

EIOPA

FINAL ACCOUNTS

**EUROPEAN INSURANCE AND
OCCUPATIONAL PENSIONS AUTHORITY**

2016

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Certification EIOPA Final Annual Accounts 2016

The Final Annual Accounts of the European Insurance and Occupational Pensions Authority (EIOPA) for the year 2016 have been prepared in accordance with Title IX of the Financial Regulation applicable to the budget of the European Union, the accounting rules adopted by the Commission's Accounting Officer and the accounting principles and methods adopted by myself.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Agency in accordance with article 68 of the Financial Regulation.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the Agency's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the final accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the Agency.

Frankfurt am Main,

23 May 2017



Tanja Leimbach
Accounting Officer

FINANCIAL STATEMENTS OF EIOPA

(Articles 92 (a) and 96 EIOPA Financial Regulation)

1. Representation of the Organisation

1.1. Establishment and Legal Status

The European Insurance and Occupational Pensions Authority (EIOPA) was established by Regulation (EU) No 1094/2010 of the European Parliament and the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC (hereinafter "EIOPA Regulation").

EIOPA is a Union body with legal personality. It was established on 1 January 2011 and took up activities as the legal successor of the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS). The seat of EIOPA is in Frankfurt am Main, Germany, at Westhafenplatz 1.

According to article 1(6) of the Regulation No 1094/2010 of the European Parliament and the Council the objective of EIOPA is to protect the public interest by contributing to short, medium and long-term stability and effectiveness of the financial system, for the Union economy, its citizens and business.

EIOPA shall contribute to:

- improving the functioning of the internal market, including in particular a sound, effective and consistent level of regulation and supervision,
- ensuring the integrity, transparency, efficiency and orderly functioning of financial markets,
- strengthening international supervisory coordination,
- preventing regulatory arbitrage and promoting equal conditions of competition,
- ensuring the taking of risks related to insurance, reinsurance and occupational pensions activities is appropriately regulated and supervised, and
- enhancing customer protection.

EIOPA is a body of the Community as referred to in article 208 of The Financial Regulation no^o966/2012 (EC, Euratom) of 25 October 2012 of the European Parliament and the Council. Until 31 March 2016, it was represented by its Executive Director, Mr Carlos Montalvo, appointed by the Agency Board of Supervisors on 25 February 2011 with effect of 1 April 2011. Mr Fausto Parente succeeded as EIOPA's Executive Director with effect of 1 April 2016. Following the European Parliament confirmation on 26 February 2016, the January Board of Supervisors decision of 28 January 2016 came into force. The Protocol on the Privileges and Immunities of the European Communities applies to the Agency.

EIOPA is composed of the following bodies:

- a. The Board of Supervisors. The Board of Supervisors is the main decision-making body of EIOPA. It shall give guidance to the work of the Authority. It also adopts the annual and multi-annual work programme as well as the budget of the Authority. It is composed of a Chairperson (non-voting), the heads of 28 national public authorities competent for the supervision of financial institutions in each Member State (voting members) as well as

permanent representatives where more than one national authority is responsible for the supervision, the heads of 3 EEA EFTA national authorities (Iceland, Liechtenstein and Norway (non-voting)). The status of non-voting members is granted to the Commission, the European Systemic Risk Board (ESRB), the European Banking Authority (EBA), the European Securities and Market Authority (ESMA) and the European Free Trade Association Surveillance Authority (EFTA SA). The Board of Supervisors may grant observer status to heads of national authorities of acceding countries, competent for the supervision of financial institutions. It meets at least twice a year and at least twice per year together with the Stakeholder Groups and may create internal committees and panels for specific tasks. It appoints and dismisses the Chairperson and the Executive Director.

- b. The Management Board. The Management Board shall ensure that the Authority carries out its mission and performs the tasks assigned to it. It shall exercise its budgetary powers and propose to the Board of Supervisors the annual and multi-annual work programmes. It is composed of a Chairperson and six other members of the Board of Supervisors elected by the voting members of the Board of Supervisors for a term of two-and-a-half-years. The Management Board meets before every meeting of the Board of Supervisors, at least five times a year.
- c. The Chairperson. The Chairperson prepares the work of the Board of Supervisors and chairs its meetings but has no voting rights. Together with six other members of the Board of Supervisors, elected by and from the voting members of the Board of Supervisors, the Chairperson forms the Management Board and chairs its meetings. The Chairperson is appointed for a term of five years which can be extended once.
- d. The Executive Director. The Executive Director is responsible for the management of the Authority and its functioning. He shall implement the annual work programme, prepare the multi-annual work programme, implement the Authority's budget and prepare the work of the Management Board. The Executive Director participates in meetings of the Management Board without the right to vote. He is appointed for a five-year term which can be extended once.
- e. The Board of Appeal. The Board of Appeal is a joint body of the European Supervisory Authorities. It is composed of six members and six alternates. Two members of the Board of Appeal and two alternates are appointed by the Management Board of the Authority. The term of the members is five years with an option to extend once. The Board of Appeal designates its President who convenes meetings when necessary.

2. Legal Base for Drawing up the Annual Accounts

The financial statements of EIOPA have been established in accordance with the following legislation:

Title IX "Presentation of the Accounts and Accounting" of the Financial Regulation of EIOPA adopted by the Management Board on 14 January 2014 and the EIOPA Financial Implementing Rules adopted by the Management Board through written procedure in September 2014.

The Financial Regulation (EU, Euratom) no°966/2012 of the European Parliament and of the Council of 25 October 2012 and its rules of application.

The accounting rules referred to in article 143 of Regulation (EU, Euroatom) no°966/2012, methods and guidelines as adopted and provided by the Accountant of the Commission. These rules adapt the International Public Sector Accounting Standards (and in some cases the International Financial Reporting Standards) to the specific environment of the EU, while the reports on implementation of the budget continue to be primarily based on movements of cash.

The accounting system of EIOPA comprises general accounts and budget accounts. These accounts are kept in Euro on the basis of the calendar year. The budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle.¹ The general accounts allow for the preparation of the financial statements as they show all charges and income for the financial year and are designed to establish the financial position in the form of a balance sheet as at 31 December.

The EIOPA financial statements have been drawn up using the methods of preparation as set out in the accounting rules laid down by the Commission's Accounting Officer.

¹ This differs from cash-based accounting because of elements such as carryovers.

3. EIOPA Financial Statements

3.1. EIOPA - Balance Sheet - Assets

	Notes n°	31.12.2016	31.12.2015
ASSETS			
NON CURRENT ASSETS	4.3.1		
Intangible assets	4.3.1.1	5,613,240.86	6,219,983.38
Property, plant and equipment	4.3.1.2	1,525,208.74	1,555,733.14
Land and buildings		0.00	0.00
Plant and equipment		0.00	0.00
Computer hardware		83,550.39	98,743.59
Furniture and vehicles		430,502.13	261,636.13
Other fixtures and fittings		1,011,156.22	1,195,353.42
Property, plant and equipment under construction		0.00	0.00
Long-term receivables and recoverables		0.00	0.00
Long-term receivables and recoverables		0.00	0.00
Long-term receivables and recoverables with consolidated EC entities		0.00	0.00
TOTAL NON CURRENT ASSETS		7,138,449.60	7,775,716.52
CURRENT ASSETS	4.3.2		
Short-term receivables		1,226,942.33	1,579,807.56
Current receivables	4.3.2.1	294,796.46	1,034,183.10
Sundry receivables	4.3.2.2	40,075.88	16,940.03
Pre-paid expenses		0.00	0.00
Deferred charges and accrued income	4.3.2.3	892,069.99	528,684.43
Short-term pre-financing	4.3.2.4	4,290.00	0.00
Short-term pre-financing		4,290.00	0.00
Cash and cash equivalents	4.3.2.5	2,129,156.74	2,689,817.51
TOTAL CURRENT ASSETS		3,360,389.07	4,269,625.07
TOTAL		10,498,838.67	12,045,341.59

3.2. EIOPA - Balance Sheet - Liabilities

	Notes n°	31.12.2016	31.12.2015
LIABILITIES			
CAPITAL	4.3.3.1	7,561,978.75	8,165,381.43
Accumulated surplus/deficit		8,165,381.43	7,277,737.21
Economic result for the year - profit+ /loss-		-603,402.68	887,644.22
TOTAL		7,561,978.75	8,165,381.43
NON-CURRENT LIABILITIES	4.3.3	1,773,353.26	1,776,797.28
Provisions for risks and charges	4.3.3.2	628,978.28	609,543.32
Other financial liabilities	4.3.3.3	86,087.52	0.00
Accrued charges and deferred income	4.3.3.4	1,058,287.46	1,167,253.96
TOTAL NON-CURRENT LIABILITIES		1,773,353.26	1,776,797.28
CURRENT LIABILITIES	4.3.4	1,163,506.66	2,103,162.88
Provisions for risks and charges		0.00	0.00
Accounts payable		1,163,506.66	2,103,162.88
Current payables	4.3.4.1	9,223.36	59,536.62
Sundry payables	4.3.4.2	13,503.62	14,158.68
Accrued charges and deferred income	4.3.4.3	870,049.84	1,503,031.80
Accrued charges with consolidated EU entities	4.3.4.4	2,595.16	217.62
Accounts payable with consolidated EU entities	4.3.4.5	268,134.68	526,218.16
<i>Pre-financing received from consolidated EU entities</i>		<i>268,134.68</i>	<i>526,218.16</i>
<i>Other accounts payable against consolidated EU entities</i>		<i>0.00</i>	<i>0.00</i>
TOTAL CURRENT LIABILITIES		1,163,506.66	2,103,162.88
TOTAL		10,498,838.67	12,045,341.59

3.3. EIOPA - Statement of Financial Performance

	Notes n°	2016	2015
European Union contribution	4.4.1.1	8,193,254.32	7,679,987.84
Other operating revenue	4.4.1.2	13,507,854.58	12,022,603.28
TOTAL OPERATING REVENUE	4.4.1	21,701,108.90	19,702,591.12
Administrative expenses	4.4.2.1	-18,345,655.66	-14,623,879.60
All Staff expenses		-11,692,984.25	-9,496,850.17
Fixed asset related expenses		-1,896,342.86	-724,109.46
Other administrative expenses		-4,756,328.55	-4,402,919.97
Operational expenses	4.4.2.2	-3,839,896.78	-4,149,175.36
Other operational expenses		-3,839,896.78	-4,149,175.36
TOTAL OPERATING EXPENSES	4.4.2	-22,185,552.44	-18,773,054.96
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES		-484,443.54	929,536.16
Financial revenues	4.4.3	71.35	0.00
Financial expenses	4.4.3	-119,030.49	-41,891.94
SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES		-118,959.14	-41,891.94
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES		-603,402.68	887,644.22
ECONOMIC RESULT OF THE YEAR	4.4.4	-603,402.68	887,644.22

3.4. EIOPA - Cash flow Table (Indirect Method)

	2016	2015
Cash Flows from ordinary activities		
Surplus/(deficit) from ordinary activities	-603,402.68	887,644.22
Operating activities		
<i>Adjustments</i>		
Amortization (intangible fixed assets) +	1,392,605.79	284,764.44
Depreciation (tangible fixed assets) +	485,351.14	420,019.79
Increase/(decrease) in long-term provisions for risks and liabilities	19,434.96	447,662.78
Increase/(decrease) in short-term provisions for risks and liabilities	0.00	0.00
(Increase)/decrease in inventories	0.00	0.00
(Increase)/decrease in long term pre-financing	0.00	0.00
(Increase)/decrease in short term pre-financing	-4,290.00	0.00
(Increase)/decrease in long term receivables and recoverables	0.00	0.00
(Increase)/decrease in Short term Receivables and recoverables	352,992.72	-344,169.91
(Increase)/decrease in receivables related to consolidated EU entities	-127.49	0.00
Increase/(decrease) in value reduction for doubtful debts	0.00	0.00
Increase/(decrease) in long-term financial liabilities	86,087.52	0.00
Increase/(decrease) in short-term financial liabilities	0.00	0.00
Increase/(decrease) in other long-term liabilities	-108,966.50	242,193.39
Increase/(decrease) in other short-term liabilities (accrued charges and deferred income)	-630,604.42	-588,567.34
Increase/(decrease) in short-term payables	-50,968.32	14,792.62
Increase/(decrease) in Liabilities related to consolidated EU entities	-258,083.48	186,828.91
Other non-cash movements	0.00	0.00
Net cash Flow from operating activities	680,029.24	1,551,168.90
Cash Flows from investing activities		
(Increase)/Decrease in intangible assets and property, plant and equipment	-1,240,690.01	-4,489,511.78
Other proceeds from intangible assets and property, plant and equipment	0.00	305,460.24
Net cash flow from investing activities	-1,240,690.01	-4,184,051.54
Increase/(decrease) in Employee benefits		
Net increase/(decrease) in cash and cash equivalents	-560,660.77	-2,632,882.64
Cash and cash equivalents at the beginning of the period	2,689,817.51	5,322,700.15
Cash and cash equivalents at the end of the period	2,129,156.74	2,689,817.51

3.5. EIOPA – Statement of Changes in Net Assets

Net assets	Accumulated Surplus / Deficit	Economic result of the year	Net assets (total)
Balance as of 31 December 2015	7,277,737.21	887,644.22	8,165,381.43
Other*	0.00	0.00	0.00
Fair value movements	0.00	0.00	0.00
Movement in Guarantee Fund reserve	0.00	0.00	0.00
Allocation of the Economic Result of Previous Year	887,644.22	-887,644.22	0.00
Amounts credited to Member States	0.00	0.00	0.00
Economic result of the year	0.00	- 603,402.68	- 603,402.68
Balance as of 31 December 2016	8,165,381.43	- 603,402.68	7,561,978.75

4. Notes to the EIOPA Financial Statements

4.1. Accounting Principles

General accounting principles based on internationally accepted accounting standards for the public sector as referred to in article 95 of the EIOPA Financial Regulation and article 143 of Regulation (EU, Euroatom) no 966/2012. The overall consideration (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting Rule 2 and are the same as those described in IPSAS 1, that is:

- **Principle of going concern**

The going-concern principle means that the Agency is deemed to be established for an indefinite duration. Would there be objective indications that the Agency is to cease its activities, the accounting officer shall present this information in the annex, indicating the reasons. She shall apply the accounting rules with a view to determining its liquidation value.

