



Management Plan 2017

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



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INTRODUCTION

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

As part of the Commission's performance management framework, DG FISMA identified the political priorities (among those identified by President Juncker in 2014) to which it could contribute the most. These long-term priorities were set as "general objectives" in the multi-annual "Strategic Plan" 2016-2020, which is designed to orient the work of all DGs.¹

DG FISMA's general and specific objectives are the following:

General objective	Specific objective
1. A new boost for jobs, growth and investment	1.1: Companies raise more equity in public and private capital markets
	1.2 Debt funding for the corporate sector, in particular for SMEs, is more diversified
	1.3 Access to funding for SMEs is less fragmented
	1.4 Banks, insurance companies and pension funds have greater incentive to invest in and lend to the real economy in a sustainable way, including investing in long-term European projects
	1.5 Barriers to the free movement of capital are identified and eliminated
	1.6 An increased cross-border investment flow
2. A Deeper and Fairer Internal Market with a Strengthened Industrial Base	2.1 Banks and non-banks compete to provide cheap, safe and reliable payment systems and funding to consumers
	2.2 Strengthened legal and investor protection for intra-EU investors and a financial system that is less reliant on external credit ratings, with greater diversity in the credit rating industry
	2.3 Financial and non-financial reporting by companies, as well as audit, is of a high quality
	2.4 Consumers have access to safe and reliable insurance, pension and UCITS products.
	2.5 The financial regulatory framework is

¹ DG FISMA's Strategic Plan can be found at: http://ec.europa.eu/atwork/synthesis/amp/doc/fisma_sp_2016-2020_en.pdf.

	evaluated, appropriately implemented and enforced across the EU
	2.6 Financial institutions can absorb losses and liquidity shocks, financial market infrastructures are stable and function effectively, and structural and cyclical macro-prudential risks are proactively addressed
3. A Deeper and Fairer Economic and Monetary Union	3.1 The market exit of a non-major financial institution has a limited economic impact in the euro area
	3.2 Risk in the banking sector is reduced
	3.3 Appropriate country surveillance to ensure macro-financial stability
	3.4 Regulatory conditions are met for a sufficient supply of safe assets in the EU financial system that also allows for better private-sector risk sharing
	3.5 Closely and continuously monitor developments in the EU financial system, including financial stability

PART 1. MAIN OUTPUTS FOR THE YEAR

The financial crisis of 2007-2008 led to a massive overhaul of the EU financial services rules, resulting in the adoption of over 40 pieces of financial services legislation since 2009. Those reforms were aimed at restoring public trust in the financial sector; they have resulted in a more stable and resilient financial system across the European Union. The peak of that wave of measures has now passed.

Consequently, the focus of the work of DG FISMA has now shifted. In line with the political and economic challenges in Europe, a key priority for DG FISMA is to contribute to boosting investments, growth and jobs across the EU through the establishment of a Capital Markets Union by 2019.

Further improving the financial system remains important however. Work continues, for instance, on risk reduction and risk sharing in the banking sector, towards completing the Banking Union.

An important part of the work of the DG focuses on making sure that all those rules are still fit for purpose. This is done through individual reviews, but also through wider initiatives such as the "Call for Evidence". These reviews may lead to new legislative initiatives in the coming years.

A new boost for jobs, growth and investment

Over 2017, DG FISMA will contribute to this priority through the implementation of the **Capital Markets Union (CMU) Action Plan**², for which a mid-term review is planned in Q2 2017. This is a major new initiative in the 2017 Commission Work Programme. The CMU mid-term review will take stock of the implementation so far of all the CMU actions and identify priorities going forward. The CMU aims at facilitating access to finance, in particular for innovative companies, start-ups and SMEs, at enhancing the attractiveness of capital markets for retail and institutional investors and at facilitating cross-border investment. Implementation of the CMU Action Plan will continue throughout 2017 with a particular focus on the following policy areas:

(i) The DG will continue to engage with co-legislators to ensure swift adoption of the proposals on Securitisation and the revisions of the European Venture Capital (EuVECA) and European Social Entrepreneurship (EuSEF) regulations. These actions will diversify sources of funding and make it easier for businesses to raise the money they need, supporting growth and job creation in the EU.

(ii) The DG will also support the lead DGs (JUST and TAXUD) to engage with the co-legislators with a view to ensuring rapid progress on the adoption of the Common Consolidated Corporate Tax Base (CCCTB) proposal and the proposal on early restructuring and second chance.

(iii) Building on new rules adopted in April 2016 which reduced the calibrations for investments into qualifying infrastructure projects by insurance and reinsurance undertakings under Solvency II³, the DG will propose a similar approach for investments into infrastructure corporates. The adoption of this Delegated Act, which is a CMU action,

² COM(2015)468

³ Commission Delegated Regulation (EU) 2016/467

would remove a barrier hindering insurers from investing in infrastructure, thereby helping them to diversify and increase the yield of their investment portfolios.

(iv) The DG will continue working on the review of cross-border barriers to the funds distribution framework, following the public consultation that took place in 2016. Removing barriers to their cross border distribution is an important step in moving towards a pan-European investment market.

The CMU Mid-Term Review will also take stock of the implementation of the other CMU actions - including private placements, corporate bond markets, information systems for non-bank finance, crowd-funding, SME growth markets, venture capital, retail investment markets, capital market capacity building, taxation, sustainable finance, covered bonds and the capital market supervisory framework - and identify priorities going forward.

In 2017, the DG will conduct technical work on the Alternative Investment Fund Managers Directive (AIFMD). This will be the first major exercise on the functioning of the Directive since its inception in 2013. The technical work will address issues that have been observed in the context of the implementation of the Directive, as well as those raised in the 'call for evidence' and in the various CMU consultations. This work is likely to continue into 2018.

The DG aims for adoption in 2017 by the Commission of a Report on **national barriers to the free movement of capital**. The DG will continue consultations with Member States and interested stakeholders, with a view to monitoring progress made towards the elimination of those barriers to the free movement of capital identified thus far, and address additional barriers.

Furthermore, the DG will deliver a **report on the movement of capital and freedom of payments** within the Single Market, which will underpin the annual examination of the situation regarding such freedoms by the Economic and Financial Committee (EFC) as required by article 134 of the TFUE.

DG FISMA will also continue to explore ways to clarify and further strengthen **investor protection** within the single market and follow-up on existing infringement proceedings against Member States, requesting them to terminate their outstanding intra-EU bilateral investment treaties ("intra-EU BITs").

In 2017, the DG will focus increasingly on **international work in the area of capital markets**. The aftermath of the financial crisis brought about a major overhaul of the capital markets rule-book, with EMIR, MiFID II and the new rules on the prevention of market abuse emerging as prime examples. Other financial centres have also reacted to the crisis (e.g., Dodd-Frank in the US) reviewing their rules on share and derivative trading. Many have already introduced – or are expected to do so in the near future – so-called "trading mandates" which oblige financial operators to execute certain transactions on regulated venues only. With the aim of avoiding potential fragmentation of capital markets, DG FISMA will devote considerable resources to establishing "equivalence" between the different trading venues. This work, mandated by the MiFID II rulebook, will focus on both share and derivative trading and is essential to maintain global liquidity in these markets.

Finally, the DG will continue in 2017 its work in the context of the **'Vienna Initiative'**, which is a platform focusing on Central and Eastern Europe where international institutions, cross-border banks and home and host supervisors meet to discuss macro-financial stability issues. Special attention will be paid to fostering Capital Markets Union in the region by exploring ways to promote better access of firms to market finance, as a complement to bank credit.

