
ANNUAL REPORT **FINANCIAL SUPERVISORY AUTHORITY**

2024

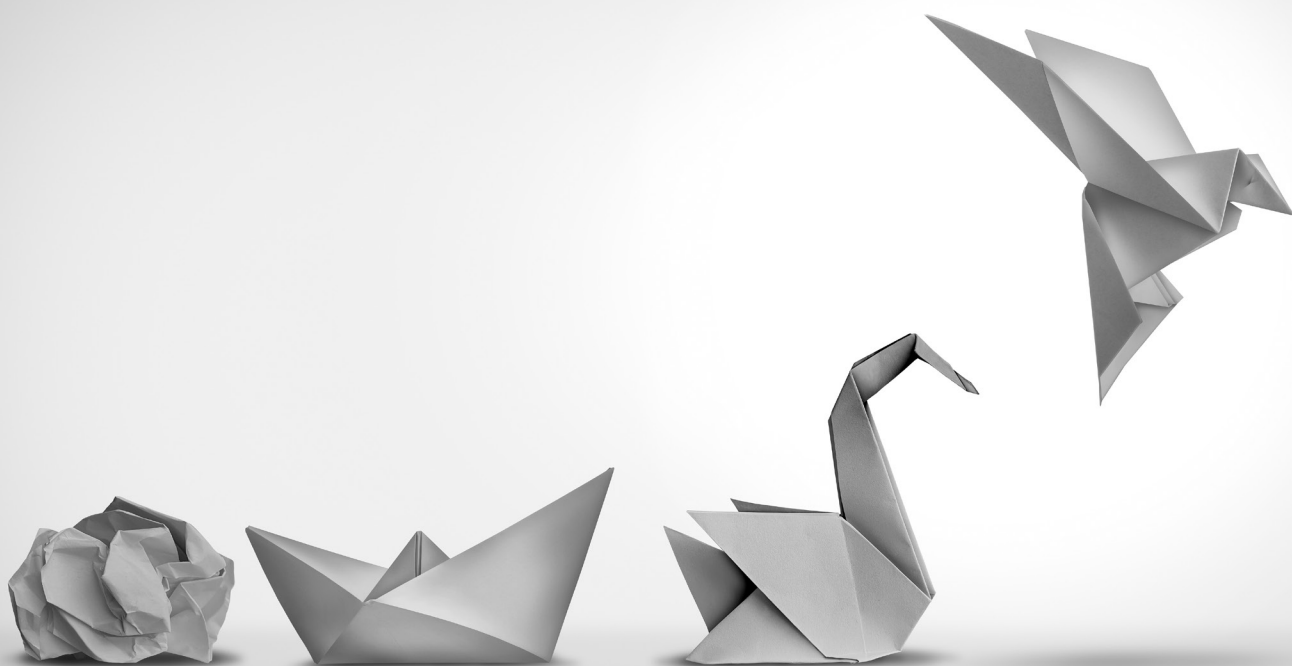


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FINANCIAL SUPERVISORY AUTHORITY

MESSAGE FROM THE
ASF MANAGEMENT



In an economic environment characterized by rapid change, emerging technologies, and systemic challenges, the Financial Supervisory Authority reaffirms its commitment to ensuring the stability, transparency, and sustainable development of non-bank financial markets. Through a proactive and strategic approach, ASF contributes to strengthening a solid financial system that is adaptable to new economic realities and capable of supporting long-term economic development. A fundamental priority of ASF is to ensure the financial stability and sustainability of the supervised markets. In a volatile economic environment, strengthening financial resilience becomes essential for preventing and managing systemic risks. ASF constantly monitors the dynamics of non-bank financial markets, ensuring the application of effective prudential supervision mechanisms designed to reduce vulnerabilities and support the continuity of economic activities. In this regard, proactive measures are taken to maintain market balance and sustainability, taking into account both domestic economic developments and global trends.

Another key pillar of ASF's activity is accelerating the digitalisation process and promoting technological innovation in non-bank financial markets.

The transition to a digital economy is irreversible, and new technologies have the potential to optimize processes, increase market efficiency, and provide consumers with faster and more secure access to financial products and services. ASF is taking an active role in facilitating this process by supporting supervised entities in adapting to new technological requirements. At the same time, particular attention

is paid to cyber risks, through the implementation of advanced security measures and the strengthening of protection mechanisms against digital threats.

In addition to these aspects, consumer protection and strengthening confidence in non-bank financial markets are central objectives of ASF. In an ever-changing financial landscape, it is essential that market participants are informed, protected, and supported in their financial decisions. ASF is implementing measures to improve the transparency and accessibility of financial information so that investors and consumers can act in an informed manner. To this end, financial education programs are being stepped up, and mechanisms for monitoring and sanctioning non-compliant practices are being rigorously enforced.

Another defining aspect of ASF's strategy is the harmonisation of the national regulatory framework with European and international standards. Romania is in a continuous process of integration into global financial structures, and ASF plays an essential role in facilitating this transition.

Joining the Organisation for Economic Cooperation and Development and strengthening relations with the European Securities and Markets Authority and the European Insurance and Occupational Pensions Authority (EIOPA) are key objectives for ensuring that Romania's non-bank financial markets are aligned with international best practices. In this context, ASF continues to update and modernise national legislation so that it reflects developments in financial markets and responds to new economic challenges.

In a constantly changing global economic climate, ASF takes an active role in anticipating risks, developing financial markets, and protecting the interests of market participants. Through a balanced approach that combines rigorous regulation with support for innovation, ASF aims to create a stable, competitive, and forward-looking financial environment. The consolidation and modernisation of non-bank financial markets remain permanent strategic objectives, essential for protecting consumers, increasing market attractiveness, and maintaining financial stability.

ALEXANDRU PETRESCU
President

1. About ASF

1.1. Overview of the Financial Supervisory Authority

The Financial Supervisory Authority (ASF) is the institution with an essential role in regulating, supervising, and monitoring non-bank financial markets in Romania, with the main objective of ensuring their stability, transparency, and efficient functioning.

By exercising the powers conferred by the national and European legislative framework, ASF oversees the development of a balanced and competitive financial environment that protects the interests of participants and contributes to increasing confidence in financial services and products. In a dynamic economic landscape characterized by innovation and technological change, ASF acts proactively to adapt regulations to market realities and prevent emerging risks.

ASF's mission

ASF's mission is to protect consumer interests and ensure the efficient functioning of non-bank financial markets by establishing a modern regulatory framework, prudential supervision, and promoting ethical and responsible behaviour in the industry. ASF aims to support the development of stable, innovative, and accessible financial markets, thus providing the necessary conditions for strengthening the national economy.

Core Values

ASF's activity is based on a set of fundamental values that define the institution's identity and guide its decisions and actions:

- **Independence and autonomy**, essential for the objective and impartial application of regulations;
- **Transparency and integrity**, ensuring a fair and predictable environment for market participants;
- **Responsibility and professionalism**, reflected in the exercise of regulatory and supervisory powers;
- **Innovation and adaptability**, necessary to respond to economic and technological challenges;
- **Cooperation and institutional dialogue**, fundamental to effective regulation that is harmonised with international requirements.

Strategic Responsibilities and Objectives

ASF regulates and supervises three non-banking financial sectors—the Financial Instruments and Investments sector, the Insurance-Reinsurance sector, and the Private Pension System sector—with the following main responsibilities:

ASF's main objective is to maintain the stability and competitiveness of non-banking financial markets through measures to prevent systemic risks and effectively manage financial crises. Through advanced supervisory mechanisms, ASF ensures that regulated entities comply with prudential and governance standards, thereby contributing to strengthening the resilience of the financial system.

A central aspect of ASF's activity is consumer protection and the promotion of transparency. The implementation of strict rules of conduct for supervised entities and the application of effective information mechanisms contribute to increasing confidence in financial markets. At the same time, ASF supports the financial education of consumers, providing them with the tools they need to make informed decisions.

In order to ensure a modern regulatory framework, ASF is constantly working to harmonise legislation with European and international standards. This is essential for creating a level playing field and integrating Romania's non-bank financial markets into the global economic circuit.

The use of new technologies and the digitalisation of supervision are another important strategic objective. ASF invests in the development of innovative solutions for market monitoring and regulatory process improvement, thus facilitating interaction between the authority and supervised entities.

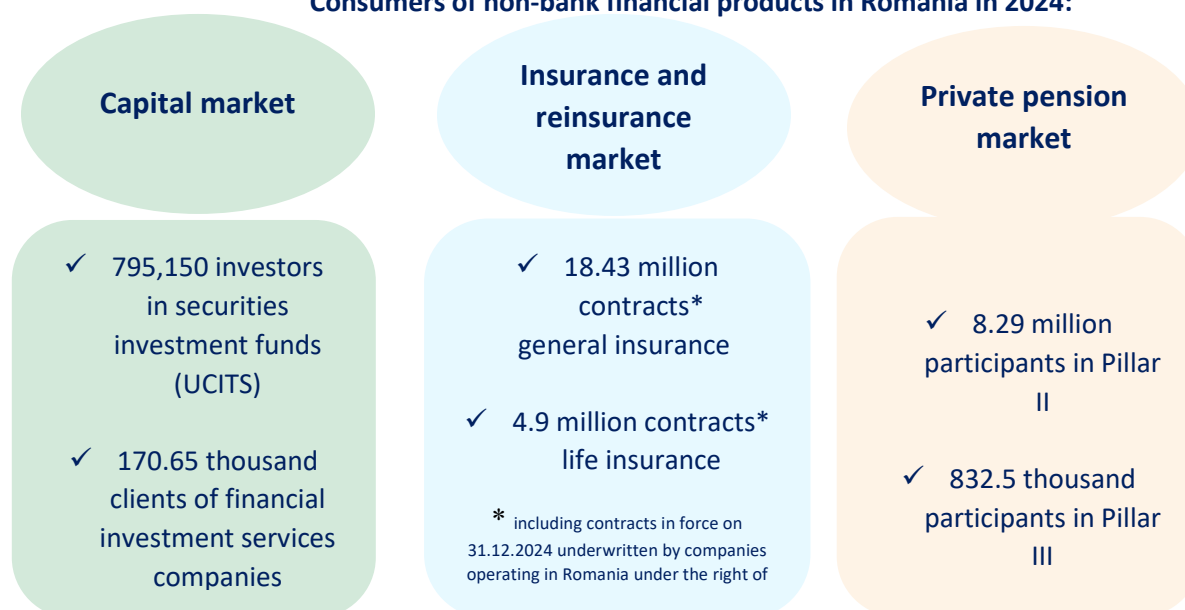
In terms of international cooperation, ASF is strengthening its relations with European and global supervisory bodies, thereby consolidating strategic partnerships that support the development of a coherent and effective regulatory framework. Joining the Organisation for Economic Cooperation and Development (OECD) and collaborating with institutions such as the European Securities and Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA) are constant priorities for ASF.

ASF operates in a dynamic environment, where adaptability and the ability to anticipate risks play an essential role. By strengthening a secure financial environment, ASF contributes to sustainable economic development and increased confidence in non-bank financial markets.

From the perspective of the size of the three non-bank financial markets supervised by ASF, the following benchmarks are relevant:

➤ Total assets amounting to **RON 236.9 billion** (EUR 47.63¹), representing **13.72% of GDP**

Consumers of non-bank financial products in Romania in 2024:



1.2. ASF Governance

The Financial Supervisory Authority (ASF) operates under the leadership of the ASF Council, which is responsible for establishing the institution's overall strategy and policies, as well as overseeing their implementation. The ASF Council is appointed for a 5-year term and is composed of 9 **members** appointed by Parliament, of which: 5 **executive members** (the president, first vice-president, and 3 vice-presidents with specific responsibilities corresponding to one of the 3 financial supervision sectors) and 4 **non-executive members**.

Thus, according to the provisions of Art. 8 of GEO No. 93/2012 and taking into account the Decisions of the *Romanian Parliament* No. 46, published in the Official Journal of Romania No. 1150/19.12.2023, and No. 26 published in the Official Journal of Romania No. 983/01.10.2024, the composition of the Financial Supervisory Authority Council in 2024 is as follows:

- **President:** Alexandru Petrescu
- **First Vice-President:** Gabriel-Ioan Avrănescu
- **Vice-President:** Sorin Cristinel Mititelu
- **Vice-President:** Ștefan Daniel Armeanu
- **Non-executive member:** Jozsef Birtalan
- **Non-executive member:** Ovidiu Răzvan Wlassopol
- **Non-executive member:** Elena Monica Stănică

¹ EUR exchange rate at the end of December 2024: **4.9741** - <https://www.bnro.ro/Cursul-de-schimb-3544.aspx>

The ASF Council is responsible for ensuring effective and transparent governance, promoting the integrity and stability of non-bank financial markets in Romania. To this end, the Council sets the strategic directions of ASF, approves the regulations issued by the institution, and monitors the supervisory and control activities carried out by the executive structures.

The President of the Financial Supervisory Authority (ASF) acts as the representative of the institution, having the status of an autonomous administrative authority and a legal entity under public law, including in common law relations. The president also has the power to authorise expenditure. If the president is temporarily unable to exercise his or her powers, the responsibility for representing ASF falls to the first vice-president.

Extraordinary meetings of the ASF Council may be convened by the president or first vice-president whenever necessary or at the request of at least four members of the Council. The convocation must be communicated at least one working day before the date set for the meeting.

For the deliberations of the Council to be valid, at least half plus one of its members must be present, including the president or, in his absence, the first vice-president. Decisions are adopted by a two-thirds vote of the members present.

The decisions of the ASF Council are binding on all its members, and if some of them vote against or abstain, their separate opinions are recorded in the minutes of the meeting.

To support the work of the Council, ASF has a well-defined organisational structure, which includes departments and services specializing in various areas of non-bank financial markets. This structure allows for an integrated and coherent approach to regulatory and supervisory activities, while ensuring the flexibility necessary to respond promptly to challenges and developments in the financial sector.

ASF operates in accordance with corporate governance principles, promoting transparency, accountability, and efficiency in all its decision-making processes. By implementing high standards of governance, ASF aims to strengthen public confidence in non-bank financial markets and ensure the protection of consumer rights and interests.

In conclusion, through its governance structure and commitment to the principles of transparency and accountability, ASF fulfills its mission to ensure the stability and integrity of non-bank financial markets in Romania, thus contributing to the sustainable development of the national economy.

1.3. Highlights of activity in 2024

In 2024, the Financial Supervisory Authority (ASF) carried out its activities in accordance with the strategic directions set out in the Activity Program approved by the ASF Council. The objectives and initiatives carried out were aligned with both national and European legislative requirements and with the priorities in terms of regulation, supervision, and consumer protection applicable to the three non-bank financial markets under the authority of the institution.

To achieve these strategic objectives, ASF sought to strengthen the sustainability and resilience of non-bank financial markets, increase confidence in financial products and services, modernise the regulatory

framework, strengthen supervisory mechanisms, and intensify cooperation with European and international authorities. The institution's priorities also reflected global developments, with an emphasis on the transition to a green economy, the digitalisation of processes, and the adoption of technological innovations.

In this context, ASF rigorously and responsibly carried out its regulatory, authorisation, supervision and control activities, taking into account a wide range of regulated entities, such as financial services and investment companies, investment management companies, alternative investment fund managers, collective investment undertakings, market operators and financial instrument markets, central counterparties, insurance and reinsurance companies, insurance intermediaries, private pension fund managers, and other relevant actors in the financial sector.

In order to maintain financial stability and the efficient functioning of supervised markets, in 2024 ASF adopted measures aimed at strengthening prudential supervision, preventing systemic risks, and enhancing consumer protection.



ASF was also actively involved in aligning national legislation with European rules and implementing OECD standards in the context of Romania's accession to this organisation.

Financial education has been a central pillar of ASF's work, as it is essential for protecting consumers and raising awareness of financial products and services. To this end, extensive information programs have been implemented and campaigns have been carried out to improve access to educational resources, thus contributing to a better understanding of consumers' financial rights and responsibilities.

At the same time, given technological progress and the accelerated digitalisation of financial markets, ASF has paid particular attention to the risks associated with the adoption of new technologies in the financial sector. The effects of digital transformation, the level of cybersecurity, and the emergence of greenwashing phenomena were monitored and assessed, in line with global trends towards the integration of sustainability principles.

To achieve these objectives, the ASF Council held a significant number of meetings, ensuring a rigorous analysis of issues essential to the proper functioning of financial markets. In 2024, 64 ASF Council meetings were held, including 45 ordinary meetings and 19 extraordinary meetings. Their agenda included 1,069 analysis and decision notes, covering issues such as:

1. approving draft primary legislation relevant to its area of competence and forwarding it for legislative promotion, and drafting primary legislation to transpose European legislation;
2. updating secondary legislation by issuing rules, regulations, and instructions in order to align with the latest developments in national primary legislation and European best practices;
3. analyses resulting from the approval-authorisation processes, materialised through the issuance of individual administrative acts (decisions, authorisations, approvals, certificates) addressed to regulated and/or supervised entities, at their request;
4. periodic analyses of compliance with legal requirements regarding the level of prudential and conduct indicators;
5. periodic analyses of the financial stability and evolution of the three supervised non-banking financial markets;
6. analyses of the supervision and control processes and capitalisation of the results by applying sanctions and action plans/recovery plans in order to prevent/remedy identified deficiencies and/or to properly manage specific risks.

As a result of its activities, ASF adopted 82 normative acts, issued 94 internal decisions and 787 individual acts, consisting of opinions, authorisations, certificates and decisions. In addition, 660 letters were drafted as a result of the resolution of issues discussed at Council meetings.

Through all these measures, ASF acted in accordance with its established objectives and in line with its legal mandate, strengthening the stability of non-bank financial markets and ensuring the protection of participants.

The Financial Supervisory Authority (ASF) Activity Report for 2024 provides a comprehensive and structured overview of the measures adopted, decisions taken, and projects implemented by the institution. These are organised around the four core functions of ASF—regulation, authorisation, supervision, and control—and reflect the ongoing objectives set out in the legislation in force and in the Activity Program for 2024.

Throughout the year, ASF continued to implement strategic initiatives aimed at supporting the development and consolidation of the financial instruments and investments market. The main objectives were to increase transparency, protect investors, and align the national framework with international best practice standards. To this end, ASF carried out activities relevant to modernising the regulatory framework and strengthening supervision, adapting to the dynamics of the capital market, digitalisation, and financial innovation.

Another priority objective of ASF in 2024 was to strengthen risk-based supervision and encourage responsible investment behaviour. This approach was materialized through the development of guidelines and recommendations aimed at strengthening investor protection and increasing confidence in the capital market. At the same time, the institution continued its active cooperation with international and European bodies, contributing to the harmonisation of national regulations with legislative developments in the European Union.

Through all these actions, ASF reconfirmed its commitment to the sustainable development of the investment and financial instruments market, supporting the creation of a stable, competitive, and predictable regulatory framework for market participants.

The year 2024 also represented an important stage of maturation and stabilization for the insurance market in Romania. In this context, ASF continued its efforts to ensure the transparency and stability of this sector, in line with the strategic objectives of consumer protection and strengthening confidence in insurance services.

The activity carried out aimed to improve the regulatory framework in the insurance field, streamline supervisory mechanisms, and promote a market characterized by transparency and stability.

The report highlights the main achievements and strategic directions of ASF in the insurance and reinsurance sector, structured along the following lines of action:

- International cooperation and projects in the insurance field;
- Insurance market regulation;
- Publication of the reference tariff for MTPL policies as a tool for ensuring transparency;
- Supervision of entities operating in the insurance market;
- Consumer protection, including complaint management and alternative dispute resolution.

In 2024, the Financial Supervisory Authority (ASF) continued to focus its efforts on strengthening and developing the private pension system, with the main objective of ensuring a sustainable, safe, and efficient system for all participants.

In line with its commitment to strengthening financial stability and protecting the interests of pension fund contributors, ASF intensified its risk-based supervision, closely monitoring market developments, fund capitalisation levels, and fund managers' compliance with regulatory requirements.

At the same time, ASF has continued the process of aligning with European best practices, adapting the national regulatory framework to the provisions of European Union Directives and Regulations on private pension systems. In this context, measures have been promoted to increase the transparency and efficiency of fund management, thus contributing to better protection for participants.

Through these actions, ASF is consolidating its position as guarantor of the stability and sustainability of the private pension system, providing a solid, predictable, and secure framework for participants' future savings.

Following the supervision and control activities carried out during the year, ASF applied a series of sanctions to entities operating in the field of non-bank financial products, covering the segments of the

financial instruments and investments market (capital market), the insurance and reinsurance market, as well as the private pension market.

Sanctions and administrative measures applied by ASF in 2024					
Type of sanction/measure		Entities in the Financial Instruments and Investments Sector	Entities in the Insurance - Reinsurance Sector	Entities in the Private Pension System Sector	TOTAL
Warning		9	-	4	13
Written warning		33	6	5	44
Administrative fine	number	89	14	6	109
	value (RON)	1,999,083	534,100	17,900	2,551,083
Financing/recovery plans		1			1
Action plans imposed on companies		1	2	2	21
Other types of measures (provisions for respecting shareholders' rights, ensuring compliance of financial statements with IFRS, compliance with withdrawal procedures)		12	-	-	12
Temporary prohibition of activity		-	-	-	-
Suspension of operating license		-	-	-	-
Withdrawal of operating license		-	-	-	-
Total penalties and administrative measures applied		161	22	17	200

1.4. Important projects carried out by ASF in 2024

1.4.1. Impact projects carried out in the financial instruments and investments sector (FIIS)

The National Strategy for Capital Market Development

The National Strategy for the Development of the Capital Market in Romania for the period 2023-2026, approved by Government Decision No. 506 published in the Official Journal on 30 May 2023, is a very important pillar for the development and consolidation of the domestic capital market.

This document lays the groundwork for increasing financing through this market, with positive effects on the development of the business environment and the national economy.

In order to achieve the expected results, taking into account Romania's National Recovery and Resilience Plan following the crisis caused by the COVID-19 pandemic, approved by the EU Council on 28 October 2021, the National Strategy for the Development of the Romanian Capital Market for the period 2023-2026 has been outlined around nine general objectives, which are divided into several specific objectives, namely:

I. improving the conditions for listing on the capital market, II. Increasing liquidity on the secondary market, III. Promoting, developing, and growing an active SME market, IV. Promoting savings among individual investors and increasing the participation of individual investors and the business community in the capital market, V. Increasing the role of institutional investors, VI. Facilitating long-term financing through market mechanisms, VII. Supporting digitalisation and financial innovation, VIII. Supporting the development of the local private equity and venture capital market, and IX. Stimulating green investments.

Since the publication of the Strategy, ASF has made constant efforts to achieve the specific objectives of the Strategy, including by setting up an inter-institutional working group composed of representatives of the institutions/entities responsible for implementing those objectives and organising technical working meetings with those institutions/entities.

Among the concrete measures taken by ASF to implement the Strategy, we mention:

- ✓ **Revision of capital market legislation in order to achieve the Strategy's objectives relating to legislative changes;**
- ✓ **Approval by ASF, following a request submitted by BVB, of the derivatives market, which will become operational after the authorisation of the central counterparty that will serve the clearing operations, as provided for in MIFID;**
- ✓ **Organising, in cooperation with other institutions, events aimed at promoting capital market financing methods among SMEs;**
- ✓ **Cooperating with the authorities and entities responsible for implementing the objectives of the Strategy.**

The implementation of the Strategy by achieving its general and specific objectives will lead to an increase in the role and size of the domestic capital market in the national economy by attracting new and e categories of investors, as well as new issuers, by increasing the liquidity and attractiveness of traded instruments.

Given the importance of the Strategy for the sustainable development of the capital market, ASF will continue to take all necessary measures to achieve its general and specific objectives.

Continuing efforts to support the process of strengthening the capital market infrastructure, namely supporting actions to establish a central counterparty

During the reference period, the authority continued its efforts to support the authorisation of a central counterparty (CCP) at national level.

During 2024, the following activities took place with a view to authorising a national CCP:

✚ On 20 March 2024, Order No. 65/2024 of the National Bank of Romania was published in the Official Journal of Romania, designating the systems covered by the provisions of Law No. 253 on the finality of settlement in payment systems and in securities settlement systems, whereby the CCP.RO system was designated as a settlement system;

✚ Between 3 April 2024, and 10 April 2024, E2E tests were conducted with external participation; during the tests, the activities carried out were subject to dedicated audit missions by the IT auditor of CCP.RO, KPMG Advisory, and the independent internal auditor ACL International.

✚ On 11-12 April 2024, the third meeting of the CCP.RO College was held in Bucharest, attended by representatives of ESMA, ASF and BNR. Given that at that time a vote was planned in the plenary session of the European Parliament to amend Regulation (EU) No. 648/2012 (EMIR 3.0), which introduces changes including to the authorisation procedure for central counterparties, a vote that took place on 24 April 2024, it was important that the authorisation file be declared closed in accordance with the authorisation procedure provided for in EMIR 2. In this context, it was agreed that the authorisation file would be declared complete around 23 April 2024 and that the assessment report would be drawn up by 23 August 2024.

✚ On 16 April 2024, the National Bank of Romania sent its recommendations to CCP.RO, taking into account both the testing session held between 3 and 10 April 2024, and the discussions held during the College meeting on 11-12 April 2024.

✚ On 19 April 2024, CCP.RO submitted the revised documents in accordance with the recommendations and observations made during the E2E tests and the EMIR College meeting on 12 April 2024.

✚ In the context of the final steps being taken within CCP.RO was taking the final steps to complete the documentation and submit it to ASF for the declaration of the complete file, CCP.RO informed ASF and BNR on 16.04.2024 about Euronext Clearing's notification regarding the termination of the Consulting and Technology Services Agreement concluded in July 2020;

✚ On 25 April 2024, following urgent consultation with the authorities within the College, ASF informed CCP.RO that "the terms for declaring the complete file discussed within the College's on 11-12 April 2024, can no longer be met, as it is necessary to re-evaluate the documents and information submitted in the authorisation file regarding the operation and management of the clearing system."

✚ Given the key role of shareholders in the CCP authorisation process, ASF organised meetings with representatives of the 12 shareholders of CCP.RO Bucharest S.A. on 9 May 2024, and 15 July 2024. During the discussions at the meetings, ASF reiterated to the shareholders the importance of having a central counterparty for the domestic capital market, the implementation of this project being assessed in the process of accession to the OECD.

✚ On 4 September 2024, the CCP.RO Extraordinary General Meeting of Shareholders was held, during which the following decisions were made:

- to increase the share capital of CCP.RO by up to RON 25,000,000;
- to conclude an Application Management Services Agreement with Be Management Consulting S.p.A., Italy;
- the conclusion of a License Agreement with Euronext Clearing;

✚ At the request of CCP.RO, ASF organised a series of weekly meetings with representatives of CCP.RO and BNR in order to clarify specific issues identified by CCP.RO regarding the Risk Register, self-assessment in accordance with DORA, and the renewal of some of the documents included in the documentation already submitted.

✚ The next two meetings of the College for CCP.RO were held online on 28 October 2024, and 21 November 2024, respectively.

✚ Given that during the course of the project there was a change of service provider and the acquisition of technical equipment by CCP.RO, the staff of CCP.RO and the new service provider underwent training until the end of 2024, and after 1 January 2025, the relocation of the main headquarters of CCP.RO headquarters to another location, and the tests carried out at the new location must also comply with the resilience requirements under DORA, ASF requested CCP.RO on 29 November 2024, to complete the necessary documentation in order to review the closure of the file and resume testing to demonstrate the capacity of CCP.RO's ability to manage the clearing system independently of Euronext Clearing after moving to the new headquarters.

✚ Following the legislative changes brought about by the entry into force of EMIR 3, CCP.RO requested the withdrawal of the authorisation application submitted on 31 January 2023, which will be resubmitted under the new procedure after completing the documentation in accordance with the requirements of ASF and BNR.

✚ Meetings were held with representatives of the internal working group on CCP to analyse and discuss the documentation submitted by CCP.RO.

✚ Regular briefing notes were prepared on the status of the CCP authorisation process in Romania.

The project "Sustainable Finance - Strengthening Supervisory Capacity," funded by the European Commission's Directorate-General for Structural Reform Support (DG REFORM)

ASF participated in the project "Sustainable Finance – Strengthening Supervisory Capacity," funded by the European Commission's Directorate-General for Structural Reform Support (DG REFORM), alongside supervisory authorities from Croatia, Malta, and Poland. Running for two years and completed in 2024, the project's main objective was to develop the capacities of regulatory authorities and supervised entities to implement the sustainable finance framework, with a focus on transparency requirements applicable to financial market participants.

The project focused on strengthening the application of the European Union's regulatory framework in the field of sustainable finance and was achieved by improving the methodologies and supervisory tools related to reporting and transparency requirements applicable to undertakings for collective investment in transferable securities (UCITS), alternative investment funds (AIFs) and their managers, financial investment companies, and issuers.

The project has therefore supported the strengthening of the capacity of the Financial Instruments and Investments Sector by consolidating the mechanisms for supervising the transparency requirements imposed on regulated entities, and will contribute to maintaining investor confidence in ESG investments and combating greenwashing.

In addition, the integration of sustainable finance principles into current supervisory work aims to identify relevant sustainability risks at an early stage, increase the resilience of the capital market, and support the efforts of supervised entities to adopt appropriate sustainability risk management policies in line with new European requirements.

During 2024, continuing the activities carried out in 2023, representatives of the specialized structures within ASF were actively involved in the project activities, participating in the analysis/review of specific documents (deliverables), attending a large number of physical and online meetings, and identifying solutions with a view to implementing the deliverables of this project.

The activities carried out within the project resulted in a series of seven deliverables provided by the consultant Deloitte. The deliverables concerned: (1) the preparation of a report on the initial status of ASF in terms of supervising sustainability reporting and transparency requirements, (2) the legislative mapping of all relevant publication and reporting requirements in the field of sustainable finance, (3) analysing data needs and methods for collecting and processing them, (4) producing a report on best practices at EU level, (5) producing guidance and supervisory tools, and (6) engaging stakeholders and raising awareness of the new opportunities and challenges generated by the EU framework for sustainable finance. The final report delivered by the consultant reviewed the activities and deliverables and detailed the expected results of the project.

In addition, during the first half of 2024, two workshops were organised for financial and non-financial entities, respectively, attended by representatives of ASF and the consultant from the "Sustainable Finance - Strengthening Supervisory Capacity" project, together with representatives of entities supervised by ASF. These workshops aimed to inform participants about the objectives and scope of the

project, as well as to raise awareness of the opportunities offered by investments in sustainable products for various stakeholders in this segment - potential investors in ESG products, but also entities that can make such products available, promoting environmental and/or social characteristics or targeting sustainable investments.

Accelerating the process of digitalisation and innovation in the financial sector – the digital finance project – the draft MiCA Regulation on the regulation of crypto-asset issuance and trading – MiCA (Markets in Crypto Assets Regulation)

In 2024, the MiCA-DLT working subgroup focused on analysing the implications of applying this regulation, identifying possible measures necessary for its proper implementation, including proposing the adoption of national rules. An important issue discussed was the identification of the areas of competence of national authorities/institutions (ASF, BNR, MF, ADR, ICI), and discussions with them were initiated.

Thus, with a view to the national application of the harmonised European regulatory framework on crypto-assets, represented by Regulation (EU) No. 1114/2023 on crypto-asset markets (MiCA), FIIS representatives contributed, together with representatives of BNR, Ministry of Finance and Ministry of Research, Innovation and Digitalisation, to the development of an appropriate national framework to ensure the sharing of enforcement powers between the competent authorities, in line with their respective responsibilities and expertise, taking into account their experience, capacities, territorial coverage, and available human resources.

The project "Strengthening the authorisation, supervision, recovery, and resolution capacity of central counterparties in Croatia, Greece, Poland, Portugal, and Romania"

The aim of this multi-country project, funded by the European Commission through the Technical Support Instrument (TSI), is to provide assistance and training to the beneficiary authorities (competent authorities and resolution authorities for CCPs) in Croatia, Greece, Poland, Portugal, and Romania in improving CCP supervision and resolution practices and procedures by providing the knowledge and information necessary to better fulfil their responsibilities and tasks regarding CCP supervision and resolution.

The project was launched on 6 November 2024, with the participation of the European Commission, ESMA, and representatives of each competent authority and CCP resolution authority in the beneficiary Member States, and will be carried out in several stages. The project includes individual meetings with beneficiary authorities, training sessions, and workshops. In fact, at the kick-off meeting at ESMA headquarters, the competent authorities and CCP resolution authorities, including ASF, made presentations on CCP supervision and monitoring, as well as CCP resolution.

The project "Proof of concept of AI models in market abuse detection"

ASF is participating in this project alongside 15 other competent authorities in the EU. The project is funded through the Technical Assistance Instrument, an annual program implemented by the European Commission that provides EU member states with tailored technical expertise to develop and implement reforms.

Monitoring market abuse is one of the critical and challenging tasks that EU competent authorities must perform. ASF monitors the activities of investment companies for market abuse to ensure that they act honestly, fairly, and professionally and in a manner that promotes market integrity. This monitoring depends to a large extent on data (reports on executed transactions and trading orders). The volume of data is very large, with 35-40 million reports of executed transactions (EU) daily and over 2 billion orders (EU total).

Due to the increase in the volume of data available to supervisory authorities and the intensification of innovation processes in the financial markets, it has been found that traditional supervisory approaches are no longer sufficient to explore the full potential of the information available (including cross-border data) at the level of the competent authorities.

In the third quarter of 2024, the EC completed the contracting of the external consultant who will develop the AI algorithms. The project is currently in its first phase, in which teams from all participating competent authorities are working together on the initial mapping of practices related to the use of AI models for market abuse monitoring, based on market practices (including outside the EU) and the experience of EU competent authorities.

The project is the first EU-wide collaboration initiative between several competent authorities for a common purpose involving new technologies, in this case AI. The operationalisation of the project activities will create a European team of specialists who will design and implement, in a harmonised manner at the level of each jurisdiction, a set of algorithms capable of working with data from almost all EU financial markets.

Implementation of the European Single Access Point (ESAP)

The permanent cross-sectoral working group on the implementation of the European Single Access Point (ESAP) was set up by Decision No. 1064/18.10.2024 and operates under the coordination of First Vice-President Gabriel Avramescu.

The working group's tasks are as follows:

- a) Initiating discussions with institutions outside ASF to establish data collection competences, increase cooperation on ESAP implementation, and monitor the process of updating sectoral legislation as a result of the Omnibus Directive/Omnibus Regulation ESAP (ESAP Omnibus Directive ((EU) 2023/2864);
- b) Organising operational activities within ASF related to the implementation of ESAP, by setting up a dedicated working group to analyse each set of data subject to publication through the ESAP platform and establishing the related information flow;
- c) Correspondence and collaboration with European supervisory authorities (ESAs) with a view to the robust implementation of ESAP in Romania;
- d) Conducting, together with the Communications and Information Technology Directorate, an analysis of the need to develop/purchase software/IT systems for the collection of information and publication of data in ESAP, which is the responsibility of ASF;

- e) Analysis of the opportunity to contract external specialized services to acquire/implement IT solutions necessary for the collection and transmission of information in the ESAP system, related to the fulfillment of the responsibility of data collector for ASF;
- f) Preparation and periodic presentation to the ASF Council of the implementation status of the ESAP project at ASF level;
- g) Preparation of proposals regarding the budget to be allocated by ASF for the implementation of ESAP and correspondence with ESMA, EC DG REFORM, and other NCAs in the EU for ASF's participation in any TSI requests for the purpose of ESAP;
- h) Organising ongoing verification and quality assurance of data published in ESAP, which is the responsibility of ASF;
- i) Organising training sessions for entities that are required to provide data to be published on the ESAP platform.

Joint supervisory exercise on risks and transparency requirements in the area of sustainability

During 2024, ASF carried out the *Joint Supervisory Action on sustainability risks and disclosures*.

The exercise aimed to assess how supervised entities (1) *integrate sustainability risks into the risk management framework at the level of managed funds – in accordance with Regulation 2021/1255 for AIFs and Directive 2021/1270 for UCITS*, (2) *address the phenomenon of "greenwashing,"* and (3) *comply with the transparency requirements imposed by Regulations 2019/2088 (SFDR) and 2020/852 (Taxonomy)*.

The main objective of the exercise is to achieve greater convergence at European level in relation to the supervision of the integration of sustainability risks and compliance with sustainability transparency requirements at the level of investment funds, through coordinated action by the National Competent Authorities (NCAs) on the risks arising from incorrect or misleading reporting, non-compliance with the reporting templates set out in the SFDR, and any other type of entity or financial product issues that could lead to "greenwashing."

Thus, at the FIIS level, a relevant sample was selected for the proposed exercise, in accordance with the materiality thresholds established within the IMSC and IMSC OWG - ESMA groups, and letters and questionnaires were sent to the supervised entities. During 2024, the responses received were analysed and centralized at the ASF level, and additional correspondence was initiated where it was considered that the ESG transparency supervision methods developed by the selected entities did not meet the legal provisions and/or supervisory expectations in this area.

At the beginning of 2024, the responses received from the managers in the sample for **Section I, relating to questions on greenwashing**, were centralized and analysed. **Subsequently, ASF submitted the results of the exercise in this area to ESMA. For the sections relating to the integration of sustainability risks into the risk management framework at the level of the managed funds and compliance with the transparency requirements imposed by Regulations 2019/2088 (SFDR) and 2020/852 (Taxonomy), the results of the exercise were reported to ESMA by the end of September 2024**, in accordance with the timetable agreed by the European Authority and all participating NCAs.

1.4.2. Important projects carried out in the insurance and reinsurance sector (IRS)

✓ **The process of joining the Organisation for Economic Cooperation and Development (OECD)**

ASF was involved in the assessment missions carried out in Bucharest by OECD representatives, during which additional information was provided on topics of interest to the international organisation to support a fair assessment of the alignment of the Romanian non-banking financial market with OECD legal instruments in the field of insurance.

Following the OECD's preparation of a first assessment report on accession with the main conclusions and recommendations, on 13 June 2024, the OECD Insurance and Private Pension Committee assessed Romania's insurance policies. ASF, accompanied by representatives of the Ministry of Finance and the Ministry of Foreign Affairs, prepared and delivered a detailed presentation on the socio-economic context in Romania, major developments in the insurance sector, challenges, lessons learned, and objectives for the future, as well as the measures taken to align with the best global standards and practices in the regulation and supervision of insurance sector activities.

✓ **Technical assistance project for the National Commission for Financial Markets (CNPF) of the Republic of Moldova and the National Bank of Moldova (BNM)**

In 2024, ASF continued to be involved, alongside other authorities from Romania, the Netherlands, and Lithuania, in the implementation of the project launched at the end of 2021 - Technical assistance project for the National Commission for Financial Markets (CNPF) of the Republic of Moldova, within the European Commission's Twinning program Strengthening supervision, corporate governance and risk management in the financial sector. The overall objective of the twinning project was to support the Republic of Moldova in implementing reforms related to the Association Agreement between the EU and its neighbour, with a focus on strengthening supervision, corporate governance, and risk management in the financial sector.

ASF ensured and implemented the activities planned under the project's component Development and implementation of a new legal framework for the supervision of the insurance sector and motor third-party liability insurance (MTPL), by assisting the CNPF and, as of 1 July 2023, the National Bank of Moldova (BNM), which has taken over the regulatory and supervisory functions in the insurance field, in drafting primary and secondary legislation for the full transposition of the Solvency II Directive, the implementing regulations issued by the European Commission for this directive, as well as for the adoption of recommendations from the relevant guidelines issued by the European Insurance and Occupational Pensions Authority, respectively for the transposition of European legislation in the field of compulsory motor third-party liability insurance.

At the same time, in 2024, the assistance provided included training sessions on the practical application of European requirements in the field of solvency, motor third-party liability insurance, and supervisory practices.

The technical assistance project was completed in March 2024. Although organising the 27 missions, during which ASF provided advice to colleagues in the Republic of Moldova, was a real challenge due to the relatively short time frame, the result proved to be a success.

The Twinning project placed a strong emphasis on staff training, with short-term exchanges of experience with experts leading to both the development of local expertise and the adoption of EU best practices. All the results and objectives achieved are sustainable, as they represent important steps on the path to Moldova's accession to the EU.

✓ **Guide with recommendations on MTPL insurance products**

During 2024, the necessary steps were taken to finalize the MTPL recommendations/guide, a guide to good practice that will aim to increase financial inclusion, the degree of coverage in MTPL insurance, and improve insurers' practices in their relationship with their own policyholders and injured parties, through which certain rules of good practice are introduced regarding the method of pricing and risk segmentation, in particular the choice of segregation criteria for individuals and legal entities, with a view to homogenising them when both the activity and behaviour of policyholders are similar, as well as other measures to regulate certain practices that may be considered unfair or discriminatory to potential policyholders.

1.4.3. Important projects carried out in the private pension systems sector (PPSS)

✓ **Strategic projects essential for strengthening and developing the regulatory and supervisory framework for the private pension system**

In 2024, ASF continued to implement strategic projects essential for strengthening and developing the regulatory and supervisory framework for the private pension system. In addition to actively participating in European and international initiatives, such as the DORA (Digital Operational Resilience Act) Regulation, MiCA (Markets in Crypto-Assets Regulation) and the digitalisation of authorisation, regulation, and supervision (ADR) activities, a major objective of the authority this year was **Romania's accession to the Liberalisation Codes of the Organisation for Economic Cooperation and Development (OECD)**. This is a strategic goal of Romania's foreign policy and is included in the current Government Program.

In this context, ASF has carried out an extensive process of aligning the legislative and regulatory framework with OECD standards in order to meet the criteria set out in **the Roadmap for Accession**. A milestone in this process was **the meeting of the OECD Working Group on Private Pensions on 11 June 2024**, which analysed both **Romania's commitment to implement the relevant legal instruments and the degree of convergence of national policies and practices with the best international standards in the field of private pensions**.

The activities carried out by ASF in the field of private pensions mainly focused on:

- **Reviewing and adjusting the primary legislative framework** to bring it into line with OECD requirements and recommendations;
- **Strengthening risk-based supervisory mechanisms** to better protect participants in private pension funds;
- **Developing a flexible and adaptable regulatory framework** to support the transition to more efficient and sustainable management models.

Following the assessment carried out by the Working Group on Private Pensions, **Romania received positive feedback for the progress made in the field of private pensions**, with the following key aspects being recognized:

- ✓ **A multi-pillar pension system** designed to ensure risk diversification and the long-term sustainability of pension financing;
- ✓ **A clear regulatory and authorisation framework, which sets out precise rules on the granting, refusal, modification or withdrawal of authorisations for pension managers and funds;**
- ✓ **A robust governance framework that ensures transparency and accountability in the management of private pension fund assets;**
- ✓ **The capacity and competence of the Financial Supervisory Authority, including a commitment to continue implementing risk-based supervision;**
- ✓ **An effective mechanism for linking the capping of management fees to the performance of mandatory pension funds, ensuring a balance between the interests of managers and the protection of participants.**

Through these measures, ASF reaffirms its commitment to supporting **the modernisation and development of the private pension system in Romania**, ensuring **effective supervision, a robust legislative framework, and adequate protection mechanisms for participants**. At the same time, the authority will continue to collaborate with international institutions to **harmonise national regulations with European and international best practices**, thus contributing to the achievement of Romania's strategic objective of joining the OECD.

1.4.4. Projects on digital finance and sustainable finance

The Financial Supervisory Authority's digitalisation objectives for 2024 remained a priority and of cross-sectoral interest, with ASF's organisational structures integrating aspects arising from the digital transformation of the entire financial system into their current activities.

ASF's efforts in the field of digitalisation focused on several areas of action in 2024:

- ✓ The need to improve institutional capacity in the field of digital finance is addressed through ASF's participation in the *EU Supervisory Digital Finance Academy* (EU SDFA) project. EUS DFA is the European Commission's initiative to create an environment conducive to in-depth study of digital finance by providing courses and training in the field, with the aim of strengthening supervisory capacity in digital finance and innovative technologies. ASF is part of the project following the selection procedure under the Technical Assistance Instrument 2022, through DG REFORM, participating alongside more than 30 authorities from Member States in a comprehensive training program in the field of digital finance, on topics of interest to them, according to the schedule and curriculum established at EC/DG REFORM level. The project is funded by the European Commission, through DG REFORM, in collaboration with the three European supervisory authorities (ESMA, EIOPA, EBA), with a prestigious academic institution, the Florence School of Banking and Finance, through the European University Institute, as an institutional partner. EU SDFA addresses the need of competent authorities in Member States to strengthen their

supervisory capacity in the field of digital finance and innovative technologies used, taking into account the objectives of the EU Digital Finance Strategy, and encourages convergence in supervision between activities in the financial sector.

- ✓ Efforts related to the digitalisation of processes and activities at the authority level, materialized by submitting a funding application to the PoCIDIF Program. The funding application was submitted at the end of 2024 and is currently under evaluation.
- ✓ Maintaining and developing a framework for open dialogue with stakeholders in the three supervised markets by providing guidance and advice on compliance processes and compliance with existing legal provisions, as well as with a view to the future supervision of those entities/products. Given the new European regulatory frameworks on digital operational resilience and crypto-assets, numerous requests for interpretation of legal provisions were received in 2024. Numerous meetings and debates were also organised on these topics to support transparency and a common understanding of supervisory approaches in supervised financial markets.

