

EBA BS 2019 578

6 December 2019

EBA staff

EBA 2019 amending budget request

The EBA hereby presents to the members of the Board of Supervisors an amendment budget request, driven by the delay in the adoption of the legislation arising from the ESAs review.

Background

In September 2017, the Commission proposed a major revision of the mandates of the three European Supervisory Authorities, the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA). The Commission proposals required a substantial increase in human and financial resources, in particular for ESMA. A key element of the proposals was a shift to a new funding model, whereby the current funding key between the EU (40 %) and the Member States (60 %), would be replaced by a combination of fee-financing and a balancing contribution from the EU budget.

Political agreement on these proposals was only reached in March 2019. As regards the revision of the mandates of EBA, EIOPA and ESMA, the compromise essentially entailed a more limited extension of the scope of the mandates, with a corresponding impact on the resources needs, and the retention of the current funding model. Consequently, the expected budgetary impact was delayed to 2020, with no increase in resources for 2019, and this necessitates a EUR 2 493 000 reduction in the EBA's 2019.

On the revenue side, the reduction affects only the EU contribution to the EBA. **There is no impact on the NCA contributions.**

Recall that the 40:60 split after the reduction is not exact due to the way in which employer's pension contributions are funded: the element funded by the EU is paid directly by the EU centrally and so does not go through the EBA budget, while the NCA element does go through the EBA budget and is part of the NCA contribution to the EBA annual budget.

On the expenditure side, the amount of the reduction per title is consistent with how the funds were allocated in the ESA review legislative financial statement, where the bulk of the funds were allocated to the cost of the extra staff.

Amending budget - summary

The tables below summarises the amending budget by revenue heading and expenditure title.

Table 1: Budget amendment by revenue item

Revenue item	Adopted budget	Amendment	Amended budget
EU subsidy	19 887 600	(2 493 000)	17 394 600
National competent authorities	27 932 300	-	27 932 300
Total	47 819 900	(2 493 000)	45 326 900

Table 2: Budget amendment by expenditure title

Title	Adopted budget	Amendment	Amended budget
I: Staff	33 317 600	(1 888 000)	31 429 600
II: Administrative	7 880 600	(245 000)	7 635 600
III: Operational	6 621 700	(360 000)	6 261 700
Total	47 819 900	(2 493 000)	45 326 900

Note that the table above does not take account of internal transfers that have taken place over the course of the year but instead shows the budget that was adopted by the BoS in December 2018.

Annex 1 shows the detail of the changes to the adopted budget, but budget line.

Annex 2 shows the associated changes in the establishment plan, compared to the plan initially adopted. For completeness, the table also shows the internal modification approved earlier this year.

Question to BoS members:

The BoS is hereby requested to approve this amending budget request to decrease the EBA 2019 budget by EUR 2 493 000.