



# Strategic Plan 2020-2024

DG FISMA  
Financial Stability,  
Financial Services and  
Capital Markets Union

**Contents**

- Introduction .....3**
- PART 1. Delivering on the Commission’s priorities.....4**
- A. Mission statement.....4**
- B. Operating context.....4**
- C. Key performance indicators..... 17**
  - A. Human resource management ..... 18**
  - B. Sound financial management..... 19**
  - C. Fraud risk management..... 20**
  - D. Digital transformation and information management ..... 21**
  - E. Sound environmental management ..... 23**
- ANNEX: Performance tables..... 24**

## Introduction

The strategic planning and programming cycle is the Commission's performance management framework. Its purpose is to lay out the Commission's policy strategy for the current political cycle and to ensure that the Commission achieves its objectives in an efficient and effective manner. The planning cycle encompasses the setting of objectives, allocation of resources according to these objectives and reporting on progress towards the objectives set.

The Strategic Plan 2020-2024 of Directorate-General "Financial Stability, Financial Services and Capital Markets Union" (DG FISMA) takes as its starting point the political agenda of the von der Leyen Commission and the specific mission letter to Executive Vice-President Valdis Dombrovskis. The Strategic Plan is complemented by annual management plans and annual activity reports, where the former present DG FISMA's working programme for the year of reference and the latter report on how and to which extent DG FISMA has reached the announced objectives. The plans and reports serve the broad function of management, accountability as well as transparency tools.

The current COVID-19 pandemic is affecting the strategic planning of the Commission. The Commission will continue taking actions to handle the crisis and to facilitate and ensure the economic recovery. In the policy areas of DG FISMA, some of the political highlights during the period 2020-2024 will include – but will not be limited to – accelerating the work on completing the Capital Markets Union and the Banking Union; presenting possible initiatives following the Anti-Money Laundering Action Plan, the Renewed Sustainable Finance Strategy, the Digital Finance Strategy and the Retail Payments Strategy; as well as concluding reviews with possible amendments to several legislative frameworks created after the financial crisis. Building on its key policies to consolidate the Single Market in financial services, DG FISMA will provide leading contributions aiming at reinforcing the Union's economic and financial sovereignty in the complex context of fragmentation of the European financial system brought by the UK withdrawal from the EU.

Part 1 of the Strategic Plan focuses on delivering on the Commission's priorities. It describes the mission of DG FISMA and its operating context, and outlines how DG FISMA's specific objectives contribute to the general objectives of the Commission. The plan is accompanied by a table comprising performance indicators chosen for DG FISMA. This part of the document also includes major political initiatives that DG FISMA will undertake during the mandate of this Commission.

Part 2 of the document describes how DG FISMA will be contributing to another major objective of the von der Leyen Commission, i.e. the modernisation of the administration.

## **PART 1. Delivering on the Commission’s priorities**

### **A. Mission statement**

The mission of DG FISMA is:

***“To preserve financial stability, protect savers and investors, fight financial crime, as well as to ensure the flow and access to capital for businesses and consumers in the European Union”***

The financial system underpins our economy and is essential to our daily life. When working efficiently, it helps people and businesses make payments, and channels savings to investments. DG FISMA works towards fostering sustainable growth by building a deeper Economic and Monetary Union through advancing financial integration, by completing the Banking Union and further developing the Capital Markets Union. It also aims at enhancing the resilience of the financial system to protect and include all savers and investors. DG FISMA also works to strengthen the Union’s economic and financial sovereignty, including the increased role of the euro as a strategic asset for the Union, and the EU’s resilience to third-country extraterritorial measures.

In addition, DG FISMA aims at keeping the regulatory framework up to speed with technological, societal and climate-related changes to allow financial system to facilitate the financing of the real economy, the transition to a more sustainable economy and to reap the benefits of digitalisation.

### **B. Operating context**

DG FISMA uses a broad range of **legislative and non-legislative tools** to achieve its objectives.

**Legislation** is an important tool in the field of EU financial services policy to further integration, strengthened reliance, and enhanced protection. First, many barriers to cross-border integration are due to national legislation. Second, given the economic importance of financial services, regulation at EU level is needed in order to ensure that the financial system is safe and subject to common rules throughout the EU single market.

A number of articles of the Treaty of the Functioning of the EU (TFEU) form the essential legal basis for DG FISMA’s regulatory and monitoring power: Article 49 (freedom of establishment), Article 56 (freedom to provide services), Article 63 (free movement of capital) and Article 114 (establishment of the functioning of the internal market). On this basis, DG FISMA develops policy and prepares the Commission’s proposals for regulations and directives to be adopted through ordinary legislative procedure, which is often referred

to as the 'Level 1' of the financial sector legislation. On the basis of the 'Level 1' legislation, a second level ('Level 2') provides additional detail and harmonisation. On the Level 2, DG FISMA is actively involved in the **development of delegated and implementing acts**, with or without prior preparation of technical standards by the three European Supervisory Agencies (ESAs). DG FISMA also works closely with the ESAs to facilitate convergence of supervisory practices in Member States and to cooperate on enforcement of the EU legislation in the financial services sector: the European Banking Authority (EBA), the European Securities and Market Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA). To this end, complementary **non-legislative actions are taken by DG FISMA and the ESAs**. DG FISMA also cooperates with the Single Supervisory Mechanism, the Single Resolution Mechanism, the Single Resolution Board, the European Systemic Risk Board and the European Central Bank to monitor and effectively respond to any emerging risks to the stability and integrity of the EU financial system. The Commission exercises the function of ultimate authority in the context of bank resolution in the Banking Union. As such, it ensures that any bank resolution takes place in a way that it does not jeopardise financial stability, while preserving market discipline.

The objectives of the EU financial services regulatory framework are supported by the **enforcement policies** pursued by DG FISMA. The EU initiatives can deliver their intended results only if they are correctly implemented in national law and properly applied on the ground. The enforcement activities are important, in particular given the number of legislative rules introduced in recent years, and DG FISMA has a range of remedy tools it can use. It is particularly important to mention quick and correct transposition and implementation of the Community legislation, as well as the fruitful cooperation with the European Supervisory Authorities (ESAs) that coordinate monitoring practices in the EU. Furthermore, DG FISMA is responsible for ensuring free movement of capital, one of the fundamental freedoms in the Internal Market<sup>[1]</sup>. Separate from the general financial sector regulation, in the area of EU restrictive measures (sanctions), DG FISMA's competences are based on Article 215 TFEU and are exercised through special legal acts.

DG FISMA could not deliver on its mission without close coordination and cooperation with **partners and stakeholders**, both within the EU and internationally. To this end, DG FISMA participates and maintains various contacts at inter-institutional, national and international level as well as with external partners.

---

<sup>[1]</sup> Except taxation issues, which fall under DG TAXUD competence.

## **Relations at inter-institutional, national and international level, and with external partners**

### **Inter-institutional level**

In developing policy and legislation, DG FISMA maintains a continuous dialogue and cooperation with the European Parliament and the Council of the European Union and its rotating Presidency. DG FISMA represents the Commission in the Financial Services Committee (FSC) meetings, participates in the meetings of the Economic Financial Committee (EFC) and of the Eurogroup Working Group (EWG), and plays an active role in the context of the European Semester.

### **National level**

DG FISMA works with the Member States to address structural weaknesses of national financial systems and to promote integration at the European level, assists them in the transposition of EU directives, assesses the completeness and conformity of national transposition measures, monitors how the EU law is applied, handles complaints and proposes infringement procedures in case of possible breaches of the EU law by the Member States.

### **International level**

The Commission also aims at promoting growth, stability and resilience of the global financial system and strengthening the role of the EU. In this respect, DG FISMA participates in the elaboration of the economic and financial regulatory agenda of the G20 and the Financial Stability Board. DG FISMA actively contributes to the work of international standard setters, such as the Basel Committee on Banking Supervision, the International Association of Insurance Supervisors, and the International Accounting Standards Board (IASB).