Thus, ASF's digitalisation objectives remained a central focus of most of the projects, activities, and initiatives carried out by the Authority in 2024 and represent a firm commitment that requires the allocation of significant internal resources to achieve them.

2. Financial stability and macroprudential supervision of the non-banking financial system

2.1. The National Committee for Macroprudential Oversight

According to the legal framework for its operation², the National Committee for Macroprudential Oversight (CNSM) is an interinstitutional cooperation structure, comprising representatives of the National Bank of Romania, the Financial Supervisory Authority, and the Government, whose mission is to ensure coordination in the field of macroprudential supervision of the national financial system by establishing macroprudential policy and the appropriate instruments for its implementation.

CNSM issues recommendations and warnings to BNR, ASF, and the Government with a view to maintaining financial stability, subject to a "comply or explain" regime. CNSM is headed by a General Council consisting of nine members, including three representatives of ASF: the chair, the first vice-chair, and the vice-chair of the private pension system appointed by the ASF Council.

The fundamental objective of CNSM is to contribute to safeguarding financial stability, including by strengthening the financial system's capacity to withstand shocks and by reducing the accumulation of systemic risks, thereby ensuring a sustainable contribution of the financial system to economic growth. In order to achieve its fundamental objective, CNSM has several responsibilities, in particular relating to: identifying, collecting, and analysing the necessary information; identifying, monitoring, and assessing systemic risks and systemically relevant financial system structures; developing the macroprudential policy strategy; issuing recommendations and warnings to prevent or mitigate systemic risks to the stability of the national financial system (including to ensure the implementation of the recommendations

² Law No. 12/2017 on macroprudential supervision of the national financial system

of the European Systemic Risk Board), as well as monitoring the implementation of the recommendations issued by the Board and the measures adopted at national level as a result thereof.

CNSM members are informed annually on how the recommendations issued are implemented by their recipients, and the information is also published on the CNSM website, in a dedicated section³. During 2024, following the debates and resolutions adopted at the four quarterly meetings of the CNSM General Council, five recommendations were approved⁴, four of which were addressed to the National Bank of Romania with reference to the level of capital buffers applicable to banks, and one was addressed to BNR and ASF regarding institutions of global systemic importance. Currently, there are no such entities within ASF's jurisdiction.

In the context of CNSM Recommendation No. R/4/2018, which is of a permanent nature, on the implementation of macroprudential instruments to achieve the intermediate objectives contained in the Overall Framework for the Macroprudential Policy Strategy of the National Committee for Macroprudential Oversight, ASF conducts periodic analyses of the risks and vulnerabilities identified in the three supervised non-bank financial markets, as well as the appropriateness of implementing existing macroprudential instruments. To date, the following macroprudential measures have been implemented:

1. at the level of financial investment services companies (FISC): the capital conservation buffer (implemented in four equal annual instalments of 0.625% of the total value of risk-weighted exposures, between 1 January 2016, and 1 January 2019);
2. for insurance companies: the insurance companies' liquidity index; the recovery plan; the Policyholders' Guarantee Fund;
3. for the private pension market: restrictions on significant exposures: limiting exposure to a single issuer to 5% of net assets; exposure to a group of issuers and their affiliates may not exceed 10% of the private pension fund's assets;
5. for all entities supervised by ASF, requirements regarding the security of IT systems apply.

2.2. Identification and monitoring of risks, trends, and vulnerabilities to financial stability

In order to increase transparency and provide relevant information to both supervised entities and consumers of financial products and the interested public, ASF has prepared numerous periodic reports that have been published on its website, covering aspects related to the evolution of trends and risks in the supervised markets.

Periodic publications to increase the transparency of supervised markets

In 2024, 315 periodic reports were produced, most of which were published on the ASF website and sent to other institutions. These reports contributed to increasing the level of information available to consumers and/or other interested parties, as well as to promoting supervised non-bank financial markets.

- Daily reports – Daily Market Report;

³ <https://www.cnsmro.ro/politica-macroprudentiala/modul-de-implementare-de-catre-destinatari-a-recomandarilor-emise-de-cnsm-2/>

⁴ <https://www.cnsmro.ro/lista-recomandari/>

- Monthly reports monitoring trends in non-bank financial markets (in Romanian and English) – ASF Monthly Market Report;
- Monthly reports on trends in non-bank financial markets – “Spin-off”;
- Quarterly reports on the evolution of the insurance market in Romania;
- Quarterly reports on developments in the Romanian capital market;
- Quarterly reports on developments in the private pension market in Romania;
- Half-yearly reports on the stability of non-bank financial markets;
- ASF annual report for 2023;
- Contributions from the perspective of the main developments and risks to non-bank financial markets for the preparation of the annual report of the National Committee for Macroprudential Oversight for 2023.

The preparation of a financial stability report is in line with national practices in many European Union member states that have an institutional architecture for micro- and macroprudential supervision of the financial system similar to that existing in Romania.

The report on the stability of non-bank financial markets is a comprehensive analysis of the local and international macroeconomic and financial context, with a view to the long-term evolution of the non-banking financial sector in Romania, the stability of the private pension market, the stability of the financial instruments and investments market, the stability of the insurance market, the interconnection of non-banking financial markets, and macroprudential policies. It contributes to ASF's institutional communication policy and to strengthening the authority's image in the field of macroprudential policy, financial stability, and the sustainable development of the markets it supervises.

At the same time, the report builds on the experience gained, methodologies developed, and ASF practice in recent years in the area of trend, risk, and vulnerability analysis.

The report on the evolution of non-bank financial markets in Romanian and English is published monthly by the Authority with the aim of increasing international awareness, visibility, and transparency, as well as the attractiveness of Romania's financial markets. The reports contain an overview of financial indicator developments, trends, and risks recorded on financial markets during the week analysed, as well as opinions on important events in the economic sector. A daily report from the institution, containing information of interest in the financial sphere, is the Daily Market report.

The report on the evolution of the capital market presents an overview of this sector for the relevant quarter: the primary market, issuer statistics, new issues of financial instruments and other corporate events), the secondary market (the evolution of the Bucharest Stock Exchange), intermediaries and collective investment undertakings.

The report on the evolution of the insurance market presents the main indicators of the insurance market: insurance companies (gross premiums written, insurance contracts, gross claims paid, loss and expense ratio, technical reserves, liquidity of insurance/reinsurance companies, statistical data under Solvency II, home insurance, motor third-party liability insurance market, etc.), branches (gross premiums

written, gross claims paid) and insurance/reinsurance brokerage companies (insurance intermediation activity, income from insurance intermediation activity).

The report on the evolution of the private pension market provides information of interest related to the private pension system in Romania, both for privately managed pension funds and for voluntary pension funds: the value of net and total assets, the number of participants, contributions transferred to pension funds, payment of net assets in the event of retirement, disability, or death, investment structure, and rates of return.

2.3. Prevention and mitigation of cyber risk in order to ensure the stability of the non-banking financial system

Rule No. 4/2018 established a series of requirements for entities authorised/approved/registered, regulated, and/or supervised by ASF with the aim of identifying, preventing, and reducing the potential negative impact of operational risks generated by the use of information and communications technology at the level of people, processes, systems, and the external environment, including acts related to cybercrime.

The regulation also governs activities and operations for the assessment, supervision, and control of operational risks generated by the use of information systems, as well as the management of risks related to the security of important information systems in order to ensure the information security of entities.

According to the provisions of this regulation, entities are classified into four risk categories, each of which has mandatory activities for assessing the operational risks generated by information systems, with the frequency of IT audit missions ranging from 1 to 4 years depending on the risk category in which the supervised entities fall according to the aforementioned regulation.

During 2024, at the FIIS level, reports on IT/operational risk management submitted by supervised entities (operational risk assessment, electronic indicators, IT audit reports) were analysed, with increased attention being paid to reporting entities classified in the major risk class (in accordance with the criteria set out in Regulation No. 4/2018), those that reported IT operational incidents, as well as entities under integrated supervision (part of a financial group operating in several markets), through a periodic flow of information at both sectoral and cross-sectoral level. The findings and recommendations of IT auditors were also taken into account for risk monitoring purposes.

With regard to the operational risks generated by the use of IT systems within the PPSS, analyses were carried out on external IT audit reports focusing on the internal assessment of IT risks, the companies' risk register, the organisation of IT processes, control and measurement points, the implementation of key performance indicators, the establishment of key risk indicators, and IT system security management. The aim was to ensure that all managers, in relation to their activities, size, and risk profile in accordance with Standard 4/2018, comply in all significant respects with the requirements of Standard 4/2018 issued by ASF on the management of operational risks generated by the IT systems used.

With regard to the operational risks generated by the IT systems used by the supervised entities, detailed analyses of the IT audit reports and specific reports provided for in Standard No. 4/2018 were carried out within the IRS. For complex or specific issues related to the functionality of IT systems, checks were also carried out at the companies' premises. At the same time, the assessment and implementation of the recommendations made by external auditors in the audit engagements, as well as the recommendations

issued by ASF following supervisory and control actions, continued, thus analysing the documents/evidence of implementation of the recommendations, as well as the fulfilment of the action plans undertaken by the management of the entities. Compliance with the requirements of Rule No. 4/2018 regarding the transmission to ASF of notifications concerning IT service providers and the compliance of insurance companies with regard to the auditing of important systems used was also verified.

The supervision of IT risk management by insurance companies is constantly expanding and aims, on the one hand, to raise awareness of potential IT risks and improve their management at the level of supervised entities, as well as preparing insurance companies for the new regulatory requirements at European level (*Regulation (EU) 2022/2554 on digital operational resilience in the financial sector – DORA*).

2024 – Transition phase for the implementation of the DORA Regulation in the non-banking financial sector

The year 2024 was an essential transition year for entities regulated and supervised by the Financial Supervisory Authority, in the context of preparing for the direct application of Regulation (EU) No. 2022/2554 on digital operational resilience in the financial sector – known as **the DORA Regulation**.

Starting 17 January 2025, the DORA Regulation will apply directly in Romania to non-bank financial markets, mainly aiming to:

- Establishing **uniform requirements for the security of networks and information systems** that support the operational processes of financial entities;
- Extending the applicability of these requirements to **most entities regulated by Rule No. 4/2018** issued by ASF

In order to ensure **continuity in terms of reporting obligations to ASF** and to avoid disruptions during the transition period from national to European requirements, it was necessary to amend Rule No. 4/2018 at the end of 2024. The purpose of this adjustment was to:

- Align national provisions with the new requirements established by the DORA Regulation;
- Create a **coherent and integrated regulatory framework** that allows the entities concerned to make an efficient and compliant transition;
- Facilitate **the uninterrupted transmission of reports** to ASF by entities subject to the European digital operational resilience regime.

2.4. Financial innovation

Financial innovation is one of the prerequisites for the transformation of the non-banking financial sector, being an engine of growth and competitiveness. The rapid evolution of technology in the financial field (fintech) is redefining the traditional way of providing financial services, ensuring the transition to digital finance, open banking, and open finance. Stimulating competition and transparency in data sharing are competitive advantages that are changing the paradigm of concepts within the financial sector.

In 2024, ASF collaborated with the Romanian FinTech Association on projects of interest to entities within the three supervised markets, organising numerous meetings and working discussions. At the same time, ASF contributed to aspects related to supervised financial markets in the FinTech Report for Romania and Bulgaria 2023, prepared by the Academy of Economic Studies in partnership with the Romanian FinTech Association.

Thus, in 2024, the authority continued to strengthen the framework for discussion with entities/persons who submitted requests for clarification of issues related to the new European regulatory frameworks on digitalisation (e.g., DORA, MiCAR), aiming to create an environment that encourages open communication with presentations from both the Authority and its partners, covering the latest developments in European legislation and fintech solutions identified in practice or academic materials of interest to financial markets.

2.5. Integration of sustainability risks

The Financial Supervisory Authority plays an essential role in the development of the Romanian financial market, and its alignment with European sustainable finance standards is a strategic priority. In the context of European financial regulations, such as the SFDR (Sustainable Finance Disclosure Regulation) and the EU Taxonomy, ASF has taken a series of actions to facilitate the integration of sustainability principles into financial market policies and supervision.

Alignment in the field of sustainable finance is based on the model of the European Supervisory Authorities (ESAs), such as the European Securities and Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA), with the aim of increasing transparency in relation to the environmental and social impact of financial investments. Thus, ASF constantly seeks to align and harmonise national legislation with European legislation, promoting a sustainable transition of the non-financial market in Romania. Alignment with these standards thus contributes to reducing the financial risks associated with climate change and encouraging a greener and more resilient economy.

Throughout 2024, ASF continuously monitored European legislative changes relating to sustainable finance, as well as the phenomenon of greenwashing, focusing on relevant aspects such as: the role that regulated entities can play in the event of possible greenwashing practices, the areas that are impacted by sustainability factors, and the channels for communicating all aspects related to sustainability throughout the entire sustainable investment business chain.

In this context, in order to mitigate the risk of greenwashing in the three non-bank financial markets, ASF has continuously updated the dedicated section on its website "*Sustainable finance and the green transition*" and has constantly monitored information on "*greenwashing*", thus ensuring that consumers are informed about the techniques that could be used by entities to cosmetically enhance financial products.

In addition, the actions taken and proposed by the European Supervisory Authorities (Joint Committee – ESAs – EIOPA, ESAM, EBA) in the context of sustainable finance were monitored on an ongoing basis, so that the Authority ensured that it took into account the alignment of its activities in this area throughout 2024.

2. 6. Resolution mechanism for insurance companies and investment companies

The Financial Supervisory Authority acts as the Resolution Authority in accordance with the provisions of Law No. 246/2015 on the recovery and resolution of insurers, Law No. 312/2015 on the recovery and resolution of credit institutions and investment companies, as well as for the amendment and supplementation of certain legislative acts in the financial field, and Law No. 181/2023 on the resolution of Central Counterparties. The following categories of entities are subject to the applicable legislative provisions of the resolution mechanism in which ASF, as Resolution Authority, plays a central role:

- a) Insurers with a significant share in the national insurance system, in accordance with the provisions of Law No. 246/2015, insurance-reinsurance companies, Romanian legal entities, authorized by ASF in accordance with Law No. 237/2015 on the authorisation and supervision of insurance and reinsurance activities;
- b) Investment companies, Romanian legal entities (financial investment services companies that are subject to an initial capital requirement representing the equivalent in RON of at least EUR 750,000);
- c) Branches in Romania of investment companies from third countries;
- d) Subsidiaries of an investment company or a financial holding company/mixed financial holding company that do not include a credit institution and are part of a group subject to supervision on a consolidated basis (Art. 1 para. (1) letters b), c) or d) of Law No. 312/215);
- e) Central counterparties authorized in Romania in accordance with Regulation (EU) No. 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties, and trade repositories (EMIR – *European Market Infrastructure Regulation*).

The activities carried out by ASF in 2024 focused on identifying companies that meet the legal requirements for recovery and resolution planning, as well as updating the resolution plans for insurers that had a significant share in the national insurance system.

In 2024, no investment companies with a significant share in the national system were identified, and by the end of 2024, no central counterparty had been authorized.

Insurance companies subject to resolution planning

Insurance companies that have a significant share in the national insurance system and are therefore subject to resolution planning provisions are identified on the basis of the provisions of Art. 3 of Law No. 246/2015, based on the following criteria:

- a) the value of the insurer's gross technical reserves exceeds 5% of the total value of gross technical reserves at market level;
- b) they hold a market share of at least 5%, as follows:
 - for life insurance, by reporting the value of the company's gross technical reserves to the total gross technical reserves of all companies underwriting life insurance;

- for general insurance, by reporting the value of the company's gross premiums written, direct and from reinsurance acceptances, to the total value of gross premiums written, direct and from reinsurance acceptances, of all companies underwriting general insurance.

In 2024, insurance companies were analysed, in the context of the provisions of Law No. 246/2015, based on the financial results of the previous financial year. Thus, nine insurance companies with a significant share in the national insurance system were identified. Resolution plans were updated/drawn up for the nine companies in accordance with the legal provisions in force.

Preventive resolution plans are drawn up and updated in order to substantiate the resolution measures that ASF might take in the hypothetical situation where a company with a significant share in the national insurance system would meet the conditions for triggering the resolution procedure provided for by Law No. 246/2015. These resolution plans are complex analyses that include, among other things, elements such as the identification and description of critical functions from a resolution perspective, a detailed description of the various resolution strategies, an analysis of the possibilities for implementing the plan, the feasibility of using resolution tools, and many other technical elements specific to the resolution mechanism and required by applicable law.

We note that, as of January 2024, the requirements for insurers to draw up preventive recovery plans have been eliminated with the entry into force of Law No. 17/2024, which also introduced other elements specific to the supervision of these companies by ASF as the competent authority.

Financial investment services companies subject to recovery and resolution planning

Investment companies (financial investment services companies) that have a significant share in the national system and are therefore subject to the recovery and resolution planning provisions of Law No. 312/2015 are identified in accordance with the provisions of Art. 9 para. (2) based on the fulfillment of any of the following criteria:

- the total value of its assets exceeds EUR 30 billion;
- the share of total assets in Romania's gross domestic product exceeds 20%, unless the value of total assets is less than EUR 5 billion.

Following the analyses carried out at the level of ASF, it was found that none of the 10 financial investment services companies authorised with initial capital requirements representing the equivalent in RON of EUR 750,000 has a significant share in the national financial system, given the low level of assets managed by them and their insignificant share in Romania's gross domestic product.

Transposition of Directive 2025/1 of the European Parliament and of the Council establishing a framework for the recovery and resolution of insurance and reinsurance undertakings (IRRD - Insurance Recovery and Resolution Directive)

Currently, recovery and resolution mechanisms in the insurance sector are decided only at national level and have been established in only three Member States.

The above-mentioned directive aims to harmonise national legislation in the field of insurance recovery and resolution or to introduce, where it does not yet exist, a legislative framework in this regard, to the

minimum extent necessary to ensure that Member States have the same tools and procedures to deal with situations where insurers are in difficulty.

The IRRD Directive was developed in full consistency with the Solvency II framework, in particular with the principles of intervention in insurers in the event of financial deterioration and with the recovery measures already available.

The directive also gives supervisory authorities the power to impose preventive measures on insurers in the event of a deterioration in their financial position or a breach of regulatory requirements, in order to avoid problems worsening in the early stages of deterioration.

The transposition of the IRRD Directive also involves amending primary and secondary legislation on the recovery and resolution of insurance and reinsurance undertakings. Thus, Law No. 246/2015 on the recovery and resolution of insurers will be amended and, implicitly, all secondary legislation issued by ASF in its application. The transposition of the directive brings changes to the concepts and methodological principles regarding the recovery and resolution of insurance and reinsurance undertakings, but also the harmonisation, at the level of all Member States, of legislation in the field of recovery and resolution of insurers or the introduction, where it does not yet exist, of a legislative framework in this regard, to ensure that Member States have the same tools and procedures at their disposal to deal with situations where insurers get into difficulty. The transposition deadline is 24 months from publication in the Official Journal of the European Union, i.e. January 2027.

A working group has been set up at EIOPA to develop technical standards and guidelines for the implementation of the IRRD Directive.

ASF is actively participating in the work of this working group, monitoring the progress of this legislative package, and will take the necessary steps for transposition/implementation into national law, in accordance with the proposed planning at European level.

Central Counterparty Resolution

Central counterparties (CCPs) are key components of global financial markets, playing a central role in processing transactions in financial instruments and managing the various risks inherent in these transactions, and are considered infrastructure institutions for financial markets. In order to improve the functioning of the single European market for financial services, it is important to have rules in place that address the effects of various difficulties that financial markets may face and ensure that events with systemic potential do not destabilize the entire financial market and affect the entire economy.

The recovery and resolution framework for CCPs consists of Regulation (EU) 2021/23 of the European Parliament and of the Council on a framework for the recovery and resolution of central counterparties and amending certain EU Regulations (known as the CCPRRR – CCP Recovery and Resolution Regulation), as well as the delegated regulations and technical standards issued in its application, which are necessary to prevent reliance on taxpayer money in the event that a CCP encounters difficulties. Such a framework includes the possibility for CCPs to enter into resolution proceedings for reasons other than the failure of one or more of their clearing members to meet their payment obligations.

In order to fulfil its duties as a resolution authority, in accordance with the provisions of Law No. 181/2023, ASF may apply the following instruments:

- a) loss and position allocation tools;
- (b) the write-down and conversion tool;
- (c) the business sale tool;
- (d) the bridge CPC tool.

The resolution authority of the CPC shall establish, manage, and chair a resolution college to perform the tasks and ensure cooperation and coordination with the authorities that are members of the resolution college, as well as, where appropriate, cooperation with the competent authorities and resolution authorities of third countries.

The objective of a credible recovery and resolution framework is to ensure that CCPs have measures in place to ensure recovery in the event of financial difficulties, the maintenance of the critical functions of a CCP that is failing or likely to fail, while the rest of the activities are wound up through the normal insolvency proceedings, as well as maintaining financial stability and avoiding significant adverse effects on the financial system and its ability to serve the real economy.

3. Microprudential supervision of the non-bank financial system

3.1. Integrated supervision

Through integrated supervision, the Financial Supervisory Authority strengthens the unified framework for monitoring regulated and supervised markets. This process involves the use of specialized, internally developed mechanisms to identify issues that go beyond the boundaries of specific areas of supervision. These issues may result from an integrated analysis of the activities carried out by the various subsidiaries of the same financial group. The aim is to ensure the protection of the interests of consumers and beneficiaries of non-bank financial products.

The implications of integrated supervision within the Financial Supervisory Authority involve the use of specialized mechanisms, developed internally with the aim of strengthening the framework for monitoring the evolution and development of regulated and supervised non-banking financial markets. To this end, detailed analyses are carried out to:

- ✓ Identify entities authorized and supervised by the Financial Supervisory Authority that carry out, directly or through an entity within the group, activities in several financial supervision sectors;
- ✓ Identify entities regulated by the Financial Supervisory Authority that may belong to a financial conglomerate.

According to *Emergency Ordinance No. 98/2006 on the supplementary supervision of credit institutions, insurance and/or reinsurance companies, financial investment services companies, and investment management companies in a financial conglomerate*, the Financial Supervisory Authority conducts an annual analysis with the aim of identifying, on the basis of certain criteria defined by law, any entity regulated by ASF that could be part of a group or subgroup belonging to a financial conglomerate.

Following the analysis, the supplementary supervision of a financial conglomerate headed by a financial entity in the European Union is ensured by the competent authority that authorized that entity (leader), which will apply a set of additional supervisory requirements to the conglomerate, with the other supervisory authorities of the financial entities belonging to the conglomerate providing input into this process.

The conclusions of the annual mapping process for 2024 indicate that the entities authorized and regulated by ASF are not parent companies for financial entities that could belong to a financial conglomerate, thus excluding the possible status of ASF as a coordinating authority for the supervision of a financial conglomerate.

Ensuring that ASF has an effective integrated supervisory framework in place helps to maintain the confidence of participants in non-bank financial markets, thereby contributing to the functioning of the financial system. Compliance with these requirements reinforces ASF's main objective, which is to protect the interests of consumers in the non-bank financial markets managed by the Authority.

Integrated supervision also contributes to the construction and development of an integrated framework for the functioning of financial markets supervised by ASF, without being limited to this, in achieving the objective of promoting financial stability by ensuring convergence and harmonisation of rules and practices across the three financial sectors.

3.2. Supervision of the financial instruments and investments sector

Supervisory activity in the capital market took place in a context marked by increased uncertainty and volatility in financial markets, arising from unfavourable macroeconomic developments, combined with the pre-existing conditions of volatility during the most recent crises (COVID-19 and the Russian-Ukrainian crisis) and exacerbated by geopolitical risk.

In this context, ASF continuously monitored risks, taking into account the ramifications of major events that could materialize on the capital market, with an impact on the stability and performance of supervised entities.

Thus, in order to strengthen supervision and promote risk-based supervision in the capital market, a series of actions were taken in 2024, both from a prudential perspective and from a conduct verification perspective, aimed at adopting early intervention measures to prevent a significant deterioration of the main prudential indicators of regulated and supervised entities.

Complementary to ongoing supervision/permanent control (off-site) activities, entities regulated by ASF are subject to periodic control (on-site), according to an integrated annual plan, and to unannounced controls in situations where risks are identified that require the rapid adoption of measures.

The supervisory measures and actions taken at the level of ASF, combined with active and continuous communication with market entities, have proven their effectiveness during recent crises - entities regulated and supervised by ASF have proven to be resilient in financial markets characterized by high volatility and geopolitical uncertainties.

According to the Register of Entities in the Financial Instruments and Investments Sector, a total of 195 entities came under supervision in 2024, as follows:

- 17 financial investment services companies;
- 8 credit institutions providing MiFID services with financial instruments other than those referred to in Art. 2 para. (3) of Law No. 126/2018; 7 branches of investment companies from EU Member States;
- 7 branches of investment companies from EU Member States;
- 3 branches of credit institutions from EU Member States;
- 12 investment advisors, of which 7 are natural persons and 5 are legal persons;
- 5 crowdfunding service providers;
- 27 IMC/AIFM investment managers, of which:
 - 8 entities have dual status as authorised IMC and AIFM or registered AIFM,
 - 6 are only IMC; of these, three manage individual investment portfolios on a discretionary basis,
 - 5 are only authorized AIFM, and
 - 8 are only registered AIFM, of which 6 do not manage alternative funds authorized by ASF at the date of this report;
- 129 collective investment undertakings, of which:
 - 92 contractual UCITS (open-ended investment funds - OEF) and
 - 37 contractual or corporate OCIU/AIF (investment companies), of which:
 - 30 OCIU/AIF are established as investment funds (on a contractual basis). Of these, the fund units issued by FOA, STK EMERGENT, and BET FI INDEX are traded on the main market or SMT Aero, managed by BVB, and
 - 7 OCIU/AIF are established as investment companies (by Articles of Incorporation), with the shares issued by six of them being admitted to trading on the main market of BVB.
- 4 credit institutions acting as depositaries for investment funds authorized by ASF;
- 3 IMC/AIFM branches in member states, of which:
 - 1 IMC branch provides individual investment portfolio management services,
 - 1 IMC/AIFM branch provides portfolio management services for an investment fund admitted to BVB; and
 - 1 AIFM branch provides cross-border distribution services;
- 77 UCITS from other Member States whose securities are distributed in Romania;

- 3 market institutions: the Bucharest Stock Exchange, Depozitarul Central, and the Investor Compensation Fund.

3.2.1. Prudential supervision at the capital market level

Prudential supervision of financial investment services companies

The inherent vulnerabilities and risks of investment companies have led to the need for appropriate and proportionate prudential mechanisms at EU level. Thus, the risks faced by investment companies and the risks they pose to their clients and to the markets in which they operate depend on the nature and volume of their business.

The application of prudential requirements should ensure that investment companies are managed in an orderly manner and in the interests of their clients. Prudential requirements should mitigate the identified risk areas and help ensure that investment companies, if they get into trouble, can be wound up in an orderly manner with minimal disruption to the stability of financial markets.

The primary objectives of supervision are to prevent and manage the risks to which these entities are exposed in the financial markets and to maintain an up-to-date perspective on each entity's profile and new challenges.

The actions taken lead to prompt and effective interventions in situations where prudential indicators deteriorate. To achieve these objectives, data from monthly and quarterly reports are verified, processed, and analysed, and steps are taken to adopt preventive measures when prudential indicators reach warning levels and the frequency of reporting needs to be increased to monitor the situation.

Therefore, the prudential supervision of financial investment services companies in 2024 was based on the following activities:

- ➔ classifying financial investment services companies into risk classes and types of supervision and drawing up the annual supervision plan;
- ➔ adopting additional measures, depending on the type of supervision, namely requests for additional data, requests for stress tests on the ability of companies' funds to cope with financial shocks;
- ➔ monitoring investments made by investment companies, their risk appetite, and whether or not they have significant investments in high-risk or highly leveraged financial instruments;
- ➔ meetings with representatives of financial investment services companies to inform them of their classification by ASF in the appropriate risk category and the main vulnerabilities from a supervisory perspective.
- ➔ adoption of preventive measures based on the vulnerabilities identified.

Prudential supervision of collective investment undertakings

For the purpose of actively monitoring entities in the UCI segment, managers, and investment funds, supervisory activity during 2024 focused on:

- ✓ **processing, centralizing, and analysing reports submitted by regulated entities;**
- ✓ **conducting monthly general analyses of the risks and vulnerabilities existing at the CII level, taking into account:**

- *liquidity risk*, namely monitoring the subscription and redemption operations of investment funds;
 - *market risk*, materialised through NAVPS volatility;
 - *contagion risk* or *systemic risk*, given the complex links in the financial markets in which collective investment undertakings are involved.
- ✓ **carrying out specific analyses of risk management at the level of supervised investment funds;**
 - ✓ **continuously monitoring compliance with the legal provisions** applicable to investment limits for supervised investment funds;
 - ✓ **closely monitoring the impact of changes in managed portfolios on the activity and financial stability** of investment fund managers;
 - ✓ **analysing the adequacy of the capital** of investment management companies, developing a risk matrix for the activity of investment management companies, and identifying their level of financial stress;
 - ✓ **warning companies to issues related to their activities**, both from their own perspective and in terms of investment fund management;
 - ✓ **maintaining a consistent dialogue with market entities in order to identify areas of risk.**

Risk monitoring activities at the CIU segment level

The year 2024 marked an improvement in conditions on the local asset management market - the annual inflation rate continued its downward trend, but at a slower rate than in 2023, reaching a low of 4.6% in September. Subsequently, in the last quarter of 2024, the inflation rate rose significantly to 5.1%.

Inflation dynamics during 2024 led to a partial easing of monetary policy interest rates, both externally and locally – after January 2024, there were two cuts of 25 basis points each, the last one being made in August 2024, with the monetary policy interest rate reaching 6.5%.

In this context, pressure on the liquidity of local investment funds was low, with funds recording positive net subscriptions in the first nine months of the year.

Although macroeconomic developments and trends provided a more stable environment for the local investment fund market, ASF continued to monitor the liquidity of the CIU market and the interest rate risk of bond funds. This approach was proactive (early warning system type), based on the early identification of potential liquidity difficulties at the level of each investment fund. Thus, ASF undertook analyses on several levels, namely:

- ✓ **weekly analysis of the situation regarding subscription and redemption requests received by UCITS**, in correlation with the liquidity of the managed portfolios and the diversity of the investor base;
- ✓ **monthly monitoring of market risk** using the *modified duration* indicator, in correlation with the structure of bond fund portfolios;

- ✓ **monitoring, on a daily basis, the impact of the international context on investment funds** in terms of their use of liquidity management tools and the activation of mechanisms to limit or suspend the redemption of fund units for the funds under management (receipt of notifications from managers);
- ✓ **analysis of liquidity management mechanisms in extreme situations, as set out in the prospectuses of investment funds**, in order to assess their prudential nature and effectiveness in managing liquidity risk.

With regard to monitoring the impact of the international context on investment funds, in terms of their use of liquidity management tools and the activation of mechanisms to limit or suspend the redemption of fund units for managed funds, **we note that, to date, none of the supervised funds has activated any mechanism to limit or suspend the redemption of fund units.**

With regard to **liquidity management mechanisms in extreme situations**, we note that ASF has analysed the provisions set out in this regard in the prospectuses of investment funds identified as having negative net subscriptions of more than 5% during the stress period and has concluded that they are set prudently and would have had an effect in terms of liquidity risk management, if the net subscription situation had continued to deteriorate. We emphasize that, throughout 2024, the portfolios of these funds did not undergo any substantial changes in structure.

Integration of sustainability risks into CIU supervision

In 2024, ASF continued its actions related to the integration of sustainability risks into the risk supervision process at the level of supervised entities and its actions to monitor and supervise the transparency of sustainability-related information in pre-contractual information, on websites, and in periodic reports.

At the level of supervised entities, the application of the provisions of the SFDR (EU Regulation No. 2019/2088 on sustainability-related information in the financial services sector) and the Taxonomy (EU Regulation 2020/852 on establishing a framework to facilitate sustainable investment and amending EU Regulation 2019/2088) has generated challenges both for financial market participants and for the Financial Supervisory Authority, as investors are beginning to consider financial products that incorporate environmental, social, and governance (ESG) factors.

In addition, the obligation to integrate sustainability risks into the procedures and processes developed for the purpose of managing risks at the level of managed funds, as well as those envisaged within the overall governance structure, provided for in Regulation (EU) 2021/1255⁵ (and Directive (EU) 2021/1270⁶, which entered into force on 1 August 2022.

In this regard, **at the level of ASF, the necessary steps were taken to develop new processes for identifying, assessing, and monitoring ESG risk factors** that may affect the activity and performance of supervised entities, in order to enhance risk-based supervision and promote investor protection.

With the development of the EU legal framework on sustainability and the entry into force of the SFDR and Taxonomy, the specialized structures within the FIIS have intensified their supervisory activities

⁵ Amending Delegated Regulation (EU) No. 231/2013 with regard to sustainability risks and sustainability factors to be considered by alternative investment fund managers).

⁶ Amending Directive 2010/43/EU as regards sustainability risks and sustainability factors to be considered by undertakings for collective investment in transferable securities (UCITS).

regarding compliance with the transparency requirements imposed on financial market participants. **In the case of undertakings for collective investment in transferable securities (UCITS), alternative investment funds (AIFs) and their managers, the SFDR aims to increase transparency on ESG impacts and risks by establishing transparency requirements in both pre-contractual information (prospectuses) and periodic reports.**

The transparency requirements relate to the integration of sustainability risks and the inclusion in the pre-contractual information of investment funds of descriptions of:

- how sustainability risks are integrated into their investment decisions and
- the adverse impacts of investment decisions on sustainability factors, in accordance with Art. 6 of the SFDR.

Where a financial product promotes, among other things, environmental or social characteristics or a combination of these characteristics, provided that the companies in which the investment is made follow good governance practices, the information to be provided under Art. 6 includes information on how these characteristics are respected - Art. 8 of the SFDR.

The results of the supervisory activities carried out in 2024 show that all investment funds operating on the local market have the transparency requirements set out in Art. 6 of the SFDR included in their pre-contractual documents.

Currently, there are **seven investment funds** on the Romanian capital market **that promote ESG (Environmental, Social, and Governance) characteristics and are established in compliance with the provisions of Art. 8 of Regulation (EU) 2019/2088** – the open-ended investment fund OTP Innovation, managed by OTP Asset Management Romania S.A.I. S.A., and the open-ended investment fund BRD Global, managed by SAI BRD Asset Management S.A.I. S.A. The open-ended investment fund BRD Global was authorised as a fund promoting environmental characteristics in July 2023, by Authorisation No. 89/03.07.2023, while the open-ended investment fund OTP Innovation is the first SFDR Art. 8 fund authorized on the Romanian capital market at the beginning of 2022, by Authorisation No. 31/11.02.2022. In the second half of 2022, ASF authorized the conversion of two funds managed by SAI Raiffeisen Asset Management SA (Raiffeisen Sustainable Equity and Raiffeisen Sustainable Mix) into feeder funds, which invest at least 85% of their assets in master funds managed by Raiffeisen KapitalanlageGesellschaft m.b.H and established in accordance with the provisions of Art. 8 of the SFDR. In February 2024, ASF authorised, through Authorisations No. 10-12/02.02.2024, three funds managed by BT Asset Management SAI SA (FDI BT MAXIM, FDI BT TECHNOLOGY, and FDI BT REAL ESTATE) as funds promoting environmental and social characteristics in accordance with Regulation (EU) No. 2019/2088.

According to the latest available data, at the end of 2024, **the seven supervised funds, set up in accordance with the provisions of Art. 8 of EU Regulation 2019/2088, had assets worth approximately RON 814 million, marking an increase of approximately 4% compared to the value reported in the previous quarter.** Their cumulative value represents approximately 3.47% of the total assets managed in the UCITS segment. It should also be noted that, as of 31 December 2024, **a total of 21,360 investors (of which 21,147 individual investors) held fund units in these UCITS established in accordance with Art. 8**

of the SFDR, an increase of 20.33% compared to the value reported in the previous quarter, and an increase of 34.38% compared to the value reported on 30 June 2024.

Prudential supervision of capital market institutions

The Bucharest Stock Exchange

At the end of 2024, Bursa de Valori București SA, as the parent company of the BVB Group, held the following participations in affiliated companies: Depozitarul Central (DC) - 69.04% and CCP.RO Bucharest – 54.93%, slightly up due to the cash contribution to the share capital increases totalling RON 17.4 million.

During the period under review, ASF carried out a series of analyses of operational and economic-financial indicators and significant risk management, with a view to establishing and maintaining an effective risk management framework.

BVB's operating revenues in 2024 amounted to RON 40.61 million, down 20% from the previous year, with revenues in that year being exceptionally influenced by the high value of transactions on the back of the H2O offer concluded in July 2023. BVB's operating revenues were approximately at the level budgeted for 2024. The other categories of revenues (33% of total revenues), less influenced by market developments: revenues from data sales +21%, revenues from issuer fees +14%, revenues from IT services +45% compared to 2023, recorded positive developments.

BVB's operating revenues are mainly generated from trading in listed instruments, fees charged to issuers for admission and maintenance of trading, and the sale of stock market data to various users.

BVB's operating expenses in 2024 increased by 7% compared to 2023, reaching RON 29.99 million, mainly influenced by: increased inflation with a direct impact on personnel expenses and the purchase prices of services and equipment. The allocation of additional resources (personnel, equipment, and services) for the implementation of new regulatory requirements also had a significant impact. Operating expenses in 2024 are 4% below budget.

BVB ended 2024 with a preliminary operating profit of RON 10.62 million, down 53%, with an operating margin of 26%. The preliminary net profit in 2024 is RON 13.18 million, down 40% from 2023 (net margin 32%), but exceeding the budgeted amount by 5%.

The BVB share price reached an intraday high of RON 67.40 compared to RON 73 in 2023. The weighted average price of a BVB share for 2024 was RON 55.43 compared to RON 56.85 (-2.49%) for the previous year.

Market operators are not subject to uniform prudential and capital requirements at European level. However, *Directive 2014/65/EU on markets in financial instruments (MiFID II)* provides that a market operator must have, at the time of authorisation and thereafter at all times, sufficient financial resources to facilitate its orderly functioning, taking into account the nature and extent of the transactions undertaken on the market and the range and level of risks to which it is exposed.

BVB records optimal values for liquidity and solvency indicators, with the company's available funds covering its current liabilities, given that its debts remain at a marginal level (BVB has no long-term debts).

The risk management function at BVB is ensured by a risk department and a set of procedures that establish the necessary framework for identifying, assessing, monitoring, managing, and reporting the risks faced by the market operator in a controlled and efficient manner, in order to achieve BVB's specific objectives. To achieve the proposed goal, the risk management procedures establish risk tolerance limits, critical functions and processes, activities necessary for identifying and assessing risks, and the specific type of response to risk.

As a result of the analyses carried out by ASF, it was concluded that the BVB market operator benefits from an effective risk management system, documented by internal policies and procedures, drawn up in accordance with the provisions of the applicable legal framework and updated accordingly, which ensures the availability and reliability of operations, these being carried out under optimal safety conditions.

At the same time, ASF monitored the status of joint projects with the capital market infrastructures, Depozitarul Central, and CCP.RO.

Depozitarul Central (the Central Depository)

The prudential supervision of Depozitarul Central consisted mainly of analyses of operational and economic-financial indicators, capital requirements, the general risk management framework, and the business continuity and disaster recovery plan.

The operating income of Depozitarul Central in 2024 increased by 13.96%, or RON 4.55 million, compared to the previous year, from RON 32.58 million to RON 37.13 million, mainly as a result of the increase in the value of portfolios managed by custodian agents, the increase in certain fees as of 1 February 2024, in particular the maintenance fee for issuers, as well as the performance of one-off operations.

Operating expenses in 2024 amounted to RON 26.75 million, up 10.48% from the previous year (RON 24.21 million), an increase generated by the advance of other operating expenses as a result of rising inflation impacting administrative expenses, depreciation of fixed assets and usage rights, as well as the increase in expenses for services provided by third parties, personnel expenses and additional IT maintenance expenses.

The net profit recorded by Depozitarul Central in 2024 was RON 10.53 million, up 20.07%, or by RON 1.76 million compared to the previous period (RON 8.77 million), directly influenced by the evolution of the operating result, respectively the level of revenues achieved in the post-trading segment.

ASF continuously monitored the progress and efficiency of post-trading processes by analysing and evaluating infrastructure regulations, agreements with other central depositories, and the functions and mechanisms implemented, with a view to mitigating the risks to which Depozitarul Central S.A. is exposed. Following the annual analyses, it was found that the company successfully settled transactions with financial instruments denominated in RON and EUR and ensured the integrity of issues throughout the year.

The assessment for the period 01.07.2022 – 30.06.2023 was completed and Depozitarul Central Assessment Report, which also included the opinions of BNR and the ECB in their capacity as relevant authorities and Depozitarul Central, was submitted to the ASF Council for approval.

During the annual review and assessment period, there were no substantial changes affecting the compliance of Depozitarul Central with the conditions of its authorisation as a central depository. There were some improvements in the operating and risk management framework, the most relevant being changes to the rules and procedures for the insolvency of a participant in the settlement system and improvements to the Risk Management Manual of Depozitarul Central, as well as changes to the Business Continuity and Disaster Recovery Plan. None of these changes are considered to affect the compliance of Depozitarul Central with the requirements of the CSDR and the regulations issued in its application. No issues have been identified that could reveal the existence of potential major risks affecting the proper functioning of the securities settlement system – RoClear and the participants in this system.

Depozitarul Central ensured the implementation of the technical functionalities for calculating contributions to the Guarantee Fund and calculating settlement limits in accordance with the new agreed principles. Thus, DC developed and obtained the approval of BNR and ASF for the proposed amendments to the Code, collaborated with the Bucharest Stock Exchange (BVB) as a software provider to make the necessary changes to implement and test the new settlement limits and the calculation of exposures based on borrowing and replacement costs, and updated and sent the technical specifications to the system participants in order to carry out the technical upgrade at the end of June. All participants carrying out net settlement operations participated in the tests and met the requirements of the Central Securities Depository Code.

In line with the amendment to the European regulatory framework (CSDR Refit), the ASF Council approved the conduct of Depozitarul Central examination and evaluation exercises once every three years, with the possibility of conducting partial evaluations of Depozitarul Central whenever ASF deems it appropriate, for the purpose of managing and preventing the occurrence of specific risks. At the same time, ASF and the relevant authorities, BNR and the ECB, will monitor annually the implementation of the recommendations addressed to Depozitarul Central.

3.2.2. Conduct supervision at the capital market level

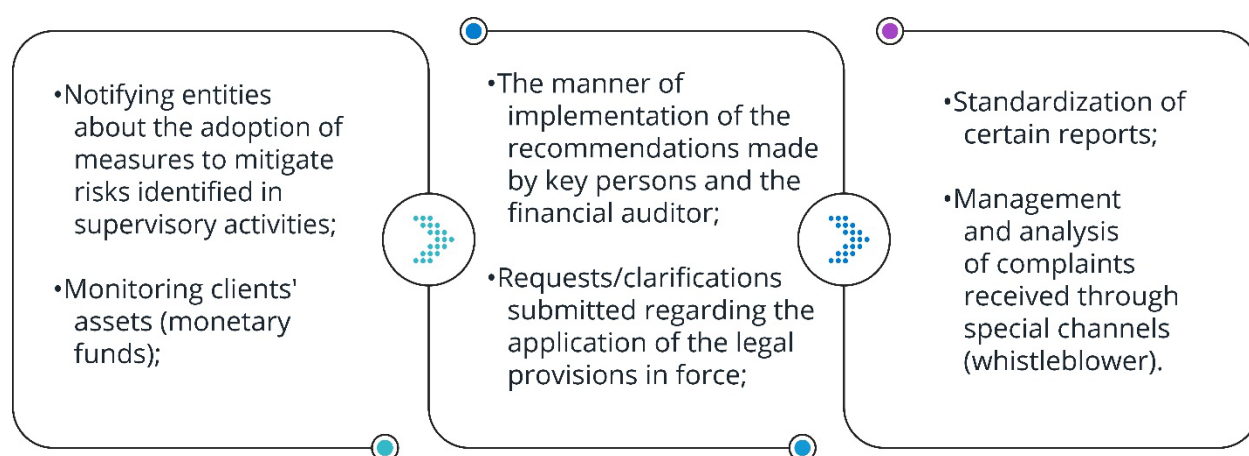
Conduct supervision of financial investment service intermediaries ⁷

As part of the process of supervising the conduct of financial investment service intermediaries, compliance with the rules imposed by MiFID II, transposed into national law by Law No. 126/2018 on financial instrument markets, was monitored, taking into account the complexity of each company's activity and the risks associated with the activity carried out, including:

- ➔ **customer relationship management**, which refers to the information communicated to customers, the compliance of documentation in customer relations, the correct profiling of customers, and the appropriate handling of customer complaints/claims;
- ➔ **conflicts of interest**, which refers to the management of conflicts of interest and the recording of possible/certain situations in the register of conflicts of interest;
- ➔ **internal organisation and compliance with governance requirements**;
- ➔ **safekeeping of client assets**.

