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2018

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, 28/03/2019

[*Signed*]

Pamela BRUMTER-CORET

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, 28/03/2019

[Signed]

John BERRIGAN

[1] C(2017)2373 of 19.04.2017.

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

Human Resources

Objective: The DG effectively deploys its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, 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	Target (2019)		Latest known results (2019)
26% (May 2015)	35%		33%[2]
Indicator 2: Percentage of staff who feel that the Commission cares about their well-being. **Source of data:** Commission Staff Survey.			
Baseline	Target (2020)		Latest known results (2019)
42% MARKT (2014) 38% ECFIN (2014) 67% FISMA (2016)	45% (5 percentage points higher than the average of DG MARKT and DG ECFIN, 10 percentage points higher than the 2014 average for the Commission)		Staff survey 2018: 62% FISMA, compared to 52% Commission average
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)		Staff survey 2018: 75% FISMA, compared to 69% Commission average
Main outputs in 2018:			
Description	Indicator	Target	Latest known

[2] A further woman was appointed as Middle Manager, which brought the DG's rate of female managers to 38% in 2018, thus causing it to exceed its target. However, the rate since then went back to 33%, following the decision of one of the female Middle managers to opt out of management as from 1 January 2019.

			results
Conferences by Commission top female managers	Number of events and participation by staff	4 events and 10-15 number of participants on average	3 in 2018. The 4th event is scheduled in January 2019
Regular activities supporting AST professionalization	Number of events and participation by staff	At least 6 events per year and 10-15 number of participants on average	10 AST breakfasts; average 20 participants
Knowledge hours during which units and staff members will present their field of activities to all staff	Number of sessions and participation by staff	8 per year and 30-40 number of participants on average	10 knowledge hours; average 30 participants
Mini coaching sessions offered by Directors to interested staff	Number of participants	At least 15 participants	None; due to the reorganisation postponed to spring 2019

Better regulation

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 and 2017	Target 2020	Latest known results (December 2018)
83% on first submission	2016: • 4 IAs approved • 75% on first submission 2017: • 9 IAs approved[3]	Positive trend compared to interim milestone.	• 8 IAs approved • 75% on first submission

[3] Compared to the previous Annual Activity Report, note that two impact assessments have been added to the statistics of 2017, as they received Board opinion at the end of 2017.

	• 44% on first submission		
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			
Baseline 2015	Interim Milestone 2016 and 2017	Target 2020	Latest known results (December 2018)
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.	2016: • 18% of primary regulatory acquis (105 directives and regulations) covered by retrospective evaluations. 2017: • 22% of primary regulatory acquis covered by retrospective evaluations.	Positive trend compared to interim milestone	22% of primary regulatory acquis (107 directives and regulations) covered by retrospective evaluations.[4]

Information Management

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

[4] Specifically, 24 retrospective reviews 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, and 1 evaluation in 2018. The current primary regulatory acquis is 107. Note that in base year 2016, the primary regulatory acquis was 105.

Indicator 1: Percentage of registered documents that are not filed (ratio) **Source of data:** Hermes-Ares-Nomcom (HAN) statistics			
Baseline	Target		Latest known results (December 2018)
2014: 1%	1%		0.25%
Indicator 2: Percentage of HAN files readable/accessible by all units in DG FISMA **Source of data:** HAN statistics			
Baseline	Target		Latest known results (December 2018)
2014: 99%	99%		94%[5]
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 (December 2018)
2015: 100%	100% every year		98%[6]
Main outputs in 2018:			
Description	Indicator	Target	Latest known results
Taxonomy for all (non-sensitive) DG FISMA information	Finalisation of the analysis across knowledge repositories to prepare for taxonomy	By 31.12.2018	Analysis across knowledge repositories (BASIS, ARES, EMT, KOEL, U and P drives…) has been finalized in 2018. Version alpha of DG FISMA taxonomy has been produced and is currently being completed and validated by units.
Increase in ARES use by all categories of staff	Proportion of AresLook registrations made via "Save & Assign"	>20%	20.9%
Further improvement in	Proportion of unfiled documents	<0,5%	0.25%

[5] This figure takes all HAN files as the denominator, including files with personal data, BREXIT files and Resolution Task Force files while those were excluded when the baseline and target were defined. The percentage of HAN files shared with other DGs is 1.12%.

[6] Over 2017-2018, other sources of briefings gradually merged into BASIS, with the exception of briefings for the EEAS (approximately 2% of the total of 756).

document management	Proportion of files without "file manager"	<0,5%	0.07%

External Communication

Objective 1: 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 (November 2018)
November 2014: Total "Positive": 39% Neutral: 37 % Total "Negative": 22%	Positive image of the EU ≥ 50%		43%
Objective 2: 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 (December 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)
Main outputs in 2018:			
Description	Indicator	Target	Latest known

			results
Communication actions on sustainable finance	Number of mentions of #SusFinEU and related hashtags used by DG FISMA (measured in digimind)	5,000 mentions in 2018	27 287
Communication actions on consumer finance, incl. fintech and the awareness-raising campaign on FIN-NET	Number of mentions of #MyMoneyEU and related hashtags used by DG FISMA (measured in digimind)	3,000 mentions in 2018	4 467
Communication action on FIN-NET	Average number of visits of FIN-NET online complaint form on EUROPA per month	+10% as compared to 2017	+ 63.78%
Progress in achieving objective in Strategic Plan 2016-2020 (measured in online user survey)	Same indicator of user satisfaction with website, Finance Newsletter and social media accounts as in Strategic Plan	At least maintain already high level of user satisfaction as in first user survey in 2016	+ 0.79%. The high level of user satisfaction has slightly further improved.

Annual communication spending (based on estimated commitments):			
Baseline (Year n-1):	Target (Year n):	Total amount spent	Total of FTEs working on external communication
EUR 460,078.26	EUR 350,000 (incl. EUR 170,000 for conferences)	EUR 469 443, 39****	9

**** EUR 196 113,44 for conferences and seminars + EUR 273 330 for other communication actions.

ANNEX 3: Draft annual accounts and financial reports

Annex 3 Financial Reports - DG FISMA - Financial Year 2018

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures (excluding Building Contracts)

Table 12 : Summary of Procedures (excluding Building Contracts)

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2018 (in Mio €)					
			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	0,05	0,05	100,00 %
Total Title 11			0,05	0,05	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	3,01	3	99,81 %
	12 02	Financial services and capital markets	55,91	53,76	96,15 %
Total Title 12			58,92	56,76	96,34%
Title 20 Trade					
20	20 02	Trade policy	0,05	0,05	100,00 %
Total Title 20			0,05	0,05	100,00%
Total DG FISMA			59,02	56,86	96,34 %

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

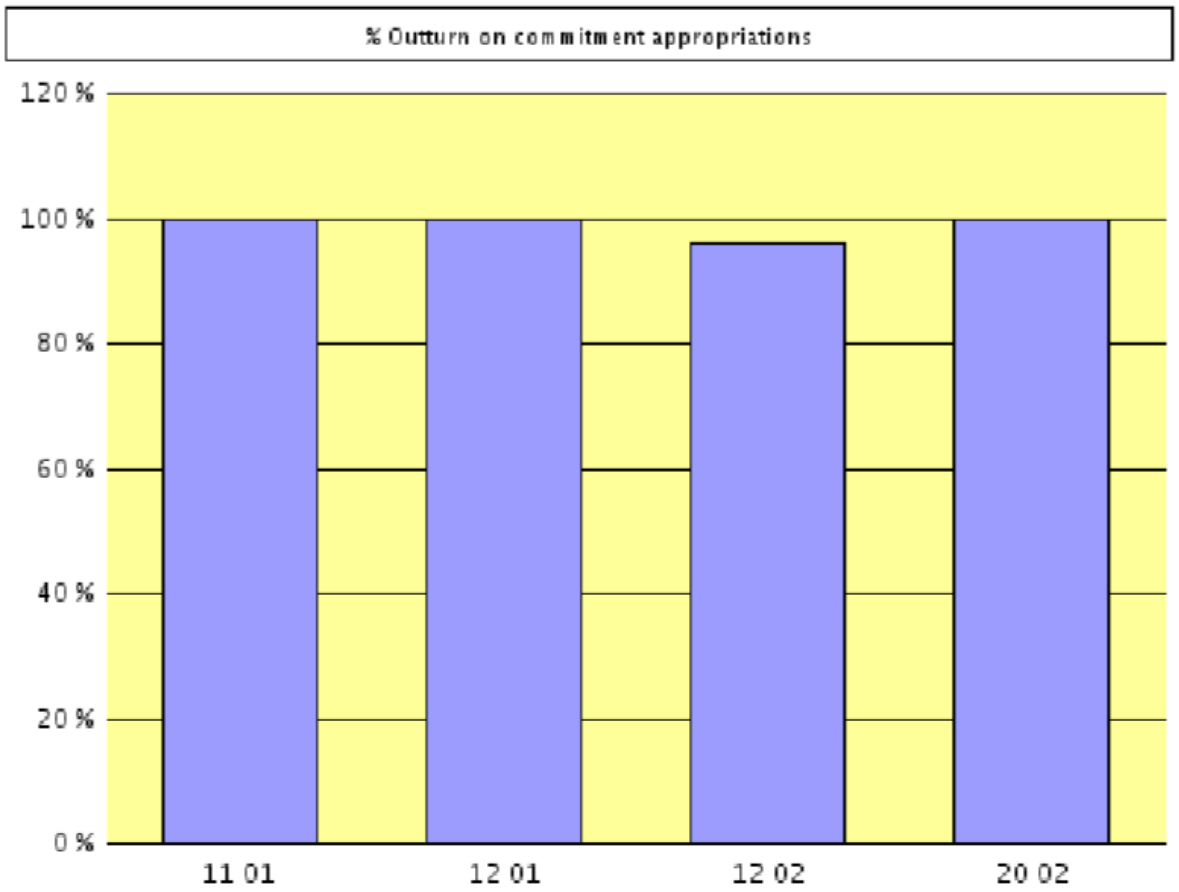
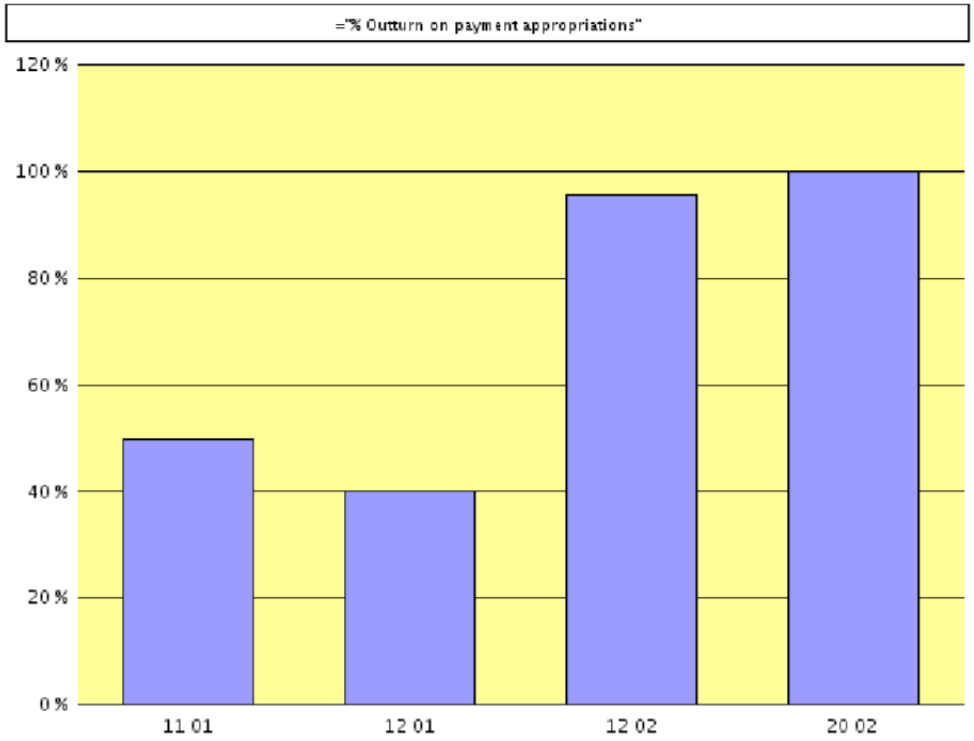


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2018 (in Mio €)					
Chapter			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 11 Maritime affairs and fisheries					
11	11 01	Administrative expenditure of the 'Maritime affairs and fisheries' policy area	0,1	0,05	49,89 %
Total Title 11			0,1	0,05	49,89%
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	2,13	0,85	40,00 %
	12 02	Financial services and capital markets	54,27	51,89	95,62 %
Total Title 12			56,4	52,74	93,52%
Title 20 Trade					
20	20 02	Trade policy	0,1	0,1	100,00 %
Total Title 20			0,1	0,1	100,00%
	Total DG FISMA		56,59	52,89	93,45 %

** 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).*



The total amounts indicated in paragraph 2.1.1.1 and Annex 10 of this report differ from the amounts of 'payments made' of this table. For corporate reconciliation purposes this table does not include 'payments made' by DG FISMA based on cross-subdelegations received from other DGs. It includes on the contrary 'payments made' by other DGs based on cross-subdelegations received from DG FISMA.

The 40% execution of administrative payment appropriations 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 (99,8% - see table 1 of Annex 3).

