European Commission

2019

Annual Activity Report

Annexes

Directorate-General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA)

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

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

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

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

Brussels, 30/03/2020

[Signed]

Henning ARP

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

I hereby certify that the information provided in Section 1 of the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete.

Brussels, 30/03/2020

[Signed]

John BERRIGAN

[1] C(2017)2373 of 19.04.2017.

ANNEX 2: Reporting – Human Resources, Better Regulation, Information Management and External Communication

A. Human Resources

In 2019, DG FISMA has pursued its efforts to deploy its resources in the most effective way in support of policy delivery and core business. The **large-scale reorganisation** implemented as of 01.01.2019 has allowed to better align the organisation plan with the business needs and policy priorities. The resources directorate was dismantled for the benefit of operational tasks. The DG also maximised its potential with project teams to draw on people's expertise and mobilise resources for urgent priorities.

In the framework of the extensive **Learning & Development** offer, "Knowledge Hours" and specialised trainings were organised to ensure that FISMA staff has the right mix of knowledge and expertise in relation to its policies. This also ensures a closer relationship and synergies amongst units.

DG FISMA continued its efforts to increase the **number of female staff in management** at both HoU and Deputy HoU level. A separate group coaching was provided for Deputy HoU's.

The DG continued to dedicate special attention to staff well-being and **staff engagement** targeted to specific categories of staff(e.g. AST Breakfasts, group coaching to Deputy HoU's, mini-coaching sessions by Directors, 360° Leadership circle for HoU's).

Following the 2018 staff survey results, another more targeted staff survey was launched by DG FISMA in summer 2019. No concrete follow-up actions have been taken yet, mainly due to 1) the change of HR Business Correspondent (HR BC), and 2) the focus of the HR BC team on preparing the integration of new units as of 01.01.2020 in line with the new Commission priorities. Measures to follow up both staff surveys will be integrated in the HR Strategy to be defined according to the CWP 2020-2024.

STRATEGIC PLAN 2016-2020		
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		
Indicator 1: Percentage of female representation in middle management. Source of data: SEC(2015)336		
Baseline (May 2015)	Target (2019)	Latest known results (1/1/2020)
26%	35%	41%
Indicator 2: Percentage of staff who feel that the Commission cares about their wellbeing. Source of data: Commission Staff Survey.		
Baseline	Target (2020)	Latest known results (2019)
42% MARKT	45% (5 percentage points higher than the	62%

(2014), 38% ECFIN (2014), 67% FISMA (2016)	average of DG MARKT and DG ECFIN, 10 percentage points higher than the 2014 average for the Commission)		
Indicator 3: Staff Engagement Index. Source of data: Commission Staff Survey.			
Baseline	Target (2020)		Latest known results (2019)
71% MARKT (2014), 66% ECFIN (2014), 73% FISMA (2016)	70% (1.5 percentage point higher than the average of DG MARKT and DG ECFIN; 5 percentage points higher than the 2014 Commission average)		75% (6 percentage points higher than the Commission average)
MANAGEMENT PLAN 2019			
Main outputs in 2019:			
Description	Indicator	Target	Latest known results
Increase number of female managers	% of female head of unit (baseline on 1.1.2019: 33%)	40%	41%
Knowledge Hours in which units present their activities to whole DG	Number of such events and participation	6 "hours" 15 participants at least	11 Attendance varies according to the topic – around 350 participants in total
Support to AST professionalization	Dedicated events	5	9 (on average 25 participants per event)
Mini-coaching by Directors to interested non-management AD staff	Number of participants	At least 20 participants	30 participants
Development programme for Deputy Heads of Unit	Number of participants	At least 4	9 participants
Action plan following up on the 2018 staff survey	Approval of action plan by Director General	By end Q2 2019	Postponed to Q2 2020, in synergy with the HR Strategy

B. Better regulation

As 2019 was the last year of the Juncker Commission, no new policy initiatives were proposed by DG FISMA in accordance with its Management Plan 2019. Consequently, no impact assessment was submitted to the Regulatory Scrutiny Board (RSB) in the past twelve months.

Two **Fitness Checks** were submitted to the RSB during the same period, i.e. the Fitness Check on Supervisory Reporting and the Fitness Check on Corporate reporting. Fitness Checks assess whether a group of interventions is fit for purpose by assessing the performance of the relevant framework with respect to its policy objectives.

The Staff Working Document related to the Fitness Check on Supervisory reporting was published on 7 November 2019 while the Staff Working Document on the Fitness Check on corporate reporting is expected to be published in the first half of 2020.

Compared to previous years, 2019 saw less better regulation activities as no impact assessments were completed. However, DG FISMA took the opportunity to prepare for the **impact assessments** that will be carried out in 2020 with the new College having taken office on 1st December 2019. Therefore, the internal governance structure for better regulation was reviewed and communicated so as to ensure that the positive results achieved in 2018 could be resumed in 2020.

For the proper implementation of the Better Regulation principles, DG FISMA continues to rely on its internal economic analysis and evaluation capacity, complemented by external studies where specific knowledge of industry structure, business models or technology being used is required.

STRATEGIC PLAN			
Objective: Prepare new policy initiatives and manage the EU's acquis in line with better regulation practices to ensure that EU policy objectives are achieved effectively and efficiently.			
Indicator 1: Percentage of Impact assessments submitted by DG FISMA to the Regulatory Scrutiny Board that received a favourable opinion on first submission. ***Explanation:*** *The opinion of the RSB will take into account the better regulation practices followed for new policy initiatives. Gradual improvement of the percentage of positive opinions on first submission is an indicator of progress made by the DG in applying better regulation practices.* **Source of data:** DG FISMA			
Baseline 2015	Interim milestone 2016, 2017 and 2018	Target 2020	Latest known results (December 2019)
83% on first submission	2016: • 4 IAs approved • 75% on first submission 2017: • 9 IAs approved • 44% on first submission 2018:	Positive trend compared to interim milestone.	No IA submitted in 2019

<table>
<tr><td></td><td>8 IAs approved
75% on first submission</td><td></td><td></td></tr>
<tr><td colspan="4">Indicator 2: Percentage of the DG's primary regulatory acquis covered by retrospective evaluation findings and Fitness Checks not older than five years.

Explanation: Better Regulation principles foresee that regulatory acquis is evaluated at regular intervals. As evaluations help to identify any burdens, implementation problems, and the extent to which objectives have been achieved, the availability of performance feedback is a prerequisite to introduce corrective measures allowing the acquis to stay fit for purpose.

Relevance of Indicator 2: The application of better regulation practices would progressively lead to the stock of legislative acquis covered by regular evaluations to increase.

Source of data: DG FISMA</td></tr>
<tr><td>Baseline 2015</td><td>Interim Milestone 2016 and 2017</td><td>Target 2020</td><td>Latest known results (December 2019)</td></tr>
<tr><td>DG FISMA conducted 15 retrospective reviews and 2 green papers in 2015. As Better Regulation principles came into force only late May 2015 (with a transition period for full application at the end of 2015), only 1 DG FISMA review qualified as "evaluation" according to the Better Regulation Principles.</td><td>2016:
18% of primary regulatory acquis (105 directives and regulations) covered by retrospective evaluations.
2017:
22% of primary regulatory acquis covered by retrospective evaluations.
2018:
22% of primary regulatory acquis covered by retrospective evaluations.</td><td>Positive trend compared to interim milestone</td><td>22% of primary regulatory acquis covered by retrospective evaluations. acquis[2].

2 Fitness Checks were conducted in 2019. The Fitness Check on Supervisory Reporting resulted in the publication of a SWD on 7 November 2019; while the Fitness Check on Corporate Reporting is pending.</td></tr>
</table>

[2] Specifically, 26 retrospective reviews, fitness checks and evaluations including: 10 reviews adopted up to 2015 and 7 additional reviews adopted in 2016; 2 evaluations fully qualifying as "evaluations" according to the better regulation principles in 2015 and 2016; 4 evaluations in 2017, 1 evaluation in 2018 and 2 fitness checks in 2019. The current primary regulatory acquis is 107.

C. Information Management

In the area of **document management**, DG FISMA continued its emphasis on promoting the use of ARES among all categories of staff, including AD officials, in order to implement the 2016 action plan for maintaining a high level of document management. This was performed through general awareness-raising actions as well as short training and coaching sessions organised on a regular basis. The trainings were targeted at AD officials and newcomers.

The Document Management Officer organised trainings for DMO correspondents in order to help them train their colleagues in the respective units. In 2019, particular emphasis was put on raising awareness and training DMO correspondents on how to protect the confidentiality of documents through their marking. This was strongly supported through communication from senior management.

DG FISMA also made an important step forward in rolling out the Commission's EU Search engine to its **IT applications** while integrating its own taxonomy to improve the search results. Work was completed in this respect for BASIS and EMT and will be completed for KOEL in early 2020. Work was also completed for the DG's increased use of SharePoint and wikis. Work started to develop tools for the automatic tagging of documents using Machine Learning. **Automatic tagging** will enhance the performance of the taxonomy in EU Search while avoiding time-consuming manual tagging by staff. These developments will make retrieving information easier across different information repositories and thereby promote knowledge sharing within the Commission.

Progress in the **development of new interfaces** with other corporate IT systems for KOEL and EMT to avoid duplication of data entry was slowed down due to a lack of resources. Important work went into modernising BASIS as the Commission's standard system for briefings, further functionalities for DG FISMA's resources planning tool MICE/RP and the development of reusable IT components to save costs. The integration of IT systems to support DG FISMA's new responsibilities in the area of sanctions was launched.

DG FISMA has enforced the new Regulation on **data protection** in the European institutions and bodies with the cooperation of all relevant services in the DG and allocated one official to manage this process. Privacy statements for all its processes were developed that will be adapted as needed to new records. DG FISMA also changed the complete inventory of all data processing operations due to the transformation of FISMA records into corporate records. The inventory concluded that only two FISMA records should be maintained (linked to the Events Management Tool -EMT- and the resources planning tool –MICE-), whilst the briefing management system BASIS will have a corporate record in DG COMP. All other records will be archived or deleted in 2020.

Templates and guidance relating to data protection were made available on FISMA's Intranet to raise awareness of staff and ease the work of the services (e.g. event organisation, invitations and e-pass, managing expert groups). Key information has also been given to unit assistants to foster and promote data protection in all units that are implementing data protection principles and drafting records and privacy statements. Compliance with general principles (Art. 4 Reg. 2018/1725), in particular as regards lawfulness, data minimisation and storage limitation, is checked before the beginning of the treatment of the personal data. Afterwards a verification is made to ensure that the handling was correct.

In 2019, DG FISMA detected and mitigated one personal **data breach**. This breach consisted in sending a distribution list with nationalities of staff in connection with the organisation of an event in the DG. This breach presented a minor risk and DG FISMA reported it to the Data Protection Officer. The experience gained from this case will be used for establishing a new process for data breaches early in 2020.

STRATEGIC PLAN 2016-2020			
Objective: Information and knowledge in your DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable.			
Indicator 1: Percentage of registered documents that are not filed (ratio) **Source of data:** Hermes-Ares-Nomcom (HAN) statistics			
Baseline	Target		Latest known results
2014: 1%	1%		0.36%
Indicator 2: Percentage of HAN files readable/accessible by all units in DG FISMA **Source of data:** HAN statistics			
Baseline	Target		Latest known results
2014: 99%	99%		91.69%[3]
Indicator 3: Percentage of briefings managed in accordance with a uniform business process and using a common tool **Source of data:** BASIS (Briefings And Speeches Information System) – Re: Briefings at DG and DDG level only			
Baseline	Target		Latest known results
2015: 100%	100% every year		97%[4]
MANAGEMENT PLAN 2019			
Main outputs in 2019:			
Description	Indicator	Target	Latest known results
Maintaining high standards in document management	Proportion of documents not treated at the end of the year	<0.5%	0,36%
	Proportion of files without a file manager	<0.5%	0,44%
Increase in ARES use by all categories of staff	Proportion of AresLook registrations made via "Save&Assign" or "Register&Send" (Jan.-Dec.)	>20%	25,52%
Country knowledge on	At least 80% of issues reported in country	Throughout the year	83%

[3] This figure takes all HAN files as the denominator, including files with HR and other personal data, security files, BREXIT files and Resolution Task Force files while those were excluded when the baseline and target were defined.

[4] With the exception of briefings for the EEAS (approximately 3% of the total of 614). The total amount of briefing requests considered for this indicator does not include other type of information encoded in BASIS or requests cancelled or suspended.

enforcement of EU law on the ground	knowledge wiki are followed up internally within 2 months		
Integration of the FISMA taxonomy into the corporate search engine and roll-out to different information repositories (e.g. BASIS, EMT)	Work completed	By 31.12.2019	Completed for BASIS, EMT, SharePoint and wikis
Develop new interfaces[5] in KOEL with the systems Nif, Chap, Themis and EurLex for legislation and case law	Development of new interfaces	Yes	Completed for case law; other interfaces postponed to 2021 given more urgent priorities in 2020
Develop new interfaces[6] in EMT with Outlook, Atmos, Basis and e-Pass, for the simplification of the visitors' invitation and access processes	Development of new interfaces	Yes	Completed for e-Pass; other interfaces postponed to 2021 given more urgent priorities in 2020

[5] The feasibility of interfaces or integrations with systems not under the responsibility of DG FISMA is subject to the risk of major changing priorities as well as budget and technical constraints on the side of the business owners of the systems concerned.

[6] See previous footnote.

D. External Communication

DG FISMA's external communication activities aim at promoting the main objectives of DG FISMA. During 2019, communication efforts focused on highlighting the following DG FISMA priorities:

- Ensuring financial stability by completing and monitoring the reforms adopted following the financial crisis, including completing the Banking Union;
- Stimulating investment, job creation, and growth in the EU through the creation of a Capital Markets Union - a flagship project aimed at mobilising capital for businesses and boosting economic growth in Europe;
- Promoting green finance based on the Commission's sustainable finance action plan, to ensure the implementation of concrete actions enabling the EU financial sector to contribute to the transition towards a greener and cleaner economy; and
- Making financial services work better for consumers and retail investors.

Among those priorities, significant resources and effort were invested in particular into promoting **sustainable/green finance** through a variety of material:

- press releases on the occasion of political agreements reached by the co-legislators on several legislative acts related to sustainable finance;
- several factsheets to explain what sustainable finance is, what a newly established international platform on sustainable finance is;
- a video;
- messages posted on social media at regular intervals to promote the work of the DG;
- a communication campaign on Twitter to promote a high-level conference and a stakeholder event on sustainable finance.

More generally, external communication was carried out through the publication of **press material** when important legislative acts were adopted or political agreements by the co-legislators reached, or upon the entry into force of important pieces of legislation. In addition, **conferences** on various FISMA topics were organised and promoted online and through social media. **Social media** is a tool that was increasingly used throughout 2019 to raise awareness on FISMA's policies.

The **Finance Newsletter**, DG FISMA's electronic monthly magazine is a tool used for both external and internal communication. Communication outreach efforts have paid off. The current number of subscribers is 9,400.

STRATEGIC PLAN 2016-2020
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.
Indicator 1: Percentage of EU citizens having a positive image of the EU. ***Definition:*** *Eurobarometer measures the state of public opinion in the EU Member States. This global indicator is influenced by many factors, including the work of other EU institutions and national governments, as well as political and economic factors, not just the communication actions of the Commission. It is relevant as a proxy for the overall perception of the EU citizens. Positive visibility for the EU is the desirable corporate outcome of Commission communication, even if individual DGs' actions may only make a small contribution.*

Source of data: Standard Eurobarometer (DG COMM budget).		
Baseline	Target (2020)	Latest known results (2019)
November 2014: Total "Positive": 39% Neutral: 37 % Total "Negative": 22%	Positive image of the EU ≥ 50%	November 2019: Total "Positive": 42% Neutral: 37 % Total "Negative": 20%
Objective: Higher user satisfaction with DG FISMA's main information channels, i.e its website, finance newsletter and social media accounts.		
Indicator 1: Percentage of users who "totally agree" or "tend to agree" with the statement "The website / Finance Newsletter / social media accounts improve my understanding of what the EU is doing on banking and finance." ***Definition:*** *This objective covers the DG's main communication channels horizontally across all topics. It focuses on the quality of their services to the DG's main target audience, i.e. stakeholders.* **Source of data:** Online surveys.		
Baseline	Target (2020)	Latest known results (2018)
2016: 90.39% "totally agree" or "tend to agree"	+10% (as compared to 2016 baseline).	+ 0.79% (Results of the mid-term survey (Oct. – Nov. 2018). A new survey will be done in spring 2020.

MANAGEMENT PLAN 2019			
Main outputs in 2019:			
Description	Indicator	Target	Latest known results
Communication actions on sustainable finance	Number of mentions of #SustainableFinanceEU and related hashtags (measured in Brandwatch)	10,000 mentions in 2019	25,876 mentions
Communication campaign on consumer finance (incl. FIN-NET)	Number of mentions of #MyMoneyEU and related hashtags (measured in Brandwatch)	5,000 mentions in 2019	6,181 mentions

Annual communication spending:		
Baseline (2018)	Estimated commitments (2019)	Latest known results
EUR 350,000	EUR 360,000	444 482,59 EUR

(commitments planned)	(including EUR 160,000 for conferences)	

E. Example of initiatives to improve economy and efficiency of financial and non-financial activities of the DG

Planning staff allocation

In order to cope with policy priorities and pool expertise, DG FISMA has adopted a new working method, setting up project teams for many major policy deliverables. The MICE/RPT IT tool provides functions like staff overbooking detection, project tagging with CWP priorities and the Management Plan objectives and interfaces with Sysper to record staff absences and transfers. The system increases the transparency on the use of resources and on the workload distribution. Technical improvements and features were developed in 2019 as well as new interfaces with other systems such as MIPS for missions and the corporate ATLAS tool. New reporting possibilities were also developed.

Management of meetings with interest representatives

The Event Management Tool (EMT) manages the lifecycle of meetings with interest representatives, from the meeting request to the document storage into ARES. It is also used to register the participation of DG FISMA staff in conferences.

This provides:

- greater transparency,
- easier and quicker response to any request for information and for access to the meeting documents,
- business intelligence to rationalise the participation in meetings and conferences.

As explained in paragraph C above, progress in the **development of new interfaces** with other corporate IT systems for EMT was slowed down due to a lack of resources.

Other

DG FISMA is also constantly improving other initiatives to improve the economy and efficiency of its non-financial operations (see for example the various initiatives under paragraph C above on 'Information management') and financial operations (for example by simplifying its manual on financial circuits and adopting electronic workflows for the majority of its transactions).

ANNEX 3: Draft annual accounts and financial reports

Annex 3 Financial Reports - DG FISMA - Financial Year 2019

Table 1 : Commitments
Table 2 : Payments
Table 3 : Commitments to be settled
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Table 7 : Income
Table 8 : Recovery of undue Payments
Table 9 : Ageing Balance of Recovery Orders
Table 10 : Waivers of Recovery Orders
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Table 14 : Contracts declared Secret
Table 15 : FPA duration exceeds 4 years

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

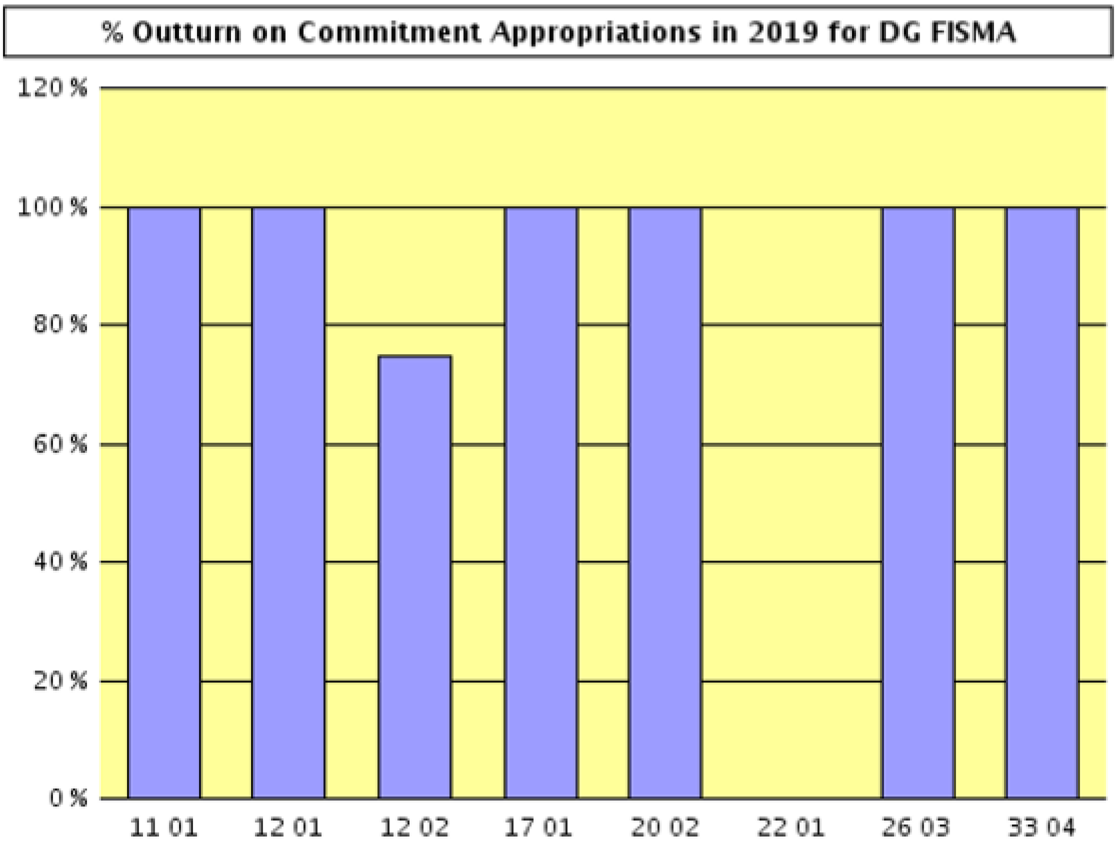
Refresh date : 19/02/2020

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2019 (in Mio €) for DG FISMA			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 11 Maritime affairs and fisheries					
11	11 01	Administrative expenditure of the 'Maritime affairs and fisheries' policy area	0,06	0,06	100,00 %
Total Title 11			**0,06**	**0,06**	**100,00 %**
Title 12 Financial stability, financial services and capital markets union					
12	12 01	Administrative expenditure of the 'Financial stability, financial services and capital markets union' policy area	1,12	1,12	99,91 %
	12 02	Financial services and capital markets	76,3	57,09	74,82 %
Total Title 12			**77,43**	**58,21**	**75,18 %**
Title 17 Health and food safety					
17	17 01	Administrative expenditure of the 'Health and food safety' policy area	0,13	0,13	100,00 %
Total Title 17			**0,13**	**0,13**	**100,00 %**
Title 20 Trade					
20	20 02	Trade policy	0,05	0,05	100,00 %
Total Title 20			**0,05**	**0,05**	**100,00 %**
Title 22 Neighbourhood and enlargement negotiations					
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area		0	
Total Title 22				**0**	
Title 26 Commission's administration					
26	26 03	Services to public administrations, businesses and citizens	0,82	0,82	100,00 %
Total Title 26			**0,82**	**0,82**	**100,00 %**
Title 33 Justice and consumers					
33	33 04	Consumer programme	0,23	0,23	100,00 %
Total Title 33			**0,23**	**0,23**	**100,00 %**
Total DG FISMA			**78,71**	**59,5**	**75,59 %**

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

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 19/02/2020



The lower implementation of operational commitments (see line 12 02 above) compared to the targets established in the 2019 Management Plan (74,8% vs 95%) is due to the unused commitment and payments credits related to the contributions from the EU budget to the three ESAs. The co-legislators adopted the ESAs' review[7] in 2019 without adopting the new funding model as foreseen in the initial Commission proposal. Hence, a total amount of 18.5 million EUR budgeted in 2019 to ensure a smooth transition to the new financial model could not be used for the purpose. Based on that, the Commission proposed an amending budget to the budgetary authority to reallocate these funds to other important policy priorities. Since the budgetary authority could not agree on the amended budget, the amounts remained unused. Otherwise DG FISMA's commitment and payment appropriations would have been fully executed.