⁷ Financial investment services companies, credit institutions providing financial investment services, branches from other Member States.

At the same time, vulnerabilities and their impact on the company's activity were assessed and identified. Through its conduct activity, ASF undertook a series of supervisory measures, which consisted of:



At the same time, during 2024, thematic analyses were carried out as part of the supervision of intermediaries in order to identify specific risks and adopt the necessary measures in this regard.

With regard to the supervision of the conduct of branches of investment companies/credit institutions from other Member States, they submit half-yearly reports to ASF on their activities, which also include information on their compliance with the legal provisions applicable to the branch.

Following the analysis, the main aspects requested by ASF regarding the activity carried out by the above-mentioned branches mainly concerned:

- ➔ clarifications regarding the services and activities actually provided at branch level;
- ➔ trading platforms used/made available to customers in Romania;
- ➔ the type of financial instruments offered to customers and the markets on which they are traded;
- ➔ complaints received regarding the activity carried out on Romanian territory, etc.

Given the limited powers of ASF as a host Member State, the Authority collaborated with both ESMA and other authorities in EU Member States, in their capacity as competent authorities in the home Member States of the branches of investment companies/credit institutions.

Supervision of the conduct of IMC/UCITS/AIFM/AIF

The primary objectives of the supervisory process are to prevent and manage the risks to which these entities are exposed in the financial markets and to maintain an up-to-date perspective on the profile of each entity and new challenges.

The supervisory activity is based on the analysis of all reports/information received in accordance with legal provisions, and depending on the complexity of the segment analysed and the volume of data and information to be processed, the supervised entity is classified according to impact and risk. The assessment method underlying the conduct supervision activity focuses on the qualitative assessment of risks, which also includes the compliance component.

The main objectives in supervising the conduct of IMC/AIFM are:



In line with the rapid pace of regulatory development, technological progress, and the emergence of new technologies, a number of specific supervisory actions have been considered, including:

- ✓ maintaining a dialogue with the market to identify areas of risk (e.g., reactions to business continuity plan testing, reactions and discussions with relevant associations);
- ✓ deepening/understanding the entity's activity and establishing its risk profile;
- ✓ making the management of entities accountable for their conduct in managing them and raising awareness of the impact of inappropriate actions/measures and possible failures;
- ✓ continuing to deepen essential aspects of supervisory activity, in parallel with proactive action;
- ✓ developing uniform guidelines for preparing and submitting to ASF reports on key functions provided for by primary legislation and applicable regulations;
- ✓ reporting templates that require self-assessment at the level of supervised entities, which determines the level of awareness of areas exposed to risk and vulnerabilities, allowing for the implementation of preventive/proactive measures to eliminate or minimize their impact;
- ✓ identifying emerging trends, risks, and vulnerabilities that may have a high impact on investor protection and/or financial stability;
- ✓ supporting the convergence of supervisory practices and encouraging cross-border supervisory cooperation with other competent authorities in the EU;
- ✓ making the management of entities accountable and raising awareness of the impact of inappropriate actions/measures and possible failures.

All actions taken were designed to fulfil supervisory tasks in the most efficient and beneficial manner for regulated and supervised entities, the objectives being in a constant process of adaptation and updating by identifying and initiating the necessary activities to provide entities with clear guidelines and a healthy environment in which to operate, by streamlining the flow of documents/information, limiting the circulation of paper- information as much as possible and replacing it with electronic, increasing the degree of operability in relation to the market.

As part of the process of supervising the conduct of IMC/AIFM/CIU, ASF monitored the entities' observance of compliance and conduct rules, assessed and identified vulnerabilities/risks, the impact and actual and material circumstances of the entity's conduct, the role of compliance and conduct rules being to ensure that companies operate in full compliance with national and European legislation, as well as with internal procedures, thus creating a reliable and efficient framework for investment management activities. The establishment and use of appropriate internal control mechanisms help to protect the interests of investors by ensuring internal supervision of the company's activities.

Classification by impact and classification by risk are activities related to the stage at which the supervised entity is positioned and compared to other similar entities. Positioning and comparative relation to similar entities is done using the following criteria:

- ➔ the impact of the IMC/AIFM on the market in the event of a major event affecting its activity (bankruptcy, cessation of activity, etc.);
- ➔ the risk profile of the IMC/AIFM.

The map of risks identified in the process of supervising the rules of conduct, as well as the sources of risk, derive from:

- ➔ the integrity of the business model/management of conflicts of interest;
- ➔ protection of investors' interests;
- ➔ corporate governance;
- ➔ existence of fraud prevention systems;
- ➔ evaluation of complaint registers and reports;
- ➔ updating the internal legal procedural framework with the regulations in force, etc.

The analyses carried out as part of the supervisory activity focus on the planned objectives of the supervisory activity, the scope, the actions taken, and the results, which are reflected in appropriate recommendations and/or proposals for action/measures to be taken by the supervised entity.

Risk has an element of uncertainty, which is why, in the event that the risk has materialized or the event has crystallized, the supervisory activity carried out involves the adoption of supervisory measures to remedy/mitigate the risk, in addition to the preventive measures adopted up to that point.

In order to ensure the effectiveness of the supervisory process, it was ensured that all measures and actions instituted/undertaken in the supervisory act were proportionate to the nature, size, and complexity of the risks inherent in the activity carried out by an IMC/AIFM.

Supervision of the conduct of market institutions (BVB and Depozitarul Central)

In order to supervise market institutions' compliance with the provisions of the legal regulations in force, from a conduct perspective, checks were carried out, which mainly focused on:

- ✓ the activity performed by the persons responsible for compliance;
- ✓ the conduct of market institutions based on deficiencies identified at the level of entities in the control activity or in the complaints received;

- ✓ verification of incidents occurring in the clearing and settlement activity carried out by Depozitarul Central;
- ✓ shareholders' compliance with the holding thresholds imposed by the legal provisions in force;
- ✓ compliance of reports submitted by market institutions, as required by the legislation in force, and identification of deficiencies reported by them, from the perspective of compliance and conduct of entities;
- ✓ complaints received, their subject matter, and how they were resolved;
- ✓ monitoring the implementation by DC and BVB of the measures/recommendations/requests ordered following periodic on-site inspections carried out by ASF

As the competent authority, ASF has decided, in line with European practice, to carry out every three years the annual examination and evaluation of Depozitarul Central SA and the settlement system it manages, in accordance with the provisions of Art. 22 para. (1) of *Regulation (EU) No. 909/2014 on improving securities settlement in the European Union and on central securities depositories (CSDR)*. The assessment carried out by ASF was conducted with the involvement of the relevant authorities, namely the National Bank of Romania and the European Central Bank, which were consulted in accordance with the provisions of Art. 22 para. (6) of the CSDR.

Supervision of the conduct of investment advisors authorised by ASF

In 2024, the main checks carried out as part of the supervision of investment advisors authorised by ASF focused on their activities in this capacity and the compliance of their reports.

Supervision of the conduct of crowdfunding service providers authorised by ASF

With regard to the segment of crowdfunding service providers, during 2024, the focus was on verifying compliance with the provisions of *EU Regulation No. 1503/2020 on European business crowdfunding service providers* by these entities.

Sanctions imposed following prudential and conduct supervision at capital market level

With regard to sanctions imposed as a result of prudential and conduct supervision, in 2024, thirty decisions were issued imposing warnings or fines on companies (IMC/AIFM and FISC) and/or the persons responsible in this regard. In addition, a financing/recovery plan was also issued.

With regard to the investment advisory segment, a sanction decision with a warning was issued in 2024. ASF did not order any action plans or remedial measures as a result of the prudential and conduct supervision of the Bucharest Stock Exchange and Depozitarul Central.

3.2.3. Control activity at the capital market level

From the perspective of on-site control on the capital market, the main objective of **the priority activities for 2024** was to strengthen control in order to ensure the stability and proper functioning of the financial

instruments and investments market. Consequently, **the objectives of on-site supervision** were subsumed under ASF's strategic objective of strengthening the supervisory/control function.

The principles of risk-based supervision imply accepting a certain level of risk and the fact that the competent authority cannot verify all the operations of the supervised entities. A "zero risk" approach to control is not feasible or compatible with a dynamic economy. In fact, the ESMA 2023-2028 strategy mentions, among other things, that risk-based prioritization is the cornerstone of the EU's supervisory approach. In the financial instruments and investments sector, **the process of applying the principles and control techniques related to the RBS (*risk-based supervision*) method continued to be strengthened in 2024**, with control actions focusing primarily on identifying, preventing, and managing risks by:

- adequately substantiating control topics, specifically determining, for each controlled entity, the risk areas on which the control team will focus;
- drawing up control reports focusing on the risks and deficiencies identified;
- adequately monitoring the results of the controls, through follow-up actions to verify the implementation of the measures imposed by ASF

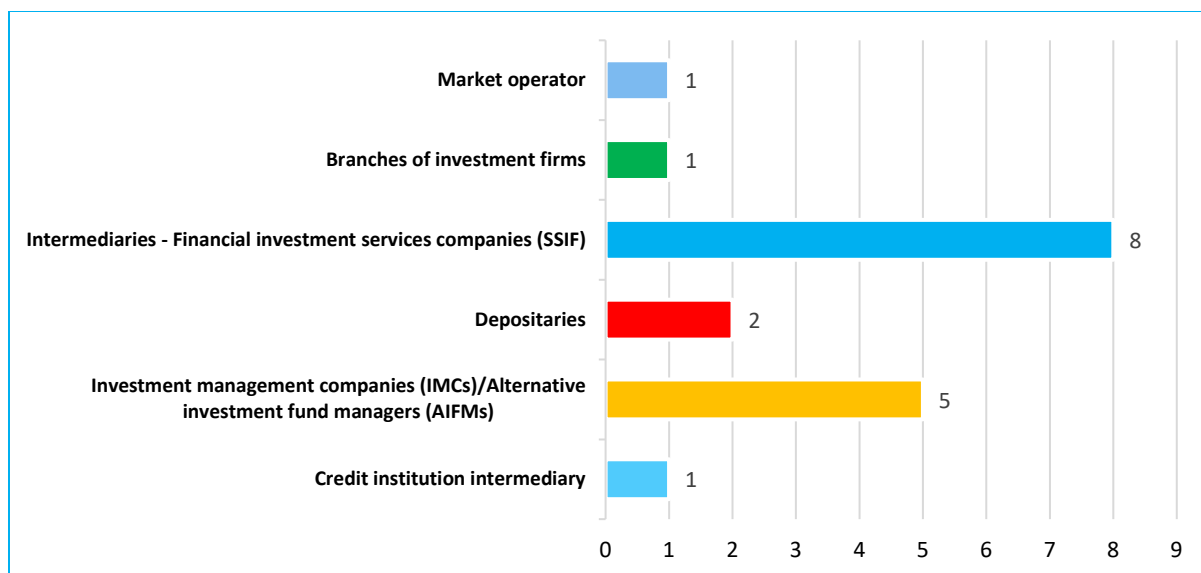
Control actions at the level of FIIS were approached from both a prudential perspective and from the perspective of the conduct of entities, with priority given to control actions at entities with higher risk profiles. In **substantiating the planning of controls and related topics**, elements such as the following were taken into account:

- ✓ the nature, volume, and complexity of the business carried out by the entity concerned;
- ✓ the length of the period covered;
- ✓ the complexity of the control objectives;
- ✓ similar control actions;
- ✓ the time available and the need to allocate human resources efficiently;
- ✓ the entity's previous compliance record in relation to the authority;
- ✓ risks, vulnerabilities, and deficiencies identified in previous controls or resulting from supervisory and authorisation activities;
- ✓ the value of assets under management/custody, etc.

The objectives of periodic controls at the FIIS level continued to focus on priority issues from the perspective of risks that may be induced at the market level, with particular attention being paid to governance and the effectiveness of internal controls, the business model, financial stability, risk management, asset integrity and valuation, the application of know-your-customer (KYC) rules and the implementation of the international sanctions regime in the current geopolitical context. In setting the control objectives, the strategic supervisory priorities at European level identified in the European risk mapping exercises at ESMA level (*ESMA Heatmap*) were also taken into account in 2024.

During 2024, ASF-FIIS carried out periodic controls on 18 entities, as follows:

Types of entities controlled in 2024

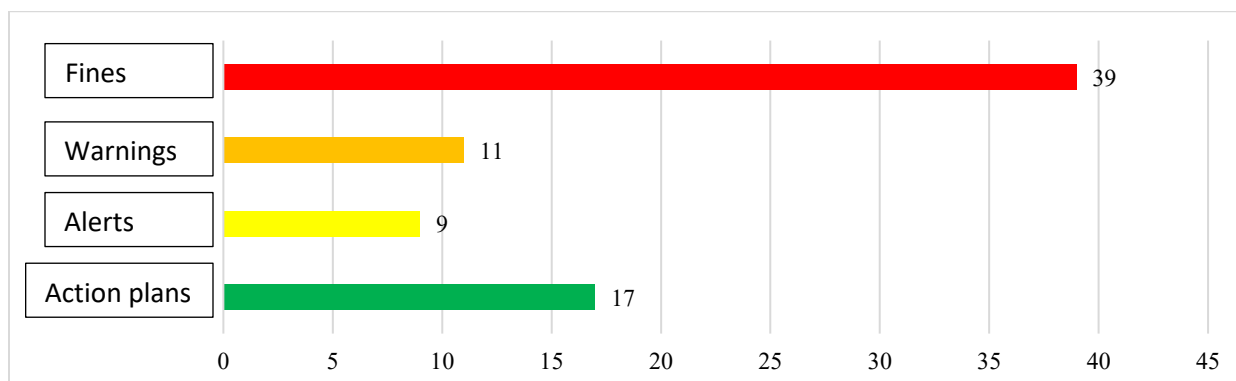


From the perspective of the digitalisation of control activities, modern working methods were continued in 2024, facilitating the flow of data and information in relation to the entities inspected, with the collection of relevant documents and information being carried out through an electronic platform made available to entities by ASF, and the bilateral/unilateral documents concluded with the controlled entities (minutes of document collection, control reports, findings notes) were signed in digital/electronic format. In addition, a shared-access IT module was used to monitor the action plans imposed following the inspections, and off-site supervisory structures were used to monitor the obligations imposed on entities in the medium and long term.

Results of the control activity

Taking into account the applicable legal and procedural framework, in 2024 the aim was **to adequately assess the non-compliances/risks identified, in order to properly individualize and apply administrative sanctions and measures in a gradual and proportionate manner**. During 2024, following the completion of on-site control actions, **76 administrative sanctions/measures** were applied, following the control notes approved by the Authority's Council, as follows:

Measures/sanctions adopted in 2024 following on-site inspections



Structured by type of entity, they are as follows:

➔ 55 measures/sanctions for intermediaries and market institutions:

- 10 action plans imposed on intermediaries and 2 action plans imposed on market institutions;
- warning of one natural person within a market institution;
- warning sanctions imposed on 3 intermediaries, one market institution, and 7 individuals within intermediaries;
- imposing fines on 7 intermediaries and 24 individuals within intermediaries.

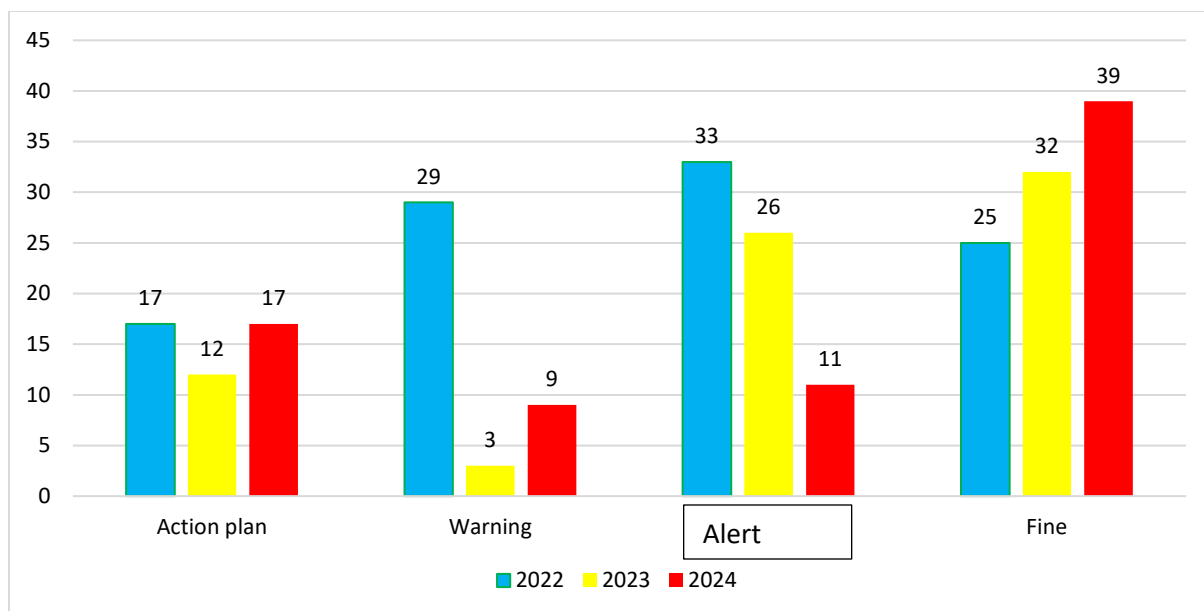
➔ 21 measures/sanctions for IMC/AIFM and depositaries:

- 4 action plans imposed on IMC/AIFM and one action plan imposed on a depositary;
- warning of one depositary, one natural person within a depositary and six natural persons within IMC/AIFM;
- fining 3 IMC/AIFM and 5 individuals within IMC/AIFM.

The total amount of fines imposed in 2024 is RON 543,630. At the time of writing this report, **none of the decisions to impose sanctions/measures issued in 2024 had been cancelled/revoked in whole or in part following appeals or court actions brought by the sanctioned persons**, which confirms once again that the control documents drawn up at the level of the FIIS control structure are prepared with a very high degree of accuracy, objectivity, and proportionality.

Over the last three years, the centralized situation of sanctions/measures imposed following on-site control activities is as follows:

Evolution of measures/sanctions 2022-2024



3.2.4. Supervision of issuers

With regard to securities issuers, specific activities were carried out in 2024 to ensure compliance with legal requirements regarding issuers' transparency obligations, corporate operations, securities records, public offerings, and the supervision of transactions in financial instruments, as well as the investigation of market abuse.

Supervision area (end of period)

Issuers ROMANIA ⁸	Regulated market BVB	Regulated market INT	MTF	MTF INT	Total
Shares	75	3	251	17	346
Shares/Bonds	7	0	6	0	13
Bonds	7	3	20	0	30
Fund units	3	1	1	1	6
Total	92	7	278	18	385

Specific activities regarding transparency obligations, reporting, and shareholder rights

⁸ Data is updated as of 31.12.2024. The number of issuers is calculated according to the Unique Registration Number and not according to the number of issues. An issuer may have several types of bonds issued and may be an issuer of shares and bonds.

Throughout 2024, there was constant activity in monitoring compliance with the legal provisions on transparency and shareholder rights, as well as in verifying the compliance of financial information published by issuers admitted to trading on the regulated market with the IFRS reporting framework.

The specific activities carried out during 2024 mainly concerned the following:

- monitoring the activity and operations carried out by securities issuers from the perspective of reporting obligations, in order to ensure that shareholders and potential investors are provided with complete, accurate, and timely information;
- monitoring the activities and operations carried out by securities issuers from the perspective of respecting shareholders' rights;
- verifying and analysing the reports submitted by issuers, in accordance with Law No. 24/2017, republished, on issuers of financial instruments and market operations and the regulations issued in its application, in order to identify any non-compliance with legal/regulatory obligations and, where appropriate, request the completion or modification of their content if they do not comply with the legal provisions in force;
- analysing corporate events from the perspective of the need to suspend/introduce financial instruments for trading, in order to correctly inform investors and adopt the necessary measures, if the market operator has not taken the necessary measures or in exceptional cases;
- conducting investigations into the activities and operations carried out by securities issuers, proposing the adoption of the necessary measures;
- verifying the compliance of issuers' financial statements with the accounting regulations in force;
- monitoring non-financial and taxonomy reporting;

The main issues identified during 2024 were related to the manner in which the AGOA/AGEA was conducted, failure to comply with reporting deadlines, errors in setting the reference date, the registration date, the correspondence voting procedure, requests to convene the AGA/complete the agenda, issues relating to the transparency of contracts concluded by the company, issues relating to the completeness of the remuneration report with the legal provisions, periodic reports (annual, semi-annual, and/or quarterly reports), as well as compliance with the provisions on non-financial reporting and taxonomy, as well as the European Single Electronic Format (ESEF).

From the perspective of transparency obligations, compliance with the reporting requirements (annual, semi-annual, and quarterly) provided for by Law No. 24/2017, republished, and ASF Regulation No. 5/2018 on issuers of financial instruments and market operations was verified.

At the same time, ASF actively participated in the regular meetings of the ESMA working groups, as well as those with representatives of the Romanian Stock Exchange Investor Relations Association, professional organisations such as the Authority for Public Supervision of Statutory Audit Activity, the Chamber of Financial Auditors of Romania, the Ministry of Finance, the National Bank of Romania, as well as with financial auditors/consultants.

In addition to its current activities, significant resources and considerable effort were devoted to the process of accession to the OECD.

In this regard, a series of specific activities related to this country project were carried out during the year, namely the continuation of specific activities in the process of Romania's application to the OECD through the drafting of documents, the preparation of and participation in a large number of internal and external meetings specific to the accession process (internal meetings at the level of ASF, meetings with representatives of other authorities/institutions/ministries, meetings with OECD representatives, as well as participation in meetings and the work of relevant working groups).

Sanctions/measures

During 2024, 26 permanent control reports were drawn up and submitted, through which various breaches of legal obligations by supervised entities were identified.

A large number of specific analyses were carried out and formalized in information/approval notes submitted to the Financial Supervisory Authority Council.

These concerned:

- the compliance of the financial statements closed on 31.12.2023 of issuers admitted to trading on the regulated market with the IFRS framework,
- analyses of annual reporting (lack of annual report or components thereof) and/or the manner of implementation of measures imposed by authority decisions,
- the suspension of trading in the shares of certain issuers,
- transmission of information in support of criminal complaints,
- suspension of voting rights,
- reporting of transactions with related parties,
- reporting in ESEF format.

Following these analyses/notes, 29 sanctions were applied, of which 17 were fines amounting to RON 266,500, 12 were warnings, and 10 decisions were issued imposing obligations on issuers, two decisions to suspend trading, and two decisions to suspend voting rights.

Specifically, in terms of compliance with International Financial Reporting Standards during 2024, based on the specific procedure, the following were completed:

- ✓ 12 general analyses out of the 14 analyses selected for the financial statements for the 2023 financial year;
- ✓ 2 general analyses out of those selected for the financial statements for the 2022 financial year.

At the same time, in terms of verifying compliance with International Financial Reporting Standards of the financial statements included in the prospectuses for companies traded on a regulated market, the financial statements for 4 companies were verified: Green Tech International, PREMIER ENERGY PLC, SIMTEL TEAM SA, and VISTA BANK SA.

Furthermore, as part of the specific activities resulting from the implementation of the ESEF project, efforts continued to inform/clarify issuers admitted to trading on the regulated market regarding the use of ASF's ESEF testing platform.

From the perspective of current reporting and compliance with transparency obligations and shareholder rights, during 2024 there was constant activity in terms of current reports and general meetings of shareholders convened by issuers, particularly in the first half of the year, given the issuers' obligations regarding annual general meetings, which required constant monitoring to ensure compliance with the relevant legal provisions.

Thus, the activity was adapted to the specific dynamics of the activity, with the aim of identifying and analysing risks at the level of issuers.

3.2.5. Prevention and identification of market abuse

In accordance with its own objectives and the tasks set out in the relevant national rules, in 2024 ASF carried out specific activities in the field of prevention, detection, and investigation of market abuse in order to ensure the integrity of the financial instruments market and promote confidence in this market and in investments in financial instruments.

Specific activities in the field of market abuse were carried out on the basis of the provisions of EU Regulation No. 596/2014 on market abuse (MAR) and the delegated regulations issued in its application, Law No. 24/2017 on issuers of financial instruments and market operations, which transposes at national level the Market Abuse Directive (Directive 2014/57/EU), and ASF Regulation No. 5/2018 on issuers of financial instruments and market operations.

Thus, during 2024, ASF carried out specialized analyses which involved, depending on the specifics of the case under analysis, the processing and verification of trading data, the request for documents and information, the analysis of actions/inactions from the perspective of the legal framework applicable to market abuse, etc., of which:

- 14 concerned possible suspicions of disclosure/use of inside information;
- 14 possible suspicions of market manipulation;
- 8 concerned the identification of the degree of compliance of regulated entities with the obligations and prohibitions established by the legal framework.

The specialised analyses carried out focused both on examining orders, transactions, or behaviours likely to influence the demand, supply, or price of financial instruments, and on identifying persons who disclosed or used inside information.

In addition, during 2024, ASF monitored the degree of compliance by the entities concerned with the conduct and reporting requirements set out in the legislation on market abuse, including, but not limited to, the publication or delay in publication of inside information, the preparation and updating of lists of persons with access to inside information, the reporting of transactions carried out by senior management, the establishment of closed periods and restrictions on trading during those periods, or the methods of implementing buy-back programs and stabilization measures.

In cases where ASF found that the subjects concerned did not comply with the conduct and reporting requirements set out in the relevant legislation on market abuse, sanctions have been imposed, with sanctions in 2024 being imposed primarily for non-compliance by persons with management responsibilities and persons close to them with specific trading prohibitions and transaction notification obligations.

The assistance provided to issuers, as a result of monitoring activities, regarding the possible incidence of the obligation to disclose inside information, continued to be a constant exercise of ASF in 2024, the main purpose being to support issuers in correctly assessing information/events from the perspective of the criteria defining inside information and, ultimately, to correctly and fully inform investors about the events that were the subject of news/press articles.

At the same time, in 2024, ASF also contributed to clarifying how to apply the legal framework on market abuse by offering expert opinions to securities issuers and capital market intermediaries on topics such as buyback operations, closed periods, or reporting and conduct obligations, both through written communications and by organising thematic meetings.

ASF participation in working groups related to market abuse

ASF actively participated in regular meetings of ESMA working groups, as well as in meetings with representatives of the Bucharest Stock Exchange, the National Bank of Romania, Depozitarul Central, and consulting companies, which aimed to discuss issues related to ensuring market integrity, innovations in financial instruments, and inter-institutional cooperation on market abuse.

3.2.6. Public offerings

According to the documents, the initial public offerings approved by ASF in 2024 amounted to a total of approximately RON 504 million, while the public purchase/takeover offers carried out during the same period amounted to RON 403.8 million.

During the year, four companies admitted their shares to trading on the multilateral trading facility, with three admissions being technical (Glissando Garden Center SA, Fort SA, and IMMO GURU SA), the fourth being the result of a public offering (J.T Grup Oil S.A. - the value of the offering being RON 19,908,962).

The year 2024 was also marked by two initial public offerings of shares for admission to trading on the regulated market:

- a) Premier Energy PLC, with a primary and secondary component, carried out with a view to admission to trading on the regulated market managed by BVB, with a value of RON 695,076,321.
- b) Green Tech International SA (primary offering), carried out with a view to admission to trading on the regulated market managed by BVB, with a value of RON 7,638,130.5.

Initial Public Offerings			
Issuer	Volume (shares sold)	Value (RON)	Stock market/ Segment
Electroargeş S.A.	4,912,411	491,241.1	Main
Life is Hard S.A.	142,622	285,343.8	MTF

Vrancart S.A.	318,899,098	31,956,862	Main
Arobs Transilvania Software S.A.	6,499,332	5,329,452.24	Main
Bucovina S.A.	13,251,265	1,325,126.50	MTF
IOR S.A.	170,216,232	17,021,623.20	MTF
Aldani Master Capital S.A.	30,114,676	3,363,034.87	MTF
Avioane Craiova S.A.	5,257,963	13,144,907.50	MTF
Teraplast S.A.	190,763,160	85,843,422	Main
One United Properties S.A.	1,700,297,547	340,059,509.40	Main
Prebet S.A.	28,925,987	5,206,677.66	Main
Meta Estate Trust S.A.	5,033	5,033	MTF
PRODLACTA S.A. Brasov	In progress	In progress	MTF
TOTAL	-	504,032,233.24	-

Public purchase offers		
Issuer/Offeror	Volume (shares purchased)	Value (RON)
Chimcomplex S.A./Chimcomplex S.A.	900,000	21,420,000
Bricomat S.A./TIPO TRIB S.R.L.	0	0
Brickston Construction Solutions S.A./Leier ROM S.R.L.	119,429	656,859.5
Sinterom S.A./Contactoare S.A.	0	0
Cemacon S.A./Paval Holding S.R.L	975,344	428,663.6
Fondul Proprietatea S.A./Fondul Proprietatea S.A.	269,000,000	178,131,800
ZENTIVA S.A./Zentiva Group a.s. Prague	319,649	1,310,560.9
LION CAPITAL S.A./LION CAPITAL S.A.	2,490,000	7,221,000
TURISM FELIX S.A./ Transilvania Investments Alliance S.A.	3,214,252	1,060,703.16
CHIMCOMPLEX S.A./CHIMCOMPLEX S.A.	500,000	11,900,000
EVERGENT INVESTMENTS S.A./EVERGENT INVESTMENTS S.A.	18,200,000	27,664
INFINITY CAPITAL INVESTMENTS S.A./ INFINITY CAPITAL INVESTMENTS S.A.	45,000,000	112,500,000
ELECTROAPARATAJ S.A./ELECTROAPARATAJ S.A.	14,000,000	3,000,200
LONGSHIELD INVESTMENT GROUP S.A./ LONGSHIELD INVESTMENT GROUP S.A.	16,362,000	31,905,900
TOTAL	-	397,199,687.16

At the same time, during the year, the mandatory takeover bid of the issuer Șantierul Naval Orșova SA was approved, with a value of RON 2,348,976, and the preliminary announcement related to the voluntary

takeover bid document of the issuer Armătura SA was announced, with a value of RON 4,286,169.78.

Other special operations/Other corporate events

During the year, the following steps were approved regarding other corporate events:

- two prospectuses for the initial public offering of bonds for admission to the main market of bonds issued by Impact Developer & Contractor SA and Bittnet Systems SA, respectively, the value of the first offering being EUR 3 million and the value of the second offering being RON 6,359,904;
- a prospectus for the initial public offering of bonds issued by Life is Hard SA, for trading on the multilateral trading system managed by the Bucharest Stock Exchange, the value of the offer being RON 10,100,000, respectively a prospectus for the initial public offering of bonds issued by Norofert SA, for trading on the Multilateral Trading System managed by the Bucharest Stock Exchange, the value of the offer being RON 6,950,300;
- the base prospectus for the structured products issuance program of SSIF BRK FINANCIAL GROUP SA;
- the base prospectus for the bond issuance program of Unicredit Bank SA;
- the prospectus prepared for the admission to trading on the regulated market of SIMTEL TEAM SA shares, traded on the multilateral trading system;
- the prospectus prepared for the admission to trading on the regulated market managed by the Bucharest Stock Exchange of the bonds issued by AUTONOM SERVICES SA Piatra Neamț.
- 14 withdrawals from trading, Dafora SA, Lido SA, Foraj Sonde SA Ernei, Organe de Asamblare SA, and Petrocart SA – due to the initiation of bankruptcy proceedings, Exploatare Portuară Drobeta SA, Lactate Natura SA, and Transilvania COM SA – due to the decision of the shareholders adopted at the extraordinary general meeting, Contactoare SA, Selca SA, Cemacon SA, Sinterom SA, and Brikston Construction Solutions SA – following the completion of the mandatory shareholder withdrawal procedure (squeeze-out), as well as FICI UNITEH SA – following the dissolution of the company;
- six announcements related to the initiation of the mandatory withdrawal (squeeze-out) procedure for the shareholders of Contactoare SA, Selca SA, Cemacon SA, Brikston Construction Solutions SA, Sinterom SA, and Zentiva SA.

For the corporate operations carried out by these issuers and for the new securities issues, a total of 103 certificates were issued as follows:

Type of transaction	Number of Financial Instrument Registration Certificates
Share capital increase	31
Preemptive rights	1
Decrease in share capital	10
Division	1
Merger	1
Bonds	16
Companies (shares) newly admitted to trading on MTF/main	5
Government securities	31
Others	7
Total	103

Cross-border transactions

In accordance with legal provisions harmonised with European directives/regulations, as a host state, ASF receives from similar authorities in the EU the prospectuses approved by them, the certificate and summary of the prospectuses in Romanian, this notification now being made through the ESMA platform.

In these cases, ASF does not initiate any prospectus approval procedure, but ensures publication on the authority's website, as required by Regulation (EU) 2017/1129.

During the year, ASF was notified of the approval of 52 such prospectuses (single document or separate documents) and 107 supplements (amendments) to already approved prospectuses.

For structured products, based on the prospectuses notified by the home Member State authority – FMA Austria – and the final terms communicated, 72 certificates of registration of structured products issued by Raiffeisen Bank International AG were issued for trading on BVB.

The certificates issued by Raiffeisen Bank International AG are of the Turbo, Long, and Short types, with underlying assets being shares (e.g., Banca Transilvania S.A., Societatea Nationala de Gaze Naturale Romgaz SA, Transport Trade Services SA), underlying assets being futures contracts (e.g., Brent Crud Oil, Copper, Silver, Gold, etc.) as well as an INDEX Certificate (ROTX® RON) based on the ROTX (Romanian Traded Index) stock index.

New issuers listed/admitted to trading on the Regulated Market or on the MTF Segment of BVB

Share issuers

The admission to trading of securities within a multilateral trading facility is carried out in accordance with the regulations of the market operator managing that multilateral trading facility, as approved by ASF.

During the year, ASF issued three registration certificates for admission to trading on the multilateral trading system, the admission being a technical one, namely for GLISSANDO GARDEN CENTER SA, Fort SA, and IMMO GURU SA, and at the same time, given the successful completion of the offers, the registration

certificate for Premier Energy PLC shares for trading on the regulated market and that for J.T. Oil Grup SA shares for trading on the multilateral trading facility.

Issuers of fixed income instruments

During the year, the following fixed income instruments were issued on the main market managed by BVB/multilateral trading system managed by BVB:

Issuer	Value EUR *	Currency	Interest	Maturity	Segment
Cluj County	75,680,000	EUR	EURIBOR 6M+3.25%	21.12.2033	Main
Bittnet Systems SA	2,040,816	RON	9.6%	15.06.2028	Main
CEC BANK SA	281,900,000	EUR	7.5% (fixed, with annual payment) for the first 4 years and EURIBOR3M+4.485% for the last year	07.02.2028	Main
Reșița Municipality	8,829,600	EUR	EURIBOR 6M+3.5%	27.11.2033	Main
Impact Developer & Contractor SA	3,000,000	EUR	9%	28.02.2027	Main
Ministry of Finance	73,114,939	RON	6%	06.03.2025	Main
Ministry of Finance	27,619,592	RON	7%	06.03.2025	Main
Ministry of Finance	71,492,286	RON	6.75%	06.03.2027	Main
Ministry of Finance	118,006,200	EUR	4%	06.03.2025	Main
Ministry of Finance	72,532,100	EUR	5%	06.03.2029	Main
Ministry of Finance	129,486,857	RON	6%	22.04.2025	Main
Ministry of Finance	77,215,041	RON	6.85%	22.04.2027	Main
Ministry of Finance	54,311,653	RON	7%	22.04.202	Main
Ministry of Finance	254,791,600	EUR	4%	22.04.202	Main
Ministry of Finance	128,839,300	EUR	5%	22.04.2029	Main
Life is Hard	2,040,816	RON	10%	18.04.2028	MTF
Bittnet Systems SA	1,352,020	RON	9%	18.04.2028	Main
Ministry of Finance	72,611,755.10	RON	6%	03.07.2025	Main
Ministry of Finance	55,867,143	RON	7%	03.07.2025	Main
Ministry of Finance	63,906,836.73	RON	6.85%	03.07.2027	Main
Ministry of Finance	129,178,000	EUR	4%	03.07.2025	Main
Ministry of Finance	116,769,400	EUR	5%	03.07.2029	Main
Ministry of Finance	104,999,591.84	RON	5.8%	23.08.2025	Main
Ministry of Finance	41,231,142.86	RON	6.8%	23.08.2025	Main
Ministry of Finance	198,002,387.76	RON	7%	23.08.2029	Main
Ministry of Finance	205,396,400	EUR	4%	23.08.2025	Main
Ministry of Finance	105,703,100	EUR	5%	23.08.2029	Main

SKI ȘURIANU SA	1,494,183	RON	10%	29 May 2029	MTF
Artprint SA	489,836.73	RON	10.50%	06.06.2028	MTF
Societatea Națională de Gaze Naturale ROMGAZ SA Mediaș	500,000,000	EUR	4.75%	07.10.2029	Main
CEC BANK S.A	300,000,000	EUR	5.625% for the first 4 years and EURIBOR3M+3.38% for the last year	28.11.2029	Main
Ministry of Finance	138,647,571.43	RON	5.85%	16.10.2025	Main
Ministry of Finance	52,536,795.92	RON	6.85%	16.10.2025	Main
Ministry of Finance	123,231,938.78	RON	7%	16.10.2029	Main
Ministry of Finance	216,623,300	EUR	3.95%	16.10.2025	Main
Ministry of Finance	170,669,400	EUR	5%	16.10.2029	Main
Ministry of Finance	146,044,306	RON	6.45%	23.12.2025	Main
Ministry of Finance	78,008,612	RON	7.60%	23.12.2029	Main
Ministry of Finance	45,355,959	RON	7.45%	23.12.2025	Main
Ministry of Finance	32,707,878	RON	7.90%	23.12.2027	Main
Ministry of Finance	84,414,000	EUR	3.75%	23.12.2026	Main
Ministry of Finance	140,940,800	EUR	5.75%	23.12.2031	Main
TRICOMSERV SA	510,204	RON	11%	04.03.2029	MTF
Autonom Services SA	30,000,000	EUR	6.14%	26.11.2029	Main
OMRO IFN SA	1,567,000	EUR	10.5%	30.07.2029	MTF
UNICREDIT BANK SA	153,061,224	RON	7.67%	22.11.2029	Main
NOROFERT SA	1,418,428	RON	10%	19.12.2029	MTF

**Calculated at an exchange rate of 4.9 RON/EUR*

Issuers of structured products

Based on the base prospectus approved by ASF for the issuance of structured products, the following types of instruments may be issued for the issuer SSIF BRK Financial Group: Turbo certificates (Turbo Long certificates, Turbo Short certificates), capital-protected certificates with commodities or commodity baskets as underlying assets, capital-protected certificates with shares or share baskets as underlying assets, capital-protected certificates with indices or index baskets as underlying assets.

Thus, 60 certificates of registration of structured products issued by BRK FINANCIAL GROUP SA were issued for admission to trading on BVB.

The products issued are of the Turbo, Long, and Short types and have underlying assets of the futures contract type (Mini Sized Dow Jones Industrial Average futures contract, Gold futures, Silver futures, etc.).

3.2.7. Electronic supervision and transaction monitoring

With regard to **the real-time monitoring of trading activity on regulated markets/multilateral trading facilities to identify transactions/orders that generate abnormal price and volume movements**, we note that the activity involved monitoring transactions carried out as follows:

- on the regulated market, transactions involving the following types of financial instruments were carried out during 2024, in 250 trading sessions:

Instruments	No. of transactions	Volume	Value	Average daily value	Capitalisation
Shares	1,880,421	8,342,521,568	16,445,117,165	65,780,469	350,285,361.01
Bonds	199,449	101,673,688	18,490,625,992.8	73,962,503.97	-
Fund units	198,481	18,069,942	467,224,302.26	1,868,897.21	-
Rights	2,221	232,254,853	160,511,473.94	642,045.90	-
Structured products	126,774	244,338,388	607,208,449.42	2,428,833.80	-

It should be noted that, for the first time, the annual value of bond transactions exceeded the annual value of share transactions.

- Transactions involving the following types of financial instruments were carried out on the multilateral trading system managed by BVB:

Instruments	No. of transactions	Volume	Value	Average daily value	Capitalisation
Shares	188,898	396,702,509	706,865,554	2,827,462	13,370,486,799
Bonds	15,371	831,934	134,066,722.78	536,266.89	-
Rights	5	629,500	6,050,250.00	24,201.00	-
Fund units	182	162,322	179,433.16	717.73	-

Of the total value traded on BVB on the regulated market in 2024, amounting to RON 36.170 billion, 97% represented shares and bonds. Similarly, on the MTF, shares and bonds represented 99.26% of the total value of transactions, amounting to RON 847 million.

The supervision and monitoring of trading activity involves, among other things, the analysis of trading data received in real time from regulated markets and multilateral trading facilities for shares, bonds, structured products, etc. This data is automatically processed in terms of market abuse indicators, generating a series of alerts, grouped by alert type (e.g., price, volume per transaction, cumulative volume per symbol, average daily volume, transaction value, total value per symbol). **During 2024, 52,928 alerts were monitored, with potential deviations from normality being identified, summarized, and analysed in accordance with the applicable legal provisions.** The supervision of trading activity also involves analysing historical data from the trading activity database, monitoring short sales and over-the-counter (OTC) transactions reported electronically by intermediaries. As part of this activity, **ASF monitored 250 daily and weekly trading reports on BVB, identifying 3,483 cases of variations in price, trading volume, or percentage of share capital traded, compared to the established parameters for equity instruments.**

Also, in the case of structured products, 6,060 situations were identified in which variations in price, volume, or percentage of the total number of instruments issued were identified compared to the established parameters.

With regard to the supervision of trading activity on BVB, eight situations were identified that required further investigation and preliminary analyses, but these did not result in suspicions of market manipulation.

➤ **Supervision of the implementation of buyback and stabilization programs**

Checks were carried out to ensure that issuers complied with the relevant legal provisions. Thus, in 2024, a total of 8,270 transactions carried out under 23 buyback programs run by 17 issuers were monitored. The verification process resulted in four **cases** for which **warnings** were issued for non-compliance with the exceptions provided for in Commission Delegated Regulation (EU) No. 1052/2016 on the conditions applicable to buy-back programs and stabilization measures, with regard to the purchase price under this buyback program (exceeding the volume and price limits).

➤ **Supervision of non-financial counterparties in accordance with the EU Regulation on European market infrastructures**

During 2024, ASF ensured the monitoring of reports from non-financial counterparties in accordance with the provisions of Regulation (EU) No. 648/2012 on European market infrastructures (EMIR) and assessed compliance with the legal requirements regarding the exemption of intragroup transactions from reporting, clearing, and collateral exchange obligations. Thus, **21 notifications** were received **regarding the intention to apply the exemption from the reporting obligation in the case of intragroup transactions with OTC derivatives**, of which **17 notifications were resolved by issuing individual administrative acts (decisions)**, and for 4 of these, legal procedural information was sent.

➤ **Resolution of requests for direct transfer of shares**

In 2024, ASF analysed **4 requests for the direct transfer of ownership** of blocks of shares, which were rejected as they did not comply with the applicable legal provisions.

➤ **Other activities**

The supervision and monitoring of transactions require access to complete and accurate trading data. To this end, the accuracy and completeness of the data reported by intermediaries in the TREM (*Transaction Reporting Exchange Mechanism*) system and the data reported by market/system operators in the FIRDS (*Financial Instrument Reference Data System*) system are continuously monitored. Also, as a result of monitoring the FITRS (*Financial Instruments Transparency System*), DVCM (*Double Volume Cap Mechanism*), and TRACE (*ESMA's Trade Repository Data Reporting*) data reporting systems **during 2024, 67 requests were sent to intermediaries for the correction of erroneous reports in TREM and 22 requests were sent to market/system operators and other competent authorities regarding the data reported in FIRDS, FITRS, DVCM.**

With regard to reporting and data quality assurance operations for data submitted to trade repositories, in accordance with EMIR requirements, ASF participated, together with ESMA, in the monthly verification

exercise of data submitted to the four TRs, based on data quality indicators developed by ESMA and the competent authorities in the EU, for approximately 54 reporting entities in Romania.

With regard to the management of the *Suspensions and Restorations Instruments System* (SARIS) database, **35 suspensions and reinstatements of trading** of financial instruments listed on the Bucharest Stock Exchange were notified, and responses were sent to notifications received from other authorities.

The management of short selling reports and specific notifications involved the communication **of 60 reports (quarterly and weekly)** to BNR for forwarding to ESMA.