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2018 (in Mio €)									
Chapter			2018 Commitments to be settled				Commitments to be settled from	Total of commitments to be settled at end	Total of commitments to be settled at end
			Commitments 2018	Payments 2018	RAL 2018	% to be settled	financial years previous to 2018	of financial year 2018	of financial year 2017
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
Title 11 : Maritime affairs and fisheries									
11	11 01	Administrative expenditure of the 'Maritime affairs and fisheries' policy area	0,05	0,00	0,05	100,00 %	0,00	0,05	0,05
Total Title 11			0,05	0,00	0,05	100,00%	0	0,05	0,05
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	3	1,61	1,39	46,24 %	0,00	1,39	0,88
	12 02	Financial services and capital markets	53,76	46,18	7,58	14,10 %	3,23	10,81	9,85
Total Title 12			56,76	47,79	8,97	15,80%	3,23	12,2	10,73
Title 20 : Trade									
20	20 02	Trade policy	0,05	0,05	0	0,00 %	0,00	0,00	0,05
Total Title 20			0,05	0,05	0	0,00%	0	0	0,05
	Total DG FISMA		56,86	47,84	9,02	15,86 %	3,23	12,25	10,83

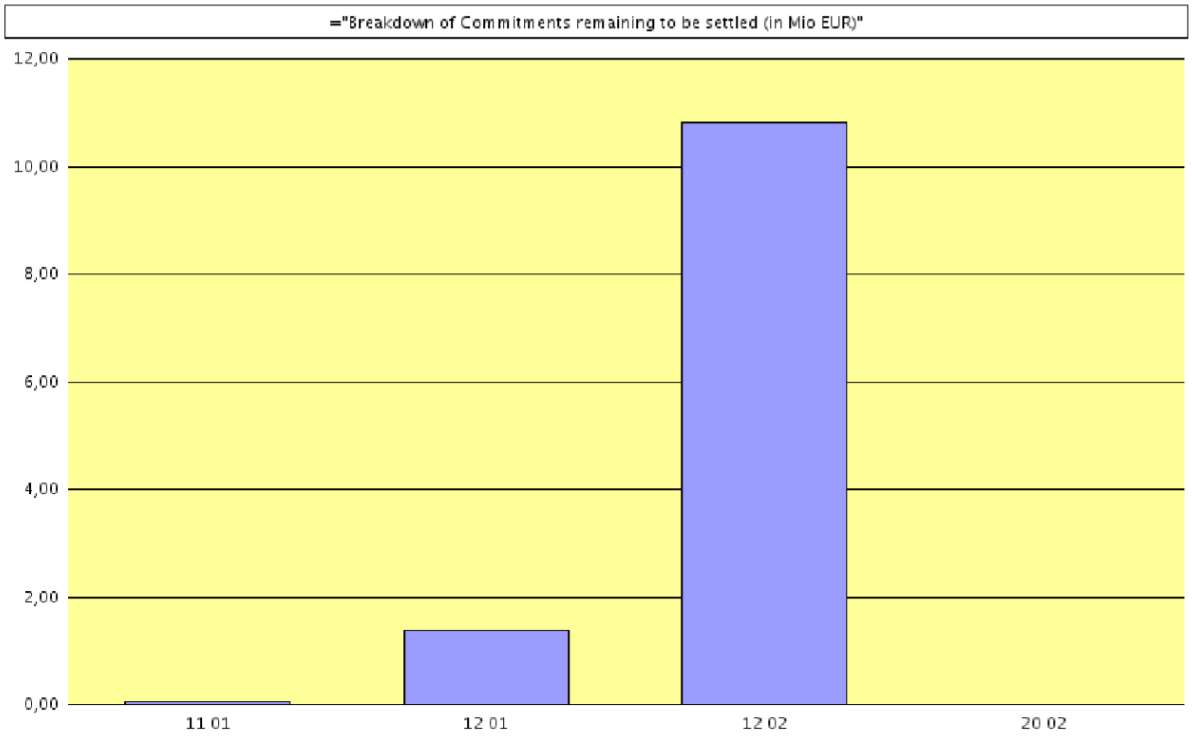

="Breakdown of Commitments remaining to be settled (in Mio EUR)"
12,00
10,00
8,00
6,00
4,00
2,00
0,00
11 01
12 01
12 02
20 02

TABLE 4 : BALANCE SHEET FISMA

BALANCE SHEET	2018	2017
A.I. NON CURRENT ASSETS	0	0
A.I.2. Property, Plant and Equipment	0,00	0,00
A.II. CURRENT ASSETS	4.154.080,65	5.302.508,32
A.II.2. Current Pre-Financing	4.153.983,38	5.302.411,05
A.II.3. Curr Exch Receiv &Non-Ex Recoverables	97,27	97,27
ASSETS	**4.154.080,65**	**5.302.508,32**
P.II. CURRENT LIABILITIES	-145.091,17	-204.749,4
P.II.4. Current Payables	-145.091,17	-204.749,40
LIABILITIES	**-145.091,17**	**-204.749,4**
NET ASSETS (ASSETS less LIABILITIES)	**4.008.989,48**	**5.097.758,92**

P.III.2. Accumulated Surplus/Deficit	229.936.341,47	182.767.144,92

Non-allocated central (surplus)/deficit*	-233.945.330,95	-187.864.903,84

TOTAL	**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.

The accounting situation presented in the Balance Sheet and Statement of Financial Performance does not include the accruals and deferrals calculated centrally by the services of the Accounting Officer.

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE FISMA

STATEMENT OF FINANCIAL PERFORMANCE	2018	2017
II.1 REVENUES	268.684,32	-1.025.430,23
II.1.1. NON-EXCHANGE REVENUES	-37.920	-1.240.000
II.1.1.4. FINES		-1.240.000,00
II.1.1.5. RECOVERY OF EXPENSES	-37.920,00	
II.1.2. EXCHANGE REVENUES	306.604,32	214.569,77
II.1.2.2. OTHER EXCHANGE REVENUE	306.604,32	214.569,77
II.2. EXPENSES	52.727.539,85	48.194.626,78
II.2. EXPENSES	52.727.539,85	48.194.626,78
II.2.10.OTHER EXPENSES	1.900.990,40	1.518.547,52
II.2.2. EXP IMPLEM BY COMMISS&EX.AGENC	12.866.769,57	13.473.391,31
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES	37.959.779,88	33.202.687,95
STATEMENT OF FINANCIAL PERFORMANCE	**52.996.224,17**	**47.169.196,55**

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The accounting situation presented in the Balance Sheet and Statement of Financial Performance does not include the accruals and deferrals calculated centrally by the services of the Accounting Officer.

TABLE 5bis : OFF BALANCE SHEET FISMA		
OFF BALANCE	**2018**	**2017**
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 FOR 2018 - DG 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	229	226	98,69 %	12,71	3	1,31 %	52,67
44	1	1	100,00 %	9			
60	39	39	100,00 %	20,36			
90	1	1	100,00 %	31			
104	1	1	100,00 %	7			
195	1	1	100,00 %	7			

Total Number of Payments	**272**	**269**	**98,90 %**		**3**	**1,10 %**	
Average Net Payment Time	**14,26**			**13,83**			**52,67**
Average Gross Payment Time	**16,89**			**16,49**			**52,67**

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	15	49	18,01 %	272	3.044.925,33	5,68 %	53.651.691,05

DG	GL Account	Description	Amount (Eur)

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2018								
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
57	OTHER CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH THE ADMINISTRATIVE OPERATION OF THE INSTITUTION	37.920	0	37.920	37.920	0	37.920	0
66	OTHER CONTRIBUTIONS AND REFUNDS	2.114.641,18	0	2.114.641,18	2.114.641,18	0	2.114.641,18	0
Total DG FISMA		**2.152.561,18**	**0**	**2.152.561,18**	**2.152.561,18**	**0**	**2.152.561,18**	**0**

TABLE 8 : RECOVERY OF PAYMENTS
(Number of Recovery Contexts and corresponding Transaction Amount)

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2018	Irregularity		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
Year of Origin (commitment)	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2015	1	12.000	**1**	**12.000**	1	12.000	100,00%	100,00%
2016	1	25.920	**1**	**25.920**	1	25.920	100,00%	100,00%
2017					4	2.114.641,18		
Sub-Total	**2**	**37.920**	**2**	**37.920**	**6**	**2.152.561,18**	**33,33%**	**1,76%**

EXPENSES BUDGET	Error		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	Nbr	Amount
INCOME LINES IN INVOICES												
NON ELIGIBLE IN COST CLAIMS			2	30.747,4			**2**	**30.747,4**	3	30.747,84	66,67%	100,00%
CREDIT NOTES									6	89.095,65		
Sub-Total			**2**	**30.747,4**			**2**	**30.747,4**	**9**	**119.843,49**	**22,22%**	**25,66%**
GRAND TOTAL			**4**	**68.667,4**			**4**	**68.667,4**	**15**	**2.272.404,67**	**26,67%**	**3,02%**

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2018 FOR FISMA						
	Number at 1/01/2018	**Number at 31/12/2018**	**Evolution**	**Open Amount (Eur) at 1/01/2018**	**Open Amount (Eur) at 31/12/2018**	**Evolution**

TABLE 10 : RECOVERY ORDER WAIVERS IN 2018 >= EUR 60.000						
	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments

Total DG FISMA	

Number of RO waivers	

There are no waivers below 60 000 €

TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG FISMA - 2018

Internal Procedures > € 60,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Art. 134.1(e) (Without prior publication) Additional services and works which, through unforeseen circumstances, have become necessary	1	175.000,00
Total	**1**	**175.000,00**

TABLE 12 : SUMMARY OF PROCEDURES OF DG FISMA EXCLUDING BUILDING CONTRACTS

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP)	1	175.000,00
Negotiated procedure middle value contract (Annex 1 - 14.2)	2	198.690,00
Open Procedure (Art. 104(1) (a) FR)	4	1.154.200,00
Open Procedure (Art. 127.2 RAP)	3	1.218.163,00
Open procedure (FR 164 (1)(a))	1	199.280,00
Total	**11**	**2.945.333,00**

TABLE 13 : BUILDING CONTRACTS

Legal base	Contract Number	Contractor Name	Description	Amount (€)

TABLE 14 : CONTRACTS DECLARED SECRET

LC Responsible Organi	LC Contract/Grant Type	LC Date	Legal base	Contract Number	Contractor Name	Description	Amount (€)

TABLE 15 : FPA duration exceeds 4 years - FISMA

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 by the Financial Resources and Internal Control Unit on a sample of all open commitments and payments processed in 2018.
- 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.

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 (three E's)
The work programmes do not adequately reflect the objectives of the programme as set in the legal base.	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 If risk materialises, all grants awarded during the year would be irregular. Possible impact: 100 % of budget involved and significant reputational consequences.	**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 contracted

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 (three E's)
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 (three E's)
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 framework (e.g. the grant agreement does not contain all applicable provisions or is signed late).	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

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 (three E's)
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 are made late.	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 (once every two years) **Depth**: Depends on risk criteria	
	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	

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 (three E's)

Main risks It may happen (again) that …	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
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	**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 (three E's)
Errors, irregularities and cases of fraud detected are not addressed (in time). Lessons learned from the implementation of audit results are not exploited to reinforce the control systems.	Systematic documentation of audit/control results to be implemented Financial operational validation of recovery in accordance with financial circuits Authorisation by the AO	**Coverage**: 100 % of final ex-post control results with a financial impact Consider 'extending' the findings of systemic errors into corrections of non-audited grants by the same beneficiary	**Effectiveness**: Total amount of recovery orders still pending following the results of ex-post checks and on-the-spot checks (€)

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 (three E's)
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 (three E's)
The best offer(s) are not submitted due to poor tender specifications.	Operational verification to supervise drawing-up of technical specifications	**Coverage**: 100 % of tender specifications are scrutinised.	**Effectiveness:** Number of procedures where only one or no offers were

Main risks It may happen (again) that …	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
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	Verification by the Resources Unit (with expertise in procurement) of accuracy/completeness and clarity of tender documents		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 (three E's)
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	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	**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 **Efficiency**: Cost of successful tenders (i.e. average cost of 'most economically advantageous tender' procedure) (or average cost).

Main risks It may happen (again) that …	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
collusion, bids are manipulated or submitted by phantom service-providers.	central Resources Unit, which checks for any red flags (two ex-ante verifications if necessary).		**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 (three E's)
The planned products/services/works are not, totally or partially provided in	Operational and financial checks: checklist-based verification	**Coverage**: 100 % contracts controlled.	**Effectiveness**: Number/amount of liquidated damages

Main risks It may happen (again) that …	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
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).	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.	**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.	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 (three E's)
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 (three E's)
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 (three E's)**
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 (three E's)**
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 (three E's)
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 the 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 (three E's)
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 (if applicable)

For 2018, the total budgeted Union contribution paid to the European supervisory authorities (ESAs) was €34 509 340 including the recovery of surplus from the 2016 contribution (as assigned revenues).

Agency	Policy concerned	Paid by DG FISMA in 2018 (€)
European Banking Authority (EBA)	Financial services	17 126 496
European Insurance and Occupational Pensions Authority (EIOPA)		9 525 882
European Securities and Markets Authority (ESMA)		11 965 818
Single Resolution Board (SRB)	Financial stability	Fully self-financed agency

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

Annex 9 - studies and evaluations completed

ANNEX 10: Specific annexes related to "Financial Management"

Detailed explanation of expenditure coverage (paragraph 2.1.1.1)

Operational expenditure[7]

1.a) Procurement

- **(Budget line 12.0201) Studies/service contracts**. DG FISMA procures or renews study/service contracts (including subscriptions to several databases) for collecting information on the transposition status of EU legislation or market information and data across various markets in the EU. The outputs of such activities are used by DG FISMA to assess the needs and define the content of new policy initiatives and to provide factual elements for impact assessments and evaluations.

Commitments made	Payments made
€ 4 739 790 (L2) + € 1 268 175 (L1)	€ 3 996 485

- **(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.

Commitments made	Payments made
€ 149 895 (L2) + amounts cross-subdelegated to DG CNECT and DG DIGIT(see paragraph 1.c) below)	€ 144 122 + 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.

Commitments made	Payments made
€ 488 880 (L2)	-

- **(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

[7] The expenditure under direct management is described in Annex 8.

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.

Commitments made	Payments made
€ 380 000 (L2)	-

1.b) Grants

- **(Budget line 12.0203)** ***Union programme to support specific activities in the field of financial reporting and auditing***[8]. 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.

Commitments made	Payments made
€ 8 236 600 (L2)	€ 7 777 196

- **(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***[9]*.* 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.