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[7] (COM(2017)542final). Package of proposals submitted in 2017 to strengthen the European System of Financial Supervision (ESFS) and revising the legal basis entrusting powers to the ESAs. The proposals aimed to improve the mandates, governance and funding of the three ESAs and the functioning of the ESRB to ensure stronger and more integrated financial supervision across the EU. The package also included a proposed revision of the current funding modalities leading to a more stable and diversified source of financing for the ESAs by replacing the contributions paid by national competent authorities with contributions paid by the industry and market participants. The proposed change in funding modalities also addressed the recommendations of several Parliament resolutions adopted in the context of the budgetary discharge of 2015. It was ultimately not adopted by the co-legislators.

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2019 (in Mio €) for DG FISMA			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 11 Maritime affairs and fisheries					
11	11 01	Administrative expenditure of the 'Maritime affairs and fisheries' policy area	0,06	0,05	77,37 %
Total Title 11			**0,06**	**0,05**	**77,37%**
Title 12 Financial stability, financial services and capital markets union					
12	12 01	Administrative expenditure of the 'Financial stability, financial services and capital markets union' policy area	2,54	1,29	50,83 %
	12 02	Financial services and capital markets	75,31	56,1	74,49 %
Total Title 12			**77,85**	**57,39**	**73,71%**
Title 17 Health and food safety					
17	17 01	Administrative expenditure of the 'Health and food safety' policy area	0,13	0,17	127,27 %
Total Title 17			**0,13**	**0,17**	**127,27%**
Title 20 Trade					
20	20 02	Trade policy	0	0	#DIV/0
Total Title 20			**0**	**0**	**#DIV/0**
Title 26 Commission's administration					
26	26 03	Services to public administrations, businesses and citizens	0	0,62	#DIV/0
Total Title 26			**0**	**0,62**	**#DIV/0**
Title 33 Justice and consumers					
33	33 04	Consumer programme	0,2	0,2	100,00 %
Total Title 33			**0,2**	**0,2**	**100,00%**
Total DG FISMA			**78,25**	**58,43**	**74,67 %**

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

See comment under table 1 above for the lower implementation of payments credits compared to the targets established in the 2019 Management Plan (74,7% vs 95%) which is due to the unused commitment and payment credits related to the contributions from the EU budget to the three ESAs.

The low execution of administrative payment appropriations (see line 12 01 above - 50,8 %) is mainly due to the staggered allocation of the IT budget over the year and the fact that new IT contracts then extend into the following year with payments made accordingly. At the same time, DG FISMA achieved a very high execution of administrative commitment appropriations (99,9 %).

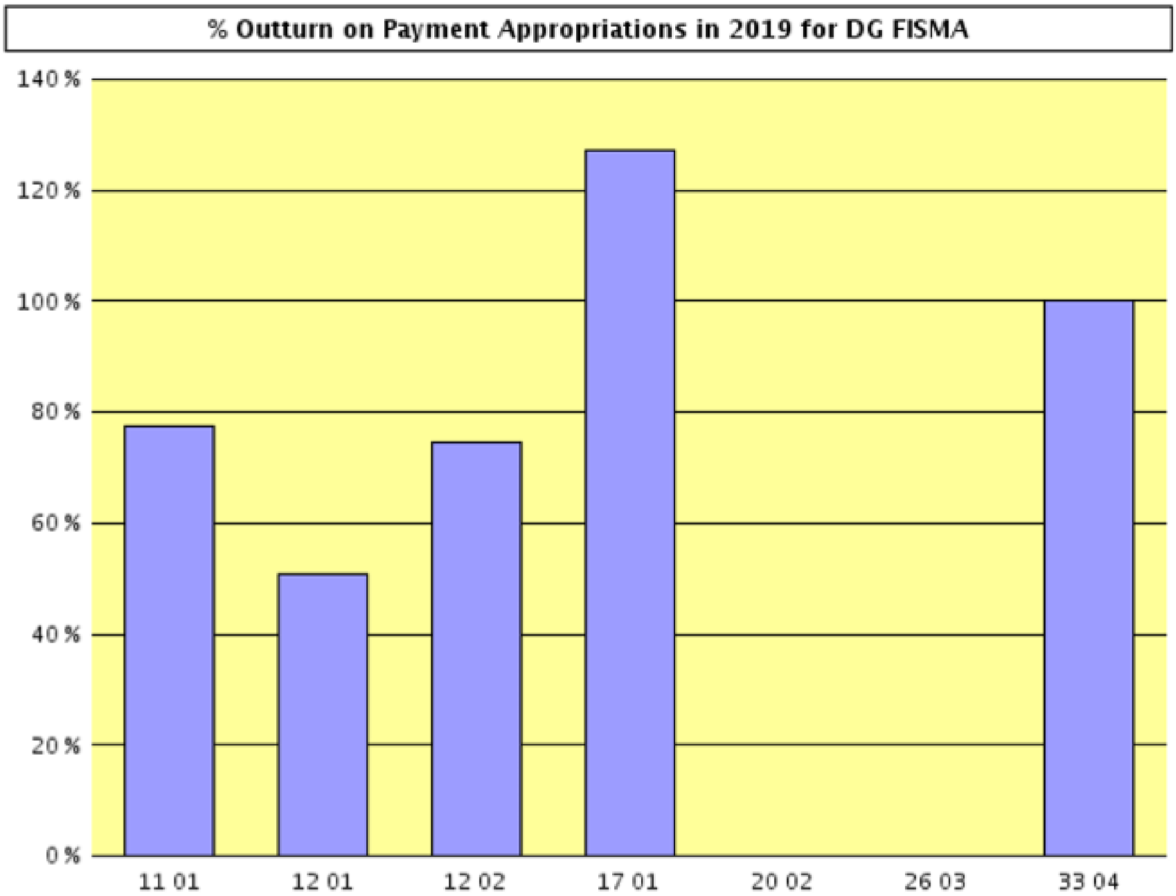

% Outturn on Payment Appropriations in 2019 for DG FISMA
140 %
120 %
100 %
80 %
60 %
40 %
20 %
0 %
11 01
12 01
12 02
17 01
20 02
26 03
33 04

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG FISMA										
			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
11	11 01	Administrative expenditure of the 'Maritime affairs and fisheries' policy area	0,06	0,00	0,06	100,00%	0,00	0,06	0,05
Total Title 11			**0,06**	**0,00**	**0,06**	**100,00%**	**0,00**	**0,06**	**0,05**

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG FISMA									
			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
12	12 01	Administrative expenditure of the 'Financial stability, financial services and capital markets union' policy area	1,12	0,19	0,94	83,44%	0,02	0,96	1,16
	12 02	Financial services and capital markets	57,09	48,91	8,17	14,32%	2,77	10,94	10,01
Total Title 12			**58,21**	**49,10**	**9,11**	**15,65%**	**2,79**	**11,90**	**11,17**

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG FISMA									
			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
17	17 01	Administrative expenditure of the 'Health and food safety' policy area	0,13	0,02	0,11	85,22%	0,00	0,11	0,15
Total Title 17			**0,13**	**0,02**	**0,11**	**85,22%**	**0,00**	**0,11**	**0,15**

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG FISMA									
			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
20	20 02	Trade policy	0,05		0,05	100,00%	0,00	0,05	0,00
Total Title 20			**0,05**		**0,05**	**100,00%**	**0,00**	**0,05**	**0,00**

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG FISMA									
			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	0,00		0,00	0,00%	0,00	0,00	0,00
Total Title 22			**0,00**		**0,00**	**0,00%**	**0,00**	**0,00**	**0,00**

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG FISMA										
			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
26	26 03	Services to public administrations, businesses and citizens	0,82	0,00	0,82	100,00%	0,95	1,77	1,57
Total Title 26			**0,82**	**0,00**	**0,82**	**100,00%**	**0,95**	**1,77**	**1,57**

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG FISMA									
			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
33	33 04	Consumer programme	0,23	0,00	0,23	100,00%	0,00	0,23	0,20
Total Title 33			**0,23**	**0,00**	**0,23**	**100,00%**	**0,00**	**0,23**	**0,20**

Total for DG FISMA	**59,5**	**49,12**	**10,38**	**17,45 %**	**3,74**	**14,12**	**13,14**

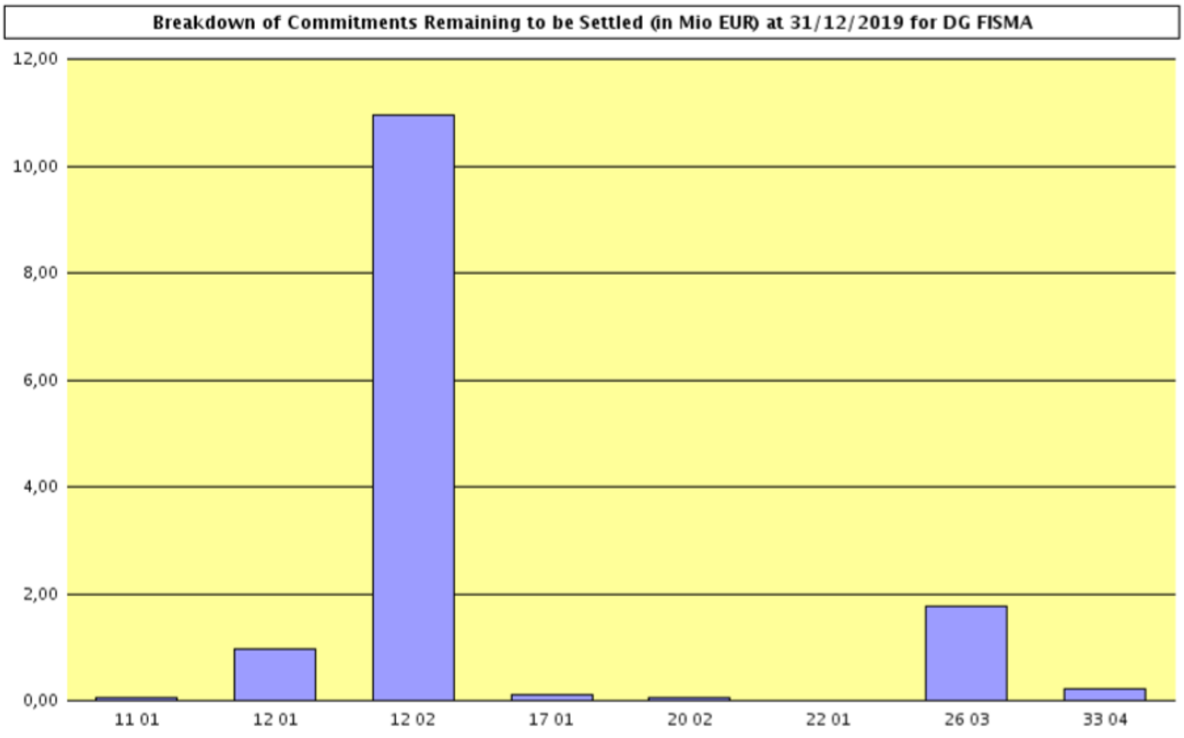


TABLE 4 : BALANCE SHEET for DG FISMA		
BALANCE SHEET	**2019**	**2018**
A.I. NON CURRENT ASSETS	0	0
A.I.2. Property, Plant and Equipment	0,00	0,00
A.II. CURRENT ASSETS	7.130.295,81	4.154.080,65
A.II.2. Current Pre-Financing	7.124.008,54	4.153.983,38
A.II.3. Curr Exch Receiv &Non-Ex Recoverables	6.287,27	97,27
ASSETS	**7.130.295,81**	**4.154.080,65**
P.II. CURRENT LIABILITIES	-124.704,64	-145.091,17
P.II.4. Current Payables	-124.704,64	-145.091,17
LIABILITIES	**-124.704,64**	**-145.091,17**
NET ASSETS (ASSETS less LIABILITIES)	**7.005.591,17**	**4.008.989,48**
P.III.2. Accumulated Surplus/Deficit	282.932.565,64	229.936.341,47
Non-allocated central (surplus)/deficit*	-289.938.156,81	-233.945.330,95
TOTAL DG FISMA	**0,00**	**0,00**

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

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

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG FISMA

STATEMENT OF FINANCIAL PERFORMANCE	**2019**	**2018**
II.1 REVENUES	-5.234.711,78	268.684,32
II.1.1. NON-EXCHANGE REVENUES	-5.683.500	-37.920
II.1.1.4. FINES	-5.683.500,00	
II.1.1.5. RECOVERY OF EXPENSES		-37.920,00
II.1.2. EXCHANGE REVENUES	448.788,22	306.604,32
II.1.2.2. OTHER EXCHANGE REVENUE	448.788,22	306.604,32
II.2. EXPENSES	54.350.050,34	52.727.539,85
II.2. EXPENSES	54.350.050,34	52.727.539,85
II.2.10.OTHER EXPENSES	2.316.161,08	1.900.990,40
II.2.2. EXP IMPLEM BY COMMISS&EX.AGENC	10.927.451,04	12.866.769,57
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES	41.106.438,22	37.959.779,88
STATEMENT OF FINANCIAL PERFORMANCE	**49.115.338,56**	**52.996.224,17**

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

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

TABLE 5bis : OFF BALANCE SHEET for DG FISMA

OFF BALANCE	2019	2018
OB.1. Contingent Assets	0	0
GR for pre-financing	0,00	0,00
OB.4. Balancing Accounts	0	0
OB.4. Balancing Accounts	0,00	0,00
OFF BALANCE	**0,00**	**0,00**

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

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

TABLE 6: AVERAGE PAYMENT TIMES in 2019 for FISMA

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	277	274	98,92 %	13,5	3	1,08 %	42
34	1	1	100,00 %	10			
40	2	2	100,00 %	11,5			
44	1	1	100,00 %	40			
45	2	2	100,00 %	33,5			
60	48	48	100,00 %	22,75			
125	1	1	100,00 %	13			
Total Number of Payments	**332**	**329**	**99,10 %**		**3**	**0,90 %**	
Average Net Payment Time	**15,27**			**15,02**			**42**
Average Gross Payment Time	**17,92**			**17,7**			**42**

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	29	30	9,04 %	332	12.175.753,28	20,84 %	58.428.480,95

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2019 for DG FISMA								
Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	7=3-6
66	OTHER CONTRIBUTIONS AND REFUNDS	692.800,19	0,00	692.800,19	692.800,19	0,00	692.800,19	0,00
71	FINES AND PENALTIES	5.683.500,00	0,00	5.683.500,00	5.683.500,00	0,00	5.683.500,00	0,00
Total DG FISMA		6.376.300,19	0	6.376.300,19	6.376.300,19	0	6.376.300,19	0

TABLE 8 : RECOVERY OF PAYMENTS in 2019 for DG FISMA
(Number of Recovery Contexts and corresponding Transaction Amount)

Year of Origin (commitment)	Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2018			3	689.358,8		
2019			2	3.441,39		
Sub-Total			5	692.800,19		

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES										
NON ELIGIBLE IN COST CLAIMS	1	9.447,16			1	9.447,16	1	9.447,16	100,00%	100,00%
CREDIT NOTES	9	65.847,46			9	65.847,46	10	144.847,46	90,00%	45,46%
Sub-Total	10	75.294,62			10	75.294,62	11	154.294,62	90,91%	48,80%
GRAND TOTAL	10	75.294,62			10	75.294,62	16	847.094,81	62,50%	8,89%

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2019 for DG FISMA						
	Number at 1/01/2019	Number at 31/12/2019	Evolution	Open Amount (Eur) at 1/01/2019	Open Amount (Eur) at 31/12/2019	Evolution

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2019 for DG FISMA						
	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments

Total DG FISMA	

Number of RO waivers	

TABLE 11 :Negociated Procedures in 2019 for DG FISMA

Internal Procedures > € 60,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Annex 1 - 11.1 (b) - Artistic/technical reasons or exclusive rights or technical monopoly/captive market	1	691.000,00
Total	**1**	**691.000,00**

TABLE 12 : Summary of Procedures in 2019 for DG FISMA

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Negotiated procedure middle value contract (Annex 1 - 14.2)	2	167.100,00
Negotiated procedure without prior publication (Annex 1 - 11.1)	1	691.000,00
Open procedure (FR 164 (1)(a))	9	3.236.706,00
Total	**12**	**4.094.806,00**

TABLE 13 : BUILDING CONTRACTS in 2019 for DG FISMA

Legal base	Contract Number	Contractor Name	Description	Amount (€)

TABLE 14 : CONTRACTS DECLARED SECRET in 2019 for DG FISMA							
LC Responsible Organisation DG Code	LC Contract/Grant Type	LC Date	Legal base	Contract Number	Contractor Name	Description	Amount (€)

TABLE 15 : FPA duration exceeds 4 years - DG FISMA

None

ANNEX 4: Materiality criteria

The materiality criteria is the benchmark against which DG FISMA identifies in qualitative and quantitative terms the overall impact of a weakness and judge whether it is material enough to have an impact on the assurance. Even if the amount at risk is under the materiality threshold, a reservation may still be made on qualitative grounds.

Qualitative assessment of materiality:

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

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

Quantitative assessment of materiality:

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

Quantitative and qualitative indicators are provided by:

- *Ex-post* checks made by the Resources' Unit on a sample of all open commitments and payments processed in 2019.
- The register of annual exceptions and non-compliance events. Weaknesses having a significant impact (which would qualify as a material error) are assessed on the basis of:
    - any significant reputational risk for the DG and the Commission;
    - repetitive or systemic errors/errors that have gone uncorrected;
    - whether they would lead to a failure in identifying any major risk with a financial or policy impact, and/or establishing an adequate action plan to mitigate those risks.
- Other errors detected *ex-post* in the course of standard control or reporting. activities, and which have been notified to the Risk Management and Internal Control (RMIC) Director.
- Control indicators applicable to the direct procurement and grants management.

As from 2019 , a 'de minimis' threshold for financial reservations is introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

ANNEX 5: Relevant Control System(s) for budget implementation (RCSs)

Direct management - Grants

Stage 1 — Programming and assessing grant applications

A — Preparation, adoption and publication of the work programmes

Main control objectives: Ensuring that the work programmes reflect the objectives of the programme as set in the legal base.

Main risks It may happen (again) that …	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
The work programmes do not adequately reflect the objectives of the programme as set in the legal base. If risk materialises, all grants awarded during the year would be irregular. Possible impact: 100 % of budget involved and significant reputational consequences.	Explicit allocation of responsibility to individual officials (reflected in task distribution); hierarchical validation within the authorising and operational departments; inter-service consultation including all relevant services; adoption by the Commission	**Coverage**: 100% of work programmes	**Effectiveness**: Number of negative opinions or substantial comments received via the inter-service consultation **Economy:** Costs of controls of stage 1 and stage 2 over value of grants

B —Assessment of the grant applications received

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

Main risks It may happen (again) that …	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators

Main risks It may happen (again) that …	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
The grant applications do not comply with the objectives of the programme as set in the legal base. The grant applications do not contain all information and supporting documents required for its assessment.	Assessment of applications by competent staff	**Coverage**: 100 % of applications are assessed	**Effectiveness**: Number of cases of litigation Grants applications corrected since missing information/supporting documents **Economy**: Costs of controls of stage 1 and stage 2 over value contracted

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

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

Main risks It may happen (again) that …	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the policy or programme objectives and/or that the budget foreseen overestimates the costs necessary to carry out the work programme. The beneficiary lacks operational and/or financial capacity to carry out the work programme. Procedures do not comply with the regulatory	Validation of beneficiaries (operational and financial viability) Use of standard grant agreement templates which include control provisions Timely adoption of the annual financing decision Signature of grant agreement by the AO	**Coverage**: 100 % of draft grant agreements **Depth:** Light controls over beneficiaries since all are identified in the grant agreement.	**Effectiveness:** Amount of EU funding (€) proposed by beneficiary that was rejected (not included in the grant agreement budget) **Economy:** Costs of controls of stage 1 and stage 2 over value contracted

Main risks It may happen (again) that …	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
framework (e.g. the grant agreement does not contain all applicable provisions or is signed late).			

