Parliament and of the Council with regard to standard forms, templates and procedures for the cooperation and exchange of information between competent authorities and ESMA	Adoption by the Commission	Q1 2022	Adopted on 13/07/2022 – C(2022)4853
PLAN/2021/12464 Commission Delegated Regulation (EU) No C(2022)4848 of 13.07.2022 supplementing Regulation (EU) 2020/1503 of the European Parliament and of the Council with regard to regulatory technical standards specifying the requirements, standard formats and procedures for complaint handling	Adoption by the Commission	Q1 2022	Adopted on 13/07/2022 – C(2022)4848

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2021/12466 Commission Delegated Regulation (EU) No C(2022)4828 of 13.07.2022 supplementing Regulation (EU) 2020/1503 of the European Parliament and of the Council with regard to regulatory technical standards specifying conflicts of interest requirements for European crowdfunding service providers	Adoption by the Commission	Q1 2022	Adopted on 13/07/2022 – C(2022)4828
PLAN/2021/12467 Commission Delegated Regulation (EU) No C(2022)4833 of 13.07.2022 supplementing Regulation (EU) 2020/1503 of the European Parliament and of the Council with regard to regulatory technical standards specifying the measures and procedures for a business continuity plan	Adoption by the Commission	Q1 2022	Adopted on 13/07/2022 – C(2022)4833
PLAN/2021/12468 Commission Delegated Regulation (EU) No C(2022)4845 of 13.07.2022 supplementing Regulation (EU) 2020/1503 of the European Parliament and of the Council with regard to regulatory technical standards specifying the requirements and arrangements for the application for authorisation as a crowdfunding service provider	Adoption by the Commission	Q1 2022	Adopted on 13/07/2022 – C(2022)4845

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2021/12469 Commission Delegated Regulation (EU) No C(2022)1830 of 13.07.2022 supplementing Regulation (EU) 2020/1503 of the European Parliament and of the Council with regard to regulatory technical standards specifying the methodology for calculating default rates of loans offered on a crowdfunding platform	Adoption by the Commission	Q1 2022	Adopted on 13/07/2022 – C(2022)1830
PLAN/2021/12470 Commission Delegated Regulation (EU) No C(2022)4849 of 13.07.2022 supplementing Regulation (EU) 2020/1503 of the European Parliament and of the Council with regard to regulatory technical standards specifying the entry knowledge test and the simulation of the ability to bear loss for non-sophisticated investors	Adoption by the Commission	Q1 2022	Adopted on 13/07/2022 – C(2022)4849
PLAN/2021/12471 Commission Delegated Regulation (EU) No C(2022)4844 of 13.07.2022 supplementing Regulation (EU) 2020/1503 of the European Parliament and of the Council with regard to regulatory technical standards for the key investment information sheet	Adoption by the Commission	Q1 2022	Adopted on 13/07/2022 – C(2022)4844

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
<p>PLAN/2021/12472 Commission Delegated Regulation (EU) No C(2022)4860 of 13.07.2022 supplementing Regulation (EU) 2020/1503 of the European Parliament and of the Council with regard to regulatory technical standards for the exchange of information between competent authorities in relation to investigation, supervision and enforcement activities</p>	<p>Adoption by the Commission</p>	<p>Q1 2022</p>	<p>Adopted on 13/07/2022 – C(2022)4860</p>
<p>Commission Implementing Regulation (EU) No 2022/2120 of 13.07.2022 supplementing Regulation EU 2020/1503 of the European Parliament and of the Council with regard to data standards and formats, templates and procedures for reporting information on projects funded through crowdfunding platforms</p>	<p>Adopted by the Commission</p>	<p>Q1 2022</p>	<p>Adopted on 13/07/2022 – C(2022)2120</p>
<p>Commission Delegated Regulation (EU) No C(2022) 4835 of 12.07.2022 extending the transitional period for continuing to provide crowdfunding services in accordance with national law as referred to in Article 48(1) of Regulation (EU) 2020/1503 of the European Parliament and Council</p>	<p>Adopted by the Commission</p>	<p>Q3 2022</p>	<p>Adopted on 12/07/2022 – C(2022)4835</p>

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2021/12802 (replaced by PLAN/2021/13188) Commission Staff Working Document European Financial Stability and Integration Review (EFSIR)	Staff Working Document	Q2 2022	Published on 06/04/2022 – SWD(20232)93 final
PLAN/2021/12268 Commission Delegated Regulation (EU) 2022/750 of 8 February 2022 amending the regulatory technical standards laid down in Delegated Regulation (EU) 2015/2205 as regards the transition to new benchmarks referenced in certain OTC derivative contracts	Adoption by the Commission	Q1 2022	Adopted on 08/02/2022 – C(2022)619
PLAN/2021/13193 Commission Implementing Decision (EU) 2022/174 of 8 February 2022 determining, for a limited period of time, that the regulatory framework applicable to central counterparties in the United Kingdom of Great Britain and Northern Ireland is equivalent, in accordance with Regulation (EU) No 648/2012 of the European Parliament and of the Council	Adoption by the Commission	Q1 2022	Adopted on 08/02/2022 – C(2022)831

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2022/1230 Commission Delegated Regulation (EU) 2022/2310 of 18 October 2022 amending the regulatory technical standards laid down in Delegated Regulation (EU) No 149/2013 as regards the value of the clearing threshold for positions held in OTC commodity derivative contracts and other OTC derivative contracts			Adopted on 18/10/2022 – C(2022)7413
PLAN/2022/1337 Commission Delegated Regulation (EU) .../. amending regulatory technical standards laid down in Delegated Regulations (EU) 2015/2205, (EU) 2016/592 and (EU) 2016/1178 as regards the date at which the clearing obligation takes effect for certain types of contracts			Adopted on 25/10/2022 – C(2022)7175
PLAN/2022/1338 Commission Delegated Regulation (EU) .../. amending technical standards laid down in Delegated Regulation (EU) 2016/2251 as regards to the timing of when certain risk management procedures will start to apply for the purpose of the exchange of collateral			Adopted on 25/10/2022 – C(2022)7326

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Commission Delegated Regulation (EU) 2022/2311 of 21 October 2022 amending the regulatory technical standards laid down in Delegated Regulation (EU) No 153/2013 as regards temporary emergency measures on collateral requirements			Adopted on 21/10/2022 – C(2022)7536
PLAN/2022/814 CSDR RTS on Settlement Discipline – Suspension of mandatory buy-ins	Adoption by the Commission		Adopted on 06/07/2022 – C(2022)4471
PLAN/2021/10074 , PLAN/2021/10070 , PLAN/2021/10071 , PLAN/2021/10072 , PLAN/2021/10075 , PLAN/2021/10073 RTS procedures data quality, RTS registration of TRs, RTS registration of TRs, RTS aggregation of data, RTS aggregation of data, RTS data reported	Adoption by the Commission	Q1 2021	Adopted on 10/06/2022 C(2022)3588 C(2022)3581 C(2022)3580 C(2022)3585 C(2022)254 C(2022)3581
PLAN/2022/834 Commission report on the extension of the exemption from the clearing obligation for pension scheme arrangements	Adoption by the Commission	Q1 2021	Adopted on 09/06/2022 – C(2022)3584

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
<p>PLAN/2019/4938 Report from the Commission to the European Parliament and the Council pursuant to Article 54 of Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (Benchmark Regulation)</p>	<p>Adoption by the Commission</p>	<p>Q2 2022</p>	<p>Q2 2023 This workstream has been integrated into a broader review of the scope and third country regime under the Benchmark Regulation, for which a proposal for a directive is planned to be adopted by the Commission in Q2 2023.</p>
<p>PLAN/2019/5318 COMMISSION DELEGATED REGULATION amending Commission Delegated Regulation (EU) 2018/65 of 29 September 2017 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council specifying technical elements of the definitions laid down in paragraph 1 of Article 3 of the Regulation (benchmarks)</p>	<p>Adoption by the Commission</p>	<p>Q2 2022</p>	<p>Q2 2023 This workstream has been integrated into a broader review of the scope and third country regime under the Benchmark Regulation, for which a proposal for a directive is planned to be adopted by the Commission in Q2 2023.</p>
<p>PLAN/2022/835 COMMISSION DELEGATED REGULATION (EU) .../... of 9.6.2022 extending the transitional period referred to in Article 89(1), first subparagraph, of Regulation (EU) No 648/2012 of the European Parliament and of the Council</p>	<p>Adoption by the Commission</p>	<p>Q1 2021</p>	<p>Adopted on 09/06/2022 – C(2022)3584</p>

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2021/12013 COMMISSION IMPLEMENTING REGULATION (EU) laying down implementing technical standards for the application of Directive 2014/65/EU of the European Parliament and of the Council with regard to the format of the information to be reported annually to national competent authorities by branches of third- country firms authorised in accordance with Article 41 of Directive 2014/65/EU	Adoption by the Commission	Q4 2022	Adopted on 14/07/2022 – C(2022)488
PLAN/2022/1442 Commission Delegated Regulation amending Commission Delegated Regulation (EU) 2017/583 of 14 July 2016 supplementing Regulation (EU) No 600/2014 with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of bonds, structured finance products, emission allowances and derivatives (RTS 2)	Adoption by the Commission	Q4 2022	Adopted on 17/01/2023 – C(2023)246/2

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
<p>PLAN/2022/1441 Commission Delegated Regulation amending Commission Delegated Regulation (EU) 2017/575 of 8 June 2016 supplementing Directive 2014/65/EU with regard to regulatory technical standards concerning the data to be published by execution venues on the quality of execution of transactions (RTS 1)</p>	<p>Adoption by the Commission</p>	<p>Q4 2022</p>	<p>Adopted on 17/01/2023 – C(2023)245/2</p>
<p>PLAN 2021/12401 amending the regulatory technical standards laid down in Delegated Regulation (EU) 2017/653 as regards the extension of the transitional arrangement laid down in Article 14(2) of that Regulation and amending the regulatory technical standards laid down in Delegated Regulation (EU) 2021/2268 as regards the date of application of that Regulation</p>	<p>Adoption by the Commission</p>	<p>Q1 2022</p>	<p>Adopted on 17/03/2022 – C(2022)1541</p>
<p>PLAN/2018/4511 Implementing Act establishing a list of public authorities in the Union falling within the definition under Article 3(3) of Regulation (EU) 2016/1011 (Benchmark Regulation)</p>	<p>Adoption by the Commission</p>	<p>Q4 2022</p>	<p>Q2 2023. This workstream has been integrated into a broader review of the scope and third country regime under the Benchmark Regulation, for which a proposal for a directive is planned to be adopted by the Commission in Q2 2023.</p>

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Representation of the European Commission at the “Vienna Initiative” (a framework for safeguarding the financial stability of emerging Europe, launched in January 2009)	Participation in discussions. Notably in a new working group regarding climate impacts on the financial sector.	Ongoing	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 the financing of terrorist activities

Related to spending programme(s): NO

Result indicator: Banks’ total capital ratio

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

Baseline (2019 Q3)	Interim Milestone (2022)	Target (2024)	Latest known results (2022 Q3)
18.04% in 2019 Q3 between 15.4% and 25.9% for banks supervised by the ECB	Banks remain sufficiently capitalised	Banks remain sufficiently capitalised	18.7%

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

Source of the data: EBA and SRB MREL dashboard

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2022 Q2)
EUR 178 billion	Increase	Increase	EUR 2 318 billion

Result indicator: Solvency Capital Requirements (SCR) ratio

Source of the data: EIOPA Insurance statistics

Baseline (2019 Q3)	Interim Milestone (2022)	Target (2024)	Latest known results (2022 Q3)
202% median SCR ratio (between 129% and 279%)	Insurance companies remain sufficiently capitalised	200%	227% median SCR ratio (between 163% and 294%)

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

Source of the data: EBA and national supervisory authorities

Baseline (2018/2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2020/2021)
<p>Baseline on supervisory actions (2018): 15175 off-site inspections, 4897 on-site inspections</p> <p>Baseline on identified breaches (2018): 2467</p> <p>Baseline on sanctions/administrative measures (2019; no 2018 data available): 19</p>	Increase in the number of supervisory actions and sanctions, when necessary	Increase in the number of supervisory actions and sanctions, when necessary	<p>Supervisory actions (2020): 43702 off-site inspections, 4481 on-site inspections; (2021): 38612 off-site inspections, 4691 on-site-inspections.</p> <p>Identified breaches (2020): 1999; (2021): 2373.</p> <p>Sanctions/administrative measures (2020:65; 2021: 386.</p>

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

Source of the data: DG FISMA

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

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2020/8120 Proposal for a Directive of the European Parliament and of the Council amending Directive 2014/59/EU (BRRD)	Adoption by the Commission	End 2022/Early 2023	Planned for March 2023. Political decision in Q3 2022 to postpone the submission of the IA to the Regulatory Scrutiny Board and hence the adoption date for the legislative package.
PLAN/2020/8121 Proposal for a Directive of the European Parliament and of the Council amending Directive 2014/49/EU (DGSD)	Adoption by the Commission	End 2022/Early 2023	Planned for March 2023. Political decision in Q3 2022 to postpone the submission of the IA to the Regulatory Scrutiny Board and hence the adoption date for the legislative package.
PLAN/2020/8122 Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 806/2014 (SRMR)	Adoption by the Commission	End 2022/Early 2023	Planned for March 2023. Political decision in Q3 2022 to postpone the submission of the IA to the Regulatory Scrutiny Board and hence the adoption date for the legislative package.

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2021/11730 Review of the macroprudential provisions for the banking sector contained in: Regulation of the European Parliament and of the Council amending Regulation (EU) No 575/2013, as amended by Regulation (EU) 876/2019 of the European Parliament and of the Council of 20 May 2019 (Capital Requirements Regulation – CRR) as regards macroprudential provision; Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, as amended by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 (Capital Requirements Directive - CRD) as regards macroprudential provisions.	Adoption by the Commission	Q4 2022	A report to co-legislators will be issued in the course of 2023.
PLAN/2022/6 Measures to improve the attractiveness of clearing, encourage infrastructure development, and reform supervisory arrangements. (Regulation)	Adoption by the Commission	2022 (Throughout the year)	Adopted on 07/12/2022 C(2022)697 C(2022)698
PLAN/2022/2277 EMIR Targeted review - communication	Adoption by the Commission	2022 (Throughout the year)	Adopted on 07/12/2022 – C(2022)696/2

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Finalization of the completeness checks of Directives with transposition deadline falling by the end of 2021.	By end of 2022, confirming complete transposition in Themis database or referring the case to the Court of Justice for non-communication	Finalization of the completeness checks of Directives with transposition deadline falling by the end of 2021.	<p>For the following Directives:</p> <ul style="list-style-type: none"> • 2015/849 AML IV – all finalized checks • 2017/2399 BRRD – all finalized checks; • 2018/843 AML V - 12 completed checks, 15 under examination by EC; • 2019/878 CRD V on credit institutions – 2 finalized checks and 25 cases under examination by EC; • 2019/879 BRRD II – 27 cases under examination by EC (declared completed), • 2019/878 CRD V on investment firms - 2 finalized checks and 25 cases under examination by EC • 2019/2034 Supervision of investment firms – 26 cases under examination by the EC and 1 case where the Member State declared partial transposition, therefore the assessment cannot start for this Member State, • 2019/2162 Covered bonds/supervision – 26 cases under examination by the EC and 1 case where the Member State declared partial transposition, therefore the assessment cannot start for this Member State;

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
			<ul style="list-style-type: none"> • 2019/1160 Cross-border distribution – 9 completed checks, 17 under examination by EC and 1 case where the Member State declared partial transposition, therefore the assessment cannot start for this Member State; • 2021/338 Capital Market Recovery Package – 24 cases under examination by EC and 3 cases of absent communication, therefore the assessment cannot start for these Member States.
Finalization of the preliminary conformity checks of the Directives with transposition deadline falling between February 2020 and end 2020.	By end of 2022, launching of EU Pilot or confirming correct transposition in Themis.	Throughout the year	Dir 2019/2177/EU (ESAs review directive) – 26 conformity reports carried out by the external contractor were received by the end of 2022. Only the conformity report for 1 Member State has not yet been received as the Member State has not yet declared full transposition (therefore, the assessment for this MS cannot start). The internal conformity assessment for the remaining 26 Member States is ongoing.