Commitments made	Payments made
€ 1 500 000 (L2)	€ 1 304 750

1.c) Cross-subdelegations and co-delegations

DG FISMA's controls on the cross-subdelegated credit appropriations was 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.

- **Cross-subdelegations given:**
    - **(Budget line 12.027706 FISMA/CNECT + FISMA/DIGIT)** 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 reported by DG CNECT and 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.

Commitments made	Payments made
€ 497 000 (L2) + € 350 000 (L1)	€ 49 700

[8] 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.

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

- **Cross-subdelegations 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.

Commitments made	Payments made
€ 458 038 (L2) + 806 962 (L1)	€ 811 705

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

Commitments made	Payments made
€ 200 000 (L1)	-

- **Co-delegations given**

  - **(Budget line12.020100 FISMA>DIGIT)**

Commitments made	Payments made
€ 29 792 (L2)	€ 146 918

- **Co-delegations received**

  - **(Budget line 20.020100 TRADE>FISMA)**

Commitments made	Payments made
€ 49 983 (L2)	€ 99 868

2. Administrative expenditure

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

- ***(Budget line 12.010211)***

Payments made[10]	
Representation expenses	€ 2 598
Conferences and internal meetings	€ 213 088
Committee	
Development of management and information systems	€ 554 115
Training	€ 81 804
Total (= Table 2 of Annex 3)	**€ 851 605**

- **(Budget line 01.010211 ECFIN/FISMA)**

Commitments made	Payments made
-	€ 229 475

[10] Other administrative credits of DG FISMA were executed by the PMO under co-delegated budget lines FISMA:PMO (€ 1 002 223 for missions; € 397 347 for external meetings and experts groups; € 64 695 for committees meetings) and by DG HR under co-delegated lines FISMA>HR (€ 72 934 for trainings).

- **(Budget line 17.010402 SANTE/FISMA)**

Commitments made	Payments made
€ 49 651 (L2)	-

- **(Budget line 17.010403 SANTE/FISMA)**

Commitments made	Payments made
€ 99 203 (L2)	-

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

Commitments made	Payments made
€ 47 966 (L2)	€ 47 764

Anti-fraud strategy (paragraph 2.1.1.2)

Objective 3: Minimisation of the risk of fraud through application of effective anti-fraud measures, integrated in all activities of the DG, based on the DG's anti-fraud strategy (AFS) aimed at the prevention, detection and reparation of fraud.			
Main outputs in 2018:			
Output	Indicator	Target	Latest result 2018
Implementation of the anti-fraud strategy as planned for 2018	% of implementation of actions planned for 2018 in the anti-fraud strategy	100%	70% fully achieved on time 30% partially achieved and on-going (delays justified and namely due to re-organisation of DG FISMA entered into force on 1/1/2019)
Implementation of measures to mitigate the risks of leaks of sensitive information and of conflict of interest	Compliance with measures put in place[11]	100%	100%

[11] Including a set of comprehensive measures to raise staff awareness, ensure correct use of markings, protected drives and other IT aimed at securing sharing and storage of information, map the actors authorised to process information in specific policy areas and clarify situations of conflict of interest in specific areas.

Costs of controls (paragraph 2.1.1.4)

The corporate methodology for the estimation, assessment and reporting on the cost-effectiveness of controls was revisited in September 2018 and applied for the first time in the 2018 annual reporting. The difference of the estimated cost of controls for certain stages of the process as compared to previous years derives from this new methodology and does not reflect any substantial change in the DG's control strategy.

Overview of the estimated cost of controls <u>at Commission (EC) level</u>:

Direct management - Grants							
Ex ante controls			Ex post controls			**Total**	
EC total costs (in EUR)	funds managed (in EUR)*	Ratio (%): Total ex ante control cost in EUR ÷ funds managed in EUR	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): Total ex post control cost in EUR ÷ total value verified and/or audited in EUR	EC total estimated cost of controls (in EUR)	Ratio (%): *Total cost of controls ÷ funds managed*
50 370 EUR	9 081 947 EUR	0,5%	0	6 364 600 EUR	0%	50 370 EUR	0,5%
Direct management - Procurement							
Ex ante controls			Ex post controls			**Total**	
EC total cost (in EUR)	funds managed (in EUR)*	Ratio (%): Total ex ante control cost in EUR ÷ funds managed in EUR	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): Total ex post control cost in EUR ÷ total value verified and/or audited in EUR	EC total estimated cost of controls (in EUR)	Ratio (%): *Total cost of controls ÷ funds managed*
553 350 EUR	6 181 024 EUR	9%	0	5 363 890 EUR	0%	553 350 EUR	9%

Indirect management							
Ex ante controls			**Ex post controls**			**Total**	
EC total cost (in EUR)	funds managed (in EUR)	Ratio (%): *Total ex ante control cost in EUR ÷ funds managed in EUR*	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): *Total ex post control cost in EUR ÷ total value verified and/or audited in EUR*	EC total estimated cost of controls (in EUR)	Ratio (%): *Total cost of controls ÷ funds managed*
537 280 EUR	38 618 195 EUR	1,4%	0	51 271 315 EUR	0%	537 280 EUR	1,4%
OVERALL estimated cost of control at EC level							
Ex ante controls			Ex post controls			**Total**	
EC total cost (in EUR)	funds managed (in EUR)*	Ratio (%): Total ex ante control cost in EUR ÷ funds managed in EUR	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): Total ex post control cost in EUR ÷ total value verified and/or audited in EUR	EC total estimated cost of controls (in EUR)	Ratio (%): *Total cost of controls ÷ funds managed*
1 328 540 EUR	53 881 166 EUR	2,5%	0	62 999 805 EUR	0%	1 328 540 EUR	2,5%

Detail of estimated costs by control stage (including previous years' benchmarks)

Overall indicators					
Stage	**Description**	**Year 2017**		**Year 2018[12]**	
Overall indicator	**Total costs of controls / value of payments made**	2%	Direct: 5%	2,5%[13]	Direct: 4,3%[14]
			Indirect: 0,8%		Indirect: 1,4%

Grant indicators[15]			
Stage	**Description**	**Year 2017**	**Year 2018**
Overall indicator	**Total cost of controls of grants' processes / value of grants payments made**	0,6%	0,5%
All controls from programming to assessment of applications	**Cost of assessing the applications submitted and preparation of financing decisions/ value of grants contracted**	0,2%	0,25%
From legal commitment up to payment included	**Cost of control from contracting and monitoring the execution up to payment included/value of grants payments made**	0,2%	0,25%

[12] Calculation of overall indicator. **Denominator**: amount of the actual expenditure implemented by the DG based on cross-sub delegations and co-delegations given and received. **Nominator:** sum of the costs of controls identified for each RCS (grants, procurement, ESAs) plus the costs of controls related to horizontal activities not no specifically linked to the above (budget and accounting, internal control, antifraud, negotiation of basic acts for new programmes related to the MFF 2021-2027).

[13] **1,7%** if only operational expenditure considered.

[14] **1,9%** if only operational expenditure considered.

[15] Due to the limited number of commitments and payments related to grants, the revision of the corporate methodology for the estimation, assessment and reporting on the cost-effectiveness of controls had marginal impact on the assessment of the costs of controls. The overall indicators do not therefore differ from previous years.

Supervisory measures	**Cost of ex-post checks and on-the-spot checks/ value of grants audited**	0,05%	0%[16]

Procurement indicators[17]			
Stage	**Description**	**Year 2017**	**Year 2018**
Overall indicator	**Total cost of controls/ value of procurement payments made**	11,5%	9%[18]
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**	3,7%	2,6%[19]
Financial transactions	**Related costs of cost of control for all transactions related to procurement (payments and recovery orders)/ value of procurement payments made**	7,2%	4,9%[20]
Supervisory measures	**Cost of ex-post checks /value of procurements audited**	0,04%	0%

[16] The decrease is due to both the revision of the corporate methodology for the estimation, assessment and reporting on the cost-effectiveness of controls and the reduced number of ex-post controls made in 2018.

[17] Due to the high number of commitments and payments related to procurement, the revision of the corporate methodology for the estimation, assessment and reporting on the cost-effectiveness of controls had a substantial impact on the assessment of the costs of controls. Compared to previous years, the assessment also takes into account the costs of controls related to administrative expenditure. It also includes all costs of control related to financial management broadly intended and including overall support and advice provided by the finance unit of DG FISMA.

[18] 3,4% if only operational procurement considered.

[19] 1,4% if only operational procurement considered.

[20] 1,7% if only operational procurement considered.

Indirect management indicators[21]			
Stage	**Description**	**Year 2017**	**Year 2018**
Overall indicator	**Overall supervision cost (%)** Staff FTEs costs/annual subsidies paid to ESAs	0,8%	1,4%[22]
Establishment (or prolongation) of the mandate to the entrusted entity ("delegation act"/ "contribution agreement" / etc.). **ESAs REVIEW**	Relevant staff FTEs costs/annual subsidies paid to ESAs	0,4%	0,9%[23]
Operations: monitoring, supervision, reporting ('representation'/'control with or around the entity')[24]	Relevant staff FTEs costs/annual subsidies paid to ESAs	0,4%	0,5%
Commission contribution: payment or suspension/interruption and recovery of unused contribution	Relevant Staff FTEs costs/annual subsidies paid to ESAs	0,03%	0%

[21] DG FISMA does not entrust the ESAs with budget implementation tasks. Therefore, the costs of controls related to the ESAs review (corresponding to the stage 1 of the Relevant Control System on indirect management in Annex 5) and the supervision of the ESAs (corresponding to the stage 2 of the Relevant Control System on indirect management in Annex 5) are provided only for transparency reasons. This implies an increase of the overall costs of controls that should therefore be assessed in light of the above mitigating factors and the benefit of a more transparent reporting.

[22] The increase compared to previous year is due to the substantial increase of DG FISMA involvement in the negotiation of the ESAs' review during 2018.

[23] See footnote above.

[24] 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.

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

Not applicable.

ANNEX 12: Performance tables

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** (2017)
69.2%	At least 75%	72.2%

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	**Interim Milestone** (please introduce as many columns as the number of milestones)		**Target**	**Latest known results**
	2015	2016		
4%	4.5%	5%	5.5%	4.84% 2018 (average Nov 2017-Nov 2018)

Result indicator: Private equity activity, gross annual flows.
Source of data: EVCA - gross annual flows (for private equity data)
http://www.investeurope.eu/media/386098/Yearbook-2015-Europe-Country-tables-Public-version-FINAL.xlsx

Baseline	**Interim Milestones**		**Target**	**Latest known results**
End 2014	2015	2016	2017	**2017**
EUR 44.6bn	1.9%	2%	2.1% (in line with European Commission's economic forecast for the EU).	€91.9bn Average yearly growth rate since 2014: 25%

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.	
3,765	The result of reduced administrative burdens in the revised Prospectus legislation should lead to an increase in the number of approved prospectuses.	DG FISMA will be able to monitor its effects as of 2019.

Main outputs in 2018:			
Other important outputs			
Description	**Indicator**	**Target**	**Latest known result**
Prospectus **Delegated Act on the prospectus to be published when securities are offered to the public or admitted to trading** PLAN/2017/1390 The objective of this Delegated Regulation is to ensure that conditions are interpreted in the same manner by the competent authorities. For that purpose it will establish detailed provisions concerning the content, format and information in and of prospectuses.	Adoption by the Commission	Q4 2018	New target: Q1 2019 Delay due to legal drafting issues.
RTS on the content and format of presentation of the key financial information for the summary PLAN/2017/1958 To specify content and format of presentation of the key financial information taking into account the various types of securities and issuers	Adoption by the Commission	Q4 2018	New target: Q1 2019 Delay due to legal drafting issues.

and ensuring that the information produced is concise and understandable			
RTS on the data for the classification of prospectuses PLAN/2017/1959 To specify the data necessary for the classification of prospectuses and the practical arrangements to ensure that such data including the ISIN of the securities and the LEI of the issuers, offerors and guarantors is machine readable	Adoption by the Commission	Q4 2018	New target: Q1 2019 Bundled with PLAN/2017/1958, see justification above
RTS concerning advertisements PLAN/2017/1960 To further specify the provisions concerning advertisements, including to specify the provisions concerning the dissemination of advertisements and to establish procedures on the cooperation between the competent authorities of the home Member State and of the Member State where the advertisements are disseminated	Adoption by the Commission	Q4 2018	New target: Q1 2019 Bundled with PLAN/2017/1958, see justification above
RTS on supplements to the prospectus	Adoption by the Commission	Q4 2018	New target: Q1 2019 Bundled with PLAN/2017/1958, see

PLAN/2017/1961 To specify situations where a significant new factor, material mistake or material inaccuracy relating to the information included in the prospectus requires a supplement to the prospectus to be published			justification above
RTS on the ESMA notification portal PLAN/2017/1962 To specify technical arrangements necessary for the functioning of the notification portal	Adoption by the Commission	Q4 2018	New target: Q1 2019 Bundled with PLAN/2017/1958, see justification above
RTS on the publication of the prospectus PLAN/2017/2015 To further specify the requirements relating to the publication of the prospectus	Adoption by the Commission	Q4 2018	New target: Q1 2019 Bundled with PLAN/2017/1958, see justification above
MiFIR **Implementing Act on MiFIR -Article 33(2) on the avoidance of duplicative or conflicting rules** 2015/FISMA/180 Determination of rules on the avoidance of duplicative or conflicting rules with third countries	Adoption by the Commission	Q1 2018	Initiative was discarded

MiFID II **Implementing act on MiFID II - Art 32 (3) and 52(3) - on specifications on format and timing of information requirement** 2015/FISMA/195 To determine the format and timing of the communications and the publication of orders to suspend or remove financial instruments from regulated markets, OTF or MTF.	Adoption by the Commission	Q1 2018	Initiative was adopted on 15 June 2017 under C(2017)3981
<u>MAR</u> **Delegated Act on MAR - art.26(2) with regard to RTS on cooperation with third countries** 2015/FISMA/145 Description: 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	Q2 2018	New target : Q2 2019 Awaiting ESMA's submission
ITS on MAR- art 24(3) laying down ITS with regard to cooperation with ESMA 2015/FISMA/150 To determine the procedures and forms for exchange of information	Adoption by the Commission	Q1 2018	New target: Q2 2019 Delay due to legal drafting issues.
Implementing Act on MAR - art 25(9) on the obligation to cooperate	Adoption by the Commission	Q1 2018	Adopted 26/02/2018 C(2018)1063