A deeper and fairer internal market with a strengthened industrial base

The CMU Action Plan also aims to establish deeper and more integrated capital markets for the benefit of all 28 EU Member States. As part of the implementation of the CMU Action Plan and the CMU Mid-Term Review (mentioned in the 2017 Commission Work Programme), several policy actions will be taken forward in 2017, including:

(i) In early 2017 the DG will propose, for adoption by the Commission, an **Action Plan on retail financial services**. The key objective is to further open up the EU single market in financial services for consumers and businesses, including fin-techs. This initiative follows up on the outcome of the Green Paper consultation which closed in March 2016.

One of the follow-up initiatives to be presented is the review of the **Regulation on cross-border payments**, extending it to the non-Euro area in so far as non-Euro area Member States have not joined it. The equalisation of transaction fees between EU Member States and non-Member States would remove remaining differences in domestic and cross-border transaction costs.

Also in 2017, a Regulatory Technical Standard (RTS) on **strong customer authentication** and on requirements for a **common and secure communication channel** between payment service providers and users is expected to be adopted by the Commission.

(ii) The DG will work on a Report looking at removal of **barriers to post trade services** in the EU, seeking to improve legal certainty and the efficiency and effectiveness of post trade services. The DG will also work, together with DG JUST, to improve legal certainty in cases where the issuer of financial instruments and the investor are located in different Member States and/or are held by institutions in different Member States.

(iii) The DG will conduct technical work on certain elements of the Undertakings for Collective Investment in Transferable Securities (UCITS) directive. The technical work will focus on issues that have been identified in the CMU consultations and in the Call for Evidence. Special attention will be given to issues that caused problems in the implementation of the Directive. This work is likely to continue into 2018.

(iv) An initiative on **pan-European Personal Pensions** could be presented in 2017 to fill a gap in retirement provision and to promote investment.

The DG will also continue to engage with co-legislators during the negotiations on the **Country-By-Country Reporting** proposal. This proposal will contribute to maintaining public trust in tax systems and informing the public debate, as well as promoting the reduction of tax avoidance by companies.

Implementing, reviewing and enforcing legislation that is already in place will remain an important element of DG FISMA's workload in 2017.

The DG will continue to develop and prepare **delegated and implementing acts** for adoption by the Commission. Many of these acts will be based on regulatory or implementing technical standards prepared by the European Supervisory Authorities (ESAs). These acts represent important steps to ensure the implementation and effective application of EU law. During 2017, the adoption of standards under, e.g. the Central Securities Depositories Regulation (CSDR), Securities Financing Transactions Regulation (SFTR), Markets in Financial Instruments Directive and Regulation (MiFID/MiFIR), Market Abuse Regulation (MAR), Benchmarks Regulation, will be important to ensure the full application of the requirement set out in EU law. In addition, the adoption of revised

standards will be required in order to improve the efficiency, effectiveness as well as potentially to take into account market developments, for example, in relation to EMIR. Equivalence determinations will also be made where appropriate and necessary, in particular on own funds requirements for banks with respect to their exposures to central counterparties.

As a follow-up to the call for evidence, the DG intends to launch two **REFIT initiatives**: (i) an evaluation of the national discretions that Member States enjoy in the Audit Regulation and (ii) an evaluation of the prudential regime for investment firms. In addition, the DG will carry out an evaluation on the Motor Insurance Directive.

The DG is also committed to pushing forward the **review of the European System of Financial Supervision** (ESFS), which includes the three ESAs, to strengthen the effectiveness and the efficiency of supervisory oversight at micro-prudential levels.

Another important part of the DG's work will be to continue making sure that financial institutions can absorb losses and liquidity shocks that financial market infrastructures are stable and function effectively, and that structural and cyclical macro-prudential risks are proactively addressed.

In this respect, the DG will continue its close cooperation with EU bodies like the **European Central Bank, the Single Supervisory Mechanism, the Single Resolution Mechanism, the ESAs and, the European Systemic Risk Board** (ESRB). The DG will notably continue its active membership in the main ESRB bodies and expert groups, so as to contribute on important issues related to the analysis of risks and vulnerabilities threatening financial stability (shadow banking, interconnectedness, etc.).

Following a public consultation on the review of the **macro-prudential policy framework** in 2016⁴ and after providing an impact assessment reflecting the responses and the results of a public hearing, the DG will work on a legislative proposal.

In early 2017 the DG will propose for adoption by the Commission **amendments to the European Market Infrastructure Regulation** (EMIR). Evidence collected during the review completed in 2016 shows that there is a need to amend EMIR in some specific areas to eliminate disproportionate costs/burdens to some derivatives counterparties and to simplify the rules without putting at risk financial stability. This should improve the efficiency and effectiveness of the EMIR rules.

The DG is also committed to pushing forward the proposals made in November 2016 such as the package of banking reforms and the **proposal on the recovery and resolution of central counterparties** (CCPs) in negotiations with co-legislators. Those measures will not only further strengthen the resilience of the European banking system and markets confidence, but will also allow further progress in completing the Banking Union.

The DG is also following the international work on the recovery and resolution of insurance undertakings and the regulatory reforms that some jurisdictions have introduced at national level. In this respect, the European Insurance and Occupational Pensions Authority (EIOPA) has engaged in a thorough, comparative and wide-ranging review of national recovery and resolution practices and developments in this area and is set to present a report in the first half of 2017.

⁴ http://ec.europa.eu/finance/consultations/2016/macprudential-framework/index_en.htm

Finally, the DG will continue to monitor and take action where necessary to ensure the full application of EU financial services legislation in Member States.

A Deeper and Fairer Economic and Monetary Union

Following the June 2015 'Five President's Report' the Commission proposed a **European Deposit Insurance Scheme (EDIS)**. Its main aim is to increase resilience against future financial crises by making national schemes less vulnerable to large localised shocks. It also contributes to severing the link between banks and their home sovereign. In 2017, DG FISMA will actively contribute to the co-decision process with a view to bringing the file as close as possible to final adoption.

The **Deposit Guarantee Schemes Directive (DGSD)** allows the Commission to authorise a lower target level national DGS upon a Member State's request, if certain conditions are met. Such conditions afford the Commission a wide margin of discretion in authorising target-level reductions and any authorisation must be based on an objective methodology. DG FISMA, together with the Joint Research Centre, is developing proposals for such a methodology. In 2017, work will focus on discussing these proposals with Member States, enabling the Commission to take decisions on that matter so that the work will be finalised before the end of the year.

The banking package adopted in November 2016 consists of measures to reduce risks in the banking sector by complementing the European regulatory framework enshrined in the **Capital Requirements Regulation and Directive (CRR/CRD)**. Risk reduction is chiefly sought through the introduction of new regulatory instruments, such as a limit on leverage and a requirement on stable funding, and targeted revisions of existing instruments in order to improve the way they capture risk. A quantified minimum amount for the loss absorbency in resolution of global systemically important banks has been proposed. A second part of the adopted banking package concerns an amendment to the **Bank Recovery and Resolution Directive (BRRD)**, containing measures to ensure that financial institutions can better absorb losses and that bank resolution can be carried out properly. The proposal also aims to harmonize the insolvency ranking of bank creditors across the European Union, addressing the discrepancies that exist in the national insolvency laws between Member States. In 2017 DG FISMA will actively contribute to the co-decision process with a view to securing final adoption by co-legislators.

DG FISMA is also strongly involved in the effective day to day functioning of the Banking Union. The Commission is the ultimate responsible as regards decisions under Article 18 of the **Single Resolution Mechanism Regulation (SRMR)** (and of article 44 BRRD). DG FISMA therefore exercises the functions of resolution authority and in this respect has developed structures and procedures necessary to fulfil its role. In particular, it has created strong links with the Single Resolution Board (SRB) (including through its presence in the Executive and Plenary bodies), the Single Supervisory Mechanism (SSM) and other EU and non EU resolution authorities. DG FISMA also ensures that state aid decisions presented for College adoption are compatible with the EU resolution Framework (SRMR, BRRD and implementing legislation).