- **Principle of prudence**

The principle of prudence means that assets and income shall not be overstated and liabilities and charges shall not be understated. However, the principle of prudence does not allow the creation of hidden reserves or undue provisions

- **Principle of consistent accounting methods**

The principle of consistent accounting methods means that the structure of the components of the financial statements and the accounting methods and valuation rules may not be changed from one year to the next.

The Agency's accounting officer may not depart from the principle of consistent accounting methods other than in exceptional circumstances, in particular:

- (a) in the event of a significant change in the nature of the entity's operations;
- (b) where the change made is for the sake of a more appropriate presentation of the accounting operations.

- **Principle of comparability of information**

The principle of comparability of information means that for each item the financial statements shall also show the amount of the corresponding item in the previous year. Where the presentation or the classification of one of the components of the financial statements is changed, the corresponding amounts for the previous year shall be made comparable and reclassified. Where it is impossible to reclassify items, this shall be explained in the annex to the financial statements.

- **Principle of materiality**

The materiality principle means that all operations which are of significance for the information sought shall be taken into account in the financial statements. Materiality shall be assessed in particular by reference to the nature of the transaction or the amount.

Transactions may be aggregated where:

- (a) the transactions are identical in nature, even if the amounts are large;
- (b) the amounts are negligible;
- (c) aggregation makes for clarity in the financial statements.

- **Principle of “no netting”**

The no-netting principle means that receivables and debts may not be offset against each other, nor may charges and income, save where charges and income derive from the same transaction, from similar transactions or from hedging operations and provided that they are not individually material.

- **Principle of reality over appearance**

The principle of reality over appearance means that accounting events recorded in the financial statements shall be presented by reference to their economic nature.

- **Principle of accrual-based accounting**

The accrual-based accounting principle means that transactions and events shall be entered in the accounts when they occur and not when amounts are actually paid or recovered. They shall be booked to the financial years to which they relate.

Exceptions to the accounting principles

Where, in a specific case, the accounting officer considers that an exception should be made to the content of one of the accounting principles defined above this exception must be duly substantiated and reported in the annex to the financial statements.

4.2. Basis for Preparation

4.2.1. Currency and Basis for Conversion

Functional and reporting currency

The financial statements are presented in euros, which is the functional and reporting currency of the EU and EIOPA according to its Financial Regulation.

Transactions and balances

Foreign currency transactions are recorded using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary items in foreign currency into euros at year-end are recognised in the statement of financial performance.

4.2.2. Chart of Accounts

The chart of accounts used by EIOPA follows the structure of the chart of accounts of the European Commission (PCUE).

4.2.3. Use of Estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts presented and disclosed in the Financial Statements of EIOPA. Significant estimates and assumptions in these financial statements require judgment and are used for, but not limited to, accrued income and charges, provisions, contingent assets and liabilities. Actual results reported in future periods may be different from these estimates. Changes in estimates are reflected in the period in which they become known.

4.2.4. Intangible Assets

Intangible assets are identifiable non-monetary assets without physical substance. Acquired computer software licences are stated at historical cost less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement. Currently EIOPA uses a 25% amortisation rate for its intangible assets. Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life (EU Accounting Rule 6). For more details on EIOPA's intangible assets refer to chapter 4.3.1.

Internally developed intangible assets are capitalised when the relevant criteria of the EU Accounting rules are met. The costs capitalisable include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses as incurred. EIOPA's threshold for capitalisation of internally developed intangible assets is € 150,000. Non-capitalisable development costs for internally developed assets not reaching this threshold are disclosed as research activities.

4.2.5. Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to EIOPA and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred.

Assets under construction are not depreciated as these assets are not yet available for use. Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life (EU Accounting Rule 7).

The depreciation and amortisation of EIOPA's intangible and tangible assets is calculated using the straight-line method with the following rates:

Asset type	Depreciation rate used by EIOPA
<u>Intangible assets</u>	
Software for personal computers and servers	25.0%
Other intangible assets	10.0%/ 25.0%
<u>Intangible assets under construction</u>	
	0.0%
<u>Tangible assets</u>	
<u>Furniture and vehicles</u>	
Office, laboratory and workshop furniture	10.0%
Equipment and decorations for garden, kitchen, canteen, restaurant, crèche and school	12.5%
Furniture for restaurant/cafeteria/bar area	12.5%
Antiques, artistic works, collectors' items	0.0%
<u>Computer hardware</u>	
Computers, servers, accessories, data transfer equipment, printers,	25.0%

Asset type	Depreciation rate used by EIOPA
screens	
Copying equipment, digitising and scanning equipment	25.0%
<u>Other fixtures and fittings</u>	
Telecommunications equipment	25.0%
Audiovisual equipment	25.0%
Other	10.0%
<u>Tangible fixed assets under construction</u>	0.0%

4.2.6. Leases

Leases of tangible assets, where EIOPA would have substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The rental obligations, net of finance charges, are included in other liabilities (non-current and current). The interest element of the finance cost is charged to the statement of financial performance over the lease period so as to produce a constant periodic interest rate on the remaining balance of the liability for each period. The assets held under finance leases are depreciated over the shorter of the assets' useful life and the lease term.

Leases where the lessor retains a significant portion of the risks and rewards inherent to ownership are classified as operating leases. Payments made under operating leases are recognised as an expense in the statement of financial performance on a straight-line basis over the period of the lease. For more details on EIOPA's operational lease liabilities please see chapter 4.7.

4.2.7. Financial Assets

EIOPA has as financial assets its receivables and current bank accounts. Receivables arise when EIOPA provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities of more than 12 months of the balance sheet date. See also chapter 4.8 "Financial Instruments".

Receivables are carried at original amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that EIOPA will not be able to collect all amounts due according to the original terms of receivables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

Cash and cash-equivalents are financial instruments and classified as available for sale financial assets. They include cash at hand and deposits held at call with banks.

4.2.8. Provisions

Provisions are recognised when the EU body has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. The amount of the provision is the best estimate of the expenditures expected to be required to settle the present obligation at the reporting date.

4.2.9. Financial Liabilities

EIOPA has as financial liabilities its payables. They are classified as current liabilities, except for maturities of more than 12 months after the balance sheet date. See also chapter 4.8 "Financial Instruments".

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by EIOPA.

4.2.10. Accrued and Deferred Income and Charges

According to the EU Accounting rules, transactions and events are recognised in the financial statements in the period to which they relate. At the end of the accounting period, **accrued expenses** are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with practical guidelines (EIOPA carry forward guidelines) which aim at ensuring that the financial statements reflect a true and fair view. More detailed information can be found in chapters 4.3.2.3 "Deferred Charges and Accrued Income" and 4.3.4.3 "Accrued Charges and Deferred Income".

Revenue is also accounted for in the period to which it relates. At year-end, if an invoice is not yet issued but the service has been rendered, the supplies have been delivered by the EU body or a contractual agreement exists, an accrued income will be recognised in the financial statements.

In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue or charges will be deferred and recognised in the subsequent accounting period.

4.2.11. Revenues

Non-exchange revenue makes up the vast majority of EIOPA's revenue and includes mainly the funding by the Member States, the EFTA countries and the EU subsidy from the Commission.

Exchange revenue is the revenue from the sale of goods and services. It is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

Interest income consists of received bank interest.

4.2.12. Expenses

According to the principle of accrual-based accounting, the financial statements take account of expenses relating to the reporting period, without taking into consideration the payment date; meaning when the goods or services are used or consumed.

Exchange expenses arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by EIOPA. They are valued at original invoice cost.

Non-exchange expenses relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations. Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by regulation (Financial Regulation, Staff Regulations, or other regulation) or a contract has been signed authorising the transfer; any eligibility criteria have been met by the

beneficiary; and a reasonable estimate of the amount can be made. When a request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expenses.

4.2.13. Contingent Assets

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of EIOPA. It is not recognised because the amount of the obligation cannot be measured with sufficient reliability. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable. EIOPA does not hold contingent assets.

4.2.14. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the EU body; or a present obligation that arises from past events but is not recognised because: it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or, in the rare circumstances where the amount of the obligation cannot be measured with sufficient reliability. Chapter 4.7 provides further details on EIOPA's contingent liabilities.

4.3. EIOPA Financial Statements

4.3.1. Non-current Assets

According to the accounting rules assets are considered as such in case their nominal value exceeds € 420.00. Assets are carried at its cost less any accumulated depreciation and any accumulated impairment losses. EIOPA uses the straight-line depreciation method. Depreciation takes place pro-rata temporis from the month of first use or delivery of the asset in the EIOPA premises in line with the depreciation rates used by the European Communities.

EIOPA uses the asset registration system of the Commission for the recording of assets.

EIOPA performed a physical inventory starting in September 2016 and completed it in November 2016. In the context of its move to an open space office, EIOPA also disposed of fully amortised hardware, furniture as well as fixtures and fittings. Impairments made on furniture are of no material value.

The net value of the EIOPA assets at the date of establishing the financial statements was **€ 7,138,449.60** (€ 7,775,716.52) comprising:

- Internally generated computer software at **€ 5,141,750.64** (€ 539,239.14);
- Computer software at **€ 453,896.49** (€ 351,616.66);
- Other intangible assets at **€ 17,593.73** (€ 14,918.59);
- Computer hardware at **€ 83,550.39** (€ 98,743.59);
- Furniture and rolling stock at **€ 430,502.13** (€ 261,636.13);

- Fixtures and fittings at **€ 1,011,156.22** (€ 1,195,353.42), including € 522,259.65 for the restoring of the EIOPA office space at the termination of the rental contract.

In 2016, EIOPA completed the development of internally generated computer software under its IT Strategy Implementation Plan to meet the requirements associated to the implementation of Solvency II in 2016.

Additional development costs in an amount of € 534,720.11 incurred and increased the total to reach a cumulated value of € 6,552,984.55 (€ 6,018,264.44) including costs of assets which already reached the operational phase in 2014 and 2015. The remaining amount of intangible assets under construction of € 5,848,929.10 (€ 5,314,208.99) was transferred to internally generated computer software in 2016.

EIOPA's core IT projects generating such costs are:

- The development of a **Data Standardisation** which aims for supplying an industry standardisation of financial data using the XBRL taxonomy. The XBRL Taxonomy project and the Tool for Undertakings are the pivotal projects. The Tool for Undertakings reached the operational phase on 29 April 2016.
- The **Data Management** project (Collection, Storage and Dissemination) incorporates those projects which will allow the secure collection, storage and dissemination of data that EIOPA will receive from its stakeholders and from the industry. The key projects are the Data Collection and Central Repository Programme with the Reference Data Implementation and the Market and Reporting Data Analysis projects. The Central Repository reached the operational phase on 13 June 2016 whereas the different modules of the Reference Database entered into production as follows:
 - o Publication of **List of IORPs Prudential Provisions** (Release 2.b) on 27 May 2015;
 - o Publication of **Register of Institutions for Occupational Retirement Provisions** (Release 2.a) on 23 October 2015;
 - o **Register of Pension Plans and Products** (Release 3) on 06 January 2016;
 - o **Financial Conglomerates** (Release 5) on 31 May 2016;
 - o **Register of Insurance Undertakings** (Release 1) on 13 June 2016;
 - o **List of Groups** (Release 4) on 13 June 2016.
- The **Data Analysis** governs the added value that EIOPA brings to the data it will receive from its stakeholders and the objective of the Business Intelligence Analysis project is to identify which tools can do this to the greatest extent possible. The platform reached the operational phase on 13 June 2016.
- The **Online Communication and Collaboration's** purpose is to provide the platform of secure communication by which EIOPA will interact with its stakeholders, both external and internal. The main project went into production in December 2014. A stand-online website developed for the Joint Committee went into production on 31 May 2016.
- In 2015, EIOPA pursued the development of a module to calculate **the risk free interest rate** applied by insurance undertakings to discount long-term provisions under Solvency II. The entry into the operational phase of this module was not reached before January 2016 with the entry into force of Solvency II when it entered into production.

No more research expenditure incurred in 2016. The underlying taxonomy package developed to support the full scope Solvency II data to feed the Central Repository was published on 22 October 2015 already and research expenditure reported until this date.