2015/FISMA/151			
<u>Benchmarks</u> **RTS on the benchmark statement - Art. 27(3)** PLAN/2017/1318 The RTS sets out disclosure standards for the benchmark statements. The uniform disclosure requirements will help users understand the benchmark and assess its appropriateness for the intended use. Harmonisation across the Union will help market integration.	Adoption by the Commission	Q3 2018	Adopted 13/07/2018 C(2018)4439
ITS on cooperation between national competent authorities and ESMA - Art. 47(3) PLAN/2017/1321 The ITS sets out the procedures and forms to be used by national competent authorities when providing ESMA with all information necessary to carry out its duties	Adoption by the Commission	Q3 2018	Adopted 08/08/2018 C(2018)4993
ITS on compliance statement - Art. 25(8) and 26(5) PLAN/2017/1322 The ITS sets out a template for compliance statements, which identifies the provisions of the Benchmark Regulation that an administrator of a benchmark has	Adoption by the Commission	Q3 2018	Adopted 08/08/2018 C(2018)4995

chosen not to apply			
RTS with respect to oversight function under the Benchmark Regulation - Art. 5(5) PLAN/2017/1327 The RTS specifies the procedures regarding the oversight function and its characteristics to ensure the integrity of the function and the absence of conflict of interests	Adoption by the Commission	Q3 2018	Adopted 13/07/2018 C(2018)4430
RTS with respect to input data under the Benchmark Regulation - Art. 11(5) PLAN/2017/1328 The RTS specify further how to ensure that input data is appropriate and verifiable and the internal oversight and verification procedures of a contributor that the administrator has to ensure are in place where input data is contributed from a front office function	Adoption by the Commission	Q3 2018	Adopted 13/07/2018 C(2018)4431
RTS on transparency of benchmark methodology - Art. 13(3) PLAN/2017/1329 The RTS specifies further the information to be provided by an administrator to ensure the transparency of the methodology to determine a benchmark to allow	Adoption by the Commission	Q3 2018	Adopted 13/07/2018 C(2018)4435

users to understand how a benchmark functions and what it measures			
RTS on the code of conduct for contributors - Art. 15(6) PLAN/2017/1330 The RTS specifies further certain elements of the code of conduct which determines contributors' responsibilities	Adoption by the Commission	Q3 2018	Adopted 05/07/2018 C(2018)4432
RTS on requirements for supervised contributors - Art. 16(5) PLAN/2017/1331 The RTS further specifies the requirements concerning governance, systems and controls, and policies supervised contributors shall apply or have in place	Adoption by the Commission	Q3 2018	Adopted 13/07/2018 C(2018)4425
RTS on criteria for significant benchmarks – Art. 25(9) PLAN/2017/1332 The RTS specifies further elements that a competent authority must take into account when deciding whether or not an administrator of a significant benchmark has to apply certain requirements of the Regulation	Adoption by the Commission	Q3 2018	Adopted 05/07/2018 C(2018)4434
RTS on the authorisation and registration of	Adoption by the Commission	Q3 2018	Adopted 13/07/2018 C(2018)4438

benchmark administrators in the Union- Art. 34 (8) PLAN/2017/1333 The RTS sets out the information that a competent authority should receive in an application for authorisation or registration to act as a benchmark administrator. The specification of the information ensures a common and consistent process across Member States			
RTS on recognition - Art. 32(9) PLAN/2017/1334 The RTS sets out the information that a competent authority is to receive as part of an application for recognition by a third-country provider of benchmark. The specification of the information ensures a common and consistent process across Member States.	Adoption by the Commission	Q3 2018	Adopted 05/07/2018 C(2018)4426
RTS on cooperation arrangements between ESMA and third country supervisors - Art. 30(5) PLAN/2017/1335 The RTS determines the minimum content of cooperation arrangements between the ESMA and competent authorities of third countries whose legal framework and supervisory practices	Adoption by the Commission	Q3 2018	Adopted 13/07/2018 C(2018)4427

have been recognised as equivalent			
DA on the determination of the conditions for an objective reason for the provision of a benchmark 2017/FISMA/017 Delegated Act on the determination of the conditions under which the relevant competent authorities may assess whether there is an objective reason for the provision of a benchmark or family of benchmarks in a third country and their endorsement for their use in the Union.	Adoption by the Commission	Q3 2018	On hold
Amendment of the list of critical benchmarks – STIBOR PLAN/2017/1268 Commission Implementing Regulation on the amendment of the list of critical benchmarks provided by administrators located within the Union	Adoption by the Commission	Q3 2018	Adopted 17/10/2018 C(2018)6727

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 Milestone** (please introduce as many columns as the number of milestones)				**Target** 2019	**Latest known results** November 2018
	2015	2016	2017	2018		

16.3%	16.6%	19.9%	17.2%	17.5%	17.8%	19.7%

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 Milestone** (please introduce as many columns as the number of milestones)				**Target** 2019	**Latest known results** November 2018
	2015	2016	2017	2018 (Nov 2017 – Nov 2018)		
8.6%	5%	5%	5%	5%	5%	7,7%

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** (please introduce as many columns as the number of milestones)	**Target** 2019	**Latest known results** 2018
	2017		
13%	<13%	<13%	2018 (April – September) <5%

Main outputs in 2018:			
Other important outputs			
Description	**Indicator**	**Target**	**Latest known result**
Technical Standards following the entry into force of the Regulation on Simple, transparent and standardised securitisation PLAN/2017/1963 The Regulation is expected to enter into force by the end of 2017. It intends to revive a sustainable securitisation market that will improve the financing of the EU economy, weakening	Adoption by the Commission	Q4 2018	(situation on 31/12/2018) All draft technical standards were submitted by the ESAs within the deadlines imposed by the Securitisation Regulation. In one case, regarding the disclosure requirements in securitisation, the Commission asked ESMA to revise the originally submitted

the link between bank deleveraging and credit tightening in the short run and creating a more balanced and stable funding structure of the EU economy in the long run. This should diversify the debt funding for the corporate sector, including for SMEs. The Regulation contains empowerments for a series of delegated and implementing acts. **7 Regulatory Technical Standards and 1 Implementing technical standard** should be adopted by the Commission in 2018.			technical standards. One Delegated Regulation was adopted (Adoption date: 05/02/2019 C Number: C(2019)740. The legal review of the remaining technical standards is ongoing.
Revised calibrations for securitisation investments by insurance and reinsurance undertakings under Solvency II 2016/FISMA/017 European insurers are large institutional and long-term investors that manage around EUR 10 trillion in assets. The adaptation of the Solvency II Delegated Act to cater for tailored calibrations within the standard formula for this new asset class – STS securitisation – follows EP and Council adoption of the Regulation on STS	Adoption by the Commission	Q2 2018	Adopted 1 June 2018. C(2018)3302 Published in OJ following successful EP/Council scrutiny 10 September 2018

securisation and should enter into force at the same time as similar changes for the banking sector at the end of 2018. It will facilitate investment by insurers in these products, thereby helping them to diversify and increasing the yield of their investment portfolios, in particular in a low interest rate environment. This action is a component of the Capital Markets Union, mentioned in the CMU mid-term review, and contributes to sustainable growth and job creation.			

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** 2018
39%	<39%	<39% (The dispersion in bank loan rejection rate should decrease, i.e. access to funding by SMEs should become more equal).	15%
Main outputs in 2018:			

All new initiatives and REFIT initiatives from the Commission Work Programme			
Description	**Indicator**	**Target**	**Latest known result**
CWP 2018			
Legislative proposal for an EU framework on crowd and peer to peer finance PLAN/2017/1676 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.	Adoption by the Commission	Q1 2018	Proposal was adopted in March 2018; COM(2018)113 EP opinion in November and first reading in March 2019; Council compromise text ongoing (March 2019)
Other important outputs			
Description	**Indicator**	**Target**	**Latest known result**
Building a proportionate regulatory environment to support SME listing PLAN/2017/1686 The Capital Markets Union [CMU] Midterm	Adoption by the Commission	Q2 2018	The proposal was adopted on 24 May 2018. C(2018)8442 Political agreement by co-legislators in March 2019.

Review [MTR] (published in June 2017) strengthens the focus on capital-raising by SMEs on public markets. The CMU midterm review announces that targeted amendments could lighten the burden on small and midcaps as well as on small investment services providers and enhance the prospect for success of the 'SME Growth Market'.			
Communication on corporate bond markets PLAN/2017/1851 The Mid-term review of the Capital Markets Union (CMU) Action Plan announced a Communication on corporate bond markets, with the aim to put forward possible actions to improve the corporate bond markets' functioning. Achieving integrated, efficient and resilient corporate bond markets is one of the key objectives of the Capital Markets Union initiative, as it shall give businesses access to more diverse sources of funding and to offer investors more investment opportunities.	Adoption by the Commission	Q3 2018	Work has been re-prioritised considering heavy workload on legislative files; the Communication has been merged into a general CMU Communication in March 2019.
Recommendation on private placements	Adoption by the Commission	Q3 2018	Work has been re-prioritised considering

of debt instruments PLAN/2017/2304 The Commission will adopt a Recommendation to advance the take-up of private placements (PPs) of debt instruments across a wider selection of EU Member States. Based on the ongoing study on PPs, this Recommendation will identify (i) regulatory and market best practices in the well-functioning markets that could be replicated in other Member States and (ii) pinpoint regulatory barriers (embedded in national laws) that can impede the development of national PP markets or the issuance of such instruments on a cross-border basis.			heavy workload on legislative files; the assessment conducted in 2018 showed that a Recommendation would not be the suitable tool to reach the objective; the work done has been summarised and merged into a general CMU Communication in March 2019.
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[25].			
Baseline mid-2015 Before the adoption of a Solvency II amendment on infrastructure.	**Target** 2019 A general increase in insurance companies' investment in infrastructure by 2019	**Latest known results** 2017 information based on partial data: Total investments in infrastructure by insurers are above EUR 171bn (ca. 2.3% of total investment assets of insurers). A quarter of this is infrastructure investment qualifying for the new	

[25] Reliable comparable statistics on qualifying infrastructure investment will only be collected by EIOPA annually starting May 2019.

		advantageous treatment in Solvency II. Note: highly concentrated in the UK. (EIOPA financial stability report, June 2018, page 62).	
Result indicator: Insurance Companies' investments in STS securitisation products.[26] **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** (please introduce as many columns as the number of milestones)	**Target** 2019	**Latest known results** 2017
	2018		
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	STS definition has not existed legally for long enough
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**	**Target**	**Latest known results**
	2019	2020	Latest available figure is 2016 : 3.5 tn euro
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).	The first increase to be expected in 2019
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 Milestone**	**Target**	**Latest**

[26] This category of securisation did not exist until 2018 so any baseline must be starting in 2018

						known results 2017 Share as of Q3 2018: 152% Share as of Q3 2017: 153% Annual change: -1%
End 2008-2012	2015	2016	2017	2018	2019	
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.	
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 Milestone**				**Target**	**Latest known results**
2014	2015	2016	2017	2018	2019	3.44% (2018 Q2)
6.14%	Expected milestone <7%				<7% (NPL ratio below 7% thresholds	
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 Milestone**				**Target**	**Latest known results**
End 2014	2015	2016	2017	2018	2019	2018
For bank lending to corporates: 74.8%	For bank lending to corporates: >74.8%				For bank lending to corporates: >74.8	For bank loans : 75.5% For corporate issuance : 92%
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 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 2018:			
All new initiatives and REFIT initiatives from the Commission Work Programme			
Description	**Indicator**	**Target**	**Latest known result**
CWP 2018			
Action Plan on Sustainable Finance PLAN/2017/1397 Following the final report by the High Level Expert Group on Sustainable Finance the Commission will come forward with an Action Plan.	Adoption by the Commission	Q1 2018	Adopted on 8 March 2018 COM(2018)97

Follow-up up legislative proposals:	Adoption by the Commission	Q2 2018	
1. Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the establishment of a framework to facilitate sustainable investment PLAN/2017/1954 In the context of the Commission work on sustainable finance, this initiative aims at strengthening financial stability and asset pricing by clarifying that institutional investors and investment managers have a duty to consider the materiality of sustainability factors.			COM(2018)353 Proposal adopted on 24 May 2018
2. Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on disclosures relating to sustainable investments and sustainability risks and amending Directive (EU) 2016/2341 PLAN/2017/1954			COM(2018)354 Proposal adopted on 24 May 2018
3. Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND	Adoption by the Commission		COM(2018)355 Proposal adopted on 24 May 2018

OF THE COUNCIL amending Regulation (EU) 2016/1011 on low carbon benchmarks and positive carbon impact benchmarks PLAN/2017/1954			
PRIIPs Delegated Act on social and environmental governance procedures PLAN/2016/437 The objective of this initiative is to provide further guidance on how social and environmental governance procedure information should be included in the Key Information Document.	Adoption by the Commission	Q1/Q2 2018	This action has been merged with the Sustainable Finance Disclosures (see these entries).
Legislative proposal on an Integrated covered bond framework 2015/FISMA/030 The use of covered bonds reduces the cost of funding for banks and thus increases lending to the real economy. In parallel, the Commission will explore by Q2 2018 the possibility of developing **European Secured Notes (ESNs**) as an instrument for SME and/or infrastructure loans.	Adoption by the Commission	Q1 2018	Proposal adopted 12/03/2018 COM(2018)94

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** (year)
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	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 ; Legislative proposal on cross-border distribution of investment funds; Residence requirements for the managers was thoroughly discussed and one Member State reported plans to change its legislation. A report summarizing the work of the sub-

			group on financial literacy of consumers and SMEs has been published (http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetailDoc&id=37326&no=1)

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 2013	**Interim Milestone** 2016	**Target** 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.	**Latest known results** 2017
2%	Stable increase	Stable increase	2%
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**	**Target**	**Latest**

	Milestone		**known results** 2017
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.	
4%	Stable increase.	Stable increase.	4%

Main outputs in 2018:			
Other important outputs			
Description	**Indicator**	**Target**	**Latest known result**
Possible proposal on the prevention and amicable resolution of investment disputes within the single market PLAN/2016/399 This initiative will offer a framework for the prevention and effective amicable resolution of disputes between EU investors and Member States. This action contributes to the objectives of the third pillar of the Commission's Investment Plan for Europe, which aims at creating a more predictable, stable and clear regulatory environment to boost investments. The Capital Markets Union (CMU) action plan is part of this third strand and states that the Commission will work with Member	Adoption by Commission	Q3 2018	The result of the stakeholders' consultation did not bring sufficient evidence to support an EU legislative initiative in that area at this point in time. The Commission has pursued the dialogue with investors on how to improve the investment environment, for example by organising a workshop in December 2018.