Agreed sanctions applied by the Financial Instruments and Investments Sector in the period 2020-2024

Sanctions and administrative measures applied		2020	2021	20	20	2024
Administrative fine	number	29	27	68	76	89
	value	RON 1,368,315	RON 320,300	RON 1,414,800	RON 1,178,771	RON 1,999,083
Written warning		30	33	61	66	33
Warning		57	61	31	5	9
Increase in solvency capital		-	-	-		
Financing/recovery plans		1	2	-		1
Appointment of temporary manager		-	-	-		
Suspension of activity		2	-	2		
Measures related to the provisions of Art. 286^1 of Law No. 297/2004		23	-	-		
Other types of measures (obligation to act with regard to transparency and shareholders' rights, ensuring compliance of financial statements with IFRS, compliance with the withdrawal procedure, suspension from trading, suspension of voting rights)		9	6	11	12	14
Action plans assigned to companies		18	16	18	16	17
Withdrawal of approval/prohibition from holding office as an additional sanction		3	1	-		
Withdrawal of authorisation as an additional sanction and initiation of bankruptcy proceedings		1	-	-		
Extension of the suspension of the authorisation		-	2	-		
Total administrative sanctions and measures applied		173	148	191	175	163

3.2.8. Resolving petitions regarding the activity of entities authorized, regulated, and/or supervised by ASF in the Financial Instruments and Investments Sector and monitoring unauthorized activities

A. Resolution/management of the flow of petitions

As part of the resolution/management of petitions in the FIIS field, 420 petitions were registered (**down 5% compared to 2023**) and 217 petitions were resolved (**down 17% compared to 2023**), as follows:

A.1. **Total number of petitions registered** with ASF in the FIIS field in 2024, broken down by petition category and evolution compared to 2023:

No.	Categories of petitions	2023	2024	Change
1	Petitions registered uniquely per petitioner	283	234	-17
2	Petitions classified according to Government Ordinance No. 27/2002 and internal procedures	125	133	6
3	Petitions connected in accordance with Government Ordinance No. 27/2002 and internal procedures	32	53	66
Total petitions registered		44	420	-5

A.2. Highlighting **unique** petitions **registered** with ASF in the FIIS field in 2024, according to **the types of entities complained about**, compared to the situation recorded in 2023:

No.	Entities complained about	2023	2024	Evolution
1	Issuers	38	63	66
2	Intermediaries	21	24	14
3	Bucharest Stock Exchange	1	0	-100
4	Depozitarul Central	0	6	600
5	Other market institutions*	2	0	-100
6	IMC/AIFM/UCITS/OCIU	5	6	20
7	Unauthorized entities	137	80	-42
8	Other entities/No entities reported (e.g., proposals)	79	55	-30%
Total unique petitions registered		283	234	-17

**Investment advisors, appraisers, IT auditors, groups registered with ASF, professional training bodies, traders, qualified investors, and financial auditors.*

A.3. Highlighting unique petitions in the FIIS field **resolved** in 2024, **according to their subject matter**, compared to the situation recorded in 2023:

No.	Subject of petitions	2023	2024	Evolution
1	Complaint regarding the conduct of FISCs/investment companies	23	2	2
2	Complaint regarding the convening/conduct of the GMS	5	2	-60
3	Complaint regarding respect for shareholders' rights	11	3	200
4	Verification of shareholdings/dividend payment	22	18	-18
5	Complaint regarding the activity of IMC/investment funds	9	4	-56
6	Complaint regarding transparency obligations	7	20	186
7	Complaint regarding other entities authorized by ASF (e.g., Depozitarul Central, Bucharest Stock Exchange)	2	4	100
8	Complaint regarding the activity of unauthorized entities	130	8	-38
9	Miscellaneous (including proposals)	53	31	-42
Total unique petitions resolved		262	217	-17

A.4. **Method of** resolving single petitions in the FIIS field, compared to the situation recorded in 2023:

No.	Method of resolving petitions	2023	2024	Evolution
1	Petitions resolved favourably (provision of requested information, remedy of the situation complained of, others)	81	8	0
2	Petitions resolved unfavourably (unfounded petitions, exceeding jurisdiction)	181	163	-25
Total unique petitions resolved		262	217	-17

B. Monitoring of unauthorized activities

In 2024, as a result of monitoring the provision of investment services and activities in Romania, as set out in Section A of Annex 1 to Law No. 126/2018, by entities that are not authorized to provide such services and activities, it was proposed to publish on ASF website **18 alerts** regarding suspicious entities, **10** of which were reported, on a voluntary basis, to the International Organisation of Securities Commissions (IOSCO), as they concerned entities that did not hold a license in a specific jurisdiction.

At the same time, **47 complaints** from individuals regarding the activities of unauthorized entities were registered via the email address *Entități.Neautorizate@ASFRomania.ro*.

C. Other measures taken to protect investors

In order to protect investors and increase the confidence of potential investors in financial instrument markets and investments in financial instruments, warnings were published on the authority's website and on social media, drawing the attention of investors/potential investors to the conduct of unauthorized activities on the capital market by certain persons claiming to be representatives of entities authorized by ASF.

3.3. Supervision of the insurance-reinsurance sector

Entities in the insurance-reinsurance sector supervised by ASF that were active in 2024

- ➔ 25 insurance-reinsurance companies
- ➔ 253 brokerage companies
- ➔ 14 branches of insurance and reinsurance companies from other Member States
- ➔ Romanian Motor Insurers' Bureau (BAAR)
- ➔ Policyholders Guarantee Fund (FGA)

The supervision of the insurance and reinsurance sector is a complex system based on four main pillars: authorisation, prudential supervision, conduct supervision and on-site supervision (control) of supervised entities.

In 2024, supervision of the MTPL insurance segment involved a significant mobilization of available resources in order to identify and apply the best and most balanced solutions in the context of pressure from all stakeholders in the compulsory motor insurance market. The activity focused on continuing to closely monitor the evolution of this segment, which is characterized by a high degree of concentration, given both the number of companies offering this type of insurance and the mandatory nature of MTPL insurance for owners of vehicles subject to registration in Romania, as well as the European legislative context governing this market. There was ongoing dialogue with both insurance companies and all stakeholders, and numerous steps were taken to ensure the proper functioning of the compulsory motor insurance market.

Thus, the analysis of the MTPL activity carried out by authorized companies was maintained at an intensified level in order to identify and prevent the additional risks to which they are exposed in the context of changes in the structure and size of the portfolios managed. Particular emphasis was placed on the manner of handling and settling MTPL claims, as well as on the daily monitoring of the volume of gross premiums written and the rates applied by customer category and policy validity period in the context of Government Decision No. 1326/2023 on the establishment of maximum premium rates and other measures applicable by insurance companies providing compulsory motor third-party liability insurance for damage caused to third parties by vehicle and tram accidents, GD No. 262/2024, GD No. 709/2024 and GD No. 1191/2024.

Strengthening risk-based supervision in the insurance and reinsurance sector and enforcing the legal provisions in force remains a priority for ASF.

At the same time, **the development of supervisory mechanisms continued during 2024, with supervisory tools being developed and implemented for specific areas of relevance at domestic and international**

level, related to cyber risks, financial risks with an impact on the investment portfolio, including from a liquidity perspective, and the integration of sustainable finance principles.

Throughout 2024, active participation in expert networks within EIOPA working groups was ensured. ASF also provided operational support for the (re)calibration carried out by EIOPA of the parameters for the natural catastrophe risk module within the standard formula for calculating solvency capital requirements under the Solvency II regime. According to EIOPA's Opinion on sustainability under Solvency II, such (re)calibration should take into account future developments, using the latest available data, as well as the possible effects of climate change.

In 2024, the insurance-reinsurance sector contributed to the GME (*Global Monitoring Exercise*) as part of the Holistic Framework for *the assessment and mitigation of Systemic Risk in the Global Insurance Sector*, carried out by the IAIS (International Association of Insurers Supervisors). Based on the information collected from National Supervisory Authorities, the IAIS prepares an annual report - **the Global Insurance Market Report** - on the results of the GME, which aims to assess trends and developments in the global insurance market and detect a possible accumulation of systemic risk in the insurance sector.

3.3.1. Prudential supervision

3.3.1.1. Prudential supervision of insurance companies

At the end of 2024, there will be 10 insurance companies distributing MTPL insurance, comprising 7 companies authorised in Romania (*starting with the fourth quarter of 2024, a company newly authorised in 2023 will begin distributing MTPL insurance*), two branches of insurance companies from other Member States that carry out MTPL activities based on the right of establishment (Freedom of Establishment – FoE), and one insurance company from another Member State that carries out MTPL activities based on the freedom to provide services (Freedom of Services – FoS). There has thus been an increase in the number of MTPL distributors compared to the beginning of 2024, when there were 8 (6 insurance companies and two branches), and the beginning of 2023, when MTPL was distributed in Romania through 9 companies, a development that also allowed for an improvement in the high degree of concentration in terms of the MTPL market share, for example: the top three insurance companies together held a market share of 56% at the end of 2024, compared to 67% at the end of 2023.

Internal risk assessment process for insurance companies

In 2024, the prudential supervision of insurance companies focused on the main risks identified in the risk profile of each insurance company. **The identification of specific risks is facilitated by the development of supervisory tools** based on the principles of documentation, proportionality, and qualified reasoning, with the aim of promoting the stability of the insurance market and protecting the rights of policyholders.

The economic and social context also **influenced the** planned **supervisory activities**, with resources being redirected to supervisory and analytical activities related to **the MTPL segment** and the monitoring of significant risks arising from developments in the local and international financial markets, in particular **liquidity risk, inflation risk, and interest rate risk**.

As part of the supervisory process, dialogue with insurance companies continued to intensify and the results of the analyses carried out at the level of the authority became more transparent. **Proactive recommendation tools are becoming predominant in the conduct of supervisory activities**, with a view to ensuring **the improvement of the activities carried out by insurance companies and promoting the uniform application of best practices** to ensure the stability of the insurance market.

The internal risk assessment process for insurance companies, developed with the technical support of EIOPA to ensure the convergence of supervisory practices at European level, ensures adequate documentation of the supervisory process, focusing on the identification and classification of major risks, allows supervisory resources to be concentrated on riskier areas with a significant impact on the insurance market, and facilitates appropriate early intervention.

The classification system for insurance companies is based on a two-dimensional matrix that uses, on the one hand, the impact on the insurance market and, on the other hand, the individual risks associated with each company. Thus, the risk analysis model covers each main activity of an insurance company, with the score being based on a set of 144 indicators, of which 105 are quantitative and 39 are qualitative. The risk score for each company (RAF score) is reassessed every six months. A *Risk Assessment Framework (RAF)* sheet is drawn up for each company, identifying the level of risk for each section of activity, which allows for the efficient targeting of resources and supervisory activities.

The general risk assessment framework (RAF) calibrates the assessment of risks that may have an impact on the activity of insurance and reinsurance companies (e.g., underwriting risk, operational risk, liquidity risk, and other significant risks), taking into account the nature, scale, and complexity of the insurer's activity, so as to provide an overview of the risk profile of the insurance-reinsurance company.

Additional risk indicators are defined for monitoring the evolution of investments, technical provisions, own funds, and the solvency of insurers. **Quarterly monitoring of these indicators facilitates early risk identification and allows for better supervision of changes in the structure and value of the main elements of the economic balance sheet of insurance companies.**

The classification of insurance companies based on the risk matrix into the four supervisory categories for 2024 is as follows:

Supervisory category		Number of insurance companies operating on 31.12.2024 supervised under the Solvency II regime	
		- reference date 31.12.2023 -	- reference date 30.06.2024 -
Category 1	Basic supervision	3	-
Category 2	Standard supervision	17	17
Category 3	Enhanced supervision	4	5
Category 4	Intensive supervision	-	2

Apart from insurance companies supervised under the Solvency II regime, classified in the above categories, one insurance company is supervised under the national regime.

Prudential supervision activities carried out in 2024 focused on:

- analysis of the business model from the perspective of the risks and vulnerabilities of the business model; The concentration risk in the market-specific auto segment also influences insurers' portfolios, so that in the dialogue with companies, emphasis was placed on the need to raise awareness of the need for balanced and diversified insurance portfolios in order to ensure the stability of the insurance market in Romania.
- assessment of the governance system, with a focus on:
 - Analysis of outsourcing activities,
 - Analysis of insurance company policies,
 - Analysis of the internal audit function,
 - Analysis of the actuarial function and the actuarial report.

Following the analysis of the responsibilities of key functions and related policies/procedures, recommendations and observations were sent to companies, as appropriate, to be taken into account in their current activities, with a view to improving their work and the quality of their reports;
- assessment of investments from the perspective of reliability and adequacy of assets in accordance with the prudent person principle set out in the regulations in force;
- qualitative assessment of own funds;
- monitoring of prudential indicators;
- verifying and analysing quantitative and qualitative reports and corresponding with insurance companies to remedy any discrepancies identified, as well as submitting recommendations to improve the quality of their content; preparing periodic reports analysing the evolution of indicators specific to the insurance market;
- analysing information related to quarterly MTPL reports and preparing analysis reports on the evolution of MTPL underwriting and claims;
- analysing documentation related to requests for changes in shareholding/mergers/portfolio transfers;
- providing statistics, market analyses, and information to national and international authorities/bodies;
- ensuring ongoing communication with insurance companies regarding the issuance of new international sanctions on business relationships with customers owned/controlled by persons designated by Regulation (EU) 2014/269, in the context of the war between Russia and Ukraine.

Following off-site prudential supervision actions, 11 sanctions were imposed on insurance and reinsurance companies in 2024, as follows:

- ➔ 3 sanctions with written warnings;
- ➔ 8 sanctions with fines totalling RON 151,100;

Throughout the year, proactive meetings continued with company management and/or key function holders, in accordance with the activities set out in the insurance company supervision plan, as well as with external auditors, where appropriate. During the meetings, the issues identified following the analyses carried out on the business strategy, risk strategy, investment strategy, and risk profile, as well

as the activities coordinated by key functions, were discussed, and specific issues related to the conduct of activities within the companies were clarified.

ASF actively participates in the European Supervisory Colleges of insurance groups with subsidiaries in Romania, facilitating the exchange of information and experience on the management of specific risks at national and group level.

3.3.1.2. Prudential supervision of insurance intermediaries

The Financial Supervisory Authority monitors and supervises the distribution of insurance and/or reinsurance products in order to ensure that the rights of insurance customers are respected and that they are treated fairly.

As a result of the dynamics of the insurance market and legislative changes, the supervision of insurance intermediaries has diversified, and on-site and off-site control actions have required a complex approach, in the context of the transition from compliance-based supervision to risk-based supervision.

The monitoring activity aims to provide a real-time picture of the evolution of distribution activity through brokerage companies, with regard to market trends, which may form the basis for further control activities and legislative changes. This activity is based, in particular, on the analysis and evaluation of the information contained in reports, periodic and annual information, and other documents submitted and/or complaints received by the authority.

As a result of the off-site monitoring/supervision of brokerage companies, 24 sanctions were imposed in 2024, of which 20 were written warnings, 3 were fines amounting to RON 15,000, and one was a withdrawal of the operating license.

The main deficiencies identified in the supervision of brokerage companies in 2024 were:

- changes to the Articles of Incorporation/changes made at the National Trade Register Office without the approval of the authority;
- failure to comply with the legal deadline for submitting changes to the identity documents of the directors/executive officers of brokerage companies;
- failure to submit, within the deadline provided by the regulations in force, the termination of the executive management's activity/vacancy of the director's and/or executive officer's position;
- failure to submit periodic reports to ASF;
- failure to comply with the provisions of the authority's decisions;
- failure by brokerage companies to maintain the conditions for authorisation.

At the same time, following the supervisory activity:

- the withdrawal of the operating license for 5 brokerage companies was approved, at their request;
- the suspension of the activity of one brokerage company was approved, at its request.

In 2024, supervisory activities also included the following:

- verification of the data contained in the periodic reports submitted by brokerage companies/verification of correlations;

- verifying the conditions for maintaining the operating license of main intermediaries; - periodically verifying compliance with the requirements for continuing professional training of personnel involved in the distribution of insurance products;
- supervising the financial situation, analysing the activity of main intermediaries by analysing and evaluating the information contained in the periodic reports and financial statements and/or other documents submitted by them to ASF.

3.3.2. Conduct supervision

3.3.2.1. Supervision of the conduct of insurance companies

ASF pays particular attention to the conduct of insurance companies in their relationship with insurance product customers, in view of its objective of protecting the rights of policyholders.

ASF collaborates continuously with EIOPA in the field of conduct supervision, with a view to ensuring convergence with existing practices and approaches in this area at European level, but also with a view to analysing conduct risks identified in other Member States that may also affect insurance customers in Romania.

Thus, ASF has been involved in EIOPA projects on the application of the provisions of the Insurance Distribution Directive (IDD) by national supervisory authorities and on insurance products attached to credit products, and has participated in questionnaires and bilateral meetings organised by EIOPA on these topics.

At the same time, a working group was set up at EIOPA level to establish a methodology for EIOPA visits to supervisory authorities in the area of conduct.

Conduct of business supervision activities carried out in 2024 were based on the conduct of business risk assessment process carried out by ASF, focusing on how insurance companies interact with their customers and are concerned with offering high- y insurance products that meet the requirements and needs, and objectives of customers at all stages of the product life cycle: creation, distribution, and after-sales support.

Thus, ASF carried out thematic analysis of insurance products at market level, across various lines of business, as well as specific conduct supervision actions.

From the perspective **of supervising the conduct** of insurance companies, **thematic analyses** were carried out on **life insurance products linked to investment funds** relevant to the Romanian life insurance market and **insurance products relating to optional motor insurance (CASCO)**.

Thematic analysis of life insurance products linked to investment funds

According to the EIOPA Annual Report on Consumer Trends, the main risks identified at European level in relation to investment fund-linked life insurance products are caused by the inadequate design of these products, in the sense of focusing exclusively on profitability without taking into account the interests of customers, leading to a lack of added value for customers, but also by incorrect distribution, favoured by conflicts of interest generated by high distribution commissions.

These concerns are accentuated by the current macroeconomic situation, the inflationary environment, in which returns may be low/negative, affecting the value that these products offer to customers.

The risks and vulnerabilities identified in this action were the subject of a report analysed by the ASF Council, an action completed in early 2024, with ASF issuing a set of recommendations on investment fund-linked life insurance products published on the Authority's website. These recommendations were monitored to see how they were implemented by insurance companies.

3.3.2.2. Supervision of the conduct of insurance intermediaries

In July 2024, a new service was set up with the task of supervising insurance intermediaries in terms of their conduct and identifying trends and risks in the insurance market arising from the activities of the main intermediaries.

In 2024, this new structure focused on mapping the main categories of risks that may affect the activity of insurance intermediaries and on developing a procedural supervisory framework to ensure the early identification and effective management of these risks.

In 2024, the main intermediaries were segmented according to the risk involved and the impact on the insurance market, resulting in the establishment of gradual categories of supervision.

Actions were also initiated to analyse and evaluate the internal procedural framework of major insurance intermediaries as part of their governance system, with a view to identifying the risks to which they are exposed and to which they may expose their customers and/or the insurance market. These activities will continue throughout 2025 and will be completed by issuing recommendations to insurance intermediaries, which will lead to improved distribution and reduced risks.

3.3.3. Supervision activity at the premises of supervised entities (control)

3.3.3.1. Control of insurance companies

During 2024, ASF carried out periodic inspections in accordance with ASF's Annual Integrated Inspection Plan, as well as a series of unannounced inspections to verify certain aspects resulting from its supervisory activity.

With regard to MTPL insurance, unannounced inspections were carried out at insurance companies offering this type of insurance, with the aim of verifying the application of Decision No. 298/2023 on the establishment of maximum premium rates and other measures applicable by insurance companies offering compulsory motor third-party liability insurance for damage caused to third parties by vehicle and tram accidents, as amended by Government Decision No. 923/2023, replaced by Government Decision No. 1326/2023, as amended by Government Decision No. 262/2024, regarding MTPL premium rates. Following these checks, it was concluded that the insurance companies complied with the provisions of the aforementioned Government Decision, the differences or price increases, common to the six insurance companies authorized and supervised by the Financial Supervisory Authority, were due to factors independent of the calculation method referred to in the ordinance, such as: the increase in the age of the vehicles, the transition to a higher age group of the insured person, or the granting of a smaller commercial discount upon contract renewal.

The objectives of the audit were to verify:

- the underwriting process;
- compliance with measures to prevent and combat money laundering and terrorist financing;
- requirements regarding the management of conflicts of interest;
- conduct requirements in the distribution process;
- the method of establishing the best estimate of technical provisions;
- compliance with the obligations established by ASF Rule no. 4/2018 on the generation of operational risks generated by the IT systems used.

The main issues identified during the inspections:

- deficiencies in the application of the provisions of Law No. 129 on the prevention and combating of money laundering and terrorist financing, as well as on the amendment and supplementation of certain normative acts, with subsequent amendments and additions;
- deficiencies in the method of calculating and constituting reserves;
- deficiencies in compliance with the obligations established by ASF Rule No. 4/2018 on the generation of operational risks generated by the IT systems used.

In order to remedy the deficiencies identified, the authority imposed measures on insurance companies and made several recommendations to improve the way in which they carry out certain activities/processes. For each set of recommendations, the insurance companies submitted an implementation schedule with specific and binding deadlines.

Following all the control actions (on-site: periodic and unannounced) carried out during 2024 at insurance companies, the authority applied a total of 9 sanctions, as follows:

- 3 sanctions with written warnings;
- 6 sanctions with fines totalling RON 383,000, imposed on 3 companies and one individual.

Following the evaluation of the results of the inspections, some of these sanctions were imposed by the authority in the first quarter of 2025, with one of the sanctioned companies also having to implement a plan of measures.

From a prudential perspective, 17 inspections were carried out at the headquarters of insurance companies during 2024, of which 7 were periodic and 10 were unannounced.

3.3.3.2. Inspection of insurance intermediaries

In 2024, 11 inspections were carried out at brokerage companies, of which 6 were periodic inspections, approved by the annual inspection plan, and 5 were unannounced inspections. Two periodic inspections that were completed in the fourth quarter of 2024 were used in the first part of 2025.

Also, in 2024, the results of 2 periodic inspections and 2 unannounced inspections carried out in 2023 were used.

In 2024, 17 sanctions were imposed on brokerage companies, of which 14 were fines totalling RON 418,500 and 3 were sanctions involving the withdrawal of operating licenses.

The main deficiencies identified during the inspections were as follows:

- failure to comply with the legal provisions regarding the maintenance, updating, and removal from the Register of Secondary Intermediaries, within the legal deadline, of persons with insurance distribution responsibilities;
- failure to comply with the legal provisions regarding the presentation of information to potential customers, before issuing insurance contracts, information on conflicts of interest, namely qualifying holdings in insurers, as well as qualifying holdings held by insurers or parent companies of insurers in brokerage companies, and whether, with regard to the insurance contract, brokerage companies work on a fee basis, i.e. remuneration paid directly by the consumer, on the basis of any other type of remuneration, including economic benefits of any kind, offered or given in connection with the insurance contract, or on the basis of a combination of the above types of remuneration;
- failure to comply with the legal provisions regarding the analysis of customer requirements and needs and the assessment of suitability and appropriateness, in accordance with the DNT form;
- failure to comply with the legal provisions regarding the transfer of insurance premiums to insurance and/or reinsurance companies;
- failure to comply with certain legal provisions of ASF Rule no. 4/2018 on the management of operational risks generated by the IT systems used by entities authorized/approved/registered, regulated and/or supervised by the Financial Supervisory Authority regarding insurance distribution;
- failure to comply with legal provisions regarding the submission of periodic reports to ASF;
- failure to comply with certain legal provisions of Rule No. 36/2015 on Accounting Regulations regarding individual annual financial statements and consolidated annual financial statements applicable to brokerage companies engaged in insurance and/or reinsurance distribution;
- failure to carry out a complete inventory of the brokerage company's assets, namely failure to carry out an inventory of receivables and payables from insurance distribution activities;
- failure to comply with certain legal provisions of ASF Regulation No. 13/2019 on the establishment of measures to prevent and combat money laundering and terrorist financing through the financial sectors supervised by the Financial Supervisory Authority, as subsequently amended and supplemented.

3.3.5. Activities for calculating the MTPL reference rate

During 2024, activities continued to ensure the calculation of the reference rate for MTPL insurance. In accordance with the provisions of Art. 18 of Law No. 132/2017 on compulsory motor vehicle liability insurance for damage caused to third parties by vehicle and tram accidents, as subsequently amended and supplemented, the reference rate is calculated every six months by a company with recognized expertise in the field, contracted by ASF. The reference rates are calculated according to the formula provided in Art. 2 item 24 of the aforementioned normative act and are published by ASF.

In 2023, ASF conducted a procurement procedure for actuarial services for the calculation of the reference rate for MTPL insurance. Following the completion of the public procurement procedures, ASF concluded a framework agreement with the association KPMG Advisory SRL and KPMG Audit S.R.L for the provision of these services for its benefit.

In 2024, ASF provided technical support to the provider during the calculation of the MTPL reference rates, ensuring the publication of the results on the ASF website.

3.3.6. Resolving complaints regarding the activity of entities authorised, regulated, and/or supervised by ASF in the Insurance-Reinsurance Sector.

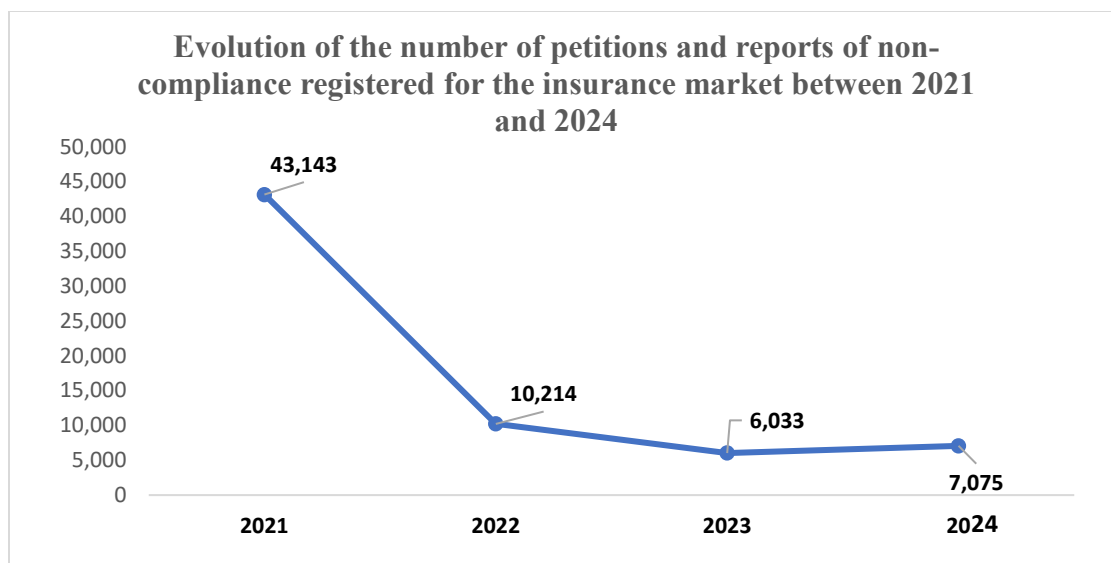
The activity of resolving petitions has as its objectives, in addition to the effective resolution of the issues raised by petitioners and the identification of non-compliant issues, their permanent monitoring at the level of entities supervised and/or regulated by ASF, as well as the analysis of their repetitive nature at market level, in order to establish the measures required to remedy them.

A predominant aspect of 2024 is **the increased complexity of petitions, due to the diversification of the issues subject to analysis by the authority**, their foreign elements, and the diversification of insurance products for which complaints were registered compared to the previous year, when most complaints concerned the non-payment of compensation related to MTPL claims. This situation has made it necessary to allocate more time to the detailed analysis of all aspects reported in relation to legal or contractual provisions, in many cases requiring additional steps to be taken to resolve the complaints appropriately.

Based on the main objectives of ASF in the field of insurance, namely ensuring market stability and protecting the rights of insured persons/injured parties, both reactive activities, such as resolving complaints, and proactive activities were carried out. Therefore, in addition to resolving complaints, ASF made recommendations to supervised entities in cases where non-compliance issues were identified and provided assistance to insured persons/injured parties so as to avoid the emergence of risks additional to those inherent in the activities of supervised entities or, when these arise from independent causes, to be able to manage and mitigate them.

The year 2024 was characterized both by a slight increase in the number of petitions and reports of non-compliance compared to 2023, and by an increase in their complexity, with the detailed analysis of the cases brought to the attention of the authority requiring additional steps to be taken to resolve the complaints appropriately, in accordance with the legal provisions.

In quantitative terms, in 2024, **7,075 unique petitions and reports of non-compliance were registered**, showing an upward trend compared to 2023 (17.27%). The number of complaints and reports of non-compliance registered in 2024 remains significantly lower than that registered in 2021 (-84.40%) and 2022 (-30.27%).



Of the number of unique complaints and reports of non-compliance, 320 were sent to the Policyholders Guarantee Fund by insurance creditors and relate to insurance claims, down from 2023 (-40.41%).

The single petitions and non-compliance reports analysed in 2024 for insurance companies and main intermediaries authorized by ASF represented only 0.28% of the total number of claims files approved in 2024 (up 3.42% compared to the total number of claims files approved in 2023), respectively 0.033% of the number of insurance contracts in force on 31.12.2024.

With regard to the insurance companies complained about in 2024, it was found that, at the end of the year, active companies authorized for compulsory MTPL insurance accounted for between 4% and 20% of the total number of complaints and reports of non-compliance analysed, which is directly correlated with the market shares held by these companies.

The most frequently complained about issue in 2024 was the manner of application of the contractual provisions (53%), followed by non-payment of compensation/redemption (22%).

In 2024, approximately 37% of the single complaints and reports of non-compliance analysed were resolved favourably, with the requests having legitimacy and a legal framework for resolution.

Sixty-three percent of the single petitions and reports of non-compliance were found to be unfounded and/or resolved unfavourably, representing cases in which ASF does not have the capacity to intervene in the application of current legislation. The resolution of these cases was determined by the manner in which commercial, technical, or legal evidence was managed, the quality, admissibility, and administration of which do not fall exclusively within the scope of insurance legislation. These cases can be clarified through the courts or the Alternative Dispute Resolution Entity in the non-banking financial field (SAL-Fin), an entity that can also rule on commercial matters.

The number of unique petitions and reports of non-compliance analysed in 2024 remained low compared to 2021 and 2022, mainly due to the following:

- ✓ sustained efforts made in a coordinated manner by all organisational structures in the insurance-reinsurance sector involved in monitoring insurance and reinsurance companies at various levels of activity;
- ✓ the intensification of the supervision of the management of claims and the settlement of claims by insurers authorized to practice MTPL insurance;
- ✓ working meetings with company representatives to remedy the deficiencies identified in the processing of claims files and the settlement of claims.

Single petitions and reports of non-compliance analysed in the compulsory motor vehicle liability insurance class accounted for approximately 82% of the number analysed in 2024.

From the investigation and resolution of petitions carried out in 2024, 1,318 non-compliant issues were identified regarding the handling of MTPL damage files by insurers authorized to practice this type of insurance, all of which were taken into account in the supervisory actions carried out.

Thus, in 2024, the supervision of the activity of entities in the insurance-reinsurance field with regard to the management and settlement of claims, the investigation and settlement of damages, was carried out off-site, based on non-compliance issues identified both in the resolution of complaints and in the data provided through quarterly reports on the status of MTPL claims approved by insurers. Several monitoring actions were initiated, resulting in recommendations, four of which are currently being documented. At the same time, at the end of 2024, a permanent control action was initiated at one of the insurance companies authorized to practice MTPL insurance, which is to be completed in 2025.

During 2024, ASF continued to monitor insurance companies in terms of the average payment time for MTPL claims. Thus, based on the quarterly reports submitted by insurance companies authorised to provide MTPL insurance, the values of the indicator were below the threshold of 6.05 days/claim in each quarter, with an average payment duration of 5.27 days/claim in the fourth quarter of 2024⁹.

In addition, ASF has continuously monitored consumer trends and entity conduct by preparing periodic statistical analyses based on information resulting from the resolution of complaints and reports of non-compliance, as well as on reports received from insurance and reinsurance companies and main intermediaries, and by monitoring the insured-insurer relationship, a process related to supervisory activity, aimed at bringing added value to both the protection of insurance consumers and the financial stability of the insurance-reinsurance market.

Following the supervisory actions resulting from the resolution of petitions (off-site), in 2024, two recommendations were formulated and sent to insurance and reinsurance companies, and a permanent control action was initiated at one of the insurance companies authorized to practice MTPL insurance.

3.4. Supervision of the private pension system sector

Entities in the private pension system sector supervised by ASF in 2024

⁹ Preliminary data

- ➔ 10 managers;
- ➔ 17 private pension funds, of which:
 - a. 7 privately managed pension funds (Pillar II);
 - b. 10 voluntary pension funds (Pillar III);
- ➔ 3 depositaries (2 depositaries approved for occupational pension funds);
- ➔ 43 legal entity marketing agents;
- ➔ The Private Pension System Rights Guarantee Fund (FGDSPP).

3.4.1. Supervision of the private pension system

In 2024, the Private Pension System Sector (PPSS) within the Financial Supervisory Authority (ASF) carried out extensive supervision and monitoring activities, with the main objective of ensuring compliance by private pension fund managers and depositaries with the legal requirements and regulations in force. These actions were aimed at maintaining the financial stability of the private pension system, protecting the rights of participants, and increasing transparency in the management of their assets.

In order to achieve these objectives, ASF carried out a series of **ongoing supervisory measures**, consisting of:

- **Periodic verification of reports submitted by private pension fund managers and depositaries** to ensure compliance with the reporting and transparency obligations imposed by the regulatory framework.
- **Analysing prudential indicators and the degree of risk exposure**, with the aim of identifying potential vulnerabilities in fund management at an early stage.
- **Evaluating the internal control systems and risk management mechanisms** implemented by supervised entities to ensure the robustness and efficiency of fund management processes.
- **Monitoring legislative changes at national and European level and implementing them in ASF regulations** to ensure that the applicable rules are constantly adapted to new regulatory requirements. To this end, ASF has collaborated with the relevant European institutions, contributing to the process of legislative harmonisation and transposition of new directives and regulations on the private pension system.

Through these actions, ASF sought to strengthen the resilience and sustainability of the private pension system, ensuring rigorous supervision and a coherent regulatory framework adapted to economic and legislative developments. At the same time, the measures adopted aimed to increase the level of protection for participants in private pension funds by promoting a stable, transparent, and predictable financial environment.

The supervisory activities carried out involved:

- ✓ preparing the manager's file by centralizing for each manager information related to shareholding, share capital, total assets, personnel involved in the activity, number of participants, net transfers of participants, contributions paid to FGDSPP, assets covering the technical provision, liquidity, return, exposure by country and currency, investment structure, management fees, etc.;

- ✓ evaluating the manager's internal control system, which involves analysing internal control, risk management, and internal audit reports, as well as the letter addressed to management by the external auditor. The analysis of the aforementioned reports focuses on quantitative and qualitative factors, the degree of coverage of the controlled activities, the deficiencies identified and their impact on the manager's own activity, as well as on the managed pension fund, the manner of correcting/rectifying them and the degree of compliance with the remediation deadline. An analysis of the financial auditors' reports is carried out annually;
- ✓ verification of compliance by reporting entities with reporting and transparency obligations as set out in the legal provisions applicable to the private pension system. This activity involves monitoring the timely submission of reports by reporting entities, verifying the information reported to ensure compliance with the legal provisions in force;
- ✓ identifying the main risks to which the private pension system is exposed by conducting a quarterly analysis of the evolution of the degree of concentration, the evolution of the profitability of private pension funds, liquidity risk, interest rate risk, currency risk, and the evolution of the NAVPS volatility of private pension funds. In order to prepare this analysis, the relevant calculations are performed and the results are centralized in order to identify the evolution of these risks;
- ✓ assessment of the working procedures of managers and depositaries, in particular new working procedures or changes to the existing procedures of managers/depositaries in order to comply with the legal provisions in force, but also the accuracy of the information provided;
- ✓ supervision/monitoring of changes to documents, information, and data that have an impact on the operation of the manager and the funds managed, which involves analysing changes to documents, information, and data, for example: pension scheme prospectuses, membership documents, share capital, shareholding structure, etc.;
- ✓ analysing cases received from supervised entities in order to provide timely solutions and proposals in accordance with the legal provisions in force, as well as analysing the main implications for the private pension system;
- ✓ aggregation of the data necessary for preparing the analysis of the main statistical data of the pension sector with a view to publishing them on the ASF website.
- ✓ preparing other reports, notifications, and information related to the activity of private pension funds, which involves conducting studies and analyses on the evolution of private pension funds and drafting proposals for amending and improving legislation in the field of private pensions; correspondence with regulated entities regarding the information they provide, monitoring and analysing the impact of legislative changes on the private pension system (e.g., contributions to privately managed pension funds, tax changes, etc.).

Romania's accession process to the Organisation for Economic Cooperation and Development (OECD) has made significant progress, given the commitments made by the Romanian state to align with international standards in the economic and financial field. In this context, on 25 January 2022, the OECD officially opened accession talks with six candidate countries, including Romania.

Accession to the OECD Liberalisation Codes is a strategic objective of Romania's foreign policy and is included in the government's program. This process requires concrete measures and institutional

coordination at the national level, as well as periodic reports on the status of compliance with the accession criteria set by the OECD.

In this context, the OECD Working Party on Private Pensions assessed, at its meeting on **11 June 2024**, Romania's progress in aligning its private pension system with the organisation's standards. This assessment looked at both Romania's commitment to implementing the relevant legal instruments and its ability to apply the best policies and practices in the field of private pensions, in accordance with the Roadmap for OECD accession.

During the meeting, Romania presented its official position, and ASF provided detailed information on the evolution of the regulatory framework, the measures implemented, and the strategic directions for the development of the private pension system. The working group expressed its appreciation for the clarity and quality of the presentation, as well as for the Romanian delegation's willingness to answer questions asked during the assessment.

The OECD also appreciated the effective cooperation between Romania and the OECD Secretariat, highlighting the quality of the information provided and the way in which ASF and other institutions involved contributed to the preparation of the review report.

Positive aspects highlighted by the OECD Working Group on Private Pensions

Following its analysis, the OECD Working Party on Private Pensions **noted** several positive features of the private pension system in Romania, including:

- **A multi-pillar structure**, which allows for effective risk diversification in the process of financing retirement;
- **Clear rules on the authorisation, modification and withdrawal of licences** for pension fund managers and private pension funds, which ensures a predictable and transparent framework for entities in the field;
- **A solid governance framework** that guarantees the proper and efficient functioning of the private pension system, ensuring the protection of participants' interests;
- **A competent Supervisory Authority** with a clear commitment to continuing the **transition to a risk-based supervision model**, in line with international best practices;
- **A mechanism for linking commission caps to the performance of mandatory pension funds**, as a means of protecting participants and stimulating the performance of pension managers.

3.4.2. Control of the private pension system

The Financial Supervisory Authority carries out periodic control actions on entities in the private pension system, in accordance with the provisions of Government Emergency Ordinance No. 50/2005 on the establishment, organisation, and functioning of the Private Pension System Supervisory Commission. The purpose of these controls is to verify and evaluate the activities carried out by the supervised entities, taking into account the nature, causes, and impact of the identified risks, as well as the measures necessary to remedy or mitigate them.

The main objectives of the control activity are:

- Protecting the interests of participants and beneficiaries of private pension funds by preventing and identifying potential deficiencies and taking the necessary corrective measures;
- Ensuring the sustainability and stability of the private pension system by maintaining a low level of risk associated with the private pension fund market;
- Guaranteeing the efficient functioning of the private pension system by applying high standards of supervision and control, designed to contribute to the sustainable development of the market.

The control activity carried out at the PPSS level is based on two fundamental components:

1. Compliance control, which identifies deviations from the legislation in force. This component is not limited to compliance checks, but includes both preventive measures and measures to remedy any non-compliance situations. The purpose of this approach is to ensure compliance with regulations and improve the way private pension managers and other entities involved operate.
2. Risk-based control, which analyses and evaluates processes that may constitute risk factors for the stability of the private pension system. Within this component, ASF makes recommendations on optimizing operational flows and improving working procedures, with the main objective of reducing systemic risks and strengthening the stability of the private pension fund market.

All actions taken by ASF as part of its supervisory activities are aimed at maintaining a safe and transparent financial environment that contributes to the development of the private pension market and protects the interests of all participants.

Control over Private Pension Managers and Depositaries

Given the importance of the source of participants' contributions and their final destination – ensuring a private pension – the supervisory activity covers the entire activity of the entities involved in the private pension system. These actions target all private pension managers and depositaries, regardless of their size, ensuring fair and rigorous supervision of all entities on the market.

ASF treats each regulated entity with the same level of rigour and responsibility, ensuring compliance with legal standards and the application of effective measures to maintain financial stability and the proper functioning of the private pension system in Romania.

In 2024, 16 control actions were planned, targeting the activity carried out by entities involved in the private pension system, namely:

- 5 private pension fund management companies (managing 5 privately managed pension funds and 6 voluntary pension funds);
- 2 privately managed pension fund management companies (managing 2 privately managed pension funds);
- 3 voluntary pension fund management companies (managing 4 voluntary pension funds);
- 3 depositaries of private pension fund assets;
- 2 private pension intermediaries;
- The private pension system rights guarantee fund.

Following the control actions carried out in 2024, the following sanctions and administrative measures were applied:

No .	Entity category	Action plan	Written warning		Administrative fine		Warning
			Company	Natural person	Company	Natural person	
1	Privately managed pension fund management companies	1	0	1	0	5 (RON 14,100)	1
2	Private pension fund management companies	1	0	2	0	1 (RON 3,800)	0
3	Voluntary pension fund management companies	0	0	1	0	0	2
4	Depositories	0	0	1	0	0	1
5	Private pension intermediaries and brokers	0	0	0	0	0	0
6	FGDSPP	0	0	0	0	0	0
Total penalties and administrative measures applied for the control actions carried out in 2024		2	5		6 (RON 17,900)		4

3.4.3. Resolution of petitions regarding the activity of entities authorized, regulated, and/or supervised by ASF in the Private Pension Sector

The status of petitions for the period 01.01.2024 – 31.12.2024 is as follows:

No.	Categories of petitions	Total number of petitions registered in the previous period	Percentage of petitions registered in a given category out of the total number of petitions registered in the previous period (%)	Total number of petitions registered in the current period	Percentage of petitions registered in a specific category out of the total number of petitions registered in the current period (%)	Increase/decrease in the total number of petitions in the current period compared to the total number of petitions in the previous period (%)
1	Petitions registered uniquely per petitioner	185	100	198	100	7.03
2	Petitions classified/connected in accordance with Government	0	0	0	0	0

No.	Categories of petitions	Total number of petitions registered in the previous period	Percentage of petitions registered in a given category out of the total number of petitions registered in the previous period (%)	Total number of petitions registered in the current period	Percentage of petitions registered in a specific category out of the total number of petitions registered in the current period (%)	Increase/decrease in the total number of petitions in the current period compared to the total number of petitions in the previous period (%)
	Ordinance No. 27/2002 and internal procedures					
	Total Petitions	185	100	198	100	7.03

Distribution on the private pension market of the number of petitions registered between 1 January 2024, and 31 December 2024, according to the legal status of the complainant:

No.	Field of activity	Total number of petitions registered during the current period	Number of petitions submitted by individuals	Number of petitions submitted by legal entities
1	Private pension market	1	192	6
	Percentage of petitions submitted per person out of the total number of petitions registered on the private pension market (%)	100	96	3.03

Distribution on the private pension market of the number of petitions registered between 1 January 2024, and 31 December 2024, according to the origin of the petitions:

No.	Origin of petitions	Total number of petitions registered during the current period	Percentage of petitions submitted by a particular entity out of the total number of petitions registered during the current period (%)
1	Petitions submitted by petitioners on their own behalf	183	92.42
2	Petitions submitted by petitioners' representatives and law firms	3	1.52
3	Through the National Authority for Consumer Protection, other consumer protection associations and	1	0.51

No .	Origin of petitions	Total number of petitions registered during the current period	Percentage of petitions submitted by a particular entity out of the total number of petitions registered during the current period (%)
	foundations		
4	Through the Presidential Administration, the Romanian Parliament, and the Romanian Government	3	1.52
5	Others	8	4.03
	Total	198	100.00

Type of pension fund referred to in petitions registered with ASF between 1 January 2024, and 31 December 2024, for the private pension market compared to the period between 1 January 2023, and 31 December 2023:

No .	Type of pension fund	Number of petitions registered in the previous period	Percentage of petitions per pension system out of the total number of petitions registered in the previous period (%)	Number of petitions registered in the current period	Percentage of petitions on a pension system out of the total number of petitions registered in the current period (%)	Increase/decrease in the number of petitions registered for a pension system in the current period compared to the total number of petitions in the previous period (%)
1	Privately managed pension fund - Pillar II	156	84.32	1	91	15.38
2	Voluntary pension fund - Pillar III	14	7.57	18	9	28.57
3	Petitions not targeting any pension fund	15	8.11	2	1	-86.67
	Total	185	100.00	200	100.00	8.11

3.5. Activities related to preventing and combating money laundering

The activity of the specialized AML (Anti Money Laundering)/CFT (Combating Financing Terrorism) structure is carried out in relation to the direct institutional obligations and responsibilities incumbent on ASF under the legislation in the field of preventing and combating money laundering and terrorist financing – ML/TF (in particular Law No. 129/2019 *on the prevention and combating of money laundering and terrorist financing, as well as on the amendment and supplementation of certain normative acts*), the application of the international sanctions regime (in particular GEO No. 202/2008 *on the implementation of international sanctions -IS¹⁰*), as well as all operational elements or regulatory provisions related to these areas.

