

This document is meant purely as a documentation tool and the institutions do not assume any liability for its contents

► **B** **DECISION No 716/2009/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**  
**of 16 September 2009**  
**establishing a Community programme to support specific activities in the field of financial services,**  
**financial reporting and auditing**  
(OJ L 253, 25.9.2009, p. 8)

Amended by:

		Official Journal		
		No	page	date
► <b><u>M1</u></b>	Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010	L 331	12	15.12.2010
► <b><u>M2</u></b>	Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010	L 331	48	15.12.2010
► <b><u>M3</u></b>	Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010	L 331	84	15.12.2010



**DECISION No 716/2009/EC OF THE EUROPEAN PARLIAMENT  
AND OF THE COUNCIL**

**of 16 September 2009**

**establishing a Community programme to support specific activities  
in the field of financial services, financial reporting and auditing**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE  
EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and  
in particular Article 95 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Economic and Social  
Committee <sup>(1)</sup>,

Acting in accordance with the procedure laid down in Article 251 of the  
Treaty <sup>(2)</sup>,

Whereas:

- (1) The financial services sector is a key component of the internal market, crucial for the proper functioning of the European economy and for global competitiveness. A healthy and dynamic financial sector requires a solid framework for regulation and supervision, which is capable of meeting the demands of increasingly integrated financial markets in the Community.
- (2) The crisis in the financial markets which has unfolded since 2007 has put the issue of the supervision of financial institutions and financial reporting and auditing at the centre of the Community's political agenda in regard to which it is necessary to ensure a well-functioning common framework for the internal market.
- (3) In a global economy, there is also a need to converge standards between jurisdictions and develop international standards under a transparent and democratically accountable process. It is therefore important that the Community play a role in the international standard-setting process for financial markets. To ensure that the interests of the Community are respected and that global standards are of high quality and compatible with Community law, it is essential that the interests of the Community are adequately represented in that international standard-setting process.

<sup>(1)</sup> Opinion of 25 March 2009 (not yet published in the Official Journal).

<sup>(2)</sup> Opinion of the European Parliament of 6 May 2009 (not yet published in the Official Journal) and Council Decision of 27 July 2009.

**▼B**

- (4) According to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards <sup>(1)</sup> (the IAS Regulation), International Financial Reporting Standards (IFRS) should be incorporated into Community law to be applied by companies with securities listed on a regulated market in the Community, provided that the IFRS meet the criteria set out in that Regulation. IFRS therefore play a major role in the functioning of the internal market and thus the Community has a direct interest in ensuring that the process through which IFRS are developed and approved delivers standards that are consistent with the requirements of the legal framework of the internal market.
- (5) IFRS are issued by the International Accounting Standards Board (IASB) and related interpretations are issued by the International Financial Reporting Interpretations Committee (IFRIC), two bodies within the International Accounting Standards Committee Foundation (IASCF). It is therefore important to establish appropriate funding arrangements for the IASCF.
- (6) The European Financial Reporting Advisory Group (EFRAG) was founded in 2001 by European organisations representing issuers, investors and the accountancy profession involved in the financial reporting process. In accordance with the IAS Regulation, the EFRAG provides the Commission with opinions on whether an accounting standard issued by the IASB or an interpretation issued by IFRIC, which is to be endorsed, complies with Community law. The EFRAG is also increasingly used as a platform to provide upstream, technical input concerning draft accounting standards.
- (7) Taking into account the EFRAG's key role in supporting internal market law and policy and in representing European interests in the standard-setting process at international level, it is necessary for the Community to contribute to the EFRAG's financing.
- (8) In the field of statutory audit, the Public Interest Oversight Board (PIOB) was created in 2005 by the Monitoring Group, an international organisation responsible for monitoring the governance reform of the International Federation of Accountants (IFAC). The role of the PIOB is to oversee the process leading to the adoption of International Standards on Auditing (ISAs) and other public interest activities of the IFAC. It is possible for ISAs to be adopted for their application in the Community provided, in particular, that they have been developed with due process, public oversight and transparency as required under Article 26 of Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts <sup>(2)</sup>.

<sup>(1)</sup> OJ L 243, 11.9.2002, p. 1.

<sup>(2)</sup> OJ L 157, 9.6.2006, p. 87.