DG FISMA is also involved in international trade and investment negotiations, and in the promotion of free movement of capital on the global stage, participating in international fora such as the OECD (Organisation for Economic Co-operation and Development).

Besides, the Commission is also engaged in important regulatory dialogues with partners such as the US, Japan, China, India and others – this should possibly include the UK from 2021.

Finally, as of 1 January 2020, DG FISMA plays a crucial role in the design and supervision of the EU sanctions. EU restrictive measures impose limitations on the free flow of goods, services (including financial services) and persons. In this area, DG FISMA closely cooperates with the United Nations and other international partners.

## **External partners**

DG FISMA is committed to maintain and develop relations with external stakeholders, such as trade associations, academia, consumer organisations, industry representatives, NGOs and citizens.

## **Critical factors in DG FISMA operating environment that can influence its capacity to deliver**

The achievement of DG FISMA's objectives will inevitably be affected by various factors and various stakeholders. For instance, the overall situation of the EU and the global economy will continue to impact DG FISMA activities. The outbreak of the COVID-19 pandemic presented the European economy and the financial system with unprecedented challenges. Specific conditions, such as the strength of the euro, oil prices, inflation expectations, fragmentation of the EU financial system brought by the UK exit and an overall economic sentiment are all relevant factors, which are not under control of DG FISMA.

The decision-making process constitutes another important external factor. After their adoption by the Commission, legislative proposals prepared by DG FISMA are submitted to the European Parliament and the Council. The final texts adopted by those institutions may differ from the Commission's proposals, which may affect their ultimate implementation and impact.

DG FISMA relies also on external partners for the implementation of its goals and activities. The European Supervisory Authorities play an important role in the preparation of regulatory and implementing technical standards. Also, the failure of the Member States to transpose and apply the EU legislation timely and correctly may have a negative impact on the financial system.

## Strategy

Under the leadership of the Executive Vice-President Valdis Dombrovskis, DG FISMA will concentrate its efforts on achieving the goal of the Commission's political headline '*an Economy that works for people*'<sup>1</sup>. It should be underlined that DG FISMA's specific objectives and initiatives will also contribute to achieving other Commission's political priorities, such as a *European Green Deal, Europe fit for the digital age and a stronger Europe in the world*. DG FISMA will also contribute to the work in the context of the EU recovery plan, which will *guide and build a more sustainable, resilient and fairer Europe for the next generation*<sup>2</sup>.

### **General Objective – *An Economy that works for people***

A stable and competitive EU financial system is crucial to support our economy and to contribute to sustainable growth for the benefit of the EU citizens. Over the past years, Europe's economy was on a growing trend recovering well from the financial crisis of 2008. However, the outbreak of the COVID-19 pandemic presented the European economy and the financial system with unprecedented challenges. *This crisis is unlike any other the EU has faced before*<sup>3</sup>. Actions to tackle the social, economic and financial consequences of the pandemic need to go alongside with measures to help the economic recovery and to address longer-term structural challenges such as climate change, population ageing, geopolitical uncertainty and digital transformation.

The EU's unique social market economy model and its financial system are essential in citizens' daily lives. When it works properly, the financial system is a driver of economic success that contributes to growth and innovation, and broadens investment opportunities for savers. In difficult times, such as the COVID-19 crisis, however, it is crucial to take actions at EU and national level to stabilise the system, and to enhance its resilience, whilst fostering cross-border integration.

DG FISMA's strategy for 2020-2024 consists of the following six specific objectives:

1. *EU financial markets are more integrated and liquid, opening new opportunities for cross-border investments and funding for citizens and businesses.*
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.*
3. *The confidence and protection of consumers and investors on European financial markets, as well as market integrity, are enhanced.*

---

<sup>1</sup> See the Commission's political guidelines at [https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission\\_en.pdf](https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission_en.pdf).

<sup>2</sup> COM (2020) 456 final, *Europe's moment: Repair and Prepare for the Next Generation*, 27 May 2020.

<sup>3</sup> Ibid.



4. *More private capital is made available for sustainable investments.*
5. *Opportunities from digital technology are widely employed to implement a safe, competitive and inclusive digitalisation of financial services.*
6. *The EU financial system's sovereignty and competitiveness in a challenging international environment are strengthened.*

Monitoring of the implementation of the general and specific objectives will be done, in particular, through reporting on a number of result indicators. All result indicators are described in detail in the Annex to this document.

DG FISMA's specific objectives are described throughout the rest of this chapter. Further details on the main initiatives for the years ahead will be provided in annual management plans.

**Specific Objective 1** - *EU financial markets are more integrated and liquid, opening new opportunities for cross-border investments and funding for citizens and businesses*

Continue promoting financial markets' integration in the EU will be essential both to sustain the funding needs of a convalescing economy and to address EU's structural challenges. This is even more urgent in time of crisis, where the funding is necessary to support the post COVID-19 economic recovery. A single market for capital provides a crucial source for sustainable growth. Deep and liquid capital markets facilitate access to innovative financing, in particular for start-ups, and increase regional cohesion by ensuring equal access to investments and funding opportunities for citizens and businesses across the EU. It is important to continue the efforts to further integrating the financial markets in the EU. Boosting capital markets would help provide the economy with the necessary funding to address the EU's structural challenges, and to channel savings effectively into investments.

At EU level, despite the adoption of several initiatives in the past years to ensure a more integrated financial system, capital markets remain fragmented along national lines and underdeveloped by international comparison. Such heterogeneity hampers access to market finance for firms and households, thus preserving the reliance of the economy on bank funding. Therefore, further initiatives are necessary to create a financial system more deep and liquid, and more conducive to cross-border savings and investments.

To achieve these objectives, DG FISMA will accelerate its work on completing the Capital Markets Union (CMU), a key element in the deepening of the European Economic and Monetary Union (EMU). It will propose a set of targeted actions in a forthcoming Action Plan building on the recommendations of the High Level Forum on Capital Markets Union. DG FISMA will seek to facilitate the access of businesses and particularly of small and medium-sized enterprises to wider and more adequate financing opportunities. This could be achieved, among others, by ensuring that investors have easy access to company data across the EU. DG FISMA will also undertake work to make market infrastructures more efficient and better integrated. Finally, actions will be proposed to increase individual

investors' participation in capital markets. Citizens should be able to harness the benefits of capital markets, by investing better and with confidence.

DG FISMA will also put forward a strategy to facilitate intra-EU investments and to promote investors' confidence in cross-border investment. Further work will start to improve and streamline the withholding tax procedures and to address other obstacles to cross-border investment, such as the lack of legal certainty due to varying national insolvency laws.

DG FISMA is also planning to launch several reviews of major frameworks, some of them linked to the Recovery Package, which may possibly lead to some targeted amendments. They will include considerations relevant to deepening of the single market for capital in the EU as well as to ensuring that the implemented legislation produces the intended effects.

The planned reviews include: the Markets in Financial Instruments Directive II, the Benchmark Regulation, the Market Abuse Regulation, the Alternative Investment Fund Managers Directive Regulation on European long-term investments funds, Solvency II, the Insurance Distribution Directive, the Occupational retirement provisions Directive II, the Securitisation Regulation and the Regulation on settlement and central securities depositories.

Divergent supervisory practices constitute barriers to cross-border operations, hinder and slow down market integration. Work will continue with the European supervisory authorities to promote the effectiveness of consistent supervision across the EU as well as more converging and integrated financial supervision across the EU.

**Specific Objective 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*

Thanks to the reforms undertaken following the financial crisis, the EU financial system is now better prepared to withstand shocks. Over the recent years, banks have become better capitalised, non-performing loans have decreased significantly although their level remains elevated in some European banks.

In the years ahead, DG FISMA's strategy will be focused on ensuring that the European financial system remains stable and resilient. DG FISMA will work to enable the financial system to adequately channel the funding needed for economic recovery and the digital and green transformation. Furthermore, DG FISMA will improve the micro- and macro-prudential regulatory framework, drawing lessons from the COVID-19 period and will continue to ensure and promote effective regulation as well as consistent supervision across the EU to exploit the full potential of the European System for Financial Supervision.