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

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

Main risks It may happen (again) that …	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
The work programme of the beneficiary is not, totally or partially, carried out in accordance with the provisions of the grant agreement and/or the amounts paid exceed those due in accordance with the applicable contractual and regulatory provisions. Changes to grant agreements are not properly documented or authorised. Payments to beneficiaries	Operational and financial checks in accordance with the financial circuits Operation authorised by the AO	**Coverage**: 100 % of transactions are controlled and authorised	**Effectiveness**: Number or % of grants with cost claim errors Amount (€) of cost items rejected (total ineligible costs) Value of cost claims items adjusted as percentage of total cost claim value Number of potential fraud cases **Efficiency**: Time-to-payment **Economy:** Costs of control of stage 3 over amount paid
	On-the-spot verifications Verification results validated with beneficiary	**Coverage**: Sample of beneficiaries (based on risks) **Depth**: Depends on risks identified	
	If needed: application of suspension/interruption of payments, penalties If needed: beneficiary or grant referred to OLAF	**Depth**: Depends on results of ex-ante controls	

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
are made late.			

Stage 4 — *Ex-post* controls

A — Reviews, audits and monitoring

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

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

B — Implementing results from ex-post audits/controls

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

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
Errors, irregularities and cases of fraud detected are not addressed (in time).	Systematic documentation of audit/control results to be implemented Financial operational validation of	**Coverage**: 100 % of final ex-post control results with a financial impact Consider	**Effectiveness**: Total amount of recovery orders still pending following the results of ex-post checks and on-the-spot checks (€)

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
Lessons learned from the implementation of audit results are not exploited to reinforce the control systems.	recovery in accordance with financial circuits Authorisation by the AO	'extending' the findings of systemic errors into corrections of non-audited grants by the same beneficiary	

Direct management – Procurement

Stage 1: Procurement

A – Planning

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

Main risks It may happen (again) that ...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
The needs are not well defined (operationally and economically) and the decision to procure was inappropriate to meet the operational objectives. Services are discontinued due to late contracting (poor planning and organisation of procurement process). Other suitable/similar solutions already exist or the objectives can be achieved alternatively at lower/no cost.	Financing decisions/list of studies to be procured are discussed and agreed by management/group responsible for assessing the needs for studies.	**Coverage**: 100 % of forecast procurements (open procedures) are justified in a note to the AOSD. **Depth:** All key procurement procedures (generally with a value (€) at or above the Directive threshold) are discussed by senior management responsible for assessing the needs for studies.	**Effectiveness**: Number of projected calls for tenders cancelled Number of contract discontinued due to lack of use (poor planning) **Economy**: Cost of controls of stage 1 over value contracted.
	Central financial unit verifies timing and planning of different procurement procedures	**Coverage:** 100 % of forecast procurements	

B- Needs assessment and definition of needs

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

Main risks It may happen (again) that …	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
The best offer(s) are not submitted due to poor tender specifications. Failing to identify relevant selection and award criteria to ensure either adequate capacity from contractors and satisfactory offers An offer is biased due to rigged/unbalanced specifications	Operational verification to supervise drawing-up of technical specifications Verification by the Resources Unit (with expertise in procurement) of accuracy/completeness and clarity of tender documents	**Coverage**: 100 % of tender specifications are scrutinised.	**Effectiveness:** Number of procedures where only one or no offers were received Number of requests for clarification regarding tender specifications **Economy**: Cost of controls of stage 1 over value contracted.
	AOSD's final supervision and approval of specifications (two different AOSDs for amounts of € 60 000 or more)	**Coverage**: 100 % of tenders above a financial threshold (e.g. € 60 000) are reviewed by the AOSD and receive a second verification. **Depth:** Risk-based (depends on sensitivity of file).	

C — Selection of the offer and evaluation

Main control objectives: Ensuring that the offers are free from any fraud risks (fraud prevention and detection), comply with the E-E-E (effectiveness, efficiency and economy) principles and are evaluated in accordance with the established rules on impartial evaluation; compliance (legality and regularity)

Main risks It may happen (again) that …	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators

Main risks It may happen (again) that …	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
The most economically advantageous offer is not selected, due to a biased, inaccurate or 'unfair' evaluation process. There is a conflict of interests between evaluators and tenderers/candidates. There is an overdependence on a limited pool of tenderers given the low number of economic operators able to provide the DG with specialised input. There is corruption or collusion, bids are manipulated or submitted by phantom service-providers.	Formal evaluation process: appointment of the Opening and evaluation committees composed of at least three persons representing at least two organisational entities of the service. The award decision file identifying the proposed contractor is reviewed (before the AOSD's signature) by the central Resources Unit, which checks for any red flags (two ex-ante verifications if necessary).	**Coverage**: 100 % of offers analysed. **Depth**: In terms of justification of the draft award decision	**Effectiveness**: Number of 'valid' complaints or of litigation cases filed Number of fraudulent cases detected Number of companies excluded from participation in public procurement/awarding **Economy**: Cost of controls of stage 1 over value contracted.
	Opening and evaluation committees' declarations of absence of conflict of interests	**Coverage**: All members of opening and evaluation committees	
	Exclusion criteria documented	**Coverage**: 100 % checked. **Depth**: required documents provided are consistent	
	Standstill period – opportunity for unsuccessful tenderers to put forward concerns on the award decision.	**Coverage**: 100 % when conditions are fulfilled	

Stage 2: Financial transactions

Main control objectives: Ensuring that the contract is implemented in compliance with the signed contracts

Main risks It may happen (again) that …	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
The planned products/services/works are not, totally or partially provided in accordance with the technical description and requirements in the contract and/or the amounts paid exceed those due in accordance with the applicable contractual and regulatory provisions. Business is interrupted because contractor fails (on time) to deliver results (e.g. to be used for impact assessments).	Operational and financial checks: checklist-based verification requiring two actors for both operational and financial level (in accordance with established financial circuits) Authorisation by AOSD For riskier operations, a second ex-ante in-depth verification before payment (checklist and ABAC signatures) A financial initiating agent (contracts officer) checks that the planning of deliverables is respected.	**Coverage**: 100 % contracts controlled. **Depth**: Riskier operations subject to in-depth controls. The depth depends on the amount and potential impact of late or no delivery on the DG's operations.	**Effectiveness**: Number/amount of liquidated damages Number of transactions 'refused for correction' **Economy**: Cost of controls of stage 2 per payment/recovery order made. **Efficiency:** Average time (days) to payment Number of late payments

Stage 3: Supervisory measures

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

Main risks It may happen (again) that …	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
An error, non-compliance with regulatory and contractual provisions, including technical specifications, or fraud is not prevented, detected or	Ex-post publication (possible reaction from tenderer/potential tenderer, e.g. whistleblowing)	**Coverage**: 100 % of contracts (contract award notices or Financial Transparency Register – FTS)	**Effectiveness**: Amount associated with errors detected ex-post (relating to fraud, irregularity and error) System improvements made

Main risks It may happen (again) that …	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
corrected by ex-ante control prior to payment.	Desk reviews of a representative sample of transactions to determine effectiveness of ex-ante controls and consider findings for improving them	**Coverage**: Random and/or judgmental sampling. **Depth**: Look for any systemic problem in procurement procedure and financial circuits	**Efficiency**: Costs of ex-post reviews as compared with 'benefits'

Indirect management -
Union contribution to the European Supervisory Authorities (ESAs)

The authorising officer by delegation of DG FISMA does not entrust ESAs with budget implementation tasks. However, as ESAs do not have a separate budget line in the Union budget nomenclature and their budget appears among other DG FISMA budget lines, DG FISMA is responsible for transferring the Union contribution (as determined by the budgetary authority) to the ESAs' administrative and operational budget.

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

Main control objectives: Ensuring that the legal framework for the management of the relevant funds is fully compliant and regular (legality and regularity), delegated to an appropriate entity (best value for public money, economy, efficiency), without any conflicts of interests (anti-fraud strategy)

Main risks ***It may happen (again) that…***	**Mitigating controls**	**Coverage, frequency and depth of controls**	**Cost-Effectiveness indicators**
The establishment (or prolongation) of the mandate of the entrusted entity is affected by legal issues, which would undermine the legal basis for the management of the related EU funds (via that particular entity).	Ex-ante evaluation Hierarchical validation within the authorising department Inter-service consultation, including all relevant DGs Adoption by the Commission	**Coverage/Frequency**: 100%/once **Depth**: In depth analysis related to a package of proposals revising the mandate, governance and funding modalities of the agencies	**Effectiveness**: Quality of the legal work (basic act, LFS and delegation act/contribution agreement/etc.): Number of initially negative CIS opinions **Economy**: Cost of controls of stage 1 over payments made

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

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

Main risks ***It may happen (again) that …***	**Mitigating controls**	**Coverage, frequency and depth of controls**	**Cost-Effectiveness indicators**
Due to insufficient cooperation, supervision and reporting arrangements, the Commission is not informed (in time)	Monitoring or supervision of entrusted entity (e.g. review of management reports, representation and intervention on the	**Coverage**: 100 % of entities are monitored/ supervised **Frequency**: Before every board	**Effectiveness**: Quality of management reports

Main risks ***It may happen (again) that …***	**Mitigating controls**	**Coverage, frequency and depth of controls**	**Cost-Effectiveness indicators**
of relevant management issues encountered by the entrusted entity and/or does not react (in time) to issues by mitigating them or entering a reservation; this may reflect negatively on the Commission's governance reputation and quality of accountability reporting.	board, scrutiny of annual report, etc.). If appropriate/needed: - reinforced monitoring of operational and/or financial aspects of the entity; - potential escalation of any major governance-related issues with entrusted entities; - referral to OLAF	meeting and on receipt of key management reports/documents In the event of operational and/or financial issues, measures are reinforced. **Depth:** Depends on riskiness of the identified issues, if any. Overall light level of control considering the degree of independence of the entrusted entities.	Budget amount of errors concerned Positive discharge **Economy**: Cost of controls of stage 2 over payments made

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

Main control objectives: Ensuring that the Commission assesses fully the management situation at the entrusted entity, before either paying out the (next) contribution for its operational and/or operating budget or deciding to suspend/interrupt the (next) contribution (legality and regularity, sound financial management, anti-fraud strategy)

Main risks ***It may happen (again) that…***	**Mitigating controls**	**Coverage, frequency and depth of controls**	**Cost-Effectiveness indicators**
The Commission pays out the (next) contribution to the entrusted entity, while not being aware of the management issues that may lead to financial and/or reputational damage.	Hierarchical validation of contribution payment and recovery of non-used operating budget subsidy	**Coverage**: 100% of the contribution payments. **Frequency**: usually annually **Depth:** light level of control considering the degree of independence of the entrusted entities.	**Effectiveness**: Amount of any unused operating budget recovered, Budget amount of the suspended/interrupted payments (if any). **Economy**: Cost of controls of stage 3 over payments made **Efficiency:** Time-to-payment

ANNEX 6: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission (if applicable)

Not applicable.

ANNEX 7: EAMR of the Union Delegations (if applicable)

Not applicable.

ANNEX 8: Decentralised agencies and/or EU Trust Funds (if applicable)

For 2019, the total budgeted Union contribution paid to the European supervisory authorities (ESAs) was € 42 362 291 including the recovery of surplus from the 2017 contribution (as assigned revenues).

Agency	Policy concerned	Paid by DG FISMA in 2019 (€)[8]
European Banking Authority (EBA)	Financial services	18 491 616
European Insurance and Occupational Pensions Authority (EIOPA)		10 187 173
European Securities and Markets Authority (ESMA)		13 683 501
Single Resolution Board (SRB)	Financial stability	Fully self-financed agency

DG FISMA controls over the ESAs' operations are conditioned by their governance structure. DG FISMA does not entrust the ESAs with programme implementation tasks. Given the governance system of the ESAs as laid down in their founding regulations DG FISMA's controls are limited to Strategic Planning and Programming, budgeting and effective transferring of the EU contribution to the ESAs (RCS on indirect management in Annex 5 – stage 4). The controls of DG FISMA on the payments and recoveries from/to the ESAs are similar to those performed under direct management.

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

- Unit 01 coordinated with the ESAs on horizontal operational, institutional and legal questions.
- Unit A2 provided support for budgetary procedures.
- DG FISMA represented the Commission on the ESAs' management boards, usually through the Director or Head of Unit in charge at operational level. It had a vote on budgetary issues only.
- DG FISMA also represented the Commission on the ESAs' boards of supervisors.

Since the three ESAs were established in 2011, their operating costs have been mainly funded by the national supervisory authorities (60 %) and the EU (40 %). ESMA is also funded by fees from supervised entities (i.e. credit-rating agencies and trade repositories).

[8] The change in funding modalities proposed in the legislative package to strengthen the European System of Financial Supervision (ESFS) - (COM(2017)542final) - was ultimately not adopted by the co-legislators. A total amount of 18.5 million EUR budgeted in 2019 to ensure a smooth transition to the new financial model could therefore not be used for the purpose. Based on that, the Commission proposed an amending budget to the budgetary authority to reallocate these funds to other important policy priorities. Since the budgetary authority could not agree on the amended budget, the amounts remained unused. See paragraph 2.1.1.4 of this report.

In order to ensure effective collaboration with the ESAs, based on the principles established in the Framework Financial Regulation of 30/09/2013[9], DG FISMA established working arrangements with the three Authorities: a working arrangement on the ESAs' proposal to issue Guidelines (2013), a working arrangement on the process of the development of Technical Standards (2015) and a working arrangement on the coordination of international matters (2016).

In March 2019 the co-legislators agreed a legislative package to strengthen the European System of Financial Supervision (ESFS) and the final text was published in the Official Journal in December. The final text agreed improved the mandates and governance of the three ESAs and the functioning of the ESRB to ensure stronger and more integrated financial supervision across the EU. A notable change in terms of governance has been the strengthening of conflict of the interest provision, which covers not only private interests but also public interests (interests that a person may have in its capacity as an employee or function holder of an authority). Following this provision, the National Competent Authority to which an individual decision or measure is addressed, will now have to abstain from participating in the discussion and voting. This is a helpful principle to mitigate the risk of perception of unfair judgment or action and consequential reputational risk for EU institutions and bodies. During 2019, DG FISMA has worked to clarify different aspects of the changes agreed by the co-legislators in order to ensure their correct and consistent implementation. DG FISMA continues to be ready to support the ESAs in their efforts to implement the new rules.

[9] Commission delegated regulation (EU) No 1271/2013 of 30 September 2013.

ANNEX 9: Evaluations and other studies finalised or cancelled during the year

List of studies.xls

ANNEX 10: Specific annexes related to "Financial Management"

Coverage (paragraph 2.1.1.1)

The table below indicates the relevant control objectives for each type of expenditure and risk typology[10].

ACTIVITIES/ SPECIFIC RISK AREAS	<u>**Activity 1**</u> **Implementation and development of the single market for financial services + pilot projects and operational activities (sub)delegated by other services**	<u>**Activity 2**</u> **Standards in the fields of financial reporting and auditing**	<u>**Activity 3**</u> **Capacity building for end-users and other non- industry stakeholders in connection with Union policymaking in the area of financial services**	<u>**Activity 4**</u> **European Supervisory Authorities (EBA, ESMA, EIOPA)**	**Total**
Direct management Grants	-	€ 6 751 764	€ 1 487 207	-	€ 58 428 481
Direct management Procurement[11]	€ 7 827 219[12]	-	-	-	
Indirect management	-	-	-	€ 42 362 291	
Relevant Internal Control Objectives (ICOs)- main conclusions?	- ***Legality & Regularity:* OK** (see paragraph 2.1.1.3.1, Annex 5 and Annex 10) - ***Effectiveness, efficiency, economy of operations:* OK** (see paragraph 2.1.1.3.2, Annex 5 and Annex 10) - ***Prevention, detection, correction and follow up of fraud and irregularities: OK*** (see paragraph 2.1.1.3.2, Annex 5 and Annex 10)				
Independent info from auditors (IAS, ECA) on assurance or on new/overdue critical recommendations available?	NO	NO	NO	NO	NO
Reservations?	NO	NO	NO	NO	NO

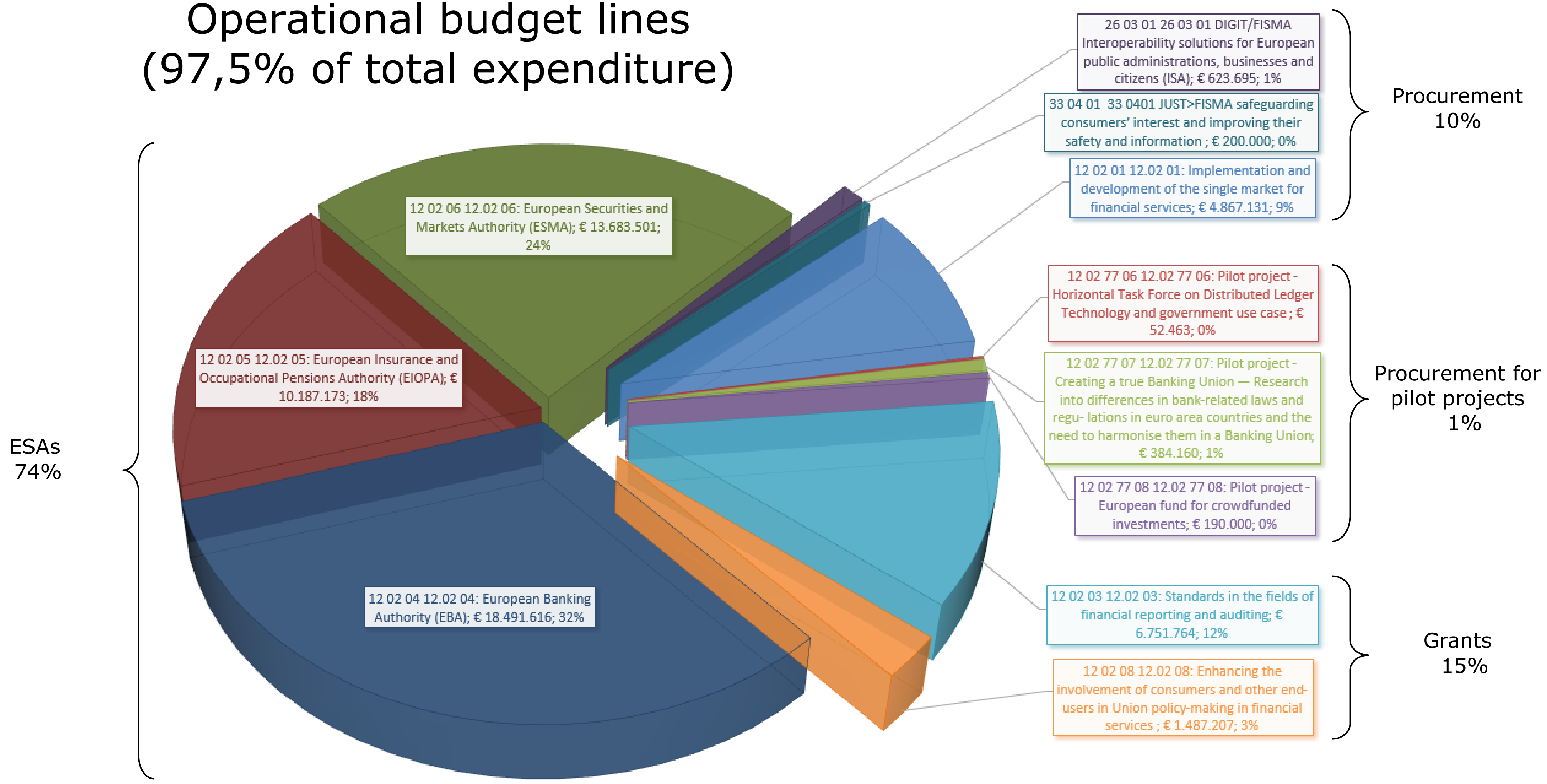
[10] The revenue mentioned in Annex 7 (6 376 600 EUR) is mainly related to the fines collected by the European Securities and Markets Authority (ESMA). This amount was recovered (1) in accordance with Article 8 of Commission Delegated Regulation (EU) 946/2012 of fines imposed and collected by the ESMA as provided for under the Credit Ratings Agencies Regulation and (2) in accordance with Article 8 of Commission Delegated Regulation (EU) 667/2014, of fines imposed and collected by the European Securities and Markets Authority (ESMA) as provided for under the Trade Repository Regulation. As in previous years, while ex-ante controls are in place to ensure the legality and regularity of the recovery process, these operations do not affect DG FISMA's declaration of assurance and are not covered by a specific control objective since not affecting.

[11] Including also administrative expenditure and pilot projects.

[12] 6 317 449 EUR operational expenditure + 1 509 770 EUR administrative expenditure.

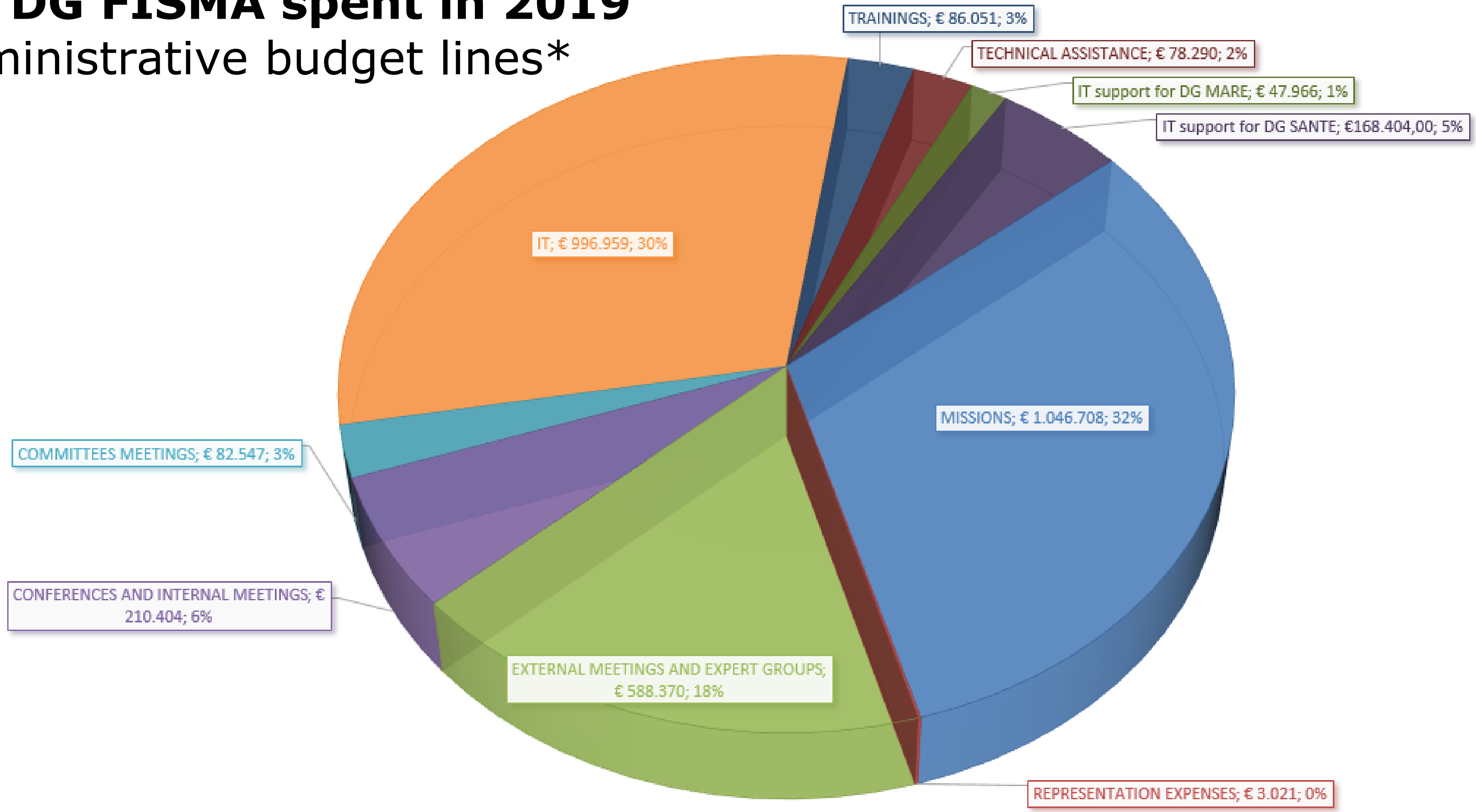
What DG FISMA spent in 2019

Operational budget lines
(97,5% of total expenditure)



What DG FISMA spent in 2019

Administrative budget lines*



*Of which 1 509 770 EUR reported by DG FISMA (see Table 2 in Annex 3 – **2,5 % of total expenditure in 2019**) and 1 798 951 reported by PMO and DG HR (i.e. missions, committees meetings, external meetings and expert groups, part of training expenses).