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Finalization of the conformity checks of the Directives with transposition deadline falling by January 2020.	By end of 2022, confirming correct transposition or referring the case to the Court of Justice for non-conformity.	Throughout the year	For the following Directives: <ul style="list-style-type: none"> • 2015/849 (AML IV) - 25 finalized checks and 2 cases of absent communication, therefore the assessment cannot start for these Member States, • 2018/843 (AML V) -16 finalized checks, 5 checks ongoing; and 6 cases of absent communication, therefore the assessment cannot start for these Member States, • 2017/2399 BRRD - 21 completed checks, 6 cases under assessment by the EC.

Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2020/7910 Commission Communication on the rules applicable to the use of public private partnerships in the framework of preventing and fighting money laundering and terrorist financing	Adoption by the Commission	Q1 2022	Q4 2022. Adopted in Q4 2022, SWD (2022)347
PLAN/2020/9694 Report from the Commission to the European Parliament and the Council on the assessment of the risks of money laundering and terrorist financing affecting the internal market and relating to cross-border activities	Adoption by the Commission	Q1 2022	Q4 2022. Initially foreseen date for adoption was not met due to both, the effects of the COVID-19 pandemic (meetings with stakeholders had to be re-arranged and consultation deadlines much extended) and the negotiation process of the Anti-Money Laundering (AML) package (still ongoing).

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
<p>PLAN/2020/9873 Report from the Commission to the European Parliament and to the Council assessing the necessity and proportionality of harmonisation of the information contained in national real estate registers used for the purpose of preventing money laundering and terrorist financing and the need for the interconnection of those registers</p>	Adoption by the Commission	Q1 2022	Adopted on 09/03/2022 – COM(2022)4807
<p>PLAN/2021/11323 Commission Delegated Regulation supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards specifying the types of factors to be considered for the assessment of the appropriateness of risk weights and the conditions to be taken into account for the appropriateness of minimum LGD values</p>	Adoption by the Commission	Q1 2022	Adopted on 05/10/2022 – C(2022)6941 Corrigendum on the Delegated Regulation adopted on 24/01/2023 – C(2023)732

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2021/12845 Article 96 of Regulation (EU) 2021/23 requires the Commission to review and prepare a report on the application of Article 27(7). In particular, the report assesses the need for any further amendments with regard to the application of the write-down and conversion tool in the event of resolution of CCPs in combination with other resolution tools that result in financial losses being borne by clearing members.	Adoption by the Commission	Q1 2022	Adopted on 10/08/2022 – COM(2022)393.
PLAN/2021/10177 RTS on authorisation of class 1 investment firms	Adoption by the Commission	Q1 2022	Adopted on 06/06/2022 – C(2022)3342
PLAN/2021/10137 Commission Implementing Regulation ... amending implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council and repealing Commission Implementing Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295 (ITS on ESG disclosures)	Adoption by the Commission	Q1 2022	As planned. Adopted on 30/11/2022 – C(2022)8396

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2021/12568 Regulatory technical standards under Article 9(15) of Regulation (EU) 2021/23 of the European Parliament and of the Council of 16 December 2020 on a framework for the recovery and resolution of central counterparties and amending Regulations (EU) No 1095/2010, (EU) No 648/2012, (EU) No 600/2014, (EU) No 806/2014 and (EU) 2015/2365 and Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU) 2017/1132 that specify the methodology for calculation and maintenance of the additional amount of pre-funded dedicated own resources to be used in accordance with Article 9(14) of that Regulation.	Adoption by the Commission	Q2 2022	Adopted on 25/11/2022 - C(2022) 8434
PLAN/2021/12569 Regulatory Technical Standard on the order of allocation, maximum period and maximum share of the CCP's annual profits under the recompense mechanism in recovery (CCP RR/Article 20(2))	Adoption by the Commission	Q2 2022	Adopted on 25/11/2022 - C(2022) 8433
PLAN/2022/1728 Regulatory Technical Standard on written arrangements and procedures for the functioning of the resolution colleges (CCP RR/Article 4(7))	Adoption by the Commission	Q2 2022	Postponed to Q1 2023. Extensive legal redrafting required by LS [compared to the initial proposals from ESMA], requiring extensive analysis from Commission's side and back and forth with ESMA to validate the changes proposed and the absence of impact on substance.

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2022/1729 Regulatory Technical Standard on the contents of resolution plans (CCP RR/Article 12(9))	Adoption by the Commission	Q2 2022	Postponed to Q1 2023. Extensive legal redrafting required by LS [compared to the initial proposals from ESMA], requiring extensive analysis from Commission's side and back and forth with ESMA to validate the changes proposed and the absence of impact on substance.
PLAN/2022/1732 Regulatory Technical Standard on the circumstances in which a person is deemed to be independent; the methodology for assessing the value of the assets and liabilities of the CCP; and the separation of the valuations (CCP RR/Article 25(6))	Adoption by the Commission	Q2 2022	Postponed to Q2 2023. Extensive legal redrafting required by LS [compared to the initial proposals from ESMA], requiring extensive analysis from Commission's side and back and forth with ESMA to validate the changes proposed and the absence of impact on substance.
PLAN/2022/1731 Regulatory Technical Standard on the conditions for clearing members to pass on compensation to their clients and the conditions under which it is to be considered proportionate (CCP RR/Article 63(2))	Adoption by the Commission	Q2 2022	Postponed to Q2 2023. Extensive legal redrafting required by LS [compared to the initial proposals from ESMA], requiring extensive analysis from Commission's side and back and forth with ESMA to validate the changes proposed and the absence of impact on substance.
PLAN/2021/12565 Regulatory Technical Standard on factors for assessing CCP recovery plans (CCP RR/Article 10(12))	Adoption by the Commission	Q2 2022	Adopted on 25/11/2022 - C(2022)8435

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2021/10791 Commission Implementing Regulation laying down implementing technical standards with regard to the templates for the submission of information to the supervisory authorities according to Directive 2009/138/EC of the European Parliament and of the Council	Adoption by the Commission	Q2 2022	Depending if derogation from translation into all EU languages the adoption is likely to take place first half of 2023
PLAN/2021/10792 Commission Implementing Regulation laying down implementing technical standards with regard to the procedures, formats and templates of the solvency and financial condition report in accordance with Directive 2009/138/EC of the European Parliament and of the Council	Adoption by the Commission	Q2 2022	Depending if derogation from translation into all EU languages, the adoption is likely to take place first half of 2023.
PLAN/2022/1141 ITS on benchmarking 2023	Adoption by the Commission	Q3 2022	Adopted on 15/12/2022 - C(2022)9228

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2022/1850 COMMISSION DELEGATED REGULATION (EU) supplementing Regulation (EU) No 1093/2010 of the European Parliament and of the Council with regard to regulatory technical standards specifying the materiality of weaknesses, the type of information collected, the practical implementation of the information collection and the analysis and dissemination of the information contained in the Anti-money laundering and counter terrorist financing (AML/CFT) central database referred to in Article 9a(2) of that Regulation	Adoption by the Commission	Q4 2022	Q1 2023 Delayed to Q1 2023 as we are awaiting EBA input regarding the formal comments from the EDPS which we received on 24 January.
PLAN/2022/2472 Report from the Commission to the European Parliament and the Council on the implementation of Directive 2015/849/EC as amended by 2018/843/EC on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (article 65 report)	Adoption by the Commission	Q3 2022	Q2 2023
PLAN/2021/10126 COMMISSION DELEGATED REGULATION (EU) .../... amending Delegated Regulation (EU) 2016/1675 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council (Anti-Money Laundering)	Adoption by the Commission	Q3 2022	Adopted on 19/12/2022 - C(2022) 9649/2

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2021/10127 COMMISSION DELEGATED REGULATION (EU) .../... amending Delegated Regulation (EU) 2016/1675 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council regarding an amended list of high risk third countries for the purpose of anti-money laundering and countering terrorist financing	Adoption by the Commission	Q1 2022 Q3 2022 Q4 2022	Adopted on 7/01/2022 - C(2021)4335 Adopted on 19/12/2022 - C(2022)9649/2
PLAN/2021/12846 Report to the European Parliament and to the Council on the results of the review of Regulation (EU) 2017/1131 of the European Parliament and of the Council on money market funds.	Adoption by the Commission	Q3 2022	Q2 2023 Adoption of the report postponed.
PLAN/2022/1677 Second report on the functioning of the Single Supervisory Mechanism	Adoption by the Commission	Q4 2022	As planned. Moved to Q1 2023 to feed into the CMDI Banking Union package.
PLAN/2022/XXXX Report on the outcome of the review of the prudential treatment of securitisations (depending on the outcome of the review, the report could be accompanied by a legislative proposal)	Adoption by the Commission	Q4 2022	The report is planned to be adopted in Q2 2023.

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2022/12917 PLAN/2022/12918 PLAN/2022/12919 PLAN/2022/12921 Commission Implementing Regulation (EU) .../... of XXX laying down technical information for the calculation of technical provisions and basic own funds for reporting in accordance with Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance	Adoption by the Commission	Q1 2022 Q2 2022 Q3 2022 Q4 2022	Adopted on 10/02/2022 - C(2022)713 Adopted on 12/05/2022 - C(2022)3012 Adopted on 08/08/2022 - C(2022)5627 Adopted on 21/11/2022 - C(2022)8208
Post-Programme Surveillance for Portugal, Ireland, Spain, Cyprus, Enhanced Surveillance for Greece (based on Commission Implementing Decision C(2018)4495 of 11 July 2018) Contribution about financial sector to Review Reports.	Adoption by the Commission of the Review Reports	Twice per year More frequent for Greece	Ongoing [published on 23 February (EL), 23 May (ES , IE , PT , CY , EL), and 22 Nov (EL , PT , CY , ES , IE) 2022.
EU Semester, including Macroeconomic Imbalances Procedure (based on art 121 of the Treaty)	Adoption by the Commission and the Council of Country-Specific Recommendations	2022 H1	Adopted on 17/06/2022 - 9602/22
Contribution on the financial sector to Country Reports, which review the progress made by Member States in implementing previous Country-specific Recommendations and assess the countries' current situation and challenges.	Adoption by the Commission	2022 H1	<u>Published</u> on 23/05/2022

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Euro area recommendation on financial sector policy	Adoption by the Commission and the Council	2022 H2 (for 2023 cycle)	Published 21/012/2022 COM(2022) 782 EAR (Euro Area Recommendation)
Contribution on financial sector policy to the Staff Working Document accompanying Council euro area recommendations, published jointly with the Annual Sustainable Growth Strategy	Completion of the contributions	2022 H2 (for 2023 cycle)	Published 21/012/2022 EAR SWD(2022) 382
EU Semester – Recovery and Resilience Facility Contribution to monitoring the implementation of National Recovery and Resilience Plans on financial sector issues according to the agreed timeline and milestones.	Adoption by the Commission	Ongoing	Ongoing State of play
Development of country knowledge Monitoring of national financial and economic developments with a view to avoid financial distress and track policy implementation and initiatives to assess their contribution to growth and investment	Regular reporting	Ongoing	Ongoing

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
<p>Monitoring of financial stability risks and the use of macroprudential policies Participation in the work of the European Systemic Risk Board at all levels in the monitoring of systemic risks and development of policy recommendations to prevent and mitigate such risks; assessment of national macroprudential measures and their compatibility with the internal market.</p>	<p>Four General Board meetings and numerous meetings at expert level to prepare analytical and policy documents</p>	<p>Throughout the year</p>	<ul style="list-style-type: none"> • General Board session: 4 • Steering Committee session: 4 • Advisory Technical Committee: 4 • Instruments Working Group: 4 • Analysis Working Group: 4 • Numerous written procedures at expert and management levels • Ad-hoc interactions
<p>Monitoring and assessment of risks and vulnerabilities that could impact the resilience of the global banking system. Participation in the work of the Basel Committee’s Risks and Vulnerabilities Assessment Group (RVG) identifying, monitoring and analysing risks and vulnerabilities to the global banking system. Helping to formulate periodic targeted reports on risk assessment and preparing recommendations to the Committee regarding identified risks to the global banking system.</p>	<p>Six meetings with a number of ad hoc workshops and sub-groups during the year</p>	<p>Throughout the year</p>	<ul style="list-style-type: none"> • Risk and Vulnerabilities Assessment Group • Ad hoc workshops and sub-group meetings

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Exercise the Commission's functions as Resolution Authority	<ul style="list-style-type: none"> • Attending and Preparing Executive and Plenary SRB Meetings and preparatory bodies. • Monitoring banks in difficulties • Endorsing Resolution Schemes • Treatment of judicial and non-judicial legal cases Participating in Resolution Colleges	Throughout the year	Number of SRB meetings in 2022: <ul style="list-style-type: none"> • Plenary Session : 6 • Executive Session: 5 • Committee on Resolution: 5 • LSI Task Force: 4 • Fund Committee: 6 • MREL Task Force: 4 • Legal Network: 4 Number of banks monitored in 2022: 4 Number of endorsed Resolution Schemes: 2 (Sberbank) Number of judicial cases treated in 2022: 22 cases on resolution, 1 case on supervision, 2 preliminary rulings, 21 cases on contributions to resolution funds

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Enhance preparedness for resolution cases	Preparation and/or participation in: <ul style="list-style-type: none"> • Dry-runs and simulations of resolution cases • FSB CBCM and Resolution Steering groups EBA Resolution Committees and groups	Throughout the year	<ul style="list-style-type: none"> • Meeting of Trilateral Principal Level Exercise on 23 April 2022, in Washington D.C. The meeting is part of a series of regular exercises and exchanges of key financial sector authorities of the Banking Union, USA and UK to strengthen coordination on cross-border resolution • Dry-run of the resolution of a cross-border group, organised by the Single Resolution Board on 28-29 November 2022. • Follow up to Nordic Baltic dry-run exercise Number of EBA meetings: <ul style="list-style-type: none"> • EBA ResCo: 5 • EBA SGRPP: 5 • EBA SGRE: 7 Number of FSB meetings: Bank CBCM: 4 meetings and 1 workshop

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

Related to spending programme(s): NO

Result indicator: Share of household assets invested in financial instruments

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

Baseline (2018)	Interim Milestone (year)	Target (2024)	Latest known results (2022 Q3)
45.6%	Increase	Increase	43.3%

Result indicator: Equity UCITS fund costs for retail investors

Source of the data: ESMA, Refinitiv Lipper

Baseline (2009- 2018)	Interim Milestone (year)	Target (2024)	Latest known results (2021)
1.89%	Decrease	Decrease	1.57%

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

Source of the data: ESMA

Baseline (2018)	Interim Milestone (year)	Target (2024)	Latest known results (2021)
470 infringements with sanctions	Increase in the number of infringements with sanctions when market abuse is detected	Increase in the number of infringements with sanctions when market abuse is detected	362 According to ESMA's Report on Administrative and criminal sanctions and other administrative measures imposed under the Market Abuse Regulation in 2020, these numbers, compared to last year's report, portray a significant decrease in the number of sanctions under 'other infringements' (348 in 2020 and 230 in 2021). Similarly, sanctions imposed under Article 14 of MAR decreased compared to last year (26 in 2020 and 14 in 2021). Only, the number of sanctions imposed under Article 15 of MAR increased compared to last year (74 in 2020 and 118 in 2021).