States to explore ways of strengthening safeguards for EU investors in order to reinforce the attractiveness of the single market for EU investors.			
Interpretative Communication on intra-EU investments PLAN/2016/402 The Interpretative Communication will bring into one non-legislative document, explain and clarify the existing substantive EU standards for the treatment of cross-border EU investments. These general standards are to be found in the Treaties, the Charter of Fundamental Rights, case-law of the Court of Justice and in the general principles of EU law.	Adoption by Commission	Q1/Q2 2018	Adopted on 19 July 2018 COM(2018)547
EuVECA/EuSEF – supporting the establishment of venture capital and social entrepreneurship funds PLAN/2016/80, 2015/FISMA/110 The EuSEF and EuVECA regimes create passports making it possible for funds to be marketed across the EU on a single authorisation without regulatory	Adoption by Commission	Q1 2018	New target: Q1 2019 Delay due to legal drafting issues.

barriers. The detailed level 2 rules relate to the types of conflicts of interest fund managers have to avoid, for both Regulations. For EuSEF, the L2 measures are also to further define the types of services or goods with a social objective, how to measure the social impact achieved by social enterprises, and the information to be provided on strategies to investors.			

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** 2018
0.5/0.3 The first entry is the price-based, the second the volume-based indicator value.	Increase	0.59/0.22

Specific objective 2.1 : Banks and non-banks compete to provide cheap, safe and reliable payment systems and funding to consumers.

Related to spending programme(s)
NO

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.]

Baseline 2011 The 2013 Study on the Impact of the Payment Services Directive uses 2011 ECB statistics	**Target** 2020 review of PSD2	Latest known results 2017
737,705 million cards issued; 9,011 million POS terminals in operation; 437 thousands of ATM terminals.	Increase in the number of cards issued; significant increase in the number of POS terminals, maintaining or increasing the number of ATM terminals	812,427 million cards issued ; 13,5 million POS terminals in operation ; 0, 43 million of ATM terminals.

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 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	**Target** 2020 review of PSD2	Latest known results 2016
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	1, 8 billion EUR (the amount of card fraud in value) – a decrease of 0,4% compared with 2015.

		instruments, decrease in these figures, too.	
Result indicator: Number of cyber breaches in the financial sector.[27] **Source of data:** Symantec. *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 Significant decrease in cyber breaches	
80 million identities exposed in the financial sector in 2014.	Decrease in cyber breaches		
Result indicator: Number of bank accounts. **Source of data:** Commission's review report Payment Accounts Directive			
Baseline 2012	**Interim Milestone** 2019	**Target** 2020 The 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.	**Latest known results**
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.

[27] 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.

Main outputs in 2018:			
All new initiatives and REFIT initiatives from the Commission Work Programme			
Description	**Indicator**	**Target**	**Latest known result**
CWP 2018			
Communication on Fintech PLAN/2017/635 Following the preliminary assessment of the Task-Force on Fintech and based on the outcomes of the recent Public Consultation on Fintech, the Commission will adopt a Communication building on the initiatives/actions needed at EU level to harness the benefits of technological innovation for the European financial sector.	Adoption by the Commission	Q1 2018	Adopted on 8 March 2018 COM(2018)109
CWP 2017			
Review of Regulation on cross-border payments 2017/FISMA/003 A review of Regulation (EC) 924/2009 with a view to extend its scope to all non-Euro currencies in the Union would improve disclosure and reduce fees in cross-border transactions in particular with respect to and from non-euro Member States.	Adoption by the Commission	Q1 2018	Adopted 28 March 2018 COM(2018)163

Other important outputs			
Description	**Indicator**	**Target**	**Latest known result**
Report on impact of second electronic money directive (e-money directive) 2015/FISMA/239 Article 17 EMD2 requires that the Commission presents a report on the impact of EMD2 on the take-up of e-money institutions, by 1 November 2012. Considering that several Member States were late in the implementation, the review had to be delayed. The report will define whether the Directive has been effective in facilitating the better take up of e-money institutions or whether a further streamlining of the EU framework is needed.	Adoption by the Commission	Q1 2018	The report was published on 25 January 2018. COM(2018)41
RTS Central register L1M 2015/2366 Art 15 (4) PLAN/2017/1967 **RTS criteria to appoint a central contact point L1M 2015/2366 Art 29 (5)** PLAN/2017/1968 **RTS on the**	Adoption by the Commission	Q1 2018 Q2 2018	Adoption on 29/11/2018 C(2018)7666 Now Q2 2019

cooperation and exchange of information between competent authorities in the supervision of payment institutions operating on a cross-border basis (art. 29(6) PLAN/2017/1969 These last 3 PSD2 Regulatory technical standards shall respectively (i) define technical requirements for the operation of a central register for E-money institutions and payment institutions (ii) specify the cooperation framework for cooperation and exchange of information between national authorities and (iii) set criteria for the appointment of a central contact point.		Q2 2018	Now Q2 2019
ITS on Information by MS for the central register L1M 2015/2366 Art 15 par 5 PLAN/2017/1970 The implementing technical standards under article 15(5) PSD2 shall set the details and structure (including format and models) of the information to be notified by the competent authorities to the EBA central register of payment	Adoption by the Commission	Q4 2018	Adopted on 29 November 2018 C(2018)7664 (Publication together with RTS on central register after end of rejection period).

institutions.			

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.	Following the Achmea judgement, the Commission has worked intensively with Member States in order to ensure that the judgment is fully implemented, and in particular the Commission has been coordinating Member States' action towards the termination of the BITs.
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	Closure of all Pilots and infringements procedures against	Infringement

currently 21 EU Pilot cases open and 5 infringement procedures.	26 MS for compliance (pre or post CJEU judgement).	s are on hold until termination of Intra-EU BITs by MS, which is expected end 2019

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

Baseline Average in the period 2013-2014	**Interim Milestone**		**Target**	**Latest known results**
	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 (average : Feb 2018 – Jan 2019)

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 also during the year 2015. Since the entry into force of CRA3 Regulation in 2013, the increasing number of new entrants has remained stable over the period 2013-2015. DG FISMA expects this increasing rate to remain stable also in 2016 as the impact of CRA3 regulation on the competition in the credit ratings market has not shown its effects yet (as noted by ESMA in its Technical Advice on competition, choice and conflicts of interest in the credit rating industry). This expectation is based on the fact that smaller CRAs and new entrants are gradually starting to rate new asset classes

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 Milestone**			**Target** **2020**	**Latest known results** Dec. 2018
	2017	2018	2019	2020	
	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 competitive process.	data published on ESMA's website (see above)

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 Milestone**		**Target** 2020	**Latest known results** 2018
	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.	Data available in Document ESMA33-9-281 on : https://www.esma.europa.eu/sites/default/files/library/cra_market_share_calculation_2018.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 Milestone** (please introduce as many columns as the number of 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 Act), UCITIS and AIFMD (for investment funds), EMIR and its Regulatory	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 deletion is considered more important.	Elimination of all regulatory references which incentivise sole and mechanistic reliance and for which alternatives were identified (Art 5c CRA Regulation).	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 credit risk

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.				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 2018:	
Other important outputs	

Description	Indicator	Target	Latest known result
<u>ECAI mapping</u> **ECAI mapping - ITS amending Implementing Regulation (EU) 2016/1799** PLAN/2017/2228 PLAN/2018/3360	Adoption by the Commission	Q1 2018	1st amendment adopted 24 April 2018 C(2018)2359 2nd amendment to the existing ITS foreseen for 3Q 2019
ECAI mapping - ITS amending Implementing Regulation (EU) 2016/1801 PLAN/2017/2239	Adoption by the Commission	Q1 2018	ITS now foreseen for 1 Q 2019
ECAI mapping - ITS amending Implementing Regulation (EU) 2016/1800 PLAN/2017/2233 PLAN/2018/3361 Amending Implementing Regulations in order to provide updated mappings for the 11 external credit assessment institutions (ECAIs) have been identified as needing	Adoption by the Commission	Q1 2018	1st amendment adopted 24 April 2018 C(2018)2329 2nd amendment to the existing ITS foreseen for 3Q 2019

amendments to their mapping reports since the Implementing Regulations were adopted			
Communication clarifying conflict of law rules for securities PLAN/2016/227 To facilitate cross-border investing the CMU Action Plan envisages for 2017 a targeted action clarifying on securities ownership rules	Adoption by the Commission	Q1 2018	Target met. The Communication on the applicable law to the proprietary effects of transactions in securities was adopted on 12.03.2018 (COM /2018/089 final)

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) No
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:** IASB http://www.ifrs.org/Use-around-the-world/Pages/Jurisdiction-profiles.aspx			
Baseline 2015	**Interim Milestone** (please introduce as many columns as the number of milestones)		**Target** 2020	**Latest known results 2018**
	2016	2017		
130 countries are currently permitting or requiring IFRSs for domestic listed companies (last updated May 2015).	133	140	Maintain positive trend	156

Result indicator: Number of EU companies disclosing non-financial information in their management report or in a separate report.[28]
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** (please introduce as many columns as the number of milestones) 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.	Approximately 7.500 EU companies should disclose non-financial information at the moment. However, comprehensive compliance data from national authorities is not available.

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).

Baseline 2014	**Interim Milestone** (please introduce as many columns as the number of milestones) 2016	**Target** 2019	**Latest known results** 2017
The market is currently very concentrated, with the Big Four audit firms for listed companies exceeding 85% of the market share in the	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.	Market monitoring report pursuant to Article 27 of Regulation 537/2014-COM/2017/0464

[28] DG FISMA is examining possibilities to collect additional data on progress and trends

vast majority of Member States.			

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).

Baseline 2014	**Interim Milestone** (please introduce as many columns as the number of milestones)	**Target** 2020	**Latest known results** (2017)
	2016		
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.	Market monitoring report pursuant to Article 27 of Regulation 537/2014- COM/2017/0464

Main outputs in 2018:

All new initiatives and REFIT initiatives from the Commission Work Programme

Description	**Indicator**	**Target**	**Latest known result**
CWP 2016			
Corporate Tax Transparency 2015/FISMA+/107 This initiative contributes to the achievement of this specific objective by enhancing transparency on taxes paid by companies on	Start of trilogues	Q4 2018	Target not met: there is no qualified majority supporting a compromise in the Council that would allow starting trilogues, despite efforts, notably of the Bulgarian Presidency.

a country-by-country basis. More intense scrutiny by investors and the public at large would contribute to informing the public, thereby contributing to maintain public trust in the tax systems and to informed public debates, as well as promote the reduction of tax avoidance by companies.			
Other important outputs			
Description	**Indicator**	**Target**	**Latest known result**
Endorsement of International Financial Reporting Interpretations Committee (IFRIC) 22 Foreign Currency Transactions and Advance Consideration PLAN/2017/1471 Narrow-scope interpretation providing guidance on accounting for foreign currency transactions when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income.	Adoption by the Commission	Q1 2018	Adopted 28 March 2018 C(2018)1733
Endorsement of IFRS 9 Prepayment features with negative	Adoption by the Commission	Q1 2018	Adopted 22 March 2018 C/2018/1623

compensation PLAN/2017/1973 The amendment to IFRS 9 is narrow-scope interpretation which clarifies that financial instruments with negative pre-payment features can be classified in IFRS 9 as instruments with "solely payments of principal and interest" and hence could be classified at amortised cost for accounting purposes			
Endorsement of IFRIC 23 Uncertainty over Income Tax Treatments PLAN/2017/1703 Narrow-scope interpretation, which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12	Adoption by the Commission	Q2 2018	Adopted on 23 October 2018 C/2018/6837
Endorsement of amendments to International Accounting Standards (IAS) 40 Investment Property	Adoption by the Commission	Q1 2018	Adopted 14 March 2018 C(2018)1405

PLAN/2017/1613 Narrow-scope amendments providing guidance on transfers to, or from investment properties.			
Endorsement of amendments to International Financial Reporting Standards (IFRS) 2 Share-based Payment 2016/FISMA/105 These narrow-scope amendments clarify how to account for certain types of share-based payment transactions.	Adoption by the Commission	Q1 2018	Adopted 26 February 2018 C(2018)1020
Endorsement of amendments to IFRS 1, IFRS 12, IAS 28 PLAN/2017/1324 The amendments address non-urgent but necessary issues discussed by the IASB during the annual improvement project cycle that began in 2014 on areas of inconsistency in IFRS Standards or where clarification of wording is required.	Adoption by the Commission	Q1 2018	Adopted 7 February 2018 C(2018)602
Endorsement of Amendments to IAS 28 Investments in Associates and Joint Ventures PLAN/2017/1983	Adoption by the Commission	Q2 2018	Adopted 8 February 2019 C(2019)808

Narrow-scope amendments, which clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9 Financial Instruments.			
Commission Report on the activities of the IFRS Foundation, EFRAG and the PIOB in 2017 PLAN/2017/2069 Annual report on the activities of the IFRS Foundation, reporting and the PIOB in 2017	Adoption by the Commission	Q2 2018	Adopted 19 October 2018 COM(2018)705
RTS on the European Single Electronic Format PLAN/2017/1039 The RTS prescribes rules for the format of the annual financial reports of companies listed on regulated markets in the EU. The RTS is purely technical. It is setting rules for the format of the annual financial reports of listed companies	Adoption by the Commission	Q3 2018	Adopted 17 December 2018 C(2018)8612 Currently under scrutiny by EP and Council (objection period 3+3 months).