In order to ensure an adequate financing of Resolution in the Banking Union, Member States agreed that a **backstop facility** should be put in place before the end of the build-up period of the Single Resolution Fund (SRF). DG FISMA contributes to the work of the Council in this respect.

2017 will also require further efforts by DG FISMA to lay the foundations for further improvements of banking regulation, consistent with international standards, aimed at ensuring a level playing field. In the November 2015 Communication on Completing the Banking Union, the regulatory treatment of sovereign risk and the comparability of risk-

weighted assets was highlighted. DG FISMA will continue to contribute to the work of the Basel Committee, while analysing the impact of emerging international agreements on the European economy. Furthermore, DG FISMA will cooperate with the Basel Committee in its limited reviews of existing standards in the areas of leverage and stable funding. A second leg of the work on risk weighted comparability, announced by the Commission, consists of the completion of the single rule book in banking through the adoption of further regulatory technical standards and through fostering further harmonisation of the single rule book through close cooperation with the Single Supervisory Mechanism and the European Banking Authority.

Other work to be carried out in 2017

The DG's work described above will be accompanied by **active monitoring of Member States' implementation and application of the EU financial services legislation**, in accordance with the procedure established by article 258 (et al.) of the Treaty on the Functioning of the European Union. In 2017, this implementation control work will be particularly significant for DG FISMA, since much of the recently adopted legislation has come into force. FISMA will carefully and proactively check that the transposition is complete and accurate, and that the rules are properly applied and enforced.

The DG will continue to monitor developments in the countries which have introduced legislative measures intended to help borrowers of **foreign currency loans** which became more expensive following steep exchange rate fluctuations. The aim is to help distressed borrowers but also to make sure that Member States put forward suitable balanced measures that respect the legal framework of the single market.

DG FISMA is also deeply involved in assessing the opportunities and challenges arising out of increased digitalisation of financial services with the aim of enabling innovation while mitigating the risks it may present. The DG has set up a multi-disciplinary Task Force on 'Fintech' for that purpose. It also engages with the ESAs, as well as internationally for example at the Financial Stability Board (FSB), the G20 or the Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO). Further to stakeholder input and consultation, DG FISMA will prepare an Action Plan on technology enabled financial services and innovation that will identify measures the Commission could take or propose to support the EU digital financial market place.

In 2017, the DG will also continue to carry out multiple **studies**, among which eight are planned to be finalised during the year, including a study on a covered bonds frameworks as well as a study on private placements. The DG will continue to run the Financial Data Standardisation project, which aims to develop a common language on financial data. The project will address the administrative burden at source and prepare the ground for a 'once and for all' approach to financial sector's requirements to competent authorities and supervisors.

Moreover, the DG will continue to ensure the development of **evidence based policy** while providing micro-economic analytical support to the policy units and DG management. In collaboration with the ECB, the DG will prepare the annual **European Financial Stability and Integration review** (EFSIR) and organise the related conference.

With a view to contributing to financial stability, the DG will continue its **monitoring of financial markets, institutions and policies at country level** in the context of the EU surveillance framework and in cooperation with other DGs. Advice is formulated via Country-Specific Recommendations in the European Semester process or through a Memorandum of Understanding with an individual Member State, within the external

assistance framework policy. Implementation is carefully checked on a regular basis, as part of an ongoing monitoring of developments in financial markets and institutions. In the framework of the European Semester, financial developments and policies in the Member States which received Country-Specific Recommendations in the financial sector or which are under Enhanced Monitoring in the Macroeconomic Imbalances Procedure are followed with the appropriate focus, in line with the respective procedures.

In 2017, the DG will finalise an **assessment of its country monitoring** in the financial sector, which occurs in the context of the European Semester or the external assistance programmes. The objective is to draw lessons from best practices and improve country surveillance in order to preserve financial stability through timely action. The assessment will broaden its focus and will include a macro-prudential policy perspective.

The DG will also continue to contribute to the **treasury management of Commission funds** by DG ECFIN and the preparation of the regular **Commission Economic Forecasts** and other work on macroeconomic issues (i.e. related to EMU).

On the international front, DG FISMA will continue work in 2017 with jurisdictions outside the EU to implement **third country aspects of financial regulation**. It will also continue work with international partners in international standard setting fora and regulatory dialogues with significant financial jurisdictions. 2016 led to the enhancement of the regulatory dialogue with the US and it will be important to keep up the momentum under the incoming US administration. DG FISMA will make a proposal for a Council Decision which would allow the EU to sign a **bilateral agreement with the US on reinsurance collateral, group supervision and exchange of confidential information**. DG FISMA will also continue to participate as required in international trade negotiations throughout 2017.

DG FISMA, in its function as resolution authority, together with the SRB, will continue working with non-BU jurisdictions to ensure the effectiveness of resolution decisions related to institutions with presence in multiple jurisdictions. In the context of the **Trilateral Resolution Exercise** between the Banking Union, the UK and the US, DG FISMA will contribute to the different areas (such as funding, communication, positioning of loss absorption capacity, etc.) identified by the three parties as being critical for the smooth operation of a resolution of an institution present in all three jurisdictions.

DG FISMA will also continue to **monitor and assess European and international financial markets** for the whole Commission. These assessments will be made available to the relevant colleagues across the entire Commission. Furthermore, it will provide an ongoing assessment of the European financial system and subsectors, including its structure, performance, efficiency and stability.

Finally, in 2017 DG FISMA will aim to have a number of **reports** adopted by the Commission, including a report on the transitional measures for the acquisition of agricultural land set out in the 2011 Treaty on the accession of Croatia to the EU, a report based on Art 1(9) Markets in Financial Instruments Regulation (MiFIR) on central banks, a report on the short selling regulation, a report on the Review of the Single Supervisory Mechanism, a report on the application of the SEPA regulation etc.

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

Relevant general objective(s): 1 A New Boost for Jobs, Growth and Investment			
Specific objective: 1.1 Companies raise more equity in public and private capital markets			
Main outputs in 2017:			
All new initiatives and REFIT initiatives from the Commission Work Programme			
Output	Lead Service	Indicator	Target
CWP 2017			
Capital Markets Union Mid-Term Review 2017/FISMA/005 The CMU is a key priority of this Commission. A CMU Action Plan was adopted in September 2015. It stipulates that <i>"in addition to annual reports, the Commission will prepare a comprehensive stock-take in 2017 as a basis for deciding on any additional measures that may be required."</i>	FISMA.DDG.C.1	Adoption by the Commission	Q2 2017
CWP 2015			
Prospectus regulation 2015/FISMA/043 The regulation should reduce the cost of prospectuses considerably, in particular for frequent issuers and SMEs not listed on regulated markets. Together with a greater level of harmonisation of rules, this should give companies incentive to raise more money publicly.	FISMA.DDG.C.3	Final (formal) adoption by co-legislators (a political agreement between co-legislators was reached in Q4 2016)	Q1 2017
Other important outputs			
Output	Lead Service	Indicator	Target

Other important outputs			
Output	Lead Service	Indicator	Target
<p>Revised calibrations for securitisation investments by insurance and reinsurance undertakings under Solvency II</p> <p>2016/FISMA/017</p> <p>European insurers are large institutional and long-term investors that manage around EUR 10 trillion in assets. The adaptation of the Solvency II Delegated Act to cater for tailored calibrations within the standard formula for this new asset class – STS securitisation – will follow EP and Council political agreement on the proposed Regulation on STS securitisation, and will facilitate investment by insurers in these products, thereby helping them to diversify and increasing the yield of their investment portfolios, in particular in a low interest rate environment. The development of a simple, transparent and standardised securitisation market is a building block of the Capital Markets Union and contributes to sustainable growth and job creation.</p>	FISMA.DDG.D.4	Adoption by the Commission	Q3 2017