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

Source of the data: DG FISMA

Baseline (2018)	Interim Milestone (year)	Target (2024)	Latest known results (2022)
N/A	Positive trend	Positive trend	0 out of 2 initiatives presented in 2022

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2021/12340 Package with legislative measures on retail investment The aim of these legislative measures is to improve trust and confidence of retail investors and encourage their participation in capital markets.	Adoption by the Commission	Q4 2022	Planned for Q2 2023 (CWG). Target adoption date is now 5 April, but could easily slip

Evaluations and fitness checks

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
<p>PLAN/2020/8863 Report on the Payment Accounts Directive (2014/92/EU) in compliance with Article 27 of the Directive. Based on data provided by Member States, the report should present an overview of important parameters, including the number of credit institutions offering payment accounts with basic features, the number of such accounts that have been opened and the number of accounts that have been switched.</p>	Adoption by Commission	Q1 2022	Report planned for mid 2023.
<p>PLAN/2020/8864 Report on the review of the Payment Accounts Directive (2014/92/EU) in compliance with Article 28 of the Directive and possible follow up work to assess the need for a review of the Directive. The report should include an assessment of the main provisions of the Directive notably on switching of payment accounts and access to payment accounts with basic features and a feasibility analysis of new tools for cross-border account opening and switching, including IBAN portability.</p>	Adoption by Commission	Q1 2022	Report planned for mid 2023.

Enforcement actions

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Timely assessment of complaints reporting possible breaches of EU law	70% Closure or sending of a letter of formal notice within 12 months from a receipt of a complaint.	Throughout the year	There is a total of 86 complaints registered in 2021 with a deadline falling in 2022. Out of those, 73 (85%) were closed within the deadline and 13 have passed the deadline (7 closed after deadline date and 6 are still being examined) [source: CHAP]
Finalization of the completeness checks of Directives with transposition deadline falling by the end of 2021.	By end of 2022, confirming complete transposition in Themis database or referring the case to the Court of Justice for non-communication	Throughout the year	For the following Directives: <ul style="list-style-type: none"> • 2014/17 MCD – all finalized checks; • 2014/92 PAD – all finalized checks; • 2015/2366 PSD2 – 24 finalized checks, 3 under the examination by EC, • 2016/97 IDD - 25 finalized checks and 2 cases under examination by the EC,⁸ • 2016/2341 IORP II – all finalized checks

⁽⁸⁾ For at least one of the 2 remaining Member States, the completeness assessment was finalized but the Member State submitted additional notifications in 2022, which are currently being assessed.

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Finalization of the conformity checks of the Directives with transposition deadline falling by January 2020.	By end of 2022, confirming correct transposition or referring the case to the Court of Justice for non-conformity.	Throughout the year	For the following Directives: <ul style="list-style-type: none"> • 2014/17 (MCD) - 6 finalized checks and 21 cases under assessment by the EC; • 2014/92 PAD -11 finalized checks and 16 cases under assessment by the EC; • 2015/2366 (PSD2) - all cases under assessment by the EC; • 2016/97 (IDD) - all cases under assessment by the EC; • 2016/2341 IORP II - internal conformity ongoing.

Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2021/11185 Commission Regulation (EU) amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards amendments to International Accounting Standard 12 Income Taxes	Adoption by the Commission	Q2 2022	Adopted on 11/08/2022 – C(2022)5718
PLAN/2022/999 Commission report on the activities of the IFRS Foundation, EFRAG and the IOB in 2021	Adoption by the Commission	Q2 2022	Adopted on 06/10/2022 – C(2022)504

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2021/13123 Commission Regulation (EU) amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards amendment to International Financial Reporting Standard 17 Insurance Contracts	Adoption by the Commission	Q3 2022	Adopted on 08/09/2022 – C(2022)6286
PLAN/2020/6368 Commission Regulation (EC) No .../... of adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council [Repeal and Replacement of the IFRS Regulation]	Adoption by the Commission	Q4 2022	Planned for Q3 2023. This is a long-term project that, on the one hand, involves DGT and the Member States in the translation of the new consolidated version and, on the other hand, can only be approved in a certain time window so that it does not collide with other IFRS endorsement procedures in the EU.
PLAN/2022/1140 Commission Delegated Regulation amending Delegated Regulation (EU) 2019/815 as regards the 2022 update of the taxonomy laid down in the regulatory technical standards for the single electronic reporting format (2021 Amendment to the ESEF Regulation)	Adoption by the Commission	Q4 2022	Adopted 21/09/2022 – C(2022)6634

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2020/6715 Commission Regulation (EU) amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament amendments to International Accounting Standard 1 Presentation of Financial Statements	Adoption by the Commission	Pending because reviewed by the IASB	Planned for Q4 2023.
PLAN/2021/13123 Commission Regulation (EU) amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards amendment to International Financial Reporting Standard 17 Insurance Contracts	Adoption by the Commission	Q3 2022	Adopted on 08/09/2022 – C(2022)6286
Safeguarding consumers' interests in financial services: <ul style="list-style-type: none"> • To provide financial support to two EU-wide non-industry organisations • To manage the network of alternative dispute resolution bodies in the area of financial services, FINNET To ensure that consumer interests are fully taken into account in financial services policymaking	5 meetings of the Financial Services User Group (FSUG); 2 plenary meetings of FIN-NET; Successful implementation of the annual work programmes of the two grant beneficiaries.	All year	Services User Group (FSUG): 3 meetings in 2022. FIN-NET: 2 plenary meetings in 2022. Grants: The two beneficiaries have implemented their annual workplans in 2022. Evaluation of the implementation of the work programme will take place once upon receipt of the beneficiaries' annual report (the evaluation carried out in 2022 on the 2021 workplans concluded that the implementation of the action was generally in compliance with the grant agreement).

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

Related to spending programme(s): NO

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

Source of the data: Refinitiv

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
EUR 113.5 billion face value issued in 2019 (up from EUR 54.9 billion in 2018), 2.3% of total bond issuance ⁹	Increase	Increase	2.55%

Result indicator: Provisional indicator – subject to data becoming available later in mandate¹⁰: EU ecolabel for retail financial products (number of total assets of funds with new ecolabel)

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

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

Result indicator: Provisional indicator – subject to data becoming available later in mandate¹¹: Climate benchmarks: measured as assets under management referenced against the respective benchmarks

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

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

⁽⁹⁾ Different options exist for presenting green bonds as a share of bonds issued in the EU. The figure above considers also government and supranational bonds.

⁽¹⁰⁾ For these indicators, the policies are not yet in place and/or the relevant data not yet available..

⁽¹¹⁾ For these indicators, the policies are not yet in place and/or the relevant data not yet available.

Result indicator: Provisional indicator – subject to data becoming available later in the mandate ¹²:

EU Taxonomy: measured as:

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

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

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

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

Source of the data: DG FISMA

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
N/A	Positive trend	Positive trend	0 out of 1 initiatives in 2022.

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

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2021/11268 Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities	Adoption by the Commission	2022	Published in the Official Journal on 15 July 2022 as Commission Delegated Regulation (EU) 2022/1214.
PLAN/2021/11984 COMMISSION DELEGATED REGULATION (EU) .../... of XXX supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives	Adoption by the Commission	2022 [to be specified]	Foreseen tentatively for Q3 2023 but to be determined subject to political validation.
PLAN/2021/11986 Reports on a transition taxonomy and social taxonomy	Adoption by the Commission	2022 [to be specified]	To be determined subject to political validation

PLAN/2022/XXXX Delegated act(s) under the Corporate Sustainability Reporting Directive	Adoption by the Commission	Q4 2022	To be adopted in Q2 2023.
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Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2020/8849 Commission Delegated Regulation supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, specifying the content and presentation of the information in relation to the principle of 'do no significant harm', and the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, websites and periodic reports'	Adoption by the Commission	Q1 2022	Adopted on 06/04/2022 – C(2022)1931

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

Related to spending programme(s): NO

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

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

Baseline (Average for 2014-2018)	Interim Milestone	Target (2024)	Latest known results (2021)
	(year)		
The total number of payments: 139.9 billion in 2018 The total number per capita: 272.6 in 2018 (EU)	Increase	Increase	143 billion payments
	Increase	Increase	320 per capita

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

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

Baseline (2019)	Interim Milestone	Target (2024)	Latest known results (Spring 2022)
	(year)		
89% for cyber risk/data security 31% for IT failures 23% for outsourcing	Decrease	Decrease	75% for cyber risk/data security 17% for IT failures 10% for outsourcing

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

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

Baseline (2018)	Interim Milestone	Target (2024)	Latest known results (2021)
	(year)		
17.5% of total IT investment (some EUR 24.7bn)	Increase	Increase ¹⁷	Increase ¹⁷

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

Source of the data: DG FISMA

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
N/A	Positive trend	Positive trend	0 out of 1 initiative presented in 2022

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2021/10249 Initiative on instant payments in the EU This initiative will aim to ensure that anyone holding a payment account in the EU could send/receive an instant credit transfer to/from any other payment account in the EU.	Adoption by the Commission	Q2 2022	Published on 26 October 2023

Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2022/XXXX Amendment to Commission Delegated Regulation (EU) 2018/389 with regard to regulatory technical standards for strong customer authentication and common and secure open standards of communication	Adoption by the Commission	Q2/Q3 2022	Adopted on 03/08/2022 - C(2022)5517

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

(this specific objective is also linked to general objective “A stronger Europe in the world”)

Related to spending programme(s): NO

Result indicator: % of international debt securities in EUR

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

Baseline (2018 Q4)	Interim Milestone (2022)		Target (2024)	Latest known results (2021)
22.2% ¹³	Increase		Increase	21.7%

Result indicator: The use of euro in international transactions

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

Baseline (2018)	Interim Milestone (2022)		Target (2024)	Latest known results (2021)
		(year)		
51.4% ¹⁴	Increase		Increase	51.6%

Result indicator: % of adopted decisions having undergone equivalence monitoring

Source of the data: European Commission, DG FISMA

Baseline (2019)	Interim Milestone (2022)		Target (2024)	Latest known results (2022)
3.5%	6%		10%	7% (This refers to 22 out of the total 311 equivalence decisions, based on monitoring carried out in cooperation with ESAs)

⁽¹³⁾ The baseline has changed because the calculation method (constant exchange rate) implies that different exchange rates have been used for the past years.

⁽¹⁴⁾ The baseline has slightly changed because of the calculation method used by the ECB.

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

Source of the data: DG FISMA

Baseline (2020)	Interim Milestone		Target	Latest known results (2022)
	(2021)	(2022)		
32%	40%	Increase 60-80% reporting obligations complied with	90+% reporting obligations complied with	55%

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

Source of the data: DG FISMA

Baseline (2018)	Interim Milestone	Target (2024)	Latest known results (2022)
	(2022)		
N/A	Positive trend	Positive trend	0 out of 1 initiative presented in 2022)

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
PLAN/2021/11337 Amendment of Council Regulation (EC) No. 2271/96 of 22 November 1996 protecting against the effects of the extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom (Blocking Statute Regulation)	Adoption by the Commission	Q2 2022	Due to the Russian military aggression against Ukraine, policy priorities have shifted to Russia sanctions. The amendment of the Blocking Statute will be revisited in 2023. Tentatively planned for 2023, but subject to significant uncertainty.

Enforcement actions

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Support provision of humanitarian aid in compliance with sanctions	Consultation with stakeholders Publication of Guidance Notes Maintain online system for single contact point	Throughout the year	In 2022, the Commission published a horizontal guidance note on humanitarian issues and sanctions, a factsheet on humanitarian derogations, and organised the European Humanitarian Forum on 21 March. Moreover, the contact point handled about a dozen substantive cases allowing stakeholders to be in direct contact with the Commission and national authorities. Moreover, the Commission proposed amendments to several Council Regulations introducing new humanitarian exceptions.
Ensure timely and complete reporting of information required by sanctions regulations	80% of national authorities reporting assets frozen and penalties	Throughout the year	Major improvements in asset reporting concerning Russia with all Member States reporting. Moderate improvements on the 40+ other sanctions regimes.
Commission Opinions on sanctions implementation	75% of the opinions adopted within three months of request	Throughout the year	No requests for opinions in 2022.

Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Maintain an expert group on EU Restrictive Measures and Extra-territoriality	At least 6 meetings held regularly per year	Throughout the year	21 meetings of the expert group and its subgroup in 2022.

ANNEX 3: Draft annual accounts and financial reports

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures

Table 12 : Summary of Procedures

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

Table 16 : Commitments co-delegation type 3 in 2022

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2022 (IN MIO €)

			Commitment appropriations authorised*	Commitments made	%
			1	2	3=2/1
Title 02 European Strategic Investments					
02	02 04	Digital Europe programme	2.50	2.50	100.00 %
	02 20	Pilot projects, preparatory actions, prerogatives and other actions	0.10	0.10	99.73 %
Total Title 02			2.60	2.60	99.99 %
Title 03 Single Market					
03	03 01	Support administrative expenditure of the 'Single Market' cluster	0.09	0.09	100.00 %
	03 02	Single Market Programme	14.93	14.93	100.00 %
	03 10	Decentralised agencies	51.72	49.86	96.40 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0.25	0.25	100.00 %
Total Title 03			66.98	65.12	97.22 %
Title 06 Recovery and Resilience					
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	0.05	0.05	100.00 %
	06 06	EU4Health Programme	0.02	0.02	100.00 %
Total Title 06			0.07	0.07	100.00 %
Title 07 Investing in People, Social Cohesion and Values					
07	07 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00 %
Total Title 07			0.00	0.00	0.00 %
Title 08 Agriculture and Maritime Policy					
08	08 04	European Maritime, Fisheries and Aquaculture Fund (EMFAF)	0.09	0.09	99.74 %
Total Title 08			0.09	0.09	99.74 %
Title 11 Border Management					
11	11 02	Integrated Border Management Fund (IBMF) - Instrument for financial support for border management and visa	0.11	0.11	100.00 %
Total Title 11			0.11	0.11	100.00 %
Title 14 External Action					
14	14 01	Support administrative expenditure of the 'External Action' cluster	0.37	0.37	100.00 %
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	0.07	0.07	100.00 %
Total Title 14			0.45	0.45	100.00 %
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0.31	0.24	77.54 %
	20 04	Information and communication technology related expenditure	0.82	0.82	100.00 %
Total Title 20			1.13	1.06	93.91 %

Title 30 Reserves					
30	30 02	Reserves for operational expenditure	0.00	0.00	0.00 %
Total Title 30			0.00	0.00	0.00 %
Total Excluding NGEU			71.43	69.50	97.30 %
Total DG FISMA			71.43	69.50	97.30 %

