

Brussels, 30 September 2024

EFAMA survey – Increases in supervisory costs

Scene setter

Following the request from a national association to have more information about the evolution of supervisory costs across Europe, the EFAMA Secretariat [surveyed](#) national associations. This memo provides an overview of the evolution of these costs in 14 Member States (incl. all the fund and asset management hubs). The list of jurisdictions that have participated in this survey is available in the Annex.

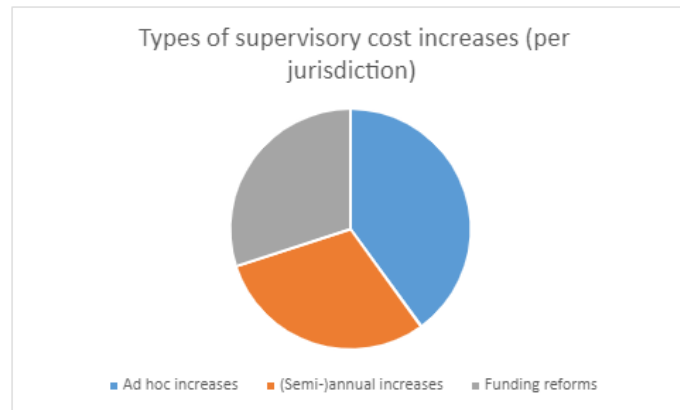
The results

- Supervisory costs have increased in 10 Member States over the last few years. While two other National Competent Authority (NCAs) are also considering to increase their supervisory fees, there is no similar plan in the two remaining jurisdictions. Among the later, there was an increase in supervisory cost that did not apply to the investment management sector.

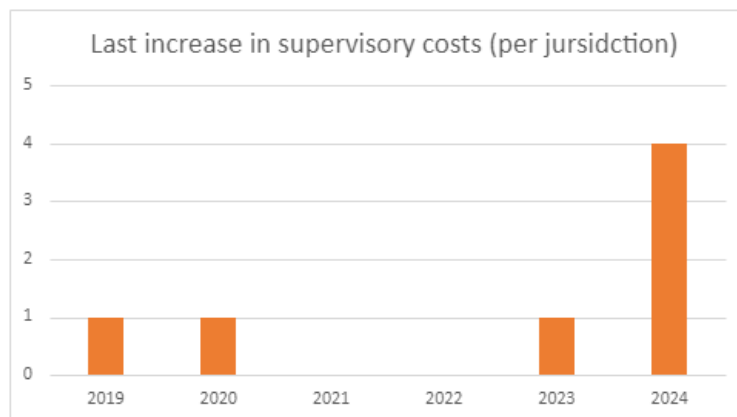


- Increases in supervisory costs follow different dynamics across the 10 jurisdictions that have reported such increases. NCAs may either frequently (e.g., annually or semi-annually) amend the fees they charge (as it is the case in three Member States) or amend them on an ad-hoc basis (as it was the case in four Member States).

- Three jurisdictions are in a particular situation because they have experienced reforms in the way NCAs finance themselves. In Ireland and Bulgaria, industry contributions have replaced (partial) public subsidies. In Germany, following a cost-recovery principle, supervisory fees have been adjusted to better reflect the supervisory activities undertaken for different companies.

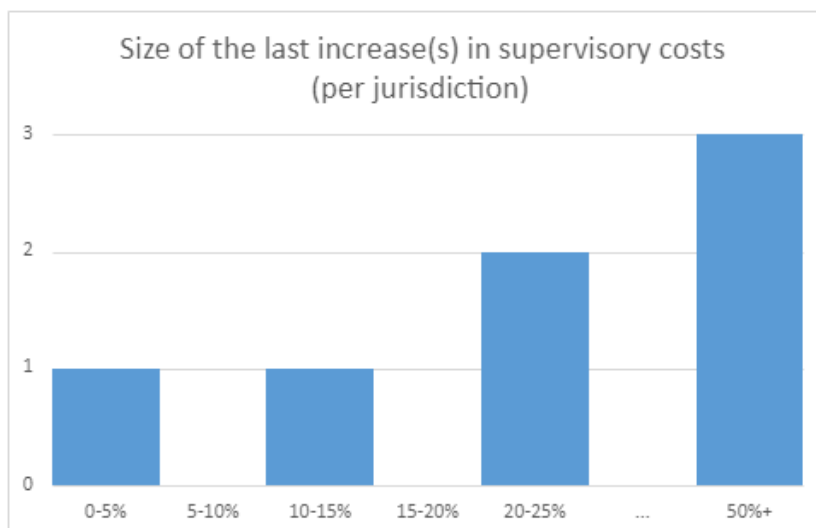


- Among the seven Member States that experienced 'normal' increases in supervisory costs, most of them have experienced increases in either 2023 or 2024. Only two jurisdictions experienced their last increases in supervisory cost prior to 2020.

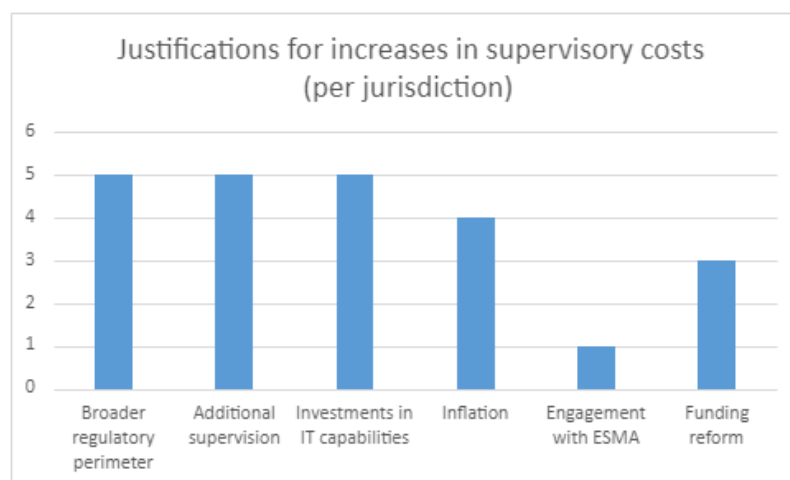


- Increases in supervisory costs have been material in most of these seven Member States.¹ These increases have exceeded 20% in five jurisdictions, taking into account either a single large increase in the case of Member States that only amend supervisory fees on an ad hoc basis or cumulative increases for jurisdictions that frequently increase supervisory fees.

¹ Please note that these figures should be considered as estimates considering that it is difficult to calculate 'average' supervisory costs. This is due to the fact that NCAs may levy different supervisory fees (e.g., application vs. annual fees), which may differ in significance, and increase differently from one year to the other.



- Among the 10 jurisdictions that reported increases in supervisory costs, similar justifications were provided by the relevant NCAs. In five jurisdictions, although not always the same ones, the primary reasons for these increase were respectively a broader regulatory perimeter (e.g., DORA), additional supervision, and investments in IT capabilities. Inflation also resulted in increases in four jurisdictions. As already outlined, three Member States engaged in a funding reform to increase the financial contribution of the industry (or certain institutions) to NCAs. Finally, one NCA referred to the necessity to develop closer relations with ESMA to justify an increase in supervisory fees.



Annex I – Jurisdictions having participated in the survey

- Belgium
- Bulgaria
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Luxembourg
- Netherlands

- Poland
- Portugal
- Slovenia
- Sweden