4.3.1.1. Intangible Fixed Assets

2016		Internally generated Computer Software	Other Computer Software	Other Intangible assets	Intangible assets under construction	Total
Gross carrying amounts 01.01.2016	+	704,055.45	974,716.33	16,302.31	5,314,208.99	7,009,283.08
Additions	+	0.00	247,411.51	3,731.65	534,720.11	785,863.27
Disposals	-	0.00	-285,884.97	0.00	0.00	-285,884.97
Transfer between headings	+/-	5,848,929.10	0.00	0.00	-5,848,929.10	0.00
Other changes	+/-	0.00	0.00	0.00	0.00	0.00
Gross carrying amounts 31.12.2016		6,552,984.55	936,242.87	20,033.96	0.00	7,509,261.38
Accumulated amortisation and impairment 01.01.2016	-	-164,816.31	-623,099.67	-1,383.72	0.00	-789,299.70
Amortization	-	-1,246,417.60	-145,131.68	-1,056.51	0.00	-1,392,605.79
Write-back of amortization	+	0.00	0.00	0.00	0.00	0.00
Disposals	+	0.00	285,884.97	0.00	0.00	285,884.97
Impairment	-	0.00	0.00	0.00	0.00	0.00
Write-back of impairment	+	0.00	0.00	0.00	0.00	0.00
Transfer between headings	+/-	0.00	0.00	0.00	0.00	0.00
Other changes	+/-	0.00	0.00	0.00	0.00	0.00
Accumulated amortisation and impairment 31.12.2016		-1,411,233.91	-482,346.38	-2,440.23	0.00	-1,896,020.52
Net carrying amounts 31.12.2016		5,141,750.64	453,896.49	17,593.73	0.00	5,613,240.86

4.3.1.2. Tangible Fixed Assets

2016		Computer hardware	Furniture and vehicles	Other Fixtures and Fittings	Tangible assets under construction	Total
Gross carrying amounts 01.01.2016	+	583,531.02	517,697.44	1,856,553.54	0.00	2,957,782.00
Additions	+	40,313.60	224,547.44	189,965.70	0.00	454,826.74
Disposals	-	-86,095.23	-23,272.14	-23,803.58	0.00	-133,170.95
Transfer between headings	+/-	0.00	0.00	0.00	0.00	0.00
Other changes	+/-	0.00	0.00	0.00	0.00	0.00
Gross carrying amounts 31.12.2016		537,749.39	718,972.74	2,022,715.66	0.00	3,279,437.79
Accumulated amortisation and impairment 01.01.2016	-	-484,787.43	-256,061.31	-661,200.12	0.00	-1,402,048.86
Depreciation	-	-55,506.80	-55,285.44	-374,162.90	0.00	-484,955.14
Write-back of depreciation	+	0.00	0.00	0.00	0.00	0.00
Disposals	+	86,095.23	23,272.14	23,803.58	0.00	133,170.95
Impairment	-	0.00	-396.00	0.00	0.00	-396.00
Write-back of impairment	+	0.00	0.00	0.00	0.00	0.00
Transfer between headings	+/-	0.00	0.00	0.00	0.00	0.00
Other changes	+/-	0.00	0.00	0.00	0.00	0.00
Accumulated amortisation and impairment 31.12.2016		-454,199.00	-288,470.61	-1,011,559.44	0.00	-1,754,229.05
Net carrying amounts 31.12.2016		83,550.39	430,502.13	1,011,156.22	0.00	1,525,208.74

4.3.2. Current Assets

4.3.2.1. Current Receivables

Total current receivables are equal to **€ 294,796.46** (€ 1,034,183.10). An amount of € 287,557.28 concerns receivables from Member States for VAT paid on supplier invoices in 2016 for which the reimbursement from the fiscal authorities was still pending. Out of this amount a total receivable of € 131,090.23 stems from debit notes issued at the date of closure of which the fiscal authorities had settled € 90,881.14 when the final annual accounts were established. € 7,111.69 are for debit notes issued to third parties and € 127,49 for other consolidated entities, all of which had been settled in January 2017.

Current receivables	31.12.2016			31.12.2015			
	Receivables from	Gross Total €	Amounts written down (-) €	Net Value €	Gross Total €	Amounts written down (-) €	Net Value €
Customers		7,111.69	0.00	7,111.69	91.67	0.00	91.67
Member States		131,090.23	0.00	131,090.23	21,816.31	0.00	21,816.31
VAT		156,467.05	0.00	156,467.05	1,012,275.12	0.00	1,012,275.12
Consol. EU entities		127.49	0.00	127.49	0.00	0.00	0.00
Total		294,796.46	0.00	294,796.46	1,034,183.10	0.00	1,034,183.10

4.3.2.2. Sundry Receivables

Sundry receivables amount to **€ 40,075.88** (€ 16,940.03) and relate to amounts prepaid to EIOPA staff.

Sundry receivables	31.12.2016			31.12.2015			
	Receivables from	Gross Total €	Amounts written down (-) €	Net Value €	Gross Total €	Amounts written down (-) €	Net Value €
Staff		40,075.88	0.00	40,075.88	16,940.03	0.00	16,940.03
Total		40,075.88	0.00	40,075.88	16,940.03	0.00	16,940.03

4.3.2.3. Deferred Charges and Accrued Income

The amount of deferred charges is **€ 892,069.99** (€ 507,051.42) for prepaid expenses of maintenance and services contracts. The accrued income reported in the previous year was released for bank interest. A receivable associated to the rental contract of the office building was waived.

4.3.2.4. Current Pre-financing

An amount of € 4,290.00 relates to an advance payment made for catering services.

4.3.2.5. Cash and Cash Equivalents

At the date of closure EIOPA holds two current bank accounts with ING Belgium and Unicredit AG, both opened in 2015.

EIOPA's cash and equivalent positions are the funds held on the two bank accounts with a total of **€ 2,129,156.74** (€ 2,689,817.51) at year-end.

For the execution of payments EIOPA makes use of bank transfers generated by the centralised ABAC/SAP system.

4.3.3. Non-current Liabilities

4.3.3.1. Capital

EIOPA's capital is equal to **€ 7,561,978.75** (€ 8,165,381.43) at year-end. It is the result of the accumulated surplus as at 1 January 2016, € 8,165,381.43, and the negative economic result of 2016 equal to € -603,402.68.

The reserves decreased in 2016. This is mainly the result of two effects, first high budgetary carry overs from 2015 for services in 2016. The recovery of budgetary contributions for such funds was made in 2015 and increased the reserves at that time. And second, the high annual amortisation of internally generated assets after they reached the production phase in 2016 following a 4-year phase of development which generated high development costs.

4.3.3.2. Provisions for Risk and Charges (non-current)

The provision for risks and charges amounts to **€ 628,978.28** (€ 609,543.32) at year end and is related to the reinstatement obligation for the office space under the rental contract. It is due at its termination in 2026. In 2016, EIOPA gave up one of the floors rented and moved part of its staff to an open space area on another floor of the same building. The landlord waived the reinstatement obligation for the floor given up which led to a release of the corresponding provision. Instead, he determined a liability due in November 2026 for the same purpose (see below chapter 4.3.3.3). The reinstatement obligation for the new floor remains and increased the provision in addition to the annual effect of the interest adjustment of the present value.

Description	01.01.2016	Additional provisions	Unused amounts reversed	Amounts used	Transfer to current	Present value adjustments (discount)	31.12.2016
	(+)	(+)	(-)	(-)	(-)	(+/-)	
Legal cases							0.00
Other *)	609,543.32	85,725.14	-181,821.99	0.00	0.00	115,531.80	628,978.28
Total	609,543.32	85,725.14	-181,821.99	0.00	0.00	115,531.80	628,978.28

4.3.3.3. Other financial liabilities

EIOPA's rental contract sets out a liability of € 100,000.00 for the refurbishment and reinstatement of the office space at the end date of the rental contract in 2026. The amount reported at the date of closure is **€ 86,087.52** and is the present value adjusted for interest and inflation based on the German consumer price index.

4.3.3.4. Accrued Charges and Deferred Income (non-current)

Deferred income relates to a capital contribution (€ 151,145.91) rendered by the EIOPA landlord in 2014 under the scope of the EIOPA rental contract. An income contribution of € 20,000.00 rendered at the same time was withdrawn by the landlord in 2016 and the deferred income released. The terms of the rental contract also determine the free use of the office space and discounted rent payments during the initial phase of the total rental term. In the previous years, EIOPA amended the contract concluded in 2006 along its continuous growth and made use of such benefits with each amendment and addition of office space. In 2016, EIOPA gave up one floor and moved part of the staff to another floor of the building. For this floor, no rent incentives are granted which decreased the balance of the deferred income.

The deferred income is released on an annual basis and recognition of income takes place on a pro-rata temporis basis over the duration of the rental contract and for each of its amendments, for the capital contribution until November 2026.

The liability disclosed for 2016 has a long-term nature with a maturity of greater than one year and is equal to **€ 1,058,287.46** (€ 1,167,253.96).

4.3.4. Current Liabilities

4.3.4.1. Current Payables

Current payables raise to **€ 9,223.36** (€ 59,536.62) for unpaid supplier invoices received by year-end.

4.3.4.2. Sundry Payables

Sundry payables are equal to **€ 13,503.62** (€ 14,158.68) for other short-term liabilities, mainly to Member States.

4.3.4.3. Accrued Charges and Deferred Income (current)

The total for accrued charges and deferred income is **€ 870,049.84** (€ 1,503,031.80), excluding accrued charges with consolidated entities (see chapter 4.3.4.4). Accrued charges are equal to **€ 666,614.81** (€ 1,260,140.74) and deferred income to **€ 203,435.03** (€ 242,891.06).

Accrued charges are mainly foreseen for services rendered and goods delivered to EIOPA by year-end and for which invoices and reimbursement claims (experts and EIOPA Stakeholders) were not yet received in 2016 or when received they remained unpaid (€ 424,597.64). An amount of € 242,017.17 is considered for untaken leave and overtime liabilities.

Deferred income is associated to the capital contribution (€ 151,145.91), the cancellation of the income contribution (€ 20,000.00) rendered by the EIOPA landlord in 2014 as well as for the free use of office space under the scope of the EIOPA rental contract. The terms are further explained in chapter 4.3.3.4.

The liability disclosed (€ 203,435.03) is the one reduced by the annual effect of income recognition for 2016 and has a maturity of less than one year at the date of closure.

4.3.4.4. Accrued charges with consolidated EU entities

The amount of accrued charges with consolidated EU entities is **€ 2,595.16** (€ 217.62).

4.3.4.5. Accounts Payable with consolidated EU Entities

This position, **€ 268,134.68** (€ 526,218.16), is for the 2016 budgetary surplus which is paid to the Commission in 2017.

4.4. EIOPA Statement of Financial Performance

4.4.1. Revenue

4.4.1.1. Union Contribution (non-exchange revenue)

Revenue generated stemming from the community subsidy is equal to **€ 8,193,254.32** (€ 7,679,987.84).

4.4.1.2. Other Operating Revenue

The revenue generated by operating activities in 2016 is **€ 13,507,854.58** (€ 12,022,603.28) with the following break-down:

Revenue from non-exchange transactions:

- Revenue from Member State contributions: **€ 12,933,682.70**
- Revenue from EFTA countries: **€ 367,428.37**

Revenue from exchange transactions:

- Fixed assets related income: **€ 12,036.10**
- Income from other exchange operations: **€ 184,904.79**

The revenue was mainly generated by the release of the reinstatement obligation associated to EIOPA's rental contract.

- Exchange rate gains: **€ 9,802.62**

In accordance with the weighting votes set out in article 3(3) of the Protocol (No. 36) on transnational transitions (recital No. 68 EIOPA Regulation) EIOPA is financed by Union funds (40%) and contributions by Member States (60%). In addition, EIOPA receives contributions from the EFTA countries.

The Community subsidy constitutes for the budget of EIOPA a balancing subsidy which counts as pre-financing. If the balance of the budget result is positive it shall be repaid to the Commission up to the amount of the Community subsidy paid during the year. Based on an agreement reached with the Commission in 2012, EIOPA recovers in year N+2 the surplus reimbursed to the Commission in year N. It then becomes part of the voted budget. In 2016, EIOPA recovered the budgetary surplus 2014 from the Commission as part of its annual budget. The share of the surplus corresponding to the contributions received from Member States and the EFTA countries was deducted from their original budgetary contributions and reduced their payment obligations. The redistribution key followed the payments made in 2014. This process is applied until a formal legal basis is established

The revenue related to the Community subsidy consists of € 339,389.00 for the reimbursement of the 2014 budgetary surplus and € 7,853,865.32 stemming from fresh credits 2016, as such respecting the funding key.