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

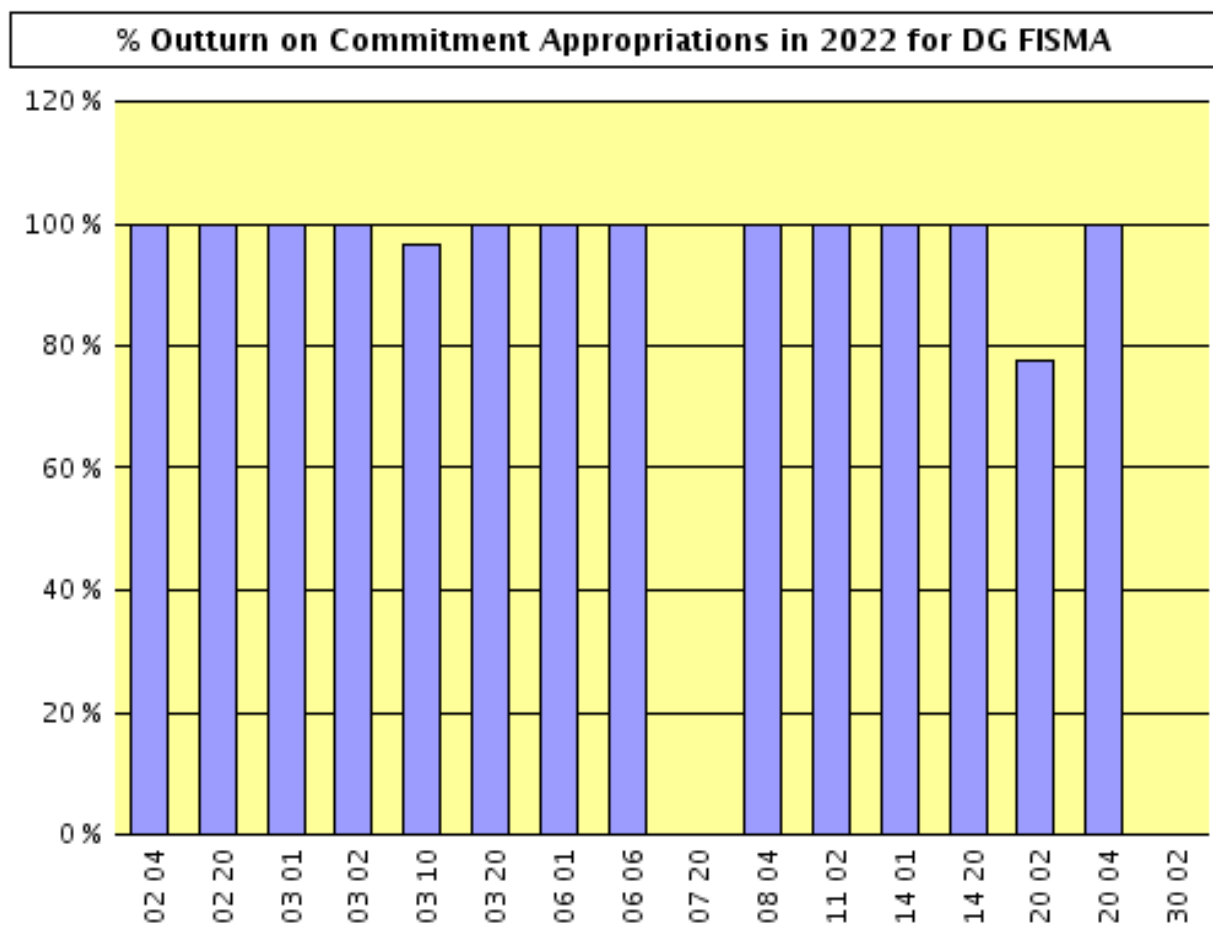


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2022 (IN MIO €)

			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 02 European Strategic Investments					
02	02 04	Digital Europe programme	0.35	0.35	100.00 %
	02 20	Pilot projects, preparatory actions, prerogatives and other actions	0.07	0.07	100.00 %
Total Title 02			0.42	0.42	100.00%
Title 03 Single Market					
03	03 01	Support administrative expenditure of the 'Single Market' cluster	0.16	0.07	44.42 %
	03 02	Single Market Programme	16.78	16.78	100.00 %
	03 10	Decentralised agencies	51.72	49.86	96.40 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0.19	0.00	0.00 %
Total Title 03			68.85	66.71	96.89%
Title 06 Recovery and Resilience					
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	0.07	0.03	37.01 %
	06 06	EU4Health Programme	0.06	0.06	100.00 %
Total Title 06			0.13	0.09	65.77%
Title 07 Investing in People, Social Cohesion and Values					
07	07 20	Pilot projects, preparatory actions, prerogatives and other actions	0.43	0.43	100.00 %
Total Title 07			0.43	0.43	100.00%
Title 08 Agriculture and Maritime Policy					
08	08 04	European Maritime, Fisheries and Aquaculture Fund (EMFAF)	0.11	0.11	100.00 %
Total Title 08			0.11	0.11	100.00%
Title 11 Border Management					
11	11 02	Integrated Border Management Fund (IBMF) - Instrument for financial support for border management and visa	0.02	0.02	100.00 %
Total Title 11			0.02	0.02	100.00%
Title 14 External Action					
14	14 01	Support administrative expenditure of the 'External Action' cluster	0.54	0.21	39.59 %
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	0.08	0.08	100.00 %
Total Title 14			0.62	0.29	47.27%
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0.36	0.18	48.04 %
	20 04	Information and communication technology related expenditure	1.60	1.06	66.31 %
Total Title 20			1.97	1.24	62.92%
Title 30 Reserves					

30	30 02	Reserves for operational expenditure	0.00	0.00	0.00 %
Total Title 30			0.00	0.00	0.00%
Total Excluding NGEU			72.55	69.31	95.53%
Total DG FISMA			72.55	69.31	95.53 %

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

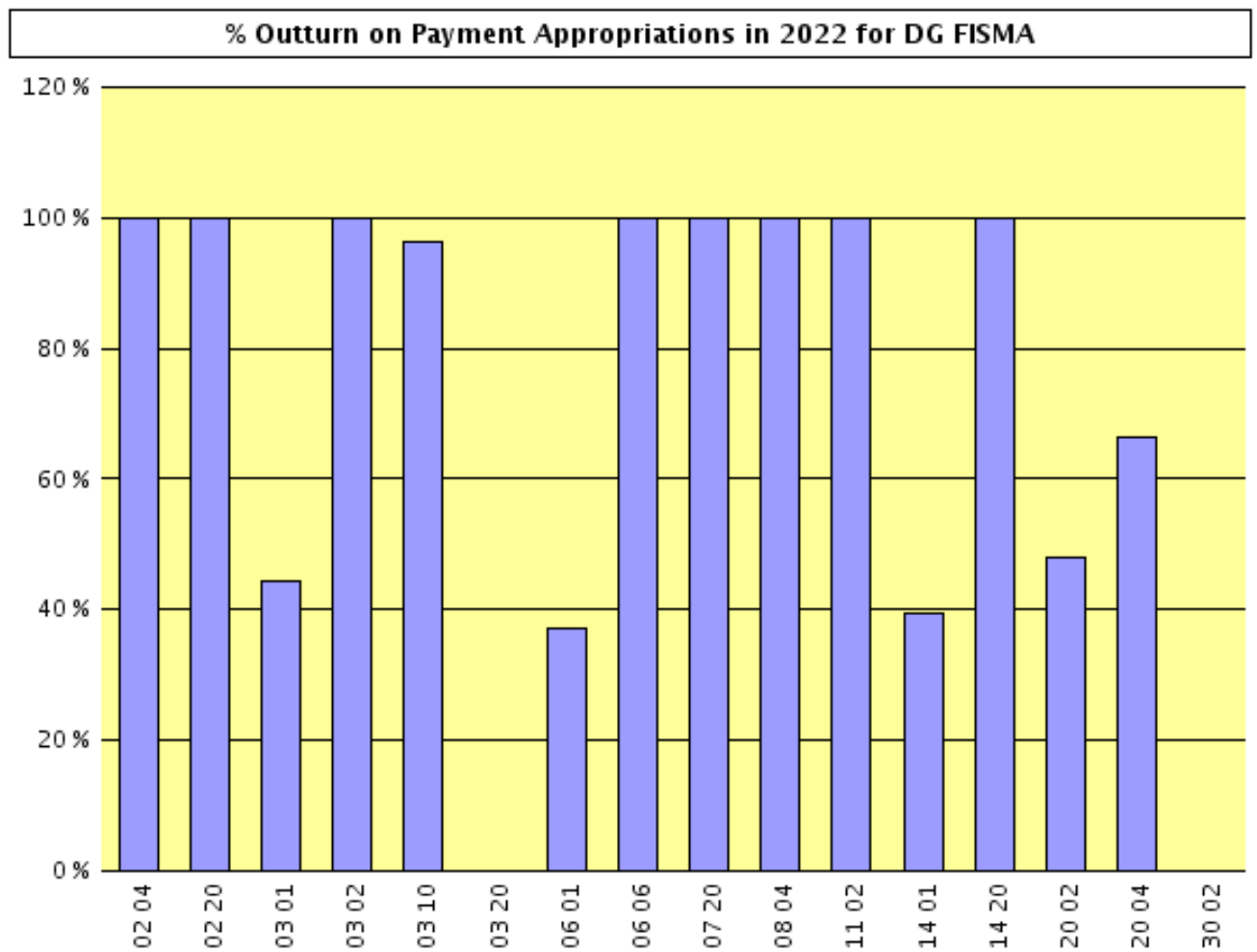


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (IN MIO €)

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 04	Digital Europe programme	2.50	0.02	2.49	99.40%	0.00	2.49	0.34
	02 20	Pilot projects, preparatory actions, prerogatives and other actions	0.10	0.07	0.03	29.41%	0.00	0.03	0.00
Total Title 02			2.60	0.09	2.51	96.66%	0.00	2.52	0.34

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG FISMA

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
03	03 01	Support administrative expenditure of the 'Single Market' cluster	0.09	0.00	0.09	100.00%	0.00	0.09	0.07
	03 02	Single Market Programme	14.93	8.16	6.77	45.35%	1.29	8.06	10.34
	03 10	Decentralised agencies	49.86	49.86	0.00	0.00%	0.00	0.00	0.00
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0.25	0.00	0.25	100.00%	0.38	0.63	0.68
Total Title 03			65.12	58.01	7.11	10.92%	1.67	8.78	11.09

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG FISMA

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	0.05	0.00	0.05	100.00%	0.00	0.05	0.03
	06 06	EU4Health Programme	0.02	0.00	0.02	100.00%	0.00	0.02	0.06
Total Title 06			0.07	0.00	0.07	100.00%	0.00	0.07	0.09

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG FISMA

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
07	07 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00	0.00%	1.22	1.22	1.75
Total Title 07			0.00	0.00	0.00	0.00%	1.22	1.22	1.75

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG FISMA

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
08	08 04	European Maritime, Fisheries and Aquaculture Fund (EMFAF)	0.09	0.02	0.07	80.41%	0.00	0.07	0.09
Total Title 08			0.09	0.02	0.07	80.41%	0.00	0.07	0.09

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG FISMA

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
11	11 02	Integrated Border Management Fund (IBMF) - Instrument for financial support for border management and visa	0.11	0.00	0.11	100.00%	0.11	0.22	0.13
Total Title 11			0.11	0.00	0.11	100.00%	0.11	0.22	0.13

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG FISMA

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
14	14 01	Support administrative expenditure of the 'External Action' cluster	0.37	0.05	0.33	87.33%	0.00	0.33	0.17
	14 20	Pilot projects, preparatory actions, prerogatives	0.07	0.00	0.07	100.00%	0.00	0.07	0.08

		and other actions							
Total Title 14			0.45	0.05	0.40	89.37%	0.00	0.40	0.25

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG FISMA

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
20	20 02	Other staff and expenditure relating to persons	0.24	0.12	0.12	49.12%	0.00	0.12	0.06
	20 04	Information and communication technology related expenditure	0.82	0.28	0.54	65.65%	0.00	0.54	0.78
Total Title 20			1.06	0.40	0.66	61.95%	0.00	0.66	0.84

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG FISMA

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
30	30 02	Reserves for operational expenditure	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Total Title 30			0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Total Excluding NGEU			69.50	58.57	10.93	15.73%	3.00	13.93	14.57

Total for DG FISMA			69.50	58.57	10.93	15.73 %	3.00	13.93	14.57
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Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2022 FISMA

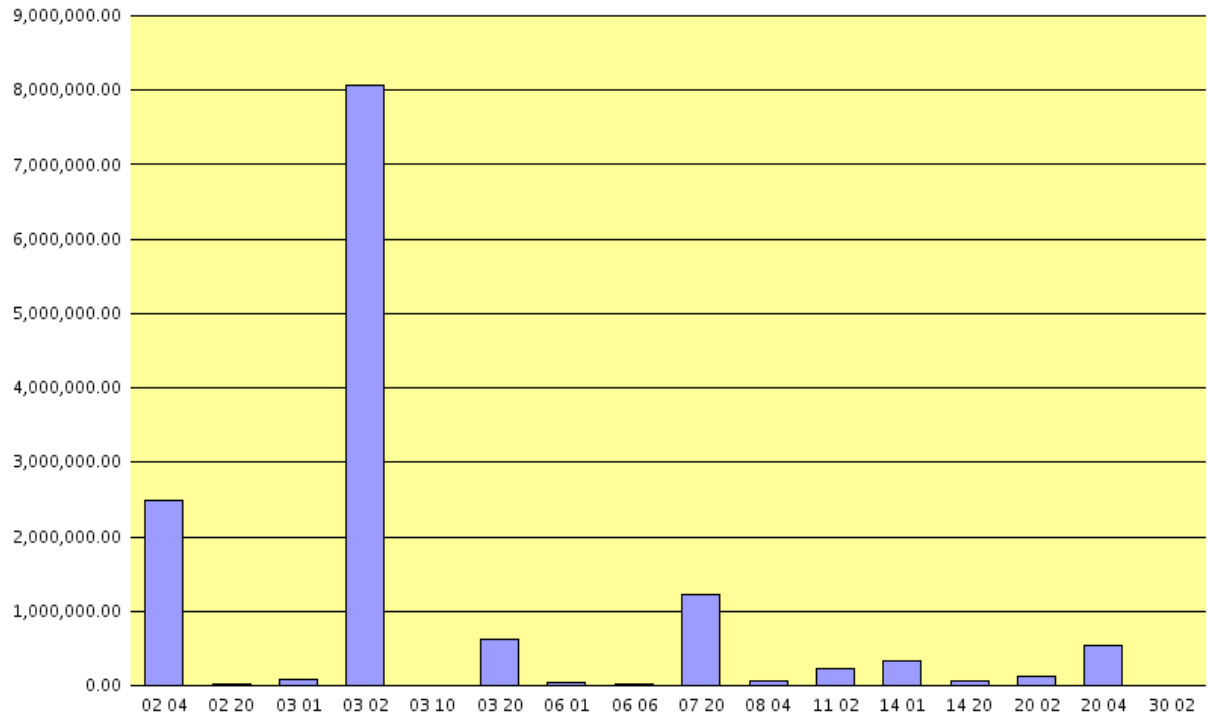


TABLE 4 : BALANCE SHEET

BALANCE SHEET	2022	2021
A.I. NON CURRENT ASSETS	0.00	0.00
A.I.2. Property, Plant and Equipment	0.00	0.00
A.II. CURRENT ASSETS	8.448.989.32	-16.146.556.82
A.II.2. Current Pre-Financing	8.442.702.05	7.447.155.91
A.II.3. Curr Exch Receiv &Non-Ex Recoverables	6.287.27	-23.593.712.73
ASSETS	8.448.989.32	-16.146.556.82
P.II. CURRENT LIABILITIES	-412.820.01	3.295.45
P.II.4. Current Payables	-412.820.01	3.295.45
LIABILITIES	-412.820.01	3.295.45
NET ASSETS (ASSETS less LIABILITIES)	8.036.169.31	-16.143.261.37
Non-allocated central (surplus)/deficit*	-452.358.943.64	-371.388.088.87
TOTAL DG FISMA	0.00	0.00
P.III.2. Accumulated Surplus/Deficit	444.322.774.33	387.531.350.2

The accounting situation presented in the Balance Sheet and Statement of Financial Performance does not include the accruals and deferrals calculated centrally by the services of the Accounting Officer. The Annex 3 to this Annual Activity Report represents only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

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

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

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE

STATEMENT OF FINANCIAL PERFORMANCE	2022	2021
II.1 REVENUES	-346.002.86	-6.870.046.21
II.1.1. NON-EXCHANGE REVENUES	-424.500.00	-6.546.000.00
II.1.1.5. FINES	-424.500.00	-5.501.000.00
II.1.1.6. RECOVERY OF EXPENSES		-1.045.000.00
II.1.1.8. OTHER NON-EXCHANGE REVENUES		0.00
II.1.2. EXCHANGE REVENUES	78.497.14	-324.046.21
II.1.2.1. FINANCIAL INCOME	-32.39	-327.38
II.1.2.2. OTHER EXCHANGE REVENUE	78.529.53	-323.718.83
II.2. EXPENSES	66.821.863.74	63.661.470.30
II.2. EXPENSES	66.821.863.74	63.661.470.30
II.2.10. OTHER EXPENSES	5.185.322.99	3.798.865.30
II.2.2. EXP IMPL BY COMMISS&EX.AGENC. (DM)	13.200.950.62	12.549.605.37
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	48.435.590.13	47.312.999.63
STATEMENT OF FINANCIAL PERFORMANCE	66.475.860.88	56.791.424.09

The controls applied at the level of grants, procurement and contributions to the ESAs described in this report and in Annex 6 also cover the 'revenue' operations made in these areas.