The dynamics of changes in this area at European Union level have led to a series of actions both within ASF and at national level.

In 2024, a series of actions and projects with a direct and indirect impact on the prevention of money laundering and the international sanctions regime were initiated and continued.

In this context, the actions taken were both proactive and reactive, through regulatory actions, on-site and off-site supervision, and cooperation with other national authorities competent in these areas and with supervisory authorities in other European Union member states.

ASF participated in actions to raise awareness of AML/CFT/TFS risks¹¹ through two training actions dedicated to supervised entities, updates to its own website with sections dedicated to each of these sub-areas (ML, TF, IS) and with an increasingly granular approach to obtaining profile information from supervised entities, on-site and off-site supervision, so that money laundering, terrorist financing, and the implementation of international sanctions are addressed in the control agenda. This activity is coordinated by the relevant structure within ASF and implemented at the level of the sectoral authorisation, supervision and control structures, including the integrated structure.

At the same time, during 2024, risk assessments focused on sectoral regulatory, authorisation, supervision, and control activities. The ML/TF/IS supervisory activity has ramifications both horizontally within ASF and through measures taken at the level of the financial sectors.

Strategic Action Plan for mitigating the risks identified by the national AML/CFT risk assessment and contribution to the development of the National AML/CFT Strategy

In February 2023, the Interinstitutional Council¹², of which ASF is a member, adopted the Strategic Action Plan with the aim of demonstrating the compliance and effectiveness of the AML/CFT/TFS mechanisms within the Mutual Evaluation process (Round V) carried out by the Moneyval Committee, part of the Council of Europe.

¹⁰ International financial sanctions

¹¹ TFS - targeted financial sanctions, international financial sanctions

¹² Interinstitutional Council for the approval of the National Risk Assessment Report on Money Laundering and Terrorist Financing, the National Action Plan and their updates, established by Prime Minister's Decision No. 454 of 2 September 2022

Subsequently, with the adoption and publication of the final evaluation report by the Council of Europe, as anticipated, it included a series of recommendations addressed to the competent national authorities, with a view to eliminating the deficiencies observed and strengthening Romania's AML/CFT/TFS system, some of which concerned ASF. Therefore, by Decision of the members of the Interinstitutional Council of 19 February 2024, the recommendations were directly incorporated into the initial Strategic Action Plan, which reinforced the authorities' obligation to comply with the recommendations of the Moneyval experts.

One of the main recommendations was to develop a National AML/CFT Strategy, as this is considered to be an almost mandatory element at the jurisdictional level, in order to allow for the convergence of measures taken by the responsible authorities at the national level.

Although Romania has a number of strategies in place to counter certain aspects related to ML/TF, such as corruption, financing the proliferation of weapons of mass destruction, drug trafficking, and human trafficking, there is still no national strategy dedicated to AML/CFT.

Consequently, at the beginning of 2024, ***the Interinstitutional Committee for the Development of the National Strategy for the Prevention and Combating of Money Laundering and Terrorist Financing and the related action plan*** was established by Prime Minister's Decision No. 2 of 4 January 2024.

The work of *the Interinstitutional Committee* is coordinated by the ONPCSB, while its members are representatives of national institutions and authorities with prerogatives in the field of combating and preventing money laundering in Romania, including the Financial Supervisory Authority.

The national AML/CFT strategy, which also includes a related action plan, contains a series of general and specific objectives, as well as the measures necessary to achieve them, some of which will have a direct impact on the activity of the Financial Supervisory Authority over the next six years.

Consequently, representatives from the specialized structure within ASF, mandated to represent the Authority within the Interinstitutional Committee, paid particular attention to how this programmatic document was drafted, participating in numerous technical working meetings to ensure the calibration of the objectives and measures included in the Strategy.

The final draft of the National AML/CFT Strategy was approved by ASF Council and subsequently approved by the Interinstitutional Committee on 31 October 2024. In accordance with the single methodology for developing national strategies¹³, the final version is to be adopted by Government Decision.

In this regard, in anticipation of the Government's adoption of the National AML/CFT Strategy in a form relatively close to the draft developed at the level of the Interinstitutional Council, ASF has already taken

¹³ Government Decision No. 379/2022 on the approval of the Methodology for the development, implementation, monitoring, evaluation, and updating of government strategies

the first steps in identifying the activities and internal flows that need to be implemented or modified in order to achieve the objectives and align with the measures of the National AML/CFT Strategy.

Thus, given that, from the perspective of ASF's institutional responsibilities, AML/CFT supervision cannot, in essence, isolated from prudential supervision activities, a first step was to develop an internal AML/CFT strategy at the Authority level, which would highlight the activities and flows necessary to strengthen the Authority's capacity to meet the objectives agreed at national level.

The internal AML/CFT strategy at the Authority level was finalized in 2024 and will be proposed for adoption by ASF Council and implemented during 2025.

❖ **Preparation of Romania's first progress report in anticipation of its presentation at the Moneyval Committee Plenary Meeting in June 2025**

From an AML/CFT/TFS perspective, the work of the AML/CFT specialist structure continued to be impacted in 2024 by the evaluation process carried out at the level of the Moneyval Committee, Council of Europe, on the measures adopted by Romania to combat money laundering and terrorist financing, Round V.

Given the ratings obtained in the final evaluation report, published in July 2023, Romania was placed in *the accelerated procedure for reporting on the progress made in eliminating deficiencies, at least from a legislative perspective*. Thus, the reporting period was reduced to two years, and the first report is to be presented at the Moneyval Committee Plenary Meeting in the first half of 2025.

The Progress Report was coordinated by ONPCSB and involved each competent authority quantifying the measures taken to align the regulatory and procedural framework with international standards in this area. According to Moneyval Committee procedures, the progress report must be submitted at least seven months prior to the Plenary Meeting, so the deadline for completion was December 2024.

From the perspective of the analysis process specific to this stage, the specialized structure within ASF collaborated with ONPCSB to identify the main sections and deficiencies in the Moneyval report for which it would be appropriate to request a reassessment, and it was agreed to submit materials in support of improving the ratings, in a first stage, for four specific standards.

On this occasion, it was found that, in relation to these four Standards, no significant deficiencies were identified from ASF's perspective. On the contrary, at the sectoral level, the normative acts issued by ASF covered part of the criteria of the specific Standards, in situations where the provisions of Law No. 129/2019 *on the prevention and combating of money laundering and terrorist financing, as well as on the amendment and supplementation of certain normative acts*, were not considered comprehensive by the appraisers, which directly led to the avoidance of obtaining PC/NC (Partially Compliant/Non-Compliant) ratings.

However, in order to achieve the best possible result during the follow-up process, through its profile structure, ASF contributed to the formulation of the final material that was sent to the Moneyval Secretariat as part of the follow-up process. It should be noted that specific comments and interpretations were submitted, not only regarding ASF's own secondary legislation, but also on the general legislation in the field of AML/CFT/TFS¹⁴ and the applicable European Regulations, in support of improving the ratings obtained by Romania.

The project involves continuing the dialogue, including during the first months of 2025, by submitting comments and counterarguments on the draft progress report. Based on these interinstitutional communications, as well as taking into account the opinions of the other Moneyval member jurisdictions, the final form of Romania's first final progress report will be drafted and proposed for adoption at the Moneyval Plenary Meeting to be held in June 2025 in Strasbourg.

❖ **Involvement in the process of applying EU regulations on the crypto-assets market at national and institutional level**

EU Regulations No. 1114/2023 (Markets in Crypto Assets - MiCA) and No. 1113/2023 (Transfer of Funds Regulation - TFR) were published in the Official Journal of the European Union No. 150 on 09.06.2023, with direct application in all Member States of the European Union as of 30.12.2024.

Thus, from an AML/CFT perspective, it should be noted that, until the adoption of the two regulations, the provisions of EU Directive 849/2015¹⁵ were the only European provisions on digital assets included in national legislation with the amendment of Law No. 129/2019 by GEO No. 111/2020, which regulated two categories of virtual asset service providers (VASPs), namely: (i) digital wallet providers and (ii) providers involved in exchange services between virtual currencies and fiat currencies.

With the adoption of the new European regulations, the provisions relating to digital assets in EU Directive 2015/849 are removed, along with the provisions of EU Regulation No. 847/2015 on information accompanying transfers of funds, being replaced by the new comprehensive regulatory framework for cryptoasset issuers and cryptoasset service providers, including with regard to the transfer of funds or cryptoassets.

The two Regulations are closely linked, their interpretation and application at Member State level cannot be separated, and the impact on ASF is global, bringing new activities for a large number of internal structures, including the AML structure.

Since transfers of crypto assets are subject to similar risks of money laundering and terrorist financing as transfers of electronic funds, transfers of crypto assets must be subject to requirements of the same

¹⁴ Targeted financial sanctions – international financial sanctions

¹⁵ Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No. 648/2012 of the European Parliament and of the Council and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC

nature, and cryptoasset service providers will be subject to the same anti-money laundering and counter-terrorist financing requirements as other entities subject to the previous legislation.

From the perspective of the national implementation of EU Regulation No. 1113/2023, which amends the previous AML/CFT legal framework, it is necessary to issue a primary legislative act establishing the powers of national authorities, namely determining the responsibilities of each authority, depending on the role of the entities that will fall within the scope of the regulation.

Thus, since April 2024, the ONPCSB has been discussing an interinstitutional draft emergency ordinance amending Law 129/2019 in accordance with the amendments made to EU Directive 849/2015, in response to which ASF, through its specialized departments, submitted opinions on the areas of expertise for which the Authority can ensure the implementation of the provisions of the European Regulation.

The same approach was maintained subsequently, during the public debate on the draft GEO, as well as during the working meetings organised at the level of the Prime Minister's Office between the institutions and authorities that are to implement the European provisions on the crypto-assets market.

The interinstitutional discussions on the draft GEO on the application of Regulation No. 1113/2023 resulted in the formulation of a final version of the legislative text proposed for adoption by the initiator. ASF approved the draft GEO in November 2024, but given the administrative changes at the end of the year, namely the change in the composition of the Government, the draft was resubmitted to the inter-institutional circuit, being re-approved by ASF in January 2025, and is due to be debated by the Government in 2025.

From the perspective of the final draft of the GEO amending Law 129/2019, ASF will have exclusive powers of regulation, supervision, and control of AML/CFT for institutions in the financial markets already under its umbrella, with the extension of its competence to the provision of crypto-asset services.

ASF is also the authority responsible for supervising and controlling these institutions' compliance with the provisions introduced by EU Regulation No. 1113/2023 on information accompanying transfers of crypto-assets.

Also based on the same draft legislation, crypto-asset service providers authorised in other Member States, which operate in Romania under the right of establishment in a form other than through a branch, shall establish single points of contact in Romania, with the role of facilitating the exercise of supervisory functions by the competent authorities. From ASF's perspective, this will mean broadening the scope of operations, products, and services that will come under the Authority's AML/CFT supervision.

❖ **Application of International Sanctions Regimes** targeted financial sanctions (TFS)

During 2024, activities to intensify restrictive measures at EU level continued, with three packages of restrictive measures being issued against the Russian Federation (Packages XII-XV), as well as updates to other sanctions regimes such as: Sudan, South Sudan, Syria, Venezuela, Belarus, Moldova, Mali, Tunisia, Zimbabwe, Belarus, Congo, Sudan, Haiti, Libya, Hamas, and Palestinian Islamic Jihad. In this context, ASF carried out proactive activities to raise awareness of the risks of circumvention and non-application of

international sanctions against supervised entities through training addressed to them and by making available, updated lists of persons and entities designated by the EU and the UNSC, as well as guidelines or best practices issued by supranational bodies with an impact in this area.

At the same time, ASF responded to requests from financial entities that encountered difficulties in applying restrictive measures or sought clarification on the obligations resulting from the packages of restrictive measures issued by the EU against the Russian Federation. These consisted of guidance and clarifications on the implementation at the level of the financial entity of the obligations resulting from European regulations establishing or supplementing international sanctions. Supervisory and control activities in this area were also intensified, with a focus on reducing the risks of circumvention and non-application of international sanctions at the level of the supervised sectors, with administrative sanctions (fines, written warnings, and action plans) being applied. The supervision and control measures addressed both risk aspects (circumvention and non-application of international sanctions) and compliance aspects (internal governance framework, mechanisms for the application of relevant obligations, including reporting and hierarchical responsibilities). In addition, guidance was provided at the reference level on the application of new obligations by Depozitarul Central and, respectively, guidance and desk-review supervision measures at the level of each financial sector.

On 29-30 April 2024, ASF participated as the national supervisory authority on international sanctions in *the EU-level assessment exercise carried out by the European Commission on the national implementation of international sanctions*. This assessment included two sections focusing on the activity of financial supervisory authorities and supervised sectors in applying EU restrictive measures, for which requests for clarification and presentation of activities, resources, supervision methods, frozen assets, and the challenges encountered by ASF or supervised entities. Although no specific report was completed for Romania, as it was a horizontal assessment at Member State level, the European appraisers made recommendations regarding changes to the primary legal framework, the use of cross-referenced information at supervisory level and that made available by the European Commission, and the allocation of resources.

In 2024, ASF continued to participate in the EBA working group, AMLSC¹⁶, a committee of technical experts on the supervision of compliance with restrictive measures, contributing to the finalisation of *the EBA Guidelines on the internal framework of financial entities from the point of view of governance in the field of implementation of restrictive measures regimes and minimum supervisory measures for crypto-asset providers*, which has been finalised and is due to be published. Although this guide does not target entities supervised by ASF, it establishes the minimum internal framework for the implementation of restrictive measures at the level of financial institutions with the aim of ensuring the same type of compliance at European level.

¹⁶ AMLSC (Anti Money Laundering Standing Committee) – a standing committee within the European Banking Authority (EBA), composed of representatives of the competent AML/CFT authorities of the EU Member States, established with the aim of coordinating efforts to prevent and combat ML/TF, as well as to prepare AML/CFT materials that are submitted for vote to the EBA Board of Supervisors.

Also from the perspective of the relationship with EBA - AMLSC, ASF participated in the working group set up to produce a report on risk-based AML/CFT supervisory practices at EU Member State level, as well as the tools used in this activity, including from the perspective of the technologies used. The report was completed and presented to AMLSC members in the spring of 2024. The information and conclusions of the report form the basis for the issuance of a single methodology for assessing AML/CFT risks at the level of Member States, in accordance with the provisions of the new EU AML Package.

Also, ASF, as a member of the Interinstitutional Council for the Implementation of International Sanctions (CIISI), coordinated by the MFA, participated in two meetings during 2024. The activity within the framework of this forum, namely the implementation at the level of ASF and the supervised sectors, is presented as a separate section in the annual report of the Prime Minister of Romania on international sanctions, which he submits to the CSAT and the Romanian Parliament.

❖ **Amendment to GEO No. 202/2008 on the implementation of international sanctions**

From a regulatory perspective, the process of drafting the emergency ordinance amending and supplementing GEO No. 202/2008 was completed through GEO No. 135/2024. During 2024, ASF actively participated in the meetings of the Interministerial Committee for the Application of International Sanctions (CIASI – Romanian Government), where multiple versions of the draft GEO were debated and technical comments were submitted throughout the drafting, amendment, and supplementation process.

Following the entry into force of this emergency ordinance, the decision on the organisation and functioning of CIISI is also to be amended.

Therefore, in accordance with the terms imposed by the normative act, ASF nominated its own representatives to be appointed to the CIISI. Secondary regulations issued by the competent national and supervisory authorities are to be issued within a maximum of 120 days from the entry into force of GEO No. 135/2024, a deadline that also applies to ASF.

❖ **The European Commission's AML package**

As part of its activities during 2024, the Financial Supervisory Authority participates alongside other authorities with AML/CFT responsibilities in the process of implementing the European Commission's AML Package, which includes three regulations and a directive, adopted at European level and published in the Official Journal of the EU on 19 June 2024.

Thus, on 31 May 2024, the following European legislative acts were approved:

- Directive (EU) 2024/1640 on mechanisms to prevent the use of the financial system for money laundering and terrorist financing (known as the "Sixth AML Directive").
- Regulation (EU) 2024/1624 on the prevention of the use of the financial system for money laundering and terrorist financing, which establishes the general framework at European Union level. This regulation is directly applicable in all Member States.

- Regulation (EU) 2024/1620 establishing the European Anti-Money Laundering and Counter-Terrorist Financing Authority and amending Regulation (EU) No. 1093/2010, (EU) No. 1094/2010 and (EU) No. 1095/2010 (AMLA), which will act as the sole supervisor in this field at European level, based in Frankfurt.

In addition, there are the provisions of Regulation (EU) No. 2023/1113 on information accompanying transfers of funds and crypto-assets and amending Directive (EU) No. 2015/849, which was adopted earlier.

ASF actively participated in national and European debates on these legislative acts, providing relevant analyses and technical opinions to the National Office for Preventing and Combating Money Laundering (ONPCSB), the coordinator of the legislative process at national level.

Also, in the second half of 2024, the procedure for appointing the sole national representative to the AMLA General Council was completed, with Romania being represented by the National Bank of Romania (BNR), taking into account the technical expertise of ASF in situations where issues impacting the supervised financial markets are discussed. ASF contributed to this process by analysing the impact of regulations on the financial sectors under its supervision. To this end, the Memorandum for the appointment of the sole national representative to the AMLA General Council was approved at ASF level.

It should be noted that, within the new EU AML package, only a relatively small part of the new rules is issued through the Directive, the rest being issued through directly applicable Regulations, which will be accompanied by Regulatory Technical Standards and Implementing Technical Standards, the equivalent of implementing rules.

Thus, we draw attention to the fact that, in a very short time, all EU authorities, including ASF, will have to recalibrate their AML/CFT supervisory activities in line with these new provisions and frameworks at European level.

To strengthen the implementation of the new European rules, ASF has taken steps to adapt the national and sectoral regulatory framework and supervisory procedures in accordance with the requirements set out in the AML Package.

❖ AML COLLEGES

ASF has continued to strengthen its role within the AML Colleges¹⁷ and to implement appropriate measures to prevent and combat money laundering and terrorist financing through ongoing collaboration with European supervisory authorities, ensuring the exchange of information relevant to the prevention of AML/CFT risks for financial groups with a presence in more than three Member States. Thus, the conditions for establishing an AML/CFT college are met when:

¹⁷ AML – anti-money laundering, a term used in the field of money laundering

- the firm operating cross-border has established cross-border units in at least two Member States other than the home Member State,
- a third-country company has established units in at least three Member States (branches of an EU subsidiary of a third-country company established in a Member State other than the Member State in which the EU subsidiary was established are considered separate units).

ASF is not the lead supervisory authority in the AML colleges, as none of the supervised financial entities is a parent entity for financial entities in other two Member States, but it is a supervisory authority in 13 AML colleges.

During 2024, ASF, as the competent authority for the risk-based supervision of branches of financial entities in the field of money laundering and terrorist financing (ML/TF), was represented by its specialized structures within the AML Colleges. During the reference period, ASF participated in eight meetings of the AML Colleges, during which the risks associated with supervised entities were analysed and information was exchanged with supervisory authorities in other Member States, including:

- Autorité de Contrôle Prudentiel et de Résolution (ACPR) – France;
- The Dutch Authority for the Financial Markets & De Nederlandsche Bank – Netherlands;
- Banca d'Italia – Italy;
- The Czech National Bank – Czech Republic;
- Komisja Nadzoru Finansowego (KNF) – Poland;
- Bank of Greece – Greece.

These meetings focused on the exchange of relevant information on the risks associated with supervised entities and the measures applied at European level to strengthen AML/CFT.

Through its work in the AML colleges, ASF ensured:

- the assessment of AML/CFT risks for supervised financial entities in Romania;
- monitoring the implementation of supervisory measures, including group measures, by Romanian financial entities that are part of international groups, to ensure compliance with ML/TF regulations;
- cooperation with ML/TF supervisory authorities in other Member States to assess how financial entities manage ML/TF risks;
supporting supervised financial entities in applying AML/CFT obligations and improving compliance measures.

❖ **Supervision of the application of primary and secondary legislation in the sectors supervised by ASF**

An important aspect of this area is the legislative process, where ASF, as an advisor on primary legislation and a consultant to the parliamentary legislative process in the case of draft amendments to legislation within the authority's supervisory remit, has initiated or advised on amendments to improve the national legal framework or to transpose legislative changes in the EU acquis, at the request of the authorities with legislative prerogatives in this area.

The most important draft legislation that was subject to expert analysis and approval by ASF and for which the AML/CFT specialist structure within ASF issued opinions on:

- The draft Government Emergency Ordinance amending Law No. 129/2019, which included the amendments brought by Regulation (EU) No. 1113/2023.

Regulation (EU) No. 1113/2023 on information accompanying transfers of funds and certain crypto-assets replaces Regulation (EU) No. 847/2015 and extends its scope to include, in addition to transfers of funds, transfers of crypto-assets carried out by crypto-asset service providers, some of which are entities under the supervision of the Financial Supervisory Authority, which will bring a new line of activity specific to ASF. Regulation (EU) No. 1113/2023 amends EU Directive No. 849/2015 *on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing*, transposed nationally by Law No. 129/2019, for which ASF is the supervisor in the case of non-bank financial entities.

ASF, through its specialized structures, submitted a series of proposals on the draft put up for debate by the initiator (ONPCSB) and, following public consultations, approved the draft, while maintaining ongoing correspondence to ensure that the final form to be proposed for adoption contains all the elements necessary to ensure the necessary technical and legislative compliance.

- During 2024, substantial resources were allocated to improving the primary legislative framework for the implementation of international sanctions. Thus, this year saw the continuation of the process begun in 2022 to evaluate and make technical amendments to the draft Government Emergency Ordinance amending Government Emergency Ordinance No. 202/2008 on the implementation of international sanctions. The draft was approved by ASF in November 2024 and was approved by the Government on 21 November 2024.

Currently, ASF is drafting a regulation amending and supplementing ASF Regulation No. 25/2020, which will update the obligations of financial entities and establish the reporting framework following the entry into force of GEO No. 135/2024. At the same time, the system for monitoring the implementation of international sanctions has been adapted to the changes in this normative act, with elements already implemented or in the process of being implemented.

❖ **Participation in Profile Meetings (International/National)**

As part of the national AML/CFT and TFS system, the activity carried out by ASF, through its specialized structure, on the three supervised financial markets, involved participation and representation in numerous national and international bodies, depending on the specific areas of activity.

From the perspective of the relationship with the OECD, ASF representatives from the AML structure participated in the discussions and interviews held during the mutual evaluation mission on the implementation of the Automatic Exchange of Information (AEOI) mechanism in Romania, conducted by the Global Forum (OECD), as well as in the interviews related to phase II of the evaluation of the OECD Anti-Bribery Working Group.

The assessment mission is extremely important for Romania in order to consolidate its position as an OECD candidate country.

Also, from the perspective of Romania's representation in international bodies, ASF was part of the Romanian delegation to the 68th Plenary Meeting of the Moneyval Committee in Strasbourg, France (December 2024). The Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL)/Council of Europe is a regional FATF-style body (FSRBs) directly involved in assessing the level of compliance of the financial system with the methodological requirements set out in the FATF standards.

With regard to its relationship with European Union bodies and institutions, particularly in the context of the adoption of the new EU AML Package, which involves a fundamental change in the paradigm for preventing and combating ML/TF, ASF has played an active role in interinstitutional discussions, including at EU level, with a view to identifying the measures needed at national and institutional level to ensure a smooth transition in the supervised markets and in its own activities.

1. The Interinstitutional Council for the Implementation of International Sanctions (OISI/MAE) established by Art. 13 of GEO No. 202/2008

During 2024, ASF actively participated in the meetings of this Council, with the aim of preparing for the European Commission's assessment mission on the implementation of international sanctions in Romania, which took place on 29-30.04.2024 and which focused in a separate section on the implementation of restrictive measures in Romania's financial sectors.

2. The Interministerial Committee for the Application of International Sanctions (Chancellery of the Government of Romania) established by Prime Minister's Decision No. 269/2022, which aimed to finalize the draft legislative act amending and supplementing GEO No. 202/2008.
3. The Interinstitutional Committee for the Development of the National Strategy for the Prevention and Combating of Money Laundering and Terrorist Financing and the related action plan, established by Prime Minister's Decision No. 2/04.01.2024.

Also, from the perspective of the conditions and mechanisms for reporting and complying with international standards and requirements in this area (FATF and EU), the activity of the AML/CFT specialized structure, as the representative structure of ASF, was carried out within the following international bodies:

- Standing Committee on Anti-Money Laundering and Countering Terrorist Financing (AMLSC)/European Banking Authority – the EU body that has Moneyval prerogatives at EU level and is to be integrated into the AMLA;
- The working group set up at EBA level to analyse existing AML supervisory practices in EU Member States. ASF was part of the working group that drafted the final report presented at the AMLSC meeting in March 2024;
- AML colleges – established following the implementation at ASF level of European (EBA) provisions on cooperation and information exchange for the purposes of Directive (EU) 2015/849 between competent authorities supervising credit and financial institutions.

4. Regulation of non-bank financial markets

A solid and adaptable regulatory framework is essential for the sustainable development of non-bank financial markets. To this end, the Financial Supervisory Authority (ASF) continued, throughout 2024, a dynamic process of updating and revising primary and secondary legislation. This strategy was carried out in line with the strategic objectives set for the period 2023-2025, with the main aim of aligning national regulations with European legislative developments.

Through this approach, ASF seeks to create a unified and coherent regulatory framework capable of supporting new business models emerging as a result of digitalisation and technological innovation. At the same time, this approach supports the streamlining of supervisory activities and ensures continuous adaptation to rapid changes in the financial sector.

ASF takes a proactive approach to regulation, prioritizing the protection of consumers of non-bank financial products and ensuring the stability of markets undergoing continuous transformation. Thus, in 2024, the authority initiated and consolidated matrix working structures designed to analyse and implement market requirements in key areas such as digital finance, sustainable finance, financial innovation, and digital operational resilience.

Through these measures, ASF reaffirms its commitment to maintaining a modern, flexible, and efficient regulatory environment capable of responding to future challenges and supporting the development of a stable and innovative financial sector.

4.1. Transposition and implementation of European Union legislation

Regulating the non-banking financial sector is a key function performed by ASF. Regulation responds to the needs of the economy, consumers, and investors by creating an environment in which legal entities and individuals can participate in a financial system that is resilient, efficient, and operates to the highest standards.

In 2024, ASF contributed to the process of adapting national legislation to the evolving European framework by providing technical assistance to the Ministry of Finance. Thus, ASF was involved in the process of transposing European legislation within its area of competence by drafting legislative acts in a timely manner and closely monitoring the deadlines for implementing the directives.

As in previous years, in 2024, ASF supported the necessary measures at institutional level to fulfil transposition obligations, and a series of draft laws were drawn up to transpose European legislation, accompanied by explanatory memoranda and submitted to the legislative initiator, the Ministry of Finance. These include:

With a view to transposing **Directive (EU) 2019/878** amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers, and capital conservation measures, **ASF Regulation No. 11/2024** was published to amend and supplement ASF Regulation No. 3/2014 on certain aspects related to the application of

Government Emergency Ordinance No. 99/2006 on credit institutions and capital adequacy and Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and investment companies and amending Regulation (EU) No. 648/2012, as well as for amending Regulation No. 15/2023 of the Financial Supervisory Authority on the authorisation of entities referred to in Art. 163² of Government Emergency Ordinance No. 99/2006 on credit institutions and capital adequacy.

In order to harmonise with **Directive (EU) 2022/2381** on strengthening gender balance among directors of listed companies and related measures, ASF has drafted **a bill to amend and supplement Law No. 24/2017** on issuers of financial instruments and market operations, republished, with subsequent amendments and additions.

Also, for the transposition of **Directive (EU) 2022/2464** amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC, and Directive 2013/34/EU with regard to sustainability reporting by companies, the following legislative acts were drafted and published:

- Draft law amending and supplementing Law No. 24/2017 on issuers of financial instruments and market operations, republished, with subsequent amendments and additions;
- **Regulation No. 4/2024** amending and supplementing Regulation No. 39/2015 of the Financial Supervisory Authority approving the accounting regulations in accordance with international financial reporting standards, applicable to entities authorized, regulated, and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector, as well as the Investor Compensation Fund;
- **Rule No. 14/2024** amending and supplementing Financial Supervisory Authority Rule No. 41/2015 approving the accounting regulations on the individual annual financial statements and consolidated annual financial statements of entities carrying out insurance and/or reinsurance activities;
- **Rule no. 16/2024** amending and supplementing the annex to Financial Supervisory Authority Rule no. 36/2015 on accounting regulations for individual annual financial statements and consolidated annual financial statements applicable to brokerage companies carrying out insurance and/or reinsurance distribution activities;
- **Regulation No. 17/2024** amending and supplementing Regulation No. 14/2015 of the Financial Supervisory Authority on accounting regulations in accordance with European directives applicable to the private pension system.

Directive (EU) 2022/2556 amending Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU, 2014/65/EU, (EU) 2015/2366 and (EU) 2016/2341 on digital operational resilience for the financial sector will be transposed, together with other acts issued by the MF and BNR, through both primary and secondary legislation. In order to comply with the deadlines set out in the directive, the following have been drafted and, where appropriate, adopted:

- **Law No. 306/2024** amending and supplementing Law No. 126/2018 on financial instrument markets, amending and supplementing Government Emergency Ordinance No. 32/2012 on undertakings for collective investment in transferable securities and investment management companies, as well as amending and supplementing Law No. 297/2004 on the capital market, and amending and supplementing Law No. 74/2015 on alternative investment fund managers;
- **ASF Regulation No. 11/2024** amending and supplementing Financial Supervisory Authority Regulation No. 3/2014 on certain aspects related to the application of Government Emergency Ordinance No. 99/2006 on credit institutions and capital adequacy and Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and investment companies and amending Regulation (EU) No. 648/2012, and amending Regulation No. 15/2023 of the Financial Supervisory Authority on the authorisation of entities referred to in Art. 163⁽²⁾ of Government Emergency Ordinance No. 99/2006 on credit institutions and capital adequacy;
- **Draft Law amending Law No. 237/2015** on the authorisation and supervision of insurance and reinsurance activities.

For the transposition of **Delegated Directive (EU) 2023/2.775** amending Directive 2013/34/EU as regards the adjustment of size criteria for micro, small, medium-sized and large undertakings or groups, the following were published:

- **Regulation No. 14/2024** amending and supplementing Regulation No. 41/2015 of the Financial Supervisory Authority approving the accounting regulations on the individual annual financial statements and consolidated annual financial statements of entities carrying out insurance and/or reinsurance activities;
- **Regulation No. 15/2024** amending and supplementing Regulation No. 39/2015 of the Financial Supervisory Authority approving the accounting regulations in accordance with International Financial Reporting Standards, applicable to entities authorized, regulated, and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector, as well as the Investor Compensation Fund;
- **Regulation No. 16/2024** amending and supplementing the annex to Financial Supervisory Authority Regulation No. 36/2015 on accounting regulations relating to individual annual financial statements and consolidated annual financial statements applicable to brokerage companies engaged in insurance and/or reinsurance distribution;
- **Rule No. 17/2024** amending and supplementing Financial Supervisory Authority Rule no. 14/2015 on accounting regulations in accordance with European directives applicable to the private pension system.

With a view to transposing **Directive (EU) 2023/2864** amending certain directives as regards the establishment and functioning of the European single access point, **Rule No. 15/2024** was published amending and supplementing Rule No. 39/2015 of the Financial Supervisory Authority approving the accounting regulations in accordance with International Financial Reporting Standards, applicable to entities authorized, regulated, and supervised by the Financial Supervisory Authority in the financial

instruments and investments sector, as well as the Investor Compensation Fund. For full transposition, the following drafts were prepared at ASF level:

- **Draft Law supplementing Law No. 237/2015** on the authorisation and supervision of insurance and reinsurance activities;
- **Draft Law supplementing Law No. 236/2018** on insurance distribution;
- **Draft Law amending and supplementing certain financial regulations in order to implement aspects relating to the single European access point** providing centralized access to information made available to the public relevant to financial services, capital markets, and sustainability (*will amend Law No. 24/2017, GEO No. 32/2012, Law No. 74/2015, Law No. 236/2022, Law No. 1/2020*). At the same time, the draft law also envisages the introduction of measures to implement the provisions of Regulation (EU) 2023/2859 and Regulation (EU) 2023/2869, which fall within the scope of ASF's activities;
- **Draft Law amending and supplementing Law No. 126/2018** on financial instrument markets (*will also ensure the transposition of Directive (EU) 2024/790*);
- **Draft Rule amending and supplementing Financial Supervisory Authority Rule No. 41/2015** approving the accounting regulations on the individual annual financial statements and consolidated annual financial statements of entities carrying out insurance and/or reinsurance activities;
- **Draft Rule for amending/supplementing Financial Supervisory Authority Rule No. 35/2020** on reporting and transparency obligations in the occupational pension system;
- **Draft Rule for amending and supplementing Financial Supervisory Authority Rule No. 36/2015** on Accounting Regulations for individual annual financial statements and consolidated annual financial statements applicable to brokerage companies carrying out insurance and/or reinsurance distribution activities.

Directive (EU) 2024/790 amending Directive 2014/65/EU on markets in financial instruments will be transposed, among other things, by **the Draft Law amending and supplementing Law No. 126/2018** on markets in financial instruments (*it will also ensure the transposition of Art. 12 of Directive (EU) 2023/2864*).

4.2. Integrated regulatory activity

Integrated regulatory activity ensures the application of a unified framework, with an integrated approach covering the three markets supervised by ASF, the harmonisation of legislative provisions in order to strengthen the existing legal framework at the ASF level, and the identification and implementation of best practices in the field in accordance with European and international standards.

Current regulatory trends are moving towards the adoption of *principle-based* market regulation, so that *the rule-based* approach is being superseded. Furthermore, both at the level of directly applicable European legislation and in its implementation at national level, there is an increasing need to apply uniform rules to non-bank financial markets and entities operating within them.

During 2024, ASF issued the following normative acts, which updated the integrated regulations in force, as follows:

<p>Regulation No. 13/2024 amending and supplementing Regulation No. 4/2021 of the Financial Supervisory Authority on the control activity carried out by the Financial Supervisory Authority, published in the Official Journal, Part I No. 1071 of 25 October 2024.</p>	<p>The main amendments and additions introduced mainly concern the following aspects:</p> <ul style="list-style-type: none"> ➤ regulating the organisation of hearings of responsible persons through remote means of communication and clarifying certain aspects related to the hearing process; ➤ regulating the principles on which the Permanent Control Report is drawn up and clarifying the aspects that must be mentioned therein; ➤ amending certain definitions and rewording certain articles for clarity in order to ensure a high degree of predictability of the regulation for the persons to whom it applies.
<p>Regulation No. 9/2024 amending and supplementing Regulation No. 16/2014 of the Financial Supervisory Authority on the revenues of the Financial Supervisory Authority, published in the Official Journal, Part I No. 677 of 15 July 2024.</p>	<p>The main proposals for amendment and supplementation contained in the draft legislative act submitted for public consultation mainly concern the updating of its provisions in accordance with the provisions of Government Emergency Ordinance No. 174/2022 amending certain legislative acts in the field of private pensions, which amended the provisions of Law No. 411/2004 on privately managed pension funds, republished, with subsequent amendments and additions, with the provisions of Regulation No. 14/7/2018 on the provision of investment services and activities on behalf of financial investment services companies and credit institutions, and the provisions of ASF Regulation No. 1/2019 on the assessment and approval of members of the management structure and persons holding key positions within entities regulated by the Financial Supervisory Authority.</p>
<p>Regulation No. 14/2024 amending of Financial Supervisory Authority Regulation No. 16/2014 on the revenues of the Financial Supervisory Authority, published in the Official Journal, Part I No. 1085 of 30 October 2024</p>	<p>By amending and supplementing Rule No. 13/2019, item 1.77 of Annex No. 3 regarding the fee charged for approving the extension of the audit period of an entity by the same financial auditor or the same audit firm, as well as the provisions of Regulation No. 16/2014 referring to this point, were repealed.</p>
<p>Rule No. 19/2024 amending and supplementing Financial Supervisory Authority Rule No. 13/2019 on the uniform framework for conducting statutory audits of authorized entities, regulated and supervised by the Financial</p>	<p>The main amendments and additions relate to:</p> <ul style="list-style-type: none"> ➤ changing the maximum audit period for an entity by the same financial auditor or audit firm, with the possibility of extending it; ➤ changing the legal period between two audit engagements performed by the same financial auditor or audit firm; ➤ regulating the maximum audit period for an entity by the same key

Supervisory Authority, published in the Official Journal, Part I No. 1085 of 30 October 2024	audit partner responsible for conducting the statutory audit; ➤ changing the method of extending the audited period; ➤ adding definitions and rephrasing articles for clarity in order to ensure a high degree of transparency of the rule for the entities to which it applies; ➤ clarification that cross-sector entities also operating in the private pension system sector will apply the relevant requirements applicable to the private pension system sector.
Regulation No. 26/2024 amending and supplementing Regulation No. 4/2018 of the Financial Supervisory Authority on the management of operational risks generated by IT systems used by authorized/approved/registered entities, regulated and/or supervised by the Financial Supervisory Authority, published in the Official Journal, Part I No. 25 of 14 January 2025	The proposed amendments and additions mainly concern the following aspects: ➤ provisions regarding the submission of reports due on 31 March by entities that will apply the DORA Regulation; ➤ the introduction of a new annex to ASF Rule No. 4/2018 with a clear stipulation of the deadline for the submission of IT audit reports by entities that will apply the DORA Regulation, depending on the audited period.

At the same time, in order to implement certain European regulations, it was identified that there was a need to draft legislative acts in collaboration with the National Bank of Romania as a result of the requirements to apply the same set of rules to several categories of entities operating in the financial markets.

Thus, for common areas of activity or sectoral activities, as well as for operations or entities within the three non-banking financial sectors, the regulations developed by ASF for the implementation or enforcement of primary legislation may be integrated.

In order to achieve the Authority's strategic objectives, **the permanent cross-sectoral working group on digital finance** continued its work in 2024. Thus, an important part of the integrated regulatory activity in 2024 was the work of this working group on the digital finance package, given that this working group is responsible for analysing and establishing the stages for the implementation of the new regulatory frameworks related to the digital finance package imposed at European Union level, in particular **Regulation (EU) 2022/2554** of the European Parliament and of the Council on the digital operational resilience of the financial sector and amending Regulations (EC) No. 1060/2009, (EU) No. 648/2012, (EU) No. 600/2014, (EU) No. 909/2014 and (EU) 2016/1011 (**DORA**).

4.3. Regulatory activity in the financial instruments and investments sector

The main guidelines pursued in regulatory activity in the capital market area in 2024 were aimed at achieving the following objectives:

- harmonising specific national legislation with recent developments in European legislation in the field of investment services and activities, issuers, and collective investment undertakings;
- continuing efforts to support the process of strengthening the capital market infrastructure;
- establishing and maintaining the legal framework necessary for the stable, efficient, fair, and transparent development and functioning of financial instrument markets, as well as promoting confidence in these markets and in investments in financial instruments;
- reconfiguring the legal framework applicable to issuers and shareholders' rights, as well as in the field of UCITS;
- streamlining the process of resolving complaints regarding the activity of entities authorized, regulated, and/or supervised by ASF through the financial instruments and investments sector;
- increasing the level of information available to investors on unauthorised entities and ways to avoid fraud and deception;
- issuing warnings and alerts regarding the identification of non-compliant practices/deceptive actions or in situations where major risks for potential investors are revealed.