DG FISMA will work to complete both the prudential regulatory framework for banks and the Banking Union, *which will help provide economic and financial stability throughout the recovery and strengthen the EU's resilience to future shocks*<sup>4</sup>.

In early 2020, the Commission urgently took several specific actions to counter the socio-economic consequences stemming from the outbreak of the COVID-19 pandemic. Together with other European institutions and Member States, DG FISMA put forward several proposals to ensure that the financial system helps businesses and households cope with the economic stress caused by the COVID-19 pandemic and does not amplify the shock to the economy.

For example, the Commission adopted in April 2020 a banking package<sup>5</sup> consisting of targeted and temporary adaptations to the prudential framework to mitigate the impact of the shock triggered by the COVID-19 pandemic. The package aims at facilitating bank lending to support the economy and to help mitigate the economic impact of the COVID-19 crisis. It was swiftly adopted by Council and Parliament, and entered into force in June 2020.

A comprehensive strategy to address non-performing loans will be needed in order to manage a possible build-up of such loans on banks' balance sheets. Such strategy could include a mix of supervisory actions, reform of restructuring, insolvency and debt recovery frameworks, development of secondary markets for distressed assets, and fostering restructuring of the banking system.

It is likely that the economic impact of COVID-19 precautionary measures will weigh on banks' already low profitability and reverse the downward trend in non-performing loans in the EU. This will constrain banks' ability to support the economic recovery. An immediate priority for DG FISMA is therefore to preserve banks' lending capacity. DG FISMA will also work on completing the prudential regulatory framework through the implementation of the finalised Basel Standards.

The EU's macro-prudential toolkit faces its first major test since its introduction. DG FISMA will draw lessons from the crisis experience on the effectiveness of the existing macro-prudential powers and instruments in banking and non-banking sectors to mitigate systemic risks in the regions, the Member States and the EU as a whole. Where appropriate, DG FISMA will translate lessons learned into targeted policy proposals to limit systemic risk and enhance financial stability in the post-COVID19 environment, which is likely to be characterised by an increased indebtedness and possibly excessive risk-taking within a tightly interconnected financial system.

The completion of the Banking Union is indispensable to strengthen the banking sector, to ensure robustness and financial stability, and to deliver on the recovery strategy. The first

---

<sup>4</sup> COM (2020) 456 final, *Europe's moment: Repair and Prepare for the Next Generation*, 27 May 2020.

<sup>5</sup> [https://ec.europa.eu/info/publications/200428-banking-package-communication\\_en](https://ec.europa.eu/info/publications/200428-banking-package-communication_en)

two pillars of the Banking Union - the Single Supervisory Mechanism and the Single Resolution Mechanism (including a dedicated Single Resolution Fund) – are already in force. The common backstop to the Single Resolution Fund is being finalised as part of the reform of the European Stability Mechanism. However, key elements of the Banking Union are still missing. The outbreak of the COVID-19 pandemic illustrated the importance of credible mechanisms and common safety nets, such as a common deposit insurance and a facility to provide liquidity in resolution. Moreover, the bank resolution and deposit insurance frameworks would benefit from some improvements. These will contribute to make crisis management more efficient, to ensure effective tools and appropriate funding – also through the more efficient use of deposit guarantee schemes, where appropriate - catering for the failures of all banks, to preserve financial stability. In addition, DG FISMA will reflect on, and explore further if relevant, possibilities for a reform of the regulatory treatment of sovereign exposures to achieve further diversification, as well as a possible introduction of a European safe asset, building on the experience to be gained from the upcoming issuance of the new recovery instrument.

On insurance and pensions, DG FISMA will put forward a proposal to review the Solvency II Directive and its supervisory standards. The scope of the review will be to enhance prudential rules as regards balance sheet and solvency calculation, macro-prudential measures and proportionality. The proposal may also introduce a recovery and resolution regime.

Ensuring the integrity of the EU financial system vis-à-vis money laundering is a priority for this Commission. Recent scandals and the uncovering of breaches of anti-money laundering rules in the Union underline the importance of identifying and mitigating these risks, of detecting suspicious activities and prosecuting money laundering. To achieve these objectives and to deliver on the Commission's plan to introduce a new, comprehensive approach to fighting money laundering and terrorist financing, the Commission adopted an Action Plan on 7 May 2020. The Action Plan outlines the concrete measures the Commission will take by 2021 to better enforce, supervise and coordinate the EU's rules to deliver a strong EU anti-money laundering system. In this respect, DG FISMA will carry out the necessary preparatory work to deliver legislative proposals. New structures and rules will be implemented to improve investigation and prosecution of money laundering and terrorist financing. To leverage information sharing, DG FISMA will work to analyse how existing rules apply to private-public partnerships, which will result in the publication of a guidance. Finally, DG FISMA together with other Commission services has started the implementation of the sixth pillar of the Action Plan by issuing a methodology to identify third countries with strategic deficiencies that pose a threat to the EU's financial system, based on the increased synergies with the work of the Financial Action Task Force.

**Specific Objective 3** - *The confidence and protection of consumers and investors on European financial markets, as well as market integrity, are enhanced*

The single market is not only important for companies but also delivers strong benefits to consumers. The single market in financial services can help achieve a more equal and fair Europe, and address societal challenges, including those linked to the demographic change, social exclusion, digitalisation, climate change and environmental protection.

Trust among citizens in the functioning of the financial system remains low. To ensure that consumers and retail investors benefit from a well-functioning financial services system, the legal framework needs to be fit for purpose. Consumers of financial services and retail investors need to be adequately protected as well as and empowered to make the right financial decisions, in particular, to ensure savings for retirement and responsible borrowing.

During the term of this Commission, DG FISMA will undertake reviews of the existing directives regulating payment accounts and mortgage credit to ensure that their rules are robust and adapted to the latest developments. It will also assess and follow up on the recommendations<sup>6</sup> from the High-Level Forum on Capital Markets Union on retail investments. DG FISMA will also present a Retail Investment Strategy that will put individual investors' interests at its heart and that it will seek to increase trust and participation in capital markets, while safeguarding their protection and ensuring market integrity. Any new measures will present tangible benefits to EU citizens in terms of competition, choice and prices of financial products. Financial education and literacy will be promoted. Cooperation between the Member States in this regard should be encouraged and, where necessary, supported at the EU level.

To strengthen the public trust in the single market for insurance and its cross-border functioning, DG FISMA may propose a minimum harmonised framework for national insurance guarantee schemes that will protect policyholders in case their insurer fails, no matter in which Member State their insurer is established. This framework would complement the enhanced recovery tools and specific resolution powers and tools as part of the Solvency II review.

DG FISMA will direct a reflection on how protection gaps in the insurance area can be mitigated, especially as regards catastrophic events with wide-ranging impact, such as the COVID-19 pandemic. This could involve better cooperation between insurers, policyholders and public sector partners.

The challenges caused by ageing and the need for an adequate provision for retirement will require innovative solutions, such as the Pan-European Personal Pension (PEPP), for which DG FISMA will work to complete the legislative framework and oversee the launch during this Commission's mandate. The review of the Directive on Institutions for Occupational Retirement Provision (IORP2) will provide a further opportunity for the development of pension policy to deal with these challenges.

---

<sup>6</sup> [https://ec.europa.eu/info/news/cmu-high-level-forum-final-report\\_en](https://ec.europa.eu/info/news/cmu-high-level-forum-final-report_en)

#### **Specific Objective 4** - *More private capital is made available for sustainable investment*

The EU financial system has a key role to play in the transition to a more sustainable economy, which is one of the key objectives of this Commission. Climate change and other risks to sustainable development require urgent action. It is important that recovery measures following the COVID-19 pandemic also contribute to the sustainability objectives. Delivering on the EU's sustainable development objectives, in line with the 2030 Agenda for Sustainable Development, will require that vast financial resources will be reallocated to sustainable uses. These additional resources will need to come from the private sector through the financial system as public funds are not enough to meet the necessary investments in order to achieve climate-neutrality by 2050.