TABLE 5BIS : OFF BALANCE SHEET

OFF BALANCE	2022	2021
OB.1. Contingent Assets	0.00	0.00
GR for pre-financing	0.00	0.00
OB.4. Balancing Accounts	0.00	0.00
OB.4. Balancing Accounts	0.00	0.00
OFF BALANCE	0.00	0.00

TABLE 6 : AVERAGE PAYMENT TIMES

Legal Times									
Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
30	301	301	100.00 %	13.10				0.00	0. %
60	28	27	96.43 %	24.30	1	3.57 %	64.00	138.200.00	4. %
90	5	5	100.00 %	56.20				0.00	0. %

Total Number of Payments	334	333	99.70 %		1	0.30 %		138.200	0. %
Average Net Payment Time	14.80239521			14.65			64.00		
Average Gross Payment Time	16.65868263			16.495495			71		

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	33	19	5.69 %	334	5.145.787.89	7.43 %	69.224.822.85

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2022

	Chapter	Revenue and income recognized			Revenue and income cashed from			Outstanding
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	balance
		1	2	3=1+2	4	5	6=4+5	7=3-6
42	Fines and penalties	424.532.39	0.00	424.532.39	424.532.39	0.00	424.532.39	0.00
66	Other contributions and refunds	1.862.076.91	0.00	1.862.076.91	1.862.076.91	0.00	1.862.076.91	0.00
Total DG FISMA		2.286.609.30	0.00	2.286.609.30	2.286.609.30	0.00	2.286.609.30	0.00

TABLE 8 : FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS

EX-ANTE CONTROLS	Irregularity	Total undue payments recovered
	Amount	Amount
NON ELIGIBLE IN COST CLAIMS	68.206.13	68.206.13
CREDIT NOTES	25.174.37	25.174.37
RECOVERY ORDERS ON PRE-FINANCING		
Sub-Total	93.380.50	93.380.50

EX-POST CONTROLS	Irregularity	Total undue payments recovered
	Amount	Amount
INCOME LINES IN INVOICES		
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING		
Sub-Total		

GRAND TOTAL (EX-ANTE + EX-POST)	93.380.50	93.380.50
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To the above amounts have to be added EUR 64.485,90 of liquidated damages imposed on a contractor due to delays in the performance of its service.

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 12/31/2022

Number at 1/1/2022 1	Number at 12/31/2022	Evolution	Open Amount (Eur) at 1/1/2022 1	Open Amount (Eur) at 12/31/2022	Evolution
-	-	-	-	-	-

TABLE 10 :RECOVERY ORDER WAIVERS >= 60 000 € IN 2022

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

Total DG FISMA	-
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Number of RO waivers	-
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TABLE 11 : NEGOTIATED PROCEDURES IN 2022

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

TABLE 12 : SUMMARY OF PROCEDURES IN 2022

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Open procedure (FR 164 (1)(a))	1	244.800.00
Total	1	244.800.00

TABLE 13 : BUILDING CONTRACTS IN 2022

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

TABLE 14 : CONTRACTS DECLARED SECRET IN 2022

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

TABLE 15 : FPA DURATION EXCEEDS 4 YEARS

Not applicable.

TABLE 16 : COMMITMENTS CO-DELEGATION TYPE 3 IN 2022

Not applicable.

ANNEX 4: Financial scorecard

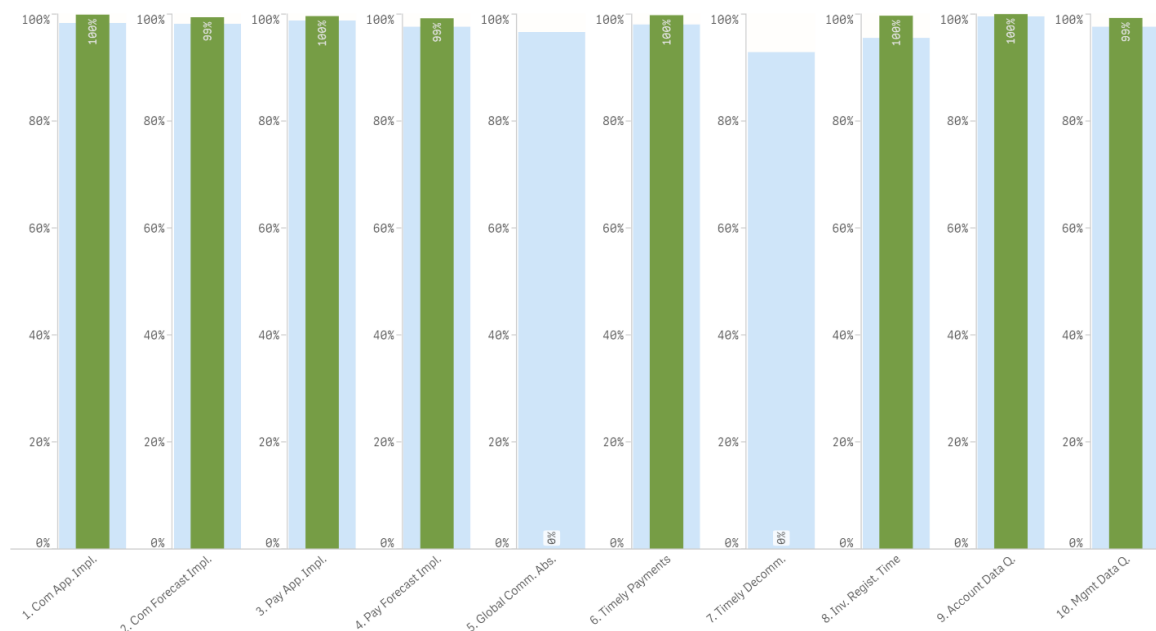
The Annex 4 summarises the annual result of the standard financial indicators measurement for DG FISMA. Annexed to the Annual Activity Report 2022, 10 standard financial indicators are presented below, each with its objective and result for DG FISMA and for the Commission as a whole (for benchmarking purposes):

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

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

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

FISMA Indicator Scores for 2022 12



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

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

Indicator	Objective	Comment	FISMA Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year		100%	98%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year		99%	98%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year		100%	99%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year		99%	98%
5. Global Commitment Absorption	Ensure efficient use of already earmarked commitment appropriations (at L1 level)	The indicator is not applicable for DG FISMA in 2022 due to the lack of underlying transactions recorded by DG FISMA in 2022.	-	97%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	Very close to 100% of the total value of payments were made on time . Only 1 payment out of 334 was executed late. The average net time to make a payment in DG FISMA was 14,8 days which is slightly better compared to 2021 (16.5) and 2020 (16.9).	100%	98%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	The indicator is not applicable for DG FISMA in 2022 due to the lack of underlying transactions recorded by DG FISMA in 2022.	-	93%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC		100%	95%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts		100%	100%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on		99%	98%

	the management decisions			
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ANNEX 5: Materiality criteria

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

QUALITATIVE ASSESSMENT OF MATERIALITY

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

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

QUANTITATIVE ASSESSMENT OF MATERIALITY

As regards legality and regularity, the weakness is considered material as per corporate rules if the estimated **residual error rate** (referring to authorised financial operations that do not comply with the applicable contractual or regulatory provisions) exceeds the materiality threshold of **2%** of total annual expenditure¹⁵.

INDICATORS

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

Since 2019⁽¹⁶⁾, a 'de minimis' threshold for financial reservations has been introduced. Quantified annual activity report reservations related to residual error rates above the 2%

⁽¹⁵⁾ Maximum threshold authorised.

⁽¹⁶⁾ Agreement of the Corporate Management Board of 30/4/2019.

materiality threshold are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

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

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

1. DIRECT MANAGEMENT – Grants

Stage 1 — Programming and assessing grant applications

A — Preparation, adoption and publication of the work programmes

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

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

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
financial regulation and may lead to complaints and potential reputational damage.	work programme as from the start of year N-1. Inter-service consultation including all relevant services also beyond the SMP family if needed.		

B – Assessment of the grant applications received

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

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

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

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

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<p>The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the programme's objectives and/or that the budget foreseen overestimates the costs necessary to carry out the work programme.</p> <p>The beneficiary lacks operational and/or financial capacity to carry out the work programme.</p> <p>Procedures do not comply with the financial regulation (e.g. the grant agreement does not contain all applicable provisions or is signed late).</p> <p>The grant agreement is not adapted considering the specific needs of the action or issues linked to sound financial management (eg payment modalities, conditional release of payments, etc.).</p>	<p>Validation of beneficiaries.</p> <p>Use of latest version of the standard grant agreement templates.</p> <p>Adaptation of payment schedules and reporting requirements based on sound financial management.</p> <p>Involvement of financial and operational units in the preparation of the grant agreement.</p> <p>Financial workflows set up in the manual of financial circuits of the DG.</p>	<p>Coverage: 100% of draft grant agreements.</p> <p>Depth: Strong controls on the operational/financial aspects of the grant agreement and on the eligibility of costs.</p> <p>Frequency: Annual.</p>	<p>Effectiveness: Amount of EU funding proposed by beneficiary that was rejected (not included in the grant agreement budget). I would delete it.</p> <p>Efficiency: Signature of operating grants agreements before 30th April of year N.</p> <p>Economy: Costs of controls of stage 1 and stage 2 over value contracted.</p>

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

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

appropriate accounting of the operations (reliability of reporting, safeguarding of assets and information)

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost- Effectiveness indicators
<p>The work programme (activities or actions) of the beneficiary is not, totally or partially, carried out in accordance with the provisions of the grant agreement</p> <p>The amounts paid exceed those due in accordance with the applicable contractual and regulatory provisions (ineligible costs).</p> <p>Beneficiaries do not report on key performance indicators preventing the Commission to evaluate and assess the performance of the action and the programme as a whole.</p> <p>Changes to grant agreements are not properly documented or authorised.</p> <p>Payments to beneficiaries are made late.</p> <p>Beneficiaries claim the costs of activities already reimbursed by the EU in the context of other grants, studies, experts' reimbursement, etc.</p>	<p>Operational and financial checks underlying payments/recoveries and amendments are done in accordance with the Financial Regulation and financial circuits</p> <p>Regular operational and financial monitoring of the execution of the action and follow up of issues linked to the grants that the beneficiaries may have raised with the Commissioner or Director-General</p> <p>In depth checks of cost eligibility (including potential double funding) at final payment and follow-up of progress made in the implementation of the action at the stage of progress reports. Checks are done by all financial agents according to instructions which they confirm having executed by giving their visa in Ares.</p> <p>Financial workflows set up in the manual of financial circuits of the DG.</p> <p>If needed: application of suspension/interruption of payments to request clarifications or missing information/documents.</p> <p>If needed: rejection of ineligible costs, application of liquidated damages.</p> <p>If needed: request clarifications linked to previous years' grants if the</p>	<p>Coverage: 100% of operations</p> <p>Depth: Strong controls on the operational/financial aspects of the report especially on the eligibility of costs.</p> <p>Frequency: Continuous, based on individual files</p>	<p>Effectiveness: Number or % of grants with cost claim errors.</p> <p>Amount of rejected costs (total ineligible costs).</p> <p>Value of cost claims items adjusted as percentage of total cost claim value.</p> <p>Number of potential fraud cases notified to OLAF/EPPO.</p> <p>Efficiency: Time-to-payment</p> <p>Economy: Costs of control of stage 3 over amount paid.</p>

	errors detected ex-ante can be assumed as systematic and launch a recovery order to recuperate the amounts due If needed: report suspicious cases of fraud to OLAF.		
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Stage 4 — Ex-post checks

A — Reviews, audits and monitoring

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

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

B — Implementing results from ex-post checks

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

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

2. DIRECT MANAGEMENT – Procurement

Stage 1: Procurement

A – Planning

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

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<p>The planning of needs is not done effectively and on time preventing the DG from procuring what is needed.</p> <p>Services procured are discontinued due to poor planning and poor organisation of procurement process.</p> <p>Similar services are already available within the Commission or other sources or the objectives can be achieved alternatively at lower/no cost.</p> <p>Existing Framework Contracts are not considered leading to the purchase of more expensive services or the use of less cost-effective procurement procedures.</p>	<p>The allocation of the operational budget is discussed and agreed by management under the coordination of the financial unit and are validated by senior management.</p> <p>Studies that are particularly sensitive for certain group of stakeholders are also identified by senior management and subject to special scrutiny.</p> <p>Unit A5, leading the Centre of expertise of DG FISMA is consulted on the list of studies and on the databases to which operational units want to subscribe.</p> <p>In the request for launching a call for tender operational units must specify that needs cannot be covered by already available sources.</p> <p>In their requests for procurement operational units must give details on the timing for preparing the procurement.</p> <p>Close monitoring and follow-up of the preparations of procurement procedures by the financial unit.</p>	<p>Coverage: All key procurement procedures (eg studies and other services above 60.000 EUR).</p> <p>Depth:)Planning coordinated centrally and done at unit/directorate level.</p> <p>Frequency: Annual planning, but also in the course of the year for updates and shifting priorities.</p>	<p>Effectiveness: Number of planned studies cancelled.</p> <p>Value of global commitment at the end of the year due to delayed procurement procedures.</p> <p>Number of contracts discontinued due to lack of use (poor planning).</p> <p>Economy: Cost of controls of stage 1 over value contracted.</p>