1. Detailed budget coverage on operational expenditure

1.a) Procurement

– **(Budget line 12.0201) Studies/service contracts**. DG FISMA procures studies and other service contracts (including subscriptions to databases, IT services and communication). The outputs of such activities are used by DG FISMA to define the content of new policy initiatives and to provide factual elements for impact assessments and evaluations.

Payments made
€ 4 867 131

– **(Budget line 12.027706)** ***Pilot project - Horizontal Task Force on Distributed Ledger Technology (DLT).*** This pilot project aims at setting up a task force staffed with regulatory and technical experts in order to build up technical expertise and regulatory capacity and develop use cases, especially for, in the governmental applications field of Distributed Ledger Technology (DLT) as proposed in the European Parliament resolution on virtual currencies.

Payments made
€ 52 463 + amounts cross-subdelegated to DG CNECT and DG DIGIT(see paragraph 1.c below)

– **(Budget line 12.027707)** ***Pilot project - Creating a true Banking Union — Research into differences in bank-related laws and regulations in euro area countries and the need to harmonise them in a Banking Union.*** This pilot project provide financial support to assess the differences in bank-related rules and regulations in the euro area and to investigate in which areas further harmonisation is needed in order to create a true banking union. It also covers the an analysis of the rules governing the responsibilities of national competent authorities within the Single Supervisory Mechanism (SSM) and national resolution authorities within the Single Resolution Board (SRB), with a view to establishing whether and, if so, where further harmonisation of rules would be justified so as to improve how the SSM and SRB work.

Payments made
€ 384 160

– **(Budget line 12.027708)** ***Pilot project – European fund for crowdfunded investments.*** This pilot project will examine the potential of financial-returns-orientated crowdfunding models as an alternative source of financing for SMEs in the context of the Investment Plan for Europe. It focuses on studying how to complement the banking sector in cases where there is evidence of market failure and suboptimal investments to ultimately build an action plan on how to deploy a crowdfunding investment platform.

Payments made
€ 190 000

1.b) Grants

– **(Budget line 12.0203)** ***Union programme to support specific activities in the field of financial reporting and auditing***[13]. The Union programme aims to provide financial support to three beneficiaries identified in the legal basis: the *International Financial Reporting Standards* (IFRS) *Foundation*, the *European Financial Reporting Advisory Group* (EFRAG) and the *Public Interest Oversight Board* (PIOB). The programme is implemented through operating grants.

Payments made
€ 6 751 764

– **(Budget line 12.0208)** ***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 for the period of 2017-2020***[14]. The Union programme aims to provide financial support to two beneficiaries identified in the legal base: *Finance Watch* and *Better Finance*. The programme is implemented through action grants.

Payments made
€ 1 487 207

1.c) Cross-subdelegations and co-delegations

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

– **Co-delegations received:**

  - **(Budget line 26.030100 DIGIT>FISMA)**. DG DIGIT subdelegated powers to DG FISMA for implementing interoperability solutions for European public administrations, businesses and citizens (ISA). The execution of credits under this budget line is linked to DG FISMA activities in the context of the standardisation of financial data reporting requirements.

Payments made
€ 623 695

  - **(Budget line 33.040100 JUST>FISMA)**

    This delegation concerns the collaboration between DG FISMA and DG JUST on the study on "EU payment accounts market".

Payments made
€ 200 000

– **Co-delegations given [not included in the Annex 3 of DG FISMA]:**

  - **(Budget line 12.027706 FISMA>CNECT)** DG FISMA subdelegated powers to DG CNECT for implementing part of the *Pilot project - Horizontal Task Force on Distributed Ledger Technology (DLT).* DG FISMA considers the information

13 Regulation (EU) No 258/2014 of the European Parliament and of the Council of 3 April 2014 as amended by the Regulation (EU) 2017/827 of the European Parliament and the Council of 17 May 2017.

14 Regulation (EU) 2017/826 of the European Parliament and of the Council of 17 May 2017.

reported by DG CNECT to be reliable and sufficient to conclude about the efficient and effective use of delegated budget. No irregularity, audit finding or other issue was raised by DG CNECT while reporting the use of the delegated budget.

Payments made
€ 298 200

- **Budget line 12.027706 FISMA>DIGIT)** DG FISMA subdelegated powers to DG DIGIT for implementing part of the *Pilot project - Horizontal Task Force on Distributed Ledger Technology (DLT).* DG FISMA considers the information reported by DG DIGIT to be reliable and sufficient to conclude about the efficient and effective use of delegated budget. No irregularity, audit finding or other issue was raised by DG CNECT while reporting the use of the delegated budget.

Payments made
€ 270 085

2. Detailed budget coverage on administrative expenditure

In addition to the above operational expenditure, DG FISMA also executed its part of its administrative credits under direct management.

– ***(Budget line 12.010211)***

Payments made[15]	
Representation expenses	€ 3 021
Conferences and internal meetings	€ 210 404
Development of management and information systems	€ 996 959
Training	€ 4 726
Technical assistance	€ 78 290
Total (= Table 2 of Annex 3)	**€ 1 293 399**

– **(Budget line 17.010402 SANTE>FISMA)**

Payments made
€ 168 404

– **(Budget line 11.010401 MARE>FISMA)**

Payments made
€ 47 966

[15] Other administrative credits of DG FISMA were executed by the PMO under co-delegated budget lines FISMA:PMO (€ 1 046 708 for missions; € 588 370 for external meetings and expert groups; € 82 547 for committee meetings) and by DG HR under co-delegated lines FISMA>HR (€ 81 326 for trainings for DG FISMA staff).

Legality and regularity (paragraph 2.1.1.3.1)

DIRECT MANAGEMENT – GRANTS	
Stage 1 — Programming and assessing grant applications	
Number of negative opinions or substantial comments received via the inter-service consultation	Zero, comments received were constructive
Number of cases of litigation	Zero
Stage 2 - Contracting: Transformation of grants applications into legally binding grant agreements	
Amount of EU funding (€) proposed by beneficiary that was rejected (not included in the grant agreement budget)	40 320 EUR
Stage 3 - Monitoring the execution (this stage covers the monitoring of the operational, financial and reporting aspects relating to the project and grant agreement)	
Number or % of grants with cost claim errors	4 out of 5
Amount (€) of cost items rejected (total ineligible costs)	950 541 EUR
Value of cost claims items adjusted as percentage of total cost claim value	2,7%
Number of potential fraud cases	Zero
Stage 4 — *Ex-post* controls	
Amount of errors (€)	N/A
Number of transactions with errors	N/A
Total amount of recovery orders still pending following the results of ex-post checks and on-the-spot checks (€)	Zero
DIRECT MANAGEMENT – PROCUREMENT	
Stage 1: Procurement	
Number of projected calls for tenders cancelled	Zero
Number of contracts discontinued due to lack of use (poor planning)	Zero
Number of procedures where only one or no offers were received	2

Average number of requests for clarification regarding tender specifications	8,4
Number of 'valid' complaints or of litigation cases filed	Zero
Number of fraudulent cases detected	Zero[16]
Number of companies excluded from participation in public procurement/awarding	Zero
Stage 2: Financial transactions	
Number/amount of liquidated damages	267 318 EUR (3 contracts)
Number of transactions 'refused for correction'	5,7% (all transactions not only procurement) – 19% of total commitments
Stage 3: Supervisory measures	
Amount associated with errors detected ex-post (relating to fraud, irregularity and error)	Zero
System improvements made	Reinforcement of studies monitoring, revision of manual of financial circuits, reinforced control on tender specifications, reinforced control on expenditure linked to events
INDIRECT MANAGEMENT	
Stage 1 — Establishment (or prolongation) of the mandate to the entrusted entity ('delegation act'/'contribution agreement'/etc.) —	
Quality of the legal work (basic act, Legislative Financial Statements and delegation act/contribution agreement/etc.): Number of initially negative CIS opinions	Legislative Financial Statements of legislative proposals requiring efforts from the ESAs were updated on the basis of ESAs budgetary needs and within budget availabilities.
Stage 2 — Operations: monitoring, supervision, reporting ('representation'/'control with or around the entity')	
Quality of management reports	Annual reports assessed by operational and financial units
Budget amount of errors concerned	Zero
Positive discharge	Yes
Stage 3 — Commission contribution: payment or suspension/interruption and recovery of unused contribution	
Amount of any unused operating budget recovered	692 359 EUR[17]
Budget amount of the suspended/interrupted payments (if	Zero

[16] DG FIMSA reported one potential case that was subsequently dismissed by OLAF.

[17] Mainly related to the budgetary surplus of ESAs for 2018.

any).	

List of major antifraud actions in 2019 (paragraph 2.1.1.3.2)

Priority area	Actions
Protection of sensitive information[18]	Message of Director-General
	Knowledge hour for DG FISMA staff with the participation of DG HR security team
	Distribution of a calendar to all DG FISMA's staff with DOs and DONTs
	Organisation of 'open doors' with staff
	Follow up of leaks (one case)
Relations with interested representatives	Reinforcement of the Event Management Tool[19] reporting capacity and first reporting to senior managers
Raising staff awareness	Organisation of survey on antifraud and ethics
	Newcomers' trainings
	Financial circuits training
Professional ethics	Update of ethics' guidelines
	Video on spouse employment, publications, protection of sensitive information.
	Clarification of DG FISMA's policy on conflict of interest
	Redefinition and clarification of DG FISMA's policy on missions paid by organisers

[18] While it was initially planned to establish a 'mapping' of the typology of DG FISMA sensitive information by unit, the initial results of the action showed that the nature of sensitive information handled was similar across DG FISMA's service. It was therefore considered more cost-effective to reinforce general awareness and put in place the complementary actions some which are listed in this table.

[19] The Event Management Tool managed by DG FISMA allows tracking all meetings between DG FISMA's staff and interested representatives. The antifraud strategy planned to reinforce this tool by allowing managers to extract data. The system was updated to generate such reports and the consultation of these reports was possible already as from 2019. More systematic reporting system will be fully in force as from 2020.

Costs of controls – Economy (paragraph 2.1.1.4)

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

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

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

Overview of the estimated cost of controls at Commission (EC) level:

Title of the Relevant Control System (RCS)	Ex ante controls			Ex post controls			Total**	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	EC total costs (in EUR)	funds managed (in EUR)	Ratio (%) *(a)/(b)*	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%) *(d)/(e)*	EC total estimated cost of controls (in EUR) *(a)+(d)*	Ratio (%) *(g)/(b)*
DIRECT MANAGEMENT (GRANTS)	102 540	8 238 971	1,2%	0		0%	102 540	1,2%
DIRECT MANAGEMENT (PROCUREMENT)	762 370	9 626 170	7,9%	0		0%	762 370	7,9%
INDIRECT MANAGEMENT	598 150	42 362 291	1,4%	0		0%	598 150	1,4%
OVERALL total estimated cost of control at EC level	1 463 060	60 227 432[20]	2,9%	0		0%	1 463 060	2,9%

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

Indicators on economy of costs by control stage
(including previous year benchmarks)

Overall indicators					
Stage	**Description**	**Year 2018**		**Year 2019**	
Overall indicator	**Total costs of controls / value of payments made**[21]	2,5%	Direct: 4,3%	2,9%[22]	Direct: 6,4%[23]
			Indirect: 1,4%		Indirect: 1,4%

Grant indicators			
Stage	**Description**	**Year 2018**	**Year 2019**
Overall indicator	**Total cost of controls of grants' processes / value of grants payments made**	0,5%	1,2%
All controls from programming to contracting	**Cost of assessing the applications submitted, preparation of financing decisions and contracting/ value of grants contracted**	0,25%	0,3%
Monitoring and payments	**Cost of control from monitoring the execution up to payment/value of grants payments made**	0,25%	0,9%

[21] Calculation of overall indicator. **Denominator**: amount of the expenditure implemented by the DG as per Annex 3 plus administrative expenditure paid by PMO and DG HR but for which controls are also taking place in DG FISMA (i.e. missions, external and expert group meetings, committee meetings, trainings). **Nominator:** sum of the costs of controls identified for each RCS (grants, procurement, ESAs) plus the costs of controls related to budget and accounting (estimated to 105 970 EUR) and, if linked to the policy or operational dimension of spending programmes, part of the costs of internal control, antifraud, financial procedures, ethics (estimated to 90 240 EUR). These costs are of holistic nature and not linked directly to any of the above controls systems.

[22] **2,2%** if only operational expenditure considered.

[23] **4,6%** if only operational expenditure considered.

Supervisory measures	**Cost of ex-post checks and on-the-spot checks/ value of grants audited**	0,05%	0%[24]

Procurement indicators			
Stage	**Description**	**Year 2018**	**Year 2019**
Overall indicator	**Total cost of controls/ value of procurement payments made[25]**	9%	7,9%[26]
Procurement stage up to evaluation, selection, final award and contracting	**Cost for planning, needs assessment and definition, selection, evaluation, award and contracting/ value of procurement contracted**	2,6%	4,8%[27]
Financial transactions and monitoring	**Related costs of cost of control for all transactions related to procurement (payments and recovery orders)/ value of procurement payments made**	4,9%	3,2%[28]
Supervisory measures	**Cost of ex-post checks /value of procurements audited**	0%	0%[29]

[24] The involvement of DG FISMA staff in ex-post checks is not substantial and below 10% OF their FTEs/year.

[25] See footnote 20. For the calculation of the denominator DG FISMA used the amount of the expenditure implemented by the DG as per Annex 3 plus administrative expenditure paid by PMO and DG HR but for which controls are also taking place in DG FISMA (i.e. missions, external and expert group meetings, committee meetings, trainings).

[26] 4,7% if only operational procurement considered.

[27] 2,7% if only operational procurement considered.

[28] 1,9% if only operational procurement considered.

[29] The involvement of DG FISMA staff in ex-post checks is not substantial and below 10% OF their FTEs/year.

Indirect management indicators[30]			
Stage	**Description**	**Year 2018**	**Year 2019**
Overall indicator	**Overall supervision cost (%)** Staff FTEs costs/annual subsidies paid to ESAs	1,4%	1,4%
Establishment (or prolongation) of the mandate to the entrusted entity ("delegation act"/ "contribution agreement" / etc.). **(ESAs REVIEW and related implementation)**	Relevant staff FTEs costs/annual subsidies paid to ESAs	0,9%	0,8%[31]
Operations: monitoring, supervision, reporting ('representation'/'control with or around the entity')[32]	Relevant staff FTEs costs/annual subsidies paid to ESAs	0,5%	0,6%
Commission contribution: payment or suspension/interruption and recovery of unused contribution	Relevant Staff FTEs costs/annual subsidies paid to ESAs	0%	0%[33]

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

31 See footnote above.

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

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

List of European Court of Auditors audits still on-going in 2019 (paragraph 2.1.2)

DG FISMA as main auditee:

- An audit on **"Building an effective Capital Markets Union"** for small and medium sized enterprises").
- A landscape review on **"Financial Crisis Resilience"**. The objective is to assess the progress made to prevent a 2008-like financial crisis and map residual risks in the Union system for regulation and supervision.

DG FISMA involved but not as main auditee:

- An audit on the **performance of EU Agencies.** The main auditee is DG BUDG and DG FISMA is involved in relation to the three ESAs that were sampled (amongst others) by the Court The audit is looking at possible synergies and efficiency gains regarding Union Agencies.
- The audit on the **Single Resolution Mechanism** that has as a main auditee the Single Resolution Board.
- The audit on the **EU State aid for Banks** that has a main auditee DG COMP but on which DG FISMA was also consulted.

ANNEX 11: Specific annexes related to "Assessment of the effectiveness of the internal control systems"

Revision of internal control indicators

In 2019 DG FISMA revised the internal control monitoring criteria for 2020 to measure the presence and functioning of its internal control system. The new indicators are more effective and based on risks. The revision was overseen by the RMIC Director and senior management,

Raising awareness and reinforce internal control framework

In 2019 DG FISMA concluded an awareness campaign on internal control by organising ad hoc meetings with managers. The campaign was focused on concrete actions and analysis of risks.

Enforcement of action plans to address deficiencies identified in last year's annual assessment

The RMIC Director monitored the implementation of the mitigating measures addressing the minor deficiencies identified in 2018. The majority of these actions have been fully implemented and led to concrete results that have contributed to improving the well functioning of the DG (e.g. put in place of an handover process, reinforcement of HR planning tool, reinforcement of the process to set up objectives and indicators for the next Strategic Planning cycle and revision of various guidance and MyFISMAintranet pages). Some measures were not implemented as planned in 2019 for justified reasons.

Annual assessment of the internal control systems

The annual assessment on the presence and functioning of the internal control framework was coordinated by the Resources' Unit of DG FISMA. It was carried out in line with corporate instructions and in direct collaboration with DG FISMA's competent services. The overall process was overseen by the RMIC Director.

The results of the assessment were included in a comprehensive report addressed by the RMIC HoU to senior managers and the Director-General. This report also contained a detailed description of all strengths and deficiencies identified under each principle and included recommendations when needed. The assessment was carried out based on several complementary sources of information:

- the list of internal control monitoring indicators
- the strengths/weaknesses reported by competent services under each principle
- the exceptions and non-compliance events recorded in 2019
- the recommendations of IAS or ECAs audits
- the results of the annual risk assessment process
- the implementation of the antifraud strategy
- the reports to the Vice-President on the status of internal control
- other relevant elements raised by staff or external actors
- the results of the latest staff survey on ethics and antifraud

No critical/major deficiencies were detected but areas of improvement as identified in paragraph 2.1.3. Additional suggestions to improve various aspects of the internal control principles have been also considered in the internal control assessment but are not reported in that context.

ANNEX 12: Performance tables[34]

General objective 1: A New Boost for Jobs, Growth and Investment		
Impact indicator: Employment rate population aged 20-64 **Source of the data:** Eurostat		
Baseline 2014	**Target** 2020 Europe 2020 target	**Latest known results** (2018)
69.2%	At least 75%	73.2%

Specific objective: 1.1 Companies raise more equity in public and private capital markets				Related to spending programme(s) No
Result indicator: Publicly issued equity: new equity issuance year-on-year growth. **Source of data:** European Central Bank, Data Warehouse. FMP (ECB data)				
Baseline 2014 average	**Interim Milestones**		**Target** 2020	**Latest known results** 2019 (average Dec 2018 - Nov 2019)
	2015	2016		
4‰	4.5‰	5‰	5.5‰	3.11‰

Result indicator: Private equity activity, gross annual flows **Source pf data:** ECB, Data Warehouse			
Baseline	**Interim milestones**	**Target 2017**	**Latest known results (2018)**
EUR 44.6 bn	2016 (1.9%) 2015 (2%)	2.1%	EUR 80.6 bn – yearly growth 7%

Result indicator: Number of prospectuses approved for equity and/or admissions to trading/amount of capital raised under these prospectuses. **Source of data:** Report from the European Securities Markets Authority (ESMA) on prospectuses as per Art 43 of the Prospectus Directive.		
Baseline	**Target**	**Latest known results**
2014	2019: The Prospectus Regulation will start to apply as of July 2019. Therefore, DG FISMA will be able to monitor its effects as of mid-2019.	2019

[34] Performance Indicators (KPIs and Result Indicators) are chosen in order to illustrate key developments in areas covered by FISMA's policy work. Some of the Performance Indicators may also depend on other factors beyond FISMA's control.

3,765	The result of reduced administrative burdens in the revised Prospectus legislation should lead to an increase in the number of approved prospectuses.	Regulation (EU) 2017/1129 (the Prospectus Regulation), which entered into application in July 2019 and repealed the Prospectus Directive, ESMA is required to publish every year a report containing statistics on the prospectus approved and notified (passported) in the EU and an analysis of trends. However, in order to do so ESMA has to enhance and expand its IT platform – the so called Prospectus Register. Unfortunately this project is taking longer than expected.[35]

Main outputs in 2019:			
Delivery on legislative proposals pending with the legislator			
All new initiatives / significant evaluations from the Commission Work Programme			
Output	Indicator	Target	Current situation
Communication on Capital Markets Union: progress on building a single market for capital for a strong Economic and Monetary Union PLAN/2018/4558 Commission Communication on the state-of-play and way forward for the 19 remaining actions announced in the 2017 Mid-term Review of the CMU Action Plan. These actions provide key contributions towards deep and liquid capital markets: they concern areas such as high-yield corporate bonds, private placements, corporate finance for entrepreneurs and start-ups, retail	Adoption by the Commission	April 2019	COM(2019) 136 adopted on 15.03.2019.