Specific objective: 1.4 Banks, insurance companies and pension funds have greater incentive to invest in and lend to the real economy in a sustainable way, including investing in long-term European projects

Main outputs in 2017:

All new initiatives and REFIT initiatives from the Commission Work Programme

Output	Lead Service	Indicator	Target
CWP 2017			
<p>Revised calibrations for investments in infrastructure corporates by insurance and reinsurance undertakings under Solvency II</p> <p>2016/FISMA/051</p> <p>European insurers manage around EUR 10 trillion in assets of which only about 0.25% is currently</p>	FISMA.DDG.D.4	Adoption by the Commission	Q1 2017

<p>invested in infrastructure. The insurance industry has indicated that this level of investment can potentially be significantly through appropriate regulatory treatment.</p> <p>The investment and growth objective of the CMU Action Plan will be supported through additional investments by insurers in infrastructure assets. In September 2015, the Commission adopted amendments to the Solvency II Delegated Act to cover the adapted treatment of qualifying infrastructure projects. The Commission has received further technical advice from EIOPA on infrastructure corporates and is working on a targeted impact assessment.</p>			
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Specific objective: 1.5 Barriers to the free movement of capital are identified and eliminated			
Main outputs in 2017:			
Other important outputs			
Output	Lead Service	Indicator	Target
<p>Report on barriers to free movement of capital and Capital Markets Union</p> <p>2016/FISMA/001</p> <p>The Report, which is part of the implementation of the CMU Action Plan, will describe the most relevant barriers to the free movement of capital and include a roadmap with commitments undertaken by the Member States to remove or alleviate them. It might also propose ways to pursue the work on barriers.</p>	FISMA.DDG.B.1	Adoption by the Commission	Q1 2017
<p>Possible legislative or non-legislative initiative on cross-border barriers to the funds distribution framework following review</p> <p>2016/FISMA/082</p> <p>The assessment and the elimination of barriers to the cross-border distribution of investment funds is one element in achieving greater integration of European</p>	FISMA.DDG.C.4	Decide on follow-up Adoption by the Commission	Q1 2017 Q4 2017/Q1 2018

<p>investment fund markets, complementing other CMU actions (like the wider EU retail investment products assessment planned for 2018).</p> <p>In consequence, it is important to assess more deeply if the national implementations of the fund Directives have led to unjustified national burdens which create obstacles for the cross-border marketing of funds.</p> <p>The issues it wishes to address are those raised by respondents to the CMU green paper and the Call for Evidence.</p>			
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Specific objective: 1.6 An increased cross-border investment flow			
Main outputs in 2017:			
All new initiatives and REFIT initiatives from the Commission Work Programme			
Output	Lead Service	Indicator	Target
CWP 2016			
<p>Revision of European Venture Capital (EuVECA) and European Social Entrepreneurship (EuSEF) Fund regulations</p> <p>2015/FISMA/153</p> <p>Changes to these Regulations will increase cross-border investment in these funds and enhance financing possibilities for these normally small entities.</p>	FISMA.DDG.C.4	Finalise the trilogues	Q4 2017

Relevant general objective(s): 2. A Deeper and Fairer Internal Market with a Strengthened Industrial Base			
Specific objective: 2.1 Banks and non-banks compete to provide cheap, safe and reliable payment systems and funding to consumers			
Main outputs in 2017:			
All new initiatives and REFIT initiatives from the Commission Work Programme			
Output	Lead Service	Indicator	Target
CWP 2017			
<p>Review Regulation (EC) N°924/2009 on cross-border payments in order to extend its scope to all non-Euro currencies in EU</p> <p>2017/FISMA/003</p> <p>The Green Paper on Retail Financial</p>	FISMA.DDG.D.3	Adoption by the Commission	Q4 2017

Services pointed at excessive fees paid by citizens from MS that do not apply this Regulation when making cross-border transfers. The equalisation of transaction fees would remove differences in domestic and cross-border transaction costs. This review is a Commission Work Programme 2017 REFIT item.			
Other important outputs			
Output	Lead Service	Indicator	Target
<p>RTS on strong customer authentication and on requirements for a common and secure communication channel between payment service providers and users</p> <p>PLAN/2016/222</p> <p>These Regulatory technical standards shall specify the requirements of the strong customer authentication procedure for ensuring the security of payments, any exemptions to the strong authentication procedure; requirements for the protection of the confidentiality and the integrity of the payment service users' personalised security credentials and common and secure requirements for communication between payment service providers and payment service users.</p>	FISMA.DDG.D3	Adoption by the Commission	Q3 2017
<p>Possible initiatives on Fintech</p> <p>PLAN/2017/635</p> <p>Possible initiatives on technology enabled financial services and innovation that the Commission could take or propose to support the EU digital financial market place.</p>	FISMA.DDG.B	Adoption by the Commission	Q4 2017

Specific objective: 2.2 Strengthened legal and investor protection for intra-EU investors and a financial system that is less reliant on external credit ratings, with greater diversity in the credit rating industry

Main outputs in 2017:

Other important outputs

Output	Lead Service	Indicator	Target
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<p>Communication on Post-Trade PLAN/2016/379</p> <p>The CMU Action Plan provided for a broader review by the Commission on the progress in removing barriers to cross-border clearing and settlement, following the implementation of recent legislation and market infrastructure developments.</p> <p>The Commission communication will build on the data and analysis gathered by the European Post-Trading Group Forum. The latter is a Commission expert group launched in 2016 with the objective to prepare a report on the developments in post-trading for early 2017.</p>	FISMA.DDG.C2	Adoption by the Commission	Q4 2017
<p>Regulation specifying conflict of laws rules for third party effects of transactions in securities and claims (joint initiative with DG JUST) PLAN/2016/227</p> <p>The CMU Action Plan envisages this action.</p> <p>To facilitate cross-border investing, there is a need to improve legal certainty of securities transactions in cases when the issuer and the investor are located in different Member States and/or securities are held by institutions in different Member States. It also calls for a strengthening of legal certainty around cross-border assignments of claims, in particular when claims are used as collateral or as underlying assets in securitisations.</p>	FISMA.DDG.C2	Adoption by the Commission	Q4 2017

Specific objective: 2.3 Financial and non-financial reporting by companies, as well as audit, is of a high quality

Main outputs in 2017:

All new initiatives and REFIT initiatives from the Commission Work Programme

Output	Lead Service	Indicator	Target
CWP 2017			
Evaluation of the national	FISMA.DDG.B.4	Adoption by the Commission	Q4 2017