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

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

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost- Effectiveness indicators
<p>Poor, unclear or vague tender specifications, including too short deadlines or too restrictive selection criteria, prevent the submission of best offer(s), unnecessarily exclude potential tenderers or require subsequent clarifications leading to potential cancellation of the tender or complaints.</p> <p>Failing to identify relevant selection and award criteria to ensure adequate capacity from contractors and satisfactory offers.</p> <p>An offer is biased due to rigged/unbalanced specifications.</p> <p>The tender specifications are not prepared on time by the services to allow a timely launch of the procurement procedure leading to a delay in the provision of the services compared to the needs of the DG.</p> <p>The duration of the contract defined in the tender specifications is too short and may lead to unforeseen delays in the course of the implementation.</p> <p>Staff do not use properly the e-tools linked to procurement leading to</p>	<p>The financial unit, also at management level, verifies the accuracy/completeness/ clarity of all tender documents and the appropriate choice of the procedure, including the realistic nature of the duration of the contract proposed.</p> <p>If needed, Unit A5 (leading the Centre of expertise of DG FISMA) is consulted on the tender specifications for matters linked to data and statistics.</p> <p>AOSD’s final supervision and approval of specifications.</p> <p>Coaching operational agents on how to draft good tender specifications.</p> <p>The use of e-tools for procurement is centralised in the financial unit where competent staff is trained to use the tool and ensure timely follow up of all steps of the procurement process in coordination with the operational units.</p> <p>Fiche on aspects linked to fraud, ethics, and protection of sensitive information (including conflicts of interests in procurement) distributed to operational and financial agents.</p>	<p>Coverage: 100% of tender specifications are scrutinised.</p> <p>Depth: Riskbased- (depends on the complexity and/or sensitivity of file).</p> <p>Frequency: Continuous, based on individual files.</p>	<p>Effectiveness: Number of procedures > EUR 15.000 where only one or no offers were received.</p> <p>Number of requests for clarification regarding tender specifications.</p> <p>Economy: Cost of controls of stage 1 over value contracted.</p>

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost- Effectiveness indicators
<p>delays in the publication of the invitations or procedural flaws in the various steps of the procurement process with a potential reputational damage and risk of complaints.</p> <p>Staff having a conflict of interest or receiving instructions from external parties is involved in the drafting of tender specifications.</p> <p>Misleading or incomplete information leads to the choice of a wrong procedure (eg justifying a situation of monopoly or extreme urgency).</p> <p>Information on the tender specifications is leaked prior to publication leading to cancellation of the tender, complaints and reputational damage.</p>			

C- Replies to tenderers, selection and evaluation

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

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<p>The most economically advantageous offer is not selected, due to a biased, inaccurate or 'unfair' evaluation process.</p> <p>There is a conflict of interests between evaluators and tenderers/candidates.</p> <p>There is an overdependence on a limited pool of tenderers given the low number of economic operators able to provide the DG with specialised input.</p> <p>There is corruption or collusion, bids are manipulated or submitted by phantom service providers-</p> <p>Situations of professional conflicting interests are not assessed leading to reputational damage and complaints.</p> <p>Service does not reply to questions of the tenders on time because of no back-ups technically competent in the field or because of poor coordination between the financial unit and the operational unit.</p>	<p>Appointment of the opening and evaluation committees (the last last being composed composed of at least three persons representing at least two organisational entities of the service).</p> <p>The award decision (including all evaluation documents) is reviewed for coherency and consistency by the central financial unit before the AOSD's signature.</p> <p>Situations of potential professional conflicting interests are assessed and clarifications requested to tenderers when needed and within the limits allowed by the Financial Regulation and related guidelines.</p> <p>Training to operational agents explain their role in the selection and evaluation process. Members of opening and evaluation committees sign declarations of absence of conflict of interests.</p> <p>Standstill period – opportunity for unsuccessful tenderers to put forward concerns on the award decision.</p>	<p>Coverage: 100% of procurement procedures with selection and evaluation processes.</p> <p>Depth: Strong controls.</p> <p>Frequency: Continuous, based on individual files.</p>	<p>Effectiveness: Number of 'valid' complaints or of litigation cases filed.</p> <p>Number of fraudulent cases detected.</p> <p>Number of companies excluded from participation in public procurement/awarding.</p> <p>Efficiency Time-to-award.</p> <p>Economy: Cost of controls of stage 1 over value contracted.</p>

Stage 2: Financial transactions

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

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

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

Stage 3: Supervisory measures

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

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

3. INDIRECT MANAGEMENT -

Union contribution to the European Supervisory Authorities (ESAs)

Given the governance system of the ESAs as laid down in their founding regulations, DG FISMA's controls are limited to strategic planning and programming, budgeting and the effective transferring of the EU contribution to the ESAs. DG FISMA is informed about antifraud, ethics and overall internal control matters in the context of the meetings of the

Management Board and Board of Supervisors in which DG FISMA’s representatives participate as non-voting members (except for budgetary matters in the Management Board).

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

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

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

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

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<p>relevant management issues encountered by the decentralised agency and/or does not react (in time) to issues by mitigating them or entering a reservation. This may reflect negatively on the Commission's reputation and reliability of reporting.</p>	<p>report, annual meetings on resources and internal control matters with ESAs senior management, etc.). Close involvement of relevant units in the preparation of briefings for Commission representatives on the ESAs' boards.</p> <p><u>If appropriate/needed:</u></p> <ul style="list-style-type: none"> - reinforced monitoring of operational and/or financial aspects of the entity; - potential escalation of any major governance-related issues with entrusted entities; - referral to OLAF. 	<p>any. Overall light level of control considering the degree of independence of the decentralised agencies.</p> <p>Frequency: Before every board meeting and on receipt of key management reports/documents</p> <p><u>In the event of</u> operational and/or financial issues, measures are reinforced.</p>	<p>Amount of errors detected when clearing prefinancing.</p> <p>Positive discharge.</p> <p>Economy:</p> <p>Cost of controls of stage 2 over payments made.</p>

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<p>The Commission does not take into account information available at the moment of the payment indicating that there were management issues leading to financial and/or reputational</p>	<p>Hierarchical validation of payments/recoveries and clearance of pre-financing.</p> <p>Clearly defined process to clear prefinancing and recover unused operating budget upon submission</p>	<p>Coverage: 100% of the contribution payments/recoveries.</p> <p>Frequency: annually</p> <p>Depth: light level of control considering the degree of independence of the decentralised agencies.</p>	<p>Effectiveness:</p> <p>Amount of any unused operating budget recovered.</p> <p>Cases of amounts recovered not cashed by 31/12 of year N to</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<p>damage for the Commission.</p> <p>The Commission pays the wrong amount of prefinancing (or clears the wrong amount of prefinancing), or does not issue timely a recovery order for the budgetary surplus.</p>	<p>of the audited financial statements of the ESAs.</p>		<p>allow a repayment to the ESAs in year N+1.</p> <p>Number and amount of suspended payments (if any).</p> <p>Economy: Cost of controls of stage 3 over payments made.</p> <p>Efficiency: Time-to-payment.</p>

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<p>Sensitive information is disclosed or its integrity breached due to insufficient security of IT systems, staff misconduct or negligence.</p> <p>Unavailability of IT systems following a cyber-attack.</p>	<ul style="list-style-type: none"> - Compliance with DG DIGIT’s IT security rules. - Risk-based updating of IT security plans. - Secure IT development (e.g. source code scans, security assessments) - External IT service providers required to get national security clearance. - Promotion of staff awareness and knowledge on the protection of sensitive information and cybersecurity e.g. through trainings, information on MyFISMAIntranet, 	<p>Coverage/Frequency: Continuous, monthly or annual depending on the control.</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - Number of leaks - Number of IT security breaches - Number of unavailabilities of IT systems due to a cyber-attack - Number of IDOC cases linked to leaks or insider dealing <p>Economy: Cost of controls (no ratio since this is a non-expenditure item).</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
	annual ethics declarations. - Specific awareness-raising for staff having regularly access to sensitive non-classified information on individual companies, including about conflict of interests and insider dealing.		

ANNEX 7: Specific annexes related to “financial management”

1. Free content

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

A.1 Operational expenditure – PROCUREMENT & MEMBERSHIP FEES

Description	Payments made	Of which via co-delegations received from other DGs (see section A.4 for details)
IT contracts	EUR 3.487.947,24 (48%)	EUR 371.562,06 from DG ENER/TRADE/SANTE/MARE HOME
Studies and other service contracts	EUR 3.223.263,13 (45%)	EUR 484.382,43 from DG CNECT/DIGIT/JUST
Subscriptions to databases	EUR 217.948,71 (3%) ¹⁷	-
Membership fees	EUR 296.077,6 (4%)	EUR 155.589 from DG JUST

A.2 Operational expenditure – GRANTS

Description	Payments made
Single market Programme – Specific objective in the field of financial reporting and auditing	EUR 9.176.145,87 (86%)
Single market Programme – Specific objective on enhancing the involvement of consumers and other financial services end-users in Union Policy making in the field of financial services	EUR 1.497.691 (14%)

A.3 Administrative expenditure

Description	Payments made	Of which via co-delegations received from other DGs (see section A.5 for details)
Payments made by DG FISMA		

⁽¹⁷⁾ The share of expenditure for the subscription to databases is higher since some of them are acquired using the budget lines co-delegated to other DGs as mentioned in section A.4.

Conferences and internal meetings	EUR 48.983,71	-
Studies and consultations	EUR 125.784,10	-
Trainings	EUR 328,24	-
Development of management and information systems (IT)	EUR 1.374.914,87	EUR 98.379,61 from DGs SANTE
Technical assistance	0	-
Representation expenses	0	-
Payments made by DG HR and PMO <u>not</u> reflected in Table 2 of Annex 3 (see section A.5 for details)		
Trainings	EUR 41.465,73	
Committee meetings	EUR 26.394,80	
External meetings and expert groups	EUR 91.289,74	
Missions	EUR 368.773,46	

A.4 Cross-subdelegations and co-delegations (operational expenditure)

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

Budget line	Payments made
Co-delegations received (amounts included in the Annex 3 – table 2 of DG FISMA)	
02.040501 CNECT>FISMA	EUR 15.000 (studies and other services)
02.049901 DIGIT>FISMA	EUR 331.182,43 (studies and other services)
33.029906 JUST>FISMA	EUR 138.200 (studies and other services)
03.020104 JUST>FISMA	EUR 155.589 (membership fees)
02.200402-C1-ENER>FISMA	EUR 71.804,58 (IT)
14.200402 TRADE>FISMA	EUR 78.890,08 (IT)
03.020600 SANTE>FISMA	EUR 29.829 (IT)
06.060100 SANTE>FISMA	EUR 60.000 (IT)
08.040300 MARE>FISMA	EUR 107.749,4 (IT)
11.029901 HOME>FISMA	EUR 23.289 (IT)

Co-delegations given (amounts <u>not</u> included in the Annex 3 – table 2 of DG FISMA)	
03.020106 FISMA>BUDG	EUR 210,63
03.020106 FISMA>DGT	EUR 103.847,56
03.020106 FISMA>DIGIT	EUR 61.430,56
03.020106 FISMA>OLAF	EUR 250.633,25
03.020106 FISMA>OP	EUR 54.660,76
03.029905 FISMA>COMM	EUR 20.000
03.029905 FISMA>DIGIT	EUR 23.296,50
03.029905 FISMA>OLAF	EUR 145.111,40
Cross subdelegations received (amounts <u>not</u> included in the Annex 3 – table 2 of DG FISMA)	
14.040104 FPI/FISMA	EUR 36.116,12 (IT)

A.5 Cross-subdelegations and co-delegations (administrative expenditure)

Budget line	Payments made
Co-delegations received (amounts included in the Annex 3 – table 2 of DG FISMA)	
03.010101 SANTE>FISMA	EUR 71.934, 39 (IT)
06.010501 SANTE>FISMA	EUR 26.445,22 (IT)
Co-delegations given (amounts <u>not</u> included in the Annex 3 – table 2 of DG FISMA)	
20.020601.01 FISMA:PMO	EUR 368.773 ,46 (missions)
20.020602.01 FISMA:PMO	EUR 91.289,74 (external meetings and experts groups)
20.020605 FISMA>HR	EUR 41.465,73 (trainings)
20.020603 FISMA :PMO	EUR 26.394,80 (committee meetings)

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

DIRECT MANAGEMENT – GRANTS		
Stage 1 – Programming and assessing grant applications		
Indicators	2021	2022
Number of negative opinions or substantial comments received via the inter-service consultation	Zero, the consultation received 24 replies, no negative opinions or substantial comments related to the grants under DG FISMA remit	Zero, the consultation received 28 replies, no negative opinions or substantial comments related to the grants under DG FISMA remit

DIRECT MANAGEMENT – GRANTS		
Number of cases of litigation	Zero	Zero ¹⁸
Adoption of the work programme before 31 st March of year N.	No ¹⁹	Yes
Stage 2 – Contracting: Transformation of grants applications into legally binding grant agreements		
Indicators	2021	2022
Amount of EU funding proposed by beneficiary that was rejected (not included in the grant agreement budget)	EUR 579.400 (5,6% of total EU funding requested in awarded grants)	EUR 1.563.272
Signature of operating grants agreements before 30 th April of year N.	No. The operating grants awarded by DG FISMA could not be signed before 30 April 2021 because of the late adoption of the Regulation establishing the Single Market Programme by the co-	Yes

(¹⁸) DG FISMA maintains constant contacts with its five beneficiaries. As in previous years, conflicting views over the eligibility of claims emerged in the course of 2022 but did not lead to litigation cases.

(¹⁹) The delay was directly related to the delayed adoption of the Regulation establishing the Single Market Programme.

DIRECT MANAGEMENT – GRANTS		
	legislator ⁽²⁰⁾ , which in turn resulted from the late adoption of the Multiannual Financial Framework (MFF) by the Budgetary Authority ⁽²¹⁾	
Stage 3 – Monitoring the execution (this stage covers the monitoring of the operational, financial and reporting aspects relating to the project and grant agreement)		
Indicators	2021	2022
Number or % of grants with cost claim errors	3 out of 5	1 out of 5
Amount of cost items rejected (total ineligible costs)	EUR 231.096,92 (or EUR 38 457 of EU contribution)	EUR 113.676,88 (or EUR 68.206,13 of EU contribution)
Value of cost claims items adjusted as percentage of total cost claim value in all grants	0,64 % (or 0,4% of the EU contribution)	0,3% (or 0,7% of the EU contribution)
Number of potential fraud cases notified to OLAF/EPPO	Zero	Zero
Stage 4 – Ex-post checks ⁽²²⁾		
Indicators	2021	2022
Amount of errors detected (also compared to amounts sampled)	Zero	Zero
Number of transactions with errors (also compared to number of transactions sampled)	Zero	Zero
Total amount of recovery orders still pending following the results of ex-post checks and on-the-spot checks	Zero	Zero

DIRECT MANAGEMENT – PROCUREMENT		
Stage 1: Procurement		
Indicators	2021	2022
Number of planned studies cancelled	N/A	6 out of 10 ²³
Value of global commitment at the end of the year due to delayed procurement procedures	N/A	EUR 3.050.491,23 ²⁴

⁽²⁰⁾ Regulation (EU) 2021/690 of the European Parliament and of the Council of 28 April 2021 establishing a programme for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed, and European statistics (Single Market Programme) and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014 and (EU) No 652/2014 (Text with EEA relevance).

⁽²¹⁾ Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027.

⁽²²⁾ The results of the ongoing on-the-post checks initiated in 2022 will be reflected in the AAR 2023.

⁽²³⁾ See deficiencies in section 2.1.3 of the report.

⁽²⁴⁾ See deficiencies in section 2.1.3 of the report.