<table>
<tr><td colspan="3">Specific objective 2.4 : Consumers have access to safe and reliable insurance, pension and UCITS products and services, both nationally and across borders.</td><td>Related to spending programme(s)
No</td></tr>
<tr><td colspan="4"><u>Insurance</u>

Result indicator: The gross written premiums over the GDP.
Source of data: EIOPA combined with national statistics.</td></tr>
<tr><td rowspan="2">Baseline
End 2013</td><td>Interim Milestone
(please introduce as many columns as the number of milestones)</td><td rowspan="2">Target
2019</td><td rowspan="2">Latest known results</td></tr>
<tr><td>2018</td></tr>
<tr><td>According to the OECD, insurance penetration in the EU (15 countries) in 2013 was 8.2%</td><td>A first increase</td><td>General increase</td><td>6.2% (lower than 2013 baseline because of lower insurance penetration in new MS)</td></tr>
<tr><td colspan="4"><u>Pension</u>

Result indicator: The number of consumers investing in personal retirement products across the EU.[29]
Source of data: EIOPA Pensions Database; OECD.</td></tr>
<tr><td>Baseline
End 2015</td><td colspan="2">Target
2019</td><td>Latest known results
(year)</td></tr>
<tr><td>Current situation</td><td colspan="2">General increase in the number of EU citizens taking up personal pension products. Beyond 2019: should a private pension’s initiative be developed, the number of persons investing in a pan-European pension product.</td><td>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 ben created following the adoption of a Regulation on that subject</td></tr>
<tr><td colspan="4"><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</td></tr>
</table>

[29] No data available for the moment. The adoption of the regulation on a Pan-European Personal Pension Product (PEPP) will allow collection of reliable data as of 2020

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 2018 would be similar to 2017)
17.72	Stable increase in the share of true cross-border UCITS funds.	23%

Main outputs in 2018: All new initiatives and REFIT initiatives from the Commission Work Programme			
Description	**Indicator**	**Target**	**Latest known result**
CWP 2018			
Initiative to reduce barriers to cross-border distribution of investment funds 2016/FISMA/082 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 achieved by (further) harmonising national requirements relating to marketing, notification, administrative arrangements and regulatory fees,	Adoption by the Commission	Q1 2018	Adopted by the Commission on 12 March 2018. COM(2018)110

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.			
CWP 2017			
Pan-European Pension Product (PEPP) 2017/FISMA/001 The initiative on an EU personal pension framework is the result of the assessment of the policy case in 2016 and based on a Study and a Public Consultation.	Start of trilogues	Q3 2018	Political agreement reached in February 2019
Other important outputs			
Description	**Indicator**	**Target**	**Latest known result**
ELTIF – Regulatory Technical Standard on disclosure requirements	Adoption by the Commission	Q4 2018	New target: Q4 2019/Q1 2020 ESMA is working on the RTS and

PLAN/2017/2091 The objective of this initiative is to provide further guidance on cost disclosures for ELTIF, building on the PRIIPs Regulation.			delivery is foreseen for end of 2019.

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 2015	**Interim Milestone** (please introduce as many columns as the number of milestones)		**Target** 2020	**Latest known results** 2018
	2017	2018		
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).	50%
Although not on target, the trend of this KPI shows a good progress. The timely transposition of the Directives is the key for the FISMA enforcement policy. FISMA uses a range of preventive actions, such as transposition workshops and bilateral meetings with Member States, Q&As, a dedicated website with up-to-date information on progress towards complete transposition and a peer pressure at ECOFIN meetings. Nevertheless, Member States are still very often late in transposing the Directives, claiming short transposition deadlines, a complexity of FISMA Directives and an above-average legislative production in the last 5 years.				
Result indicator: Average time needed to deal with complaints **Source of data:** CHAP database				
Baseline 2015	**Interim Milestone** (please introduce as many columns as the number of milestones)			**Target** 2020	**Latest known results** 2018
	2017	2018	2019	2019	
The average time needed to	Maintain average <12 months			The target is to maintain an	8.7 month

reach a decision on a complaint (either closure or sending of a letter of formal notice) is currently 5.4 months.			average time of <12 months to reach a decision (as per Secretariat-General Benchmark).	
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 Milestone** (please introduce as many columns as the number of milestones)		**Target** 2019	**Latest known results** 2017
	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.	11% (infringements opened in 2017)
The result (11% for 2017) is correct. Late notifications by Member States are the main obstacle to meeting the 12 months benchmark. The benchmark provides that FISMA should assess and either close the non-communication case or pursue the case (adopt a reasoned opinion) within 12 months from the adoption of a letter of formal notice (LFN). LFNs are adopted shortly after expiry of the transposition deadline. However, FISMA can start assessment of the national measures only after they are notified by Member State. As very often Member States are late in notifying the national measures to the Commission, FISMA starts the assessment late too, sometimes even close to the end of the 12 months benchmark. The reasons of these delayed notifications and the FISMA remedial actions, taken to avoid it, are explained in the previous comment.				

Result indicator: Number of infringements for non-conformity closed within benchmarks. **Source of data:** NIF Database.				
Baseline 2015	**Interim Milestone** (please introduce as many columns as the number of milestones)		**Target** 2020	**Latest known results** 2018
	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 registration.	10	5	No cases open three years after their registration by 2020	0 non-conformity infringement outside of benchmark

Main outputs in 2018: **All new initiatives and REFIT initiatives from the Commission Work Programme**			
Description	**Indicator**	**Target**	**Latest known result**
CWP 2017			
Legislative review of the appropriate prudential treatment for investment firms 2017/FISMA/002 The Commission is mandated to review the CRR in order to determine a more appropriate prudential treatment for Investment firms. The	Start of trilogues	Q4 2018	Negotiation mandate obtained on 05/11/2018 ; First trilogue on 23/01/2019

objective of the proposal adopted in December 2017 is to identify the more systemic 'bank-like' investment firms in order to distinguish these firms and the requirements they are subjected to, accordingly. This is a Commission Work Programme 2017 REFIT item.			
CWP 2016			
Evaluation of the functioning of the Motor Insurance Directive 2016/FISMA/113 EU motor insurance legislation has been evolving since 1972 by continually strengthening the protection of injured parties in motor vehicle accidents with a cross-border element. Anecdotal evidence, mainly coming from complaints, enquiries and parliamentary enquiries suggests that there might be disparities in terms of its implementation at Member States level. It is therefore necessary to carry out an evaluation on the status of the Directive's application and implementation and propose necessary measures. This	Publication of Staff Working Document Adoption by the Commission	Q1 2018 Q2 2018	Legislative proposal amending the Motor Insurance Directive adopted by Commission 24 May 2018 COM(2018)336

evaluation is a Commission Work Programme 2016 REFIT item. A public consultation closed on 20 October 2017.			
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.	Public Consultation Conference on supervisory reporting Publication by the Commission	Q4 2017/Q1 2018 Q1 2018 Q4 2018	Postponed to Q3 2019. The feedback statement of the public consultation was published on 4th June 2018; the same day where the conference 'Preparing Supervisory Reporting for the Digital Age' took place. It was followed by a series of 4 workshops with industry stakeholders and NCAs. A compliance costs study is ongoing and results should be delivered in the course of Q2 2019, hence the postponement of the publication of the SWD in Q3 2019.
Fitness check of corporate reporting PLAN/2017/1854 The fitness check of corporate reporting is	Launch of a Public Consultation	Q1 2018	Planned adoption date now Q2 2019

meant to assess whether the current corpus of accounting and reporting legislation serves the objectives assigned to it, whether it could be modernized and serve new objectives**.**			
Other important outputs			
Description	**Indicator**	**Target**	**Latest known result**
Review of the European System of Financial Supervision 2016/FISMA/009, 2016/FISMA/072 This is a package of measures adopted by the Commission in September 2017 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, and changes to the governance and funding of the ESAs.	Start of trilogues	Q3/Q4 2018	European Parliament ECON report voted on 9 January 2019 and general approach on COREPER agenda 6 February 2019 on the full ESFS package. Trilogues should start as quickly as possible, enabling a political agreement under this legislature still. An amendment to the proposal was adopted in September 2018 to strengthen the EBA's powers in coordinating the prevention of money-laundering through the financial system. Council adopted a partial general approach on this amendment in December.
Report on the functioning of the benchmarking of internal models	Adoption by the Commission	Q4 2018	It was decided to await the outcome of the EBA's 2018 assessment of the

PLAN/2017/2047 The report will evaluate the functioning of the benchmarking process under Article 78 of the CRD.			consistency of internal model in order to have more observations for the report. EBA published its assessment in January 2019. The report is being finalised for adoption in Q2 2019.
RTS on AMA (Advanced Measurement Approaches) for operational risk 2015/FISMA/216 Article 312(4) of the CRR mandates EBA to develop draft regulatory technical standards to specify the assessment methodology to be followed by competent authorities when they are deciding whether to permit an institution to use an AMA model.	Adoption by the Commission	Q1 2018	Adopted on 14/03/2018 C(2018)1446
Revision of the Solvency II Delegated Act PLAN/2017/1939 The Delegated Regulation of Solvency II entered into full application with Solvency II itself at the start of 2016. Recital 150 commits the Commission to	Adoption by the Commission	Q4 2018	Adopted by Commission 08/03/2019, C(2019)1900

review the standard formula to calculate the Solvency Capital Requirement (SCR), by the end of 2018. Two calls for advice to EIOPA were sent in 2017, and EIOPA advice will be delivered in February 2018. This review is linked to CMU, in so far as capital charges for unlisted equity and unrated debt are under review as part of the SCR review.			
Implementing act on statistical tables of risk-free discount rates calculated by EIOPA PLAN/2017/2062, PLAN/2017/2063, PLAN/2017/2064, PLAN/2017/2065 Publication as an implementing act of statistical tables of risk-free discount rates calculated by EIOPA. These are required to calculate the liabilities of insurance undertakings under Solvency II. Starting in January 2016, when Solvency II becomes applicable, the Commission is tasked by the Omnibus II Directive with regularly (at least quarterly) adopting implementing acts based on the technical information produced	Adoption by the Commission	Q1 2018 Q2 2018 Q3 2018 Q4 2018	4 Implementing Acts adopted by Commission in 2018, one in each quarter. C(2018)482 Q1 C(2018)2647 Q2 C(2018)4935 Q3 C(2018)7369 Q4

by EIOPA			

Specific objective 2.6 : Financial institutions can absorb losses and liquidity shocks, financial market infrastructures are stable and function effectively, and structural and cyclical macro-prudential risks are proactively addressed.	Related to spending 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**
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.	data request made to EIOPA

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 crises 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	September 2018
End 2011: 6.9% End 2012: 8.4	>8.125%	>8.75 %	>9.375 %	>10%	14.7%

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 Milestone**			**Target** 2019	**Latest known results** December 2017
	2016	2017	2018		
End 2011: 2.9% End 2012:	>3%	>3%	>3%	>3%	5.1 %

2.9%					

Result indicator: Average TLAC in G-SIBs.
The Financial Stability Board (FSB) on 9 November 2016 issued the final Total Loss-Absorbing Capacity (TLAC) standard for global systemically important banks (G-SIBs). The TLAC standard has been designed so that failing G-SIBs will have sufficient 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.

Recent developments: 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: FSB monitoring of TLAC issuances for G-SIIs.

Baseline	**Interim Milestone**	**Target**	**Latest known results**
End 2014	2019	2020[30]	2017
Unknown	> 16%	>18%	On TLAC, the data is not monitored yet by the EBA. The indicator was included in FISMA strategic plan since it was a multi-annual plan. TLAC results will be available for the future AARs. FSB estimated TLAC results: >16% RWA + buffers

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	November 2018
7%	<5% in normal times <20% in stress times			<2.5%

[30] This will be progress towards a 2022 FSB target.

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**
1.09%. Source of this baseline is the European CDS Association. After the CSDR technical standards enter into force and the reporting elements are applicable (in 2020) there will be a legal obligation to report on this indicator.	Downward trend in settlement fails.	1,09%. Source of this baseline is the European CSD Association. After the CSDR technical standards enter into force and the reporting elements are applicable (in 2020) 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 2015 September	**Target** 2019	**Latest known results** 2018
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.	181 measures notified to the ESRB

Main outputs in 2018:

All new initiatives and REFIT initiatives from the Commission Work Programme

Description	**Indicator**	**Target**	**Latest known result**

CWP 2017			
Targeted changes to the EMIR regulation (REFIT) 2016/FISMA/004 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.	Start of trilogues	Q1 2018	The Council had agreed on its negotiating mandate in December 2017 and the European Parliament agreed in June 2018. Trilogues started in July 2018 with a view to reaching a political agreement early in 2019.
Proposal on the supervision of central counterparties (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 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.	Start of trilogues	Q2 2018	European Parliament report adopted on 25 May 2018 and Council General Approach agreed on 3 December 2018. Trilogues started in January 2019, enabling a political agreement on 13 March 2019 Political agreement between the Council and the EP on EMIR 2.2 on 13 March 2019, endorsed in COREPER on 20 March. Vote in European Parliament expected in April 2019.