**▼B**

- (9) The introduction of ISAs into Community law and the key role of the IOB in ensuring that they fulfil the requirements laid down in Directive 2006/43/EC means that the Community has a direct interest in ensuring that the process through which such standards are developed and approved delivers standards that are consistent with the legal framework of the internal market. It is therefore important to ensure appropriate funding arrangements for the IOB.
- (10) Accordingly, it is appropriate to establish a Community programme (the 'Programme') to allow the co-financing of activities of the EFRAG, the IASCF and the IOB, which pursue, in accordance with Article 162 of Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002, laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 <sup>(1)</sup>, aims of a general European interest by designing standards, endorsing standards or supervising standard-setting processes in the field of financial reporting and auditing.
- (11) It is also appropriate to provide grants to the three legal support structures, the exclusive aim of which is to provide administrative support to the Committee of European Securities Regulators, established by Commission Decision 2009/77/EC <sup>(2)</sup>, the Committee of European Banking Supervisors, established by Commission Decision 2009/78/EC <sup>(3)</sup> and the Committee of European Insurance and Pension Supervisors, established by Commission Decision 2009/79/EC <sup>(4)</sup> (together, the 'Committees of Supervisors'), for carrying out their mandates and projects relating to supervisory convergence, in particular training of staff of national supervisory authorities and management of information technology projects.
- (12) The financial crisis has demonstrated the urgent need for progress in the area of supervisory convergence and cooperation. It is therefore appropriate for the Community to contribute financially to specific actions of the Committees of Supervisors which are to be carried out to achieve such progress.
- (13) Uniform implementation and application of Community law in the field of financial services as far as supervision is concerned is essential for the dismantling of remaining obstacles to the smooth functioning of the internal market. Some of the most effective and appropriate means by which to achieve such dismantling are for the Committees of Supervisors to provide better common training for the staff of national supervisory authorities and to develop common information technology instruments.
- (14) Bodies working in the field of supervision, accounting and auditing are highly dependent on funding and, despite their major roles in the Community, none of the proposed beneficiaries of the Programme benefit from any financial support from the Community budget, which may affect their capacity to comply with their respective missions which are decisive for the functioning of the internal market.

<sup>(1)</sup> OJ L 357, 31.12.2002, p. 1.

<sup>(2)</sup> OJ L 25, 29.1.2009, p. 18.

<sup>(3)</sup> OJ L 25, 29.1.2009, p. 23.

<sup>(4)</sup> OJ L 25, 29.1.2009, p. 28.

**▼B**

- (15) Community co-financing ensures that beneficiaries benefit from clear, stable, diversified, sound and adequate funding and that they are able to accomplish their public interest mission in an independent and efficient manner.
- (16) Sufficient funding should be provided by means of a Community contribution towards the functioning of the Committees of Supervisors and international accounting and auditing standard setting, and in particular to the IASCF, including the EFRAG and the PIOB.
- (17) Community funding should, in particular in the specific case of the IASCF, be made conditional upon practical fulfilment of the governance reforms requested by the Community.
- (18) When transmitting their draft work programmes on an annual basis to the European Parliament, the Council, and the Commission, as requested in the European Parliament Resolution of 9 October 2008 <sup>(1)</sup> and in the Council conclusions of 14 May 2008, the Committees of Supervisors should include in such work programmes a section detailing the activities that have been financed under the Programme in the course of the year of transmission, indicating, in particular, the amounts of financing and the outcomes of the financed activities, and a description of the activities that the Committees of Supervisors intend to submit to the Commission during the course of the following year for financing under the Programme.
- (19) In addition to changing their funding patterns, the IASCF and the EFRAG are currently undergoing governance reforms, the need for which has been highlighted by the financial crisis, to ensure that through their structure and processes they accomplish their public interest mission in an independent, efficient, transparent and democratically accountable manner. The importance of those reforms was stressed in the report of the High Level Group on financial supervision chaired by Jacques de Larosière (de Larosière Group) of 25 February 2009, in the Commission Communication for the Spring European Council of 4 March 2009 entitled 'Driving European recovery', and by the Group of Twenty (G-20), meeting on 2 April 2009. Those reforms should be in place by the time the Community co-financing starts. In relation to the IASCF, the reforms should include, inter alia, meeting the expectations set out in the European Parliament Resolution of 24 April 2008 on International Financial Reporting Standards (IFRS) and the Governance of the International Accounting Standards Board (IASB) and in the Council Conclusions of 8 July 2008, in particular the creation of the Monitoring Board with relevant powers and appropriate composition, greater transparency and legitimacy in regard to the IASCF's standard-setting and agenda-setting processes, the enhancement of the effectiveness of the Standards Advisory Council and the formalisation of the role of impact assessments as part of the due process of the IASB.