4.4.2. Operating Expenses

4.4.2.1. Administrative Expenses

Administrative expenses consist of:

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- Staff expenses equal to **€ 11,692,984.25** (€ 9,496,850.17) for salaries, employers contributions to the social security and allowances to staff.
- Fixed assets related expenses equal to **€ 1,896,342.86** (€ 724,109.46) for regular depreciation of intangible and tangible fixed assets as well as for fixed assets related operational lease expenditure. The amount for impairments of furniture is € 396.00. Disposals made for fully amortised hardware, furniture and fixtures and fittings did not result in impairments.
- Other administrative expenses equal to **€ 4,756,328.55** (€ 4,402,919.97) including € 2,175,059.55 (€ 2,113,749.77) for building related expenditure (office lease and other maintenance costs). This position also contains "other expense" in an amount of € 2,091,032.28 (€ 1,993,620.85) including expenditure for office supplies and maintenance, publicity and legal advice, contributions to insurances, recruitment, training, staff missions, expert reimbursements, IT maintenance and for other external services provider. An amount of € 18,669.68 (€ 25,356.86) relates to exchange rate losses and € 471,567.04 are allocated to expenditure with consolidated entities under service level agreements with the Commission (translations, IT system maintenance).

4.4.2.2. Operational Expenses

The total amount is **€ 3,839,896.78** (€ 4,149,175.36) for EIOPA's operational activities. It comprises € 97,797.70 for expenditure with consolidated entities under service level agreements with the Commission bodies. A significant part of the expenditure flows in the IT projects under the IT Strategy Implementation Plan. In addition, it includes expenditure for the development of the Common Supervisory Culture with focus on training for national supervisors, staff exchanges and secondments but also for meetings (missions and catering), translations, legal advice and publications of an operational nature.

4.4.3. Non-operating Activities

Non-operating activities relate to financial revenues equal to **€ 71.35** for bank interest received. Expenses for non-operating activities relate to other financial expenses at **€ 119,030.49** (€ 41,891.94) mainly being the effect of interest adjustments concerning EIOPA's reinstatement obligation under the rental contract and also include an amount of € 2,875.81 for impairment losses.

4.4.4. Economic Result of the Year

The economic result of the year is negative and equal to **€ -603,402.68** (€ 887,644.22).

This result is determined by the European Community accounting rules consisting of

- on one hand, in a calculation based on a cash principle and on the budgetary outturn for the determination of the revenue from the Communities (Commission subsidy), the Member States and the EFTA countries to inscribe in the Statement of Financial Performance,
- and on the other hand, the calculation of the expenditure in the Statement of Financial Performance on a full accrual-based accounting principle.

As explained in chapter 4.3.3.1 the negative result mainly stems from high budgetary carry overs of 2015 and the corresponding 2016 expenditure. The other effect is the high depreciation of internally generated intangible assets which reached the production stage in 2016.

4.5. Notes to the EIOPA Cash flow Table

The cash flow provides a basis to assess the ability of the Agency to generate cash and cash equivalents, and the needs of the entity to utilise those cash flows.

EIOPA uses the indirect method to prepare its cash flow table.

The cash flows are classified by operating, investing and financing activities.

The operating cash flow represents the economic outturn of the financial year adjusted for the effects of transactions with non-cash nature (e.g. deferrals, accruals, depreciation). EIOPA's operating cash flow is **€ 680,029.24** (€ 1,551,168.90) which is the result of the 2016 cash inflow from open 2015 accounts receivable, the release of deferred charges from pre-paid expenditure in 2015, the payment of open 2015 liabilities and the non-cash effects of the annual depreciation and changes in provisions, financial liabilities and deferred income.

EIOPA utilised **€ 1,240,690.01** (€ 4,184,051.54) for investments in tangible and intangible assets (cash flow from investing activities) with a net decrease in cash and cash equivalents of **€ 560,660.77** (€ 2,632,882.64 decrease).

4.6. Notes to the Statement of Changes in Capital

Accumulated surplus at 1 January 2016	7,277,737.21
Economic result 2015	887,644.22
Capital at 1 January 2016	8,165,381.43
Economic Result of the Year 2016	-603,402.68
Capital at 31 December 2016	7,561,978.75

4.7. Contingent Liabilities and Other Disclosures

A contingent liability is disclosed in the notes to the financial statements when EIOPA has a possible obligation resulting of a past event and it is possible that an outflow of resources embodying economic benefits or service potential will be required to settle the required obligation. This should be in the near future.

The contingent for liability of EIOPA amounts to **€ 27,571,130.59** (€ 31,844,435.68) for contractual obligations related to operational leases. It includes an amount of **€ 1,908,249.42** (€ 2,263,367,16) representing the outstanding budget commitments carried over to 2017 after deducting all eligible expenses that have been already booked in the statement of financial performance (accrued expenses). Other obligations relate to the operating lease of IT equipment **€ 4,373,259.48** (€ 5,990,614.40).

It also includes an amount of **€ 21,289,621.69** (€ 23,590,454.12) which corresponds to potential future obligations borne by the current EIOPA rental contract for its premises. It has been calculated under the assumption of no price indexation and no interruption of the current leases for the entire office space until the provisional end date of the rental contract in November 2026.

The table below outlines EIOPA's contingent obligations at the date of closure.

	Budget commitments €	IT equipment €	Rental obligations €
Less than 1 year	1,908,249.42	1,502,544.64	2,133,900.68
Between 1 and 5 years	0.00	2,870,714.84	10,741,525.80
Above 5 years	0.00	0.00	8,414,195.21
Total	1,908,249.42	4,373,259.48	21,289,621.69

4.8. Financial Instruments

Financial instruments comprise cash, current receivables and recoverables, current payables, amounts due to and from consolidated entities. Financial instruments give rise to liquidity, credit, interest rate and foreign currency risks, information about which and how they are managed is set out below. Prepayments, accrued income, accruals and deferred income are not included.

The carrying amounts of financial instruments are as follows:

Financial Assets

	2016 €	2015 €
Current receivables	294,796.46	1,034,183.10
Sundry and other receivables	40,075.88	16,940.03
Cash and deposits	2,129,156.74	2,689,817.51
Total	2,464,029.08	3,740,940.64

Financial Liabilities

	2016 €	2015 €
Current payables	9,223.36	59,536.62
Other payables	99,591.14	14,158.68
Accounts payable with EU entities	268,134.68	526,218.16
Total	376,949.18	599,913.46

4.8.1. Liquidity Risk

Liquidity risk is the risk that arises from selling an asset; for example, the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or meet an obligation. Liquidity risk arises from the ongoing financial obligations, including settlement of payables.

Details of contractual maturities for assets and liabilities form an important source of information for the management of liquidity risk.

Bank accounts opened in the name of the EU body may not be overdrawn. Treasury and payment operations are highly automated and rely on modern information systems. Specific procedures are applied to guarantee system security and to ensure segregation of duties in line with the Financial Regulation, the internal control standards, and audit principles. EU budget principles ensure that overall cash resources for a given year are always sufficient for the execution of all payments.

EIOPA's liabilities have remaining contractual maturities as summarised below:

31 December 2016	< 1 year	1 – 5 years	> 5 years	Total
Payables with third parties	22,726.98	0.00	86,087.52	108,814.50
Payables with consolidated entities	268,134.68	0.00	0.00	268,134.68
Total liabilities	290,861.66	0.00	86,087.52	376,949.18

4.8.2. Credit Risk

Credit risk is the risk of loss due to a debtor's/borrower's non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

Treasury resources are kept with commercial banks. EIOPA recovers contributions from national supervisory authorities and the Commission up to 3 times per year to ensure appropriate cash management and to maintain a minimum cash balance on its bank account. This is with a view to limit its risk exposure. Requests to the Commission are accompanied by cash forecasts. The overall treasury balances fluctuated between approximately € 2.7 Mio and € 10 Mio taking into account payment time limits for the recovery of contributions and the total of € 22.5 Mio of payments executed in 2016.

In addition, specific guidelines are applied for the selection of commercial banks in order to further minimise counterparty risk to which EIOPA is exposed:

All commercial banks are selected by call for tenders. The minimum short term credit rating required for admission to the tendering procedures is Moody's P-1 or equivalent (S&P A-1 or Fitch F1). A lower level may be accepted in specific and duly justified circumstances.

The table below shows the maximum exposure to credit risk by EIOPA. All receivables are not past due nor impaired at the reporting date.

	2016	2015
<i>Current and customer receivables (A)</i>	<i>138,201.92</i>	<i>21,907.98</i>
VAT	156,467.05	1,012,275.12
Recovery of expenses	0.00	0.00
Consolidated EU entities	127.49	0.00
Total Financial assets	294,796.46	1,034,183.10
<i>Impairment (B)</i>	<i>0.00</i>	<i>0.00</i>
<i>Guarantees (C)</i>	<i>0.00</i>	<i>0.00</i>
Total credit risk (A+B+C)	138,201.92	21,907.98

4.8.3. Market Risk

Market Risk can be split into interest rate risk and currency risk.

EIOPA is mainly concerned by the interest rate risk. Interest rate risk arises from cash. It is recognised that interest rates fluctuate and the EU body accepts the risk and does not consider it to be material. EIOPA's treasury does not borrow any money; as a consequence it is not exposed to interest rate risk. It does, however, earn interest on balances it holds on its banks accounts

Overnight balances held on commercial bank accounts earn interest on a daily basis. This is based on variable market rates to which a contractual margin (positive or

negative) is applied. For most of the accounts, the interest calculation is linked to the EONIA (Euro over night index average) or EURIBOR (Euro InterBank Offer Rate) and is adjusted to reflect any fluctuations of this rate. In case the resulting interest rate to be applied is less than 0, then a fixed rate is applied for a certain period of time. As a result no risk exists that EIOPA earns interest at rates lower than market rates.

The interest rate sensitivity analysis undertaken shows that, if interest rates had been 1% lower/higher and all other variables remained constant, the surplus for 2016 would decrease/increase by an amount of € 21,292.

4.9. Related Party Disclosure

Key management personnel hold positions of responsibility within the Agency. They are responsible for the strategic direction and operational management of the entity and are entrusted with significant authority to execute their mandate.

Highest grade description	Grade	Number of persons of this grade
Chairperson	AD 16	1
Executive Director	AD 14	1

The transactions of the Agency with the key management personnel for its activity period as autonomous entity during the financial year 2016 consists only of the payment of the salary and allowances to the Chairperson in grade AD 16 and the Executive Director in grade AD 14 as determined by the Staff Regulations of the Officials of the European Communities. No single related party risk was revealed in 2016.

4.10. Events after the Balance Sheet Date

All events after balance sheet date with any material impact are recorded in the annual accounts.

BUDGET IMPLEMENTATION REPORTS

1. Introduction

EIOPA presents the budget accounts accordance with articles 92 (b) and 97 EIOPA of the Financial Regulation.

1.1. Budgetary Principles

The budget of EIOPA is established and implemented according to budgetary principles as provided for in the EIOPA Financial Regulation (article 5)².

Principle of unity and budget accuracy

The budget is the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the Agency's activities. No revenue shall be collected and no expenditure effected unless booked to a line in the budget. An appropriation must not be entered in the budget if it is not for an item of expenditure considered necessary. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget.

Principle of annuality

The appropriations entered in the budget shall be authorised for one financial year which shall run from 1 January to 31 December, inclusive. Commitments shall be entered in the accounts on the basis of the legal commitments entered into up to 31 December. Payments shall be entered in the accounts for a financial year on the basis of the payments effected by the accounting officer by 31 December of that year at the latest.

Principle of equilibrium

The Agency's budget revenue and payment appropriations must be in balance. Commitment appropriations may not exceed the amount of the voted budget, plus own revenue and any other revenue. The Agency may not raise loans.

Principle of unit of account

The budget shall be drawn up and implemented in Euro and the accounts shall be presented in Euro.

Principle of universality

Total revenue shall cover all expenditure. All revenue and expenditure shall be entered in full without any adjustment against each other.

Principle of specification

The appropriations in their entirety shall be earmarked for specific purposes by title and chapter; the chapters shall be further subdivided into articles and items. The Executive Director may authorise transfers from one article to another within each chapter.

² Please refer to the EIOPA Financial Regulation
https://eiopa.europa.eu/Publications/Administrative/EIOPA_FIR_2014-final.pdf

Principle of sound financial management

Budget appropriations shall be used in accordance with the principle of sound financial management, that is to say, in accordance with the principles of economy, efficiency and effectiveness. The principle of economy requires that the resources used by the Agency for the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price. The principle of efficiency is concerned with the best relationship between resources employed and results achieved. The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

Principle of transparency

The budget shall be drawn up and implemented and the accounts presented in compliance with the principle of transparency. The budget, as finally adopted, shall be published in the Official Journal of the European Communities and amending budgets shall be published in an appropriate way within two months of their adoption.

1.2. Main events of the financial year

On 1 April 2016 EIOPA's new Executive Director assumed responsibilities for a five-year period.

With the twin aims of moving EIOPA towards its ambition to be a credible supervisory authority and to enhance efficiencies by capitalise on synergies across its different departments, a restructure exercise was launched in 2016. This was a timely exercise following the application of Solvency II in January 2016 and the evolution of EIOPA's role from the production of regulation to the support and monitoring of its consistent application.

EIOPA has been one of the first EU agencies to launch a project delivering an e-procurement solution. The new financial regulation places emphasis on developing e-solutions in the area of procurement and EIOPA quickly took advantage of an available DG Digit framework to implement one. The solution provides a more efficient and transparent procurement process benefiting both EIOPA and its potential suppliers. It will be easier and more efficient to launch and run procurements and ensure information is collected and managed appropriately throughout.