❖ **Drafting primary legislation and strategies in the field of capital markets/formulating technical opinions on primary legislation**

<p>Emergency Ordinance No. 71/2024 amending and supplementing certain legislative acts and establishing measures to prevent and combat advertising and the use of aggressive communication techniques by entities not registered with the Financial Supervisory Authority (GEO No. 71/2024), published in the Official Journal, Part I No. 591 of 25 June 2024</p>	<p>Government Emergency Ordinance No. 71/2025 has as its main purpose the amendment and supplementation of certain normative acts both with a view to swiftly revising the primary legal framework applicable in the field of the capital market in order to continue the process of reforming and upgrading the Romanian industry in this field, and to establish legislative measures to ensure the urgent elimination of malfunctions identified in practice that may lead to the infringement of investors' rights, with significant consequences for the stability, proper functioning, competitiveness, reputation, and image of the domestic capital market. Government Emergency Ordinance No. 71/2024 was drafted as a legislative instrument intended to contribute to the achievement of some of the general/specific objectives included in <i>the "ASF Strategy for the Development of the Capital Market 2023-2026,"</i> taking into account the amendment and supplementation of the legislation applicable to UCITS and their managers (e.g.: Government Emergency Ordinance No. 32/2012, Law No. 74/2015, and Law No. 243/2019), issuers (Law No. 24/2017), and the field of investment services and activities (e.g., Law No. 126/2018).</p>
<p>Law No. 306/2024 amending and supplementing Law No. 126/2018 on financial instrument markets, amending and supplementing Government Emergency Ordinance No. 32/2012</p>	<p>Law No. 306/2024 was drafted with a view to transposing into national law the provisions of Articles 1, 3, and 6 of <i>Directive (EU) 2022/2556 of the European Parliament and of the Council of 14 December 2022, amending Directives 2009/65/EC, 2009/138/EC,</i></p>

<p>on undertakings for collective investment in transferable securities and investment management companies, as well as amending and supplementing Law No. 297/2004 on the capital market, and amending and supplementing Law No. 74/2015 on alternative investment fund managers (Law No. 306/2024), published in the Official Journal, Part I, No. 1228 of 6 December 2024</p>	<p>2011/61/EU, 2013/36/EU, 2014/59/EU, 2014/65/EU, (EU) 2015/2366 and (EU) 2016/2341 on digital operational resilience for the financial sector.</p>
<p>Draft Law amending and supplementing the provisions of GEO No. 32/2012, Law No. 74/2015, and Law No. 243/2019 (Ecosystem Project)</p>	<p>The draft law concerns ASF's strategy regarding the process of updating and continuously improving the capital market legislation applicable to the CIU, IMC, and AIFM, with a view to adapting it to European legislation, which is itself in a state of constant flux, developing the capital market and increasing investor protection, strengthening the role and status of ASF as the supervisory and control authority on the capital market, this process aiming to amend and supplement primary legislation.</p> <p>The draft law was initiated as a result of developments and dynamics in the investment fund industry and the interest shown by potential investors. Also, in the context of the publication in the Official Journal of the European Union on 4 December 2024, of <i>Directive (EU) 2024/2994 of the European Parliament and of the Council of 27 November 2024, amending Directives 2009/65/EC, 2013/36/EU, and (EU) 2019/2034 as regards the treatment of concentration risk arising from exposures to central counterparties and counterparty credit risk for centrally cleared derivative transactions</i>, the draft also aims to transpose into national law the provisions of Art. 1 of Directive (EU) 2024/2994 amending Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, on the coordination of laws, regulations, and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS).</p>
<p>Draft law amending and supplementing Law No. 24/2017 on issuers of financial instruments and market operations</p>	<p>The main purpose of the draft law is to transpose certain provisions of <i>Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards sustainability reporting by companies</i>, and <i>Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on strengthening gender balance among directors of companies listed on stock exchanges and related measures</i>, regulating certain aspects/situations encountered in practice, as well as introducing provisions to achieve certain objectives of the "National Strategy for Capital Market Development</p>

	for the period 2023-2026," which addresses regulatory issues related to issuers of financial instruments and market operations.
Draft law amending and supplementing Government Emergency Ordinance No. 32/2012 on undertakings for collective investment in transferable securities and investment management companies, as well as to amend and supplement Law No. 297/2004 on the capital market, and to amend and supplement Law No. 74/2015 on alternative investment fund managers	The draft law aims to transpose into national law <i>Directive (EU) 2024/927 (AIFMD II) of the European Parliament and of the Council of 13 March 2024, amending Directives 2011/61/EU and 2009/65/EC as regards provisions on delegation, liquidity risk management, reporting for supervisory purposes, the provision of depositary and custody services, and lending by alternative investment funds (AIFMD II)</i> , which was published on 26 March 2024, in the Official Journal of the European Union.
Draft law amending and supplementing certain financial legislation with a view to implementing aspects relating to the single European access point providing centralized access to publicly available information relevant to financial services, capital markets, and sustainability	<p>The draft law mainly aims to:</p> <ul style="list-style-type: none"> ➤ the transposition of certain provisions of <i>Directive (EU) 2023/2864 of the European Parliament and of the Council of 13 December 2023, amending certain directives with regard to the establishment and operation of the European single access point</i>, amending and supplementing European directives; ➤ the introduction of measures for the application of certain provisions of <i>Regulation (EU) 2023/2869 of the European Parliament and of the Council of 13 December 2023, amending certain regulations regarding the establishment and operation of the European single access point</i>, amending and supplementing European regulations within the competence of the FIIS, namely certain regulations; ➤ the introduction of provisions for the implementation of OECD recommendations made in the context of the national implementation of the National Capital Market Strategy project, funded by the European Commission, as well as in the context of Romania's evaluation in the process of accession to the OECD.
Draft Law amending and supplementing Law No. 126/2018 on financial instrument markets	The draft law aims to transpose the provisions of Directive (EU) 2024/790 and Art. 12 of Directive (EU) 2023/2864 at national level.
Draft Law amending certain legislative acts in the financial field	Given the area of joint competence with BNR regarding the prudential requirements applicable to certain categories of entities within the scope of regulation, authorisation and supervision of ASF, as well as regarding the recovery and resolution of FIIS, ASF is an advisory institution and contributes to the primary legislation drafts prepared by BNR by supplementing, where appropriate, the draft legislative acts and their related explanatory memoranda. Thus, the draft law was drafted by BNR with a view to transposing Directive (EU)

	2022/2556 of the European Parliament and of the Council of 14 December 2022, amending Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU, 2014/65/EU, (EU) 2015/2366, and (EU) 2016/2341 on digital operational resilience for the financial sector (DORA Directive). This draft law amends, among others, <i>Government Emergency Ordinance No. 99/2006 on credit institutions and capital adequacy</i> and <i>Law No. 312/2015 on the recovery and resolution of credit institutions and investment companies, as well as amending and supplementing certain laws in the financial field</i> .
Draft law amending and supplementing Law No. 312/2015 on the recovery and resolution of credit institutions and investment companies, as well as amending and supplementing certain legislative acts in the financial field	<p>The draft law was prepared by BNR with a view to transposing <i>Directive (EU) 2024/1174 of the European Parliament and of the Council of 11 April 2024 amending Directive 2014/59/EU and Regulation (EU) No. 806/2014 as regards certain aspects of the minimum requirement for own funds and eligible liabilities</i>.</p> <p>During the reference period, the draft law was analysed by ASF and the explanatory memorandum was supplemented accordingly with the elements falling within the competence of the institution.</p>
Draft law amending and supplementing Government Emergency Ordinance No. 99/2006 on credit institutions and capital adequacy	<p>The draft law was prepared by BNR with a view to transposing into primary legislation the provisions of Directive 2013/36/EU, as amended by Regulation (EU) 2023/1114 on markets in crypto-assets (<i>MiCA Regulation</i>).</p> <p>During the reference period, ASF supplemented the draft law with provisions applicable to credit institutions within ASF's sphere of competence and supplemented the explanatory memorandum accordingly.</p>

❖ Secondary legislation

✓ Regulations

ASF Regulation No. 3/2024 amending and supplementing Financial Supervisory Authority Regulation No. 15/2021 on the use of the global account system and the application of mechanisms without the pre-validation of financial instruments and Financial Supervisory Authority Regulation No. 16/2021 on the creation, publicity, and enforcement of collateral published in the Official Journal of Romania, Part I, No. 185 of 7 March 2024.	<p>This regulation will clarify certain issues that have arisen from supervisory practice and ensure better enforcement of the requirements of the two regulations.</p> <p>The amendment to ASF Regulation No. 15/2021 mainly concerns the following:</p> <ul style="list-style-type: none"> ➤ clarifying the purpose of securities lending transactions by stipulating that a market maker may only borrow securities if it acts as a market maker for the securities being borrowed; ➤ the introduction of monthly reporting obligations to ASF for securities lending transactions for Depozitarul Central and participants.
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	<p>The amendment to ASF Regulation No. 16/2021 mainly concerns the following:</p> <ul style="list-style-type: none"> ➤ distinguishing between the definition of the relevant account in Government Ordinance No. 9/2004 on certain financial guarantee contracts and the relevant account within the meaning of ASF Regulation No. 16/2021; ➤ aligning the definition of a financial guarantee contract without transfer of ownership with that provided for in GO No. 9/2004; ➤ introducing a definition for movable mortgage; ➤ clarification that the situation regulated by ASF Regulation No. 16/2021 is the case where the fruits generated by the relevant financial instruments or portfolios are financial instruments; ➤ clarification that the mention of the commencement of enforcement will be entered in the central publicity register if the mention of the real guarantee was initially entered in the central publicity register; ➤ clarification that prior to the deletion of the entry from the central publicity register, if it has been entered, the transfer of the financial instruments to the account of the settlor takes place.
<p>ASF Regulation No. 6/2024 amending and supplementing Regulation No. 10/2017 of the Financial Supervisory Authority on central depositories issued in application of Regulation (EU) No. 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No. 236/2012, published in the Official Journal of Romania, Part I, No. 464/20.05.2024.</p>	<p>The main changes introduced by the regulation concern the following:</p> <ul style="list-style-type: none"> ➤ revision of the provisions on the concept of initial capital and own funds covering the capital requirements that must comply with the provisions of Art. 47 of Regulation (EU) No. 909/2014 and Delegated Regulation (EU) 390/2017; ➤ the possibility for Depozitarul Central to establish/close secondary offices other than branches; ➤ replacing the concept of investor with that of financial instrument holder; ➤ supplementing the information on the identity of the shareholder in accordance with Law No. 24/2017; ➤ amendment of the provisions governing the issuance of account statements by Depozitarul Central and participants; ➤ introducing a new situation of direct transfer of ownership as a result of the issue/redemption of securities issued by a tradable UCITS through the transfer of financial instruments from the asset basket structure from and to that tradable UCITS, respectively from and to the authorized participant;

	<ul style="list-style-type: none"> ➤ amendment of the provisions governing the issuance of account statements by Depozitarul Central and participants; ➤ the introduction of a new situation of direct transfer of ownership as a result of the issue/redemption of securities issued by a tradable UCITS through the transfer of financial instruments from the asset basket structure from and to that tradable UCITS, respectively from and to the authorized participant; ➤ elimination of the case of direct transfer provided for in letter r) para. (1) of Art. 70 as a result of "other transfers of rights, in accordance with the special laws or regulations in force, with the express approval of ASF," following the recommendation of ASF's regularity audit mission on "Analysis and evaluation of activity regarding issuers, monitoring of transactions and market abuse," given that there are no specific regulations that make the provisions of Art. 70 para. (1) letter r) are applicable; ➤ Amendments made to correlate references to the provisions of Law No. 24/2017, republished.
<p>ASF Regulation No. 7/2024 amending and supplementing ASF Regulation No. 7/2020 on the authorisation and operation of alternative investment funds, published in the Official Journal, Part I No. 469 of 21 May 2024.</p>	<p>The main amendments and additions made to ASF Regulation No. 7/2020 through this normative act refer to:</p> <ul style="list-style-type: none"> ➤ the introduction of provisions regarding the documentation that must accompany the application for withdrawal of the authorisation of an AIFM which, at the date of submission of the application for withdrawal of the operating authorisation by the AIFM no longer has investors (as a result of the redemption by all investors of the fund units held) and the assets have been fully liquidated; ➤ amendment of certain provisions regarding the prohibition of AIFRI from exchanging financial instruments in their portfolio for other financial instruments or transferring assets from the AIFRI portfolio in order to honour the redemption requests of the holders of participation titles ("redemption in kind"), including the introduction of provisions whereby AIFRIs admitted to trading may offer/receive other securities in exchange for the securities they intend to purchase/sell in a public purchase/takeover offer carried out through a public exchange offer in accordance with the legal provisions applicable to securities issuers; ➤ the introduction of provisions according to which any amendment to the prospectus of a AIFC admitted to trading on a trading venue or stock exchange in a third country, authorized by ASF, shall be notified to ASF within two working days of the date of the amendment;

	<ul style="list-style-type: none"> ➤ the insertion of provisions regarding the method of valuation of AIF assets that have a currency risk associated with the investment; ➤ amendment of Art. 50 para. (1) and (2) of the Regulation in order to align it with the provisions of Art. 38 of Law No. 243/2019 on the publication of reports on NAV and NAVPS; ➤ updating the content of Annexes 2, 5, 7A, 7B, and 11 to the regulation; ➤ repeal of Annex No. 12, given that this is a report that is also submitted in accordance with the provisions of Art. 23 of ASF Regulation No. 10/2015 on the management of alternative investment funds.
<p>ASF Regulation No. 15/2024 amending and supplementing Financial Supervisory Authority Regulation No. 5/2018 on issuers of financial instruments and market operations, published in the Official Journal, Part I No. 1143 of 15 November 2024.</p>	<p>ASF Regulation No. 15/2024 was drafted in the context of:</p> <ul style="list-style-type: none"> ➤ the identification in the practical activity carried out at the level of ASF of aspects regarding the analysis of the opportunity to include express provisions or, as the case may be, to make changes at the level of secondary regulations applicable to issuers and market operations; ➤ the receipt of proposals from the market to amend and supplement the secondary regulations applicable to issuers and market operations (<i>e.g. – submitted by ARIR</i>); ➤ the need to introduce, in the secondary regulations applicable to issuers and market operations, express provisions related to certain transparency requirements for covered bonds, taking into account the provisions of <i>Law No. 233/2022 on covered bonds, as well as to amend and supplement certain normative acts in the financial field</i>; ➤ the performance of analyses related to objectives concerning regulatory aspects within the <i>"National Strategy for the Development of the Romanian Capital Market for the period 2023-2026"</i>; in order to determine the need to introduce, at the level of secondary regulations applicable to issuers and market operations, provisions aimed at achieving these objectives; ➤ analysing the opportunity to introduce, at the level of secondary regulations, express provisions clarifying certain aspects related to the conduct of resolution operations of entities that also have the status of issuers; ➤ the need to introduce provisions at the level of secondary regulations as a result of the amendments and additions made to Law No. 24/2017 by GEO No. 71/2024, which refer to the situation where a local public administration authority intends

	to carry out a public offering/admission to trading on a regulated market of debt securities, based on a prospectus approved by ASF, or refer to the application of certain provisions of Regulation (EU) 2023/2361.
ASF Regulation No. 16/2024 amending and supplementing Financial Supervisory Authority Regulation No. 5/2019 on the regulation of certain provisions relating to the provision of investment services and activities under Law No. 126/2018 on financial instrument markets, published in the Official Journal of Romania, Part I, No. 1241 of 10 December 2024.	<p>This regulation mainly aimed to:</p> <ul style="list-style-type: none"> ➤ to adapt to the amendments made to Law No. 126/2018 by Government Emergency Ordinance No. 71/2024 – establishing criteria for organising "refer a friend" campaigns; ➤ clarifications regarding practical aspects: customer accounts used in relations with FISCs and the conclusion of distance contracts.

❖ Regulations

ASF Regulation No. 4/2024 amending and supplementing Financial Supervisory Authority Regulation No. 39/2015 approving the accounting regulations in accordance with International Financial Reporting Standards, applicable to entities authorized, regulated, and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector, as well as the Investor Compensation Fund, published in the Official Journal, Part I No. 295 of 4 April 2024.	Regulation No. 4/2024 transposes the provisions of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC, and Directive 2013/34/EU as regards sustainability reporting by companies (Directive (EU) 2022/2464), published in the Official Journal of the EU No. L322/16.12.2022, considering ASF's competence to issue accounting regulations for entities authorized, regulated, and supervised by it.
ASF Regulation No. 9/2024 for the application of the ESMA Guidelines on reporting under EMIR, published in the Official Journal of Romania, Part I, No. 393 of 26 April 2024.	Adoption of the ESMA Guidelines, developed in accordance with Art. 16 para. (1) of the ESMA Regulation. The Guidelines meet several objectives regarding the harmonisation and standardization of reporting under EMIR.
ASF Rule No. 11/2024 amending the annex to Financial Supervisory Authority Rule No. 13/2018 for the application of the European Securities and Markets Authority (ESMA) Guidelines on stress testing scenarios pursuant to Art. 28 of Regulation (EU) No. 1.131/2017 on money-market funds, published in the Official Journal, Part I No. 521 of 5 June 2024.	<p>On 6 March 2024, the European Securities and Markets Authority (ESMA) published on its website the translation into all official languages of the European Union of the Guidelines on stress testing scenarios under Regulation (EU) No. 1131/2017 on money market funds, as amended and supplemented, hereinafter referred to as the MMF Regulation (ESMA50-43599798-9011).</p> <p>The ESMA50-43599798-9011 Guidelines apply to competent authorities, money market funds, and money market fund managers as defined in the MMF Regulation.</p> <p>The purpose of the guidelines is to ensure the common, uniform, and consistent application of the provisions of Art. 28 of the MMF Regulation. In particular, and as specified in Art. 28 para. (7) of the</p>

	<p>MMF Regulation, it sets out common benchmarks for stress test scenarios to be included in stress tests.</p> <p>In accordance with Art. 28 para. (7) of the SRM Regulation, the guide shall be updated at least once a year, taking into account the latest market developments.</p> <p>Considering that ASF is the competent authority with powers of regulation, authorisation, and supervision of UCITS and AIFs in accordance with the provisions of Government Emergency Ordinance No. 32/2012, as amended and supplemented, Law No. 74/2015, as amended and supplemented, and Law No. 243/2019, and the Guide on crisis simulation scenarios under the MMF Regulation is addressed to both the competent authorities and the s of UCITS and AIFs with an investment policy specialising in money market instruments, in accordance with Art. 28 of the MMF Regulation, for which reason this guide has been transposed into national/sectoral legislation.</p>
<p>ASF Rule No. 15/2024 amending and supplementing Financial Supervisory Authority Rule No. 39/2015 approving the accounting regulations in accordance with International Financial Reporting Standards, applicable to entities authorized, regulated, and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector, as well as the Investor Compensation Fund, published in the Official Journal, Part I No. 902 of 6 September 2024</p>	<p>ASF Regulation No. 15/2024, considering ASF's competence to issue accounting regulations for entities authorized, regulated, and supervised by it, transposes the provisions of:</p> <ul style="list-style-type: none"> ➤ Art. 1 and Art. 2(1) paragraphs 2 and 4 of Commission Delegated Directive (EU) 2023/2775 of 17 October 2023, amending Directive 2013/34/EU of the European Parliament and of the Council as regards the adjustment of size criteria for micro, small, and medium-sized enterprises or groups, medium-sized and large enterprises or groups, published in the Official Journal of the European Union, L series, on 21 December 2023, and of ➤ Art. 9 and Art. 17(2) paragraph 2 of Directive (EU) 2023/2864 of the European Parliament and of the Council of 13 December 2023, amending certain directives as regards the establishment and functioning of the European single access point, published in the Official Journal of the European Union, L series, on 20 December 2023.
<p>ASF Regulation No. 21/2024 for the application of the European Securities and Markets Authority Guidelines on fund names using MSG or sustainability-related terms, published in the Official Journal, Part I No. 1155 of 19 November 2024</p>	<p>On 21 August 2024, the European Securities and Markets Authority (ESMA) published on its website the translation into all official languages of the European Union of <i>the ESMA Guidelines on fund names using MSG or sustainability-related terms</i> (ESMA34-1592494965-657).</p> <p>The purpose of the guidelines is to clarify the circumstances in which fund names using MSG or sustainability-related terms are incorrect, unclear, or misleading.</p> <p>By approving ASF Regulation No. 21/2024, the ESMA Guidelines were transposed into national law following ESMA's notification to that</p>

	effect, given that the competent authorities must ensure, through their supervisory activities, that financial market participants comply with the guidelines and must take into account the recommendations of the guidelines throughout the life of the funds.
ASF Rule No. 24/2024 for the application of the provisions of the Guidelines on the application of the group-wide capital test for investment company groups in accordance with Art. 8 of Regulation (EU) 2019/2033, published in the Official Journal of Romania, Part I, No. 1232 of 9 December 2024.	Adoption of the EBA Guidelines on the application of the group-wide capital test for groups of investment companies in accordance with Art. 8 of Regulation (EU) 2019/2033.
ASF Regulation No. 25/2024 for the application of the provisions of the Guidelines on the comparative analysis of diversity practices, including diversity policies and the gender pay gap, pursuant to Directive 2013/36/EU and Directive (EU) 2019/2034, published in the Official Journal of Romania, Part I, No. 1262 of 13 December 2024.	Adoption of the EBA Guidelines on benchmarking diversity practices, including diversity policies and the gender pay gap, pursuant to Directive 2013/36/EU and Directive (EU) 2019/2034.

❖ Analysis of regulations issued by capital market entities

BVB rules (regulated market, multilateral trading facility)

During the reference period, the amendment to the BVB Code – Multilateral Trading Facility was approved, with ASF Decision No. 462/15.05.2024 being issued. The main changes to the MTF rules concern:

- revising the criteria for admission to trading of financial instruments on the MTF (e.g., for issuers of shares and bonds, a requirement of two years of operation prior to submitting the application for admission);
- the introduction of a different level of anticipated capitalisation for admission to the Premium Shares Category, namely EUR 500,000;
- supplementing the requirements regarding the role and duties of the authorized consultant in the case of admission to trading of financial instruments;
- with regard to reporting requirements, introduction of the obligation to prepare quarterly reports for issuers of shares traded in the Premium Shares Category, given the importance of this category.

By ASF Authorisation No. 25/2024, the Market for derivatives on financial assets and other types of assets, managed by the Bucharest Stock Exchange, was authorized, together with the operating rules and working procedures related to this regulated market.

At the same time, ASF Decision No. 1063/18.10.2024 approved the proposed amendments to the BVB Code – Regulated Market Operator, amendments aimed at updating the provisions related to the obligations regarding the securities admitted to the International UCITS tradable category – updating the deadline for transmitting the net asset value per unit.

Rules of operation of Depozitarul Central (DC Code)

During the reference period, proposals to amend and supplement the Code of Depozitarul Central were analysed, and ASF Decision No. 589/20.06.2024 was issued regarding the approval of amendments to the Code of Depozitarul Central.

The proposals for amendments and additions to the provisions of the Code of Depozitarul Central mainly refer to:

- The implementation of new principles regarding the methodology for the guarantee fund and the settlement limit, as approved by BNR following the observations of the Romanian Banking Association, by replacing the formula for calculating the net debit position exposure with a new formula for calculating the cost of borrowing; the amendments to the Code of Depozitarul Central relating to the implementation of the new methodology for the guarantee fund should be implemented by 30 June 2024, as provided for in Decision No. 320/28.03.2024, issued on the basis of the Note on the Assessment Report of Depozitarul Central for the period 01.07.2022 – 30.06.2023;
- Inclusion of documentation for new direct transfer situations regulated by ASF Regulation No. 6/2024 amending and supplementing ASF Regulation No. 10/2017 (e.g. direct transfer as a result of the issue/redemption of securities issued by a tradable UCITS through the transfer of financial instruments from the asset basket structure to and from that tradable UCITS);
- Regulation of the situation of transfer as a result of liquidation, when the transfer concerns financial instruments seized for confiscation, held by a legal entity undergoing bankruptcy proceedings, a procedure defined by Law No. 85/2014 as the procedure applicable to the debtor "with a view to liquidating its assets to cover its liabilities, followed by the removal of the debtor from the register in which it is registered";
- Correlation of the provisions of the Code of Depozitarul Central with the provisions of Law No. 265/2022 on the trade register, with an impact on registration in the trade register; the amendments introduced by Law No. 265/2022 have an impact in particular on the documents to be submitted in support of requests for registration of direct transfers and corporate events;
- Correlation of the provisions of the Code of Depozitarul Central with the amended provisions of ASF Regulation No. 5/2019 in order to introduce the possibility for intermediaries to issue account statements related to holdings recorded in individual accounts opened in Section 1 and for persons who are not clients of those intermediaries;
- Regulation of the list of documents required for the registration of the transfer of financial instruments from the name of one of the spouses to the name of both, as joint holders of the financial instruments, direct transfer provided for by ASF Regulation No. 10/2017.

Investor Compensation Fund (ICF)

By ASF Decision No. 1102/28.10.2024, the amendment to Procedure No. 1/2022 on the participants in the Investor Compensation Fund, the determination and payment of obligations to the fund was approved.

4.4. Regulatory activity in the insurance-reinsurance sector

The year 2024 was marked by participation in a series of important primary and secondary legislation projects, developed to improve the legislative framework applicable to the insurance sector in Romania. At the same time, ASF representatives participated in meetings organised at the level of parliamentary committees to support primary legislation projects concerning the insurance-reinsurance sector.

Also, in the area of primary legislation, during 2024, particular attention was paid to: compulsory insurance legislation, where steps were taken to amend Law No. 132/2017¹⁸, which mainly concerns the full transposition of the new motor insurance directive, Directive 2118/2021¹⁹ (MID), but also the regulation of certain aspects to improve the current legislative framework; legislation concerning the activity of the Policyholders Guarantee Fund (FGA), through the draft amendment to Law No. 213/2015²⁰; legislation on the authorisation and supervision of insurance and reinsurance activities through the draft law amending and supplementing Law No. 237/2015 on the authorisation and supervision of insurance and reinsurance activities to ensure the transposition of the Directive amending the Solvency II Directive (Solvency II Review).

At the same time, in order to ensure a comprehensive, stable, and coherent legal framework in the field of insurance and reinsurance by updating and consolidating secondary legislation, based on the experience gained, depending on the domestic and international context of the economic and financial environment, the activity also focused on drafting secondary legislation, both in line with the objectives and activities planned for 2024 and those not planned, arising either as a result of changes in primary legislation at national or European level, or as a result of internal requests from ASF.

In order to achieve the objective of ensuring a comprehensive, stable, and coherent legal framework in the field of insurance and reinsurance by updating and consolidating secondary legislation, based on the experience gained, depending on the domestic and international context of the economic and financial environment, a total of 55 notes were submitted for approval to the ASF Council during 2024.

The following activities related to **primary legislation** projects were carried out in 2024:

¹⁸ Law No. 132/2017 on compulsory motor vehicle liability insurance for damage caused to third parties by vehicle and tram accidents

¹⁹ DIRECTIVE (EU) 2021/2118 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 24 November 2021 amending Directive 2009/103/EC relating to motor vehicle liability insurance and the enforcement of the obligation to insure against such liability

²⁰ Law No. 213/2015 on the Insurance Guarantee Fund, as subsequently amended and supplemented

<p>Draft law amending and supplementing Law No. 237/2015</p>	<ul style="list-style-type: none"> → draft prepared in the context of the publication in the Official Journal of the European Union (OJEU) of Directive 2022/2556 (DORA); → the amendment to the Solvency II Directive concerns the obligation of insurance and reinsurance companies to establish a governance system, including risk management, to maintain operational resilience and the security of IT systems, as their activity is dependent on the of those systems. The use of secure IT systems ensures that companies can operate under normal conditions, which is in the interest of consumers of insurance products.
<p>PLx405/2023 – drafting of the legislative proposal for amending and supplementing Law No. 237/2015 on the authorisation and supervision of insurance and reinsurance activities, as well as for amending and supplementing certain normative acts. The project was finalized by the publication of Law No. 17/2024 in the Official Journal.</p>	<ul style="list-style-type: none"> → strengthening the supervisory levers and powers, including control, of insurance companies, both during normal operations and during the special financial recovery procedure and after the withdrawal of the operating license;
<p>Drafting of the Law supplementing Law No. 237/2015 on the authorisation and supervision of insurance and reinsurance activities to ensure the transposition of Directive (EU) 2023/2864 of the European Parliament and of the Council of 13 December 2023, amending certain directives with regard to the establishment and functioning of the European Single Access Point (ESAP Directive).</p>	<p>The aforementioned additions concerned:</p> <ul style="list-style-type: none"> → the designation of ASF as the collecting body for the European Single Access Point (ESAP), within the meaning of Regulation (EU) 2023/285921 ; → the obligation of ASF to submit to the ESAP the report on solvency and financial condition that insurance and reinsurance companies publish annually and submit to ASF.
<p>Draft Law on compulsory motor third-party liability insurance for damage caused to third parties by vehicle accidents (for the transposition of MID)</p>	<ul style="list-style-type: none"> → a large-scale draft law prepared following the publication of the MID Directive in the OJEU; → the aspects regulated in accordance with the provisions of Directive 2009/2118/EC concern: <ul style="list-style-type: none"> ▪ the definition of "vehicle" in the sense that the insurance obligation relates to certain technical criteria. As a result, vehicles that are not subject to registration under national law (electric scooters, electric bicycles, and other vehicles) will also be subject to the insurance obligation; ▪ the imitation of MTPL coverage based on the concept of vehicle use. Cases where accidents occur in situations where vehicles are not used as a means of transport are eliminated;

²¹ Regulation (EU) 2023/2859 of the European Parliament and of the Council of 13 December 2023, establishing a single European access point providing centralized access to publicly available information relevant to financial services, capital markets, and sustainability

	<ul style="list-style-type: none"> ▪ regulation of minimum compensation limits and setting their reference from EUR to RON at the exchange rate indicated in the directive; ▪ the method of checking MTPL insurance; the use of electronic devices to check MTPL insurance in traffic is permitted, without stopping vehicles, provided that GDPR legislation is complied with; ▪ introducing a standardized European form for certifying the history of claims covered by the insured's MTPL insurance; ▪ regulation of exceptions to the insurance obligation and the possibility for the Romanian state to derogate from the insurance obligation for certain categories of public utility vehicles (e.g., police, army, etc.) with the state taking over the obligation to compensate persons injured in accidents involving these vehicles; ▪ assigning the Romanian Motor Insurers' Bureau (BAAR) the competence to manage a market-wide comparison tool for MTPL insurance offers; ▪ regulating how BAAR can collaborate and exchange data with other authorities.
<p>Draft Law amending Law No. 213/2015 on the Policyholders Guarantee Fund (for the transposition of the MID):</p>	<ul style="list-style-type: none"> ➔ a large-scale project developed following the publication of the MID Directive in the OJEU; ➔ the draft law mainly addresses the following aspects regarding the payment of compensation due under MTPL contracts: <ul style="list-style-type: none"> ▪ regulating the right of persons residing in Romania who have suffered damage as a result of vehicle accidents to request the Fund to pay compensation due under MTPL contracts concluded by Romanian legal entities and insurers authorized in Member States, in the event of their bankruptcy or liquidation, whether or not based on insolvency; ▪ the extension of the protection provided by the Fund in the event of liquidation not based on insolvency; ▪ elimination of the current threshold of RON 500,000 in the case of persons injured by MTPL, payments to be made by the Fund within the limits of a guarantee threshold which is given by the maximum liability limit of the insurer who concluded the MTPL contract, i.e. the higher of the liability limit provided for in the legislation applicable to the place where the accident occurred and that provided for in the MTPL contract; ▪ regulation of the Fund's obligation to reimburse similar bodies in the countries of residence of injured parties for the amounts paid to them under MTPL contracts concluded by Romanian legal entity insurers in bankruptcy or liquidation proceedings not based on insolvency;

	<ul style="list-style-type: none"> ▪ regulating the Fund's right to obtain reimbursement of amounts paid directly to Romanian injured parties from bodies in the Member States of origin of debtor insurers undergoing bankruptcy or liquidation proceedings, whether based on insolvency or not; ▪ introducing deadlines for settling claims for compensation and making reimbursements to bodies in other Member States and to the Fund; ▪ transposing other requirements of the directive relating to the exchange of information and cooperation between the Fund, the insurers concerned, the bodies in their home countries, and other entities, the right of subrogation, etc.
→ Four draft Government Decisions to extend the period of application of the provisions of Art. 1 para. (2) and (4) of Government Decision No. 1326/2023.	→ These concerned the establishment of maximum premium rates and other measures applicable by insurance companies providing compulsory motor vehicle liability insurance for damage caused to third parties by vehicle and tram accidents; subsequently, the drafts became government decisions published in the Official Journal.

Secondary legislation:

Draft Rule on the contribution rates owed by insurers to the Policyholders Guarantee Fund. The draft was finalized by the publication of Rule No. 3/2024 in the Official Journal ²² .	<p>The draft mainly concerned:</p> <p>→ establishing for 2024 the percentage rates applicable to gross premiums collected from direct insurance from 1 March 2024 to 31 December 2024, for general insurance activities, a 2% permanent contribution and a 5% special contribution, and for life insurance activities, a 0.4% permanent contribution (unchanged from the current provisions).</p>
Draft Norms for amending and supplementing Financial Supervisory Authority Rule No. 41/2015 and Rule for amending and supplementing Financial Supervisory Authority Rule No. 36/2015 . The drafts were finalized by publishing Regulation No. 8/2024 ²³ and Regulation No. 7/2024 ²⁴ in the Official Journal.	<p>→ update from the perspective of mutual societies, in the case of Rule No. 41/2015;</p> <p>→ revision and supplementation for clarification purposes following the publication on the European Commission (COM) website of clarifications regarding Directive (EU) 2021/2101²⁵, in the case of both rules.</p>

²² Rule No. 3/2024 on the contribution rates owed by insurers to the Policyholders' Guarantee Fund

²³ Rule No. 8/2024 amending and supplementing Financial Supervisory Authority Rule No. 41/2015 approving the accounting regulations on the individual annual financial statements and consolidated annual financial statements of entities carrying out insurance and/or reinsurance activities

²⁴ Rule No. 7/2024 amending and supplementing Financial Supervisory Authority Rule no. 36/2015 on accounting regulations for individual annual financial statements and consolidated annual financial statements applicable to brokerage companies carrying out insurance and/or reinsurance distribution activities

²⁵ Directive (EU) 2021/2101 on the submission of the corporate income tax return

<p>Draft Rule for the amendment and supplementation of Rule No. 41/2015. The draft was finalized by the publication in the Official Journal of ASF Rule No. 14/2024²⁶.</p>	<ul style="list-style-type: none"> → The draft aims to transpose Art. 1 of Directive (EU) 2022/2464²⁷ and Delegated Directive (EU) 2023/2775²⁸; → The draft mainly addresses the following aspects: <ul style="list-style-type: none"> ▪ the definition of terms that are relevant in the context of the new reporting requirements (e.g., sustainability aspects, sustainability reporting, material intangible assets); ▪ grouping insurance and/or reinsurance companies and their sub-units into micro-entities, small entities, medium-sized entities, and large entities, and defining the criteria for classification into these categories, as provided for in Directive 2013/34/EU, published before the entry into force of Directive (EU) 2022/2464; the criteria were introduced for the purposes of applying Art. 1 and Art. 5 para. (2) of Directive (EU) 2022/2464, which regulates different deadlines for compliance with reporting on sustainability issues, depending on the size of the companies, and are adjusted for inflation in accordance with the provisions of Directive (EU) 2023/2775; ▪ the regulation of sustainability reporting, namely the obligation of large, small, and medium-sized companies that are public-interest entities to include information on sustainability aspects in their directors' report, and the description of the minimum information to be disclosed;
<p>Draft regulation amending and supplementing Financial Supervisory Authority Regulation No. 36/2015 on accounting regulations relating to individual annual financial statements and consolidated annual financial statements applicable to brokerage companies engaged in insurance and/or reinsurance distribution. The draft was finalized by Regulation No. 16/2024, amending and supplementing the annex to Financial Supervisory Authority Regulation No. 36/2015.</p>	<ul style="list-style-type: none"> → This was necessary in order to transpose the provisions of Directive (EU) 2022/2464 and Delegated Directive (EU) 2023/2775 into secondary legislation relating to brokerage companies and their sub-units.
<p>Draft regulation on the contribution rates owed by insurers to the Policyholders' Guarantee Fund. The draft was finalized by the publication of Regulation No. 27/2024 in the Official Journal²⁹.</p>	<ul style="list-style-type: none"> → The regulation governs the percentage rates for the contributions provided for in Art. 6 of Law No. 213/2015 on the Policyholders Guarantee Fund, as subsequently amended and supplemented, owed to the Policyholders Guarantee Fund by the insurers

²⁶ Rule No. 14/2024 amending and supplementing Financial Supervisory Authority Rule No. 41/2015 approving the Accounting Regulations on individual annual financial statements and consolidated annual financial statements of entities carrying out insurance and/or reinsurance activities

²⁷ Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards sustainability reporting by companies

²⁸ Commission Delegated Directive (EU) 2023/2775 of 17 October 2023 amending Directive 2013/34/EU of the European Parliament and of the Council as regards the adjustment of size criteria for micro, small, medium-sized and large undertakings or groups

²⁹ Regulation No. 27/2024 on the contribution rates owed by insurers to the Policyholders' Guarantee Fund

	referred to in Art. 3 of the same law, for the period 1 January – 31 December 2025.
Draft rules amending Rule No. 34/2020 on the implementation of the half-yearly accounting reporting system applicable to insurance entities and amending Rule No. 9/2020 on the closing of the financial year for insurance entities.	
Draft regulation amending Regulation No. 38/2015 on technical reserves established for insurance activities, the method of calculating them for the purpose of preparing annual financial statements, and the special register of assets covering them - project completed by the publication of Regulation No. 23/2024 in the Official Journal ³⁰ .	
Draft regulation amending Regulation No. 25/2022 on the authorisation of companies and the conduct of insurance and reinsurance activities. The draft was finalised by the publication in the Official Journal of Regulation No. 20/2024 ³¹ .	→ The draft mainly aims to regulate the form for notifying the outsourcing of key functions or other critical functions.
Draft regulation amending Regulations No. 21/2016 on reporting on insurance and/or reinsurance activities and No. 28/2015 on the functioning of insurers supervised under the national regime. The draft was finalized by the publication of Regulation No. 23/2024 in the Official Journal ³² .	→ The draft mainly aims to eliminate the requirements for separate paper reporting and to amend the Annex on recommendations in the EIOPA BoS 15/107 Guide ³³ .

³⁰ Rule No. 23/2024 amending and supplementing certain rules of the Financial Supervisory Authority regarding certain reports of insurance and/or reinsurance companies

³¹ Regulation No. 20/2024 amending and supplementing Regulation No. 25/2022 of the Financial Supervisory Authority on the authorisation of companies and the conduct of insurance and reinsurance activities, as well as supplementing Art. 3 of Financial Supervisory Authority Regulation No. 26/2021 on the activities carried out in Romania by third-country insurers through branches

³² Rule No. 23/2024 amending and supplementing certain norms of the Financial Supervisory Authority regarding certain reports of insurance and/or reinsurance companies.

³³ Guidelines on reporting for financial stability purposes EIOPA-BoS-15/107

4.5. Regulatory activity in the private pension system sector

Within the Private Pension System Sector (PPSS), regulatory activity was carried out in accordance with the strategic objectives set by the Council of the Financial Supervisory Authority, in line with the "Strategic Objectives 2023-2025" and ASF's Activity Program for 2024.

Thus, the regulation of the private pension system was directed towards the development of secondary legislation included in the Financial Supervisory Authority's Regulatory Program for 2024. The secondary legislative framework was updated and consolidated both by implementing legislative changes necessary for the proper functioning of the private pension system and by harmonising national legislation with applicable European and international legislation.

In this context, 10 normative acts were drafted, adopted by ASF, and published in the Official Journal of Romania, Part I, based on Law No. 411/2004 on privately managed pension funds and Law No. 204/2006 on voluntary pension funds:

❖ Secondary legislation

ASF Rule No. 1/2024 amending and supplementing Rule No. 7/2009 on the special administration of privately managed pension funds, approved by Decision No. 8/2009 of the Private Pension System Supervisory Commission, published in the Official Journal of Romania, Part I, No. 205 of 12 March 2024.	It includes provisions regarding: <ul style="list-style-type: none">• the introduction of the Guarantee Fund for Rights in the Private Pension System as a special manager;• the repeal of certain provisions following the amendment of the provisions of Art. 100 para. (2) of the Law on the method of allocation by ASF of participants who have not chosen to transfer to another privately managed pension fund.
ASF Regulation No. 2/2024 amending and supplementing Regulation No. 8/2009 on the special administration of voluntary pension funds, approved by Decision No. 9/2009 of the Private Pension System Supervisory Commission, published in the Official Journal of Romania, Part I, No. 143 of 21 February 2024	It includes provisions regarding: <ul style="list-style-type: none">• the introduction of the Guarantee Fund for Rights in the Private Pension System as a special manager;• the repeal of certain provisions following the amendment of the provisions of Art. 65 para. (2) of the Law on the method of allocation by ASF of participants who have not chosen to transfer to another voluntary pension fund.
ASF Regulation No. 5/2024 amending and supplementing Regulation No. 8/2010 on the authorisation of private pension fund managers, the takeover of	It includes provisions relating to: <ul style="list-style-type: none">• the takeover by a voluntary pension fund manager of one or more voluntary pension funds;• the documents accompanying the application for authorisation of the prospectus of the voluntary pension scheme proposed by the offering manager;

the administration of voluntary pension funds and the organisation of assets and liabilities at the level of private pension fund managers, approved by Decision No. 15/2010 of the Private Pension System Supervisory Commission, published in the Official Journal of Romania, Part I, No. 205 of 12 March 2024	<ul style="list-style-type: none"> the use of personal data; the possibility of submitting the documents provided for in the regulation to ASF by electronic means of communication, by signing with a qualified electronic signature.
ASF Regulation No. 6/2024 amending Art. 3 of Financial Supervisory Authority Regulation No. 22/2020 on the temporary amendment of the maximum limit applicable to investments by private pension funds in government securities, published in the Official Journal, Part I No. 297 of 4 April 2024	The draft normative act extends, for the fifth consecutive year, the period established by Rule No. 22/2020, which allows managers to invest the assets of the private pension funds they manage in government securities issued by the Romanian Ministry of Finance, by member states of the European Union or belonging to the European Economic Area, at a percentage that may exceed the 70% limit established by law, with the conditions and exemptions established by Rule No. 22/2020 remaining valid and applicable only in situations where the manager decides to apply the provisions of the rule and has also made investments that lead to exceeding the 70% limit of assets in government securities. Within 180 calendar days from the expiry date of the period provided for in the draft rule, the manager who has applied the provisions of the rule must return to compliance with the limits imposed by Art. 25 para. (1) letter b) of Law No. 411/2004, Art. 87 para. 1) letter (b) of Law No. 204/2006 and Rule No. 11/2011.
ASF Regulation No. 10/2024 amending and supplementing Regulation No. 11/2011 on the investment and valuation of private pension fund assets, approved by Decision No. 22/2011 of the Private Pension System Supervisory Commission, published in the Official Journal, Part I No. 424 of 9 May 2024	<p>It includes provisions relating to:</p> <ul style="list-style-type: none"> adding the meaning of the acronym O.E.C.D. to the definitions, as the terminology is used throughout the draft legislation; updating Art. 6 with the terminology used in the primary legal framework and removing references to regulations that are no longer in force; introducing the possibility for securities issued by third countries, bonds and other securities issued by local public authorities in third countries, bonds issued by foreign non-governmental organisations, and equity securities issued by alternative investment funds to be traded, in addition to regulated markets in Romania, EU or EEA and on regulated and supervised markets in OECD member states; the introduction of the possibility for private pension fund managers to invest fund assets in UCITS securities, including ETFs and those from OECD member states; introducing the possibility, within the maximum limits set by the provisions of Art. 25 para. (1) of Law No. 411/2004 and Art. 87 para. (1) of Law No. 204/2006, for managers to be able to invest, cumulatively, the assets of the private pension fund in the financial instruments referred to in letters h), i) and j) of member states of the OECD., other than member states of the European Union or belonging to the European Economic Area, up to a percentage of 3% of assets; the introduction of the possibility for managers to invest up to 10% of the bonds of an issuer, with the exception of government securities and corporate bonds issued by legal entities in Romania, in which the Romanian state holds, directly or indirectly, a minimum 50% stake in the share capital;

	<ul style="list-style-type: none"> • updating and supplementing the provisions regarding the documents required when the portfolio is protected against currency risk through derivative financial instruments traded outside a regulated market; • amending Art. 38 so that newly issued shares subscribed in a public offering are recognized on the transaction date and not on the allocation date; • drafting of the provisions of Art. 65 in accordance with the terminology used in the primary legislative framework.
ASF Regulation No. 12/2024 amending and supplementing Regulation No. 3/2013 on the marketing activity of privately managed pension funds, approved by Decision No. 5/2013 of the Private Pension System Supervisory Commission, published in the Official Journal of Romania, Part I, No. 525 of 6 June 2024	It includes provisions regarding: <ul style="list-style-type: none"> • the introduction, in addition to individual employment contracts and mandate contracts, which may be concluded by legal entities acting as marketing agents with persons for whom they submit applications for approval as persons responsible for marketing activities; • documents to be submitted to ASF together with the application for approval of the person responsible for marketing activities.
ASF Regulation No. 13/2024 amending and supplementing Regulation No. 16/2013 on the marketing activity of the voluntary pension fund, approved by Decision of the Financial Supervisory Authority Council No. 64/2013, published in the Official Journal of Romania, Part I, No. 541 of 11 June 2024	It includes provisions regarding: <ul style="list-style-type: none"> • the introduction, in addition to individual employment contracts and mandate contracts, which may be concluded by legal entity marketing agents with persons for whom they submit applications for approval as persons responsible for marketing activities; • documents to be submitted to ASF together with the application for approval of the person responsible for marketing activities.
ASF Regulation No. 17/2024 amending and supplementing Financial Supervisory Authority Regulation No. 14/2015 on accounting regulations in accordance with European directives applicable to the private pension system (Regulation No. 14/2015), published in the Official Journal of Romania, Part I, No. 934 of 17 September 2024	<p>The amendments and additions made by the draft legislative act consist of provisions transposing Directive 2022/2464 and Directive 2023/2775. Thus, the provisions of Regulation No. 14/2015 will be updated with aspects relating to:</p> <ul style="list-style-type: none"> • the location of sustainability information; • the content of sustainability reporting, as well as other clarifications regarding how to report information; • exemptions from sustainability reporting, as well as the conditions under which exemptions apply; • the obligation to use the European single electronic format (ESEF) provided for in Commission Delegated Regulation (EU) 2019/915 on regulatory technical standards specifying a single electronic reporting format; • reporting on third-country entities; • sustainability reporting standards; • responsibility for preparing sustainability reporting; • publication of sustainability reporting. <p>In addition, the provisions on the auditing of annual financial statements have been supplemented with those aimed at ensuring sustainability reporting. Thus, for entities subject to sustainability reporting, there is an obligation to issue an opinion based on a limited assurance engagement regarding the compliance of</p>

	<p>sustainability reporting with the requirements of the directive, including the compliance of sustainability reporting with the sustainability reporting standards adopted by the European Commission.</p> <p>The draft standard proposes that sustainability reporting obligations should first apply (starting 1 January 2024) to public-interest entities that fall into the category of medium-sized and large entities with more than 500 employees, as well as to parent companies of large groups with more than 500 employees, with the provisions applying to other medium-sized and large entities and parent companies of large groups in the next stage (starting 1 January 2025). In the final stage (starting 1 January 2028), entities from third countries will fall within the scope of application, subject to the conditions set out in Directive No2022/2464. The provisions of Rule No. 14/2015 also include the new size criteria for micro-enterprises and enterprises, as well as small, medium-sized, and large groups, in accordance with the new thresholds established by Directive 2023/2775.</p>
<p>ASF Regulation No. 18/2024 amending and supplementing Regulation No. 16/2010 on the prospectus for the voluntary pension scheme, approved by Decision No. 27/2010 of the Private Pension System Supervisory Commission, published in the Official Journal of Romania, Part I, No. 1057 of 22 October 2024</p>	<p>It includes provisions regarding:</p> <ul style="list-style-type: none"> the definition and revision of the information contained in the prospectus of the voluntary pension scheme; replacing the "simplified prospectus" with the key investor information document (KIID), its definition, content, and elements regarding the updating of the KIID.
<p>ASF Regulation No. 22/2024 amending and supplementing Regulation No. 7/2007 on the prospectus for private pension schemes, approved by Decision No. 26/2007 of the Private Pension System Supervisory Commission, published in the Official Journal of Romania, Part I, No. 1178 of 26 November 2024</p>	<p>It includes provisions regarding:</p> <ul style="list-style-type: none"> the definition and revision of the information contained in the private pension scheme prospectus; replacing the "simplified prospectus" with the key investor information document (KIID), its definition, content, and elements regarding the updating of the KIID.

At the same time, at the end of 2024, six draft normative acts were undergoing public consultation, legislative projects of interest to the private pension sector, developed with the aim of strengthening the stability and integrity of the private pension system, as follows:

- Draft Rule for amending and supplementing Rule No. 1/2015 on the membership and record-keeping of participants in privately managed pension funds;
- Draft Regulation amending and supplementing Financial Supervisory Authority Regulation No. 19/2021 on reporting and transparency obligations in the private pension system;

- Draft Regulation amending and supplementing Financial Supervisory Authority Regulation No. 22/2015 on the authorisation of privately managed pension funds;
- Draft Rule for amending and supplementing Financial Supervisory Authority Rule No. 23/2015 on the authorisation of voluntary pension funds;
- Draft Rule for amending Financial Supervisory Authority Rule No. 27/2017 on the use of the net personal assets of participants in privately managed pension funds;
- Draft Rule for amending Financial Supervisory Authority Rule No. 28/2017 on the use of the net personal assets of participants in a voluntary pension fund.