<sup>(1)</sup> European Parliament Resolution of 9 October 2008 with recommendations to the Commission on Lamfalussy follow-up: future structure of supervision (not yet published in the Official Journal).

**▼B**

- (20) Beneficiaries that pursue international activities in third countries, such as the PIOB and the IASCF, should not continue to benefit from Community co-financing if, after the first 2 years thereof, they have not made significant progress towards ensuring that neutral funding arrangements form a majority of their total funding, including from third-country participants.
- (21) Directive 2006/43/EC provides that Member States set up independent oversight bodies in the field of auditing. Recent market events have, however, revealed deficiencies in many areas including auditing. To improve the quality of auditing in the European Union further, the Commission should therefore, by 1 July 2010, present a report on reinforcing European audit firm oversight cooperation.
- (22) The financial crisis may lead to the setting up of new bodies at Community or international level with a mandate covering Community objectives which are similar to those of the beneficiaries of the Programme.
- (23) It should be possible to include in the Programme such bodies as new beneficiaries, provided that they fulfil the eligibility criteria set out in this Decision.
- (24) The measures necessary for the implementation of this Decision should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission <sup>(1)</sup>.
- (25) In particular, the Commission should be empowered to select new beneficiaries for the Programme and to amend the Annex accordingly. Since those measures are of general scope and are designed to amend non-essential elements of this Decision by supplementing it with new non-essential elements, they must be adopted in accordance with the regulatory procedure with scrutiny provided for in Article 5a of Decision 1999/468/EC.
- (26) Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities <sup>(2)</sup> (the Financial Regulation) and Regulation (EC, Euratom) No 2342/2002, which safeguard the Community financial interests, have to be applied taking into account the principles of simplicity and consistency in the choice of budgetary instruments, a limitation on the number of cases where the Commission retains direct responsibility for implementation and management, and the required proportionality between the level of resources and the administrative burden related to their use.

<sup>(1)</sup> OJ L 184, 17.7.1999, p. 23.

<sup>(2)</sup> OJ L 248, 16.9.2002, p. 1.

**▼B**

- (27) The financial crisis has highlighted the need for reform of the regulatory and supervisory models for the European Union's financial sector. In its Communication entitled 'Driving European recovery', the Commission announced its intention to put forward the necessary legislative proposals with due consideration for the conclusions presented by the de Larosière Group. The European Council of 19 and 20 March 2009 agreed on the need to improve the regulation and supervision of financial institutions in the European Union, with the report of the de Larosière Group as a basis for action. The Commission should present relevant proposals to the European Parliament and the Council as soon as possible and in any event by 1 July 2010.
- (28) This Decision should provide for the possibility of co-financing activities of certain bodies pursuing aims of a general Community interest on Community-wide issues in the field of financial services and designing standards, endorsing standards or supervising standard-setting processes in the field of financial reporting and auditing.
- (29) Community funding is proposed for a well-defined and limited number of the most important bodies in the field of financial services. Within the current institutional framework, the new funding arrangements will ensure stable, diversified, sound and adequate funding to enable the relevant bodies to carry out their Community-related or Community public interest mission in an independent and efficient manner. Financial support will be granted in accordance with the conditions laid down in the Financial Regulation and in Regulation (EC, Euratom) No 2342/2002.
- (30) Since the objectives of this Decision cannot be sufficiently achieved by the Member States and can therefore, by reason of its scale and effects, be better achieved at Community level, the Community may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Decision does not go beyond what is necessary in order to achieve those objectives,

HAVE DECIDED AS FOLLOWS:

*Article 1*

**Subject matter and scope**

A Community programme (the 'Programme'), is hereby established for the period from 1 January 2010 to 31 December 2013 to support the activities of bodies which contribute to the achievement of the policy objectives of the Community in relation to supervisory convergence and cooperation in the field of financial services and in relation to financial reporting and auditing.

**▼B***Article 2***Objectives**

1. The general objective of the Programme is to improve the conditions for the functioning of the internal market by supporting the operation, activities or actions of certain bodies in the fields of financial services, financial reporting and auditing.
2. The following activities are covered by the Programme:
  - (a) those supporting the implementation of Community policies aimed at supervisory convergence, in particular by means of training the personnel of national supervisory authorities and management of information technology projects in the field of financial services; and
  - (b) those developing or providing input to the development of standards, applying, assessing or monitoring standards or overseeing standard setting processes in support of the implementation of Community policies in the field of financial reporting and auditing.
3. The independence of the Committees of Supervisors provided for in Decisions 2009/77/EC, 2009/78/EC and 2009/79/EC shall not be undermined by the implementation of the Programme.