2016 also marked the first phase of the move to open office. A quarter of EIOPA's staff is now working in an open office environment. This was needed to accommodate the increase of staff within the existing premises and allowed for a more efficient usage of office space as well as a reduction of building related costs.

EIOPA uses the ABAC system for the budget accounting, SAP for the accrual accounting, and ABAC Assets for the asset accounting which are all accounting systems implemented by the Commission.

Since 2015 EIOPA's annual accounts are audited by an external audit firm. The audit of the 2015 annual accounts took place in the second week of March 2016 with no major findings.

2. EIOPA Budget Structure and Budget Accounts

Every year, EIOPA estimates its revenue and expenditure for the year and draws up a draft budget which it sends to the Commission. The Commission sends it to the budgetary authority. On the basis of this draft budget, the Council sets out its position, which is then the subject of negotiations between the two arms of the

budgetary authority. The President of the European Parliament declares that the joint draft has been finally adopted, thus making the budget enforceable.

The budget inscribed in the EIOPA budget accounts at the beginning of each year is based on the European Union contribution adopted by the budgetary authority. The Board of Supervisors adopts the full budget which comprises contributions from the Commission (40%), the National Supervisory Authorities of the Member States and the EFTA countries (60%) in accordance with the weighting votes set out in article 3(3) of the Protocol (No. 36) on transnational transitions (recital Nr 68 EIOPA Regulation). Since 2016, the Member States and EFTA countries finance 60% of the employer contribution to the EU pension scheme according to article 83a of the Staff Regulations. Other income consists of internal assigned revenue, mainly from refunds or in a few cases from amounts wrongly paid.

During the year in question, amending budgets can be adopted. The task of executing the budget is the responsibility of EIOPA.

The structure of EIOPA's budget accounts is determined by administrative and operational budget titles. Titles I and II are reserved for the administrative lines whereas Title III contains the operational lines. Details are explained below.

Title I: Staff and staff related expenditure concerns basic salaries for Temporary Agents and contractual staff, family allowances, expenditure for seconded national experts and local staff, employer social security contributions, recruitment expenses, staff missions, staff training, expenses for the socio-medical infrastructure and representation costs.

Title II: Administrative expenditure covers rental and property expenses, IT and telecommunication costs, expenses for legal advice, office supplies, postage, publication expenditure and costs relating to the organisation of EIOPA's working group and board meetings.

Title III: Operational expenditure corresponds to the tasks and powers assigned to the Agency according to Regulation (EU) No 1094/2010 of the European Parliament and the Council of 24 November 2010, especially for the financing of the IT projects under the IT Strategy Implementation Plan but also for the development of a Common Supervisory Culture with focus on training for national supervisors, staff exchanges and secondments. Also operational meetings (missions and catering) as well as non-administrative translations, legal advice and publications fall under this heading.

The budget distinguishes between two types of appropriations: Differentiated and non-differentiated appropriations. Non-differentiated appropriations are used to finance operations of an annual nature (which comply with the principle of annuality). Differentiated appropriations are used in order to reconcile the principle of annuality with the need to manage multi-annual operations. Differentiated appropriations are split into commitment and payment appropriations:

- **Commitment appropriations:** cover the total cost of the legal obligations entered into for the current financial year for operations extending over a number of years. However, budgetary commitments for actions extending over more than one financial year may be broken down over several years into annual instalments where the basic act so provides.
- **Payment appropriations:** cover expenditure arising from commitments entered into in the current financial year and/or earlier financial years.

EIOPA only makes use of non-differentiated appropriations. Therefore, commitment and payment appropriations inscribed in the budget accounts are equal.

EIOPA's total available budget appropriations of the year derive from different sources of origin:

- **Budget appropriations** from the initial adopted budget and amending budgets which form the main part of the available budget appropriations;
- **Appropriations carried over** from previous years;
- **Internal assigned revenue** which is made up of refunds and appropriations made available again as a result of repayment of payments on account. Carry over is possible for one year only.

Composition of the total available budget:

Initial adopted budget = appropriations voted in year N-1;
+ Amending budgets adopted;
= Final adopted budget
+ Additional appropriations:

- assigned revenue
- appropriations carried over from the previous financial year

= Total available budget

3. EIOPA Budget Result

		2016	2015	
REVENUE				
Balancing Commission subsidy	+	8,122,000.00	7,979,151.00	
Member States contributions	+	12,955,499.01	11,972,940.43	
Contributions from EFTA countries	+	367,428.37	330,462.39	
Surplus 2014	+	339,389.00	227,055.00	
Other income	+	17,460.26	60,719.53	
TOTAL REVENUE (a)		21,801,776.64	20,570,328.35	
EXPENDITURE				
<i>Title I: Staff</i>				
Payments	-	13,407,162.91	11,613,485.55	
Appropriations carried over	-	344,815.82	498,695.50	
<i>Title II: Administrative Expenses</i>				
Payments	-	3,025,767.16	2,529,749.35	
Appropriations carried over	-	722,618.93	472,085.38	
<i>Title III: Operational Expenditure</i>				
Payments	-	2,942,544.18	2,792,061.43	
Appropriations carried over	-	1,278,128.13	2,323,369.82	
TOTAL EXPENDITURE (b)		21,721,037.13	20,229,447.03	
OUTTURN FOR THE FINANCIAL YEAR (a-b)		80,739.51	340,881.32	
Cancellation of unused payment appropriations carried over from previous year		+	178,788.47	181,142.60
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue		+	17,473.76	9,722.10
Exchange differences for the year (gain +/-loss -)		+/-	-8,867.06	-5,527.86
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR			268,134.68	526,218.16
Balance year N-1		+/-	526,218.16	339,389.25
Positive balance from year N-1 reimbursed in year N to the Commission		-	-526,218.16	-339,389.25
Result used for determining amounts in general accounting			268,134.68	526,218.16
Commission subsidy - agency registers accrued revenue and Commission accrued expense			8,193,254.32	7,679,987.84
Pre-financing remaining open to be reimbursed by agency to Commission in year N+1			268,134.68	526,218.16

4. EIOPA Reconciliation of the Accrual based with the Budget Result

	2016 amount	2015 amount
Economic result (- for loss)	-603.402,68	887,644.22
Adjustment for accrual items (items not in the budgetary result but included in the economic result)		
Adjustments for Accrual Cut-off (reversal 31.12.N-1)	-731,673.93	-1,678,012.57
Adjustments for Accrual Cut-off (cut- off 31.12.N)		
Accrued charges	669,209.97	1,260,358.36
Deferred charges	-892,069.99	-337,112.29
Deferred income (increase +/decrease -)	-148,422.53	249,665,15
Unpaid invoices at year end but booked in charges (class 6)	1,371.21	0.00
Depreciation of intangible and tangible assets	1,877,956.93	704,784.23
Changes to provisions	19,434.95	447,662.78
Changes in other long-term liabilities	86,087.52	0.00
Recovery Orders issued in 2016 in class 7 and not yet cashed	-7,435.54	-21,907.98
Pre-financing given in previous year and cleared in the year	0.00	0.00
Pre-financing received in previous year and cleared in the year	0.00	0.00
Payments made from carry over of payment appropriations	3,115,362.23	5,422,695.33
Other	-6,471.05	-4,651.68
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)		
Asset acquisitions (less unpaid amounts)	-1,240,690.01	-4,184,332.14
New pre-financing paid in the year 2016 and remaining open as at 31.12.2016	-11,864.41	0.00
New pre-financing received in the year 2016 and remaining open as at 31.12.2016	268,134.68	526,218.16
Budgetary recovery orders issued before 2016 and cashed in the year	21,907.98	356,492.59
Budgetary recovery orders issued in 2016 on balance sheet accounts (not 7 or 6 accounts) and cashed	0.00	0.00
Capital payments on financial leasing (they are budgetary payments but not in the economic result)	0.00	0.00
Payment appropriations carried over to 2017	-2,345,562.88	-3,294,150.70
Cancellation of unused carried over payment appropriations from previous year	178,788.47	181,142.60
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	17,473.76	9,722.10
Other	0.00	0.00
Budgetary result (+ for surplus)	268,134.68	526,218.16

5. EIOPA BUDGET IMPLEMENTATION

5.1. EIOPA Revenue of the Year

Budget Line	Type of revenue	Revenue Budget	Entitlements established	Revenue received	Out-standing at year-end
1000	Contributions Members States	12,933,682.64	12,955,499.01	12,955,499.01	0.00
4000	Contributions EFTA countries	367,428.36	367,428.37	367,428.37	0.00
2000	Commission subsidy	8,122,000.00	8,122,000.00	8,122,000.00	0.00
2000	Surplus 2014	339,389.00	339,389.00	339,389.00	0.00
9000	Other income		24,895.80	17,460.26	7,435.54
Total Revenue		21,762,500.00	21,809,212.18	21,801,776.64	7,435.54

5.2. EIOPA Expenditure of the Year

5.2.1. Summary of Budget Implementation

Below overview illustrates the evolution of EIOPA's available budget appropriations in 2016 by budget title.

Budget title	Initial adopted budget	Transfers	Adopted budget after transfer	Assigned revenue	Carry overs 2015	Available appropriations
Title I – Staff expenditure	14,258,975.00	-472,036.39	13,786,938.61	1,418.71	498,695.50	14,287,052.82
Title II - Infrastructure and Administrative Expenditure	3,627,300.00	115,155.14	3,742,455.14	4,302.43	472,085.38	4,218,842.95
Title III – Operational Expenditure	3,876,225.00	356,881.25	4,233,106.25	10,054.53	2,323,369.82	6,566,530.60
Total	21,762,500.00	0.00	21,762,500.00	15,775.67	3,294,150.70	25,072,426.37

The table below summarises the implementation of the 2016 budget adopted by the EIOPA Board of Supervisors (**fund source C1**) by budget title. For more details please see chapter 5.2.3.

Budget Title	Commitment/ Payment appropriations (1)	Commitments executed (2)	% Committed (2/1)	Unused (1-2)	Payments executed (3)	% Paid (3/1)	Outstanding (4=2-3)	% Outstan- ding (4/1)
Title I – Staff expenditure	13,786,938.61	13,750,028.71	99.73%	36,909.90	13,405,887.89	97.24%	344,140.82	2.50%
Title II - Infrastructure and Administrative Expenditure	3,742,455.14	3,739,641.79	99.92%	2,813.35	3,021,325.29	80.73%	718,316.50	19.19%
Title III – Operational Expenditure	4,233,106.25	4,203,639.69	99.30%	29,466.56	2,934,637.12	69.33%	1,269,002.57	29.98%
Total	21,762,500.00	21,693,310.19	99.68%	69,189.81	19,361,850.30	88.97%	2,331,459.89	10.71%

Below table summarises the figures of the budget implementation for internal assigned revenue (**fund source C4**) and the outstanding amount at the end of the year by budget title. See also chapter 5.2.4.

Budget Title	Commitment/ Payment appropriations (1)	Commitments executed (2)	% Committed (2/1)	Unused (1-2)	Payments executed (3)	% Paid (3/1)	Outstanding (4=2-3)	% Outstan- ding (4/1)
Title I – Staff expenditure	1,418.71	743.71	52.42%	675.00	743.71	52.42%	0.00	0.00%
Title II - Infrastructure and Administrative Expenditure	4,302.43	3,599.75	83.67%	702.68	0.00	0.00%	3,599.75	83.67%
Title III – Operational Expenditure	10,054.53	928.97	9.24%	9,125.56	928.97	9.24%	0.00	0.00%
Total	15,775.67	5,272.43	33.42%	10,503.24	1,672.68	10.60%	3,599.75	22.82%

The table below illustrates the evolution of outstanding commitments from the previous year for appropriations carried over (**fund source C5**) from 2015 by budget title. See also chapter 5.2.4.

Budget Title	Commitment/ Payment appropriations (1)	Commitments executed (2)	% Committed (2/1)	Unused (1-2)	Payments executed (3)	% Paid (3/1)	Outstand ing (4=2-3)
Title I – Staff expenditure	531.31	531.31	100.00%	0.00	531.31	100.00%	0.00
Title II - Infrastructure and Administrative Expenditure	3,512.90	3,512.90	100.00%	0.00	3,512.90	100.00%	0.00
Title III – Operational Expenditure	7,907.06	7,907.06	100.00%	0.00	7,907.06	100.00%	0.00
Total	11,951.27	11,951.27	100.00%	0.00	11,951.27	100.00%	0.00

The consumption of commitments carried forward from 2015 to 2016 (**fund source C8**) is illustrated below by budget title. Please refer to chapter 5.2.5 for more details.

Budget Title	Commitment/ Payment appropriations (1)	Commitments executed (2)	% Committed (2/1)	Unused (1-2)	Payments executed (3)	% Paid (3/1)	Out- standing (4=2-3)
Title I – Staff expenditure	498,164.19	409,424.80	82.19%	88,739.39	409,424.80	82.19%	0.00
Title II - Infrastructure and Administrative Expenditure	468,572.48	436,874.85	93.24%	31,697.63	436,874.85	93.24%	0.00
Title III – Operational Expenditure	2,315,462.76	2,257,111.31	97.48%	58,351.45	2,257,111.31	97.48%	0.00
Total	3,282,199.43	3,103,410.96	94.55%	178,788.47	3,103,410.96	94.55%	0.00

Below table shows the distribution of the outstanding amounts (*RAL*) in 2016 by fund source and title.