Legislative proposal amending CRR and CRD to incorporate modifications to the BASEL framework 2016/FISMA/014 2016/0364 (COD) The Basel Committee has adopted certain changes to the Basel framework in the areas of liquidity (net stable funding ratio), leverage (leverage ratio), capital requirements for market risk (fundamental review of the trading book), counterparty credit risk (new standardised approach), large exposures,) capital requirements for equity investments in funds, and disclosure. In addition, the Financial Stability Board has published standards on total loss-absorbing capacity (TLAC) for global systemically important banks. In its Communication "Towards the completion of the Banking Union" the Commission has committed to implement these international standards. Furthermore, the Commission's Call for Evidence has highlighted the need to increase the existing proportionality of the prudential requirements for smaller institutions and the need to further clarify certain aspects of the rules (e.g. on the interaction between the various	Start of trilogues	Q2 2018	Target achieved. A political agreement has been reached in December 2018

capital requirements). Lastly, the CRR mandates various reviews which may lead to targeted changes to the CRR.			
Finalisation of Basel III framework In case of agreement in Basel before the end of 2017, preparatory work to understand the impact of the changes to the Basel framework is to be done. This will require the launch of a call for advice to the EBA and a public consultation (based on a consultation paper).	Launch of the Call for advice and public consultation	Q2 2018	Exploratory consultation conducted in March/April 2018 and CfA submitted in May 2018.
CWP 2015			
Legislation on the recovery and resolution of central counter parties (CCPs) 2015/FISMA/029 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.	Finalisation of trilogues	Q2 2018	Not delivered. The European Parliament adopted its report on 5 February 2018. The Council, however, decided to postpone further work on the file to 2019 in order to deal with the proposal on CCP Supervision and the ESAs reform as a priority.

Other important outputs			
Description	**Indicator**	**Target**	**Latest known result**
EMIR **Revised RTS specifying the data to be published and made available by trade repositories** 2016/FISMA/040 RTS to take reflect the access rights extended by the SFTR to new types of authorities (modification of Commission delegated regulation (EU) n°151/2013 of December 2012).	Adoption by the Commission	Q1 2018	Adopted on 13 December 2018 C(2018)8335
Amended Delegated Act on fees for trade repositories under EMIR Art. 72(3) PLAN/2017/769 **Revised delegated regulation specifying the details of the application for registration as a trade repository** PLAN/2017/771	Adoption by the Commission	Q1 2018	Work on amended Delegated Act on fees for trade repositories postponed to 2019 to take into account the delay in an agreement on EMIR REFIT. Adopted by the Commission on 13.12.2018 (C(2018) 8336 final).
Revised RTS on the aggregation and publication of trade repository data PLAN/2017/1673			Not finalised yet. Adoption postponed to Q3 2019 due to ongoing technical work.
Report on the systemic risk and cost compliance of interoperability arrangements	Adoption by the Commission	Q1 2018	Postponed to 2019. Interoperability arrangements often involve UK CCPs. The analysis for a report requires more clarity on the market situation, e.g.

2016/FISMA/027 The report will assess any possible systemic risk and cost implications of interoperability arrangements stemming from EMIR.			impact of Brexit.
Communication on Post-Trade PLAN/2016/379 The CMU Action Plan provided for 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 Commission communication will build on the data and analysis gathered by the European Post-Trading Group Forum. The latter is a Commission expert group launched in 2016 with the objective to prepare a report on the developments in post-trading. The Communication will aim to highlight the progress in removing the Giovannini barriers and thus improving the efficiency and effectiveness of EU post-trade services as well as highlight where further progress is still required.	Adoption by the Commission	Q1 2018	Work postponed. Staff Working Document scheduled for Q4 2019. The Communication was included under the initiatives to be modified into Staff Working Documents, as confirmed by Heads of Cabinet on 8/10/2018 (planned date 10/2018). The publication date is postponed to Q4 2019, due to the need to gather quantitative data from industry to substantiate some of the issues raised as remaining obstacles
SFTR	Adoption by the Commission	Q1 2018	Adopted by the Commission on 13 December 2018 -

Commission Delegated Act on fees under Article 11(2) SFTR 2016/FISMA/029			C(2018)8333
RTS on the details of reports to trade repositories under SFTR PLAN/2017/755	Adoption by the Commission	Q1 2018	Adopted by the Commission on 13 December 2018 - C(2018)8334
ITS on exchange of information PLAN/2017/766	Adoption by the Commission	Q1 2018	Adopted by the Commission on 13 December 2018 - C(2018)7659
RTS on public data, details of SFTs, operational standards for data collection, data aggregation and comparison PLAN/2017/761	Adoption by the Commission	Q1 2018	Adopted by the Commission on 13 December 2018 - C(2018)8332
RTS on access levels to trade repository data under SFTR PLAN/2017/762	Adoption by the Commission	Q1 2018	Adopted by the Commission on 13 December 2018 - C(2018)8330
RTS on registration and extension of registration of trade repositories under SFTR PLAN/2017/758	Adoption by the Commission	Q1 2018	Adopted by the Commission on 13 December 2018 - C(2018)8331
ITS on format and frequency of the reports to trade repositories under SFTR PLAN/2017/757	Adoption by the Commission	Q1 2018	Adopted by the Commission on 13 December 2018 - C(2018)7658
ITS on registration and extension of registration of trade repositories under SFTR	Adoption by the Commission	Q1 2018	Adopted by the Commission on 13 December 2018 - C(2018)7657

PLAN/2017/759			
CSDR **Regulatory Technical Standards on settlement discipline under CSDR (Regulation (EU) No 909/2014)** 2015/FISMA/018	Adoption by the Commission	Q1 2018	Adopted in 25 May 2018 – Commission Delegated Regulation (EU) 2018/1229. Published in the OJ on 13 September 2018.
MMF **Delegated Act on Money Market Funds Regulation specifying quantitative and qualitative liquidity requirements applicable to assets received as part of a reverse repurchase agreement and on credit quality assessment** PLAN/2017/1077 Delegated Act on Money Market Funds Regulation specifying quantitative and qualitative liquidity requirements applicable to assets received as part of a reverse repurchase agreement and on credit quality assessment	Adoption by the Commission	Q2 2018	Adopted by the Commission on 10 April 2018. FISMA.DDG.C4 C(2018)2080
Safekeeping duties of depositaries PLAN/2018/2648 (UCITS) PLAN/2018/2443 (AIFMD) The amendments in the Delegated Acts will clarify the conditions under which a depositary can delegate safekeeping functions to a third party. The amendments are in line with ESMA's opinion 34-45-277 on asset	Adoption by the Commission	Q3 2018	Adopted by the Commission on 12 July 2018. C(2018)4379

segregation, published in July 2017.			
Capital Requirements Regulation **RTS on specialised lending exposures** 2016/FISMA/112 The core problem that 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.	Adoption by the Commission	Q1 2018	Discussions with IRB on-going
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 2018	The delay in adoption is due to the complexity of the regulation and to numerous legal questions. Adoption planned for Q2 2019.
ITS with technical amendments to the current ITS on supervisory reporting PLAN/2017/1382 PLAN/2017/1381 This draft Implementing Regulation introduces some technical amendments deemed necessary with regard to own funds, liquidity and financial reporting.	Adoption by the Commission	Q2 2018 Q4 2018	Adopted on 9/10/2018 and published on 9/11/2018
Correction of Liquidity	Adoption by the	Q2 2018	Adopted on 13/07/2018 and

Coverage Ratio Delegated Act on Art 460 CRR 2015/FISMA/037 The amending act amends the existing Delegated Act in a number of areas. The most substantive changes relates to the alignment with the new STS Regulation, the treatment of repos and reverse repos and the application of the unwind mechanism to calculate the liquidity buffer.	Commission		published on 30/10/2018. C(2018)4404
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 2018	Review of draft final RTS between EBA and Commission legal services before launching the ICS. Adoption planned for May 2019
RTS on CVA risk Own Funds Requirements PLAN/2017/961 Non-financial	Adoption by the Commission	Q1 2018	Adopted on 24/01/2018 and published on 18/05/2018. C(2018)256

counterparties established in a third country are not covered by EMIR, and for these reasons the clearing thresholds are not calculated for them, it is necessary to define procedures for excluding transactions with them from the own funds requirements for CVA risk.			
RTS amending the RTS on determining the proxy spread and on limited smaller portfolios for CVA risk PLAN/20171688 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.	Adoption by the Commission	Q1 2018	Delays due to prioritisation of more important and urgent work. Adoption planned for Q2 2019
ITS amending the ITS on closely correlated currencies **PLAN/2017/2050** Regular update of the existing ITS in order to incorporate potential new closely correlated currencies to the list contained in the ITS.	Adoption by the Commission	Q2 2018	Adopted 19.10. 2018 C(2018)6821
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	Adoption by the Commission	Q1 2018	Due to late submission of the draft ITS to the Commission, the adoption of the amendments to ITS is currently planned for Q1 2019

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.			
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	Q4 2018	The adoption is delayed due to complex legal questions.
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	Q4 2018	Transmission by EBA to Commission expected by the end of February 2019
RTS under Article 194(10) of the CRR further specifying certain eligibility criteria for funded credit protection PLAN/2017/2059 The RTS will specify further two of the criteria for funded credit	Adoption by the Commission	Q4 2018	EBA proposed not to work on this mandate since (according to EBA) eligibility criteria are sufficiently set out in the CRR

protection (i.e. financial collateral) to be considered as eligible credit risk mitigation for the purposes of the CRR (i.e. when an asset can be considered sufficiently liquid and when the value of that asset can be considered sufficiently stable).			
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	Q4 2018	Final RTS under preparation by EBA. Should be submitted to COM in Q2 2019.
Commission Implementing Regulation extending the transitional periods related to own funds requirements for exposures to central counterparties PLAN/2017/2048 The implementing act extends the transitional period during which institutions in the EU can treat exposures to a third-country central counterparty (CCP) that has not been recognised	Adoption by the Commission	Q4 2018	Adopted on 04/12/18. C(2018)3303

in accordance with EMIR as if they were exposures to a recognised CCP .			
Amendment to Benchmarking ITS PLAN/2017/1554	Adoption by the Commission	Q1 2018	Adopted on 23 March 2018 C(2018)1679
Amendments to the ITS in order to introduce the benchmarking portfolios and reporting templates for the 2018 benchmarking exercise PLAN/2017/2049	Adoption by the Commission	Q4 2018	Adopted 15 February 2019 C(2019)1027

Capital Requirements Directive **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 2018	The initiative had to be postponed due to a legal issue which might lead to adoption only under the next Commission mandate
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	Adoption by the Commission	Q1 2018	The initiative had to be postponed due to a legal issue which might lead to adoption only under the next Commission mandate

specifies the procedure for the assessment of the completeness of the submitted application.			
MIFID II/MIFIR **Amendment to RTS 1 to specify the requirement for prices to reflect prevailing market conditions and to update and correct certain provisions** PLAN/2018/2748 The amendment of this regulatory technical standard provides clarity as regards the obligations of systematic internalisers to ensure there is a level-playing between trading venues and systematic internalisers.	Adoption by the Commission	Q4 2018	Adopted on 12/12/2018 C(2018)8390

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 marketbased
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** 28/12/2018
0.25 in normal times 0.8 in a crisis mode	Stable trend	0.0764

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. Data on exit events to be provided by SRB, ESAs.				
Baseline End 2014	**Interim Milestone**		**Target** 2020	**Latest known results**
	2015	2016		
0.8	0.7	0.6	0.6 The correlation between bank risk and sovereign risk should decline, i.e. bank risks should decouple from sovereign risks.	0.83 (correlation for the entire year 2018)
Result indicator: The Single Resolution Fund is built and becomes operational according to plan. **Source of data:** SRB[31].				
Baseline End 2014	**Interim Milestone**		**Target**[32] 2018	**Latest known results** 2018
	2016	2017		
Tentatively EUR 6.8bn per annum	EUR 6.8bn	EUR 13.6bn	EUR 20.4bn Operational as of 1 January 2016 The build-up of the SRF according to the agreed business plan.	24.9 bn

Main outputs in 2018:			
All new initiatives and REFIT initiatives from the Commission Work Programme			
Description	**Indicator**	**Target**	**Latest known result**
CWP 2016			
European Deposit Insurance Scheme 2016/FISMA/007 The proposal from November 2015 increases	Start of trilogues	Q4 2018	Political negotiations on EDIS did not start in 2018. FISMA supported the European Parliament in seeking possible

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

32 Target is defined for end 2023

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.			bridging solutions among political groups. The ECON committee was not able to vote on its legislative position by end-2018. At the December Euro-Summit, leaders endorsed the establishment early in 2019 of a High-level Working Group to work on next steps on EDIS and the nexus with other Banking Union files. In the Council, the technical work continued in the Ad Hoc Working Party. FISMA supported both Presidencies in scoping out available EDIS design options, discussing possible implementation of the Commission suggestions of the October 2017 Communication as well as assessing possible impacts of EDIS on non-Banking Union members. The Joint Research Centre supported FISMA's work with economic analyses. By end-2018, an administrative arrangement was concluded on both sides to carry out further work in 2019 on EDIS and the

			Deposit Guarantee Scheme Directive.
Important items from work programmes/financing decisions/operational programmes			
Description	**Indicator**	**Target**	**Latest known result**
Common Backstop for the Banking Union FISMA participates in the Task Force on Coordinated Action, which as a sub-group to the EWG, carries out the technical work on the operationalisation of the common backstop, through a credit line from the European Stability Mechanism to the Single Resolution Fund.	Finalisation of the political negotiations	Q4 2018	At the June 2018 Euro Summit in inclusive format, leaders designated the European Stability Mechanism as the provider of the backstop to the Single Resolution Fund. In the Euro Summit in inclusive format of December 2018, Leaders agreed on some of the main features of the backstop, endorsing the "Terms of Reference" on the backstop and asked the Eurogroup to prepare the necessary amendments to the ESM Treaty (including the common backstop to the SRF) by June 2019.
Other important outputs			
Description	**Indicator**	**Target**	**Latest known result**
Report on BRRD/SRM PLAN/2017/1927 Article 129 BRRD requires the Commission to undertake a review of the implementation of the Directive and submit a report accompanied, where appropriate, by a legislative proposal by 1 June 2018. Article 94 SRMR requires	Adoption by the Commission	Q4 2018	The draft report has been prepared, regularly updated to the new developments in terms of legislation (Banking package) and application by the SRB, and cleared internally within FISMA and with Cabinet. Comments from EBA, COMP, SG, LS and

that by 31 December 2018 the Commission publishes a report on the application of the Regulation, evaluating several elements - which include the functioning of the SRM, the interaction between the SRB and non-Banking-Union authorities and the need for the Banking Union to be completed with the harmonisation of insolvency proceedings - and making accompanying proposals, as appropriate.			SRB are pending and the ISC is expected to be launched by end February 2018.
ITS on MREL reporting templates pursuant to Directive 2014/0059/EU (BRRD) – Article 45(17) 2016/FISMA/066 Objective of this ITS is to specify detailed rules as regards MREL reporting templates (Article 45(17) of the BRRD)	Adoption by the Commission	Q1 2018	Adopted on 1 March 2018 C(2018)1038
Exercise the Commission's function as Resolution Authority As foreseen by 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	- Attending and preparing Executive and Plenary Board Meetings and preparatory bodies - Monitoring banks in difficulty - Endorsing Resolution schemes - Intervention in judicial proceedings - Processing requests for access to documents	All year	

stakeholder requests and, together with the Legal Service, manage the Commission's involvement in judicial proceedings.			
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 - Commission internal preparedness and business continuity - FSB Rap and Resolution groups - EBA resolution committees and groups	All year	
Report from the Commission to the European Parliament and the Council on the Application of the Single Resolution Mechanism Regulation PLAN/2017/1488 The Commission is required to review the application of the Single Resolution Mechanism Regulation (SRMR) in order to assess its impact on the internal market and to determine whether any modifications or further developments are needed in order to improve the efficiency and the effectiveness of the Single Resolution Mechanism (SRM), in particular whether the Banking Union needs to be completed with the	Adoption by the Commission	Q4 2018	Merged with above-mentioned PLAN/2017/1927, report on BRRD/SRM

harmonisation at Union level of insolvency proceedings for failed institutions. The Commission's review takes the form of a report to be submitted to the European Parliament and to the Council. The report is due by 31 December 2018, and every three years thereafter (Article 94 SRMR).			