*Article 3***Access to the Programme**

To be eligible for Community financing under the Programme, a beneficiary shall fulfil the following conditions:

- (a) it must be a non-profit-making legal person, with the objective of promoting public interest and pursuing aims of general European interest as provided for in Article 162 of Regulation (EC, Euratom) No 2342/2002; and
- (b) it must not be, at the time of the award of the grant, in one of the situations referred to in Article 93(1), Article 94, or point (a) of Article 96(2) of the Financial Regulation.

*Article 4***Beneficiaries of the Programme**

1. The beneficiaries listed in the Annex shall benefit under the Programme.
2. Beneficiaries that carry out international activities in third countries, such as the IASCF and the PIOB, shall not continue to benefit under the Programme if after the first 2 years of co-financing they have not made significant progress towards ensuring that neutral funding arrangements form a majority of their total funding, including from third-country participants.



**▼B***Article 5***Award of grants**

1. The Commission shall provide financing under the Programme in the form of grants and only upon receipt of an appropriate work programme and an estimated overall budget.
2. Community financing shall be awarded in the form of operating grants or action grants, subject to the following conditions:
  - (a) in the case of the beneficiaries listed in Section A of the Annex, Community financing must be awarded in the form of operating grants; and
  - (b) in the case of the beneficiaries listed in Section B of the Annex:
    - (i) the beneficiaries may choose between an action grant and an operating grant; and
    - (ii) when submitting its work programme and estimated overall budget to the Commission pursuant to paragraph 1, the beneficiary must provide the Commission with written confirmation that its request for financing does not undermine the independence of the Committee of Supervisors to which that beneficiary provides an administrative support function.
3. Operating grants shall be granted only to finance the operating costs and expenses of the beneficiaries including the running of their secretariats and the remuneration of their employees.

In the event of renewal, operating grants shall not be automatically decreased.

4. Action grants shall be granted only for the activities set out in Article 6 and shall be subject to the following conditions:
  - (a) their exclusive aim must be to enable the beneficiaries listed in Section B of the Annex to provide an administrative support function to the Committees of Supervisors to develop and implement the projects identified in the decisions providing for the action grants; and
  - (b) the administrative support function of the beneficiaries listed in Section B of the Annex must be clearly set out in their respective statutes.

The administrative support function referred to in point (b) shall be the sole purpose of the beneficiaries listed in Section B of the Annex and shall include the carrying out of the activities laid down in Article 6 for the benefit of the Committees of Supervisors.

5. The Commission shall decide on the amounts and the maximum percentage of financing and shall make such decisions public.

**▼B***Article 6***Eligible activities of beneficiaries for action grants**

Without prejudice to Article 2(3) and Articles 3 and 5, the following activities shall be regarded as being eligible for action grants as specific projects with a Community dimension:

- (a) information technology projects;
- (b) training programmes and staff secondment schemes for staff from national supervisors;
- (c) hosting conferences, seminars, training sessions and meetings of experts;
- (d) preparing and issuing publications, preparation and execution of other information activities;
- (e) carrying out research, preparing studies; and
- (f) other specific supporting activities relevant to Community law or policy in the field of accounting and auditing or supervisory convergence or cooperation.

*Article 7***Selection of new beneficiaries**

1. The Commission may select new beneficiaries for the Programme and amend the Annex accordingly. Those measures, designed to amend non-essential elements of this Decision by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 13(2).
2. To qualify as a new beneficiary, a body shall fulfil the criteria set out in Article 3 and at least one of the following criteria:
  - (a) it must be a direct successor of one of the beneficiaries listed in the Annex;
  - (b) it must pursue activities supporting the implementation of Community policies aimed at supervisory convergence and cooperation in the field of financial services; or
  - (c) it must be directly involved in the process of developing or providing input to the development of international standards, applying, assessing or monitoring those standards or overseeing standard-setting processes in support of the implementation of Community policies in the field of financial reporting and auditing.
3. Where a body selected by the Commission as a new beneficiary:
  - (a) fulfils the criterion set out in paragraph 2(a) of this Article, it may be awarded the grant of its predecessor listed in the Annex, provided that, in the case of an action grant, such body also fulfils the criteria for eligible activities set out in Article 6; or
  - (b) fulfils the criteria for eligible activities set out in Article 6 and the criteria set out in points (b) or (c) of paragraph 2 of this Article, it may be awarded an action grant.