[35] In the meantime, ESMA continues publishing its annual report on prospectus activity in the EEA. Based on that report, the total number of approved prospectuses in the EEA from 2014 to 2018 is the following: 2014: 3939 ; 2015: 3808 ; 2016: 3499 ; 2017: 3567 ; 2018: 3390.

and institutional investment, as well as post-trade market infrastructure and the interconnection between pan-European and local markets.			
Important items from work programmes/financing decisions/operational programmes			
Other important outputs			
Output	Indicator	Target	Current situation
Delegated Act on MAR - art. 26(2) with regard to RTS on cooperation with third countries 2015/FISMA/145 RTS containing a template document for cooperation arrangements that are to be used by competent authorities of Member States where possible	Adoption by the Commission	Q3 2019	New target - Q2 2020 The adoption of this initiative has been delayed (linked to GDPR and negotiations of administrative arrangements at IOSCO's level). Interservice consultation finished in January 2020.
Report on the functioning of the Market Abuse regime PLAN/2018/4555 The objective is an assessment of the application of Regulation (EU) No 596 on market abuse pursuant to Article 38 thereof. The report should include an assessment of the sanctions regimes, of the definition of inside information, of the application of the closed period regimes and the possibility of establishing a Union framework for cross-market order book surveillance.	Adoption by the Commission	End of 2019	New target - Q1 2021 ESMA will submit its technical advice to the Commission by the end of Q2 2020.
Delegated Act on the Prospectus to be published when the securities are offered to the public or admitted to trading. PLAN/2017/1390	Adoption by the Commission	Jan. 2019	C(2019) 2020 adopted on 14.03.2019

The objective of this Delegated act is to ensure that conditions are interpreted in the same manner by the competent authorities. For this purpose it will establish detailed provisions concerning the content, format and information in and of prospectuses.			
Delegated act on the content of the green bond prospectuses PLAN/2018/3931 This regulation will impose additional requirements only for issuers that offer green bonds. More prominent and detailed disclosure of the use of proceeds for green projects would be beneficial to investors.	Adoption by the Commission	Q3 2019	Timeline for a green bond prospectus to be announced as part of the Green Agenda of the Commission.
Amendment to Commission Delegated Regulation (EU) 2017/588 under MiFIR (RTS 11) PLAN/2018/3784 The amendment to this RTS aims to address the issue of inappropriate tick size in certain financial instruments where only a marginal proportion of the trading is executed on EU trading venues and the main pool of liquidity is located outside of the EU.	Adoption by the Commission	Feb. 2019	C(2019) 904 adopted on 13.02.2019
Implementing Regulations amending the list of critical benchmarks under BMR PLAN/2018/3589 PLAN/2018/4515 The implementing acts add new benchmarks to the list of critical benchmarks, established in accordance with Art. 20(1) of the Benchmark Regulation. PLAN/2018/4574	Adoption by the Commission	March 2019	PLAN/2018/3589 and PLAN/2018/4515 Due to the fact that the 2 recognised benchmarks are administered in the UK the initiatives to add them have been abandoned post-brexit. PLAN/2018/4574 =

			C(2019)2171 adopted on 22.03.2019
Implementing Act establishing a list of public authorities in the Union falling within the definition under Article 3(3) of BMR PLAN/2018/4511 The Commission shall publish a list of public authorities designated by Member States for the purpose of BMR	Adoption by the Commission	June 2019	New Target - June 2020 Expected input from Member States not yet fully received. Awaiting for Member States to indicate which public authorities in their jurisdiction would qualify for the exemption.

General objective 1: A New Boost for Jobs, Growth and Investment						
Specific objective: 1.2 Debt funding for the corporate sector, in particular for SMEs, is more diversified				Related to spending programme(s) No		
Result indicator: Share of market funding in total outstanding debt. **Source of data:** European Central Bank, Data Warehouse. FMP (ECB data file)						
Baseline 2014 Average	**Interim Milestones** 2015	2016	2017	2018	**Target** 2019	**Latest known results** November 2019
16.3%	16.6%	19.9%	17.2%	17.5%	17.8%	21.1%
Result indicator: Public debt: New issuance in debt securities, year-on-year growth. **Source of data:** European Central Bank, Statistical Data Warehouse.						
Baseline 2014 Average	**Interim Milestones** 2015	2016	2017	2018 (Nov 2017 – Nov 2018)	**Target** 2019	**Latest known results** November 2019
8.6%	5%	5%	5%	5%	5%	5.4%
Result indicator: Financing gap to SMEs, i.e. difference between the need for external funds and the availability of funds. **Source of data:** European Commission / European Central Bank SAFE Survey (data coverage limited to the euro area).						
Baseline End 2014	**Interim Milestone** 2017				**Target** 2019	**Latest known results** 2019 (April – September)
13%	<13%				<13%	-4%

Main outputs in 2019:
Delivery on legislative proposals pending with the legislator
All new initiatives / significant evaluations from the Commission Work Programme
Important items from work programmes/financing decisions/operational programmes
Other important outputs:

Output	Indicator	Target	Current situation
Technical Standards following the entry into force of the Securitisation Regulation PLAN/2018/2692 PLAN/2018/2700 PLAN/2018/2733 PLAN/2018/4507 The Securitisation Regulation entered into application on 1 January 2019. It aims to revive the securitisation market with a view to improve the financing of the EU economy in the long run. It will diversify the sources of funding for the corporate sector, including for SMEs, and broaden the distribution of risk. In addition, it sets the requirements for Simple, Transparent and Standardised securitisations. The Regulation contains empowerments for a series of delegated and implementing acts. So far, the Commission has adopted two delegated acts, one of which is already published in the Official Journal.	Adoption by the Commission	Q1 2019	PLAN/2018/2692 = C(2019)8881 adopted on 29 November 2019. PLAN/2018/2700 the text is undergoing legal review with a view to be adopted in **Q1 2020**. PLAN/2018/2733 = C(2019)8880 adopted on 29 November 2019. PLAN/2018/4507 = C(2019)8882 adopted on 29 November 2019
Delegated Act on type of fees following the entry into force of the Securitisation Regulation	Adoption by the Commission	Q2 2019	New target – H1 2020

PLAN/2018/2691 Delegated act on the fees for securitisation repositories that ESMA will charge.			ESMA has provided technical advice and COM is working on drafting the legal act. New target reflects the revised work schedule in view of the longer-than-expected time it took to reach agreement and finalise the ISCs on the Level 2 measures, associated with the Securitisation Regulation that needed to be treated with higher urgency.

General objective 1 : A New Boost for Jobs, Growth and Investment			
Specific objective 1.3: Access to funding for SMEs is less fragmented		Related to spending programme(s) No	
Result indicator: Dispersion in bank loan rejection rate: best performing versus worst performing Member State. **Source of data:** European Commission / European Central Bank SAFE Survey (data coverage limited to the euro area).			
Baseline End 2014	**Interim Milestone** 2017	**Target** 2019	**Latest known results** 2019 (April-September)
39%	<39%	<39% (The dispersion in bank loan rejection rate should decrease, i.e. access to funding by SMEs should become more equal).	16%

Main outputs in 2019:			
Delivery on legislative proposals pending with the legislator			
Output	Indicator	Target	Current situation
Proposal for a Regulation on European Crowdfunding Service Providers (ECSP).	Adoption by the co-legislators	May 2019	Political agreement between the co-legislators reached on

2018/0048 (COD) **Proposal for a Directive amending MIFID II (crowdfunding)** 2018/0047 (COD) Broadening access to finance for innovative companies, start-ups and other unlisted firms is at the heart of the CMU Action Plan. However, investment finance remains difficult for these companies, particularly when they move from start-up into the expansion phase. Alternative sources of finance such as crowd and peer-to-peer finance ('crowdfunding') can be an important source of non-bank financing in support of innovative companies and start-ups provided that appropriate safeguards are in place.			18 December 2019 Political agreement between the co-legislators reached on 18 December 2019
Proposal for a regulation on the promotion of the use of SME growth market 2018/0165 (COD) SME Growth markets are new categories of trading venues that aim to attract SMEs and facilitate access to market-based financing for smaller issuers. This proposal aims at reducing the compliance costs and administrative burden on SMEs and to reinforce the attractiveness of SME growth markets.	Adoption by the co-legislators	May 2019	Political agreement between the Parliament and the Council on final act on 18.04.2019. Publication in OJ on 11 December 2019

General objective 1: A New Boost for Jobs, Growth and Investment	
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	Related to spending programme(s) No
Result indicator: Insurance companies' investments in infrastructure.	

Source of data: European Insurance and Occupational Pensions Authority (EIOPA) as of mid-2016.			
Baseline mid-2015 Before the adoption of a Solvency II amendment on infrastructure.	**Interim Milestone** 2018	**Target** 2019	**Latest known results** 2018
No quantitative data available at this point. EIOPA can provide data as of mid-2016	A first increase	A general increase in insurance companies' investment in infrastructure by 2019	2.10% of total investment
Result indicator: Insurance Companies' investments in STS securitisation products. **Source of data:** European Insurance and Occupational Pensions Authority (EIOPA) as of mid-2016.			
Baseline End 2015 Before the adoption of a Solvency II amendment on securitisation.	**Interim Milestone** 2018	**Target** 2019	**Latest known results**
No quantitative data available at this point. EIOPA can provide data as of mid-2016.	A first increase	An increase in insurance companies' investments in STS securitisation products	First data will be available in April 2020.
Result indicator: Total assets under management by pension funds. **Source of data:** EIOPA Pensions Database, OECD			
Baseline Entry into force of IORP II.	**Interim Milestone** 2019	**Target** 2020	**Latest known results** 2018
According to EIOPA, in 2014 the assets of the occupational pension fund sector in the EU totalled EUR 3.2 trillion	Increase from the baseline, one year after the transposition deadline.	Growth in pension assets (especially for the lower ranking countries in terms of pension assets).	End 2018 figures: EU28: €3778bn, EU27 €2000bn
Result indicator: Annual change to the share of total loans to non-financial counterparties (outstanding) to quarterly GDP (percentage point difference). (euro area) **Source of data:** European Central Bank Statistical Data Warehouse.			
Baseline	**Interim**	**Target**	**Latest known**

	Milestones		results
End 2008-2012	2015, 2016 ,2017, 2018	2019	2018-19
Pre-crisis period was marked by excessive credit growth as compared with GDP from 164% in 2006-Q2 to 208% in 2009-Q2. Banks have been substantially deleveraged until now, reaching 166% in 2015-Q2.	Expected milestone: Annual change within the limits of +/- 5% points.	Annual change within the limits of +/- 5% points.	Share as of Q3 2019: 150% Share as of Q3 2018: 151% Annual change: -1%

Result indicator: Percentage of non-performing bank loans to all loans.
Source of data: European Banking Authority (EBA) risk assessment studies; ECB (Gross non-performing debt instruments).

Baseline	Interim Milestones	Target	Latest known results (2019 Q2)
2014	2015, 2016, 2017, 2018	2019	3%
	Expected milestone <7%		

Result indicator: Maturity of corporate loans granted by banks/maturity of corporate bonds bought by financial institutions (to capture the long-term investment aspect).
Source of data: European Central Bank data for bank credit (outstanding amount of NFC loans with maturity over 1 year divided by the total lending to NFCs); financial accounts for market-based funding.

Baseline	Interim Milestones	Target	Latest known results
End 2014	2015, 2016, 2017, 2018	2019	2019
For bank lending to corporates: 74.8%	For bank lending to corporates: >74.8%	For bank lending to corporates: >74.8	For bank loans: 76.6%
For corporate issuance: 94.84%	For corporate issuance: >90%	For corporate issuance: >90% (The total value of long-term loans granted by banks (maturity > 1 year) to all loans granted by banks and the maturity	For corporate issuance: 91.9%

		of bonds bought by financial institutions should increase. The total amount of bonds issued by non-financial corporates having a maturity longer than 1 year (Outstanding amounts of debt securities issued by euro area non-financial corporations) to the total amount of bonds issued by non-financial corporates having a maturity longer than 1 year should increase.)	

Main outputs in 2019:			
Delivery on legislative proposals pending with the legislator			
Output	Indicator	Target	Current situation
Proposal for a Regulation on the establishment of a framework to facilitate sustainable investment 2018/0178 (COD)	Adoption by the co-legislators	May 2019	New Target - Q4 2019 Political agreement on 16th December 2019. The outcome was endorsed in COREPER II on 18th December. The text is under review by lawyer-linguistics and adoption can be expected around mid 2020.
Proposal for a Regulation on disclosures relating to sustainable investments and sustainability risks			The co-legislators reached a political agreement on 7 March 2019 under Romanian Presidency.

2018/0179 (COD)			The European Parliament approved the Disclosures Regulation at the Plenary held on April 18, 2019. "Regulation of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector"
Proposal for a regulation on low carbon benchmarks and positive carbon benchmarks 2018/0180(COD) Reorient capital flows towards sustainable investment – scale-up green projects supporting the transition towards low carbon, resource efficient and circular economy of the EU.			Political agreement between European Parliament and Council reached during the 4th political trilogue on 25.02.2019. Text under review by lawyers-linguists. "Regulation amending Regulation (EU) 2016/1011 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks".
Proposal for a Regulation on exposures in the form of covered bonds 2018/0042 (COD) **Proposal for a Directive on the issue of covered bonds and covered bond public supervision** 2015/0043 (COD) The use of covered bonds reduces the cost of funding for banks and	Adoption by the co-legislators	May 2019	Published on 18.12.19 in OJ L 328, 18.12.2019, p. 1–6. Published on 18.12.19 in OJ L 328, 18.12.2019, p. 29–57.

thus increases lending to the real economy. In parallel, the Commission will explore in 2019 the possibility of developing European Secured Notes (ESNs) as an instrument for SME and/or infrastructure loans.			

All new initiatives / significant evaluations from the Commission Work Programme			
Output	Indicator	Target	Current situation
Delegated act under UCITS concerning fiduciary duty PLAN/2018/3366 **Delegated act under AIFMD concerning fiduciary duty** PLAN/2018/3367 **Delegated act under Solvency II concerning fiduciary duty** PLAN/2018/3368 **Delegated Acts under IDD concerning fiduciary duty** PLAN/2018/3369 PLAN/2018/3370 **Delegated Acts under MIFID II concerning fiduciary duty** PLAN/2018/3379 PLAN/2018/3380 In the Action Plan of Sustainable Finance the Commission expressed intention to clarify fiduciary duties and increase transparency in the field of sustainability risks and sustainable investment opportunities with the aim to -reorient capital flows towards sustainable investment; -assess and manage relevant financial risks stemming from climate change, resource depletion, environmental degradation and social issues; and -foster transparency and long-termism in financial and economic	Adoption by the Commission	Q3 2019	New Target Q1/Q2 2020 Implications of the recently agreed Regulation on the sustainability-related disclosures in the financial services sector are currently assessed, i.e. whether to take into account additional requirements as per the Regulation in rules on fiduciary duty in sectoral rules; the Regulation is not yet published in the Official Journal. Adoption of the 5 Delegated Acts by the Commission in Q1 or Q2/2020. Interservice consultations finished in January 2020 and are followed by public consultation. PLAN/2018/3370 was abandoned on 12 December 2019.

activity.			

Important items from work programmes/financing decisions/operational programmes			
Other important outputs			
Output	Indicator	Target	Current situation
Update of the guidelines for companies on non-financial reporting PLAN/2018/4107 In line with the action plan on sustainable finance, update of guidelines for companies on non-financial reporting, specifically with regard to climate-related information based on the work of the TEG. The guidelines provide non-binding methodology for reporting climate-related information as provided by article 2 of the Non-Financial Information Directive (2014/95/EU)	Adoption by the Commission	June 2019	C(2019) 4490 adopted on 17.06.2019
Amendment to PRIIPs Regulatory Technical Standard with regard to the presentation, content, review and revision of key information documents and the conditions for fulfilling the requirement to provide such documents PLAN/2018/3934 The objective of the RTS is to facilitate application of the PRIIPs Regulation by UCITS and retails AIFs.	Adoption by the Commission	Q4 2019	ESAs develop drafts amending RTS, due end Q1 2020. Thereafter COM adoption followed by review by EP/Council.

General objective 1: A New Boost for Jobs, Growth and Investment	
Specific objective 1.5: Barriers to the free movement of capital are identified and eliminated	Related to spending programme(s) No

Result indicator: Ratio between number of barriers to free movement of capital identified and number of barriers lifted or alleviated OR voluntary commitments to eliminate or alleviate barriers obtained from Member States. **Source of data:** EC/Member States Expert Group on removing barriers to Free Movement of Capital.			
Baseline 2015	**Interim Milestone** End 2016	**Target** 2019	**Latest known results** 2019
The Economic and Financial Committee endorsed the idea of setting up a collaborative process between the Commission and the Member States in order to map and tackle remaining barriers to free movement of capital. The group has started its work in October 2015 and the baseline scenario will be provided as soon as the mapping of existing barriers is completed.	Complete inventory of barriers	The target is to lift or alleviate as many barriers as possible. The target cannot be quantified until the mapping exercise is completed. The removal off such barriers is expected to have a positive effect on the free movement of capital between Member States	Code of Conduct on withholding tax relief procedures has been presented to stakeholders. In 2019 , there were two implementation meetings on the state of play of the Code, which showed progress overall; - The legislative package on cross-border distribution of investment funds was adopted in July 2019; - The Commission services published in December 2019 a study on the drivers of investment in equities by insurers and pension funds (https://ec.europa.eu/info/publications/191216-insurers-pension-funds-investments-in-equity_en)

Main outputs in 2019:				
Delivery on legislative proposals pending with the legislator				
All new initiatives / significant evaluations from the Commission Work Programme				
Important items from work programmes/financing decisions/operational programmes				
Other important outputs				

General objective 1 : A New Boost for Jobs, Growth and Investment	
Specific objective 1.6: An increased cross-border investment flow	Related to spending programme(s) No

Result indicator: Average of inward and outward intra-EU foreign direct investment (FDI) flows divided by GDP. **Source of data:** Eurostat: Balance of Payments, European Union direct investments [bop_fdi6] and GDP and main components (output, expenditure and income) [nama_10_gdp].			
Baseline	**Interim Milestone**	**Target**	**Latest known results**
2013	2016	2018: A higher index indicates higher new cross-border direct investment during the period in relation to the size of the economy as measured by GDP. If this index increases over time, intra-EU direct investment is becoming more integrated.	Q3 2019
2%	Stable increase	Stable increase	-2.22%
Result indicator: Intra-EU portfolio investment (equity and debt) flows divided by GDP. **Source of data:** Eurostat: European Union and euro area balance of payments - quarterly data (BPM6) [bop_eu6_q] and GDP and main components (output, expenditure and income) [nama_10_gdp].			
Baseline	**Interim Milestone**	**Target**	**Latest known results**

2014	2016	2019: A higher index indicates higher new cross-border portfolio (equity and debt) investment during the period in relation to the size of the economy as measured by GDP. If this index increases over time, intra-EU portfolio investment is becoming more integrated.	Q3 2019
4%	Stable increase	Stable increase	2.75%

Main outputs in 2019:				
Delivery on legislative proposals pending with the legislator				
All new initiatives / significant evaluations from the Commission Work Programme				
Important items from work programmes/financing decisions/operational programmes				
Other important outputs				

General objective 2: A Deeper and Fairer Internal Market with a Strengthened Industrial Base		
Impact indicator: Composite indicator of financial integration in Europe (FINTEC) **Explanation:** The FINTEC indicator is a scale-free measure normalized to always lie between 0 and 1; 0 means no cross-border integration, 1 means full integration; for the price-based part 1 would mean total absence of any price differentials for comparable money market instruments; for the volume-based part, full integration would mean lack of any home bias on the side of investors.		
Source of the data: European Central Bank		
Baseline 2014	**Target** 2019	**Latest known results** (11/2019 and 06/2018)
0.5/0.3 The first entry is the price-based, the second	Increase	0.58/0.33

<table>
<tr><td>the volume-based indicator value.</td><td></td><td></td></tr>
</table>

<table>
<tr><td colspan="3">General objective 2: A Deeper and Fairer Internal Market with a Strengthened Industrial Base</td></tr>
<tr><td colspan="2">Specific objective 2.1: Banks and non-banks compete to provide cheap, safe and reliable payment systems and funding to consumers</td><td>Related to spending programme(s)
No</td></tr>
<tr><td colspan="3">Result indicator: Number of payment cards issued; number of point of sale (POS) terminals; number of ATMs.
Source of data: ECB Payment Statistics Report.
[An increase in the number of payment cards that have been issued, the number of POS terminals and the number of ATMs, means that consumers are increasingly using safer and more reliable payment systems. The Payment Services Directive focuses on electronic payments, which are more cost-efficient than cash and which also stimulate consumption and economic growth. Consumers will benefit from better protected against fraud and other abuses and payment incidents, with improved security measures in place. As regards losses that consumers may face, the new rules streamline and further harmonise the liability rules in case of unauthorised transactions, ensuring enhanced protection of the legitimate interests of payment users.]</td></tr>
<tr><td>Baseline
2011
The 2013 Study on the Impact of the Payment Services Directive uses 2011 ECB statistics</td><td>Target
2020 review of PSD2</td><td>Latest known results
2018</td></tr>
<tr><td>• 737,705 million cards issued;
• 9,011 million POS terminals in operation;
• 437 thousands of ATM terminals</td><td>Increase in the number of cards issued; significant increase in the number of POS terminals, maintaining or increasing the number of ATM terminals</td><td>• 831,33750 million cards issued;
• 15,213,5 million POS terminals in operation;
• 426 thousands of ATM terminals.</td></tr>
<tr><td colspan="3">Result indicator: Levels of payment fraud, in particular card payment fraud.
Source of data: European Central Bank and European Banking Authority (EBA).