DIRECT MANAGEMENT – PROCUREMENT		
Number of contracts discontinued due to lack of use (poor planning)	Zero	Zero (subscriptions to 2 databases were not renewed due to price increases no longer resulting in value for money)
Number of procedures > 15.000 where only one or no offers were received	Zero	1 negotiated procedure > EUR 15.000 received zero offers at first. It was relaunched successfully with a longer deadline. Average of 6.5 offers per procedures awarded.
Average number of requests for clarification regarding tender specifications	5,5	7
Number of 'valid' complaints or of litigation cases filed	Zero	Zero
Number of fraudulent cases notified to OLAF/EPPO	Zero	Zero
Number of companies excluded from participation in public procurement/awarding	Zero	Zero for procedures awarded in 2022. For an ongoing procedure one company was excluded due to no access to market.
Stage 2: Financial transactions		
Indicators	2021	2022
Number/amount of liquidated damages due to delays in the implementation of the work	EUR 9.205,60	EUR 64.485,90
Number of transactions 'refused for correction'	(all transactions, not only procurement) 35% of commitments (38 out of 109) + 3,5% of payments (9 out of 256) + 30% recovery orders (3 out of 10)	(all transactions, not only procurement) 18,3% of commitments (31 out of 169) + 5% of payments (17 out of 337) + 0% recovery orders (0 out of 5)
Stage 3: Supervisory measures		
Indicators	2021	2022
Amount associated with errors detected ex-post (relating to fraud, irregularity and error)	Zero	Zero
System improvements made	Enforcement of new procedure to monitor studies, application of new manual of financial circuits fully based on electronic workflows, reinforcement of interinstitutional study database follow-up,	Update of the procedure to encode certain items of administrative expenditure in ABAC which allows an easier and prompter follow up and prevents errors related to the

DIRECT MANAGEMENT – PROCUREMENT		
	new training format for OIAs/OVA and regular follow up of the Legal Commitment Kernel to improve timely update of existing legal commitments.	encoding of legal commitments in ABAC.

INDIRECT MANAGEMENT		
Stage 1 – Establishment (or prolongation) of the mandate to the decentralised agencies (basic act establishing/prolonging an agency and Legislative Financial Statements – LFS – of proposals entrusting the agency with new resources)		
Indicators	2021	2022
Availability of LFS, when needed, for proposals entrusting the Agencies with new tasks	In 2021 DG FISMA submitted a proposal for the creation of AMLA ⁽²⁵⁾ . The proposal included a comprehensive assessment of AMLA budgetary needs. Legislative Financial Statements were prepared for AMLA and ESAP ⁽²⁶⁾ .	Legislative Financial Statements were updated in light of the changes required by the co-legislators (MICA ²⁷ , DORA ²⁸ , DLT pilot regime ²⁹). No new proposal was submitted in 2022 requiring the preparation of LFS ³⁰ .
Stage 2 – Operations: monitoring, supervision, reporting ('representation'/'control with or around the entity')		
Indicators	2021	2022

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

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

⁽²⁷⁾ COM/2020/593 final. Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on Markets in Crypto-assets, and amending Directive (EU) 2019/1937.

⁽²⁸⁾ COM/2020/595 final. Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014 and (EU) No 909/2014

⁽²⁹⁾ COM (2020) 594. Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on a pilot regime for market infrastructures based on distributed ledger technology.

⁽³⁰⁾ This may not exclude the need of an LFS depending on the changes that co-legislators make to the original Commission's proposals.

INDIRECT MANAGEMENT		
Potential non-compliance with the founding regulations and the related financial regulations	N/A	The ESAs were advised to include internal assigned revenue in the budgets adopted by their Boards of Supervisors prior to incurring expenditure with internal assigned revenues. An ESA was reminded of the need to align its adopted Establishment Plan with the Establishment Plan adopted by the Budgetary Authority with the Union budget for 2023.
Amount of errors detected when clearing prefinancing	EUR 12.316	Zero
Positive discharge	Yes	Yes
Stage 3 – Commission contribution: payment, suspension of payments and recovery of unused contribution		
Indicators	2021	2022
Amount of any unused operating budget recovered	EUR 2.665.228,27 ⁽³¹⁾	EUR 1.862.076,91 ³²
Cases of amounts recovered not cashed by 31/12 of year N to allow a repayment to the ESAs in year N+1	Zero	Zero
Number and amount of suspended payments (if any)	Zero	Zero

⁽³¹⁾ Related to the budgetary surplus of the ESAs for 2020. In addition, DG FISMA recovered EUR 1.045.000 related to the advance provided to ESMA in 2019 for the direct supervision of third countries' CCPs under EMIR 2.2. According to the LFS accompanying the legislative proposal for the revisions to the European Market Infrastructure Regulation the advance is to be repaid to the Union.

⁽³²⁾ Related to the budgetary surplus of the ESAs for 2021.

C. Implementation of antifraud actions planned in the Management Plan 2022 (link to paragraph 2.1.1.1.b) of the report)

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CASF) ⁽³³⁾ aimed at the prevention, detection and correction ⁽³⁴⁾ of fraud			
Indicator: Implementation of the actions included in DG FISMA anti-fraud strategy over the whole strategic plan lifecycle (2020-2024)			
Source of data: DG FISMA annual activity report, DG FISMA anti-fraud strategy, OLAF reporting			
Baseline (2018)	Target (2024)	Latest known results (31/12/2022)	
0%	100% of action points implemented on time	100% of actions planned up to 2022 implemented ³⁵	
Main outputs in 2022:			
Output	Indicator	Target	Latest known results
Reporting and follow up at senior management level	Number of reporting to senior managers	1 report on the implementation of the DG FISMA antifraud strategy	Yes
		1 on DG FISMA relations with stakeholders ⁽³⁶⁾	Yes
		1 on follow up of files marked as sensitive ⁽³⁷⁾	Yes, integrated into the report on the implementation of the antifraud strategy

⁽³³⁾ Communication from the Commission "Commission Anti-Fraud Strategy: enhanced action to protect the EU budget", COM(2019) 176 of 29 April 2019 – ‘the CAFS Communication’ – and the accompanying action plan, SWD(2019) 170 – ‘the CAFS Action Plan’.

⁽³⁴⁾ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

⁽³⁵⁾ The only deviation is that one training on DG FISMA financial circuits was provided to staff in 2022 instead of two as initially planned. This deviation does not affect the implementation of the strategy.

⁽³⁶⁾ DG FISMA’s Director-General, Deputy Director-General and directors receive an assessment of DG FISMA’s relations with stakeholders at least once a year. All meetings with stakeholders are transparently recorded by DG FISMA in the Events Management Tool (EMT).

⁽³⁷⁾ To ensure that sensitive files are protected DG FISMA monitors on a monthly basis the number of files marked as sensitive by each unit and reports at least once per year to the Director-General, Deputy Director-General and directors.

2. Estimated “cost of controls” at Commission level

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

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

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

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

NB. The absolute values are presented in million EUR.

A. Relevant Control Systems of Annex 6 linked to expenditure items

FISMA	Ex ante controls***			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related payments Made	Ratio (%) (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%) (g)/(b)
Direct management – Procurement and administrative expenditure	769.845.00 €	9.302.842.00 €	8.28%	N/A	N/A	0.00%	769.845.00 €	8.28%
Direct management – Grants	260.980.00 €	10.673.837.00 €	2.45%	31.610.00 €	15.300.000 €	0.21%	292.590.00 €	2.74%
Indirect management	422.840.00 €	49.856.700.00 €	0.85%	N/A	N/A	0.00%	422.840.00 €	0.85%
Horizontal controls on expenditure not directly attributable to direct management, indirect management or indirect management specifically ⁽³⁸⁾	269.560.00 €	N/A	0.00%	N/A	N/A	0.00%	269.560.00 €	0.00%

⁽³⁸⁾ Budget and accounting - if linked to the policy or operational dimension of spending programmes -, the costs of evaluations, internal control, antifraud, financial procedures, audits and strategic planning activities.

FISMA	Ex ante controls***			Ex post controls			Total	
	(a)	(b)	l	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related payments Made	Ratio (%) (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%) (g)/(b)
OVERALL total estimated cost of control at EC level for expenditure	1.723.225.00 €	69.833.379.00 € ⁽³⁹⁾	2.47%	31.610.00 €	15.300.300 €	0.21%	1.754.835.00 €	2.51%

B. Relevant Control Systems of Annex 6 not linked to expenditure items

FISMA	Ex ante controls			Ex post controls			Total	
	(a)	(b)	l	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related amounts	Ratio (%) (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%) (g)/(b)
Only applicable for DGs with non-expenditure items								

⁽³⁹⁾ This amount differs from the amount mentioned in Table 2 of Annex 3 because for the assessment of costs of controls DG FISMA took as a reference the 'funds managed' for which controls are in place at the level of the DG even if the actual payment is delegated to other DGs (i.e. PMO or DG HR for missions, meetings, conferences, trainings).

FISMA	Ex ante controls			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related amounts	Ratio (%) (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%) (g)/(b)
Protection of sensitive information and security of IT systems	830.000.00 €	- €	N/A	- €	- €	N/A	830.000.00 €	N/A

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

Overall indicators							
Stage	Description	Year 2020		Year 2021		Year 2022	
Overall indicator	Total costs of controls / value of payments made ⁽⁴⁰⁾	3%	Direct management: 7,3%	2,2% ⁽⁴¹⁾	Direct management: 6,6% ⁽⁴²⁾	2,5% ⁴³	Direct management: 6,7% ⁴⁴
			Indirect management: 1,3%		Indirect management: 0,8%		Indirect management: 0,85%

Grant indicators				
Stage	Description	Year 2020	Year 2021	Year 2022
Overall indicator	Total cost of controls of grants' processes / value of grants payments made	1,9%	2,2%	2,7%
All controls from programming to contracting	Cost of assessing the applications submitted, preparation of financing decisions and contracting/ value of grants contracted	0,3%	0,6%	1,1%
Monitoring and payments	Cost of control from monitoring the execution up to payment/value of grants payments made	1,6%	1,5%	1,5%
Supervisory measures	Cost of ex-post checks and on-the-spot checks/ value of grants audited	0%	0%	0,2%

Procurement indicators				
Stage	Description	Year 2020	Year 2021	Year 2022
Overall indicator	Total cost of controls/ value of procurement payments made ⁽⁴⁵⁾	8,8%	8,9%	8,3%

Procurement indicators				
Stage	Description	Year 2020	Year 2021	Year 2022
Procurement stage up to evaluation, selection, final award and contracting	Cost for planning, needs assessment and definition, selection, evaluation, award and contracting/ value of procurement contracted	4,8%	4,9%	4,4%
Financial transactions and monitoring	Related costs of cost of control for all transactions related to procurement (payments and recovery orders)/ value of procurement payments made	3,5%	3,6%	3,3%

⁽⁴⁰⁾ Calculation of overall indicator. **Denominator:** amount of the expenditure implemented by the DG as per Annex 3 plus administrative expenditure paid by PMO and DG HR but for which controls are also taking place in DG FISMA (i.e. missions, external and expert group meetings, committee meetings, trainings). **Nominator:** sum of the costs of controls identified for each Relevant Control System identified in Annex 6 (grants, procurement, ESAs) plus the costs of horizontal controls related to budget and accounting and - if linked to the policy or operational dimension of spending programmes - the costs of evaluations, internal control, antifraud, financial procedures, audits and strategic planning activities.

⁽⁴¹⁾ **1,9%** if only operational expenditure considered. The horizontal controls mentioned in the previous footnote are included in the denominator of this indicator since mainly covering direct management.

⁽⁴²⁾ **5,9%** if only operational expenditure considered.

⁽⁴³⁾ **2,1%** if only operational expenditure considered. The horizontal controls mentioned in the previous footnote are included in the denominator of this indicator since mainly covering direct management.

⁽⁴⁴⁾ **5,6%** if only operational expenditure considered.

⁽⁴⁵⁾ For the calculation of the denominator DG FISMA used the amount of the expenditure implemented by the DG as per Annex 3 plus administrative expenditure paid by PMO and DG HR but for which controls are also taking place in DG FISMA (i.e. missions, external and expert group meetings, committee meetings, trainings).

Procurement indicators				
Stage	Description	Year 2020	Year 2021	Year 2022
Supervisory measures	Cost of ex-post checks /value of procurements audited	0%	0%	0% ⁽⁴⁶⁾

Indirect management indicators ⁽⁴⁷⁾				
Stage	Description	Year 2020	Year 2021	Year 2022
Overall indicator	Overall supervision cost (%) Staff FTEs costs/annual subsidies paid to ESAs	1,3 %	0,8%	0,85%
Establishment (or prolongation) of the mandate to the decentralised agency (ESAs REVIEW and related implementation)⁴⁸	Relevant staff FTEs costs/annual subsidies paid to ESAs	0,8%	0%	0,05%
Operations: monitoring, supervision, reporting ('representation'/'control	Relevant staff FTEs costs/annual subsidies paid to ESAs	0,5%	0,8%	0,8%

⁽⁴⁶⁾ The involvement of DG FISMA staff in ex-post checks is not substantial and below 10% of their FTEs/year..

⁽⁴⁷⁾ DG FISMA does not pay any management, administrative or other remunerated fees to the European Supervisory Authorities (ESAs) and therefore does not report these costs separately.

⁽⁴⁸⁾ Including the preparation of Legislative Financial Statements accompanying proposals entrusting the ESAs with additional tasks.

Indirect management indicators ⁽⁴⁷⁾				
Stage	Description	Year 2020	Year 2021	Year 2022
with or around the entity') ⁽⁴⁹⁾				
Commission contribution: payment or suspension/interruption and recovery of unused contribution	Relevant Staff FTEs costs/annual subsidies paid to ESAs	0%	0%	0% ⁽⁵⁰⁾

⁽⁴⁹⁾ This stage includes the costs of controls related to the preparation and participation to ESAs Management Board and Board of Supervisors as well as the overall controls made by DG FISMA in the context of the annual programming and budgetary process.

⁽⁵⁰⁾ The involvement of DG FISMA staff below 10% of their FTEs/year.

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

REVISION OF INTERNAL CONTROL INDICATORS

In 2022 DG FISMA revised the internal control monitoring criteria for 2023 to measure the presence and well-functioning of its internal control system. The revision was overseen by the Head of Unit exercising the functions of Risk Management and Internal Control Director and senior management.

ANNUAL ASSESSMENT OF THE INTERNAL CONTROL SYSTEMS

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

The results of the assessment were included in a report addressed to senior managers. This report also contained a detailed description of all strengths and deficiencies identified under each principle and included recommendations when needed. The assessment also took stock of the mitigating measures taken in 2022 to address the minor deficiencies identified in 2021.