**▼B**

Under point (b) of this paragraph, the maximum amount of financing available under the action grant shall not exceed, on an annual basis, the unused credits in the context of the grants awarded for specific actions or operating grants pursuant to Article 9.

*Article 8***Transparency**

Any beneficiary of funding awarded under the Programme shall indicate in a prominent place, such as a website, a publication or an annual report, that it has received funding from the budget of the European Union.

*Article 9***Financial provisions**

1. The financial envelope for the implementation of this Decision over the period 2010-2013 shall be EUR 38 700 000. Within that envelope, commitment appropriations to the beneficiaries listed in Section B of the Annex shall be at least EUR 13 500 000, those to the IASCF shall be no more than EUR 12 750 000, and those to the EFRAG shall be no more than EUR 11 250 000.

2. The annual appropriations allocated in accordance with this Decision shall be authorised by the budgetary authority within the limits of the financial framework.

3. Where the Commission presents its first appropriation request as part of the preliminary draft budget to the budgetary authority in relation to the IASCF, it shall, 1 month in advance of such request, provide a report on the governance reforms of the IASCF to be delivered to the European Parliament and the Council. That report shall be assessed, in an appropriate manner, by the European Parliament and the Council. The report shall focus on the governance structure and processes, including the composition and powers of the Monitoring Board, in particular on the ability of that body to accomplish its public interest mission in a transparent and efficient manner. The report shall also set out progress as regards the roadmaps for third countries to apply IFRS to their domestic issuers.

4. Where the Commission presents its first appropriation request as part of the preliminary draft budget to the budgetary authority in relation to the year following the first 2 years of financing of the IASCF and the PIOB, it shall, 1 month in advance of such request, provide a report on whether the IASCF and the PIOB have made significant progress towards ensuring that neutral funding arrangements form a majority of their total funding, including from third-country participants. That report shall be assessed, in an appropriate manner, by the European Parliament and the Council with regard to whether significant progress towards neutral funding, including from third-country participants, has been made.

**▼B***Article 10***Implementation**

The measures necessary for the implementation of this Decision shall be adopted by the Commission in accordance with the procedures set out in the Financial Regulation and Regulation (EC, Euratom) No 2342/2002.

*Article 11***Monitoring**

1. The Commission shall ensure that:
  - (a) for any action financed by the Programme under an action grant, the beneficiary submit annually a technical and financial report on the progress of work and a final report after completion of the action; and
  - (b) for any work programme financed by the Programme under an operating grant, the beneficiary submit annually an activity and financial report on the implementation of the work programme and a final report after the end of the period of eligibility for Community funding.

The Commission shall determine the form and content of the reports referred to in points (a) and (b).

2. Without prejudice to the audits carried out by the Court of Auditors in liaison with the competent national audit bodies or department pursuant to Article 248 of the Treaty, or any inspection carried out pursuant to point (b) of the first subparagraph of Article 279(1) of the Treaty, officials and other staff of the Commission may carry out on-the-spot checks, including sample checks, on actions financed under the Programme and in accordance with Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities <sup>(1)</sup>. Where necessary, investigations shall be conducted by the European Anti-Fraud Office (OLAF) and these shall be governed by Regulation (EC) No 1073/1999 of the European Parliament and the Council <sup>(2)</sup>.

3. The Commission shall ensure that contracts and agreements resulting from the implementation of the Programme provide, in particular, for supervision and financial control by the Commission (or any representative authorised by it), including by OLAF, and for audits — if necessary on-the-spot — by the Court of Auditors.

4. Commission staff and outside personnel authorised by the Commission shall have appropriate right of access, in particular to the beneficiary's offices and to all the information, including information in electronic format, needed in order to conduct such audit.

5. The Court of Auditors and OLAF shall enjoy the same rights, in particular as regards access, as the Commission.

<sup>(1)</sup> OJ L 292, 15.11.1996, p. 2.

<sup>(2)</sup> OJ L 136, 31.5.1999, p. 1.