[The Payment Services Directive increases security for electronic payments and this should reduce the level of fraud and increase confidence and trust. These strict security requirements for the initiation and processing of electronic payments, which apply to all payment service providers, including newly regulated payment service providers. This stricter approach on security should contribute to reducing the risk of fraud for all new and more traditional means of payment, especially</td></tr>
</table>

online payments, and to protecting the confidentiality of the user's financial data.]			
Baseline 2013	**ECB 4th Report on Card Fraud**	**Interim Milestone** End 2018	**Latest known results** 2016[36]
1.44 billion EUR (the amount of card fraud in value)	Stable decrease in card fraud. New PSD2 payment security measures shall enter into force by the end of 2018. More comprehensive payment fraud statistics across all payment instruments should become available at that time.	Significant decrease in card fraud as PSD2 increases security of payments and, to the extent new fraud statistics cover pre-2018 fraud levels for other payment instruments, decrease in these figures, too.	1,8 billion EUR (the amount of card fraud in value) – a decrease of 0,4% compared with 2015.
Result indicator: Number of cyber breaches in the financial sector. **Source of data:** Symantec. https://www.symantec.com/content/dam/symantec/docs/reports/istr-24-2019-en.pdf DG FISMA will promote intelligence sharing and testing so that market operators gain higher resilience to withstand cyber attacks.			
Baseline 2015 Internet Security Threat Report by Symantec	**Interim Milestone** 2017 Internet Security Threat Report by Symantec	**Target** 2019 Internet Security Threat Report	**Latest known results**[37]
80 million identities exposed in the financial sector in 2014.	Decrease in cyber breaches	2019 Internet Security Threat Report Significant decrease in cyber breaches	The 2019 Symantec report does not provide data on breaches in financial sector.
Result indicator: Number of bank accounts. **Source of data:** Commission's review report Payment Accounts Directive			
Baseline 2012	**Interim Milestone** 2019	**Target** 2020 The	**Latest known results**

[36] The latest available, ECB *Fifth report on card fraud, September 2018*, provides an overview of developments in card payment fraud between 2012 and 2016.

[37] No data available at European level that would meet the reliability criteria. The Symantec report, the source previously used, does not provide the relevant figures systematically.

		Commission is tackling financial exclusion in the EU by providing every citizen with the right of access to a basic bank account anywhere in the EU regardless of their residence and financial situation. The target was not quantified.	2017 Findex data is published only every 3 years, will cover data from 2020 but will be published in 2021
According to a World Bank Study, the number of EU citizens without a bank account in 2012 was 56 million.	Stable decrease	Significant decrease in the number of unbanked people in the EU from the baseline figure.	According to data from the Global Findex, the number of EU citizens aged over 15 without a bank account in 2017 was 33 million.

Main outputs in 2019:			
Delivery on legislative proposals pending with the legislator			
Important items from work programmes/financing decisions/operational programmes			
Other important outputs			
Output	Indicator	Target	Current situation
Evaluation of the Payment Accounts Directive Review of the Payment Accounts Directive (2014/92/EU) with a view to assess the effectiveness of provisions on transparency, switching and access to payment accounts, in compliance with Articles 27 (Evaluation) and 28 (Review) of the Directive.	Adoption by the Commission	Q4 2019	New Target – Q3 2021 The initial deadline for review/evaluation set in Art. 28 of the Directive (September 2019) was very ambitious, as 18 Member States were late in transposing the Directive. Moreover, the delegated acts (implementing technical standards

			and regulatory technical standards), which are instrumental for the implementation of the transparency requirements of the directive, have been delayed and became applicable only in October 2018.
Review of the Mortgage Credit Directive (2014/17/EU) With a view to assess the effectiveness of provisions on consumers and internal market, the wider challenges of private over-indebtedness and the need for supervision of credit registers in compliance with Articles 44 (Review clause) and 45 (Further initiatives in responsible lending and borrowing) of the Directive.	Award of consultancy contract(s)	Q2 2019	The Contract was awarded on 30 July to the JCEC consortium
Staff Working Document with best practices on regulatory sandboxes The Commission considers that more supervisory convergence is needed as regards "innovation facilitators" which have been set up by national authorities to support innovative firms and solutions. The ESAs will map the current initiatives across the EU and identify best practices by the end 2018. Based on the work of the ESAs, DG FISMA will present a report with best practices for regulatory sandboxes.	Publication of the SWD	Q1 2019	Given the substantial level of details on both innovation hubs and regulatory sandboxes provided in the best practice report on innovation facilitators published by the ESAs in January 2019, it was decided that the SWD was no longer needed. Instead, as recommended by the ESAs report, COM and the ESAs jointly launched in April the European Forum of Innovation Facilitators for representatives from the different innovation facilitators

			operated by NCAs to enhance closer cooperation.

General objective 2: A Deeper and Fairer Internal Market with a Strengthened Industrial Base		
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		Related to spending programme(s) No
Result indicator: Number of outstanding intra-EU bilateral investment treaties (BITs). **Source of data:** UNCTAD		
Baseline 2015	**Target** 2019	**Latest known results**
There are currently 196 outstanding BITs amongst EU Member States.	The target is to reach 0 outstanding BITs by 2019 (i.e. to terminate all outstanding BITs). However, this will largely depend on a forthcoming CJEU judgement regarding the compatibility of BITs with EU Law as well as on subsequent compliance by Member States. Intra-EU BITs confer rights on a bilateral basis to investors from some Member States only, a lower number of (or no) Intra-EU BITs would therefore improve the equality between intra-EU investors.	In the Declarations of 15 and 16 January 2019 on the legal consequences of the judgment of the Court of Justice in Achmea and on investment protection in the European Union , all Member States committed to a coordinated approach for the implementation of the Achmea judgment by terminating their intra-EU BITs by means of a single plurilateral agreement. Member States' experts, with the Commission's assistance, worked on the text of a plurilateral termination agreement in the framework of an ad hoc special group for the termination of intra-EU BITs. On 24 October 2019, the vast majority of EU Member States endorsed the draft text of the plurilateral termination agreement at a meeting of their Ambassadors and Permanent

		Representatives to the European Union. The agreement will be signed in early 2020 once the applicable national empowerment procedures have been completed.

Result indicator: Number of open EU Pilot and ongoing infringement procedures against Member States concerning intra EU-BITs.
Source of data: EU PILOT/ NIF Database.

Baseline 2015	**Target** 2019	**Latest known results**
There are currently 21 EU Pilot cases open and 5 infringement procedures.	Closure of all Pilots and infringements procedures against 26 MS for compliance (pre or post CJEU judgement).	Infringements are on hold until termination of Intra-EU BITs by MS, which is expected in spring 2020

Result indicator: Investor confidence index: EU Financial services indicator.
Source of data: European Commission.

Baseline Average in the period 2013-2014	**Interim Milestones**		**Target**	**Latest known results** (average: Feb 2018 – Jan 2019)
	2015	2016	2017	
13	> 10 on average as long as the EU is not in economic recession	> 10 on average as long as the EU is not in economic recession	> 10 on average as long as the EU is not in economic recession	16.6

Result indicator: Number of new entrants in credit rating market.

There has been a small but stable increase in the number of new entrants in the CRA market since the entry into force of CRA3 Regulation in 2013, the increasing number of new entrants has remained stable over the last years. DG FISMA expects this increasing rate to remain stable also in the future.

Source of data: ESMA: list of registered and certified credit rating agencies published at https://www.esma.europa.eu/page/List-registered-and-certified-CRAs

Baseline 2015	**Interim Milestones**			**Target** **2020**	**Latest known results**
	2017	2018	2019		
	Assess number of new entrants in the market	Assess number of new entrants in the market	Assess number of new entrants in the market	Increase the number of registered and certified CRAs to promote	Nov. 2019 data published on ESMA's website (see above)

				competitive process	

Result indicator: Market shares for the three largest Credit Rating Agencies.

The indicator monitors the impact of the measures introduced in the CRA 3, with a particular focus on the provisions contained in Article 8c and 8d on double ratings and the provisions on improving governance and transparency in the market to assess whether these market shares are being reduced and the other smaller CRAs improve their position in the ratings market.

Source of data: ESMA: Credit Rating Agencies' 2014 market share calculations for the purposes of Article 8d of the CRA Regulation (ESMA/2014/1583).

Baseline 2015	**Interim Milestones**		**Target** 2020	**Latest known results**
	2017	2018		
Standard & Poor's Group: 39.69% Moody's Group: 34.53% Fitch Ratings: 16.22% Total: 90.44	Assess market shares and remaining relevant barriers to entry	Assess market shares and remaining relevant barriers to entry	Substantial reduction of potential barriers to entry for smaller CRAs by 2020. Create market conditions that would allow them to increase their market shares, at least in specific sectors	Nov. 2019 Data available in Document ESMA33-9-340 on: https://www.esma.europa.eu/sites/default/files/library/esma33-9-340_cra_market_share_calculation_2019.pdf

Result indicator: Qualitative assessment of the regulatory references to the mechanistic use of credit ratings included in EU legislative acts.
Source of data: ESMA Technical Advice on reducing sole and mechanistic reliance on external credit ratings (ESMA/2015/1471). Joint consultation on draft RTS on risk-mitigation techniques for OTC-derivatives contracts not cleared by a CCP (JC/CP/2014/03).

Baseline 2015	**Interim Milestones**		**Target** 2020	**Latest known results**
	2017	2018		
A number of EU legislative acts contain references to credit ratings. This includes CRR and CRD IV, Solvency II (Delegated	Carry out more In depth evaluation of potential alternatives to ratings	Identify references which are most likely to induce sole and mechanistic reliance and for which	Elimination of all regulatory references which incentivise sole and mechanistic reliance and for which	The obligation to delete all references to credit ratings in Union law for regulatory purposes by 1 January 2020 applies only if appropriate alternatives to

Act), UCITIS and AIFMD (for investment funds), EMIR and its Regulatory Technical Standards (for CCPs). A qualitative assessment as regards those references which incentivise sole and mechanistic reliance on credit ratings will be carried out and a baseline figure cannot therefore be provided.		deletion is considered more important	alternatives were identified (Art 5c CRA Regulation)	credit risk assessment have been identified and implemented. In its CRA Report of October 2016 (COM(2016) 664 final), the Commission concluded that there are no alternatives that could fully replace credit ratings (but only complementary tools that investors should use in order to make their own risk assessment of their exposures). There are remaining references to CRAs in the CRR and Solvency II, but in the absence of appropriate alternatives, it is unlikely something will change.

Main outputs in 2019:			
Delivery on legislative proposals pending with the legislator			
All new initiatives / significant evaluations from the Commission Work Programme			
Important items from work programmes/financing decisions/operational programmes			
Other important outputs			
Output	Indicator	Target	Current situation
Progress Report on the implementation related to CRA of the Action Plan on Sustainable Finance PLAN/2018/3914	Adoption by the Commission	Q3 2019	New Target – Q2 2021 ESMA adopted new Guidelines on

In the framework of the "Action Plan: Financing Sustainable Growth", the EC acknowledged the need to greater understanding of and transparency about how CRA take sustainable factors into account. Engaging with the relevant stakeholders, the EC will explore the merits of amending the CRAR to mandate CRAs to explicitly integrate sustainability factors into their assessments in a proportionate way and will report on the progress made on this.			disclosures for CRAs in July 2019, which will enter into force in March 2020. Delivering a comprehensive report, concerning both ESG factors in credit ratings as well as sustainability ratings in Q2 2021 would allow us to take account of the impact of the updated ESMA Guidelines as well as results of the study on sustainability ratings whose results are expected by fall 2020.
ECAI mapping - ITS amending Implementing Regulation (EU) 2016/1801 PLAN/2017/2239 Amending Implementing Regulations in order to provide mapping for the newly registered or certified external credit assessment institutions (ECAIs) in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council on credit rating agencies, and to remove the mapping for one ECAI that has been deregistered since the Implementing Regulations were adopted	Adoption by the Commission	Q3 2019	New target - Q4 2020. The ESAs are expected to send an amendment to Implementing Regulation (EU) 2016/1801 in the second half of 2020.
ECAI mapping - ITS amending Implementing Regulation (EU) 2016/1799 PLAN/2018/3360 ESAs continuously monitor the mapping for external credit assessment institutions (ECAIs) having already provided a mapping. The monitoring strategy agreed in July 2017 established that the	Adoption by the Commission	Q3 2019	C(2019)8650 adopted on 29 November 2019

existing mappings would be reviewed in a sequential manner. As a consequence, Implementing Regulation (EU) 2016/1799 should be amended in order to provide mapping for ECAIs have been identified as needing amendments to their mapping reports.			
ECAI mapping - ITS amending Implementing Regulation (EU) 2016/1800 PLAN/2018/3361 ESAs continuously monitor the mapping for ECAIs having already provided a mapping. The monitoring strategy agreed in July 2017 established that the existing mappings would be reviewed in a sequential manner. As a consequence, Implementing Regulation (EU) 2016/1800 in order to provide mapping for 11 ECAIs have been identified as needing amendments to their mapping reports.	Adoption by the Commission	Q3 2019	New Target – Q2 2020 A number of flaws were identified in the consultation paper for the amendment to Implementing Regulation (EU) 2016/1800 developed by the ESAs. Therefore, a new consultation was launched for a shortened period of four weeks elapsing in July 2019. After being submitted by the Joint Committee of the ESAs in Q1 2020, the ECAIs mapping under Solvency II could be adopted by the Commission in Q2 2020.

General objective 2: A Deeper and Fairer Internal Market with a Strengthened Industrial Base	
Specific objective 2.3: Financial and non-financial reporting by companies, as well as audit, is of a high quality	Related to spending programme(s) Yes
Result indicator: Number of Countries using IFRS. In 2005 the EU took a significant step and made the use of IFRS obligatory for the consolidated financial statements of EU companies which are listed on the EU's stock markets (Regulation 1606/2002). The EU is the largest jurisdiction applying IFRS. In relation to listed companies, the Commission's work extends beyond the EU's borders and goes towards promoting the use of IFRS as the worldwide financial reporting language so enhancing the efficiency and transparency of capital markets throughout the globe.	

Source of data: https://cdn.ifrs.org/-/media/feature/around-the-world/adoption/use-of-ifrs-around-the-world-overview-sept-2018.pdf				
Baseline 2015	**Interim Milestones**		**Target** 2020	**Latest known results** September 2018
	2016	2017		
130 countries are currently permitting or requiring IFRSs for domestic listed companies (last updated May 2015).	133	140	Maintain positive trend	166

Result indicator: Number of EU companies disclosing non-financial information in their management report or in a separate report. **Source of data:** Member States, own research (to be determined: no comprehensive, reliable source of information has been identified yet). This would aim at companies included in the scope of the Directive, i.e. large listed companies with more than 500 employees (plus non-listed companies in the banking and insurance sectors and public-interest entities designated by Member States).			
Baseline 2015	**Interim Milestone** 2016	**Target** 2019	**Latest known results** (31/12/2018)
It is estimated that approximately 2500 EU companies currently disclose non-financial information.	In line with the baseline	It is estimated that approximately 6000 EU companies should disclose non-financial information as requested by the Directive on disclosure of non-financial information	In June 2020 we expect the final results of a study contract that will provide better and up-to-date information on the number of companies disclosing non-financial information in accordance with the Non-Financial Reporting Directive. Previous informal estimates have been in the region of 6.000-7.500 companies.

Result indicator: Concentration level of audit market players in terms of revenue from statutory audits for Public-Interest Entities (PIEs). **Source of data:** Huber (2011), Reports by national audit authorities and European Competition Network (ECN);Commission report on monitoring developments in the EU

market for providing statutory audit services to public-interest entities: https://ec.europa.eu/info/publications/170907-statutory-audit-services-report_en			
Baseline 2014	**Interim Milestone** 2016	**Target** 2019	**Latest known results** 2017 The data is only available every 3 years. The next final data will be available by mid-2020 when the new EC joint report will be published.
The market is currently very concentrated, with the Big Four audit firms for listed companies exceeding 85% of the market share in the vast majority of Member States.	Reports on developments in the markets for the provision of statutory audit services to public-interest entities to be drawn up by 17 June 2016 in accordance with Article 27 of Regulation 537/20014 on statutory audit.	Increase diversity at the top end of the EU audit market.	The Big Four maket concentration is around 80% in terms of turnover (based on average of 21 Member States) and 70% in number of statutory audits of PIEs. [Market monitoring report pursuant to Article 27 of Regulation 537/2014-COM/2017/0464]
Result indicator: Outcome of the quality assurance review of Public Interest Entities (qualitative description of types of deficiencies and Mitigation/remedies/follow-up). This indicator will rely on information available to all competent authorities, i.e. results of inspections carried out by national oversights authorities, which should be reported to the Commission according to Art. 27 Monitoring market quality and competition of Regulation 537/20014. **Source of data:** IFIAR - International Forum of Independent Audit Regulators; Reports by national audit authorities and European Competition Network (ECN); Commission report on monitoring developments in the EU market for providing statutory audit services to public-interest entities: https://ec.europa.eu/info/publications/170907-statutory-audit-services-report_en			
Baseline 2014	**Interim Milestone** 2016	**Target** 2020	**Latest known results** 2017 The data is only available every 3 years. The next

			final data will be available by the middle of 2020 when the new EC joint report will be published.
Inspection reports indicated persistent shortcomings in audit quality and that deficiencies in audit performance occur too often.	Reports on developments in the markets for the provision of statutory audit services to public-interest entities to be drawn up by 17 June 2016 in accordance with Article 27 of Regulation 537/20014 on statutory audit.	Reduction in identified deficiencies.	Three recurring issues were identified at EU level: (i) Deficiencies in the internal quality control systems (ii) failure to document some aspects of the audit engagement (iii) lack of sufficient audit evidence of having carried out a full audit assessment [Market monitoring report pursuant to Article 27 of Regulation 537/2014-COM/2017/0464]

Main outputs in 2019:			
Delivery on legislative proposals pending with the legislator			
Output	Indicator	Target	Current situation
Proposal for a Directive on Corporate Tax Transparency 2016/0107 (COD) This initiative contributes to the achievement of this specific objective 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	Adoption by the co-legislators	May 2019	The European Parliament has adopted its opinion. The Council has not yet reached a common approach and has decided to continue to work on this.

companies.			
All new initiatives / significant evaluations from the Commission Work Programme			
Important items from work programmes/financing decisions/operational programmes			
Other important outputs			
Output	Indicator	Target	Current situation
Commission Report on the activities of the IFRS Foundation, EFRAG and the PIOB in 2018 and on the achievements of the Union programme. PLAN/2018/3414 Commission Report on the activities of the IFRS Foundation, EFRAG and the PIOB in 2018	Adoption by the Commission	June 2019	COM(2019)549 adopted on 29 November 2019 This Commission Report includes an annex which appraises the overall pertinence, the coherence of the Programme and the effectiveness of its execution in accordance of Art. 9, para 8 of Regulation 258/2014, since this assessment has to be provided 12 months before the end of the Programme (i.e. in 2019). The aim was to avoid two separate reports with two different adoption processes.
Commission Regulation: Endorsement of various international financial standards and interpretations (amendments to IFRS 9, IAS 39, IFRS 7, IAS 1 - 8, IFRS 3, annual improvements 2015 – 2017 cycle, IAS 19, IAS 28) PLAN/2018/3355 The amendments to international financial reporting standards and	Adoption by the Commission	Q3 2019	Some amendments were issued later than expected by the International Accounting Standard Board and will be adopted in 2020.

interpretations will clarify several terms and concepts used.			

General objective 2: A Deeper and Fairer Internal Market with a Strengthened Industrial Base			
Specific objective 2.4: Consumers have access to safe and reliable insurance, pension and UCITS products			Related to spending programme(s) No
<u>Insurance</u> **Result indicator:** The gross written premiums over the GDP. **Source of data:** EIOPA combined with national statistics.			
Baseline End 2013	**Interim Milestone** 2018	**Target** 2019	**Latest known results**
According to the OECD, insurance penetration in the EU (15 countries) in 2013 was 8.2%	A first increase	General increase	7.5% (lower than 2013 baseline because of lower insurance penetration in new MS)
<u>Pension</u> **Result indicator:** The number of consumers investing in personal retirement products across the EU. **Source of data:** EIOPA Pensions Database; OECD.			
Baseline End 2015	**Interim Milestone** 2018	**Target** 2019	**Latest known results**
Current situation	Interim results after implementation of the CMU Action Plan.	General increase in the number of EU citizens taking up personal pension products. Beyond 2019: should a private pensions initiative be developed, the number of persons investing in a pan-European pension product.	Reliable data is not available for this indicator. In future, it will be possible to include data on the number of consumers investing in a Pan-European Personal Pension product which has been created following the adoption of a Regulation on that subject
<u>UCITS</u> **Result indicator:** Share of "true" cross-border UCITS funds (i.e. funds sold in at least 5 Member States) with respect to total number of UCITS funds sold in the EU.			

Source of data: Morningstar		
Baseline 2015	**Target** 2018 While the UCITS framework has been an overwhelming success story, market fragmentation (as evidenced by the large number of individual funds) is an apparent issue, triggering higher costs and less choice for investors. The EC will seek to tackle those factors that hold back cross-border competition, thereby increasing the number of UCITS distributed on a "true" cross-border basis (i.e. measured as UCITS being sold in at least 5 different MS).	**Latest known results** June 2017 (Due to changes in the available data we have not been able to accurately update the figure. Our summary assessment of parts of the data base however indicate that the situation in 2019 would be similar to 2018)
17.72	Stable increase in the share of true cross-border UCITS funds.	23%

Main outputs in 2019:			
Delivery on legislative proposals pending with the legislator			
Output	Indicator	Target	Current situation
Proposal for a Regulation on cross-border distribution of collective investment funds. 2018/0045 (COD) **Proposal for a Directive on cross-border distribution of collective investment funds.** 2018/0041 (COD) The objective of this initiative is to increase the cross-border distribution of UCITS and AIFMD funds across the EU by reducing regulatory barriers to their cross-border distribution. This will be	Adoption by the co-legislators	May 2019	Political agreement between Parliament and Council on final act on 05/02/2019, signature of the act on 20/06/2019. Published in OJ L 188, 12.7.2019 p. 55–66 Political agreement between Parliament and Council on final act on 05/02/2019, signature of the act on 20/06/2019. Published in OJ L 188, 12.7.2019 p. 106–115

achieved by (further) harmonising national requirements relating to marketing, notification, administrative arrangements and regulatory fees, providing greater transparency over remaining national requirements, and streamlining the rules governing the operation of the UCITS and AIFMD passports. This initiative forms part of the Capital Market Union (CMU) Action Plan and in this context aims to foster the development of larger and more efficient investment funds (economies of scale), allocate capital more efficiently across the EU and compete within national markets to deliver better value and greater innovation.			
All new initiatives / significant evaluations from the Commission Work Programme			
Important items from work programmes/financing decisions/operational programmes			
Other important outputs			
Output	Indicator	Target	Current situation
ELTIF – Regulatory Technical Standard on disclosure requirements PLAN/2017/2091 The objective of this initiative is to provide further guidance on cost disclosures for ELTIF, building on the PRIIPs Regulation	Adoption by the Commission	Q1 2019	New Target - Q2-3 2020 The ESAs are expected to send the COM draft RTS in Q1-Q2/2020. Delay due to connection with ongoing PRIIPs L2 work.