Budget Title	Carry forward			Carry over	Total RAL
	C1 => C8	C4 => C8	C5 => C8	C4 => C5	
Title I - Staff expenditure	344,140.82	0.00	0.00	675.00	344,815.82
Title II - Infrastructure and Administrative Expenditure	718,316.50	3,599.75	0.00	702.68	722,618.93
Title III - Operational Expenditure	1,269,002.57	0.00	0.00	9,125.56	1,278,128.13
Total	2,331,459.89	3,599.75	0.00	10,503.24	2,345,562.88

5.2.2. Evolution of Commitment and Payment Appropriations by Budget Line

Title I: Staff Expenditure

Budget Line	Description	Initial voted budget	Transfers	Final voted budget	Carry overs 2015	Assigned revenue	Available budget
Title I: Staff Expenditure							
A-1100	Basic salaries	7,146,775.00	-188,255.51	6,958,519.49	0.00	652.04	6,959,171.53
A-1101	Family allowances	646,200.00	43,978.00	690,178.00	0.00	0.00	690,178.00
A-1102	Expatriation and foreign residence allowances	1,007,500.00	17,238.29	1,024,738.29	0.00	0.00	1,024,738.29
A-1110	Seconded national experts	1,177,400.00	-349,254.38	828,145.62	0.00	0.00	828,145.62
A-1111	Contract agents	1,415,200.00	164,765.69	1,579,965.69	0.00	0.00	1,579,965.69
A-1112	Trainees	12,000.00	-7,000.00	5,000.00	0.00	0.00	5,000.00
A-1130	Insurance against sickness	248,000.00	1,930.09	249,930.09	0.00	0.00	249,930.09
A-1131	Insurance against accidents and occupational disease	36,800.00	204.23	37,004.23	0.00	0.00	37,004.23
A-1132	Insurance against unemployment	97,000.00	633.63	97,633.63	0.00	0.00	97,633.63
A-1133	Employers contribution to EU pension scheme	1,120,000.00	-105,418.66	1,014,581.34	0.00	0.00	1,014,581.34
A-1140	Birth and death allowances	1,000.00	-195.76	804.24	0.00	0.00	804.24
A-1141	Annual travel expenses	110,000.00	9,265.36	119,265.36	0.00	0.00	119,265.36
A-1170	Interim services	260,000.00	-71,356.00	188,644.00	125,638.00	0.00	314,282.00
A-1171	External services	100,000.00	15,505.00	115,505.00	182,340.20	0.00	297,845.20
A-1180	Sundry recruitment expenses	60,000.00	124,750.00	184,750.00	42,827.93	0.00	227,577.93

Budget Line	Description	Initial voted budget	Transfers	Final voted budget	Carry overs 2015	Assigned revenue	Available budget
Title I: Staff Expenditure							
A-1181	Travelling expenses for taking up duties	10,000.00	-942.60	9,057.40	0.00	0.00	9,057.40
A-1182	Installation allowance	90,000.00	28,204.80	118,204.80	0.00	0.00	118,204.80
A-1183	Moving expenses	22,000.00	9,000.00	31,000.00	0.00	0.00	31,000.00
A-1184	Temporary daily allowance	79,000.00	-7,790.28	71,209.72	0.00	0.00	71,209.72
A-1300	Administrative mission expenses	95,000.00	34,000.00	129,000.00	11,254.70	91.67	140,346.37
A-1400	Schools and kindergartens	110,100.00	-1,009.00	109,091.00	38,456.00	0.00	147,547.00
A-1401	Other socio-medical expenditure	110,000.00	-65,800.00	44,200.00	10,975.64	0.00	55,175.64
A-1600	Training	295,000.00	-123,325.07	171,674.93	87,078.03	675.00	259,427.96
A-1700	Representation expenses, receptions and events	10,000.00	-1,164.22	8,835.78	125.00	0.00	8,960.78
TOTAL TITLE I		14,258,975.00	-472,036.39	13,786,938.61	498,695.50	1,418.71	14,287,052.82

Title II: Infrastructure and Administrative Expenditure

Budget Line	Description	Initial voted budget	Transfers	Final voted budget	Total carry overs 2015	Assigned revenue	Available appropriations
Title II: Infrastructure and Administrative Expenditure							
A-2000	Rental of building	1,563,300.00	32,470.00	1,595,770.00	0.00	0.00	1,595,770.00
A-2010	Insurance	10,000.00	-2,500.00	7,500.00	5,473.39	0.00	12,973.39
A-2020	Utilities	530,000.00	-19,160.91	510,839.09	0.00	0.00	510,839.09
A-2030	Electricity	70,000.00	0.00	70,000.00	3,621.26	3,732.43	77,353.69
A-2040	Maintenance and cleaning	95,000.00	-5,627.10	89,372.90	13,256.22	0.00	102,629.12
A-2050	Fitting out premises and refurbishment works	150,000.00	-133,074.78	16,925.22	0.00	0.00	16,925.22
A-2090	Other expenditure on buildings	5,000.00	-5,000.00	0.00	0.00	0.00	0.00
A-2100	Purchase of hardware	55,000.00	157,126.85	212,126.85	40,589.35	0.00	252,716.20
A-2101	Purchase of software	20,000.00	184,364.55	204,364.55	0.00	0.00	204,364.55
A-2102	Cabling and building	20,000.00	12,237.20	32,237.20	0.00	0.00	32,237.20
A-2104	Hardware and software maintenance	215,000.00	99,190.35	314,190.35	19,659.29	0.00	333,849.64
A-2200	Technical equipment and installations	0.00	0.00	0.00	1,500.00	570.00	2,070.00
A-2201	Purchase new furniture	150,000.00	-128,338.00	21,662.00	226,750.68	0.00	248,412.68
A-2300	Stationery and office supplies	40,000.00	17,056.85	57,056.85	1,331.31	0.00	58,388.16
A-2301	Leasing movable property	32,000.00	-3,639.47	28,360.53	11,266.49	0.00	39,627.02
A-2302	Documentation and library expenditure	1,000.00	-1,000.00	0.00	0.00	0.00	0.00

Budget Line	Description	Initial voted budget	Transfers	Final voted budget	Total carry overs 2015	Assigned revenue	Available appropriations
Title II: Infrastructure and Administrative Expenditure							
A-2310	Bank charges	1,000.00	-800.00	200.00	198.76	0.00	398.76
A-2320	Legal advice	70,000.00	-44,165.00	25,835.00	6,862.50	0.00	32,697.50
A-2330	Miscellaneous insurance	21,000.00	500.00	21,500.00	1,853.89	0.00	23,353.89
A-2331	Other administrative expenditure	4,000.00	-1,900.00	2,100.00	2,747.42	0.00	4,847.42
A-2400	Postal and delivery charges	5,000.00	0.00	5,000.00	1,324.33	0.00	6,324.33
A-2410	Telecommunication charges	150,000.00	-4,595.00	145,405.00	46,329.14	0.00	191,734.14
A-2411	Telecommunication equipment and installations	15,000.00	90,074.38	105,074.38	962.32	0.00	106,036.70
A-2500	Information and publication costs	50,000.00	43,775.32	93,775.32	26,167.68	0.00	119,943.00
A-2501	Translation costs, including the CdT	65,000.00	-25,625.65	39,374.35	27,962.00	0.00	67,336.35
A-2600	General meeting expenses	50,000.00	-26,165.68	23,834.32	16,237.57	0.00	40,071.89
A-2610	Stakeholder group meetings	159,000.00	-53,837.83	105,162.17	6,726.30	0.00	111,888.47
A-2630	Board of Supervisors meetings	36,000.00	-26,251.76	9,748.24	0.00	0.00	9,748.24
A-2640	Board of Appeal meetings	45,000.00	-39,959.18	5,040.82	11,265.48	0.00	16,306.30
TOTAL TITLE II		3,627,300.00	115,155.14	3,742,455.14	472,085.38	4,302.43	4,218,842.95

Title III: Operating Expenditure

Budget Line	Description	Initial voted budget	Transfers	Final voted budget	Total carry overs 2015	Assigned revenue	Available appropriations
Title III: Operating Expenditure							
B3-100	Organisation of seminars	160,000.00	-59,601.69	100,398.31	27,722.61	0.00	128,120.92
B3-101	Third country equivalence and related international cooperation	17,000.00	35,886.69	52,886.69	739.50	0.00	53,626.19
B3-200	Operational information and Data Management	2,541,225.00	160,087.56	2,701,312.56	1,977,373.43	0.00	4,678,685.99
B3-201	Operational Software	500,000.00	88,983.30	588,983.30	104,045.49	0.00	693,028.79
B3-300	Operational missions staff	336,000.00	19,500.00	355,500.00	55,391.52	584.97	411,476.49
B3-301	Operational documentation	32,000.00	245,152.00	277,152.00	1,049.00	0.00	278,201.00
B3-302	Operational legal advice	40,000.00	-17,580.00	22,420.00	14,360.00	8,575.00	45,355.00
B3-303	Operational translations	100,000.00	-10,104.10	89,895.90	69,186.60	0.00	159,082.50
B3-304	Operational meetings	150,000.00	-105,442.51	44,557.49	73,501.67	894.56	118,953.72
TOTAL TITLE III		3,876,225.00	356,881.25	4,233,106.25	2,323,369.82	10,054.53	6,566,530.60
TOTAL BUDGET 2016		21,762,500.00	0.00	21,762,500.00	3,294,150.70	15,775.67	25,072,426.37

5.2.3. Budget Implementation by Budget Line– Voted Budget (Fund Source C1)

Title I: Staff Expenditure

Budget line	Budget Line Description	Commitment/ Payment appropriations (1)	Commitments executed (2)	% Committed (2/1)	Unused (1-2)	Payments executed (3)	% Paid (3/1)	Out-standing (4=2-3)
A-1100	Basic salaries	6,958,519.49	6,958,519.49	100.00%	0.00	6,958,519.49	100.00%	0.00
A-1101	Family allowances	690,178.00	690,177.99	100.00%	0.01	690,177.99	100.00%	0.00
A-1102	Expatriation and foreign residence allowances	1,024,738.29	1,024,738.29	100.00%	0.00	1,024,738.29	100.00%	0.00
A-1110	Seconded national experts	828,145.62	828,145.46	100.00%	0.16	828,145.46	100.00%	0.00
A-1111	Contract agents	1,579,965.69	1,579,965.69	100.00%	0.00	1,579,965.69	100.00%	0.00
A-1112	Trainees	5,000.00	5,000.00	100.00%	0.00	5,000.00	100.00%	0.00
A-1130	Insurance against sickness	249,930.09	249,930.08	100.00%	0.01	249,930.08	100.00%	0.00
A-1131	Insurance against accidents and occupational disease	37,004.23	37,004.22	100.00%	0.01	37,004.22	100.00%	0.00
A-1132	Insurance against unemployment	97,633.63	97,633.63	100.00%	0.00	97,633.63	100.00%	0.00
A-1133	Employers contribution to the EU pension scheme	1,014,581.34	1,014,581.34	100.00%	0.00	1,014,581.34	100.00%	0.00
A-1140	Birth and death allowances	804.24	793.24	98.63%	11.00	793.24	98.63%	0.00
A-1141	Travel expenses for annual leave	119,265.36	119,265.36	100.00%	0.00	119,265.36	100.00%	0.00
A-1170	Interim services	188,644.00	188,644.00	100.00%	0.00	49,524.12	26.25%	139,119.88
A-1171	External services	115,505.00	115,505.00	100.00%	0.00	86,509.84	74.90%	28,995.16
A-1180	Sundry recruitment expenses	184,750.00	152,247.10	82.41%	32,502.90	85,545.94	46.30%	66,701.16

Budget line	Budget Line Description	Commitment/ Payment appropriations (1)	Commitments executed (2)	% Committed (2/1)	Unused (1-2)	Payments executed (3)	% Paid (3/1)	Out-standing (4=2-3)
A-1181	Travelling expenses for taking up duties	9,057.40	6,222.42	68.70%	2,834.98	6,222.42	68.70%	0.00
A-1182	Installation allowance	118,204.80	118,204.80	100.00%	0.00	118,204.80	100.00%	0.00
A-1183	Moving expenses	31,000.00	30,824.55	99.43%	175.45	30,824.55	99.43%	0.00
A-1184	Temporary daily allowance	71,209.72	71,209.72	100.00%	0.00	71,209.72	100.00%	0.00
A-1300	Administrative mission expenses	129,000.00	129,000.00	100.00%	0.00	104,195.86	80.77%	24,804.14
A-1400	Schools and kindergartens	109,091.00	108,544.00	99.50%	547.00	108,544.00	99.50%	0.00
A-1401	Other socio-medical expenditure	44,200.00	44,200.00	100.00%	0.00	21,262.82	48.11%	22,937.18
A-1600	Training	171,674.93	171,674.93	100.00%	0.00	110,091.63	64.13%	61,583.30
A-1700	Representation expenses	8,835.78	7,997.40	90.51%	838.38	7,997.40	90.51%	0.00
TOTAL TITLE I		13,786,938.61	13,750,028.71	99.73%	36,909.90	13,405,887.89	97.24%	344,140.82