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

- the list of internal control monitoring indicators
- the strengths/weaknesses reported by competent services under each principle
- the results of the internal control meetings with managers held in 2022
- the exceptions and non-compliance events recorded in 2022
- the recommendations of IAS or ECA audits (if any)
- the results of the annual risk assessment process
- the implementation of the antifraud strategy
- other relevant elements raised by staff or external actors
- the results of the latest internal staff survey on internal control key areas including procedures, ethics and antifraud

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

ANNEX 9: Specific annexes related to “Control results”

Table: Estimated risk at payment and at closure

DG FISMA	Payments made (2022;MEUR)	minus new prefinancing [plus retentions made] (in 2022;MEUR)	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in 2022;MEUR)	Relevant expenditure (for 2022; MEUR)	Detected error rate or equivalent estimates	Estimated risk at payment (2022;MEUR)	Adjusted Average Recoveries and Corrections (<i>adjusted</i> ARC; %)	Estimated future corrections [and deductions] (for 2022;MEUR)	Estimated risk at Closure (2022;MEUR)
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
Procurement and administrative expenditure	8.78	0.00	0.00	8.78	0.5% - 0.50%	0.04 - 0.04	0.00% - 0.00%	0.00 - 0.00	0.04 - 0.04
Grants	10.67	- 7.02	5.59	9.24	2.00% - 2.00%	0.18 - 0.18	0.50% - 0.50%	0.05 - 0.05	0.14 - 0.14
Payments to the ESAS	49.86	- 49.86	47.31	47.31	0.50% - 0.50%	0.24 - 0.24	0.00% - 0.00%	0.00 - 0.00	0.24 - 0.24
DG total	69.31	- 56.88	52.90	65.33		0.47 - 0.47	0.07% - 0.07%	0.05 - 0.05	0.42 - 0.42
					Overall risk at payment in %	0.71% - 0.71%		Overall risk at closure in %	0.64% - 0.64%
						(7) / (5)			(10) / (5)

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

(2) Payments made or equivalent, e.g. expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle. In all cases of Co-Delegations (Internal Rules Article 3), "payments made" are reported by the Delegated departments. For Cross-SubDelegations (Internal Rules Article 12), the reporting remains with the Delegating departments.

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

Retentions: in Cohesion, the 10% retention applied during the year.

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

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

(6) In this column, we disclose the detected error rates or equivalent estimates. For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (e.g. *administrative expenditure, operating contributions to agencies*), the rate which should be used is 0.5% as a conservative estimate, unless the department has a more precise estimate based on evidence.

(7) The adjusted average recovery and corrections percentage is based on the 7 years historic Average of Recoveries and financial Corrections (ARC), which is the best available indication of the corrective measures each department applied over the past years as a result of ex post controls. The AOD replaced this historic average from 0.03 to 0.07 to take into account the fact that on-the-spot checks on grants were not carried out during the COVID-19 pandemic (which had an impact on the average of corrections). The results of the checks initiated in 2022 will - as a conservative estimate - increase this historic average by at least the percentage points mentioned above.

The average amount of the implemented corrections over the past 4 years (2018-2021) is 0.08 (million) euros (0.04% of the average amount of relevant expenditure of that period), compared to an average amount of estimated future corrections during the same period of 0.24 (million) euros (0.13% of the average amount of relevant expenditure of that period). The deviation of around 0.1% percentage points between the two averages is considered marginal and due to (1) the delayed on-the-spot checks as mentioned above and (2) the fact that the corporate methodology to estimate average corrections changed in 2022. DG FISMA has implemented 0.24 million of corrections instead of 0.08 million if credit notes or ineligible costs in invoices were considered for the calculation as per the methodology in force until 2022, therefore fully in line the estimated future corrections.

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

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

HUMAN RESOURCES MANAGEMENT

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

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

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

Baseline (2019)	Target (2022+2024)	Latest known result (2022)
Female representation in management: 38%, 8 out of 21	(2022) 2 first female appointments to middle management positions by 2022 (2024) Still to be defined	No new female appointments in 2022, but target exceeded already in 2021

Indicator 2: DG FISMA staff engagement index

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

Baseline (2018)	Target (2024)	Latest known result (December 2021)
75%	75%	75%

Main outputs in 2022:

Description	Indicator	Target	Latest known result
Appropriate allocation of resources to deliver DG FISMA's priorities	Regular meetings of the DG/DDG of DG FISMA with each directorate to agree future priorities and implications for resources as well as regular meetings of the senior management board of DG FISMA on HR issues more generally	Twice a year for the dedicated meetings with each directorate on priorities, 8 meetings a year of the senior management board dedicated to HR issues only	Twice yearly priorities meetings took place with conclusions circulated and discussed by senior management. 8 meetings of senior management dedicated to HR issues.

Description	Indicator	Target	Latest known result
New staff onboarded effectively	Dedicated training package	Twice a year	2 times 2 full days of training organised in March and October 8 introductory meetings between the Director General and newcomers
Knowledge Hours in which units present their activities to whole DG	Number of such events and participation	8 Knowledge Hours minimum 15 participants if physical, and 30 when hybrid/ virtual	12 Knowledge Hours with 63 participants on average
Support to AST professionalisation by FISMA's AST network	Dedicated events on exchanging best practise and / or improving working methods	6	8 FISMA AST breakfasts
Mini-coaching focussed on career development by Directors to interested non-management staff	Numbers of participants, to take place at least once a year	Minimum 20 participants	28 participants. FISMA DDG also participated in the mini-coaching sessions.
Continuation programme for Deputy Heads of Unit	Number of participants	All new deputies who have not yet done the course ⁵¹	The programme started in 2021 continued until October 2022 with 9 participants. This programme will be relaunched when at least 5 new Deputies have been appointed.

(⁵¹) Subject to roll-out of corporate trainings.

Description	Indicator	Target	Latest known result
Adoption of DG FISMA local HR strategy by the FISMA senior management board	Y	Y	Since the adoption of the new Corporate HR Strategy, adoption of local HR strategy by the DGs is no longer compulsory. DG FISMA has provided DG HR with an analysis of its learning and development needs. It has also held follow up focus group meetings after the all staff survey to identify follow-up actions.
All staff meetings on policy and HR related issues	Frequency/ Number of participants	Three times a year minimum Minimum 100 participants if physical meeting 60% of all staff when virtual	5 all staff meetings with 310 participants on average (more or less 75% of staff)
Number of female staff participating in tailored development programmes	Number of participants	At least 5 AD colleagues	7 (corporate FTDP + cross DG FTDP)
Raise awareness on equality and inclusion	Specific trainings on equality and unconscious bias	50% managerial staff involved in recruitment and selection processes by end 2022, 100% by end 2023 ⁽⁵²⁾	This indicator lost its relevance in 2022 due to HR corporate developments. As such, this self-imposed target could not be achieved in 2022. To address the needs and characteristics of the target population of this training, DG HR decided to develop a very targeted learning material, for managers only. This will be rolled out in 2023.

⁽⁵²⁾ Subject to roll-out of corporate trainings.

DIGITAL TRANSFORMATION AND INFORMATION MANAGEMENT

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

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

Source of data: DG FISMA

IT solution	Baseline (2018)	Milestone (2022)	Target (2024) ⁵³	Latest known result (2022)
BASIS	40%	81%	95%	86%
EMT	40%	95%	100%	86%
KOEL	40%	95%	100%	86%

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

Source of data: DG FISMA

Baseline (2020)	Milestone (2022)	Target (2024)	Latest known result (2022)
30%	50%	80%	100% (All key data assets are managed according to DG FISMA's Quality framework and guidelines for the statistical activity and data acquisitions)

(⁵³) The targets for BASIS, EMT and KOEL in DG FISMA's Strategic Plan 2020-2024 will not be achieved for some of the digital strategy principles given the nature of the data preventing their publication, the fact that these IT systems are not shared with the Member States and resources constraints.

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

Source of data: DG FISMA

Baseline (2018)	Milestone (2022)	Target (2024)	Latest known result (2022)
30% of staff as an estimation ⁵⁴	85%	100%	DG FISMA continued efforts in delivering data protection trainings in 2022, with 156 additional staff trained, reaching 85% of staff.

⁽⁵⁴⁾ The baseline being before the introduction of the new data protection rules, fewer general awareness-raising activities were organised.

Main outputs in 2022:

Description	Indicator	Target	Latest known result (2022)
External IT security assessments and plans	<p>New risk assessments and IT security plans in line with ITSRM2 methodology completed for Financial Sanctions suite, MICE, BASIS and FIU.net</p> <p>Launch of external IT capability and maturity assessment</p>	Q3	<p>The IT security plans for the Financial Sanctions suite, MICE, BASIS, and FIU.net were successfully completed.</p> <p>The external IT capability and maturity assessment was cancelled given different urgent priorities.</p>
Collaboration on briefings in BASIS	Integration of SharePoint into BASIS	Q2	Successfully completed.
Definition of the architecture of the New Generation FIU.net	Architecture plan validated	Q2	<p>Expected to be completed in Q1/2023.</p> <p>The assessment of FIU.net against the Commission's standard reference architecture requires an important effort in terms of analysis and evaluation, meetings with the stakeholders and proofs of concept to confirm the feasibility of some choices.</p> <p>Due to the peculiarity and complexity of FIU.net the work could not be completed as planned.</p>
Data protection awareness raising and training activities in FISMA	Percentage of FISMA staff that has gained awareness of the data protection rules	85% of FISMA staff trained by end 2022	77% of FISMA staff were trained by end 2022.
Review and update of DG FISMA's internal procedures and guidance on data protection	Prepare new internal guidance and procedures and make these available online	End 2022	All existing Guidance were reviewed and all new Guidance adopted by the Data protection officer (DPO) are available online

Regular reporting to senior management on the implementation of data protection	Regular presentations to senior management at Directors' meetings	Two reports per year (January and July)	A state of play of DG FISMA's activities in the field of data protection was presented to Senior Management in October 2022 and will be reported annually.
Implementation of the corporate principles for data governance for DG FISMA's key data assets	Percentage of implementation of the corporate principles for data governance for DG FISMA's key data assets	Interim milestone by 2022: 100% ⁵⁵	100% (All key data assets are managed according to DG FISMA's Quality framework and guidelines for the statistical activity and data acquisitions).

SOUND ENVIRONMENTAL MANAGEMENT

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

Main outputs in 2022:

Description	Indicator	Target	Latest known result
High staff awareness on how to reduce GHG emissions and other environmental impacts in daily work (missions, events, commuting, waste and sorting, digital waste, building consumption of water and energy)	Number of events (videos, news in MyFISMA intranet, trainings, posters)	At least 6 events	>6 events ⁵⁶

⁽⁵⁵⁾ Target is calculated in relation to the principles that are relevant for the type of data assets managed by DG FISMA. Only databases are concerned since DG FISMA does not produce statistics.

⁽⁵⁶⁾ In 2022 mostly focused on areas having the strongest impact on DG FISMA CO2 emissions (promotion and implementation of the pledge to green missions and events, closure of the building during summer and winter holidays and promotion sustainable commuting via VeloMai). Additional news were also published to promote other corporate campaigns.

Description	Indicator	Target	Latest known result
Encourage virtual/hybrid conferences and other events	% of virtual/hybrid events compared to total events	At least 50% of events	>90% of events (> 80% fully virtual) ⁵⁷
Analyse DG FISMA CO2 emissions from missions	Report from DG FISMA missions' managers to EMAS correspondent and Green Team	Twice a year	Twice a year
Define a strategy for reducing CO2 emissions for missions	Strategy document approved by senior management	Q2	Signature of pledge to green missions and experts travel (Q2) and implementation of internal guidance (Q4)

EXAMPLE(S) OF INITIATIVES TO IMPROVE ECONOMY AND EFFICIENCY OF FINANCIAL AND NON-FINANCIAL ACTIVITIES

INITIATIVE	STATUS
DG FISMA will continue working to initiate the first steps for the creation a common data infrastructure which would permit to store and use in a collaborative way data from several different sources both from publicly available, as well as from commercial databases. This new infrastructure will ease accessibility for end-users and facilitate the re-use of data over time. It will also improve the cost-effectiveness and consistency of the processes linked to data processing and analysis by avoiding repetitive workflows and duplication of tasks. It will eventually contribute to a more solid and robust evidence-based policy making.	In 2022, DG FISMA has worked to further improve its data work via its new data infrastructure. In particular, DG FISMA has implemented its Market Monitor (FMM) via the data infrastructure. The FMM is now generated automatically 4 times/day, which has significantly improved its economy and efficiency, and all Commission staff have access to it via a link, which reduces its footprint as compared to email attachments. DG FISMA has also started the work to build, also through its data infrastructure, new indicator dashboards in other policy areas, in addition to the existing one on Capital Markets Union.

⁽⁵⁷⁾ Expert groups and committee meetings (93% virtual/hybrid): 118 virtual, 10 hybrid, 10 physical. Conferences/webinars/etc (93% virtual/hybrid): 8 virtual, 5 hybrid, 1 physical.

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

Not applicable

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

Not applicable

ANNEX 13: Decentralised agencies

Entity: European Banking Authority (EBA) Role of the DG: Parent DG		
Policy area concerned	Contribution to the Operating (administrative) budget	Contribution to the Operational Budget
An economy that works for people	EUR 19.194.626,61 ⁽⁵⁸⁾	

Entity: European Securities and Markets Authority (ESMA) Role of the DG: Parent DG		
Policy area concerned	Contribution to the Operating (administrative) budget	Contribution to the Operational Budget
An economy that works for people	EUR 17.597.060,76	

Entity: European Insurance and Occupational Pensions Authority (EIOPA) Role of the DG: Parent DG		
Policy area concerned	Contribution to the Operating (administrative) budget	Contribution to the Operational Budget
An economy that works for people	EUR 13.065.012,9	

Entity: Single Resolution Board (SRB) ⁽⁵⁹⁾ Role of the DG: Parent DG		
Policy area concerned	Contribution to the Operating (administrative) budget	Contribution to the Operational Budget
An economy that works for people	EUR 0	EUR 0

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

⁽⁵⁸⁾ The provisional accounts of the ESAs are not yet adopted. It is therefore not possible to calculate the split between the EU contribution to the operating and operational budget.

⁽⁵⁹⁾ Fully self-financed agency.

controls are limited to its participation as the Commission's representative to the ESAs Boards as a non-voting member ⁽⁶⁰⁾, each year proposing the estimates in respect of the establishment plans and the amount of the balancing contribution it deems necessary for the Commission to enter in the draft budget of the Union and effectively transferring of the EU contribution to the ESAs.

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

- Unit A1 coordinated with the ESAs on horizontal operational, institutional and legal questions.
- Unit O1 provided support for budgetary procedures including by coordinating the preparation and update of Legislative Financial Statements whenever a proposal would require additional effort from the ESAs.
- DG FISMA represented the Commission on the ESAs' management boards, usually through the Director or Head of Unit in charge at operational level. It had a vote on budgetary issues only.
- DG FISMA also represented the Commission on the ESAs' boards of supervisors.

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

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

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

⁽⁶⁰⁾ In accordance with Article 45a of the ESA's constituent acts, the Commission has a right to vote in the Management Board on matters referred in Article 63, which relates to the establishment of the budget.

in December 2019 ⁽⁶¹⁾. The final text agreed improved the mandates and governance of the three ESAs and the functioning of the ESRB to ensure stronger and more integrated financial supervision across the EU.

In 2021 the Commission also proposed the creation of a new EU authority that will transform AML/CFT supervision in the EU and enhance cooperation among financial intelligence units (FIUs) ⁽⁶²⁾. The organisational matters related to the creation of the Agency are outlined in the legislative financial statement accompanying the proposal which is currently under negotiation with the co-legislators.

⁽⁶¹⁾ Regulation (EU) 2019/2175 of the European Parliament and of the Council of 18 December 2019 amending Regulation (EU) No 1093/2010 establishing a European Supervisory Authority (European Banking Authority), Regulation (EU) No 1094/2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), Regulation (EU) No 1095/2010 establishing a European Supervisory Authority (European Securities and Markets Authority), Regulation (EU) No 600/2014 on markets in financial instruments, Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, and Regulation (EU) 2015/847 on information accompanying transfers of funds(OJ L 334, 27.12.2019, p. 1–145).

⁽⁶²⁾ Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) 1094/2010, (EU) 1095/2010 - COM/2021/421 final.

ANNEX 14: Reporting on the Recovery and Resilience Facility

Not applicable