



EUROPEAN PARLIAMENT

2009 - 2014

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*Committee on Budgets*

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**2009/0144(COD)**

30.3.2010

# DRAFT OPINION

of the Committee on Budgets

for the Committee on Economic and Monetary Affairs

on the proposal for a regulation of the European Parliament and of the Council  
establishing a European Securities and Markets Authority  
(COM(2009)0503 – C7-0167/2009 – 2009/0144(COD))

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## SHORT JUSTIFICATION

1. In order to address the failures of the European financial supervision revealed by the recent financial crisis, the Commission presented a package of proposals in view of the establishment of a more efficient, more integrated and sustainable system of financial supervision in the EU. This will be based on a an *European System of Financial Supervisors (ESFS)*, consisting of a network of national financial supervisors working in tandem with new European Supervisory Authorities (ESAs), created by transforming the existing European supervisory committees<sup>1</sup> into real European Supervision Authorities (ESAs). For that end, the Commission proposes the creation of three new European decentralised agencies:

- the European Banking Authority (EBA);
- the European Insurance and Occupational Pensions Authority (EIOPA);
- the European Securities and Markets Authority (ESMA).

2. The transformation of the existing European supervisory committees into effective real European supervisory authorities, i.e. European agencies, will require enhanced resources - both in staff and budget. In what concerns the impact of the creation of these three agencies for the European budget, it will amount to some EUR 59,699 millions distributed as follows:

Agency	2011	2012	2013	Total
EBA	5, 206	7, 355	8, 965	21, 527
EIOPA	4, 235	5, 950	6, 799	16, 984
ESMA	5, 465	7, 202	8, 491	21, 158

in millions Euros.

3. These funds will come from Heading 1a, but this heading is already confronted with extremely reduced margins: the last financial programming of the Commission (January 2010), which already took into consideration the amounts for the three agencies (amongst other modifications), points for very narrow margins until the end of the current MFF (between brackets the margins foreseen in the financial programming of January 2009):

- EUR 37,041 Mio for 2011 (111,590 Mio)
- EUR 34,003 Mio for 2012 (123,879 Mio)
- EUR 49,153 Mio for 2013 (214,875 Mio).

If one considers that in financial programming of February 2009 the Commission was foreseeing a margin for Heading 1A of EUR 111,8 Mio for 2010 and it turned out to be of only EUR 147.000, it is clear that the situation is very delicate. Thus, the need for a possible revision of the ceilings in order to satisfy the financing of these three new agencies must be taken into account.

4. In fact, the real cost of the agencies will be far superior, as it will amount to some EUR 149,17 Mio, but Member States will contribute, via co-financing, with some EUR 89,497mio,

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<sup>1</sup> These are the Committee of European Banking Supervisors (CEBS), the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS) and the Committee of European Securities Regulators (CESR).

be it 60% of the global costs of the functioning of the agencies until the end of the current MFF:

Agency	2011	2012	2013	TOTAL
EBA MS+UE=Total	7, 809+5,206 =13,015	11, 033+7,355 =18, 388	13, 448+8,965 =22, 413	32,290+21, 527 =53, 816
EIOPA MS+UE=Total	8, 197+4,235 =13, 662	10, 803+5,950 =18, 005	12, 737+6, 799 =21, 228	31,737+16, 984 =52,895
ESMA MS+UE=Total	6, 352+5,465 =10,587	8, 925+7, 202 =14, 874	10,199+8,491 =16, 998	25,476+21, 158 =42, 459

in millions Euros

5. Concerning staff, the 3 new agencies will imply, by 2014, more 269 agents (224 AD and 45 AST):

Agency	2011	2012	2013	2014
EBA staff(AD/AST)	40(36/4)	62(53/9)	80(69/11)	90(73/17)
EIOPA staff(AD/AST)	40 (32/8)	62(50/12)	73 (60/13)	90 (77/13)
ESMA staff(AD/AST)	43 (35/8)	60 (50/10)	76 (64/12)	89 (74/15)

6. The Commission is proposing that the three new agencies have their seats in the current places of work of the European supervisory committees, (Paris, in the case of ESMA) which seems a very reasonable solution from both the practical and financial point of view, as it will facilitate the immediate entering into functions of the new agency and avoid unnecessary expenditure with new installations, transfer of staff etc.

## AMENDMENTS

The Committee on Budgets calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following amendments in its report:

### Amendment 1

#### Draft legislative resolution Paragraph 1 a (new)

*Draft legislative resolution*

*Amendment*

***1a. Considers that the reference amount indicated in the legislative proposal may not be compatible with the ceiling of subheading 1a of the current multiannual financial framework 2007 - 2013 without***

*jeopardising the financing of other priorities; stresses its intention of using all the necessary means provided by the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (IIA), including the revision of the Financial Framework in order to ensure the financing of this new agency without jeopardising the financing of its other priorities under this subheading and ensuring that a sufficient margin will remain in subheading 1a;*

Or. en

## **Amendment 2**

### **Draft legislative resolution Paragraph 1 b (new)**

*Draft legislative resolution*

*Amendment*

*1b. Underlines that the provisions of Point 47 of the IIA shall be applied for the setting-up of the Agency; stresses that, should the legislative authority decide in favour of setting up such an agency, Parliament will enter into negotiations with the other arm of the budgetary authority with a view to coming to a timely agreement on the financing of this agency in line with the relevant provisions of the IIA;*

Or. en

### Amendment 3

#### Proposal for a regulation Recital 41

##### *Text proposed by the Commission*

(41) In order to guarantee its full autonomy and independence, the Authority should be granted an autonomous budget with revenues mainly from obligatory contributions from national supervisory authorities and from the General Budget of the European Union. The Community budgetary procedure should be applicable ***as far as the Community contribution is concerned***. The auditing of accounts should be undertaken by the Court of Auditors.

##### *Amendment*

(41) In order to guarantee its full autonomy and independence, the Authority should be granted an autonomous budget with revenues mainly from obligatory contributions from national supervisory authorities and from the General Budget of the European Union. ***The financing of the Authority by the European Union is subject to an agreement by the budgetary authority as foreseen in Point 47 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management.*** The Community budgetary procedure should be applicable. The auditing of accounts should be undertaken by the Court of Auditors;

Or. en

##### *Justification*

*The Authority is set up as a European Union decentralised agency and will be financed in accordance with the IIA. This should be reflected in its legal base.*

### Amendment 4

#### Proposal for a regulation Article 48 - paragraph 1b - point b

##### *Text proposed by the Commission*

(b) a subsidy from the Community, entered in the General Budget of the European Union (Commission Section);

##### *Amendment*

(b) a subsidy from the Community, entered in the General Budget of the European Union (Commission Section); ***the financing of the Authority by the European Union is subject to an agreement by the budgetary authority as foreseen in Point 47 of the***

*Interinstitutional Agreement of 17 May  
2006 on budgetary discipline and sound  
financial management;*

Or. en