As part of the ambitious vision to support the transition towards a low-carbon, resource-efficient and circular economy, DG FISMA will undertake initiatives to mobilise private capital for sustainable investments in line with the Commission *Communication on the Green Deal* of December 2019. To this end, DG FISMA will in particular mainstream the use of the sustainability notion through developing labels and standards for sustainable financial products, such as an EU Green Bond Standard, reviewing corporate reporting (revision of the Non-Financial Reporting Directive) and continuing, together with the civil society, to develop the EU Taxonomy for sustainable activities.

This strategy will be an integral part of the EU's response to the financial challenges stemming from our climate and environmental targets in the context of recovery. A green recovery is indispensable to prevent massive disruption related to the consequences of climate change.

Sustainable finance and the renewed strategy have a critical role to play in improving the resilience of our systems and reaching the opportunities related to the low carbon transition.

Climate change is a global problem and the EU alone cannot drive the transition to a low-carbon economy. The Commission will therefore work to scale up sustainable finance globally with relevant international partners. The EU must pursue a leading role in building a global approach to mobilise private capital and facilitate the transition to a climate-neutral economy. In this respect, DG FISMA will continue its work on the International Platform on Sustainable Finance to strengthen cooperation between jurisdictions from developed and emerging markets.

DG FISMA work will therefore also significantly contribute to the political priority *A European Green Deal*. Finally, more actions will be included in DG FISMA's Renewed Sustainable Finance Strategy.

**Specific Objective 5** - *Opportunities from digital technology are widely employed to implement a safe, competitive and inclusive digitalisation of financial services*

Over recent years, technological developments have significantly transformed the financial services industry, and this trend will continue in the future. The financial sector has pioneered technological innovations across and along its entire value chain, from wholesale to retail. The EU financial services regulatory framework has evolved to harness the benefits offered by new technologies and to guarantee consumer protection and the stability of the financial system. Yet, more has to be done to ensure the EU technological leadership.

Digital finance represents a key driver for Europe's future competitiveness and growth. The Commission must ensure that individuals and businesses have access to innovative financial services that comply with EU security, data protection standards and competition rules. This justifies the *need for Europe to have technological sovereignty where it matters as well as keeping open trade and the flow of innovation going*<sup>7</sup>.

The outbreak of the COVID-19 pandemic has accelerated the digital provision of financial services to consumers and investors. Yet, this acceleration has made the financial sector more exposed to Information Communication Technology-related risks. Furthermore, the increased use of remote working arrangements has shown the need to ensure that digital finance is more robust against cyber incidents and to different forms of cybercrime. To pursue this objective, DG FISMA will put forward a legislative proposal to foster the digital operational resilience of the financial sector to the benefit of consumers, investors and operators.

To reap the benefits of digitalisation in the financial sector to the benefit of consumers, investors and market operators, during the 2019-2024 mandate, DG FISMA will also put forward and implement a Digital Finance Strategy and a strategy on an Integrated EU Payments Market. This will ensure that the EU financial services regulatory framework is fit for the digital age and that all market participants can exploit the opportunities offered by the EU-wide single market for digital financial services. Alongside the Commission will present a legislative proposal to provide a clear regulatory framework for crypto assets.

As part of the new Digital Finance Strategy, DG FISMA will also contribute to the work on the objectives identified in the political priority *A Europe Fit for the Digital Age* aimed at grasping the opportunities digitalisation offers to the society as a whole.

**Specific Objective 6** - *The EU financial system's sovereignty and competitiveness in a challenging international environment are strengthened*

A stable and resilient EU financial system will bolster the Union's economic and financial sovereignty and boost its attractiveness as an investment hub and guarantee the EU's

---

<sup>7</sup> COM (2020) 456 final, *Europe's moment: Repair and Prepare for the Next Generation*, 27 May 2020.

prosperity. In times of uncertainty and geopolitical changes, the Commission will need to adapt to a challenging international environment. The world looks set to become increasingly multi-polar as global powers are increasingly relying on their economic influence, including in financial markets, to achieve political aims.

The Commission's 2020-2024 strategy will pursue a holistic approach to build synergies between financial services and a broad set of policy areas including sanctions, energy and transport policy, as well as trade relations with strategic partners.

Therefore, DG FISMA will focus its work on the following policy areas.

First, the integrated EU financial system is the best starting point for the single currency to become more widely used internationally. Although the euro ranks (based on its usage) as the second currency in the international monetary system, it is significantly less used when compared to the US dollar. Strengthening the role of the euro is crucial to strengthen the Union's economic and financial sovereignty, as it would allow the EU to rely more on domestically controlled financial services and so avoid excessive reliance on external providers. The Commission will propose initiatives to promote the use of the euro as an investment, reserve and debt-issuance currency and DG FISMA will contribute to achieve these objectives.

Second, the EU's globally interconnected financial sector represents a significant share of the world's financial system. While the EU draws major benefits from such interconnectedness, it also exposes the EU to risks of disruption. In the years to come, DG FISMA will work to enhance the resilience of the EU's financial infrastructure and, in particular, take the necessary initiatives to ensure that the EU is better shielded from the extraterritorial application of third-country sanctions.

Third, as of 1 January 2020, DG FISMA plays a crucial role in the design and supervision of the EU restricted measures (sanctions). Currently, the Member States' implementation of the EU sanctions often proves to be incomplete and uneven across the EU. In order to avoid distortions in the Single Market, tackle sanction circumvention, and provide the EU with leverage to react to undue interference from third countries on EU financial infrastructures and businesses, a better supervision of the enforcement of EU sanctions by Member States is warranted. DG FISMA will work to put in place measures to make sure that the EU sanctions are appropriately enforced, notably throughout its financial system.

The Commission will endeavour to support the EU's objective of protecting a fair rule-based global economic and financial system. To this end, the EU will continue working in international, multilateral bodies and supplement this multilateral engagement with bilateral regulatory dialogues. The Commission's equivalence policy will remain the key tool for opening its financial markets while managing any associated risks.

Last, the United Kingdom's decision to withdraw from the EU will have profound effects on the financial sector in the EU. The financial services sector in the United Kingdom will no longer operate within the Single Market, and its regulatory framework will eventually



change. DG FISMA will engage intensively with the authorities of the United Kingdom to manage the new relationship.

### **C. Key performance indicators**

To measure the progress made by DG FISMA towards implementing its policies and attaining its specific objectives, a number of result indicators are presented in the performance table in Annex to the Strategic Plan. Many indicators measure market outcomes that also depend on factors that are outside the control of DG FISMA. As such, the indicators will be monitored to measure progress against the objectives, but cannot be seen as direct measures of policy performance. Any underperformance (or outperformance) against the targets requires further assessment to explain the causes.

The following three indicators will be given special attention:

- Share of market funding in non-financial corporations' (NFCs) outstanding debt (Part 1, specific objective 1.1);
- Share of household assets invested in financial instruments (Part 1, specific objective 1.3);
- Degree of implementation of the digital strategy principles by the most important IT solutions (Part 2-D indicator 1).

## PART 2. Modernising the administration

DG FISMA will achieve the objectives described in Part 1 through modern and sustainable working methods aimed at the sound management of its budget - including by ensuring the legality and regularity of all its transactions and the fight against fraud - an engaged, competent and gender-balanced work force and the reduction of the environmental impact of its daily operations. Effective IT tools and work processes will facilitate collaboration and the sharing of knowledge and information.

As a modern public administration, the Commission implements an internal control framework inspired by the highest international standards. The Commission's system covers all the principles of internal control identified in the Committee of Sponsoring Organizations of the Treadway Commission 2013 Internal Control framework, including financial control, risk management, human resource management, communication and the safeguarding and protection of information. DG FISMA has established an internal control system tailored to its particular characteristics and circumstances and regularly assesses its implementation and overall functioning. This assessment is based on indicators the most strategic of which are listed in this section of the strategic plan.