5. Authorisation/approval activity

5.1. Authorisation/Approval in the Financial Instruments and Investments Sector

During 2024, the authorisation activity in the Financial Instruments and Investments Sector aimed to increase the role of institutional investors, an objective that is also part of the 2023-2026 Capital Market Development Strategy. This objective has two specific levels, namely: i) *continuing the process of simplifying, debureaucratising and streamlining authorisation/registration operations/procedures* and ii) *increasing the degree of digitalisation of the authorisation process*.

Thus, a significant aspect of the authorisation activity carried out in the financial instruments and investments sector was the continuation and acceleration of the digitalisation process.

ASF supported authorized, regulated, and supervised entities in order to resolve requests quickly, effectively, and transparently, while also facilitating the flow of documents required by the legal framework in force and, implicitly, reducing the time needed to resolve requests.

As part of ASF's digitalisation strategy, which aims to simplify and streamline the transmission of information about persons providing investment services on the capital market within FISCs and banks, data monitoring was implemented in the electronic platform "Authorisation Portal" – the "Personnel Records" module.

This initiative is in line with:

- **ASF Regulation No. 5/5/2023**, which amends and supplements ASF and BNR Regulation No. 14/7/2018.
- **ASF Regulation No. 16/2022**, which updates Regulation No. 28/2020 on the reporting obligations of professional training bodies (O.F.P.).

The main purpose is to optimize the records of intermediaries providing MiFID services and continuing professional training requirements. The specialized organisational structure has continuously monitored the necessary information that entities must enter into the application in order to comply with these regulations.

Therefore, in the context of the intensification of the digitalisation phenomenon, starting from the need to strengthen institutional capacity in terms of eliminating bureaucratic processes and improving communication between the authority and the entities regulated and supervised by it, with a view to streamlining and optimising the time taken to receive and process authorisation/approval requests,

specific activities relating to the electronic transmission of reports and other documents to the Financial Supervisory Authority were monitored, namely:

- the obligation to submit applications and documentation using *the Authorisation Portal* and
- the obligation to submit information/documents regarding notifications on the registration of natural persons employed by entities authorized, regulated, and supervised by ASF/persons who are in contractual relations with these entities, using the authorisation portal—the "*Personnel Records*" module.

In addition, the specialized structure within the FIIS contributed to the continuous updating of *the Authorisation Portal Platform* as a result of legislative changes, as well as to its optimization in terms of intuitive use for the transmission of correspondence, reports, including monthly/quarterly reports, information, and other documents in electronic format to ASF.

At the same time, FIIS representatives participated and actively contributed within the working group to the development of the business requirements necessary for the development of an integrated national database, which would include all direct/indirect shareholders (up to the actual beneficiaries) and persons in management structures, significant persons and other key functions and roles within entities regulated and supervised by ASF, as well as in the implementation of the ESAS Fit&Proper Guidelines (data entry, effective testing, system access) for the future European database that will contain all persons assessed for holding a management/key function in authorized entities.

At the same time, in the CIU segment, efforts were made to streamline the mechanism for analysing the documentation related to authorisation files and to improve the quality, efficiency, and flow of operations. Regulated entities have become accustomed to the Authorisation Portal (*online applications*), which has facilitated the analysis process and reduced the time required to analyse the documentation submitted by entities.


With regard to entities operating in the collective investment undertaking management sector, the main aspects emerging from the analysis of the activity carried out during 2024 relate to the following:

✚ During 2024, two new entities registered as AIFMs (HEAD NORTH INVESTMENTS SRL, SMART EQUITY SRL) were entered in the ASF Public Register. In addition, the request of a regulated entity that previously held the status of registered alternative investment fund manager (SAI MUNTENIA INVEST S.A.) to be authorized as an AIFM was approved. During 2024, the requests of three regulated entities to withdraw their authorisation to operate as IMC or AIFM were resolved.

✚ With regard to **the collective investment undertakings in transferable securities segment**, in 2024, one open-ended investment fund was authorized and the operating authorisation of one UCITS was withdrawn following a merger by absorption with another UCITS.

✚ With regard to **the alternative investment funds segment**, one fund of this type was authorized in 2024. In addition, the authorisations of three alternative investment funds were withdrawn upon request.

✚ From the perspective of undertakings for collective investment in transferable securities (UCITS), a new development was the request by an entity in Croatia to issue a certificate of registration for the fund units issued by the fund it manages, which is traded on the Bucharest Stock Exchange.

 As regards distributors of CIU securities, their number increased by two in 2024, following the approval of the requests of S.S.I.F. TRADEVILLE S.A. and SALT BANK S.A. for entry in the ASF Public Register in this capacity.

During 2024, ASF carried out activities related to the authorisation/approval/certification/registration of financial investment services companies and market institutions, as well as monitoring the fulfilment of the initial conditions imposed in the authorisation process for these entities in terms of organisational structure and staffing requirements and the suitability of the persons assessed for whom authorisation/approval was previously requested, in accordance with the provisions of *the System Procedure on the authorisation activity carried out by the Financial Supervisory Authority no. 45/10.12.2021*, the monitoring activity is carried out in accordance with the provisions of art. 62 para. (1) and art. 63 of the procedure.

During 2024, ASF carried out numerous **activities related to the approval and authorisation of various aspects/operations related to the organisation and functioning of entities** operating in the Financial Instruments and Investments Sector.

In line with ASF's strategic objectives regarding a prevention-based approach, in accordance with the legal provisions in force, the Authority has attached particular importance **to the process of assessing the management structures of regulated entities**. Thus, an important component in the authorisation process carried out at the capital market level is based on **the individual and collective verification and assessment of the adequacy of the management structures, as well as of the persons appointed to key positions (compliance and risk assessment and management functions) of regulated entities**.

With regard to institutions that are part of the market infrastructure, ASF has authorized and registered **new entities** in the Public Register, such as HIGHCROWD ESTATE TECHNOLOGIES SA and EUROPEAN DIGITAL EXCHANGE SA, authorized as providers of participatory financing services.

Following the entry into force of the crowdfunding law, namely Law No. 244/2022 on the designation of ASF as the competent authority responsible for performing the functions and tasks provided for in Regulation (EU) 2020/1503, **ASF ensures an efficient technical consultation process for the authorisation of participatory financing service providers**, given that, according to market signals and the intentions expressed by some companies, there is significant interest in authorising companies with this object of activity.

Another activity with a major impact carried out by ASF was the continuation of efforts to support the establishment of a national Central Counterparty.

The entity that will manage the central counterparty was established as a legal entity at the end of 2019 (CCP.RO Bucharest SA) and will host the infrastructure that will enable the relaunch of the derivatives market in Romania. After obtaining the necessary authorisations to carry out its activities, this entity will provide new mechanisms for mitigating and transferring risks for the markets operated by BVB and OPCOM, contributing to increased investor confidence and activity on these markets.

In this regard, during 2024, the documentation related to the authorisation of CCP.RO was received and verified within the structure, as a continuation of the elaborate process carried out over the last 4 years; efforts continued to support the establishment of CCP.RO by communicating comments and proposals

on the documentation submitted. Given the involvement of BNR and ESMA in the authorisation of CCP, meetings and exchanges of information and documents with CCP, ESMA and BNR were initiated on this issue, and participation in the ESMA College took place. At the end of the year, CCP.RO submitted a request to withdraw its application for authorisation. The main authorisation operations carried out by ASF during 2024 in relation to capital market entities were:

Operations carried out by ASF in the field of authorisation-approval	Number of applications granted
A. Intermediaries in Romania (Financial Investment Services Companies – FISC – and Credit Institutions)/Market Institutions	
change of registered office	3
authorisation of share capital reduction	2
authorisation to acquire a qualifying holding	4
establishment/closure of secondary offices of FISCs	5
establishment of secondary office of Depozitarul Central	1
authorisation of share capital increase	6
authorisation to establish a new regulatory market - BVB - Derivatives Market for financial assets and other types of assets	1
B. Staff of Romanian intermediaries/market institutions	
authorisation of directors (change in composition and renewal of mandates)	32
Rejection of board members	2
authorisation of executive officers (change in composition and renewal of mandates)	25
Rejection of executive offices	1
authorisation of key compliance function	2
Cancellation of authorisation for key compliance function	1
authorisation of key function of risk manager	3
cancellation of authorisation for key function of risk manager	2
registration of delegated agents - natural/legal persons	5 legal entities
deletions of delegated agents - natural persons/legal entities	7 natural persons and 5 legal entities
registrations/deletions of natural persons providing consulting services on behalf of FISCs/credit institutions	54
cessation of services and activities in Romania through delegated agents - legal persons of a branch of a credit institution from another Member State	4
registration of delegated agents of an investment company from a Member State for the provision of investment services and activities	5
C. Other entities	
modification of the organisational and personnel structure, as well as the salary policy of the personnel of the Investor Compensation Fund (ICF)	1
registration of a legal entity as an appraiser	1
authorisation of investment consultant	1 natural person and 1 legal entity
authorisation of crowdfunding service providers	2

analysis of documentation related to notifications made by FISCs/credit institutions regarding personnel providing information on financial instruments	1800
registration of a central securities depository intending to provide the basic services provided for in Regulation (EU) No. 909/2014 (CSDR) remotely	1
OFP certification	1
D. Financial auditors – FISC segment	
Audit firm approval	1
E. Collective investment undertakings (undertakings for collective investment in transferable securities – UCITS and alternative investment funds – AIFs)	
UCITS authorisations	1
AIF authorisations	1
withdrawal of UCITS authorisation following merger by absorption with another UCITS	1
withdrawal of AIF authorisation	3
approval of changes to UCITS documents	3
approval of changes to AIF documents	5
issuance of fund unit registration certificates	1
approval of selection of third-country scholarships	1
F. Investment management companies (IMCs) and alternative investment fund managers (AIFMs)	
Approval of registration as AIFM	2
Approvals for authorisation as AIFMs	1
increases in IMC share capital	1
AIFM share capital reductions	2
approval of acquisition project and acquisition of significant shareholder status within an authorized IMC	3
authorisation of amendments to the Articles of Incorporation of the AIF	10
authorisation of amendments to the AIF's constitutional documents	3
authorisation of changes to the significant conditions taken into account when authorizing the AIFM as a result of a reduction in share capital	2
authorisation of secondary AIFM/AIF headquarters	1
authorisation of managers (change in composition and renewal of mandates)	2
authorisation of directors/members of the board of directors (change in composition and renewal of mandates)	13
rejection of approval of members of the management structure (member of the board of directors)	1
authorisation of persons in key positions as representatives of the compliance department	6
authorisation of persons in key risk management positions	1
rejection of IMC/AIFM approval requests (person in the key position of compliance officer)	1
withdrawal of IMC/AIFM authorisation/certificate upon request	3
registration of distributors of securities	2

Free movement of services

During 2024, the competent authorities of other Member States sent numerous notifications based on the provisions of Directive 65/2014/EU (MiFID II) as well as EU Regulation No. 2382/2017 and EU Regulation No. 1018/2017, as a result of which new investment companies and credit institutions were entered in ASF's public register, entities belonging to this category were removed, and the scope of activity or the information initially submitted regarding these regulated entities was amended.

Thus, with regard to cross-border operations carried out on the capital market by regulated entities from other Member States, in 2024 there was a slight increase compared to last year in the number of participants in the investment company segment, with a total of 542 such entities, compared to 499 registered in the ASF Public Register at the end of December 2023. The same phenomenon was also observed in the case of credit institutions from other Member States, with 178 such entities registered in the same reference period, an insignificant increase compared to the previous year (172).

There was continued fluctuation among regulated entities from other Member States with a physical presence in Romania for the purpose of providing investment services and activities to Romanian clients, based on Directive 65/2014/EU (MiFID II), particularly with regard to delegated agents-legal entities used to provide investment services and activities, with their total number reaching 139. In this regard, three new entries were made in the ASF Public Register as delegated agents-legal entities used by one of the credit institutions from other Member States, and six entities in this category were removed.

With regard to branches established in Romania by regulated entities from other Member States, no changes were observed among credit institutions, their number remaining constant compared to last year (three). Also, following the notification sent by the competent authority in the Netherlands - Autoriteit Financiële Markten regarding the intention of Goldman Sachs Asset Management B.V. (formerly NN Investment Partners B.V.) to carry out activities in Romania by setting up a branch (BAIFMMR), Goldman Sachs Asset Management B.V., The Hague - Bucharest Branch, was removed from the ASF Public Register from its status, namely *Section 1 - Entities providing investment services and activities in Romania, Subsection 4 - Branches of investment companies from other Member States (SFIM)*, and its registration in *Section 8. - Alternative investment fund managers, Subsection 4 - Branches of alternative investment fund managers from other Member States operating in Romania (BAIFMMR)*. Thus, at the end of 2024, six branches belonging to investment companies from other Member States were active on the capital market.

No notable issues were identified with regard to trading venues. Following notifications from the competent authorities of the home Member States, three new entries were made in the ASF Public Register as delegated agents-legal entities used by one of the credit institutions from other Member States, and six entities in this category were removed. Currently, 139 INCM delegated agents are used.

No notable issues were identified with regard to trading venues.

At the same time, following the notifications sent in 2024 by the competent authorities of other Member States for entities intending to provide services under the freedom of movement, ASF carried out the related procedures, such as registrations/updates/deletions in/from the ASF Public Register of entities from Member States providing services under the freedom of movement, respectively the modification

of the information initially notified, thus performing the following operations in the ASF Public Register regarding AIFs/UCITS/IMCs/AIFMs from other Member States:

Entities	Entries	Deletions	Changes
Alternative investment fund managers from other Member States operating directly in Romania (AIFMMR)	2	1	8
Branches of alternative investment fund managers from other Member States operating in Romania (BAIFMMR)	1	-	-
Alternative investment funds from other Member States whose units are distributed in Romania (AIFMR)	83	16	14
Investment management companies from other Member States (IMCM)	-	-	3
Undertakings for collective investment in transferable securities (UCITS)	13	4	9
Sub-funds (UCITS and AIFMR)	64	4	17

Thus, at the end of 2024, the following entities were conducting cross-border activities on Romanian territory:

- **33** alternative investment fund managers from other Member States operating in Romania directly registered in the ASF Public Register as AIFMMR;
- **2** branches of alternative investment fund managers from other Member States operating in Romania directly registered in the ASF Public Register as BAIFMMR;
- **26** investment management companies from other Member States directly registered in the ASF Public Register as IMCM;
- **2** branches of investment management companies from other Member States registered in the ASF Public Register as BIMCM;
- **310** alternative investment funds from other Member States whose securities are distributed in Romania, registered in the ASF Public Register as AIFMRs;
- **76** open-ended investment funds from other Member States whose securities are distributed in Romania and are registered in the ASF Public Register as OEFMR;
- **314** sub-funds of AIFMR and OEFMR.

In addition, ASF has handled letters sent by competent authorities in the EU concerning pre-marketing activities carried out in Romania by Alternative Investment Fund Managers authorized in those Member States, for Alternative Investment Funds that are not yet established or are established but for which no marketing notification has yet been issued, or for investment strategies.

5.2. Authorisation/Approval in the insurance-reinsurance sector

In 2024, based on the strategic objectives of ASF and with a view to achieving them, as part of the authorisation/approval process in the insurance-reinsurance sector, activities were carried out related to the approval and/or endorsement of various requests related to the activity and functioning of entities within the Insurance-Reinsurance Sector, as well as monitoring the fulfilment of the initial conditions for the approval of regulated entities.

Thus, in the activity carried out during 2024, the specific analysis for the prudential assessment of acquisitions and increases in shareholdings in insurance companies, portfolio transfers and mergers, capital increases, the resolution of requests for approval of persons in senior management positions in insurance companies, the Policyholders Guarantee Fund (F.G.A.), the Romanian Motor Insurers' Bureau (B.A.A.R.), as well as those concerning the extension of the audit periods between insurance companies and financial auditors.

In order to efficiently and effectively resolve the requests submitted by regulated entities, meetings were organised with their representatives to clarify relevant issues and facilitate the entire approval process.

As a result of the analyses and decisions of the ASF management, the following were achieved in 2024:

Operations carried out by ASF in the area of authorisation-approval - Insurance companies (including the Romanian Motor Insurers' Bureau (BAAR) and the Policyholders Guarantee Fund)	Number of applications resolved
Approvals/renewals of mandates of Chief Executive Officers/Deputy Chief Executive Officers	15
Approvals/renewals of mandates for members of the Board of Directors/Supervisory Board	30
Approvals/renewals of mandates for members of the Directorate	6
Approval of acquisition projects	4
Approval of portfolio transfers/mergers/withdrawals	2
Approval of audit period extension	5
Approval of business expansion based on the freedom to provide services of an authorized company	1
Approvals for increase/decrease in share capital	5
Notifications regarding the outsourcing of critical activities and functions	3
Notifications regarding key and critical functions/compliance officers/designated persons ML/TF	36
Information on insurers' audit committees	3

Operations carried out by ASF in the field of authorisation-approval - Intermediaries	Number of applications resolved
Approval of amendment to the Articles of Incorporation following an increase in share capital	3
Approval of amendment to Articles of Incorporation	14
Approval of addition to scope of activity	2
Approval of change of directors	11
Approvals of executive officers	14
Approvals for change of registered office	8
Approval of amendments to the Articles of Incorporation - identification data	13
Approvals for changes to the structure of associates/shareholders	14

Approval of software provider	1
Authorisation of intermediary distribution activity	2
Approval of listing in a dedicated section of the Register of damage assessment specialists mentioned in the updated ISF situation	37
Lecturer certification	1

In 2024, 22 interviews were held to assess the persons appointed by insurance and reinsurance companies to executive/senior management positions.

With regard to cross-border activity, regulated by the Solvency II Directive and the BoS Decision on cooperation between insurance supervisory authorities, in 2024, 37 notifications were resolved from insurance and/or reinsurance companies in EU member states that expressed their intention to conduct insurance business in Romania. At the end of 2024, there were approximately 726 companies notified on the basis of the freedom to provide services, respectively on the basis of the right of establishment, notified with a view to carrying out insurance activities on Romanian territory.

There have also been numerous consultations on cross-border activities, submitted through the EIOPA Cross Border Notification collaboration platform.

With regard to the Romanian branches of companies authorised in other Member States and notified to carry out insurance activities in Romania, no changes were identified compared to the end of the previous year, with 14 such branches listed in the ASF Public Register.

At the same time, during 2024, meetings continued with representatives of the authority to finalize the specifications for the implementation of the ESA Fit & Proper Guidelines for the creation of the database, which will contain all persons assessed for holding a management/key position in entities authorized at European level.

Proposals for amendments to legislative acts were also submitted, as well as involvement in the Sustainable Finance Group project and in the technical project launched with a view to submitting a funding application through the ADR (Romanian Digitalisation Authority) for the development of an integrated IT system at ASF level.

Another activity that generated a high level of attention was the prevention of fraud involving insurance products related to class 15 - Guarantees. In this regard, numerous requests were received from local and central authorities and institutions, as well as from private entities, with the aim of verifying insurance companies operating in Romania through FOS or FOE.

In the area of intermediation activities, 141 notifications were handled from supervisory authorities in EU Member States regarding the intention of insurance intermediation companies to carry out insurance intermediation activities in Romania, based on the right to provide services or the right of establishment, in accordance with the provisions of Articles 4 and/or 6 of Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016, on insurance distribution.

5.3. Authorisation/Approval in the private pension system sector

The authorisation/approval activity in the private pension system for 2024 resulted in the issuance of a total of 549 **decisions and approvals**, following approval by ASF (including acts issued on the basis of the delegation of powers granted to the Vice-President of ASF, coordinator of the PPSS, by the ASF Council), as follows:

I. Decisions/approvals issued following approval by the ASF Council, of which:	97
A. Private Pension Fund Managers	40
a) Decision/opinion on authorisation/approval/rejection for:	18
- member of the Board of Directors/Supervisory Board, respectively:	10
- authorisation decision for a member of the Board of Directors/Supervisory Board issued by PPSS;	9
- authorisation decision for a member of the Board of Directors/Supervisory Board issued by FIIS/PPSS, joint file.	1
- general manager/executive officer/member of the Management Board, respectively:	5
- decision authorising the general manager/executive officer/member of the Management Board issued by PPSS;	1
- decision to reject authorisation of general manager/executive officer issued by PPSS;	1
- decision authorising the general manager/executive officer/member of the Board of Directors issued by IRS/PPSS, joint file.	3
- person in charge of the risk management/internal control structure	3
b) Decision/notification of amendment for:	22
- amendment of the documents on which the authorisation of private pension fund managers was based (Articles of Incorporation/Management Agreement/Deposit Agreement/Custody Agreement/DPI)	22
B. Privately Managed Pension Funds	18
a) Decision/notification of amendment for:	18
- amendment of the Prospectus of the private pension scheme	14
- amendment of the Individual Membership Agreement	4
C. Voluntary pension funds	32
a) Decision/authorisation/approval for:	2
- prior authorisation for the takeover of the administration of the Voluntary pension fund BRD MEDIO by BT PENSII - SOCIETATE DE ADMINISTRARE A FONDURILOR DE PENSII FACULTATIVE S.A.	1
- prior approval of the amendment to the Articles of Incorporation of the Voluntary pension fund BRD MEDIO	
- Authorisation of the Prospectus for the voluntary pension scheme developed by BT PENSII - SOCIETATE DE ADMINISTRARE A FONDURILOR DE PENSII FACULTATIVE S.A. for the Voluntary pension fund BRD MEDIO, proposed to be renamed as PENSIA MEA PLUS.	1
b) Decision/notification of amendment for:	30
- amendment of the Prospectus of the voluntary pension scheme (preliminary and final approval)	24
- amendment of the Individual Membership Agreement	6

D. Depositaries	3
a) Notice for:	
- person responsible for the custody of privately managed pension fund assets within entities	2
- person responsible for the custody of assets of voluntary pension funds within entities	1
E. Auditors	1
- approval of the financial auditor TGS Romania Assurance & Advisory Business Services S.R.L. to carry out the statutory audit of the annual financial statements for privately managed pension funds, voluntary pension funds, occupational pension funds, and their managers	1
F. Guarantee Fund of the Private Pension System - F.G.D.S.P.P.	1
- approval of the amendment to the Statute of the GUARANTEE FUND FOR RIGHTS IN THE PRIVATE PENSION SYSTEM	1
G. Private pension intermediaries	2
- Withdrawal of the approval granted to EXA BROKER DE ASIGURARE S.R.L. as a private pension intermediary for the purpose of marketing voluntary pension funds.	1
- Withdrawal of the approval granted to ASTOP BROKER DE ASIGURARE S.R.L. as a private pension intermediary for the purpose of marketing voluntary pension funds	1

II. Decisions/approvals issued following the approval of the ASF Vice-President, of which:	452
A. Privately Managed Pensions	144
a) Opinion for:	85
- marketing agents who are natural persons*	82
- persons responsible for the marketing of privately managed pension funds	3
b) Decision to withdraw authorisation/approval and remove from the ASF Register:	59
- withdrawal of approval for individual marketing agents**	59
Note * the 82 approvals covered 375 individual marketing agents ** the 59 decisions resulted in the withdrawal of approvals for 169 individual marketing agents	
B. Optional pensions	30
a) Approval for:	203
- marketing agents who are natural persons*	181
- persons responsible for the marketing of voluntary pension funds	22
- amendment to the Articles of Incorporation	2
b) Decision to withdraw and remove from the ASF Register:	105
- withdrawal of marketing agent approval for natural persons**	105
Note *the 181 approvals covered 2,765 individual marketing agents ** through the 165 decisions, the approvals of 1,720 individual marketing agents were withdrawn	

5.4. Registration of external IT auditors in the ASF List

Authorized, approved, or registered entities that are regulated and/or supervised are required to audit important IT systems with an external IT auditor registered in the List of External IT Auditors maintained by ASF. Thus, ASF carries out activities related to the registration and record-keeping of external IT auditors by enrolling and removing them from the List of external IT auditors. In addition to processing requests for enrolment/removal from the List of external IT auditors, ASF also carries out the following activities:

- updating the documentation submitted by external IT auditors, notifying external IT auditors whose documents submitted to ASF have expired;
- formulating responses to requests for clarification regarding the conditions for registration in the List of IT Auditors maintained by ASF, received from interested entities.

At the end of 2024, the list of external IT auditors maintained by ASF included **4 external IT auditors** who were **natural persons** and **23 external auditors** who were **legal persons**.

6. Guarantee mechanisms

6.1. Investor Compensation Fund (ICF)

The Investor Compensation Fund (the Fund), established as a legal entity under public law under the terms of Law No. 88/2021 on the Investor Compensation Fund, with subsequent amendments and additions and ASF regulations in application of the law, aims to compensate investors in the event of the inability of Fund participants to return the funds and/or financial instruments owed to or belonging to investors, which were held on their behalf in connection with investment operations, as defined in the aforementioned law. Financial services and investment companies authorized by ASF, investment management companies authorized by ASF that manage individual investment portfolios, and alternative investment fund managers authorized to manage individual investment portfolios, credit institutions registered in the ASF Register, and branches of third-country companies authorized by ASF to provide investment operations on the territory of Romania must contribute, in accordance with legal provisions, to the Investor Compensation Fund.

The analysis of the ICF's activity in 2024 involved analysing reports on financial indicators and the evolution of indicators specific to investor compensation activity, as well as requests for clarification on certain issues arising from changes to the applicable legal framework following the entry into force of Law No. 88/2021.

The following conclusions were drawn from the prudential supervision activity:

- ✓ The Fund currently has an optimal operating framework, with a clear organisational structure, well-defined, transparent, and consistent responsibilities, processes for identifying, assessing, and managing the risks to which the company is or may be exposed, as well as internal control mechanisms, including rigorous administrative and accounting procedures;
- ✓ the coverage of administration and operating expenses in 2024 was achieved from the income obtained from investing the Fund's resources, as well as from the contributions paid by the Fund's participants and

entities authorized by ASF to manage trading venues and clearing and/or settlement systems, in accordance with Law No. 88/2021;

- ✓ the resources for clearing amounted to RON 28.29 million on 31 December 2024, being invested prudently, in accordance with the strategy approved by the Fund's Board of Directors;
- ✓ at the end of the year, the Fund had 33 participants: 18 financial services and investment companies authorized by ASF, 11 credit institutions, and 4 investment management companies authorized by ASF, which manage individual investment portfolios;
- ✓ In 2024, the Fund did not need to use the available resources to compensate investors.

ASF reviewed and approved the Fund's annual financial statements and annual activity report for 2024. ASF also approved the percentage used by the Investor Compensation Fund to determine the total annual contributions owed by Fund participants for 2024 and the income and expenditure budget for 2024.

6.2. Romanian Motor Insurers' Bureau

The Romanian Motor Insurers' Bureau (BAAR) is a professional association whose members are all insurance companies authorized to provide compulsory motor third-party liability insurance in Romania for damage caused to third parties by vehicle and tram accidents (MTPL).

The powers of BAAR are established by Law No. 132/2017 on compulsory motor vehicle liability insurance for damage caused to third parties by vehicle and tram accidents and concern:

- (a) the role of national motor bureau, compensation body, and compensation body;
- (b) the development and administration of the database on MTPL contracts;
- (c) the management of high-risk policyholders;
- (d) the management and administration of frontier insurance;
- (e) consumer information in the form of an information centre.

ASF analysed and approved the BAAR's revenue and expenditure budget for 2025, as well as the execution of the revenue and expenditure budget for 2023, and approved the level of contributions, fees, and the administration fee for the database of valid MTPL contracts for 2025, in accordance with the provisions of the legislation in force. ASF analysed BAAR's annual financial statements and the financial auditor's report.

The policies and procedures for managing MTPL insurance applicable to high-risk insured persons were analysed by the specialized structures and approved by the ASF Council, following their modification in view of the revision of the recommended premium calculation formula, namely the extension of its applicability to goods transport vehicles with a maximum authorized mass of more than 16 tons, during the period of application of Government Decision No. 1326/2023 on the establishment of maximum

premium rates and other measures applicable by insurance companies providing compulsory motor third-party liability insurance for damage caused to third parties by vehicle and tram accidents.

ASF has been in constant dialogue with BAAR representatives regarding forecasts for the evolution of the National Protection Fund (FNP) balance. The FNP balance is constantly monitored by ASF to verify that it remains within legal limits.

ASF also monitors BAAR's weekly reports on the number of high-risk policyholders and their distribution among insurance companies.

6.3. The Romanian Policyholders Guarantee Fund

The Policyholders Guarantee Fund (FGA) is the guarantee scheme in the insurance field established under Law No. 213/2015 on the Policyholders Guarantee Fund, as amended and supplemented, and aims to protect insurance creditors from the consequences of an insurer's insolvency. The Fund makes payments of indemnities/compensation resulting from optional and compulsory insurance contracts, under the conditions of the law, in the event of an insurer's bankruptcy, in compliance with the guarantee threshold provided by law. FGA may also act as a special manager in the financial recovery procedure of insurers and as a liquidator in the voluntary liquidation procedure of insurers. Insurers authorized by ASF, including their branches operating in another EU Member State, are required to contribute to FGA under the terms of Law No. 213/2015.

ASF has reviewed and approved the FGA's annual financial statements and annual activity report for 2023 and has monitored the Fund's activity by analysing the information contained in the periodic reports:

- ✓ the situation regarding the payment of indemnities/compensation made by the Fund to the insurance creditors of the bankrupt insurer;
- ✓ the status of the Fund's financial resources;
- ✓ the execution of the income and expenditure budget;
- ✓ the status of contributions owed and paid to the Fund by insurers, separately for general insurance and life insurance;
- ✓ internal audit reports.

ASF has been in constant dialogue with FGA representatives regarding the estimated evolution of the Fund's financial resources in the context of payments made to the insurance creditors of bankrupt companies, with a view to identifying solutions to ensure a level that allows insurance creditors to be protected.

ASF continuously analysed the status of payment requests, payments made, and FGA's financial resources.

ASF Council approved the Strategy for investing FGA resources, revised and updated in line with legislative changes and market conditions.

In 2024, ASF carried out an unannounced inspection at FGA, following which it made recommendations to streamline the processing and payment of claims submitted to the Fund by insurance creditors, as well as to avoid certain operational risks in FGA's activities.

6.4. The Guarantee Fund for Rights in the Private Pension System

The Guarantee Fund for Rights in the Private Pension System (FGDSPP) is the main guarantee scheme in the field of private pensions in Romania, having the status of a legal entity under public law. The fund was established in 2012 under Law No. 187/2011 and operates under the supervision and control of the Financial Supervisory Authority (ASF).

The main mission of FGDSPP is to guarantee the rights of participants and beneficiaries of the private pension system, ensuring their protection in the event that pension managers or providers are unable to honour their obligations.

In accordance with legal provisions, FGDSPP provides compensation to participants and/or beneficiaries of private pension funds in the following situations:

- During the contribution accumulation period, for losses suffered as a result of an manager's inability to fulfil its obligations to participants;
- After the right to a pension has been established, for losses resulting from the inability of private pension providers to ensure the payment of the established rights.

Through these mechanisms, FGDSPP contributes to maintaining confidence in the private pension system, providing additional guarantees for participants and reducing the negative impact of any financial difficulties experienced by managers or pension providers.

During 2024, the Private Pension System Rights Guarantee Fund continued to fulfil its fundamental role of ensuring stability and protection for participants, adopting specific measures to manage resources and maintain its capacity for effective intervention.

Thus, FGDSPP submitted the following essential documents for approval by ASF:

- The activity report for 2023, which presents the balance sheet of the fund's actions, including the protection measures implemented and the evolution of the financial resources managed;
- The financial statements for 2023, reflecting the management of funds and the degree of capitalisation of the guarantee scheme;
- The financial resources strategy for 2025, a document setting out the objectives for strengthening FGDSPP's capacity to intervene quickly and effectively in situations of need;
- The income and expenditure budget for 2025, planned to ensure the long-term sustainability of the fund and enable the achievement of the objectives of guaranteeing the rights of participants.

The activity carried out by FGDSPP in 2024 was focused on improving guarantee mechanisms, maintaining an adequate level of financial resources, and increasing the fund's operational efficiency. These steps were essential for strengthening the private pension system and protecting the interests of participants and beneficiaries.

Going forward, FGDSPP will continue to optimize its risk management strategies and work with ASF to align with international best practices, thereby contributing to the development of a robust and sustainable guarantee framework in the field of private pensions.

7. International cooperation – ASF's international relations

ASF IN THE EUROPEAN AND INTERNATIONAL CONTEXT

❖ ASF within the European supervisory authorities

As a member of the European Securities and Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA), ASF contributes to the debates and decisions of the Board of Supervisors (BoS) on the regulation and supervision of the non-banking financial sector in the European Union, as well as to the technical work carried out in standing committees and working groups.

❖ ASF participation in ESMA activities

During the six meetings of the ESMA BoS, a series of technical standards, opinions, and guidelines were adopted to support the objectives of the ESMA Strategy for 2023-2028 in the five areas identified as priorities. These relate to: efficient financial markets and financial stability; supervision and supervisory convergence; retail investor protection; sustainable finance and technological innovation; and increased use of data. Among the topics discussed at the BoS meetings that were of particular interest to ASF's work were:

- ESMA recommendations on developing more efficient and attractive capital markets in the EU, in the context of discussions on the future of the Capital Markets Union (CMU)/Savings and Investment Union (SIU);
- ESMA's report on shortening the settlement cycle for securities traded on EU trading venues from two business days ("T+2") to one business day after the trade ("T+1");
- ESMA's response to the European Commission's consultation on the appropriateness of macroprudential policies for non-bank financial intermediation, in particular with regard to investment funds;
- technical standards and supervisory manuals developed in application of *the Markets in Crypto-assets Regulation* (MICA), as well as draft delegated acts for a centralized EU-wide approach to data collection and monitoring for the implementation of this regulation;
- analysis of the use of SupTech tools by national authorities (NCAs) and options for a possible mutualisation of these tools to strengthen cooperation between ESMA and NCAs also in terms of adoption, exchange of knowledge, expertise and experience;
- simplifying reporting obligations for market participants and reducing the compliance burden in the implementation of *the Markets in Financial Instruments Directive* (MiFID) by using transaction data for transparency calculations;
- the final report on greenwashing, in response to the European Commission's request to contribute to "understanding the risks of greenwashing and supervising sustainable finance policies";
- ESMA's opinion on the European regulatory framework for sustainable finance, which highlights the need to simplify it and ensure consistency between the legislative texts governing this area;

- the heatmap for 2025 and the European Union's priorities, which will continue to focus on ESG reporting in 2025, but also on initiating activities on cyber risk and digital resilience.

ESMA's work is supported technically by standing committees and working groups, in which ASF is represented by approximately 50 experts, whose contribution of specialist information and details on national characteristics supports the identification of the most appropriate solutions to manage the developments and challenges facing EU capital markets. The topics addressed by these committees include: data quality and reporting, investment management and investment funds, transparency of information provided by issuers, maintaining market integrity, post-trade processes, investor protection, digital finance, and sustainable finance.

❖ **ASF participation in EIOPA activities**

Throughout 2024, ASF's activity within the European Insurance and Occupational Pensions Authority focused on the areas identified as priorities in the European authority's work program:

- Integrating sustainability issues into all areas of EIOPA's work: integrating ESG factors into the provisions for prudential and conduct supervision of insurance and occupational pensions; assessing the potential implications of ESG factors at the macroprudential level; identifying solutions to address gaps in insurance coverage, particularly with regard to climate change risks; promoting sustainability reporting and transparency and combating greenwashing and ; promoting joint action and data sharing on catastrophe risk modelling.
- Implementation of measures in EIOPA's Digital Strategy, with a focus on developing an appropriate regulatory framework to ensure consumer protection and provide supervisors with the appropriate tools to identify and manage emerging risks. In this context, the activities of EIOPA and national supervisory authorities have focused on three objectives: promoting fair and ethical treatment of consumers in the context of financial innovation; developing the sustainability and resilience of financial market entities; strengthening the supervisory capabilities of EIOPA and national supervisory authorities.
- Improving the quality and efficiency of prudential and conduct supervision: to ensure convergence of supervisory practices, EIOPA continued to develop common indicators in this regard, particularly in view of the review of the SII solvency framework, the regulatory framework for IORPs, the supervision of conduct risks, and emerging risks such as sustainability and cyber risks.
- Identifying, assessing, monitoring, and reporting risks to financial stability and promoting prevention policies and remedial actions: preparatory work for the implementation of the EU recovery and resolution framework; analysis of potential spillover effects from other economic sectors to the insurance and IORP sector; provision of guidance for monitoring and analysing risks to financial stability related to macroeconomic developments.

The technical work and preparation of drafts to be adopted by the EIOPA BoS are carried out within the committees and working groups set up at EIOPA level, which include experts from the competent national authorities. Twenty-five experts from ASF contribute to their work on topics such as: consumer protection

and financial innovation; financial sustainability; internal models and reporting requirements under Solvency II; supervision of technical provisions; natural disaster risk; governance and risk assessment in occupational pensions and pan-European pension products; data transfer, storage, and management; and SupTech.

❖ **ESMA and EIOPA cross-sectoral topics**

Technological innovation and sustainable finance were the main concerns on which the two authorities focused their attention in 2024 with a view to implementing coherent and effective responses to the challenges they pose. In addition to the specific issues mentioned above, both ESMA and EIOPA analysed, from the perspective of their own competences and the implications for the financial markets within their regulatory area, other topics of common interest, such as:

- technical standards for the regulation and implementation of *EU Regulation No. on the digital operational resilience of the financial sector* (DORA), as well as guidelines for the application of this regulation;
- the joint opinion of the ESAs on the evaluation of the Sustainable Finance Disclosure Regulation (SFDR) following the consultation launched by the European Commission in September 2023 calling for a coherent and improved framework for sustainable finance;
- the joint guidance on the system for the exchange of information relevant to the assessment of the competence and integrity of qualifying holders, directors, and key function holders of financial institutions and financial market participants by competent authorities.

❖ **Technical assistance to the authorities of the Republic of Moldova**

On 19 March 2024, the President of ASF, together with a team of experts from the authority, participated in the closing event of the twinning project "Strengthening supervision, corporate governance, and risk management in the financial sector" with the Republic of Moldova. The event, attended by the Governor of the National Bank of Moldova, Anca Dragu, representatives of the European Union Delegation to the Republic of Moldova, officials from the National Bank of Romania, the Central Bank of the Kingdom of the Netherlands, and the Central Bank of Lithuania, the President of the Romanian Financial Supervisory Authority, and members of the management of the National Commission for the Financial Market of the Republic of Moldova, marked the end of the technical assistance provided to the supervisory authorities of the Republic of Moldova in their efforts to strengthen the supervision of financial markets.

Within this project, carried out in cooperation with the support of the National Bank of Romania, the Dutch Central Bank, the Central Bank of Lithuania, and the National Consumer Protection Authority, ASF's contribution took the form of technical assistance provided to the National Bank of Moldova for the alignment of national insurance legislation with European provisions (Solvency II Directive and MTPL Directive).

❖ **Technical assistance projects with non-reimbursable funding**

In 2024, ASF continued to implement the technical assistance project ***Sustainable Finance - Increasing Supervisory Capacity***, funded by the European Commission through the Technical Assistance Instrument. The multi-country project (Romania, Malta, Croatia, and Poland) was completed in September 2024 and aimed to increase the institutional capacity of ASF in the field of sustainable finance supervision. The project involved assessing the existing regulatory framework, developing tools for data collection and analysis in the context of supervisory processes for reporting requirements, as well as awareness-raising activities in the form of workshops with financial and non-financial entities.

In the fall of 2024, the project ***Strengthening Institutional Capacity in the Authorisation, Supervision, Recovery, and Resolution of Central Counterparties (CCPs)*** was launched, funded by the European Commission through the Technical Assistance Instrument, with ASF and BNR participating in this project together with the capital market supervisory authorities of Croatia, Greece, Poland, and Portugal. The objective of this project is to strengthen the capacity of supervisory authorities to effectively authorise, supervise and exercise recovery and resolution powers in relation to national central counterparties (CCPs), depending on the national context. The project is also an opportunity to support cooperation and the exchange of experience and best practices between the competent national authorities of the Member States.

In September 2024, the project ***Development of artificial intelligence-based analytical models used to identify trading patterns associated with market abuse*** was launched, in which ASF participates alongside 15 other European supervisory authorities. The aim of the project is to explore different techniques, such as machine learning models for detecting market abuse, and to develop proof of concept (POC) documents for specific use cases. This project is funded by the European Commission through the Technical Assistance Instrument.

❖ **The process of joining the Organisation for Economic Cooperation and Development (OECD)**

The year 2024 marked an acceleration of the process of accession to the 17 OECD legal instruments for which ASF is responsible or co-responsible together with other institutions, focusing on completing the assessment phase and initiating the necessary actions to implement the recommendations made by the OECD following these assessments.

ASF was involved in the assessment missions carried out in Bucharest by OECD representatives targeting financial markets (February 2024); regulation of private pensions and insurance (March 2024) – the last two missions being organised by ASF as the national focal point for the Insurance and Private Pensions Committee (IPPC) (and, implicitly, for the Working Party on Private Pensions (WPPP)). During these missions, additional information was provided to that provided in the questionnaires sent during 2023 on topics of interest to the international organisation to support a fair assessment of the alignment of Romania's non-bank financial market with OECD legal instruments in our area of competence.

Following the completion of the assessment process and the drafting of the report with the main conclusions, ASF supported or contributed to the presentation of the accession within the OECD committees and groups. Thus, ASF participated in the presentation supported by the Romanian delegation for accession to:

- ✓ The Principles for the Protection of Consumers of Financial Products within the Task Force on the Protection of Consumers of Financial Products (TFFCP) – March 2024;

- ✓ The Principles on Financial Education at the virtual meeting of the International Network on Financial Education (INFE) – March 2024;

In May 2024, the TFFCP and INFE secretariats announced to the Romanian authorities, in a letter signed by the Presidents of the two structures, that they had decided to finalize the assessment of Romania for the areas they manage (consumer protection and financial education).

- ✓ Legal instruments related to financial markets at the meeting of the Financial Markets Committee - May 2024.

ASF also prepared and supported the presentation of accession to:

- ✓ Principles on corporate governance at the meeting of the Corporate Governance Committee - April 2024;
- ✓ Principles and recommendations on insurance company governance, claims management, and risk financing at the meeting of the Insurance and Private Pensions Committee (IPPC) – June 2024;
- ✓ Principles on the regulation and development of private pension products at the meeting of the Working Party on Private Pensions (WPPP) - June 2024.

Following these hearing sessions, the OECD committees and groups concluded that, in principle, the regulatory framework and practices applicable to the non-banking financial sector in Romania are largely aligned with OECD standards and principles. At the same time, the OECD made a series of recommendations on areas where improvements were needed in order to better align with OECD principles.

In November 2024, ASF presented to the Investment Committee the progress made in implementing the recommendations made by this committee following the November 2023 hearing session, with committee members being informed of the approach and measures proposed to make the investment regime applicable to the three supervised sectors more flexible.

At the national level, ASF continued to cooperate with the other Romanian institutions involved in the accession process—the Ministry of Foreign Affairs, the General Secretariat of the Government, the Ministry of Finance, the National Bank of Romania, etc. in order to coordinate their actions and ensure an integrated approach to the measures necessary for accession, in particular those concerning cross-sectoral areas. At the same time, ASF participated, as a permanent guest, in the meetings of the Interministerial Committee for the coordination of Romania's relations with the OECD.

8. Building institutional capacity and strengthening ASF

This chapter focuses on improving institutional capacity and strengthening the role of the Financial Supervisory Authority (ASF), highlighting the significant efforts made in this regard. A key aspect of this strengthening is the development of IT infrastructure through digitalisation initiatives and the integration of information technologies in all areas of the institution's activity.

In the area of human resources management, the report identifies two strategic directions: institutional governance and professional development of employees. Throughout 2024, ASF continued to improve its

governance structure and implemented measures to develop staff skills, with the aim of attracting and retaining the best specialists and increasing performance at individual and institutional level.

In terms of legal activity, ASF focused on ensuring a coherent and effective legal framework for the functioning of non-bank financial markets. Its main responsibilities included verifying the legality of acts issued by ASF, representing the institution in litigation, and approving normative acts, thus highlighting the measures taken to protect ASF's rights and prevent legal risks.

The chapter also includes an analysis of ASF's administrative and financial activity, highlighting an optimal level of execution of revenues and expenditures, in accordance with budgetary provisions. Information is provided on the number of entities authorized, regulated, and supervised by ASF, as well as details on the management of financial and accounting documents, public procurement, and the administration of the institution's assets.