General objective 2: A Deeper and Fairer Internal Market with a Strengthened Industrial Base			
Specific objective 2.5: The financial regulatory framework is evaluated, appropriately implemented and enforced across the EU			Related to spending programme(s) No
Result indicator: Transposition deficit: Percentage of national implementing measures notified within the regulatory deadline. **Source of data:** NIF Database.			
Baseline	**Interim Milestones**	**Target**	**Latest known**

2015	2017	2018	2020	**results** 2019
Only ~30% of the total number of national implementing measures are notified within the regulatory deadline.	50%	70%	Reach between 80 and 100% (all implementing measures are notified).	39% It is the obligation of Member States to transpose directives within the transposition deadline. The Commission provides the transposition assistance to Member States, mainly, in a format of transposition workshops, Q&A, bilateral contacts. In 2019, the transposition deadline expired only for one directive (2016/2341/EU on supervision of IORPs). 17 Member States were late with transposition. The Commission cannot speculate about the exact reasons for the delays in the transposition of this Directive. However, based on previous experience,

						late transposition is typically attributed to delays in national administrative and legislative procedures. In the present case, it has further to be considered that the Directive concerns a matter which is closely linked with national social and labour law systems which can make transposition procedures more difficult. 12 of the 17 MS have eventually notified complete transposition.
Result indicator: Average time needed to deal with complaints **Source of data:** CHAP database						
Baseline 2015	**Interim Milestones**				**Target** 2020	**Latest known results** 2019
	2017	2018	2019	2019		
The average time needed to reach a decision on a complaint (either closure or sending of a letter of formal notice) is currently 5.4 months.	Maintain average <12 months				The target is to maintain an average time of <12 months to reach a decision (as per Secretariat-General Benchmark).	11 months
Result indicator: Share of infringements for non-communication of transposition of Directives dealt with within the benchmark.						

Source of data: NIF Database.				
Baseline 2015	**Interim Milestones**		**Target** 2019	**Latest known results** 2019
	2017	2018		
Non-Communication cases are considered to be beyond benchmark when more than 12 months elapses since a letter of formal notice is sent and the case is not yet closed or sent to CJEU. Currently 12% of cases are considered to be dealt with within benchmark.	50%	70%	The target is to reach 50% of cases dealt with within the benchmark	0% (infringements created in 2019)

Result indicator: Number of infringements for non-conformity closed within benchmarks. **Source of data:** NIF Database.				
Baseline 2015	**Interim Milestones**		**Target** 2020	**Latest known results** 2019
	2017	2018		
No specific benchmark is set for the non-conformity assessment. However, a three-year benchmark is set for all Article 258 TFEU infringements. There are currently 14 cases still open >3 years since their	10	5	No cases open three years after their registration by 2020	0 non-conformity infringement outside of benchmark

registration.				

Main outputs in 2019:			
Delivery on legislative proposals pending with the legislator			
Output	Indicator	Target	Current situation
Proposal for a Regulation on the prudential requirements of investment firms 2017/0359 (COD) **Proposal for a Directive on the prudential requirements of investment firms** 2017/0358 (COD) The Commission is mandated to review the CRR in order to determine a more appropriate prudential treatment for Investment firms. The objective of the proposal adopted in December 2017 includes is to identifying the more systemic 'bank-like' investment firms in order to distinguish these firms from less systemic investment firms and the requirements they are subjected to, respectively. The proposal also strengthens EU rules for how firms in third countries can provide investment services to clients in the EU.	Adoption by the co-legislators	May 2019	Published on 05/12/2019 OJ L 314, 5.12.2019, p. 1–63 Published on 05/12/2019 OJ L 314, 5.12.2019, p. 64–114
Amended Proposal for a Regulation reviewing the European Supervisory Authorities, to include the tasks related to the prevention and combating of money-laundering and terrorist financing 2017/0230 (COD) **Proposal for a Directive amending Directive (EU) 2014/65- MIFIR, Directive (EU) 2009/138 -Solvency II and**	Adoption by the co-legislators	May 2019	Political agreement between Council and Parliament in April 2019. Corrigendum adopted in December 2019. Publication on December 27 2019. Entry into force 1 January 2020. Political agreement between Parliament and Council on final act in April 2019.

Directive (EU) 2015/849 on AML 2017/0231 (COD)			Corrigendum adopted in December 2019. Publication on 27 December 2019. Entry into force 1 January 2020.
Proposal for a Regulation on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board European Systemic Risk Board 201/0232 (COD) This is a package of measures adopted by the Commission in September 2017 and September 2018 proposing changes to the way the ESAs and ESRB function. Its key measures are: stronger coordination of supervision in the EU, extension of ESMAs supervisory powers on capital markets, changes to the governance and funding of the ESAs and enhancing the role of EBA in combating money laundering and terrorist financing across the financial sector.			Political agreement between Parliament and Council on final act.
Amendment to the Directive on the insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to ensure against such liability 2018/0168 (COD) Following an evaluation of the Motor insurance Directive, the Commission proposed in May 2017 targeted amendments covering: a mechanism to guarantee compensation of victims of accidents when the insurer is insolvent, non-discriminatory treatment of claims history	Adoption by the co-legislators	1st half of 2019	First trilogue: 29.1.2020.

statements, enhanced powers of Member States to combat uninsured driving, and harmonised minimum amounts of insurance cover. The proposal also clarifies the scope of the Directive in the light of recent CJEU judgements.			

All new initiatives / significant evaluations from the Commission Work Programme			
Output	Indicator	Target	Current situation
Fitness Check of supervisory reporting requirements PLAN/2017/1740 This is a follow-up action to the Call for Evidence. The assessment of supervisory reporting requirements in EU financial legislation will check if these requirements are meeting their objectives, if the different supervisory reporting frameworks are consistent with one another, and if the cost and burden of supervisory reporting is reasonable and proportionate. It will identify any potential areas where the reporting cost and burden for supervisory purposes could be reduced by streamlining requirements, while continuing to ensure financial stability, market integrity, and consumer protection.	Adoption of the Staff Working Document	Q2 2019	SWD(2019)403 of 5 November 2019.
Fitness check of corporate reporting PLAN/2017/1854 The fitness check of corporate reporting (Accounting Directive, Transparency Directive, Non-financial reporting Directive, Bank Accounts Directive, Insurance Accounts Directive and IAS Regulation) is meant to assess whether the current corpus of accounting and reporting legislation	Adoption of the Staff Working Document	Q2 2019	New Target - Q1 2020 Deadline postponed as further work on the report on-going.

is still fit for purpose (effective, relevant and efficient in achieving the intended objectives), fit for new challenges (such as sustainability and digitalisation), coherent and adds value at EU level.			
Report in response to review clauses in the Accounting and Transparency Directives PLAN/2017/1364 In this communication, the Commission will address outstanding requests for post implementation reviews contained in the Accounting Directive (2013/24/EU) – including the Non-Financial Reporting Directive (2014/95/EU) - and the Transparency Directive (2013/50/EU).	Adoption by the Commission	Q2 2019	New Target – Q1 2020 This report is linked to the report on the corporate reporting fitness check (see the explanation above).

Important items from work programmes/financing decisions/operational programmes			
Other important outputs			
Output	Indicator	Target	Current situation
Report on the functioning of the benchmarking of internal models PLAN/2017/2047 The report will evaluate the functioning of the benchmarking process under Article 78 of the CRD.	Adoption by the Commission	Q1 2019	New Target – Q2/Q3 2020 Because of heavy workload the adoption of the report will slip into Q2/Q3 2020.
Report on the application of the SSM Regulation The SSM Regulation mandates the Commission to prepare a report on the application of the Regulation every three years. Preparatory work on the next report will start in the second half of the year.	Preparatory work on the report	2nd half of 2019	The preparatory work is concluded. The date of adoption of the report still needs to be decided.

General objective 2: A Deeper and Fairer Internal Market with a Strengthened Industrial Base	
Specific objective 2.6: Financial institutions can absorb	Related to spending

losses and liquidity shocks, financial market infrastructures are stable and function effectively, and structural and cyclical macro-prudential risks are proactively addressed	programme(s) No

Insurance companies

Result indicator: The proportion of the insurance sector, in terms of assets, which comply with the solvency capital requirements.
Source of data: Solvency II reporting / EIOPA.

Baseline Early 2016	**Interim Milestone** 2017	**Target** 2019	**Latest known results** 2018
First set of data based on Solvency II available.	End of the transitional period to comply with the solvency capital requirement (Art. 308b (14)) of Directive 2009/138/EC).	Near 100% compliance.	99.25% in terms of number of insurers 99.92% in terms of share of total assets

Banks

Result indicator: Average CET1 capital levels in EU banks.

Explanation: The amount of CET1 capital held by banks should be above the minimum regulatory capital, but this cannot be guaranteed in the crisis situations where the levels of CET 1 may go below the minimum requirements. The effectiveness of supervisors also means that banks should hold extra CET1 capital to cover additional risks (Pillar 2 buffer) in order to cover banks risks not covered by the minimum regulatory requirements. However, a fast increase in the capital ratios, unless new equity is raised in the markets, in short term may reduce lending to the economy in the short-term and thus is not desirable.

Source of data: Semi-annual EBA Basel III monitoring reports.

Baseline	**Interim Milestones**			**Target**	**Latest known results**
	2016	2017	2018	2019	June 2019
End 2011: 6.9% End 2012: 8.4	>8.125%	>8.75 %	>9.375%	>10%	14.2%

Result indicator: Average leverage ratio in EU banks.
Complemented by the capital ratios, the leverage ratio provides a better picture of bank resilience to crisis events. The target will have to be reviewed at the end of 2016 on the basis of the analysis made by the European Commission.
Source of data: Semi-annual the EBA Basel III monitoring reports

Baseline	**Interim Milestones**			**Target**	**Latest known results**
	2016	2017	2018	2019	June 2019
End 2011: 2.9% End 2012: 2.9%	>3%	>3%	>3%	>3%	5.1 %

Result indicator: Average TLAC in G-SIIs.
The Banking Package implementing the Total Loss-Absorbing Capacity (TLAC) standard for global systemically important banks and revising the minimum requirement for own funds and eligible liabilities (MREL) for all banks has been published in the Offical Journal in June 2019. The TLAC standard is already applicable in the EU since June 2019, while the updated MREL requirement will become applicable after transposition by Member States in national laws, in December 2020.

Source of data: FSB monitoring of TLAC issuances for G-SIIs.

Baseline	Interim Milestone	Target	Latest known results
End 2014	2019	2020	June 2019
unknown	>16%	>18%	>16%

Result indicator: Probability of simultaneous default by two or more large and complex banking groups
Source of data: ESRB Risk Dashboard: Daily, EU (changing composition), Simultaneous default of two or more large banks, Probability - RDF.D.D0.Z0Z.4F.EC.DFTLB.PR

Baseline	Interim Milestones		Target	Latest known results
Range 2010-2014	2015	2016	2019	December 2019
7%	<5% in normal times <20% in stress times			2%

Financial Market Infrastructure

Result indicator: Percentage of settlement fails (weighted average by settlement volume).
Source of data: European Securities Markets Authority (ESMA) will report on the number of settlement fails (legal requirement in CSDR).

Baseline 2012	Target 2020	Latest known results none
1.09%. Source of this baseline is the European CDS Association. After the technical standards enter into force and the reporting elements are applicable (estimated: in 2018) there will be a legal obligation to report on this indicator.	Downward trend in settlement fails.	After the technical standards enter into force and the reporting elements are applicable (estimated: in 2018) there will be a legal obligation to report on this indicator.

Macro-prudential measures

Result indicator: Number of notifications of macro-prudential measures, both in and outside EU Law, with material effects, implemented by Competent Authorities (micro-prudential authorities of the MS)/Designated Authorities (macroprudential authorities of the MS).
Source of data: ESRB

Baseline	Target	Latest known results

2015 September	2019	(2019)
179 measures notified to the ESRB.	All mandatory measures notified to the ESRB and implemented effectively; all measures requiring mandatory recognition notified and implemented effectively. A positive trend versus the baseline of measures implemented, as warranted by the evolution of macro-prudential risks.	177 measures notified to the ESRB

Main outputs in 2019:			
Delivery on legislative proposals pending with the legislator			
Output	Indicator	Target	Current situation
Proposal for a Regulation amending the EMIR regulation (REFIT) 2017/0090 (COD) 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 legislative proposal is a Commission Work Programme 2017 REFIT item and aims to improve the proportionality and effectiveness of EMIR's rules.	Adoption by the co-legislators	May 2019	Published in OJ L 141, 28.5.2019, p. 42–63
Proposal for a Regulation on the supervision of central counter parties (CCPs) 2017/0136 (COD) These revisions of the EMIR and ESMA regulations build on the Commission Communication of 4 May 2017 on the challenges for critical financial market infrastructures and further developing CMU. The proposal	Adoption by the co-legislators	Q1 2019	Published in OJ L322, 12/12/2019, p. 1

helps to foster a more pan-European approach to supervision of CCPs based in the EU; and help to address important issues arising from third-country CCPs which are of systemic importance for the EU and its Member States.			
Proposal for a regulation on the recovery and resolution of central counterparties (CCPs) 2016/0365 (COD) 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.	Adoption by the co-legislators	May 2019	New Target - Q2 2020 Trilogues between the institutions started on 28/01/2020.
All new initiatives / significant evaluations from the Commission Work Programme			
Important items from work programmes/financing decisions/operational programmes			
Other important outputs			
Output	Indicator	Target	Current Situation
Finalisation of Basel III framework PLAN/2019/5320 and 5321 In view of the agreement in Basel in December 2017, preparatory work to understand the impact of the changes to the Basel framework will be done. This will include, among other things, an analysis of the	Public consultation Work on the impact assessment	2^{nd} half of 2019	Inception impact assessment published and public consultation run from 20/11/2019 to 3/01/2020. Draft impact assessment sent to the RSB on 10 February 2020. Meeting with RSB

EBA's reply to the call for advice and of the replies to a public consultation.			scheduled for 4 March 2020. Planned adoption June 2020
Report on the systemic risk and cost compliance of interoperability arrangements – EMIR Art. 85(4) 2016/FISMA/027 This Report should assess the systemic risk and cost implications of interoperability arrangements between CCPS and should focus on the number and complexity of such arrangement and the adequacy of risk-management systems and models.	Adoption by the Commission	Q4 2019	New Target - Q2 2020 Adoption was depending on the effective date of Brexit.
Staff Working Document on Post-Trade The CMU Action Plan provided a broader review by the Commission on the progress in removing Giovannini barriers to cross-border clearing and settlement, following the implementation of recent legislation and market infrastructure developments. The Staff Working Document will build on the European Post-Trading Forum Group, the Commission expert group which delivered a report on the developments in post-trading in August 2017 and on the outcome of the post-trade consultation that the Commission ran until November 2017.	Adoption of the Staff Working Document	Q3 2019	Abandoned: to be incorporated in CMU Communication.
Delegated act on criteria to assess the risk profile of third-country CCPs PLAN/2019/5456 The level 1 legislation, which entered into force on 01/01/2020, contains empowerments to adopt level 2 acts.	Adoption by the Commission	Q2 2019	New Target – Q1 2020 Delayed entry into force of the level 1 legislation.

This DA will specify further the criteria that ESMA needs to take into account when assessing the degree of systemic risk that a third-country CCP presents to the financial stability of the Union or one of its Member States.			
Delegated act on comparable compliance PLAN/2019/5454 The level 1 legislation, which entered into force on 01/01/2020 contains empowerments to adopt level 2 acts. This DA will specify further the criteria that ESMA needs to take into account when assessing the degree of systemic risk that a third-country CCP presents to the financial stability of the Union or one of its Member States.	Adoption by the Commission	Q2 2019	New Target – Q1 2020 Delayed entry into force of the level 1 legislation.
Delegated act on CCP supervisory fees PLAN/2019/5455 The level 1 legislation, which entered into force on 01/01/2020 contains empowerments to adopt level 2 acts. This DA will specify further the criteria that ESMA needs to take into account when assessing the degree of systemic risk that a third-country CCP presents to the financial stability of the Union or one of its Member States.	Adoption by the Commission	Q3 2019	New Target – Q1 2020 Delayed entry into force of the level 1 legislation

Delegated act on procedures relating to fines and periodic penalty payments PLAN/2019/5575 The level 1 legislation, currently being negotiated, will contain	Adoption by the Commission	Q3 2019	New Target - Q1 2020 Delayed entry into force of the level 1 legislation

empowerments to adopt level 2 acts. This DA will specify further the rules of procedure for the exercise of the power to impose fines or periodic penalty payments (e.g. provisions on the rights of the defence, temporal provisions, collection of fines or periodic penalty payments).			
Implementing act on the non-recognition of a third country CCP The level 1 legislation, currently being negotiated, will contain empowerments to adopt level 2 acts. The Commission is empowered to adopt an implementing act laying down that a third-country CCP or some of its clearing services are of such substantial systemic importance that that CCP should not be recognised under Regulation 648/2012. Such an act should also specify the clearing services to which it applies and an adaptation period for the third-country CCP.	Adoption by the Commission	Q3 2019	New Target – Q4 2020 Awaiting setting up of Supervisory Committee and adoption Delegated Acts.
ITS with technical amendments to the current ITS on supervisory reporting PLAN/2017/1381 The draft Implementing Regulation introduces some technical amendments deemed necessary with regard to own funds, liquidity and financial reporting.	Adoption by the Commission	Q4 2019	C(2020)704 adopted on 14/02/2020
ITS amending ITS on Benchmarking PLAN/2018/3348 Amendment to the ITS in order to introduce the benchmarking	Adoption by the Commission	Q4 2019	New Target - Q1 2020 Interservice consultation finished, ongoing exchanges with EBA on the

portfolios and reporting templates for the 2019 benchmarking exercise.			outcome.
Amendment of ITS for Supervisory Disclosure PLAN/2017/1971 Competent authorities are required to disclose certain information in order for the internal banking market to operate with increasing effectiveness and for citizens of the Union to have adequate levels of transparency. In order to further facilitate this assessment, information from all competent authorities should be published in a common format, updated regularly and made accessible at a single electronic location.	Adoption by the Commission	Q1 2019	C(2019) 3872 adopted on 28.05.2019
ITS amending the ITS on diversified stock indices PLAN/2017/2051 Regular update of the existing ITS in order to incorporate potential new stock indices to the list contained in the ITS.	Adoption by the Commission	Q1 2019	C(2020)392 adopted 29.01.2020
ITS under Article 8 CRD IV on standard forms, templates and procedures for provision of information in the process of authorisation of credit institutions PLAN/2017/1713 The ITS contains the templates for submission of information specified in the RTS which is required in the application for the authorisation. It also specifies the procedure for the assessment of the completeness of the submitted application.	Adoption by the Commission	Q1 2019	New Target – Q2 2020 The adoption process had to be postponed due to a legal issue currently under discussion between EBA and Commission Legal Service, which will lead to the adoption only in Q2 2020.
RTS on specialised lending exposures 2016/FISMA/112	Adoption by the Commission	Q1 2019	New Target – Q2 2020

The core problem which the RTS aim to address is the lack of a European harmonised framework for taking into consideration the various risk factors cited in Article 153(5) when the slotting approach is applied.			Decision to launch amending procedure (due to significant changes) in preparation.
RTS on the IRB assessment methodology 2016/FISMA/111 The RTS will specify the assessment methodology that competent authorities must follow in assessing the compliance of an institution with the requirements to use the Internal Ratings Based (IRB) Approach for credit risk.	Adoption by the Commission	Q1 2019	New Target Q2 2020 Interservice consultation about to be launched. After that we will start an amending procedure due to significant changes.
RTS on the specification of the assessment methodology for market risk internal models and the assessment of significant share PLAN/2016/515 The RTS will specify the assessment methodology that competent authorities must follow in assessing the compliance of an institution with the requirements to use the internal model approach (IMA) for the own fund requirements for market risk and specify what means a significant share of positions covered by the IMA to grant IMA approval for a given risk category.	Adoption by the Commission	Q1 2019	New Target - Q2 2020 The adoption has been postponed due to the number of inconsistencies and potentially policy issues identified by the Commission staff based on the version that was sent to us. We have been working with EBA to produce a final version. It is very likely that the work on the RTS will result in substantial changes to the text, it will then need to be subject to an amending procedure, which will extend the time of adoption.
RTS amending the RTS on determining the proxy spread and on limited smaller portfolios	Adoption by the Commission	Q1 2019	New Target – Q2 2020

for CVA risk PLAN/2017/1688 Amendment to the existing RTS to reflect some changes to the advanced approach for the calculation of the own fund requirement for CVA risks, as recommended in the EBA report published in 2015.			The adoption of amendments to the RTS has been deprioritised due to the fact that the main structure has been unchanged and the underlying approach related to this RTS (the advanced approach to calculate the own fund requirements for CVA risks) only concerns a handful of banks in the EU. Whenever more resources could be allocated to this topic, we will start the process for adoption.
RTS on the nature, severity and duration of economic downturn PLAN/2017/2060 Banks using the Advanced IRB approach must use estimates for LGD and conversion factors that are appropriate for an economic downturn. These RTS specify the nature, severity and duration of an economic downturn in this context.	Adoption by the Commission	Q1 2019	New Target – Q1 2020 Interservice consultation followed by ongoing multiple exchanges with EBA on the outcome.
RTS on the calculation of K_{IRB} in accordance with the top-down approach and the use of proxy data (new Article 255(9) of the CRR) PLAN/2017/2061 The RTS will specify in more details how investor banks can calculate K_{IRB} and use the SEC-IRBA for the calculation of the capital requirements for securitisation exposures when they don't have access to the data (LGD/PD) at the level of individual loans.	Adoption by the Commission	Q1 2019	New Target – Q3 2020 Interservice consultation finished, the Legal Service is working on comments to the draft text, modifications to be discussed with EBA.