### A. Human resource management

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

DG FISMA is a small policy-making DG in charge of a complex, technical and fast evolving policy field. The DG effectively deploys its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce driven by an effective and gender-balanced management and deploying its full potential under supportive and healthy working conditions.

Staff engagement in DG FISMA is high according to the latest corporate Staff Survey. To maintain high staff engagement, the DG will favour **collaborative ways of working** based on trust. Trustful working relationships between staff and managers based on proper delegation of tasks but also among peers and towards the Institution as a whole will be even more important with the changing working environment due to the COVID-19 crisis and staff working remotely. They require developing both soft and hard skills from working ethics on the one hand to competencies and technical skills on the other. Our new **HR local strategy** (with a medium to long-term outlook of 3–5 years and consistent with the overall corporate HR strategy) will pursue this aim.

DG FISMA will continue to work in a matrix structure of unit work and **project teams** to efficiently distribute resources and workload. Project-based work in cross-sectorial teams enables resource pooling, ensures consistency in policy approach, fosters direct communication, enhances knowledge sharing and allows for a more agile structure to meet

the Commission's priorities. DG FISMA will continue to use – and further improve – its **local resource planning IT system**, linking it with the Commission's annual Strategic Planning and Programming.

The DG will build on and develop its existing **talent management strategy**. Complementing the corporate Learning & Development programme, it will provide specific financial and economic training *to* its staff and *by* its staff, building up knowledge sharing and networking throughout the DG. To favour collaborative partnership across teams and among peers, DG FISMA will continue to provide group coaching and development programmes to specific audiences. The whole DG participates in defining the yearly Learning & Development programme, to ensure it corresponds to DG FISMA's needs.

Managers will be supported in closely monitoring and **managing performance** of their staff, from thorough probationary reports for new staff to clearly defined staff objectives and realistic annual staff appraisals. To be able to recruit the right profile of staff in terms of competencies and experience, DG FISMA will, when possible, contribute to the selection procedure for specialised AD 7 competitions. We will look into the possibility of a **cooperation with universities** specialised in the financial sector and offering compulsory traineeship during the academic specialisation.

Efforts will be continued to further **improve the gender balance** in DG FISMA management. To this objective, the DG will invest in an internal pool of potential candidates ("pond of potentials") for future management positions through targeted training and coaching.

## **B. Sound financial management**

**Objective:** The authorising officer by delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management, and that cost-effective controls are in place which give the necessary guarantees concerning the legality and regularity of underlying transactions

In order to ensure the **legality and regularity** of its operations, DG FISMA will continue implementing, and adapting when necessary, the **ex-ante controls** established in its financial circuits. On-the-spot checks and desk-based ex-post checks will be undertaken based on risk assessments. **Focusing controls on risks** will increase their cost-effectiveness. These risks, even if limited, are mainly linked to the eligibility of costs in grant programmes, the preparation of good tender specifications and the correct and timely implementation of procurement contracts.

The DG will ensure that the principle of **sound financial management** is applied in both operational and administrative expenditure. In that context, it will further strengthen the **support of the central finance unit to operational units**. The DG will strive to ensure the cost effectiveness of its operations by ensuring that budget needs are assessed and

budget is allocated effectively to different activities and the budget is implemented in good time.

Any deviation from established processes and procedures will be recorded in DG FISMA's register of exceptions and non-compliance events that will serve as a basis to detect potential deficiencies affecting the internal control system.

DG FISMA will cooperate with all DGs involved in the **Single Market Programme** (SMP)<sup>8</sup> to establish **synergies with other DGs** participating in the programme. Financing decisions will be prepared swiftly and on time to allow a smooth implementation of planned activities and avoid disruption in the operations of key beneficiaries.

DG FISMA will use electronic, **paperless workflows** to further improve efficiency, promote sound environmental management and facilitate business continuity in case of crisis.

### C. Fraud risk management

**Objective:** The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS) aimed at the prevention, detection and correction of fraud

DG FISMA will adopt in 2020 a new **local antifraud strategy**. This new strategy will integrate the objectives and actions included in the new Commission antifraud strategy (CAFS)<sup>9</sup> that are relevant for DG FISMA based on its risk environment and cost-effectiveness considerations. It will be updated every three years and for the first time in 2023 unless adaptations will be needed beforehand.

The new strategy will contribute directly to several objectives and actions planned in the CAFS.

- **Objectives and actions linked to 'Co-ordination and processes'**. A draft of the new strategy will be submitted to OLAF and the status of its implementation reported at least once a year in the context of the Annual Activity Report.
- **Objectives and actions linked to 'Integrity and compliance'**. The major risks related to DG FISMA activities are linked to **professional ethics**. Therefore, DG FISMA's priorities for the next five years will be focused on this area and will include actions to reinforce DG FISMA's follow up of its relations with stakeholders, the protection of sensitive information and the fight against conflict of interests.

---

<sup>8</sup> Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the Programme for single market, competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014, (EU) No 258/2014, (EU) No 652/2014 and (EU) 2017/826. COM/2018/441 final - 2018/0231 (COD).

<sup>9</sup> [https://ec.europa.eu/anti-fraud/sites/antifraud/files/2019\\_commission\\_anti\\_fraud\\_strategy\\_en.pdf](https://ec.europa.eu/anti-fraud/sites/antifraud/files/2019_commission_anti_fraud_strategy_en.pdf)

- **Objectives and actions linked to ‘data collection and analysis’.** The above measures will require the collection and monitoring of data extracted from the Event Management Tool (for monitoring relations with stakeholders), ARES (for tracking number of sensitive non-classified documents) and Sysper (for monitoring ethics declarations). The analysis of these data will allow DG FISMA to detect weaknesses, potential vulnerabilities and areas for improvement.
- **Objectives and actions linked to ‘direct management’.** The risks linked to DG FISMA’s grants and procurement are limited considering their low volume and the small number of beneficiaries/contractors involved. The DG’s central finance unit will maintain systematic, **strong ex ante controls**. To reinforce its capacity to detect plagiarism and self-plagiarism, DG FISMA will use a new IT tool.
- **Objectives and actions linked to ‘indirect management’.** DG FISMA does not entrust the **European Supervisory Authorities (ESAs)** with the implementation of grant programmes. Given their status as decentralised agencies and their founding regulations, DG FISMA influences the ESAs’ antifraud strategies through collaboration and comment. DG FISMA will reinforce the exchange of best practices and information with the ESAs.
- **Objectives and actions linked to ‘Knowhow and equipment’.** All the above measures will include **awareness-raising and training** to prevent and discourage fraudulent behaviours.

## D. 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

### Digital transformation

In line with the Commission’s Digital Strategy<sup>10</sup> and in compliance with the EC data governance and data policies, DG FISMA will further improve its ways of working over the next five years by using information technology and increasingly moving towards paperless workflows. The DG has the ambition to play an active part in digitally modernising the Commission. Work will be driven by user needs, be it users in the DG, in other DGs using **DG FISMA’s IT tools** (BASIS, EMT, KOEL, MICE) or external stakeholders (especially in the case of FIU.net and the FSD suite). These efforts will lead to **easier communication** and cooperation among staff, quicker **information retrieval**, and time saved through new interfaces between IT systems. Learning from the COVID-19 crisis, DG FISMA will enhance its capability for videoconferencing to replace physical meetings and

<sup>10</sup> [https://ec.europa.eu/info/sites/info/files/file\\_import/digitally-transformed\\_user-focused\\_data-driven\\_commission\\_en.pdf](https://ec.europa.eu/info/sites/info/files/file_import/digitally-transformed_user-focused_data-driven_commission_en.pdf)

(possibly) external events. IT reengineering and common building blocks will avoid duplication of IT investment and create **efficiency gains**.

