



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Budgets

2009/0144(COD)

29.4.2010

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))

Rapporteur: Jutta Haug

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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 committees¹ 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, be it 60% of the global costs of the functioning of the agencies until the end of the current MFF:

¹ 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).

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 is compatible with the ceiling for subheading 1a of multiannual financial framework for 2007-2013 (MFF), but the margin remaining in heading 1a for 2011-2013 is very limited and the funding

of new activities must not jeopardise the financing of other priorities under subheading 1a; reiterates, therefore, its call for a review of the MFF, accompanied by concrete proposals to adjust and revise it before the end of first semester 2010 by using all the mechanisms available under the Interinstitutional Agreement of 17 May 2006 (IIA), and, in particular, those in points 21 to 23 thereof, in order to ensure the financing of the European Securities and Markets Authority (Authority) without jeopardising the financing of the other priorities, and ensuring that a sufficient margin will remain, under subheading 1a;

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 Authority; stresses that, should the legislative authority decide in favour of setting up the Authority, 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 the Agency in line with the relevant provisions of the IIA;

Amendment 3

Proposal for a regulation Recital 41

Text proposed by the Commission

Amendment

(41) In order to guarantee its full autonomy and independence, the Authority should be granted an autonomous budget with

(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.

revenues mainly from obligatory contributions from national supervisory authorities and from the General Budget of the European Union. **Union financing of the Authority is subject to an agreement by the budgetary authority in accordance with Point 47 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission of 17 May 2006 on budgetary discipline and sound financial management¹ (IIA)**. The **Union** budgetary procedure should be applicable. The auditing of accounts should be undertaken by the Court of Auditors. **The overall budget is subject to the discharge procedure.**

¹ OJ C 139, 14.6.2006, p. 1.

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 1 – point a

Text proposed by the Commission

(a) obligatory contributions from the **competent** national **supervisory authority** or authorities;

Amendment

(a) obligatory contributions from the national **public** authorities **competent for the supervision of financial institutions, which shall be made in accordance with a formula based on the weighting of votes set out in Article 3(3) of the Protocol (N° 36) on Transitional Provisions, annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union;**

Amendment 5

Proposal for a regulation

Article 48 – paragraph 1 – 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 **Union**, entered in the General Budget of the European Union (Commission Section), **subject to an agreement by the budgetary authority as provided for by Point 47 of the IIA**;

Amendment 6

Proposal for a regulation

Article 48 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. The obligatory contributions from the national public authorities and the subsidy from the Union, under paragraph 1(a) and (b), shall be available at the beginning of each financial year.

Amendment 7

Proposal for a regulation

Article 50 – paragraph 9

Text proposed by the Commission

9. The European Parliament, following a recommendation from the Council acting by qualified majority, shall, before 15 May of the year N + 2, grant a discharge to the Authority for the implementation of the budget for the financial year N.

Amendment

9. The European Parliament, following a recommendation from the Council acting by qualified majority, shall, before 15 May of the year N + 2, grant a discharge to the Authority for the implementation of the budget **comprising revenues from the General Budget of the European Union and national supervisory authorities** for the financial year N.

Amendment 8

Proposal for a regulation Article 54 – paragraph 2

Text proposed by the Commission

2. The Management Board, in agreement with the Commission, shall adopt the necessary implementing measures, in accordance with the arrangements provided for in Article 110 of the Staff Regulations.

Amendment

2. The Management Board, in agreement with the Commission, shall adopt the necessary implementing measures, in accordance with the arrangements provided for in Article 110 of the Staff Regulations. ***The implementing measures shall allow justified deviations in order to guarantee the most effective implementation of the tasks identified for the Authority.***

PROCEDURE

Title	European Securities and Markets Authority
References	COM(2009)0503 – C7-0167/2009 – 2009/0144(COD)
Committee responsible	ECON
Opinion by Date announced in plenary	BUDG 7.10.2009
Rapporteur Date appointed	Jutta Haug 21.10.2009
Date adopted	28.4.2010
Result of final vote	+: 38 -: 0 0: 0
Members present for the final vote	Damien Abad, Alexander Alvaro, Marta Andreasen, Francesca Balzani, Reimer Böge, Giovanni Collino, Jean-Luc Dehaene, Isabelle Durant, Göran Färm, José Manuel Fernandes, Eider Gardiazábal Rubial, Salvador Garriga Polledo, Ivars Godmanis, Estelle Grelier, Carl Haglund, Jutta Haug, Jiří Havel, Sidonia Elżbieta Jędrzejewska, Anne E. Jensen, Ivailo Kalfin, Sergej Kozlík, Jan Kozłowski, Alain Lamassoure, Vladimír Maňka, Barbara Matera, Claudio Morganti, Nadezhda Neynsky, Miguel Portas, Dominique Riquet, Sergio Paolo Francesco Silvestris, László Surján, Helga Trüpel, Daniël van der Stoep, Derek Vaughan, Angelika Werthmann
Substitute(s) present for the final vote	Franziska Katharina Brantner, Giovanni La Via, Peter Šťastný