<p>discretions in the audit package</p> <p>2017/FISMA/010</p> <p>As a follow-up to the call for evidence it is appropriate to initiate a process of evaluation of the national discretions that member states enjoy in the Audit Regulation.</p>			
<p>CWP 2016</p>			
<p>Corporate Tax Transparency</p> <p>2015/FISMA+/107</p> <p>This initiative contributes to the achievement of Specific Objective 2.3 by enhancing transparency on taxes paid by companies on a country-by-country basis. More intense scrutiny by investors and the public at large would contribute to informing the public, thereby contributing to maintain public trust in the tax systems and to informed public debates, as well as promote the reduction of tax avoidance by companies.</p>	<p>FISMA.DDG.B.3</p>	<p>Start trilogues</p>	<p>Q2 2017</p>
<p>Important items from work programmes/financing decisions/operational programmes</p>			
<p>Output</p>	<p>Lead Service</p>	<p>Indicator</p>	<p>Target</p>
<p>Prolongation of the Union programme to support specific activities carried out by the European Financial Reporting Advisory Group (EFRAG) for the period 2017-2020</p> <p>2015/FISMA/105</p> <p>Amending regulation to the Financing Regulation (EU) No 258/2014 establishing a Union Programme to support specific activities in the field of financial reporting and auditing for the period of 2014-2020. EFRAG plays a key role in providing input to the development of the IFRS by the IASB and provides the European Commission with endorsement advice on new or amended financial reporting standards.</p>	<p>FISMA.DDG.B.3</p>	<p>Final adoption by co-legislators</p>	<p>Q1 2017</p>
<p>Other important outputs</p>			
<p>Non-binding guidelines on methodology for reporting non-financial information by certain undertakings and groups</p>	<p>FISMA.DDG.B.3</p>	<p>Adoption by the Commission</p>	<p>Q2 2017</p>

<p>2015/FISMA/230</p> <p>The non-binding guidelines on non-financial information will facilitate the disclosure of relevant and useful environmental and social information by EU companies concerned, and in particular by smaller and less experienced companies. Thus, this will facilitate the practical application of the Directive on disclosure of non-financial information as of financial year 2017.</p>			
<p>Report on the monitoring of the EU market for statutory audits of PIEs pursuant to Article 27 of the 2014 Audit Regulation</p> <p>PLAN/2016/498</p> <p>The 2014 audit regulation requires that the Commission issue a periodic report on risks arising from deficiencies in audits and measures to mitigate such risks, market concentration levels and the performance of audit committees. The first Commission report will establish a benchmark to assess the evolution of the market in PIE audits and identify the key developments that will require particular monitoring.</p>	FISMA.B.4	Adoption by the Commission	Q2 2017

Specific objective: 2.4 Consumers have access to safe and reliable insurance, pension and UCITS products.

Main outputs in 2017:

All new initiatives and REFIT initiatives from the Commission Work Programme

Output	Lead Service	Indicator	Target
CWP 2017			
<p>Action Plan on Retail Financial Services</p> <p>2016/FISMA/013</p> <p>The main objective of the "Action Plan for building a deeper single market for retail financial services" is to further open up the EU single market in financial services and to prepare for its future digitalisation. This initiative follows up on the outcome of the Green Paper consultation which ended in March</p>	FISMA.DDG.D.3	Adoption by the Commission	Q1 2017

<p>2016. Through the Action Plan on retail financial services, the Commission will propose a number of measures tackling the obstacles for consumers to access and for firms (incumbents and fin-techs) to supply financial services across the EU, including through digital channels.</p>			
<p>Initiative on an EU personal pension framework</p> <p>2017/FISMA/001</p> <p>The September 2016 Communication on the "CMU - Accelerating Reform" refers to a "possible legislative proposal on personal pensions, which will be presented in 2017".</p> <p>The Commission is currently analysing the results of a public consultation which closed on 31 October 2016. At the end of Q1 2017 it will receive the result of a study to map the tax, legal and social requirements for personal pensions across the EU, assess the market potential and the feasibility of a potential EU initiative.</p>	FISMA.DDG.D.4	Adoption by the Commission	Q2 2017
Important items from work programmes/financing decisions/operational programmes			
Output	Lead Service	Indicator	Target
<p>Proposal for a regulation establishing a Union programme to support specific activities enhancing the involvement of consumers and other financial services end-users in Union policy making in the field of financial services</p> <p>2016/FISMA/005</p> <p>The Union programme will contribute to ensure that the interests of consumers, retail investors and other end-users in financial services are adequately represented in Union policy making in the financial sector for the period 2017-2020 through the funding awarded to two non-profit organisations whose activities have already been co-funded by the EU in the context of a previous pilot project and preparatory action</p>	FISMA.DDG.D.3	Adoption by co-legislators	Q2 2017

Other important outputs			
Output	Lead Service	Indicator	Target
<p>PRIIPS – RTS on layout and methodology for the Key Information Document</p> <p>2015/FISMA/051</p> <p>The RTS will provide more detailed rules relating to the structure and contents of the PRIIPs Key Information Document. Currently the PRIIPs Regulation only contains main headings. This new version of the RTS has been prepared by the ESAs following a rejection by the Commission on 8 November 2016 of the earlier version. On the latter date, the Commission proposed to delay the application of the PRIIPs Regulation to 1 January 2018.</p>	FISMA.DDG.C4	Adoption by the Commission	Q1 2017

Specific objective: 2.5 The financial regulatory framework is evaluated, appropriately implemented and enforced across the EU			
Main outputs in 2017:			
All new initiatives and REFIT initiatives from the Commission Work Programme			
Output	Lead Service	Indicator	Target
CWP 2017			
<p>Follow-up to the Call for evidence Communication</p> <p>PLAN/2017/704</p> <p>The Commission will monitor progress in the implementation of the follow-up actions listed in Call for Evidence Communication (COM(2016)855/3) and will publish its findings and possible next steps before the end of 2017.</p>	FISMA.DDG.B.2	Publication by the Commission	Q4 2017
<p>Evaluation of the appropriate prudential treatment for investment firms</p> <p>2017/FISMA/002</p> <p>The Commission is mandated to review the CRR in order to determine a more appropriate and proportionate prudential treatment for Investment firms that are not systemic and propose legislative changes as required.</p>	FISMA.DDG.D.2	Adoption by the Commission	Q4 2017

CWP 2016			
<p>Evaluation of the Directive 2002/87/EC on the supplementary supervision of financial entities in financial conglomerates</p> <p>2016/FISMA/073</p> <p>The purpose of this REFIT evaluation is to assess the performance of the financial conglomerates directive ("FICOD") in terms of effectiveness, efficiency, coherence, relevance and EU added value compared to its stated objectives. IT will help inform improvements and next steps in relation to FICOD 1. It may also form the basis of a future impact assessment should it be determined that FICOD should be reviewed. The output of this evaluation will be a Commission staff working document outlining the results of the evaluation in terms of the relevance, effectiveness, efficiency, coherence and EU added value of FICOD 1.</p>	FISMA.DDG.D.2	Publication of a Staff Working Document	Q1 2017
<p>Motor Insurance Directive</p> <p>Evaluation of the functioning of Directive 2009/103/EC on Motor Insurance</p> <p>2016/FISMA/113</p> <p>EU motor insurance legislation has been evolving since 1972 by continually strengthening the protection of injured parties in motor vehicle accidents with a cross-border element. Anecdotal evidence, mainly coming from complaints, enquiries and parliamentary enquiries suggests that there might be disparities in terms of its implementation at Member States level. It is therefore necessary to carry out an evaluation on the status of the Directive's application and implementation and propose necessary measures.</p>	FISMA.DDG.D.4	Adoption of an evaluation report by the Commission	Q4 2017
<p>Revision of material and geographic scope of the Motor Insurance Directive with the aim to focus only on traffic related</p>		Adoption by the Commission	Q2 2017

accidents			
2016/FISMA/030			
Following the 'Vnuk' ruling (C-162/13) that extended the scope of the Motor Insurance Directive (MID) to cover any motor vehicle under almost any circumstances, this planned revision aims at protecting consumers (policyholders) of MTPL insurances across the EU from the exposure to possibly having to contribute to compensations of accidents that are not traffic related.			
Important items from work programmes/financing decisions/operational programmes			
Output	Lead Service	Indicator	Target
Other important outputs			
Output	Lead Service	Indicator	Target
Review of the European Supervisory Authorities 2016/FISMA/009 The Commission plans to carry out a review of the ESAs, as communicated in the Commission's Work Program for 2017 and as set out in the CMU Action Plan. Timing and content to be decided (also part of the broader White Paper on the Future of Europe).	FISMA.DDG.01	Adoption by the Commission	2017
Report on the application of Regulation EU n°260/2012 PLAN/2017/629 The Commission plans to issue a report on the application by Member States of Regulation EU n°260/2012, also known as the SEPA Regulation, which entered into force on 1 August 2014 for Member States of the Eurozone and 1 November 2016 for Member States outside the Eurozone.	FISMA.DDG.D.3	Adoption by the Commission	Q2 2017