DG FISMA will work on five themes to transform its business processes:

1. **Digital cooperation** between Commission staff across organisational boundaries including on documents and with easier information management, as well as with external parties through videoconferencing;
2. Enhanced effectiveness of EU Search across all of the DG's information repositories through **automatic tagging of documents** supported by machine-learning;
3. Continuously improving **user experience** with DG FISMA's IT tools through easier navigation, new interfaces between systems and user-centric design;
4. Re-engineering and **technological upgrading** of systems to the Commission's new technological stack, including to make them Cloud-ready;
5. Digital **rationalisation** through more common IT building blocks and by sharing the cost of system development and maintenance with other Commission services who become new tenants of DG FISMA's IT systems.

For each theme, integrated projects have been defined and will be implemented in line with priorities and available resources under the control of the DG's IT Steering Committee.

To support the EU's policy to fight money laundering and terrorist financing, DG FISMA will maintain and further develop **FIU.net**, i.e. the IT network used by the Financial Intelligence Units (FIU) in the Member States to exchange information. The **Financial Sanctions Database (FSD)** and its related applications will support economic operators in the implementation of EU sanctions against individuals in third countries.

### **Knowledge management**

In 2020-2024, DG FISMA will focus on enhancing knowledge management for the benefit of policy making through: (i) more use of **collaborative knowledge sharing and storage systems**; and (ii) improving the functioning of existing systems for storing and sharing information within the DG and broader. An increased use and improved functioning of Microsoft 365 and related applications like SharePoint are key for improving work efficiency. They will: (i) enable staff to **access and retrieve information swiftly**; (ii) enable staff from different units and directorates (and if needed from other DGs) to work in a shared document faster and more effectively.

### **Document management**

In the area of document management, DG FISMA's objectives will continue to apply the Commission's e-Domec (Electronic Archiving and Document Management in the European Commission) rules, and will focus on the **protection of sensitive information** through continuous monitoring and awareness raising among staff. The DG will promote the correct use of markings and document security settings, and will promote the use of ARES among all categories of staff, including AD officials.

## Data governance

As far as the overall data governance is concerned, DG FISMA will continue to ensure that data governance rules are applied and staff is kept aware of these rules. The list of the DG's key data assets will be kept up-to-date.

## Data protection

DG FISMA will build on the actions already taken to ensure full compliance with the new IDPR (Institutions Data Protection Regulation) rules and in line with the Commission's Data Protection Action Plan. It will continue to further develop its working methods to integrate data protection requirements. Records and privacy statements for all processes will be adapted to developments as needed. Further work on compliance with general principles for lawfulness, data minimisation and storage will also be undertaken.

## E. 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

DG FISMA will promote the EMAS corporate campaigns at local level and identify additional local environmental actions in order to support the Commission's commitment to implement the objectives of the Green Deal for its own administration, including becoming climate neutral by 2030.

This will include actions in the following priority areas:

- 1) organisation of **sustainable events**,
- 2) promotion of **alternatives to missions** and physical meetings such as videoconferences,
- 3) reduction and better sorting of **waste**,
- 4) information on **sustainable food** consumption,
- 5) promotion of alternative ways of **commuting to work**, and
- 6) development of **energy saving** reflexes and habits.

These actions will be accompanied by targeted communication via MyFISMAintranet and FISMA-TV.

The EMAS (Eco-Management and Audit Scheme) correspondents of DG FISMA will be supported by DG FISMA's 'green team' and ensure monitoring and follow-up.

## ANNEX: Performance tables

### General objective 1: An economy that works for people

#### Impact indicator 1: Composite indicators of financial integration

**Explanation:** The composite integration indicator is a scale-free measure normalised to lie between 0 and 1, whereby 0 means no cross-border integration and 1 means full integration. For the price-based composite indicator, 1 would mean total absence of any price differentials in financial markets. For the quantity-based indicator, 1 would mean the lack of any home bias on the side of investors.

**Origin of the indicator:** DG FISMA

**Source of the data:** European Central Bank<sup>11</sup>

Baseline (2014-2019 average)	Interim milestone (2022)	Target (2024)
Price-based indicator: 0.5	Increase	Increase
Quantity-based indicator: 0.3	Increase	Increase

#### Impact indicator 2: Composite indicator of systemic stress

**Explanation:** This indicator measures the state of instability in the euro area financial system. It is unit-free and constrained to lie within the interval (0, 1). Higher values indicate higher levels of systemic stress. It comprises 15 mostly market-based financial stress measures split into 5 categories:

- financial intermediaries sector
- money markets
- equity markets
- bond markets
- foreign exchange markets.

Note that the objective would not be missed if surpassing the target is temporary and triggered by non-financial factors.

**Origin of the indicator:** DG FISMA

**Source of the data:** European Central Bank<sup>12</sup>

Baseline (1999-2019 average)	Interim milestone (2022)	Target (2024)
0.2	Below 0.2	Below 0.2

<sup>11</sup> [https://www.ecb.europa.eu/stats/financial\\_markets\\_and\\_interest\\_rates/financial\\_integration/html/index.en.html](https://www.ecb.europa.eu/stats/financial_markets_and_interest_rates/financial_integration/html/index.en.html)

<sup>12</sup> [https://www.ecb.europa.eu/stats/financial\\_markets\\_and\\_interest\\_rates/financial\\_integration/html/index.en.html](https://www.ecb.europa.eu/stats/financial_markets_and_interest_rates/financial_integration/html/index.en.html)



<b>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</b>		Related to spending programme(s): NO
<b>Result indicator: Intra-EU home bias indicator for cross-border portfolio investment for debt and equity</b>		
<b>Explanation:</b> The home bias in equity and bond markets is an indicator for capital market integration. It shows the share of domestic equity and debt securities in the portfolio held by residents. A higher percentage means stronger home bias and less diversification in cross-border investment.		
<b>Source of data:</b> JRC and DG FISMA calculations based on FinFlows database, Eurostat /IMF		
<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)
77.9% intra 27-EU home bias for cross-border portfolio investment (annual value for 2018)	Decrease	Decrease
<b>Result indicator: Share of foreign branches and subsidiaries' assets in the total banking assets</b>		
<b>Explanation:</b> It is an indicator for integration in the banking sector. It measures the total assets of branches and subsidiaries of credit institutions from other EU-27 Member States (excluding the reference country) as a percentage of the total assets of credit institutions (including domestic institutions, branches and subsidiaries) operating in the reference country.		
<b>Source of data:</b> ECB SDW Structural Financial Indicators, ECB SDW Consolidated Banking Data, DG FISMA calculations		
<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)
18.18% share of foreign branches and subsidiaries <sup>13</sup> assets in the total banking assets in the EU-27 (as of 2018)	Increase	Increase
<b>Result indicator: Share of market funding in non-financial corporations' (NFCs) outstanding debt</b>		
<b>Explanation:</b> It is an access to finance indicator showing to what extent non-financial companies (NFCs) finance their debt with a market instrument compared to bank loans. It is calculated as the outstanding amount of debt securities issued by NFCs divided by the sum of outstanding amount of debt securities issued by NFCs and loans vis-a-vis euro area NFCs reported by monetary financial institutions (MFIs) (excluding ESCB).		
<b>Source of data:</b> ECB and DG FISMA calculations		
<b>Baseline</b> (November 2019)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)
21%	Increase	Increase

<sup>13</sup> Total assets of branches and subsidiaries of credit institutions from other EU Member States (excluding the reference area).

**Result indicator** Number of initial public offerings (IPOs)

**Explanation:** It is an access to finance indicator for market entry in equity markets. It shows the number of initial public offerings on EU-27 exchanges by corporations (financial and non-financial) domiciled in the EU-27.

**Source of data:** Dealogic, Refinitiv and DG FISMA calculations

Baseline (2019)	Interim milestone (2022)	Target (2024)
69 IPOs <sup>14</sup> in the EU-27 in 2019	Increase	Increase

**Result indicator: Number of cross-border passported prospectuses, total number of approved prospectuses and number of approved EU Growth prospectuses<sup>15</sup>**

**Explanation:** It is an access to finance indicator, which measures the number of public offerings for equity and non-equity securities. In case of cross-border passporting it provides an overview of how many cross border offers took place in the EU at an aggregated level. The number of EU Growth prospectuses measures how many SMEs and mid-cap companies are seeking funding through capital markets, in particular through SME Growth markets.