Title II: Infrastructure and Administrative Expenditure

Budget line	Budget Line Description	Commitment/ Payment appropriations (1)	Commitments executed (2)	% Committed (2/1)	Unused (1-2)	Payments executed (3)	% Paid (3/1)	Out-standing (4=2-3)
A-2000	Rental of building	1,595,770.00	1,595,769.80	100.00%	0.20	1,595,769.80	100.00%	0.00
A-2010	Insurance	7,500.00	7,500.00	100.00%	0.00	1,243.82	16.58%	6.256.18
A-2020	Utilities	510,839.09	510,839.09	100.00%	0.00	510,839.09	100.00%	0.00
A-2030	Electricity	70,000.00	70,000.00	100.00%	0.00	69,841.49	99.77%	158.51
A-2040	Maintenance and cleaning	89,372.90	89,372.90	100.00%	0.00	88,380.98	98.89%	991.92
A-2050	Fitting out premises and refurbishment works	16,925.22	16,925.22	100.00%	0.00	6,192.50	36.59%	10,732.72
A-2090	Other expenditure on buildings	0.00	0.00	0.00%	0.00	0.00	0.00%	0.00
A-2100	Purchase of hardware	212,126.85	212,126.85	100.00%	0.00	29,440.30	13.88%	182,686.55
A-2101	Purchase of software	204,364.55	204,362.55	100.00%	2.00	51,208.70	25.06%	153,153.85
A-2102	Cabling and building	32,237.20	30,957.97	96.03%	1,279.23	30,957.97	96.03%	0.00
A-2104	Hardware and software maintenance	314,190.35	314,190.35	100.00%	0.00	210,703.68	67.06%	103,486.67
A-2200	Technical equipment and installations	0.00	0.00	0.00%	0.00	0.00	0.00%	0.00
A-2201	Purchase new furniture	21,662.00	21,662.00	100.00%	0.00	21,662.00	100.00%	0.00
A-2300	Stationery and office supplies	57,056.85	56,206.85	98.51%	850.00	37,404.23	65.56%	18,802.62
A-2301	Leasing movable property	28,360.53	28,360.53	100.00%	0.00	8,728.61	30.78%	19,631.92
A-2302	Documentation and library expenditure	0.00	0.00	0.00%	0.00	0.00	0.00%	0.00
A-2310	Bank charges	200.00	200.00	100.00%	0.00	37.87	18.94%	162.13

Budget line	Budget Line Description	Commitment/ Payment appropriations (1)	Commitments executed (2)	% Committed (2/1)	Unused (1-2)	Payments executed (3)	% Paid (3/1)	Out-standing (4=2-3)
A-2320	Legal advice	25,835.00	25,835.00	100.00%	0.00	15,098.75	58.44%	10,736.25
A-2330	Miscellaneous insurance	21,500.00	21,020.88	97.77%	479.12	20,122.48	93.59%	898.40
A-2331	Other administrative expenditure	2,100.00	2,100.00	100.00%	0.00	75.73	3.61%	2,024.27
A-2400	Postal and delivery charges	5,000.00	5,000.00	100.00%	0.00	3,944.17	78.88%	1,055.83
A-2410	Telecommunication charges	145,405.00	145,405.00	100.00%	0.00	98,603.95	67.81%	46,801.05
A-2411	Telecommunication equipment and installations	105,074.38	105,074.38	100.00%	0.00	6,845.97	6.52%	98,228.41
A-2500	Information and publication costs	93,775.32	93,572.52	99.78%	202.80	42,790.25	45.63%	50,782.27
A-2501	Translation costs including the CdT	39,374.35	39,374.35	100.00%	0.00	39,374.35	100.00%	0.00
A-2600	General meeting expenses	23,834.32	23,834.32	100.00%	0.00	16,458.77	69.05%	7,375.55
A-2610	Stakeholder group meetings	105,162.17	105,162.17	100.00%	0.00	100,810.77	95.86%	4,351.40
A-2630	Board of Supervisors meetings	9,748.24	9,748.24	100.00%	0.00	9,748.24	100.00%	0.00
A-2640	Board of Appeal meetings	5,040.82	5,040.82	100.00%	0.00	5,040.82	100.00%	0.00
TOTAL TITLE II		3,742,455.14	3,739,641.79	99.92%	2,813.15	3,021,325.29	80.73%	718,316.50

Title III: Operating Expenditure

Budget line	Budget Line Description	Commitment/ Payment appropriations (1)	Commitments executed (2)	% Committed (2/1)	Unused (1-2)	Payments executed (3)	% Paid (3/1)	Out-standing (4=2-3)
B3-100	Organisation of seminars	100,398.31	99,348.31	98.95%	1,050.00	87,185.74	86.84%	12,162.57
B3-101	Third country equivalence and related international cooperation	52,886.69	50,836.34	96.12%	2,050.35	50,836.34	96.12%	0.00
B3-200	Operational information and Data Management	2,701,312.56	2,701,152.56	99.99%	160.00	1,728,099.86	63.97%	973,052.70
B3-201	Operational purchase and maintenance of software	588,983.30	562,777.09	95.55%	26,206.21	437,093.65	74.21%	125,683.44
B3-300	Operational missions expenses	355,500.00	355,500.00	100.00%	0.00	278,171.25	78.25%	77,328.75
B3-301	Operational documentation expenditure	277,152.00	277,152.00	100.00%	0.00	267,152.00	96.39%	10,000.00
B3-302	Operational legal advice	22,420.00	22,420.00	100.00%	0.00	14,868.00	66.32%	7,552.00
B3-303	Operational translation costs incl. CDT	89,895.90	89,895.90	100.00%	0.00	28,611.10	31.83%	61,284.80
B3-304	Operational general meetings expenses	44,557.49	44,557.49	100.00%	0.00	42,619.18	95.65%	1,938.31
TOTAL TITLE III		4,233,106.25	4,203,639.69	99.30%	29,466.56	2,934,637.12	69.33%	1,269,002.57
TOTAL BUDGET 2016		21,762,500.00	21,693,310.19	99.68%	69,189.81	19,361,850.30	88.97%	2,331,459.89

5.2.4. Budget Implementation by Budget Line – Assigned Revenue (Fund Sources C4/C5)

Title I-III: Appropriations from Internal Assigned Revenue – C4

Budget line	Budget Line Description	Commitment/ Payment appropriations (1)	Commitments executed (2)	% Committed (2/1)	Unused (1-2)	Payments executed (3)	% Paid (3/1)	Out-standing (4=2-3)
A-1100	Basic salaries	652.04	652.04	100.00%	0.00	652.04	100.00%	0.00
A-1300	Administrative mission expenses	91.67	91.67	100.00%	0.00	91.67	100.00%	0.00
A-1600	Training	675.00	0.00	0.00%	675.00	0.00	0.00	0.00
TOTAL TITLE I		1,418.71	743.71	52,42 %	675.00	743.71	52.42%	0.00

A-2030	Electricity	3,732.43	3,599.75	96,45 %	132.68	0.00	0.00%	3,599.75
A-2200	Technical equipment and installations	570.00	0.00	0.00%	570.00	0.00	0.00%	0,00
TOTAL TITLE II		4,302.43	3,599.75	83,67 %	702.68	0.00	0.00%	3,599.75

B3-300	Operational missions expenses	584.97	584.97	100.00%	0.00	584.97	100.00%	0.00
B3-302	Operational legal advice	8,575.00	0.00	0.00%	8,575.00	0.00	0.00%	0.00
B3-304	Operational general meetings expenses	894.56	344.00	38.45%	550.56	344.00	38.45%	0.00
TOTAL TITLE III		10,054.53	928.97	9.24%	9,125.56	928.97	9.24%	0.00

TOTAL ASSIGNED REVENUE 2016		15,775,67	5,272.43	33.42%	10,503.24	1,672.68	10.60%	3,599.75
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Title I-III: Appropriations from Internal Assigned Revenue – C5

Budget line	Budget Line Description	Commitment/ Payment appropriations (1)	Commitments executed (2)	% Committed (2/1)	Unused (1-2)	Payments executed (3)	% Paid (3/1)	Out-standing (4=2-3)
A-1300	Administrative mission expenses	531.31	531.31	100.00%	0.00	531.31	100.00%	0.00
A-2030	Electricity	3,512.90	3,512.90	100.00%	0.00	3,512.90	100.00%	0.00
B3-300	Operational missions expenses	7,907.06	7,907.06	100.00%	0.00	7,907.06	100.00%	0.00
TOTAL ASSIGNED REVENUE CARRIED OVER FROM 2015		11,951.27	11,951.27	100.00%	0.00	11,951.27	100.00%	0.00

5.2.5. Budget Implementation by Budget Line – Carry forward (Fund Source C8)

Title I: Staff Expenditure – C8

Budget line	Budget Line Description	Commitment/ Payment appropriations (1)	Commitments executed (2)	% Committed (2/1)	Unused (1-2)	Payments executed (3)	% Paid (3/1)	Out-standing (4=2-3)
A-1170	Interim services	125,638.00	125,638.00	100.00%	0.00	125,638.00	100.00%	0.00
A-1171	External services	182,340.20	126,377.77	69.31%	55,962.43	126,377.77	69.31%	0.00
A-1180	Sundry recruitment expenses	42,827.93	41,012.72	95.76%	1,815.21	41,012.72	95.76%	0.00
A-1300	Administrative mission expenses	10,723.39	8,807.95	82.14%	1,915.44	8,807.95	82.14%	0.00
A-1400	Schools and kindergartens	38,456.00	33,350.00	86.72%	5,106.00	33,350.00	86.72%	0.00
A-1401	Other socio-medical expenditure	10,975.64	9,552.95	87.04%	1,422.69	9,552.95	87.04%	0.00
A-1600	Training	87,078.03	64,685.41	74.28%	22,392.62	64,685.41	74.28%	0.00
A-1700	Representation expenses and receptions and events	125.00	0.00	0.00%	125.00	0.00		0.00
TOTAL TITLE I CARRIED FORWARD FROM 2015		498,164.19	409,424.80	82.19%	88,739.39	409,424.80	82.19%	0.00

Title II: Infrastructure and Administrative Expenditure – C8

Budget line	Budget Line Description	Commitment/ Payment appropriations (1)	Commitments executed (2)	% Committed (2/1)	Unused (1-2)	Payments executed (3)	% Paid (3/1)	Out-standing (4=2-3)
A-2010	Insurance	5,473.39	5,473.38	100.00%	0.01	5,473.38	100.00%	0.00
A-2030	Electricity	108.36	108.36	100.00%	0.00	108.36	100.00%	0.00
A-2040	Maintenance and cleaning	13,256.22	11,693.45	88.21%	1,562.77	11,693.45	88.21%	0.00
A-2100	Purchase of hardware	40,589.35	40,569.35	99.95%	20.00	40,569.35	99.95%	0.00
A-2104	Hardware and software maintenance	19,659.29	19,366.89	98.51%	292.40	19,366.89	98.51%	0.00
A-2200	Technical equipment and installations	1,500.00	1,200.00	80.00%	300.00	1,200.00	80.00%	0.00
A-2201	Purchase new furniture	226,750.68	225,089.04	99.27%	1,661.64	225,089.04	99.27%	0.00
A-2300	Stationery and office supplies	1,331.31	1,206.00	90.59%	125.31	1,206.00	90.59%	0.00
A-2301	Leasing movable property	11,266.49	8,989.88	79.79%	2,276.61	8,989.88	79.79%	0.00
A-2310	Bank charges	198.76	3.10	1.56%	195.66	3.10	1.56%	0.00
A-2320	Legal advice	6,862.50	5,843.53	85.15%	1,018.97	5,843.53	85.15%	0.00
A-2330	Miscellaneous insurance	1,853.89	1,814.92	97.90%	38.97	1,814.92	97.90%	0.00
A-2331	Other administrative expenditure	2,747.42	1,443.94	52.56%	1,303.48	1,443.94	52.56%	0.00
A-2400	Postal and delivery charges	1,324.33	1,324.33	100.00%	0.00	1,324.33	100.00%	0.00
A-2410	Telecommunication charges	46,329.14	39,085.57	84.36%	7,243.57	39,085.57	84.36%	0.00
A-2411	Telecommunication equipment and installations	962.32	0.00	0.00%	962.32	0.00	0.00%	0.00
A-2500	Information and publication costs	26,167.68	23,096.59	88.26%	3,071.09	23,096.59	88.26%	0.00

Budget line	Budget Line Description	Commitment/ Payment appropriations (1)	Commitments executed (2)	% Committed (2/1)	Unused (1-2)	Payments executed (3)	% Paid (3/1)	Out-standing (4=2-3)
A-2501	Translation costs including the CdT	27,962.00	27,962.00	100.00%	0.00	27,962.00	100.00%	0.00
A-2600	General meeting expenses	16,237.57	16,237.57	100.00%	0.00	16,237.57	100.00%	0.00
A-2610	Stakeholder group meetings	6,726.30	4,166.95	61.95%	2,559.35	4,166.95	61.95%	0.00
A-2640	Board of Appeal meetings	11,265.48	2,200.00	19.53%	9,065.48	2,200.00	19.53%	0.00
TOTAL TITLE II CARRIED FORWARD FROM 2015		468,572.48	436,874.85	93.24%	31,697.63	436,874.85	93.24%	0.00

Title III: Operating Expenditure – C8

Budget line	Budget Line Description	Commitment/ Payment appropriations (1)	Commitments executed (2)	% Committed (2/1)	Unused (1-2)	Payments executed (3)	% Paid (3/1)	Out-standing (4=2-3)
B3-100	Organisation of seminars	27,722.61	26,193.37	94.48%	1,529.24	26,193.37	94.48%	0.00
B3-101	Third country equivalence and related international cooperation	739.50	462.18	62.50%	277.32	462.18	62.50%	0.00
B3-200	Operational information and Data Management	1,977,373.43	1,942,186.43	98.22%	35,187.00	1,942,186.43	98.22%	0.00
B3-201	Operational purchase and maintenance of software	104,045.49	92,903.27	89.29%	11,142.22	92,903.27	89.29%	0.00
B3-300	Operational missions expenses	47,484.46	42,682.73	89.89%	4,801.73	42,682.73	89.89%	0.00
B3-301	Operational documentation expenditure	1,049.00	0.00	0.00%	1,049.00	0.00	0.00%	0.00
B3-302	Operational legal advice	14,360.00	10,935.00	76.15%	3,425.00	10,935.00	76.15%	0.00
B3-303	Operational translation costs incl. CDT	69,186.60	69,186.60	100.00%	0.00	69,186.60	100.00%	0.00
B3-304	Operational general meetings expenses	73,501.67	72,561.73	98.72%	939.94	72,561.73	98.72%	0.00
TOTAL TITLE III CARRIED FORWARD FROM 2015		2,315,462.76	2,257,111.31	97.48%	58,351.45	2,257,111.31	97.48%	0.00
TOTAL CARRIED FORWARD FROM 2015		3,282,199.43	3,103,410.96	94.55%	178,788.47	3,103,410.96	94.55%	0.00

6. EIOPA Notes to the Budget Implementation Reports

6.1. Budget Result

The budget shall provide a detailed record of budgetary implementation. The budget accounts shall record all budgetary revenue and expenditure operations of the Authority.