Specific objective: 2.6 Financial institutions can absorb losses and liquidity shocks, financial market infrastructures are stable and function effectively, and structural and cyclical macro-prudential risks are proactively addressed

Main outputs in 2017:

All new initiatives and REFIT initiatives from the Commission Work Programme

Output	Lead Service	Indicator	Target
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CWP 2017			
<p>Legislative proposal amending EMIR</p> <p>2016/FISMA/004</p> <p>The Commission is mandated to review regulation 648/2012, to produce appropriate legislative proposals. EMIR aims to improve the stability, transparency and efficiency of derivatives markets. The EMIR review assessed what measures are needed to contribute to achieve those goals.</p>	FISMA.DDG.C.2	Adoption by the Commission	Q1 2017
<p>Legislative proposal amending CRR to incorporate modifications to the BASEL framework</p> <p>2016/FISMA/014</p> <p>The Basel Committee has adopted certain changes to the Basel framework in the areas of liquidity (net stable funding ratio), leverage (leverage ratio), capital requirements for market risk (fundamental review of the trading book), counterparty credit risk (new standardised approach), large exposures,) capital requirements for equity investments in funds, and disclosure. In addition, the Financial Stability Board has published standards on total loss-absorbing capacity (TLAC) for global systemically important banks. In its Communication "Towards the completion of the Banking Union" the Commission has committed to implement these international standards.</p> <p>Furthermore, the Commission's Call for Evidence has highlighted the need to increase the existing proportionality of the prudential requirements for smaller institutions and the need to further clarify certain aspects of the rules (e.g. on the interaction between the various capital requirements).</p> <p>Lastly, the CRR mandates various reviews which may lead to targeted changes to the CRR.</p>	FISMA.DDG.D.1	Start of trilogues	Q4 2017

CWP 2015			
<p>Legislation on the recovery and resolution of central counterparties</p> <p>2015/FISMA/029</p> <p>This follows the adoption of a comprehensive EU recovery and resolution framework for banks and investment firms. It sets out provisions comparable to those in the framework applicable to banks and investment firms to facilitate orderly recovery and resolution, adapting them to the specific features of CCPs' business models and the risks they incur, including by determining how losses would be shared in scenarios where CCPs' existing pre-funded resources required under EMIR are exhausted, in line with international standards.</p>	FISMA.DDG.E.4	Start of trilogues	Q3 2017
<p>Review of the Single Supervisory Mechanism</p> <p>2015/FISMA/079</p> <p>The SSM regulation lists a number of issues to assess the effectiveness of the SSM supervision and its implications for the smooth function of the single market. An effective and common supervisory function will contribute to a financial system that is safe and resilient and where financial institutions can absorb losses and liquidity risks.</p>	FISMA.DDG.D.1	Adoption by the Commission	Q2 2017
Important items from work programmes/financing decisions/operational programmes			
Output	Lead Service	Indicator	Target
Other important outputs			
Output	Lead Service	Indicator	Target
<p>Money Market Funds</p> <p>2013/MARKT/045</p> <p>The proposed regulation introduces rules that will make the MMFs more resilient to future financial crisis and at the same time secure their financing role for the economy. The absence of EU rules relating to Money Market Funds is a critical gap that could negatively affect financial stability.</p>	FISMA.DDG.C.4	<p>Final (formal) adoption by co-legislators</p> <p>(a political agreement between co-legislators was reached in Q4 2016)</p>	Q1 2017

<p>Binding Technical Standards and reports</p> <p>In order to complete the single rule book in banking, to promote risk-weighted assets comparability as announced in the November 2015 "Completing the Banking Union" Communication and to fulfil mandates in CRR/CRD, DG FISMA will have to prepare adoption for 25 Binding Technical Standards and 2 reports.</p>	FISMA.DDG.D.1	Adoption by the Commission	Q4 2017
<p>Corrected Delegated Regulation on Liquidity Coverage Ratio</p> <p>2015/FISMA/037</p> <p>The existing Commission Delegated Regulation (EU) No 2015/61 on the Liquidity Coverage Ratio, adopted in accordance with Article 460(2) CRR on 10 October 2014 and into force since 1 October 2015, needs to be updated.</p>	FISMA.DDG.D.1	Adoption by the Commission	Q1/2 2017
<p>Banking Structural Reform</p> <p>MARKT/2014/80002</p> <p>Banks, insurance companies and pension funds have greater incentive to invest in and lend to the real economy in a sustainable way, including investing in long-term European projects.</p>	FISMA.DDG.D2	Start of trilogues	Q2 2017
<p>Review of the EU macro-prudential framework – legislative proposal</p> <p>2016/FISMA/072</p> <p>The objective is to review the macro-prudential legislative framework in a way allowing authorities in charge to better address systemic risk to financial stability.</p>	FISMA.DDG.E.3	Adoption by the Commission	Q4 2017
<p>Delegated Act pursuant to Article 65(5) of Regulation (EU) No 806/2014 of SRMR</p> <p>2015/FISMA/157</p> <p>The Single Resolution Mechanism gives to the Single Resolution Board planning and crisis management powers and a Single Resolution</p>	FISMA.DDG.E.RTF	Adoption by the Commission	Q1 2017

<p>Fund in order to ensure the continuity of critical functions in the banking sector, preserve financial stability and protect public funds. This delegated act will ensure that the Single Resolution Board has the budgetary independence to operate its functions without relying on public resources.</p>			
<p>Commission Proposal for a Council Decision for the signature of the EU-US Agreement on (re)insurance PLAN/2016/421</p> <p>This Proposal for a Council Decision would allow the EU to sign a bilateral agreement with the US on reinsurance collateral, group supervision and exchange of confidential information, in accordance with the mandate the Commission received from the Council in 2015 on the subject matter.</p>	FISMA.DDG.D.4.	Adoption by the Commission	Q1 2017

Relevant general objective(s): 3: A Deeper and Fairer Economic and Monetary Union

Specific objective: 3.1 The market exit of a non-major financial institution has a limited economic impact in the euro area

Main outputs in 2017:

All new initiatives and REFIT initiatives from the Commission Work Programme

Output	Lead Service	Indicator	Target
CWP 2016			
<p>European Deposit Insurance Scheme 2016/FISMA/007</p> <p>Follow-up of the Banking Union aspects of the Five Presidents' Report and the President's 2016 State of the Union speech - Legislative proposal regarding the introduction of a European Deposit Insurance Scheme. This is a CWP 2016 key initiative.</p> <p>The proposal would increase resilience against future financial crises by making national schemes less vulnerable to large localised shocks, it would also contribute to severing the link between banks and</p>	FISMA.DDG.E.4	Start of trilogues	Q4 2017

their home sovereign.			
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Specific objective 3.2: Risk in the banking sector is reduced.			
Main outputs in 2017:			
All new initiatives and REFIT initiatives from the Commission Work Programme			
Output	Lead Service	Indicator	Target
CWP 2017			
<p>Proposal for a Directive amending the Bank Recovery and Resolution Directive (BRRD) and the SRM Regulation as regards the loss absorbency and recapitalisation capacity of banks</p> <p>2016/FISMA/006</p> <p>In view of the fact that both MREL and TLAC aim at achieving the same policy objective which is to ensure that banks hold a sufficient amount of bail-in-able liabilities that would allow for smooth and quick absorption of losses and bank recapitalisation, this initiative aims at combining the review of MREL (in accordance with the mandate given to the Commission under Article 45(18) of the BRRD) with the implementation of the international TLAC standard.</p>	FISMA.DDG.E.4	Council General Approach	Q4 2017
<p>Proposal for a Directive amending the Bank Recovery and Resolution Directive (BRRD) as regards the ranking of unsecured debt instruments in insolvency hierarchy</p> <p>2016/FISMA/006</p> <p>The proposal to harmonize bank creditors' insolvency ranking was published as part of the Banking package which also included the review of TLAC/MREL as well as the CRD/CRR revision.</p>	FISMA.DDG.E.4	Adoption by co-legislators	Q4 2017
Other important outputs			
Output	Lead Service	Indicator	Target
<p>Review of the application of Articles 13, 18 and 45 of BRRD as regards EBA's powers to conduct binding mediation to take account of future developments in financial</p>	FISMA.DDG.E.4	Adoption by the Commission of the report	July 2017

<p>services law. The BRRD requires the Commission to review and assess the implementation of these specific provisions in the BRRD.</p>			
<p>Non-performing loans in the banking sector Non-performing loans (NPLs) in Europe's banks weigh increasingly heavily on financial stability and economic growth particularly in some Member States. While most of the measures available to redress this situation are within the competence of Member States, the issue has a strong European component, as the problems in some Member States are propagated abroad.</p>	FISMA.DDG.E.1	Adoption by the Commission of the report	Q3 2017

Specific objective 3.3: Appropriate country surveillance to ensure macro-financial stability			
Main outputs in 2017:			
Output	Lead Service	Indicator	Target
CWP 2017			
<p>Programme Implementation for Greece Contribution about financial sector to Memorandum of Understanding and to Review Report.</p>	FISMA.DDG.E.2	Adoption by the Commission of the MOU and Review Report	Quarterly
<p>Post-Programme Surveillance for Romania, Portugal, Ireland, Spain, Cyprus Contribution about financial sector to Review Report.</p>	FISMA.DDG.E.2	Adoption by the Commission of the Review Report	Twice per year
<p>EU Semester (including Macroeconomic Imbalances Procedure) Formulation of policy guidelines. Contribution about financial sector to Country Report.</p>	FISMA.DDG.E.2	Adoption by Commission and Council of Country-Specific Recommendations Adoption by the Commission of country reports	Q2 2017 Q1 2017
<p>Assessment of country surveillance in the financial sector in the context of the external assistance programmes and EU Semester</p>	FISMA.DDG.E.2	Publication of report	Q2 2017

PLAN/2017/630			
The objective is to document the actions taken and draw lessons from best practices and improve country surveillance in order to preserve financial stability.			
Other important outputs			
Output	Lead Service	Indicator	Target
Vienna Initiative Leading a workgroup on the relevance of CMU for some Central and East European countries.	FISMA.DDG.E.2	Adoption of the Report by the Vienna initiative	Q3 2017

Specific objective: 3.4 Regulatory conditions are met for a sufficient supply of safe assets in the EU financial system that also allows for better private-sector risk sharing

Main outputs in 2017:

European Safe assets Increasing demand and falling supply of safe assets in the Euro area financial system hinders, over the medium term, the smooth functioning of the financial system as well as further financial integration and private-sector risk sharing across Member States. Work on the feasibility of developing and introducing such European Safe assets (bonds), which do not amount to any mutualisation between Member States, are ongoing, in particular under the auspices of the ESRB, which is working towards a report to be published early next year.	FISMA.DDG.E.1	ESRB report	Q1 2017
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Specific objective: 3.5 Closely and continuously monitor developments in the EU financial system, including financial stability

Main outputs in 2017:

All new initiatives and REFIT initiatives from the Commission Work Programme

Output	Lead Service	Indicator	Target
Regular monitoring of financial markets Developments in financial markets are a key and leading indicator of possible risks to financial stability and to the broader economic activity. Compilation of in-house	FISMA.DDG.E.1	Drafting and dissemination of - daily Financial Market Monitor, - weekly Financial Market Pulse - Bond Market	All year

<p>information and analysis is required for the Commission to embark on policy initiatives to address newly emerging risks to financial stability in a timely manner.</p>		<p>Monthly - Semi-annual overview of main macrofinancial risks to the EU</p>	
<p>EFSIR and joint EC-ECB conference on European Financial Integration</p> <p>The next edition of the annual European Financial Stability and Integration Review will be launched at the joint conference on European Financial Integration with the ECB. Planned date is 19 May 2017.</p>	<p>FISMA.DDG.B.2 FISMA.DDG.E.1</p>	<p>Publication of EFSIR</p>	<p>May 2017</p>

PART 2. MAIN ORGANISATIONAL MANAGEMENT OUTPUTS FOR THE YEAR

A. Human resource management

The HR Modernisation project implemented according to the Communication on Synergies and Efficiencies of April 2016 makes changes to the way that HR services are delivered. HR services will be delivered by an Account Management Centre (AMC) inside DG HR. Each DG will have an HR Business Correspondent, responsible for defining HR strategy and taking HR decisions, in consultation with the management of the DG, as well as ensuring that the DG gets the HR service it needs, in cooperation with the AMC.

DG FISMA will move to the new way of working in 2017. It will be supported by AMC 1 which will serve the following group of DGs: COMP, ECFIN, EMPL, FISMA, GROW, TAXUD and TRADE.

To define the HR strategy and priority actions for making progress towards the Strategic Plan targets is the responsibility of the HR Business Correspondent and will continue to be addressed in the DG Management Plan and Annual Activity Report.

In 2017, DG FISMA will continue focusing its efforts on working towards its target of 35% of women in middle management by the end of 2019, looking to the well-being of staff and keeping staff engagement to its current high level.

DG FISMA will seek to broaden the pool of potential applicants for middle management positions, by organising at least one group coaching programme for female AD potentially interested in taking up managerial functions.

Building on the results of the 2016 staff survey and the DG's well-being survey, and with a view to supporting staff engagement, DG FISMA will continue to organise knowledge hours where staff present the subjects they work on to other colleagues and mini coaching sessions where Directors offer career coaching to interested staff members.

In light of the key impact of middle managers on staff's well-being, the HR Business Correspondent will organise a sessions with middle managers on feedback and dealing with underperformance. Middle managers will be reminded of the need to discuss learning needs with staff as part of the yearly appraisal dialogue.

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

Main outputs in 2017:

Output	Indicator	Target
Coaching for AD women on management	Participation in the course	10 women
Regular activities supporting AST professionalization.	Participation rate	50% of available places
Knowledge hours during which units and	Number of sessions	10 per year

staff members will present their field of activities to all staff.		
Mini coaching sessions offered by Directors to interested staff.	Number of participants	15 participants
Session with middle managers and DHoU on giving feedback	Number of participants	At least 10 participants
Session with middle managers and DHoU on dealing with underperformance	Number of participants	At least 10 participants

B. Financial Management: Internal control and Risk management

Similarly to 2016, DG FISMA 2017 expenditure is geared towards providing support to policies, by procuring data sources and studies and co-funding three financial supervisory agencies (EBA, ESMA and EIOPA). Data sources and studies are necessary to provide information on current financial market conditions in various sectors across the EU and feed into reports, impact assessments and evaluations, or else give the DG information on the state of transposition or implementation of European law.