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

Baseline (2018)	Interim milestone (2022)	Target (2024)
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 was 2953 (EU27)	Increase	Increase

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

**Explanation:** The indicator measures how the Commission upholds its commitment to ensure that proposals for legislative revisions incorporate burden reduction measures, in the broader context of REFIT programme and One-In, One-Out approach. The indicator shows how many proposed legislative revisions out of the total, for each relevant specific objective, include measures that concretely reduce burden.

**Source of data:** DG FISMA

Baseline (2018)	Interim milestone (2022)	Target (2024)
N/A	Positive trend	Positive trend

<sup>14</sup> Issuance by corporations domiciled in the EU on EU exchanges, all sectors included.

<sup>15</sup> Data will become available only during the mandate on the number of approved EU Growth prospectuses.

**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**

**Explanation:** The total capital ratio is the ratio of total capital to risk-weighted assets. It is expressed as a percentage and indicates the average for banks in the EU28, as well as the minimum and maximum values across Member States.

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

<b>Baseline</b> (Q3 2019)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)
18.8% in 2019 Q3 between 15.4% and 25.9% for banks supervised by the ECB	Banks remain sufficiently capitalised	Banks remain sufficiently capitalised

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

**Explanation:** It shows the shortfall of MREL resources of EU resolution groups (minimum requirement for own funds and eligible liabilities) relative to the requirement under the Bank Recovery and Resolution Directive, expressed in EUR billion.

**Source of data:** EBA

<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)
EUR 178 billion	Decrease	Decrease

**Result indicator: Solvency Capital Requirement (SCR) ratio**

**Explanation:** The SCR ratio is the total eligible own funds that insurance companies hold divided by their solvency capital requirements. The indicator gives the median SCR ratio in the EU-27, as well as the minimum and maximum median values across Member States.

**Source of data:** EIOPA insurance statistics

<b>Baseline</b> (Q3 2019)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)
202% median SCR ratio (between 129% and 279%)	Insurance companies remain sufficiently capitalised	Insurance companies remain sufficiently capitalised

**Result indicator: Number of on-site and off-site Anti-Money Laundering supervisory actions and sanctions/administrative measures applied by supervisory authorities**

**Explanation:** Within the preventative framework against money laundering and terrorism financing, which aims at ensuring an effective supervision mechanism, competent authorities need to conduct dedicated supervisory activities checking the manner in which obliged entities are complying with their obligations and exchanging relevant information. An increase in the number of specific supervisory actions, with, where necessary, the application of sanctions or administrative measures, translates into a direct indicator for the effectiveness of the rules applied in practice.

**Source of data:** EBA and national supervisory authorities

Baseline (2018)	Interim milestone (2022)	Target (2024)
Baseline on supervisory actions: n.a. (no obligation to make them public so far), baseline on sanctions: 300	Increase in the number of supervisory actions and sanctions, when necessary	Increase in the number of supervisory actions and sanctions, when necessary
<b>Result indicator: Proportion of proposed legislative revisions that include burden reduction measures</b>		
<b>Explanation:</b> The indicator measures how the Commission upholds its commitment to ensure that proposals for legislative revisions incorporate burden reduction measures, in the broader context of REFIT programme and One-In, One-Out approach. The indicator shows how many proposed legislative revisions out of the total, for each relevant specific objective, include measures that concretely reduce burden.		
<b>Source of data:</b> DG FISMA		
Baseline (2018)	Interim milestone (2022)	Target (2024)
N/A	Positive trend	Positive trend

<b>Specific objective 1.3: The confidence and protection of consumers and investors in European financial markets, as well as market integrity, are enhanced</b>	Related to spending programme(s): NO	
<b>Result indicator: Share of household assets invested in financial instruments</b>		
<b>Explanation:</b> It is an indicator of retail investors' participation in financial markets. It measures the sum of households' investment in debt securities, listed shares, investment fund shares/units, life insurance and annuity entitlements, pension entitlements), as a percentage of total financial assets held by households in the EU-27.		
<b>Source of data:</b> Eurostat (Financial balance sheets nasa_10_f_bs)		
Baseline (2018)	Interim milestone (2022)	Target (2024)
46.07%	Increase	Increase
<b>Result indicator: Equity UCITS fund costs for retail investors</b>		
<b>Explanation:</b> The indicator measures the costs borne by retail investors when they invest in EU equity UCITS funds (including ongoing costs, subscription and redemption fees) over a ten-year horizon, expressed as a percentage.		
<b>Explanation:</b> The indicator measures the costs borne by retail investors when they invest in EU equity UCITS funds (including ongoing costs, subscription and redemption fees) over a ten-year horizon, expressed as a percentage.		
<b>Source of data:</b> ESMA, Refinitiv Lipper		
Baseline (2009-2018)	Interim milestone (2022)	Target (2024)
1.89%	Decrease	Decrease

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

**Explanation:** It is an indicator about investor protection and the integrity of European financial markets, which provides the number of investigations, which led to infringements with sanctions, conducted by national competent authorities under the Market Abuse Regulation. It will measure the suitability of the supervisory and enforcing powers granted to NCAs to properly supervise the integrity of the market and punish its infringements.

**Source of data:** ESMA

Baseline (2018)	Interim milestone (2022)	Target (2024)
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

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

**Explanation:** The indicator measures how the Commission upholds its commitment to ensure that proposals for legislative revisions incorporate burden reduction measures, in the broader context of REFIT programme and One-In, One-Out approach. The indicator shows how many proposed legislative revisions out of the total, for each relevant specific objective, include measures that concretely reduce burden.

**Source of data:** DG FISMA

Baseline (2018)	Interim milestone (2022)	Target (2024)
N/A	Positive trend	Positive trend

**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**

**Explanation:** The annual issuance of green bonds by governments and corporate issuers domiciled in the EU-27 (expressed in billion euro) as well as its share within EU-27 issuers' total bond issuance (expressed as a percentage) is a proxy indicator capturing the overall ambition of scaling up sustainable investments. This could be complemented by a related policy indicator (the size of issuance aligned with the future EU Green Bond Standard) once relevant data become available.

**Source of data:** Dealogic

Baseline (2019)	Interim milestone (2022)	Target (2024)
EUR 96.7 billion face value issued in 2019 (up from EUR 54.9 billion in 2018), 5.2% of total bond issuance <sup>16</sup>	Increase	Increase

<sup>16</sup> 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.

**Result indicator: Provisional indicator – subject to data becoming available later in mandate<sup>17</sup>:  
EU ecolabel for retail financial products (number or total assets of funds with new ecolabel)**

**Explanation:** This indicator will show the number of investment funds/financial products with an ecolabel. The EU ecolabel for financial products is currently under development. The data will hence become available only after the adoption of the legislation concerned.

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

Baseline (2020)	Interim milestone (2022)	Target (2024)
Zero as not yet adopted	Increase	Increase

**Result indicator: Provisional indicator – subject to data becoming available later in mandate<sup>18</sup>:  
Climate benchmarks: measured as assets under management referenced against the respective benchmarks**

**Explanation:** It is measured as assets under management referenced against the respective benchmarks. Delegated legislation specifying the minimum standards of these benchmarks will be published in the course of 2020 and some benchmark administrators have indicated plans to develop benchmarks aligned with this methodology.

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

Baseline (2020)	Interim milestone (2022)	Target (2024)
No data currently available	Increase	Increase

**Result indicator: Provisional indicator – subject to data becoming available later in mandate<sup>19</sup>:  
EU Taxonomy: measured as:**

- a) the evolution of the size of taxonomy-aligned economic activities;
- b) financial flows to taxonomy-aligned activities.

**Explanation:** This indicator would capture either the share of revenues/CAPEX of companies reporting under NFRD that is Taxonomy aligned or the share of investment funds that is invested in Taxonomy-aligned activities. The latter would be a share of those who have an obligation to report and provide quantitative figures, which is a rather small subset of the investment fund industry. For either of the two definitions, no data is available as of now and it is unclear when they will be available.