**▼B**

6. The beneficiary of an operating or action grant shall keep available for the Commission all the supporting documents, including the audited financial statement, regarding expenditure incurred during the grant year, for a period of 5 years following the last payment. The beneficiary of such a grant shall ensure that, where applicable, supporting documents in the possession of partners or members are made available to the Commission.

7. On the basis of the results of the reports and sample checks referred to in paragraphs 1 and 2, the Commission shall ensure that, if necessary, the scale or the conditions of allocation of the financial support originally approved and the timetable for payments are adjusted.

8. The Commission shall ensure that all steps necessary to verify that the actions financed are carried out properly and in compliance with this Decision and the Financial Regulation are taken.

*Article 12***Protection of the Community's financial interests**

1. The Commission shall ensure that, when the activities financed under the Programme are implemented, the financial interests of the Community are protected by the application of preventive measures against fraud, corruption and other illegal activities, by effective checks and by the recovery of amounts unduly paid and, if irregularities are detected, by effective, proportionate and dissuasive penalties, in accordance with Council Regulation (EC, Euratom) No 2988/95 <sup>(1)</sup>, Regulation (Euratom, EC) No 2185/96 and Regulation (EC) No 1073/1999.

2. For the Community activities financed pursuant to this Programme, the notion of irregularity shall, in accordance with Article 1-(2) of Regulation (EC, Euratom) No 2988/95, mean any infringement of a provision of Community law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the European Union or budgets managed by the Communities, either by reducing or losing revenue accruing from own resources collected directly on behalf of the Communities, or by an unjustified item of expenditure.

3. The Commission shall ensure that the amount of financial support granted for an action is reduced, suspended or recovered if it finds irregularities, including non-compliance with this Decision, the individual decision or the contract or agreement granting the financial support in question, or if it transpires that, without Commission approval having been sought, the action has been subjected to a change which conflicts with the nature or implementing conditions of the project.

4. If the time limits have not been observed or if only part of the allocated financial support is justified by the progress made with implementing an action, the beneficiary shall submit observations to the Commission within a specified period. If the beneficiary does not give a satisfactory answer, the Commission may cancel the remaining financial support and demand the repayment of sums already paid out.

<sup>(1)</sup> OJ L 312, 23.12.1995, p. 1.

**▼B**

5. The Commission shall ensure that any undue payment is reimbursed. Interest shall accrue on any sums not repaid in good time under the conditions laid down in the Financial Regulation.

*Article 13***Committee procedure**

1. The Commission shall be assisted by a committee.
2. Where reference is made to this paragraph, Article 5a(1) to (4) and Article 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

*Article 14***Evaluation**

1. No later than 6 months before the end of the Programme, the Commission shall submit to the European Parliament and the Council a report on the achievement of the Programme's objectives. That report shall be based, inter alia, on the annual reports referred to in Article 11(1).

That report shall appraise at least the overall pertinence and coherence of the Programme, the effectiveness of its execution and the overall and individual effectiveness of the various actions in terms of achievements of the objectives as set out in Article 2.

The report shall be forwarded to the European Economic and Social Committee for information.

2. The European Parliament and the Council shall, in accordance with the Treaty, decide whether to continue the Programme after 31 December 2013.

3. The Commission shall present to the European Parliament and the Council as soon as possible, and in any event by 1 July 2010, a report on the need for further reforms of the financial supervisory system in the European Union, taking account of the responsibilities under the Treaty, and shall, as appropriate, put forward the necessary legislative proposals.

4. The Commission shall present to the European Parliament and the Council, together with the preliminary draft budget for 2011, a report on the possible adjustments to be made to the total financial envelope with regards to commitment appropriations to the beneficiaries listed in Section B of the Annex.

5. The Commission shall, by 1 July 2010, present a report on reinforcing European audit firm oversight cooperation.

*Article 15***Entry into force**

This Decision shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.

**▼ B**

*ANNEX*

The beneficiaries referred to in the Decision are the following:

**Section A**

Beneficiaries in the field of financial reporting:

- the European Financial Reporting Advisory Group (EFRAG),
- the International Accounting Standards Committee Foundation (IASCF).

Beneficiaries in the field of auditing:

- the Public Interest Oversight Board (PIOB).

**Section B**

Bodies, the aim of which is to provide administrative support to the Committee of European Securities Regulators, the Committee of European Banking Supervisors and the Committee of European Insurance and Pension Supervisors:

**▼ M1** \_\_\_\_\_

**▼ M3** \_\_\_\_\_

**▼ M2** \_\_\_\_\_