Grant funding is made available to the International Financial Reporting Standards Foundation (IFRS) and the Public Interest Oversight Board (PIOB). The prolongation of the funding to the European Financial Reporting Advisory Group (EFRAG) is currently being negotiated with the Council and the European Parliament. In addition, DG FISMA is finalising negotiations with the Council and the European Parliament on the legal basis of the new grant programme "Enhancing the involvement of consumers and other financial services end-users in Union policy making in the field of financial services" that follows the preparatory action called 'Capacity building of end-users and other non-industry stakeholders in Union policymaking in the area of financial services' that was implemented in 2016 for the last year.⁵

In 2017 DG FISMA will ensure that:

- Its level of budget implementation remains high and that contractual deadlines for payments are respected;
- The awarding of contracts is made in respect of public procurement principles and rules, with no complaints and legal proceedings started from unsuccessful tenderers/candidates;
- The new anti-fraud strategy to be adopted early 2017 is implemented as a result of an assessment of the risks and the existing control processes already in place;
- Internal control measures are aligned with the new Commission framework to be adopted and they are proportionate to the risks of the DG's operations.

⁵ This text will be reviewed in the final version once the legislative procedure both funding instruments is over

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

Main outputs in 2017:

Output	Indicator	Target
Execution of the annual voted budget, and in compliance with the legal requirements applying to transactions.	% of payments executed within the contractual time limits	90%
	% of budget commitment appropriations made (administrative and operational lines)	95%
	% of payments appropriations made (administrative and operational lines)	95%
	Error rate on the legality and regularity of the underlying transactions for administrative budget implementation	Below 2% for administrative budget implementation

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

Main outputs in 2017:

Output	Indicator	Target
Procurement procedures are carried out in compliance with the principles and rules governing public procurement at the EC and according to sound financial management.	Number of legal proceedings following complaints in procurement procedures	0 (zero)
Payments are made in compliance with legal requirements on time limits for expenditure operations.	Time to pay	Below 22 days

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

Main outputs in 2017:

Output	Indicator	Target
Implementation of the action plan of the AFS of DG FISMA.	Reassessment of fraud awareness after the implementation of the action plan of the AFS of DG FISMA.	Carry out of a survey on anti-fraud measures awareness within FISMA by year-end.

C. Better Regulation

The main planned outputs linked to the Better Regulation objective in the Strategic Plan are listed in Part 1 under the relevant specific objective. They are presented in the tables under the headings "All new initiatives and REFIT initiatives from the Commission Work Programme" and "other important items".

D. Information management aspects

DG FISMA has increased its efforts to better manage and share the knowledge available in the DG. This objective is at the roots of the DG's new emphasis on working in project teams and thematic networks to address policy issues in an encompassing way and based on a thorough analysis. More project teams are likely to be set up in the course of 2017 to address specific needs and prepare the DG's deliverables in this annual management plan. Sharing information and knowledge is particularly important in a policy field that is characterized by high technical complexity and the strong interrelatedness of issues. Through a more systematic way of managing data, information and knowledge, DG FISMA will also contribute to the Commission's corporate strategy in this area (COM (2016) 6626).

The DG is working at three different levels in this respect:

- 1) More project-based work involving different units and directorates in the DG will allow a better sharing of information and knowledge and more informed policy initiatives. The work in each new project team and thematic network will be supported by a collaborative platform that enhances efficiency.
- 2) The DG will set up a knowledge management strategy that clearly identifies where each type of information is stored, together with tools to allow staff to access and re-use it (subject to data protection and confidentiality restrictions).
- 3) DG FISMA will maintain high standards in document management in line with eDomec rules. The main actions planned for 2017 build on an action plan developed in 2016 and will help achieve the objective set in the Strategic Plan 2016-2020 that all documents in the DG are properly registered and filed and easy to retrieve.

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

Main outputs in 2017:

Output	Indicator	Target
Use of standard collaborative platforms for DG FISMA project teams	Use of collaborative platforms by project teams created in 2017	All project teams created in 2017 use a collaborative platform
Decision on a knowledge management strategy for the DG	Decision taken by senior management on the strategy	By 31.7.2017
Increase in the quality of ARES files	Number of unfiled documents	< 200
	Number of files without "file manager"	< 5%

E. External communication activities

Its external communication will support DG FISMA's policy outputs by explaining them to the media, stakeholders and the general public. It will systematically put them into the broader context of the Commission's political priorities, i.e. jobs, growth and investment, a deeper and fairer Internal Market as well as Economic and Monetary Union. Special emphasis will be put on two important work streams:

- the acceleration of the Capital Markets Union, with communication actions focused on expected benefits on the ground;
- initiatives taken in the field of retail financial services, with a view to increasing choice, transparency and competition for consumers and retail investors.

For all main outputs, DG FISMA will support the Vice-President, Cabinet and spokesperson through the preparation of press material and speeches, prepare visual content for the EUROPA website, social media and the Finance Newsletter, share information on Twitter and engage in any other appropriate communication.

While the choice of communication tools will depend on each policy output and target audience, DG FISMA will pay particular attention to

- use the DG's main information channels in the best way, in particular the website, the Twitter account and the Finance Newsletter to inform users about individual policy measures with interesting and easy-to-understand content. This should improve the understanding of DG FISMA's target audiences, i.e. especially the media and stakeholders. It will also contribute to the DG's overarching communications objective in the Strategic Plan 2016-2020 that users feel well-informed about the EU's policies on banking and finance.
- For the initiatives related to retail financial services, DG FISMA will make a special effort to reach out to multipliers and the general public to show how private individuals benefit from EU policies. A specific output will be the promotion of the services of FIN-NET (network of national out-of-court financial dispute resolution

schemes) through an improved web presence and other actions in cooperation with FIN-NET members.

Objective: Citizens perceive that the EU is working to improve their lives and engage with the EU. They feel that their concerns are taken into consideration in European decision making and they know about their rights in the EU.

Main outputs in 2017:

Output	Indicator	Target
Communication actions on Capital Markets Union and related initiatives	Number of mentions of #CMU and related hashtags used by DG FISMA (measured in Engagor)	1,500 mentions in 2017
Communication actions on retail finance	Number of mentions of #MyMoneyEU and related hashtags used by DG FISMA (measured in Engagor)	3,000 mentions in 2017
Communication action on FIN-NET	Use of FIN-NET online complaint form (number of views) on EUROPA	+10% as compared to 2016

Annual communication spending:

Baseline (2016)	Estimated commitments (2017)
EUR 245,000 (excluding conferences and hearings for stakeholders and the general public)	EUR 413,000 (including conferences and hearings for stakeholders and the general public)

F. Example(s) of initiatives to improve economy and efficiency of financial and non-financial activities of the DG

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

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

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

In 2017, the tool will be integrated with the e-Pass system used to request access to buildings for visitors, in order to avoid double encoding of external participants to meetings held inside DG FISMA. A module to manage requests for access to documents will also be developed, simplifying the management of such requests when interest

representatives are concerned. These two priorities will contribute to reduce further the administrative work required to manage meetings with interested representatives, while increasing the quality (e.g. completeness and reliability) of information.

b) **E-submission** is an electronic submission process allowing tenderers to send their bids to the Commission in an electronic way. This process implements the Commission commitment made in 2012 to a complete e-procurement by mid-2015. E-submission is being developed by DIGIT and it is planned to be rolled out through the whole Commission on a mandatory basis by end 2018.

Following delays in the developments, FISMA could not join the pilot in 2016 but aims to join this process in the course of 2017 for compliance purposes and to make efficiency gains in terms of time and administrative management of tenders. To this end, an electronic authentication and validation process will replace the manual initialisation of unbound voluminous tenders; storage will also be dematerialized with corresponding economies for tenderers and the contracting authority; security of tenders will be improved by the use of encryption protocols.