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

Baseline (2020)	Interim milestone (2022)	Target (2024)
No data currently available	Increase	Increase

<sup>17</sup> For these indicators, data are not yet available as the policies are not yet in place. We reserve the right to revise these indicators later.

<sup>18</sup> For these indicators, data are not yet available as the policies are not yet in place. We reserve the right to revise these indicators later.

<sup>19</sup> For these indicators, data are not yet available as the policies are not yet in place. We reserve the right to revise these indicators later.

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

**Explanation:** The indicator measures how the Commission upholds its commitment to ensure that proposals for legislative revisions incorporate burden reduction measures, in the broader context of REFIT programme and One-In, One-Out approach. The indicator shows how many proposed legislative revisions out of the total, for each relevant specific objective, include measures that concretely reduce burden.

**Source of data:** DG FISMA

Baseline (2018)	Interim milestone (2022)	Target (2024)
N/A	Positive trend	Positive trend

**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)**

**Explanation:** The indicator measures the number the number of non-cash payments to non-MFI counterparts, i.e. of credit transfers, direct debits, card payments with cards issued by resident payment service providers (except cards with an e-money function only), e-money payments, cheques and other payment services. The units of measurement are the total annual number of payments in the EU27 (in millions), as well as its value per capita.

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

Baseline (Average for 2014-2018)	Interim milestone (2022)	Target (2024)
The total number of payments (EU): 139.7 billion in 2018	Increase	Increase
The total number per capita: 271.9 in 2018 (EU)	Increase	Increase

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

**Explanation:** The indicator measures the percentage of EBA survey responses by banks along the above three categories of operational risk drivers.

**Source of 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	Interim milestone	Target
----------	-------------------	--------

2019	Biannual EBA surveys* *In case of sharp volatility, a moving average across several EBA surveys may be used	(2024)
89% for cyber risk/data security 31% for IT failures 23% for outsourcing	Decrease	Decrease
<p><b>Result indicator: IT systems spending allocated by EU banks to digital innovation/new technologies</b></p> <p><b>Explanation:</b> The indicator measures the percentage of EBA survey responses by banks on the proportion of IT investment allocated to digital innovation/new technologies. It is structured across five brackets: 0%, 0-10%, 11-20%, 21-30%, and 31-100%. The EBA risk assessment report provides a total consolidated average figure across all categories, which will serve as the benchmark.</p> <p><b>Source of data:</b> EBA Risk Assessment Banks' Questionnaire <a href="https://eba.europa.eu/risk-analysis-and-data/risk-dashboard">https://eba.europa.eu/risk-analysis-and-data/risk-dashboard</a>; EBA Risk Assessment Report <a href="https://eba.europa.eu/risk-analysis-and-data/risk-assessment-reports">https://eba.europa.eu/risk-analysis-and-data/risk-assessment-reports</a></p>		
<b>Baseline</b> 2018	<b>Interim milestone</b> Biannual EBA surveys* *This indicator was hitherto included in every second EBA survey. Should this pattern be confirmed, annual data will be used instead of biannual	<b>Target</b> (2024)
17.5% of total IT investment (some EUR 24.7bn)	Increase	Increase
<p><b>Result indicator: Proportion of proposed legislative revisions that include burden reduction measures</b></p> <p><b>Explanation:</b> The indicator measures how the Commission upholds its commitment to ensure that proposals for legislative revisions incorporate burden reduction measures, in the broader context of REFIT programme and One-In, One-Out approach. The indicator shows how many proposed legislative revisions out of the total, for each relevant specific objective, include measures that concretely reduce burden.</p> <p><b>Source of data:</b> DG FISMA</p>		
<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)
N/A	Positive trend	Positive trend



<b>Specific objective 1.6: The EU financial system's sovereignty and competitiveness in a challenging international environment are strengthened</b>		Related to spending programme(s): NO
<b>Result indicator: % of international debt securities in EUR</b>		
<b>Explanation:</b> Share of euro-denominated outstanding amounts of international debt securities denominated in all currencies		
<b>Source of data:</b> ECB IROE reports, data in annex		
<b>Baseline</b> (Q4 2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)
22.8%	Increase	Increase
<b>Result indicator: The use of euro in international transactions</b>		
<b>Explanation:</b> The euro's share as an invoicing/settlement currency in extra-euro area transactions for the imports of goods of euro area countries		
<b>Source of data:</b> ECB IROE reports, data in annex		
<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)
51.4%	Increase	Increase
<b>Result indicator: % of adopted decisions having undergone equivalence monitoring</b>		
<b>Explanation:</b> Activity by the Commission, in cooperation with ESAs, related to existing equivalence decisions based on exchanges with the third country concerned, identifying potential gaps to be discussed with the third country and which may or may not result in a review of the equivalence decision.		
<b>Source of data:</b> European Commission, DG FISMA		
<b>Baseline</b> (2019)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)
3.5%	6%	10%
<b>Result indicator: % of Member States complying with reporting obligations under EU restrictive measures</b>		
<b>Explanation:</b> The indicator measures how the Commission ensures that Member States comply with their obligations to implement and apply EU restrictive measures (sanctions) in their jurisdiction. It is based on Member states reporting in accordance with sanctions regulation adopted under article 215 TFEU		
<b>Source of data:</b> DG FISMA		
<b>Baseline</b> 2020	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)
N/A (low)	Increase 60-80% reporting obligations complied with	90+% reporting obligations complied with

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

**Explanation:** The indicator measures how the Commission upholds its commitment to ensure that proposals for legislative revisions incorporate burden reduction measures, in the broader context of REFIT programme and One-In, One-Out approach. The indicator shows how many proposed legislative revisions out of the total, for each relevant specific objective, include measures that concretely reduce burden.

**Source of data:** DG FISMA

<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)
N/A	Positive trend	Positive trend

**PART 2. Modernising the administration**

**A. Human resource 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

<b>Indicator 1: Number and percentage of first female appointments to middle management positions</b>	
<b>Source of data:</b> Commission Decision SEC(2020)146 of 1 April 2020	
<b>Baseline (female representation in management)</b> (1 December 2019)	<b>Target<sup>20</sup></b> (2024)
38% (8 out of 21)	2 first female appointments to middle management positions by 2022
<b>Indicator 2: DG FISMA staff engagement index</b>	
<b>Source of data:</b> Commission staff survey	
<b>Baseline</b> (2018)	<b>Target</b> (2024)
75%	75%

**B. Sound financial management**

**Objective:** The authorising officer by delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management, and that cost-effective controls are in place which give the necessary guarantees concerning the legality and regularity of underlying transactions

<b>Indicator: Estimated risk at closure</b>	
<b>Source of data:</b> DG FISMA Annual Activity Report	
<b>Baseline</b> (2018)	<b>Target</b> (2024)
< 2% of relevant expenditure	< 2% of relevant expenditure

<sup>20</sup> The target will be reviewed for the period 2023-2024 by January 2023.

## C. Fraud risk management

**Objective:** The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy<sup>21</sup> aimed at the prevention, detection and correction<sup>22</sup> 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)
0%	100% of action points implemented on time

## D. 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)	Interim milestone (2022)	Target (2024)
BASIS <sup>23</sup>	40%	81%	95%
EMT <sup>24</sup>	40%	95%	100%
KOEL <sup>25</sup>	40%	95%	100%

**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)	Interim milestone (2022)	Target (2024)
30%	50%	80%

<sup>21</sup> 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'.

<sup>22</sup> Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

<sup>23</sup> Briefings And Speeches Information System.

<sup>24</sup> Events Management Tool.

<sup>25</sup> Knowledge Online on European Legislation.

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

**Source of data:**

<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)
30% of staff as an estimation <sup>26</sup>	85%	100% of staff

---

<sup>26</sup> The baseline being before the introduction of the new data protection rules, fewer general awareness-raising activities were organised.