RTS under Article 8 CRD IV in respect of the information to be provided in the process of authorisation of credit institutions, the requirements applicable to shareholders and members with qualifying holdings and obstacles which prevent the effective exercise of supervisory powers PLAN/2017/1714 The RTS specifies in detail the exact type and format of the information to be provided together with the application for authorisation, the requirements applicable to shareholders and members, and the obstacles which may prevent effective supervision	Adoption by the Commission	Q1 2019	New Target – Q2 2020 Please see explanation under PLAN/2017/1713 above (adoption process had to be postponed due to a legal issue currently under discussion between EBA and Commission Legal Service, which will lead to the adoption only in Q2 2020).
Opinions and input to decisions on possible exemptions from EU Council Regulation (EC) n° 2271/1996 (Blocking Statute). Under this Regulation, individual firms can ask for exemptions to be granted by the Commission. DG FISMA is in particular involved in assessing such requests by financial institutions.	Preparation of contributions	All year	Ongoing. DG FISMA gave input to FPI in cases involving financial-sector companies seeking such exceptions.
Contributions to the work on safeguarding EU payments channels with third countries in case of disruptions due to measures by third countries with extraterritorial effect. DG FISMA supports the efforts by Member States and EEAS to secure alternative payments channels for European exporters and importers to certain third countries that are targeted by sanctions of third countries and that thereby loose access to normal commercial cross-border payments channels.	Various contributions	All year	Work towards establishing such payments channels has been further ongoing. DG FISMA further supported, mainly by input to the conceptualisation of the operating model of the company, the ongoing work of Germany, France and the United Kingdom in establishing and making operational INSTEX.

Regular monitoring of economic and financial effects of EU and third countries' sanctions on Russia. DG FISMA monitors on an on-going basis the effects and effectiveness of the EU sanctions on Russia in place, as well as possible additional sanctions envisaged by the EU or by third countries.	Preparation of contributions to overall assessment	All year	DG FISMA continued to regularly monitor the effects and effectiveness of the existing EU sanctions on Russia, as well as the possible effects on Russia and on the EU of possible additional sanctions envisaged by the EU or certain third countries.

General objective 3: A Deeper and Fairer Economic and Monetary Union		
Impact indicator: Composite Indicator of Systemic Stress (CISS) **Explanation**: CISS measures the state of instability in the euro area financial system. It comprises 15 mostly market based financial stress measures split into five categories: financial intermediaries sector, money markets, equity markets, bond markets and foreign exchange markets. It is unit-free and constrained to lie within the interval (0, 1). . **Source of the data**: European Central Bank		
Baseline (Average range 2010-2014)	**Target** 2020	**Latest known results** 27/12/2019
0.25 in normal times 0.8 in a crisis mode	Stable trend	0.0222

General objective 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			Related to spending programme(s) No	
Result indicator: Correlation between sovereign and banking CDS. Synthetic CDS series will be used for the euro area. **Source of data:** Data available from Bloomberg: Markit Itraxx senior financial 5-year CDS; Markit Itraxx 5-year SovX for Western Europe[38]. Data on exit events to be provided by SRB, ESAs.				
Baseline	**Interim Milestones**		**Target**	**Latest known results**
End 2014	2015	2016	2020	2019
0.8	0.7	0.6	0.6 The correlation	0.91 (correlation for

[38] For this index data are not available, we used another index on European sov CDS (core Euro), called COREUR G Index.

			between bank risk and sovereign risk should decline, i.e. bank risks should decouple from sovereign risks	the entire year 2019)
Result indicator: The Single Resolution Fund is built and becomes operational according to plan. **Source of data:** SRB[39].				
Baseline End 2014	**Interim Milestones**		**Target**	**Latest known results** 2019
	2017	2018		
Tentatively EUR 6.8bn per annum	EUR 17 bn	EUR 24.9 bn	About EUR 60 bn by end-2023.	EUR 33 bn

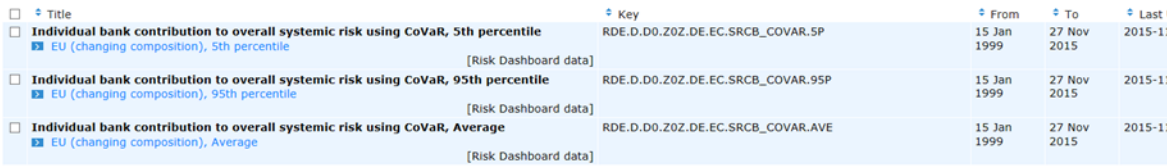
Main outputs in 2019:			
Delivery on legislative proposals pending with the legislator			
Output	Indicator	Target	Current situation
European Deposit Insurance Scheme Regulation (EDIS) 2015/0270 (COD) The proposal from November 2015 increases resilience against future financial crises by making national schemes less vulnerable to large localised shocks; it also contributes to severing the link between banks and their home sovereign.	Adoption by the co-legislators	May 2019	New Target - 2020 Awaiting EP ECON committee decision. The Eurogroup of 4.12.19 did not deliver a roadmap despite good technical discussions on all Banking Union files in the High-level Working Group. Way forward under discussion.
All new initiatives / significant evaluations from the Commission Work Programme			
Important items from work programmes/financing decisions/operational programmes			
Other important outputs			

39 The Single Resolution Fund is only for Member States participating in the Banking Union.

General objective 3: A Deeper and Fairer Economic and Monetary Union	
Specific objective 3.2: Risk in the banking sector is reduced.	Related to spending programme(s) No

Result indicator: *'Banks' contribution to overall systemic risk'* discontinued. Latest available information in November 2015
Source of data: ECB Statistical Data Warehouse (RDF.D.D0.Z0Z.4F.EC.DFTLB.PR)
More details: http://sdw.ecb.europa.eu/reports.do?node=1000003357

See instead result indicator 'Probability of simultaneous default by two or more large and complex banking groups' under Specific Objective 2.6



Title	Key	From	To	Last
Individual bank contribution to overall systemic risk using CoVaR, 5th percentile EU (changing composition), 5th percentile [Risk Dashboard data]	RDE.D.D0.Z0Z.DE.EC.SRCB_COVAR.5P	15 Jan 1999	27 Nov 2015	2015-1
Individual bank contribution to overall systemic risk using CoVaR, 95th percentile EU (changing composition), 95th percentile [Risk Dashboard data]	RDE.D.D0.Z0Z.DE.EC.SRCB_COVAR.95P	15 Jan 1999	27 Nov 2015	2015-1
Individual bank contribution to overall systemic risk using CoVaR, Average EU (changing composition), Average [Risk Dashboard data]	RDE.D.D0.Z0Z.DE.EC.SRCB_COVAR.AVE	15 Jan 1999	27 Nov 2015	2015-1

Baseline 2015	**Target 2020**	**Latest known results**
The average was approximately 5%	Not in excess of 5%	Discontinued as from AAR 2018

Result indicator: Average TLAC levels in EU global systemically important institutions (G-SIIs).

In December 2018 a political agreement was reached at the end of the political trilogues on the Banking Package proposed by the Commission in November 2016 to transpose the Financial Stability Board's (FSB) 2015 Total Loss-Absorbing Capacity (TLAC) standard for global systemically important banks and revise the minimum requirement for own funds and eligible liabilities (MREL) for all banks . The TLAC standard has been designed so that failing G-SIIs will have a minimum loss-absorbing and recapitalisation capacity available in resolution for authorities to implement an orderly resolution that minimises impacts on financial stability, maintains the continuity of critical functions, and avoids exposing public funds to loss.
In addition to this minimum mandatory requirement for G-SIIs, the European framework already requires all banks in the EU to hold MREL in order to facilitate the implementation of their resolution strategy. For G-SIIs, an MREL add-on may be required in addition to the TLAC minimum requirement if the latter does not sustain sufficiently the resolution strategy.

Source of data: SRB and FSB monitoring of TLAC issuances for G-SIIs.

Baseline	**Interim Milestone**	**Target**	**Latest known results**
End 2014	2019	2020[40]	

[40] This will progress towards a 2022 FSB target

Unknown	16% RWA or 6% leverage ratio exposure measure plus an MREL add-on in order to ensure a total reaching the required loss absorption + recapitalisation amount (including a market confidence buffer when required). The minimum TLAC level must be met with subordinated instruments with a possibility for an allowance for senior instruments if permitted by the resolution authority (2.5% RWA or 5% de minimis rule).	18% RWA or 6.75% leverage ratio exposure measure, plus an MREL add-on in order to ensure a total reaching the required loss absorption + recapitalisation amount (including a market confidence buffer when required). (3.5% RWA or 5% de minimis rule as senior allowance if permitted).	All EU G-SIIs are in compliance with the 2019 TLAC targets

Result indicator: Average CET1 capital levels in EU banks.
Source of data: Semi-annual EBA Basel III monitoring reports.

Baseline End 2014	**Interim Milestones**			**Target** 2019	**Latest known results** June 2019
	2016	2017	2018		
End 2011: 6.9% End 2012: 8.4	>8.125 %	>8.75 %	>9.375 %	>10%	14.2%

Result indicator: Average leverage ratio in EU banks.
Complemented by the capital ratios, the leverage ratio provides a better picture of bank resilience to crisis events. The target will have to be reviewed at the end of 2016 on the basis of the analysis made by the European Commission.
Source of data: Semi-annual the EBA Basel III monitoring reports.

Baseline	**Interim Milestones**			**Target** 2019	**Latest known results** June 2019
	2016	2017	2018		
End 2011: 2.9% End 2012: 2.9%	>3%	>3%	>3%	>3%	5.1%

Main outputs in 2019:			
Delivery on legislative proposals pending with the legislator			
Output	Indicator	Target	Current situation
Proposal for a Directive on credit servicers, credit purchasers and the recovery of collateral 2018/0063 (COD) Non-performing loans (NPLs) in Europe's banks weigh increasingly heavily on financial stability and economic growth particularly in some Member States. The initiative effectively consists of two parts. The objective of the first part of the initiative is to develop a European approach to fostering the development of secondary markets for NPLs, in particular the aim will be to simplify and potentially harmonise licensing requirements for third-party loan servicers and also potentially help to remove impediments to the transfer of NPLs by banks to third parties, while safeguarding consumers' rights. The objective of the second half of the initiative is to avoid the future build-up of non-performing loans by allowing creditors and businesses who borrow to mutually agree upfront that in case of the borrower's default, the creditor can enforce the collateral out of court.	Adoption by the co-legislators	May 2019	New Target - 2020 Directive shall be split into credit servicers / purchasers and collateral part.
Proposal for a Regulation on Sovereign Bond-Backed Securities 2018/0171 (COD) Securitisations of euro area sovereign bonds can expand the supply of euro-denominated safe assets while also helping banks diversify their sovereign bond portfolios. The latter would further	Adoption by the co-legislators	May 2019	DG FISMA further followed up with this proposal. However, the Council decided to not pursue further discussions of this proposal for the time being. This proposal was also discussed in the

weaken the sovereign-bank nexus, which was at the heart of the euro area debt crisis. For these novel financial instruments to develop, an enabling framework would have to alleviate the extra regulatory burdens that SBBS would face, vis-à-vis their underlying euro area sovereign bonds, by virtue of being a securitisation. Such levelling of the regulatory playing field is justified for SBBS because they would not suffer from typical securitisation risks (e.g., agency risk, model risk, non-tradability of underlying portfolio, etc.).			High Level Working Group on EDIS.
Proposal for a Regulation amending Reg. (EU) No 575/2013 as regards minimum loss coverage for non-performing exposures 2018/0060 (COD) The Commission adopted a proposal establishing statutory prudential backstops to prevent potential under-provisioning of non-performing loans (NPLs) and the build-up of future stocks of NPLs in banks across Member States.	Final adoption by the co-legislators	April 2019	Final act published in the Official Journal 25.04.2019

All new initiatives / significant evaluations from the Commission Work Programme			
Important items from work programmes/financing decisions/operational programmes			
Other important outputs			
Output	Indicator	Target	Current situation
Exercise the Commission's role in macro-prudential policy making The Commission is requested to formally take decisions on measures notified under Article 458 CRR and Article 133 CRD	Commission Decisions as regards macro-prudential measures	All year	The Commission has issued two decisions in August 2019 on the notifications by the Estonian central bank and by the Finnish FSA respectively, to

			apply a macro-prudential measure under Article 458 CRR. The Commission has received a notification from the Belgian authorities intending to extend an existing macro-prudential measure under Art 458 CRR in the course of 2020. The Dutch authorities also notified their intention to activate a new macro-prudential measure under the same article in 2020.
Exercise the Commission's function as Resolution Authority As laid down in the SRMR, the Commission is the ultimate Resolution Authority for the Banking Union. DG FISMA is the Commission service entrusted with the resolution function; as such it has, amongst others, to follow work at the SRB, represent the Commission as RA at EU and international fora (EBA and FSB), ensure coordination with other Commission Services, prepare the endorsement of resolution schemes, reply to stakeholder requests and, together with the Legal Service, manage the Commission's involvement in judicial proceedings.	- Attending and preparing Executive and Plenary Board Meetings and preparatory bodies - Monitoring banks in difficulty - Endorsing Resolution schemes - Intervention in judicial and non-judicial proceedings - Processing requests for access to documents - Participate in Resolution colleges	All year	1) At the SRB, the RTF has prepared and/or attended: 11 MREL Task Force meetings; 4 Committee on Resolution (CoRes) meetings; A number of ad-hoc Expert Network ("EN") meetings/teleconferences (CoRes substructures launched in Q4 2019) (1 EN meeting on Reporting and Valuation, 1 EN meeting on Liquidity, - 1 EN meeting on Financial stability, CFs and PIA, 1 EN meeting on Operational continuity and FMIs, 1 EN meeting on Crisis governance, 2 EN meetings on

			LSIs) 13 Fund Committee meetings, in contributions and investments compositions; 4 meetings of the Administrative and Budget Committee; 3 meetings of the Financial Stability Expert Network; 5 meetings of the Legal Network; 5 Plenary Sessions; 10 Executive Sessions; 18 Extended Executive Sessions; 2) Received and provided comments in a number of written procedures initiated by the SRB. 3) Reviewed and coordinated internally and provided comments where appropriate to 23 ISCs launched by DG COMP in relation to banking cases. 4) Received and reviewed and provided comments, where deemed necessary, on a number of Resolutions Plans. 5) Participated in support of SJ in hearings on 5 cases at the Court of Justice and the General Court. 6) Provided numerous legal observations on

			pending litigations in the Union courts and contributed to written pleadings of the Legal Service on actions brought by former investors in resolved banks. 7) Replied to requests for access to documents and contributed to the interventions of the Commission in related litigations against the SRB and the ECB. 8) Participated in 5 meetings of the ECB's Crisis Management Network 9) Achieved the conclusion of the negotiations and the signature of the MoU between the SRB and the COM.
Enhanced preparedness for resolution cases. In the context of EU and International banking groups, resolution will involve multiple authorities (EU and BU) and/or jurisdictions (EU, BU and Third countries). Multilateral resolution is highly complex and therefore it is important that the different actors understand the complexities and impediments and find methods to overcome them. This has to be done through enhanced preparation at bilateral or multilateral level.	Preparation of and/or participation in: - Trilateral resolution exercise - SRB dry runs - Nordic dry run - Commission internal preparedness and business continuity - FSB Rap	All year	The **RTF** has participated in: 17 meetings in the context of the Trilateral resolution exercise. The 2019 Nordic-Baltic Crisis Simulation Exercise (largest resolution simulation carried out worldwide to date), including 4 preparatory and follow-up meetings. A Banking-Union dry run organized by the SRB. A dedicated training

	and Resolution groups - EBA resolution committees and groups		on the US resolution framework provided by the FDIC. EBA meetings: SGRE: 2 meetings, SGRPP: 2 meetings, ResCo: 4 meetings, WS valuation: 1 meeting FSB CBCM: 3 meetings
Development and issuance of industry standards for European NPL platforms. DG FISMA, together with the ECB and the EBA, will continue to play a key role in facilitating the emergence of Union-wide NPL platforms. DG FISMA published a staff working document, drafted jointly with ECB and the EBA, on European platforms for NPLs. In order to advance the setup of such platforms, DG FISMA will host an industry roundtable on 15 January 2019 to define industry standards for European NPL platforms. The Commission will ask stakeholders to agree, by Spring 2019, on issuing such standards. Thereafter, the Commission (and ECB + EBA) will ensure that the necessary steps are taken for the emergence of Union-wide platforms.	Agreement by relevant stakeholders on industry standards. Follow-up work by the Commission (and ECB/EBA) to be determined thereafter, also based on feedback from Member States. Reporting to FSC and EFC (potentially also ECOFIN) on progress	Spring 2019 Post Spring 2019 Over the course of the year	Work with private-sector stakeholders continued, in close cooperation with the ECB and EBA. In particular, DG FISMA organised two industry round tables on the issue. This led to two private-led workstreams (on data and on standards for such platform), which DG FISMA has closely followed.

General objective 3: A Deeper and Fairer Economic and Monetary Union	
Specific objective 3.3: Appropriate country surveillance to ensure macro-financial stability	Related to spending programme(s) No

Main outputs in 2019:			
Delivery on legislative proposals pending with the legislator			

All new initiatives / significant evaluations from the Commission Work Programme			
Important items from work programmes/financing decisions/operational programmes			
Other important outputs			
Output	Indicator	Target	Current situation
Exercise the Commission's role in global macro-prudential policy making. The Commission is a member of the Macroprudential Supervision Policy Group (MPG) at the Basel Committee on Banking Supervision and of several FSB groups (shadow banking, data gaps, etc.)	Participation in macro-prudential policy fora	All year	The Commission regularly participates in the work of the MPG. It is directly involved in the workstream dealing with the review of the G-SIB framework, where it is also chairing the task force assessing the impact of the Banking Union on the G-SIB methodology. The Commission regularly participates in several FSB groups and, since the beginning of 2019, is also involved in the working group evaluating the impact of too-big-to-fail (TBTF) reforms.
Post-Programme Surveillance for, Portugal, Ireland, Spain, Cyprus, Enhanced Surveillance for Greece (based on Commission Implementing Decision C(2018)4495 of 11 July 2018)Contribution about financial sector to Review Report.	Adoption by the Commission of the Review Report	Twice per year More frequent for Greece	9th and 10th post-programme surveillance report for <u>Portugal</u> published on 07.02.2019 and 08.10.2019 respectively; 10th and 11th post-programme surveillance report for <u>Ireland</u> published on 07.02.2019 and 10.09.2019 respectively; 2nd Enhanced Surveillance Report

			for Greece published on 26.02.2019 (with an update on 08.04.2019); 3rd on 05.06.2019;4th on 20.11.2019 6th post-programme surveillance report for Cyprus published on 07.06.2019; 7th on 29.11.2019; 11th post-programme surveillance report for Spain published on 05.07.2019; 12th on 29.11.2019
EU Semester, including Macroeconomic Imbalances Procedure (based on art 121 of the Treaty) Formulation of policy guidelines (CSRs) and monitoring their implementation. Contribution about financial sector to Country Report. Euro area recommendation (EAR) on financial sector policy Contribution on financial sector policy to Council euro area recommendations and to Commission Communication on Annual Sustainable Growth Strategy	Adoption by the Commission and the Council of Country-Specific Recommendations Adoption by the Commission of country reports Adoption by the Commission and the Council Adoption by the Commission	1st half of 2019 for 2019 cycle and 2nd half of 2019 for 2020 cycle	Country Reports and Communication published on 27 February 2019; Council's Country Specific Recommendations adopted by ECOFIN on 9.07.2019; Progress in implementing country specific recommendations from previous year(s): Across sectors most progress has been achieved in financial services [and employment policies]. Preparation for the 2020 cycle have started; Annual Sustainable Growth Strategy (Communication) and recommendations for the euro area adopted by the Commission on 17.12.2019.
Development of country	Regular reporting	On-	Ongoing

knowledge Monitoring of national financial and economic developments with a view to avoid financial distress and track policy implementation and initiatives to assess their contribution to growth and investment	Alimenting the internal DG FISMA wiki	going	

General objective 3: A Deeper and Fairer Economic and Monetary Union	
Specific objective 3.4: Closely and continuously monitor developments in the EU financial system, including financial stability	Related to spending programme(s) No

Main outputs in 2019:			
Delivery on legislative proposals pending with the legislator			
Output	Indicator	Target	Current situation
Various regular reports and ad-hoc contributions	Preparation of reports and contributions	All year	DG FISMA has continued to produce daily, weekly and monthly market analysis reports, as well as the 2019 "European Financial Stability and Integration Review".
All new initiatives / significant evaluations from the Commission Work Programme			
Important items from work programmes/financing decisions/operational programmes			
Output	Indicator	Target	Current situation
Safeguarding consumers' interests in financial services: To provide financial support to two EU-wide non-industry organisations, which enable civil society to have a stronger say in EU policy making on financial services.	Successful implementation of the annual work programmes of the two grant beneficiaries.	All year	The Commission provided financial support to the grant beneficiaries/the two EU-wide non-industry organisations. Based on the intermediate reports (the final report has not yet been submitted), they seem to be on track to achieve the

To manage the network of alternative dispute resolution bodies in the area of financial services, FIN-NET, to facilitate the resolution of cross-border complaints about financial services and to obtain information on consumer issues in the Member States.	2 plenary meetings of FIN-NET, of which one possibly linked to a FSUG meeting;		objectives of their annual work programme. The FIN-NET plenary met on 10 April and on 28 November. The second meeting took place mostly jointly with the FSUG.
To ensure that consumer interests are fully taken into account in financial services policymaking and that any consumer issues are closely monitored to identify needs for adapting or developing the regulatory framework.	5 meetings of the Financial Services User Group (FSUG);		The Financial Services User Group (FSUG) met 5 times.
Other important outputs			
Output	Indicator	Target	Current situation
Ensure an effective representation of the Commission in the ESRB. The Commission is a voting member at the ESRB. DG FISMA is the Commission service entrusted with ensuring that the Commission effectively exercises its membership rights through appropriate participation in the main ESRB bodies. As such it has, amongst others, to follow work and represent the Commission at expert and policy level, ensure coordination within FISMA and with other Commission services, and reply to written consultations and recommendations.	Participation in main ESRB bodies (General Board, Advisory technical Committee, Instruments Working Group, Assessment Team) and ESRB expert groups (shadow banking, interconnectedness, etc.)	All year	In accordance with schedule
Close cooperation with the three European Supervisory Authorities and exercising the Commission's role in their governing bodies.	Participation in Board of Supervisors, Management Board and relevant substructures meetings.	All year	In accordance with schedule