Specific objective 3.2: Risk in the banking sector is reduced. Related to spending programme(s) No

Result indicator: Probability of Simultaneous default of two or more large banks, as measured by the Systemic Risk Measure (old indicator suspended)[33]
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

Title	Key	From	To	Last Updated
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	2015-11-30 09:51
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	2015-11-30 09:51
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	2015-11-30 09:51

New Indicator " Probability of Simultaneous default of two or more large banks, as measured by the Systemic Risk Measure"	**Target** not above 10%	**End 2018** 4.38%
In December 2011 (peak): 26.46% end 2016: 2.53% end 2017: 0.58 %		
Previous indicator (suspended and information only for documentation purposes) **Baseline** 2015 The average was approximately 5%	**Target** 2020 Not in excess of 5%	**Latest known results** 2015 4%

Result indicator: Average TLAC levels in EU global systemically important institutions (G-SIIs).
The Financial Stability Board (FSB) on 9 November 2016 issued the final Total Loss-Absorbing Capacity (TLAC) standard for global systemically important banks (G-SIBs). The TLAC standard has been designed so that failing G-SIBs will have sufficient 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.

[33] Series of the previous indicator (Bank's contribution to overall systemic risk) was discontinued and had to be replaced by another indicator. Information provided by indicators (obsolete and new) are not comparable.

Recent developments:
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.

Baseline End 2014	**Interim Milestone** 2019	**Target** 2020[34]	**Latest known results**
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 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 Milestone**			**Target 2019**	**Latest known results 2017**
	2016	2017	2018		
End 2011: 6.9%	>8.125%	>8.75 %	>9.375%	>10%	All banks :

[34] This will progress towards a 2022 FSB target

End 2012: 8.4					14,1% Group 1 : 13,8 G-SIIs : 12,7 Group 2 : 16,1

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 Milestone**			**Target** 2019	**Latest known results**
	2016	2017	2018		
End 2011: 2.9% End 2012: 2.9%	>3%	>3%	>3%	>3%	5.1 as of December 2017

Main outputs in 2018:

All new initiatives and REFIT initiatives from the Commission Work Programme

Description	**Indicator**	**Target**	**Latest known result**
CWP 2018			
Legislative proposal on the development of secondary markets for non-performing loans PLAN/2017/1121 Non-performing loans (NPLs) in Europe's banks sovereigneigh increasingly heavily on financial stability and economic growth particularly in some Member States. The objective of this 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,	Adoption by the Commission	Q1 2018	The proposal was adopted by the Commission on 14 March 2018 (Proposal for a Directive on credit servicers, credit purchasers and the recovery of collateral) COM(2018)135

while safeguarding consumers' rights.			
Communication on a Blueprint for national Asset Management Companies. PLAN/2017/2126 The Blueprint provides practical guidelines for the design and set-up of Asset Management Companies (AMCs) at Member State level, building upon lessons from past experiences. It puts forward common principles, on the relevant asset and participation perimeters, and considerations regarding the asset-size threshold, asset valuation rules, the capital structure, governance and operations of the AMC. It clarifies success factors and the permissible design for (state-sponsored) AMCs, consistent with the EU legislative framework, particularly the BRRD, SRMR and State Aid rules.	Adoption by the Commission	Q1 2018	This Blueprint was finalised, as Staff Working Document accompanying the 2nd Progress Report on NPL, on 14 March 2018.
Legislative proposal on the protection of secured creditors from business borrowers' default PLAN/2017/1406 The absence of an efficient out-of-court enforcement mechanism to facilitate the swift repossession of collateral has been seen as one of the factors having contributed to the current high stock of NPLs on the balance-sheet of the banking system in some Member States. DG FISMA organised a public consultation to seek feed-back from stakeholders in order to	Adoption by the Commission	Q1 2018	The proposal was adopted on 14 March. The Council has not agreed yet on the General Approach. The EP is expected to vote on its report on 21 February. As the Directive's part on secondary markets for NPL may advance more quickly than the part on the accelerated recovery of collateral, the proposal may be split (depending on

assess the opportunity of a proposal for a new type of loan security labelled "accelerated loan security". During discussions with an expert group, the policy objective has changed to some extent. The objective is to propose a framework on an accelerated collateral enforcement mechanism which banks in all Member States could use to recover value from secured loans. The proposal would not lead to the creation of a new security right in the Member States, but only to a mechanism which could be used in relation to existing security rights in the Member States. The added value of such an initiative would lie in strengthening the ability of secured creditors to recover value from secured loans to corporates and entrepreneurs in a swift and less costly manner. This would avoid the build-up of non-performing loans on banks' balance sheets.			the progress made on the secondary market part).
NPLs: Prudential backstops preventing under-provisioning of non-performing exposures PLAN/2017/1991 The Commission will consider 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.	Adoption by the Commission	Q1 2018	Adopted on 14/03/18. COM(2018)134
Enabling Framework for Sovereign Bond Backed	Adoption by the Commission	Q2 2018	The Commission adopted on 24 May

Securities PLAN/2017/1678 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 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.).			2018 a proposal for a Regulation on sovereign bond-backed securities (COM(2018)339/final)
CWP 2017			
Proposal for a Directive amending the Bank Recovery and Resolution Directive (BRRD) and the SRM Regulation as regards the loss absorbency and recapitalisation capacity of banks 2016/FISMA/006 In view of the fact that both MREL and TLAC aim at achieving the same policy objective which is to ensure that banks hold a sufficient amount of bail-in-able liabilities that would allow for smooth and quick absorption of losses and bank recapitalisation, this	Start of trilogues	Q2 2018	Trilogues started and finalised in 2018. Political agreement reached.

initiative aims at combining the review of MREL (in accordance with the mandate given to the Commission under Article 45(18) of the BRRD) with the implementation of the international TLAC standard.			
Other important outputs			
Description	**Indicator**	**Target**	**Latest known result**
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	Commission Decisions adopted on draft national measures under Art 458 for BE, FR and SE on 20 March, 6 April and 17 July respectively.

Specific objective 3.3 : Appropriate country surveillance to ensure macro-financial stability			Related to spending programme(s) No
Main outputs in 2018:			
Other important outputs			
Description	**Indicator**	**Target**	**Latest known result**
CMU Working Group under the Vienna Initiative Preparation of a report on capital market development in Central and Eastern Europe feeding into Priority Action 9 of the Mid-term review of the CMU Action Plan.	Adoption of the report by the Full Forum of the Vienna Initiative	Q1 2018	Report adopted on 12 March 2018 at Full Forum in London
EU strategy to support local and regional capital market development across the EU PLAN/2017/1515 The initiative originates from the Mid-term review of the CMU Action Plan adopted by the Commission on 9 June	Adoption by the Commission	Q2 2018	Not delivered. Preparations (including favorable ISSG) were intense in February-May, but stand-alone Communication was not acceptable for political and administrative

2017 where it is defined as Priority action 9: EU strategy on measures that can be taken to support local and regional capital market development across the EU.			reasons. Also adoption as SWD in November failed. Attempts will be made to include the message in the SWD on CMU in Q1 2019.
Post-Programme Surveillance for Greece, Portugal, Ireland, Spain, Cyprus Contribution about financial sector to Review Report.	Adoption by the Commission of the Review Report	Twice a year	Greece: 3rd and 4th review (March and July); 1st enhanced surveillance report (November); Portugal: 8th and 9th review (September, in preparation); Ireland: 9th and 10th review (July, in preparation); Spain: 9th and 10th review (July and November); Cyprus: 4th and 5th review (July and November)
EU Semester (including Macroeconomic Imbalances Procedure) Formulation of policy guidelines. Contribution about financial sector to Country Report. Euro area recommendation (EAR) on financial sector policy Contribution on financial sector policy to the Staff Working Document accompanying Council euro area recommendations, published as an annex to the Annual Growth Strategy	Adoption by the Commission	2018	Commission adoption of CSRs on 23 May and Council adoption on 13 July Country reports published with financial sector contribution on 7 March
Assessment of country surveillance in the financial sector in the	Publication of report	2018	Published in November 2017

context of the external assistance programmes and EU Semester			
Exercise the Commission's role in macro-prudential policy-making The Commission is a member of the Macroprudential Policy Group at the Basel Committee on Banking Supervision and of the FSB shadow banking expert group.	Preparation of and participation in macro-prudential international fora	All year	The Commission participated in the regular meetings of macro-prudential international fora, and actively participated to the policy discussions.
Report on cyclicality of capital requirements PLAN/2016/203 Pursuant to Article 502 of the Capital Requirements Regulation ("CRR", EU 575/2013), the Commission has to biennially report to the EP and the Council on any significant effects of CRDIV/CRR on the economic cycle. The first report has to be submitted by December 2016.	Adoption by the Commission	Q1 2018	Article 502 CRR Report published on 9 April 2018 (COM(2018) 172 final).

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 2018:			
Other important outputs			
Description	**Indicator**	**Target**	**Latest known result**
Regular monitoring of financial markets Developments in financial markets are a key and leading indicator of possible risks to financial stability and to the	Drafting and dissemination of - daily Financial Market Monitor, - weekly Financial Market Pulse - Bond Market Monthly	All year	Market and sector developments were closely monitored all year round, and FISMA and other COM staff appropriately informed

broader economic activity. Compilation of in-house information and analysis is required for the Commission to embark on policy initiatives to address newly emerging risks to financial stability in a timely manner.	- Semi-annual overview of main macro-financial risks to the EU		
Monitoring of Member States' debt issuance The Commission ensures the compliance of Member States to their reporting obligation of public debt issuance plans, as stipulated in Art. 8, Regulation (EU) No. 473/2013. It ensure reporting by Member Stats, and collects, integrates and (commensurate to the sensitivity of this information) disseminates this information.	- Quarterly report on the two-pack ex-ante reporting of public debt issuance plans	All year	The Commission managed, as foreseen in the Regulation, four quarterly and one annual debt reporting exercises, ensuring timeliness data quality and comprehensiveness.
European Financial Stability and Integration Review [EFSIR] It is an annual review published by the Commission. Among other topics, it reports on developments in the financial markets and the progress achieved in deepening financial integration and strengthening financial stability, as well as on integration.	Publication of EFSIR	Q2 2018	The 2018 edition of the EFSIR was published on 3 May 2018 as a Staff Working Document (https://ec.europa.eu/info/sites/info/files/european-financial-stability-and-integration-review-2018_en.pdf) and presented at the annual Commission ECB joint conference on this subject. It features five

			chapters: Economic and financial developments; Capital markets and market funding; Bank and non-bank financial institutions; Development of local capital markets; Crypto-token market developments: what are initial coin offerings all about?
EMAR: Preparation of the Sovereign and Supranational Euro Market Dealer Activity Report Within the auspices of the EFC Sub-committee on EU Sovereign Debt Markets (ESDM) Member States cooperate in collecting and compiling information of their respective primary dealers about primary and secondary market activity ion EUR-denominated sovereign bonds. The Commission assembles and integrates these data, with the view of preparing the publication on the website of the ESDM.	Preparation of integrates tables	All year (quarterly schedule)	The aggregation and dissemination of the Member States' reporting under EMAR was carried out quarterly, as foreseen. Reporting compliance of Member States was high, which allowed a meaningful aggregation exercise.
Exercise the Commission's role as a member of the ESRB The Commission is a voting member at the ESRB. DG FISMA is the	Preparation of and/or participation in: - Main ESRB bodies (General Board, Advisory Technical Committee, Instruments Working group, Assessment	All year	The Commission participated in the quarterly meetings of the European Systemic Risk Board at General Board, Advisory

Commission service entrusted with the membership in the main ESRB bodies. As such it has, amongst others, to follow work and represent the Commission at expert and policy level, ensures coordination within FISMA and with other Commission Services, and reply to written consultations and recommendations.	team) -ESRB expert groups (Shadow banking, Investment Fund Liquidity and Leverage, Insurance, interconnectedness, etc.)		Technical Committee, Instruments Working group, Analysis Working Group, and Expert Group levels, actively participating in the policy discussions.