Revenue mainly comprises the budgetary contributions received from the Commission, Member States and EFTA countries as well as other income such as bank interest earned and internal assigned revenue. The amounts entered in the accounts are those actually received during the course of the year.

The Community subsidy constitutes for the budget of EIOPA a balancing subsidy which counts as pre-financing. If the balance of the budgetary outturn account is positive it shall be repaid to the Commission up to the amount of the Community subsidy paid during the year. Based on an agreement reached with the Commission in 2012, EIOPA recovers in year N+2 the surplus reimbursed to the Commission in year N. It then becomes part of the voted budget. In 2016, EIOPA recovered the budgetary surplus 2014 from the Commission and inscribed it in the budget accounts with the voted appropriations (fund source C1). The share of the surplus corresponding to the contributions received from Member States and the EFTA countries was deducted from their original budgetary contributions and reduced their payment obligations. The redistribution key followed the payments made in 2014. This process is applied until a formal legal basis is established

For the purpose of calculating the budget result for the year, expenditure comprises payments made against the year's appropriations plus any of the appropriations for that year that are carried over to the following year. Payments made against the year's appropriations means payments that are made by the accounting officer by 31 December of the financial year. This result represents the difference between:

- total revenue received for the financial year; and
- total payments made against current year's appropriations plus the total amount of that year's appropriations carried over to the following year.

The following positions are added to or deducted from the resulting figure:

- the net balance of cancellations of payment appropriations carried over from previous years is added;
- the evolution of assigned revenue is added; and
- the net exchange-rate gains recorded during the year are added and the exchange rate losses are deducted.

Payment appropriations carried over include: automatic carryovers and carryovers by decision. The cancellation of unused payment appropriations carried over from the previous year shows the cancellations of appropriations carried over automatically and by decision.

6.2. Reconciliation of the Accrual based with the Budget Result

In accordance with the Financial Regulation, the economic result of the year is calculated on the basis of accrual accounting principles, while the budget result is based on modified cash accounting rules. As the economic result and the budget

result both cover the same underlying transactions, it is a useful control to ensure that they are reconcilable.

The actual budgetary revenue for a financial year corresponds to the revenue collected from entitlements established in the course of the year and amounts collected from entitlements established in previous years. Therefore the entitlements established in the current year but not yet collected are to be deducted from the economic result for reconciliation purposes as they do not form part of budgetary revenue. On the contrary the entitlements established in previous years and collected in the current year must be added to the economic result for reconciliation purposes.

The accrued revenue mainly consists of receivables from Member States and EFTA countries as well as from internal assigned revenue. It also includes other effects such as payments made to third parties during the financial year concerning services of the following year (deferred charges), or income released on an annual basis as a result of multi-annual benefits (deferred income).

Only the net-effect, i.e. accrued revenue for current year minus reversal accrued revenue from previous year, is taken into consideration.

Net accrued expenses mainly consist of accruals made for year-end cut-off purposes, i.e. eligible expenses incurred by beneficiaries of EIOPA funds but not yet reported to EIOPA. While accrued expenses are not considered as budgetary expenditure, payments made in the current year relating to invoices registered in prior years are part of the current year's budgetary expenditure.

The net effect of pre-financing is the combination of (1) the new pre-financing amounts paid in the current year and recognised as budgetary expenditure of the year and (2) the clearing of the pre-financing paid in current year or previous years through the acceptance of eligible costs. The latter represent an expense in accrual terms but not in the budgetary accounts since the payment of the initial pre-financing had already been considered as a budgetary expenditure at the time of its payment.

Besides the payments made against the year's appropriations, the appropriations for that year that are carried forward to the next year also need to be taken into account in calculating the budget result for the year. The same applies for the budgetary payments made in the current year from carry-overs from previous years, and the cancellation of unused payment appropriations.

The movement in provisions relates to year-end estimates made in the financial statements that do not impact the budgetary accounts. Other reconciling amounts comprise different elements such as asset depreciation, asset acquisitions, capital lease payments and financial participations for which the budgetary and accrual accounting treatments differ.

6.3. Budget Revenue

On 2 December 2015, the EIOPA Board of Supervisors adopted the budget 2016 for a total amount of **€ 21,762,500**.

The recovery of budgetary contributions took place in two instalments with full recovery of funds from the Commission, the Member States and EFTA countries. The 40-60% key was respected for the voted appropriations not taking into account the requirement for the Member States and EFTA countries to finance 60% of the total employer contribution to the EU pension scheme on top of the voted appropriations according to article 83a Staff Regulations.

The **revenue received** in 2016 was equal to **€ 21,801,776.64** (€ 20,570,328.35) and consists of:

- Contributions from Member States of **€ 12,955,499.01** (€ 11,972,940.43):
 - o Budgetary contributions 2016 of € 12,933,682.70 out of which € 1,089,060.77 for the employer contribution to the EU pension scheme;
 - o € 21,816.31 from debit notes issued in 2015 but paid in 2016;
- Contributions from EFTA countries of **€ 367,428.37** (€ 330,462.39) out of which € 30,939.23 for the employer contribution to the EU pension scheme;
- The balancing subsidy of the Commission equal to **€ 8,122,000.00** (€ 7,979,151.00);
- The EIOPA Surplus 2014 of **€ 339,389.00** (€ 227,055.00);
- And other income of **€ 17,460.26** (€ 60,719.53):
 - o € 15,775.67 from internal assigned revenue for debit notes issued in 2015 and 2016;
 - o € 1,684.59 € bank interest earned.

6.4. Budget Execution

The initial allocation of the budget adopted by the Board of Supervisors for Title I (staff expenditure) was € 14,258,975, for Title II (infrastructure and administrative expenditure) € 3,627,300 and for Title III (operational expenditure) € 3,876,225. Transfers executed during the year reallocated some of these funds by increasing the budget of Titles II and III and reducing that of Title I.

EIOPA executed a total of 15 budget transfer which in comparison to 2015 is 42% lower (26 transfers).

The budget implementation rate for commitments was 99.68% of the adopted budget (fund source C1) and remained high (99.97% in 2015). Payments executed reached a level of 88.97% (83.85%) and slightly exceeded that reached in 2015. The commitments carried forward to the following year came down to 10.71% (16.21% in 2015) demonstrating EIOPA's stricter budget monitoring. The carry-over of these funds was duly justified by contracts and obligations entered into in 2016.

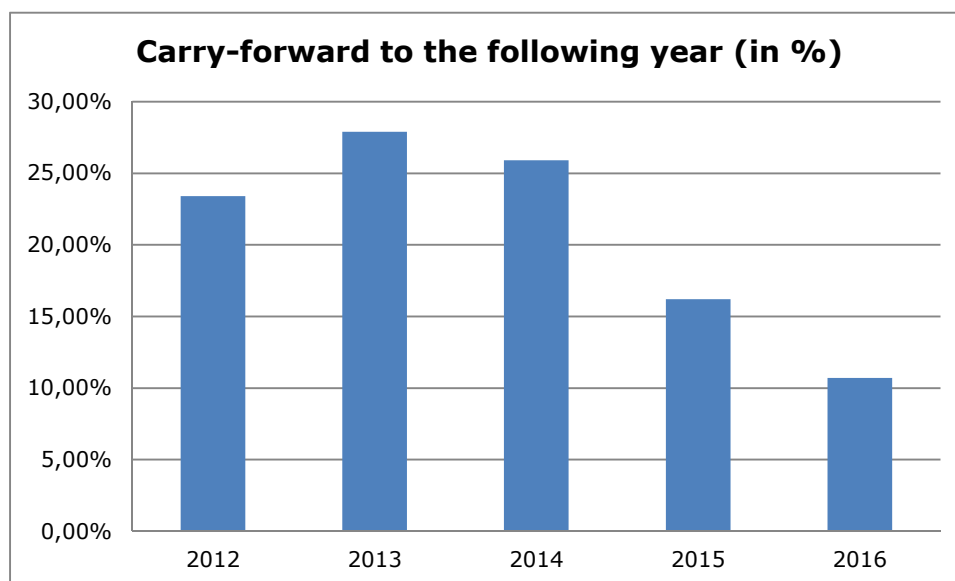
For Title I, the available appropriations decreased by 3.31% due to transfers executed with a final total of € 13,786,938.61. The funds could be freed as EIOPA did not fully use the appropriations initially allocated to staff trainings and socio-medical expenditure. In addition, the outcome of a procurement procedure for interim staff did not prove to be successful. The carry forward is low with only 2.50% and is foreseen for trainings, administrative missions, socio-medical expenditure as well as for external and interim services.

The initial budget of Title II increased by 3.17% for the transfers made and is mostly due to the re-prioritisation of projects initially planned for 2017. The final available budget was € 3,742,455.14. The carry forward was 19.19% of the available budget appropriations and planned for hardware, software and telecommunication expenditure under ongoing contracts. A smaller amount was reserved for communication expenditure and legal advice.

The transfers into Title III reached 9.21% of the original budget and were mainly triggered by the re-prioritisation of projects and the continuous need to finance EIOPA's IT projects. The total available budget appropriations were € 4,233,106.25. The carry forward was high and accounts for ongoing contracts for the purchase of hardware and software, their maintenance as well as for services by external consultants. Expenditure for translations ordered at the Translation Centre for the

Bodies of the European Union and pre-booked missions with a purely operational purpose made up for the rest of the amount.

In 2016, EIOPA achieved the lowest carry-forward percentage ever. The below chart reflects the steady decrease in carry forward amounts since 2013.



Commitments carried forward from 2015 were equal to € 3,282,199.43 and mainly stemmed from voted budget appropriations 2015 (€ 3,276,502.97). To a lower extent they originated from internal assigned revenue (€ 5,696.46). The payment execution rate remained high with 94.55% and reached an absolute total of € 3,103,410.65. For Title I it was 82.19%, for Title II 93.24% and for Title III 97.48%.

For 2016, EIOPA could also report some income from internal assigned revenue equal to € 15,775.67 resulting mainly from reimbursements for travel expenditure. The funds were allocated to the original budget position. The consumption was low so that the total carry over was € 14,102.99 (€ 10,503.24 unused budget appropriations and € 3,599.75 commitments carried forward).

In 2015, EIOPA carried over budget appropriations from internal assigned revenue in an amount of € 11,951.27 to 2016. These were all spent.

6.5. EIOPA Establishment Plan 2016

Function group and grade	2016	
	Final budget	Filled as at 31/12/2016*
AD 16	1	1
AD 15	1	1
AD 14	1	1
AD 13	3	3
AD 12	6	6
AD 11	9	9
AD 10	9 (+1)	10
AD 9	10	10
AD 8	11	11
AD 7	12	9
AD 6	10	10
AD 5	5	5
AD total	78 (+1)	76
AST 11	0	0
AST 10	1 (-1)	0
AST 9	1	1
AST 8	2	2
AST 7	2	2
AST 6	3	3
AST 5	2	2
AST 4	2	1
AST 3	2	2
AST 2	0	0
AST 1	0	0
AST total	15 (-1)	13
TOTAL	93	89

* Some posts are in practice filled at a lower grade.

Contract Agents	Filled as at: 31.12.2016	Filled as at: 31.12.2015
Function Group IV	10	9
Function Group III	8	5
Function Group II	16	18
Function Group I	0	0
Total	34	32

Seconded National Experts	16	19
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