8.1. IT infrastructure development

Projects to digitize and integrate internal processes aimed to improve operational efficiency and security. Modernising IT infrastructure, including upgrading telecommunications platforms and ensuring the availability of IT platforms necessary for digital transformation, was a priority. In addition, emphasis was placed on ensuring the security of the IT infrastructure through interoperability projects with national cybersecurity systems and IT security testing.

ASF's IT initiatives focus on digitalisation and the adoption of IT solutions throughout the institution. During 2024, efforts to improve the hardware and software infrastructure, which began in previous years, continued. On this occasion, resources were invested in integrating activities by sector, seeking ways to unify or centralize certain fundamental processes or to coordinate them more efficiently, vertically.

In 2024, the actions taken addressed several strategic directions, including:

- **Process digitalisation:** Continuing the digitalisation initiatives started in 2021, 2024 marked the launch of projects for the gradual implementation of an integrated human resources management solution (with implementation starting in 2024) and the evaluation of options for implementing an internal document management platform.
- **Process integration:** Efforts to integrate internal processes continued, particularly in the areas of authorisation and supervision of the three main sectors: Private Pensions, Insurance - Reinsurance, and Financial Instruments and Investments. This included adding new modules to existing applications, such as the authorisation portal (a module for collecting data on the continuing professional training of authorized persons, the Fit&Proper module) and developing new solutions for monitoring claims in the insurance market and for collecting and analysing periodic reports.
- **IT security:** The importance of ensuring compliance in the field of IT security was emphasized by adhering to the information security policy. This policy is designed to meet current IT requirements to ensure the integrity, confidentiality, and availability of ASF's IT systems.

🌈 The important projects implemented or initiated in 2024 were aligned with the objectives and actions set out in the IT Strategy adopted for the period 2021-2023.

These projects focused mainly on:

1. Modernisation of ASF's IT infrastructure:

➤ Modernising the decentralized infrastructure for end users:

Objective: To equip all ASF employees with modern work equipment and promote the use of collaborative work platforms in order to improve work efficiency.

➤ Redesigning the architecture of the integrated telecommunications infrastructure:

Objective: To update and optimize the institution's data network in line with specific needs and security policy. In addition to adopting current standards and solutions for data and voice communication, this included the implementation of technical monitoring tools to ensure network security based on behavioural analysis of data traffic and machine learning mechanisms.

2. Ensuring IT infrastructure security

To ensure IT infrastructure security, the Financial Supervisory Authority (ASF) implemented the following measures in 2024:

➤ Interoperability of cybersecurity systems (the "Tîțica 3" project):

- Preparation of the "Tîțica 3" project, which is absolutely necessary for the Financial Supervisory Authority, as it will ensure the expansion and development at national level of protection mechanisms against constantly evolving cyber attacks, through the adoption of state-of-the-art technologies (artificial intelligence, machine learning, etc.) which will ensure optimal defensive measures, complementarity with the cyber security system developed at government level, through European Union funding, as well as increasing the cyber security of security systems already implemented and those currently being implemented (Disaster Recovery project).

➤ IT security testing within ASF

Conducting vulnerability identification tests (or penetration tests) to assess the behaviour of systems and applications in predefined cyberattack scenarios.

The purpose of the tests is to analyse the behaviour of systems and applications in the context of various cyber attacks, with the identified vulnerabilities being analysed and addressed.

➤ Participation in the Cydex 2024 national cybersecurity exercise:

The purpose of participation was to practice the response capacity of personnel with specific responsibilities in the field of communication and information technology to various types of cyber threats.

3. Streamlining ASF processes and activities

In 2024, the Financial Supervisory Authority (ASF) undertook various initiatives to streamline its processes and activities by implementing and developing new digital solutions:

➤ Authorisation portal:

The development of the "Fit & Proper" module continued with a view to expanding its basic functionalities and facilitating the collection of the historical data set necessary for the system to become operational.

➤ **Integrated reporting environment (MIRA):**

It continued the process of operationalizing the reporting platform by starting extensive testing for annual ESEF (European Single Electronic Format) reports and production reports for crowdfunding program providers. At the same time, reporting on persons designated under the international sanctions regime (PDSI) is under development.

➤ **Solvency II reporting platform (eHub):**

The DPM 2.0 reporting model, applicable to XBRL taxonomy, has been implemented.

➤ **Raising awareness among ASF employees about the benefits of IT products:**

By organising demonstration sessions for existing or recently developed IT applications within ASF, employees are encouraged to understand and leverage the potential of these tools in their daily work.

➤ **Continued participation of ASF's technical team in the Cydex 2024 national cybersecurity exercises:**

This participation was intended to train employees in recognizing and managing various types of cyber threats or attacks, thereby strengthening the institution's defensive capabilities.

4. Other internal projects

The ASF Council requested and supported a series of internal projects in 2024, aimed at modernisation, security, and efficiency within the organisation:

- Office 365 – full integration of the Microsoft Office 365 solution into the work of the Authority's employees in order to ensure a secure environment for remote collaboration and information sharing;
- ensuring qualified electronic signatures for all employees of the institution;
- implementation of an IT incident management system – Manage Engine Service ServiceDesk;
- activities for the administration, implementation, and monitoring of DLP (Data Loss Prevention) policies;
- technical support for all cybersecurity events: ensuring and developing the means, tools, technical and operational capabilities necessary to deal with any type of event, incident, and threat; internal detection and reporting, analysis and assessment (including triage and decision-making), incident response and recovery, assessment and updating of incident management measures;
- updating intrusion protection systems (firewalls);
- updating the XBRL taxonomy in the eHUB system and performing functional tests;
- implementation of reports for applications managed by the directorate;
- developing an application for monitoring the publication of legislative acts;
- migrating the RegistraturaASF application to the latest version of .Net Framework;
- updating the functionalities of the Petitions Portal according to requests received from beneficiary structures;
- activating and extending Tableau and Vertica licenses;

- extending the operational and managerial reporting/alert solution for the Petitions system;
- modifying SIR templates;
- developing an application/database of significant persons' contacts (SharePoint);
- developing an application for recording the participation register (SharePoint);
- development of an application for managing documents relevant to the Legal Department's activity.

Supporting technical initiatives and projects in the financial market

The Financial Supervisory Authority plays an active role in promoting technical initiatives and projects in the financial market, participating in the working groups of European supervisory authorities dedicated to the application of information technologies in the non-banking financial sector. Thus, ASF contributes to the activities of:

- ESMA-ITSC (IT Standing Committee): This technical committee focuses on IT management and governance within financial institutions, with the aim of establishing best practices and standards in the field of IT for entities regulated by ESMA.
- EIOPA-ITSC (Information Technology and Security Committee): The committee deals with technological and data issues in the insurance and private pension sector, aiming to facilitate the exchange of information, promote data standards, and address the technological challenges specific to this sector.

In the second half of 2024, in the context of the digitalisation of ASF, the necessary documentation was submitted to access the European PoCIDIF funds related to Action 2.2.1. E-government in public administration/institutions – Measure 1 – Public services for citizens and/or companies identified in the CSP managed by A.D.R. and/or in accordance with the eGuv Policy. The funding application is to be evaluated in the first half of 2025.

The overall objective of the project submitted for funding is to implement an integrated IT system that will ensure the financial stability and sound functioning of non-bank financial markets, improve supervision, and strengthen consumer protection through digital transition and technological innovation. ASF will extensively digitize administrative interactions with legal entities and citizens, optimize the processes that support the provision of services to entities active in the non-banking financial market, thus ensuring the quality, accuracy, and efficiency of public services provided and contributing to the implementation of the national e-government public policy. The system will support and streamline the activities that define the institution's functions, namely authorisation/supervision/control/regulation, strengthening ASF's role as the supervisory authority in the non-banking financial sector in Romania, which makes an essential contribution to ensuring financial stability and better economic integration of Romania into the EU internal market.

The specific objectives of the project are:

1. To develop and increase the efficiency of the electronic public services provided by the authority, by:

- Providing online public services to the business community and public administration, as well as to individuals;
- Collecting, processing, and aggregating information received/transmitted through the integrated IT system and the new database quickly and efficiently;
- Structuring and computerizing communication procedures, both intra-institutional and inter-institutional.

2. Accessibility of public services provided by the authority through the use of high-performance electronic means, by:

- Streamlining inter-institutional communication with public and private institutions with which ASF collaborates (e.g., BNR, MF, Government, etc.), as well as with regulated and supervised financial entities, using specific ICT means to encourage economic competitiveness and promote interaction between key players in the non-banking financial market;
- Facilitating the process of communication and reporting with European supervisory authorities for the fulfilment of duties by providing up-to-date, integrated information in a uniform format, through its easy extraction and aggregation from the internal database.

3. Streamlining the internal activity of the authority by:

- Automating work processes and providing operational access to all information necessary for carrying out activities, both from internal systems and from external data sources.

4. Training and instructing the staff who will manage and use the newly created IT system;

5. Implementing a modern, fast, and efficient decision-making process in the authorisation, supervision, and control of the non-banking financial market.

The benefits of implementing the project consist of an increase in quality, which is reflected in the quality of services provided to financial entities in regulated and supervised markets and to individuals, the business environment, and citizens, as well as at the inter-institutional, governmental, and collaborative levels between state institutions, but also with European and international institutions.

The platform will be publicly available and will provide a number of advantages for all users of the IT system (individuals, legal entities, central or local public institutions):

- Reduced costs and time required for the transmission, processing, and resolution of requests;
- Facilitation of dialogue and rapid cooperation between competent authorities, natural persons, and legal entities;
- Reduced bureaucracy;
- Centralized history of communication between ASF and individuals/legal entities, as well as with the competent authority, both with legal entities and other authorities;
- Increasing transparency and accessibility for individuals/legal entities to the services offered by the competent authorities;
- Increased satisfaction of individuals/legal entities in their relationship with the authorities;
- Increasing the comfort of individuals/legal entities/citizens;

- Promoting cutting-edge technologies within the public institution, abandoning the use of file cabinets and printing the documentation necessary for internal processes on paper;
- Reducing environmental impact through digitalisation;
- Support for inclusion and accessibility; in this regard, the platform will also be accessible to persons with disabilities, thus ensuring the inclusion of all citizens in the use of public services;
- Data protection and information security through the implementation of advanced data security measures;
- Monitoring and optimising service performance with the aim of optimising public services;
- Interoperability and integration with other IT systems, enabling more efficient collaboration and secure and rapid data sharing, avoiding duplication of information;
- Quick, easy access to real-time aggregated data.

Through these efforts, ASF aims to contribute to the development of a solid and efficient technological framework in European financial markets, thereby improving IT infrastructure, data security, and the implementation of new technological solutions to support innovation and increase efficiency in the non-banking financial sector.

8.2. Human resources management

In 2024, human resources activities focused mainly on the following areas:

- ✚ human resources administration, monitoring staff movements and reorganising the organisational structures of ASF with a view to applying the provisions of *Law 296/2023 on certain fiscal budgetary measures to ensure Romania's long-term financial sustainability*;
- ✚ implementation of the IT application for human resources management;
- ✚ professional development of ASF employees.

Application of the provisions of Law No. 296/2023 on certain fiscal budgetary measures to ensure Romania's long-term financial sustainability and Government Emergency Ordinance No. 46/2024 on certain budgetary measures and amending and supplementing certain normative acts.

Since the end of 2023, ASF has begun implementing the provisions of Law No. 296/2023 on certain fiscal and budgetary measures to ensure Romania's long-term financial sustainability, in accordance with the established deadlines, with the provisions regarding compliance with staffing standards for organisational structures to be implemented during 2024, by 30 June 2024.

Thus, in order to implement the provisions of the law, starting with 1 July 2024, the ASF Council approved a new Regulation on the Organisation and Functioning of ASF - Regulation No. 8/2024 on the organisation and functioning of the Financial Supervisory Authority.

Implementation of the human resources management IT application

One of the important objectives of Human Resources for 2024 was the implementation of a new IT application for human resources management, an application that would meet the specific needs and activities of ASF

Its implementation optimized the processes specific to the human resources structure in terms of both efficiency and operational risk reduction.

Professional training

The professional development and improvement of ASF staff skills aims to achieve and maintain institutional excellence by increasing and developing professional performance through continuous professional training ensuring leadership-based management, and cultivating an appropriate proactive attitude focused on performance, efficiency, and excellence.

The Professional Training Plan for 2024 was drawn up based on the professional training needs identified at the end of the professional evaluation process. The centralization of professional training needs at the level of each organisational structure and their quantification at the ASF level, as well as the analysis of professional training needs included in the Annual Professional Training Plan, was implemented in 2024 through the delivery of 30 professional training programs on various topics of interest and the registration of 219 participating employees. Professional training of human resources is carried out continuously in order to increase individual, team, and institutional performance.

8.3. Legal activity of ASF

Compliance with the law is the motto that accompanies every action and activity carried out by ASF and is subsumed under the mission and values of the Financial Supervisory Authority.

In carrying out the legal activity of ASF in 2024, the objectives specified in the legal provisions in force were pursued:

- ✓ ensuring a comprehensive, stable, and coherent legal framework that meets the needs of the efficient and secure functioning of non-bank financial markets;
- ✓ ensuring the legality of ASF's acts by verifying their compliance with the applicable legislation;
- ✓ protecting the rights of ASF and preventing litigation by representing the institution's interests before courts/arbitration tribunals, criminal investigation bodies, and public prosecutors' offices attached to courts, or in mediation proceedings.

In 2024, the Legal Department responded to requests from the ASF Council, executive management, and other organisational structures, ensuring a high standard of quality and promptness.

❖ Legal activity in the field of litigation, summonses, and debt recovery

ASF's legal activity in the field of litigation, summonses, and debt recovery involves the following:

- activities specific to **the preliminary administrative procedure**, in accordance with the provisions of *Administrative Litigation Law No. 554/2004, as amended and supplemented*, relating to the three non-banking financial markets supervised by ASF, **aimed at resolving preliminary complaints lodged under this law against administrative acts and measures adopted by ASF**;
- **activities specific to the field of litigation (disputes)**, aimed at representing the ASF's patrimonial and non-patrimonial interests before courts, arbitration tribunals, or in mediation proceedings related to civil and administrative litigation;
- legal activity specific **to the recovery of ASF claims**.

Aspects related to the settlement of disputes against ASF

In 2024, with regard to litigation, summonses, and debt recovery, **242 cases** were investigated (of which 208 were administrative litigation/labor disputes/claims/other cases and 34 were criminal cases), as well as **16 enforcement cases and 80 cases concerning claims/insolvency**. In 2024, **most of the court rulings were in favor of ASF**.

Disputes concerning administrative acts and measures ordered by ASF are particularly important because they provide an opportunity for the courts to verify their legality and validity in the context of a divergence of arguments between the parties involved in the proceedings. In many cases, the financial stakes of these disputes consist, in fact, of the effects on the assets of the party concerned by the individual administrative act or the need to comply with the requirements of the regulatory acts issued by ASF.

One category of disputes with financial impact is **administrative litigation disputes concerning the annulment of penalty notices** relating to sectors of activity within ASF

Aspects related to the analysis of preliminary complaints and their resolution through ASF decisions

In 2024, **14 preliminary complaints** were registered and resolved against administrative acts and measures ordered by the Authority, as follows:

- ✓ **8 preliminary complaints - in the field of capital markets;**
- ✓ **6 preliminary complaints - in the field of private pensions.**

Of these, as of 1 March 2025, **2 preliminary complaints** are the subject of litigation in court, as follows:

- ✓ **1 (one) court action** brought against an act issued by ASF, related to the Financial Instruments and Investments Sector;
- ✓ **1 (one) lawsuit** filed against an act issued by ASF, related to the Private Pension System Sector.

❖ Legal activity regarding approval

With regard to approval activities, it can be noted that, **during the period 1.01.-31.12.2024, the following categories of work (5,098) were issued or, as the case may be, prepared/resolved:**

- A. Legality approvals: 4,224;**
- B. Opinions on legality and documents relating to public procurement: 277;**
- C. Legal opinions and viewpoints: 98;**
- D. Other responses/works of a legal nature: 499.**

❖ Legal activity regarding the approval of normative acts

With regard to the regulatory activity of the Legal Department, the main objective set for 2024 was to ensure **the legality of ASF's draft normative acts, respectively in the areas of competence of ASF, by approving them, in order to ensure a comprehensive, stable, and coherent legal framework that meets the needs of the efficient functioning of non-bank financial markets and the exercise of all the powers established by law for the authority.**

To achieve this objective, the following activities were carried out:

- ✓ Analysis, formulation of proposals and comments, as appropriate, on the draft normative act prepared by the regulatory structures of ASF, both from the point of view of the legality of the proposed solutions and of the legislative technique, meeting the requirements of quality and operability;
- ✓ Formulating opinions, in consultation with the relevant organisational structures, as appropriate, on draft legislation issued by central public authorities with an impact on the capital market, insurance, and the private pension system in Romania, with a view to issuing ASF's opinion, in accordance with the provisions of *Government Emergency Ordinance No. 93/2012 on the establishment, organisation, and functioning of the Financial Supervisory Authority*, approved with amendments and additions by Law No. 113/2013, with subsequent amendments and additions;
- ✓ Analysis and implementation of proposals and observations made by other authorities/entities on draft legislation prepared by ASF or other central public authorities, with an impact on the markets supervised by ASF;
- ✓ Providing legal advice in the interministerial approval process for draft legislation with an impact on ASF's areas of competence, resulting in the granting of approval and improvement of the legislative framework.

The analysis carried out in the field of regulation in 2024 focused on the transposition of European legislation in the three areas of non-banking financial supervision, the application of guidelines/guidance issued by European authorities (ESMA, EIOPA, and EBA), compliance with legislative technique rules, correlation with the provisions and principles of the Romanian Constitution, republished, with the body of internal regulations, as well as harmonisation with national legislation, Community legislation, and

international treaties to which Romania is a party, as well as with the case law of the European Court of Human Rights and national courts.

During 2024, proposals and observations were analysed and formulated on: draft legislation initiated by specialized structures within ASF, draft legislation with a significant impact on the non-banking financial sector initiated by other public authorities/institutions, granting 193 opinions on the legality of draft legislation at various stages of the legislative process: public consultation, interinstitutional approval, and debate in Parliament.

In addition, over **186 opinions** were formulated containing observations and proposals on draft legislation submitted by public authorities/institutions, as well as opinions on draft laws/legislative proposals under debate in the Chamber of Deputies/Senate with an impact on: the capital market, the insurance market, the private pension system in Romania, and the activity of ASF.

Below is a list of the drafts analysed in 2024 for the purpose of issuing opinions or formulating points of view, as follows:

❖ **Draft legislation submitted to ASF for analysis that has been adopted and published in the Official Journal of Romania, Part I, namely:**

- ✓ Draft Law amending and supplementing Law No. 132/2017 on compulsory motor vehicle liability insurance for damage caused to third parties by vehicle and tram accidents (L1/2024);
- ✓ Law No. 306/2024 amending and supplementing Law No. 126/2018 on financial instrument markets, amending and supplementing Government Emergency Ordinance No. 32/2012 on undertakings for collective investment in transferable securities and investment management companies, as well as amending and supplementing Law No. 297/2004 on the capital market, and amending and supplementing Law No. 74/2015 on alternative investment fund managers;
- ✓ Law No. 214/2024 on the use of electronic signatures, time stamps, and the provision of trust services based on them (which also amended Law No. 24/2017 on issuers of financial instruments and market operations).

❖ **Draft Government Emergency Ordinance:**

- ✓ Emergency Ordinance No. 71/2024 amending and supplementing certain legislative acts and establishing measures to prevent and combat advertising and aggressive communication techniques practiced by entities not registered with the Financial Supervisory Authority;
- ✓ Emergency Ordinance No. 135/2024 amending and supplementing Government Emergency Ordinance No. 202/2008 on the implementation of international sanctions;
- ✓ Draft Law amending and supplementing Law No. 237/2015 on the authorisation and supervision of insurance and reinsurance activities (PL-x 754/11.12.2023 - currently being worked on by the Chamber of Deputies);

- ✓ Draft Law amending and supplementing Law No. 132/2017 on compulsory motor vehicle liability insurance for damage caused to third parties by vehicle and tram accidents (Plx216//2024 - under consideration by the Chamber of Deputies);
- ✓ Draft law amending and supplementing Law No. 213/2015 on the Policyholders Guarantee Fund (Plx192/2024 - under consideration by the Chamber of Deputies)
- ✓ Draft law amending and supplementing Law No. 24/2017 on issuers of financial instruments and market operations (became Law No. 11/2025, published in the Official Journal of Romania in 2025).

❖ **Government Decisions:**

- ✓ Decision No. 262/2024 extending the period of application of the provisions of Art. 1 para. (2) and (4) of Government Decision No. 1,326/2023 on establishing maximum premium rates and other measures applicable by insurance companies providing compulsory motor third-party liability insurance for damage caused to third parties by vehicle and tram accidents;
- ✓ Decision No. 709/2024 extending the period of application of the provisions of Art. 1 para. (2) and (4) of Government Decision No. 1,326/2023 on establishing maximum premium rates and other measures applicable by insurance companies providing compulsory motor third-party liability insurance for damage caused to third parties by vehicle and tram accidents;
- ✓ Decision No. 1191/2024 extending the period of application of the provisions of Art. 1 para. (2) and (4) of Government Decision No. 1,326/2023 on establishing maximum premium rates and other measures applicable by insurance companies providing compulsory motor third-party liability insurance for damage caused to third parties by vehicle and tram accidents;
- ✓ Decision No. 1667/2024 extending the period of application of the provisions of Art. 1 para. (2) and (4) of Government Decision No. 1,326/2023 on establishing maximum premium rates and other measures applicable by insurance companies providing compulsory motor third-party liability insurance for damage caused to third parties by vehicle and tram accidents.

❖ **Draft laws and legislative proposals at various stages of the legislative process in the Romanian Parliament:**

- ✓ Legislative proposal amending Law No. 132/2017 on compulsory motor vehicle liability insurance for damage caused to third parties by vehicle and tram accidents (Plx 519/2023 - sent for report to the standing committees of the Chamber of Deputies);
- ✓ Legislative proposal to amend and supplement Emergency Ordinance No. 93/2012 on the establishment, organisation, and functioning of the Financial Supervisory Authority (Plx432/2023 - under review by the standing committees of the Senate);

- ✓ Legislative proposal to amend and supplement Emergency Ordinance No. 93 of 18 December 2012, on the establishment, organisation, and functioning of the Financial Supervisory Authority (Plx232/2023—under review by the Senate standing committees);
 - ✓ Legislative proposal to amend and supplement Art. 15 of Government Emergency Ordinance No. 93/2012 on the establishment, organisation, and functioning of the Financial Supervisory Authority and to amend Art. 53 of Law No. 312/2004 on the Statute of the National Bank of Romania (Plx 21/2024 - sent for report to the standing committees of the Chamber of Deputies);
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- ✓ Legislative proposal to increase the guarantee threshold of RON 500,000 in the case of compensation awarded in accidents resulting in serious bodily injury, when the compensation is paid by the Policyholders Guarantee Fund (Plx 588/2023 - sent for report to the standing committees of the Chamber of Deputies);
 - ✓ Legislative proposal to cap public sector incomes at the level of the Romanian President's salary (Plx 536/2023 - sent for report to the standing committees of the Chamber of Deputies);
 - ✓ Legislative proposal to reduce the cost of motor vehicle liability insurance by amending Law 132/2017 on compulsory motor vehicle liability insurance for damage caused to third parties by vehicle and tram accidents (Plx 517/2023 - sent for report to the standing committees of the Chamber of Deputies);
 - ✓ Legislative proposal to amend Art. 13 para. (5) of Law No. 213/2015 on the Policyholders Guarantee Fund (Plx 680/2023 - sent for report to the standing committees of the Chamber of Deputies);
 - ✓ Legislative proposal to amend para. (2) of Art. 15 of Law No. 213/2015 on the Policyholders Guarantee Fund (PLx No. 681/2023 - sent for report to the standing committees of the Chamber of Deputies);
 - ✓ Legislative proposal to amend and supplement Law No. 95/2006 on health reform (Plx 622/2023 - sent for report to the standing committees of the Chamber of Deputies);
 - ✓ Legislative proposal to amend Art. 5 of Law No. 260/2008 on compulsory insurance of dwellings against earthquakes, landslides, and floods (Plx 668/2023 - sent for report to the standing committees of the Chamber of Deputies);
 - ✓ Draft law amending and supplementing Law No. 312/2015 on the recovery and resolution of credit institutions and investment companies, as well as amending and supplementing certain legislative acts in the financial field (PLx 14/2025 - report submitted; to be included on the agenda of the Chamber of Deputies plenary session);
 - ✓ Draft law supplementing Law No. 237/2015 on the authorisation and supervision of insurance and reinsurance activities (PL-x No. 630/2024 - sent for report to the standing committees of the Chamber of Deputies);

- ✓ Legislative proposal to amend Law No. 227/2015 on the Fiscal Code and to amend Art. 76 of Law No. 204/2006 on optional pensions (PI-x No. 187/2024 - sent for report to the standing committees of the Chamber of Deputies);
- ✓ Legislative proposal on the right of Romanians to choose their health insurer (PI-x no. 186/2024 report submitted; to be included on the agenda of the Chamber of Deputies plenary session);
- ✓ Draft law amending and supplementing Law No. 129/2019 on the prevention and combating of money laundering and terrorist financing, as well as amending and supplementing certain legislative acts (L15/2025 - the Senate committee responsible for the substance has submitted its report);
- ✓ Legislative proposal to amend and supplement Law No. 227/2015 on the Fiscal Code, with subsequent amendments and supplements (B621/2024 - classified)

❖ **Draft secondary legislation prepared by the Financial Supervisory Authority:**

- ✓ Regulation No. 1/2024 amending and supplementing Regulation No. 7/2009 on the special administration of privately managed pension funds, approved by Decision No. 8/2009 of the Private Pension System Supervisory Commission;
- ✓ Regulation No. 2/2024 amending and supplementing Regulation No. 8/2009 on the special administration of voluntary pension funds, approved by Decision No. 9/2009 of the Private Pension System Supervisory Commission;
- ✓ Rule No. 5/2024 amending and supplementing Rule No. 8/2010 on the authorisation of private pension fund managers, the takeover of the administration of voluntary pension funds and the organisation of assets and liabilities at the level of private pension fund managers, approved by Decision No. 15/2010 of the Private Pension System Supervisory Commission;
- ✓ Rule No. 6/2024 amending Art. 3 of Financial Supervisory Authority Rule No. 22/2020 on the temporary amendment of the maximum limit applicable to private pension fund investments in government securities;
- ✓ Rule No. 10/2024 amending and supplementing Rule No. 11/2011 on the investment and valuation of private pension fund assets, approved by Decision No. 22/2011 of the Private Pension System Supervisory Commission;
- ✓ Rule No. 12/2024 amending and supplementing Rule No. 3/2013 on the marketing activity of privately managed pension funds, approved by Decision No. 5/2013 of the Private Pension System Supervisory Commission Council;
- ✓ Regulation No. 13/2024 amending and supplementing Regulation No. 16/2013 of the Financial Supervisory Authority on the marketing activities of voluntary pension funds;
- ✓ Regulation No. 17/2024 amending and supplementing Regulation No. 14/2015 of the Financial Supervisory Authority on accounting regulations in accordance with European directives applicable to the private pension system;

- ✓ Regulation No. 18/2024 amending and supplementing Regulation No. 16/2010 on the prospectus for voluntary pension schemes, approved by Decision No. 27/2010 of the Private Pension System Supervisory Commission;
- ✓ Regulation No. 22/2024 amending and supplementing Regulation No. 7/2007 on the prospectus of the private pension scheme, approved by Decision No. 26/2007 of the Private Pension System Supervisory Commission;
- ✓ Rule No. 3/2024 on the contribution rates owed by insurers to the Policyholders Guarantee Fund;
- ✓ Rule No. 7/2024 amending and supplementing Rule No. 36/2015 of the Financial Supervisory Authority on accounting regulations relating to individual annual financial statements and consolidated annual financial statements applicable to brokerage companies engaged in insurance and/or reinsurance distribution;
- ✓ Regulation No. 8/2024 amending and supplementing Financial Supervisory Authority Regulation No. 41/2015 approving the accounting regulations on individual annual financial statements and consolidated annual financial statements of entities carrying out insurance and/or reinsurance activities;
- ✓ Rule no. 14/2024 amending and supplementing Financial Supervisory Authority Rule no. 41/2015 approving the Accounting Regulations on the individual annual financial statements and consolidated annual financial statements of entities carrying out insurance and/or reinsurance activities;
- ✓ Rule no. 16/2024 amending and supplementing the annex to Financial Supervisory Authority Rule no. 36/2015 on accounting regulations for individual annual financial statements and consolidated annual financial statements applicable to brokerage companies carrying out insurance and/or reinsurance distribution activities;
- ✓ Rule no. 20/2024 amending and supplementing Rule no. 25/2022 of the Financial Supervisory Authority on the authorisation of companies and the conduct of insurance and reinsurance activities, as well as supplementing Art. 3 of Financial Supervisory Authority Regulation No. 26/2021 on the activities carried out in Romania by third-country insurers through branches;
- ✓ Rule No. 23/2024 amending and supplementing certain norms of the Financial Supervisory Authority regarding certain reports of insurance and/or reinsurance companies;
- ✓ Rule No. 27/2024 on the contribution rates owed by insurers to the Policyholders' Guarantee Fund;
- ✓ Rule No. 2/2025 amending the annex to Financial Supervisory Authority Rule No. 41/2015 approving the accounting regulations on the individual annual financial statements and consolidated annual financial statements of entities carrying out insurance and/or reinsurance activities;
- ✓ Rule no. 4/2024 amending and supplementing Rule no. 39/2015 of the Financial Supervisory Authority approving the accounting regulations in accordance with International Financial

Reporting Standards, applicable to entities authorized, regulated, and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector, as well as the Investor Compensation Fund;

- ✓ Regulation No. 9/2024 for the application of the ESMA Guidelines on reporting under EMIR;
- ✓ Rule no. 11/2024 for amending the annex to the Financial Supervisory Authority Rule no. 13/2018 for the application of the European Securities and Markets Authority (ESMA) Guidelines on stress testing scenarios pursuant to Art. 28 of Regulation (EU) no. 1.131/2017 on money-market funds;
- ✓ Regulation No. 15/2024 amending and supplementing Financial Supervisory Authority Regulation No. 39/2015 approving the accounting regulations in accordance with International Financial Reporting Standards, applicable to entities authorized, regulated, and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector, as well as the Investor Compensation Fund;
- ✓ Regulation No. 21/2024 for the application of the European Securities and Markets Authority Guidelines on the naming of funds using MSG or sustainability-related terms;
- ✓ Rule No. 24/2024 for the application of the provisions of the Guidelines on the application of the group-wide capital test for investment company groups in accordance with Art. 8 of Regulation (EU) 2019/2033;
- ✓ Rule No. 25/2024 for the application of the provisions of the Guidelines on the comparative analysis of diversity practices, including diversity policies and the gender pay gap, pursuant to Directive 2013/36/EU and Directive (EU) 2019/2034;
- ✓ Rule No. 1/2025 for the application of the Guidelines on data transfer between trade repositories pursuant to Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012, on OTC derivatives, central counterparties, and trade repositories (EMIR) and Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No. 648/2012 (SFTR);
- ✓ Regulation No. 2/2024 amending and supplementing Regulation No. 13/2018 of the Financial Supervisory Authority on trading venues;
- ✓ Regulation No. 3/2024 amending and supplementing Regulation No. 15/2021 of the Financial Supervisory Authority on the use of the global account system and the application of mechanisms without the pre-validation of financial instruments and Regulation No. 16/2021 of the Financial Supervisory Authority on the establishment, publicity, and enforcement of collateral;
- ✓ Regulation No. 4/2024 amending Art. 4 para. (6) of Regulation No. 3/2013 of the Financial Supervisory Authority on the authorisation and functioning of central counterparties issued in accordance with the provisions of Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, approved by Decision No. 28/2013 of the Financial Supervisory Authority Council;

- ✓ Regulation No. 6/2024 amending and supplementing Regulation No. 10/2017 of the Financial Supervisory Authority on central securities depositories issued in application of Regulation (EU) No. 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No. 236/2012;
- ✓ Regulation No. 7/2024 amending and supplementing Regulation No. 7/2020 of the Financial Supervisory Authority on the authorisation and operation of alternative investment funds;
- ✓ Regulation No. 10/2024 amending Art. 4 para. (6) of Regulation No. 3/2013 of the Financial Supervisory Authority on the authorisation and functioning of central counterparties issued in accordance with the provisions of Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012, on OTC derivatives, central counterparties and trade repositories, approved by Decision No. 28/2013 of the Council of the Financial Supervisory Authority;
- ✓ Regulation No. 11/2024 amending and supplementing Regulation No. 3/2014 of the Financial Supervisory Authority on certain aspects related to the application of Government Emergency Ordinance No. 99/2006 on credit institutions and capital adequacy and Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and investment companies and amending Regulation (EU) No. 648/2012, as well as amending Regulation No. 15/2023 of the Financial Supervisory Authority on the authorisation of entities referred to in Art. 163² of Government Emergency Ordinance No. 99/2006 on credit institutions and capital adequacy;
- ✓ Regulation No. 15/2024 amending and supplementing Regulation No. 5/2018 of the Financial Supervisory Authority on issuers of financial instruments and market operations;
- ✓ Regulation No. 16/2024 amending and supplementing Regulation No. 5/2019 of the Financial Supervisory Authority on the regulation of certain provisions relating to the provision of investment services and activities under Law No. 126/2018 on financial instrument markets;
- ✓ Rule No. 19/2024 amending and supplementing Financial Supervisory Authority Rule No. 13/2019 on the uniform framework for conducting statutory audits at entities authorized, regulated, and supervised by the Financial Supervisory Authority;
- ✓ Rule No. 26/2024 amending and supplementing Financial Supervisory Authority Rule No. 4/2018 on the management of operational risks generated by the IT systems used by entities authorized/approved/registered, regulated and/or supervised by the Financial Supervisory Authority, submitted to the Official Journal for publication;
- ✓ Regulation No. 9/2024 amending and supplementing Regulation No. 16/2014 of the Financial Supervisory Authority on the revenues of the Financial Supervisory Authority;
- ✓ Regulation No. 13/2024 amending and supplementing Regulation No. 4/2021 of the Financial Supervisory Authority on the control activity carried out by the Financial Supervisory Authority;
- ✓ Regulation No. 14/2024 amending Regulation No. 16/2014 of the Financial Supervisory Authority on the revenues of the Financial Supervisory Authority.

8.4. Administrative and financial activity of ASF

The administrative and financial aspects highlight prudent resource management, with revenue execution exceeding forecasts and savings in expenditure. This performance reflects an effective policy of monitoring and streamlining resources, contributing to the financial sustainability of ASF.

The following conclusions can be drawn from the information presented on the financial situation of the Financial Supervisory Authority (ASF) for 2024:

Financial performance:

- ASF achieved a revenue execution rate of 103.8%, exceeding the budget forecasts set for that year.
- The Authority's actual revenues were approximately RON 243.0 million.

Expenditure management:

ASF recorded savings in expenditures, with approximately 6.7% less than planned in the budget, representing an amount of approximately RON 236.1 million.

Financial results:

- Efficient resource management and savings in expenditure led to a budget surplus of approximately RON 6.9 million;
- This performance is attributed to the implementation of a policy to monitor and streamline the use of resources.

Supervision of market entities:

The total number of entities authorized, regulated, and/or supervised by ASF is 628, from which the authority collects revenues in accordance with Regulation No. 16/2014 on the revenues of the Financial Supervisory Authority, republished, with subsequent amendments and additions.

Tax administration:

From the perspective of exercising **the role of authorising officer**, the activity carried out in 2024, in accordance with the decision to delegate the role of authorising officer in this regard³⁴, resulted in the approval of the following documents:

Financial accounting documents, of which:	4,353
budget commitments	631
commitment proposal	631
payment orders	2,231
travel orders (internal + external)	215
expense reports	375
credit application	8
salary summaries	45

³⁴ Decision No. 54/22.01.2024 on the delegation of authorising officer powers.

staff list (salaries)	12
decisions regarding unpaid/late payment obligations to entities authorized, regulated, and supervised by ASF	205
Monthly reports to the Ministry of Finance	72
Annual and quarterly financial statements	4
Completed documents related to public procurement procedures, of which:	2,045
necessity reports (submitted by various structures prior to submission for approval)	125
reports on the procurement of goods/services/works	119
contracting strategies	11
documents related to procurement procedures (data sheets, technical proposal forms, instructions for bidders, other forms, declarations)	63
declarations by persons with decision-making powers	10
reports on the completion/cancellation of public procurement procedures	10
framework agreements/contracts/additional acts concerning the procurement of goods and services	10
travel orders	16
decisions of bid evaluation committees	11
approval of payment orders	1,387
miscellaneous responses, notes, etc.	36
Documents completed related to asset management, of which:	1,235
Entry notes for receipt and finding differences	895
Consumption vouchers	145
Vouchers for the use of inventory items and records of materials of the nature of inventory items given for use	195

This detailed information reflects the financial, accounting, and administrative activities carried out in 2024. Analysing this data, we can draw the following conclusions and observations about financial and administrative management:

➤ **Volume of Financial and Accounting Documents:**

The institution managed a significant number of financial and accounting documents, totalling 4,353, indicating intense administrative and financial activity.

Of these, payment orders (2,231) represent the largest category, reflecting the frequency and complexity of financial transactions.

➤ **Budgetary commitments:**

There is consistency between budget commitments and commitment proposals, both of which have 631 documents, suggesting careful planning and compliance with internal budget approval procedures.

➤ **Reports and Financial Statements:**

The 72 monthly reports to the Ministry of Finance demonstrate a consistent commitment to transparency and compliance.

The preparation of 4 annual and quarterly financial statements underscores adherence to reporting standards and accountability to stakeholders.

➤ **Public Procurement Procedures:**

The management of 2,045 documents related to public procurement procedures illustrates the scale of procurement activities and the importance of compliance with applicable regulations.

The diversity of documents (from necessity reports to framework agreements and contracts) highlights the complexity of the procurement process.

➤ **Asset Management:**

The intense activity of asset management is indicated by 1,235 documents managed, with a focus on entry-receipt notes and consumption vouchers.

The management of inventory items and the recording of materials reveal the detailed attention paid to the institution's assets.

These conclusions reflect rigorous organisation and efficient management of financial and administrative resources. The institution's activity highlights a structured and responsible approach to financial processes, asset management, and compliance with public procurement procedures, all of which are essential to fulfilling its mission and objectives.

The financial and accounting activities carried out ensured optimal sizing of budget revenues and expenditures, ensuring the internal financial balance of the authority, in close correlation with the achievement of the general and specific objectives of ASF.

Due to the multitude of processes involved and, implicitly, the risks attached to them, procurement activities required teamwork across the entire authority. This activity continued to consolidate its strategic role, demonstrating good governance, regulating how money is spent, and ensuring unrestricted access for economic operators to the award processes.

9. Communication, transparency in decision-making, and financial education

9.1. Communication and institutional transparency

Communication is an essential element in any field, but especially in the financial sector, where fast and accurate information can influence strategic decisions and market stability.

In a dynamic financial world, an institution's ability to communicate effectively is not just an advantage, but a necessity for maintaining public confidence in the markets by ensuring accurate and transparent information. A well-structured communication strategy enables public institutions in the financial sector to be credible and relevant to all stakeholders.

In this context, effective and transparent communication has been a key objective for the Financial Supervisory Authority in order to ensure a good understanding of the decisions and regulations adopted.

Through modern communication channels, ASF has informed the general public about developments in non-banking financial markets, about the work carried out to modernise the legislative framework, and about its financial education programs.

In a society where rapid access to information is essential, ASF marked 2024 as a significant milestone in strengthening its relationship with the media and the general public through a constant flow of clear, relevant, and easily accessible information. This information was intended to support understanding of non-bank financial markets and facilitate citizens' access to essential information resources.

9.2. Relationship with the media and the online environment

The relationship with the media was extremely important in disseminating ASF's messages. During 2024, the Authority issued 117 press releases, which were not just simple announcements, but genuine tools for information and education. These press releases reflected the decisions of the ASF Council, developments in the supervised markets, market analyses, and educational initiatives, all presented in an accessible and transparent manner. The ASF communication team maintained an active and dynamic dialogue with journalists, responding to 161 requests for information, interviews, and media appearances. In doing so, ASF demonstrated a constant commitment to providing informed and relevant responses, whether clarifying technical aspects of financial markets or offering explanations that were understandable to the general public.

Attendance at public events

Direct communication with the public was another important aspect of ASF's strategy, achieved through participation in relevant events in the financial field. The Authority was the organiser and co-organiser of key events such as *Consumer Protection – SAL-Fin Mechanism*, *Financial Education Forum*, *Presentation of the Insurance Market Report*, and *Newsweek Financial Summit 2024*. At the same time, ASF participated in 125 events organised by institutions, professional organisations, and the media, providing a valuable platform for promoting transparency and financial education. At these events, the Authority's key messages were conveyed by the institution's president, members of management, and specialists, thus strengthening ASF's position as regulator and supervisor of non-bank financial markets.

Own online platforms

In the digital age, ASF has understood the importance of adapting communication to new trends and audience preferences. Thus, the Authority has strengthened its presence on social media by developing modern and interactive communication channels. On Facebook, ASF published 353 posts, including 42 video montages, aimed at informing consumers about important decisions and educational initiatives. Instagram was used to convey information through attractive images and infographics, with 223 posts and 131 stories designed to increase interaction with the public.

The ASF website

The official ASF website, www.ASFfromania.ro, was the main information hub, providing access to over 1,650 pages of structured content. In 2024, it recorded significant traffic, reflecting increased public

interest in the information provided by ASF. To improve accessibility, new thematic sections were created and essential pages were restructured, such as those dedicated to international sanctions and insurance market legislation. A new section dedicated to "DORA" was also introduced, facilitating access to information on new European regulations on the security of online transactions.

Access to public information

Transparency remains a fundamental value for ASF, reflected in the way it handles requests for public information. In accordance with Law No. 544/2001, ASF responded promptly and in detail to the 75 requests for public information received from citizens and the media. This openness helps to strengthen public confidence and promote a climate of institutional transparency.

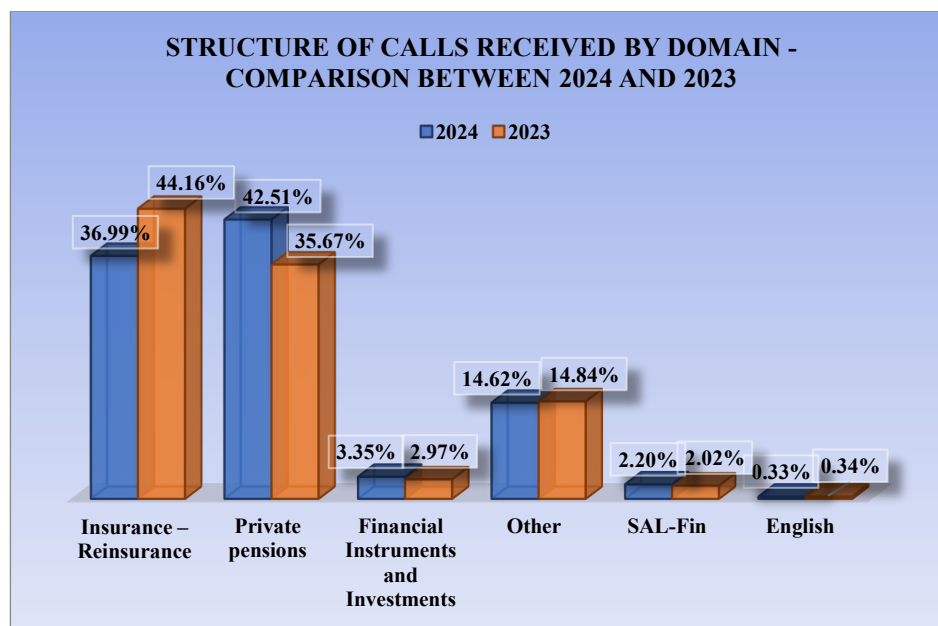
Throughout 2024, ASF provided clear, relevant, and easily accessible information designed to support the stability and development of non-bank financial markets. At the same time, ASF remains attentive to market developments and the needs of the general public, ready to adapt and adjust its communication strategy to respond effectively to future challenges.

9.3. Public relations

In 2024, the Financial Supervisory Authority (ASF) provided an effective framework for interacting with 598,348 consumers, an increase of 16.16% compared to 2023. These interactions were facilitated through the Call Center, specific information applications, the resolution of complaints, and the provision of specialized assistance directly at the institution's headquarters.

Through the Call Center (*Toll-free number 0800 825 627*), the Authority contributes to increasing the level of consumer information on the functioning of non-bank financial markets supervised by ASF. A continuous objective of ASF is to improve the quality of the specialized assistance provided through this tool, which is why the interaction between ASF and the consumer begins with an assessment of the level of knowledge and experience in non-bank financial markets, after which the requested information is provided, adapted to the consumer's training and experience. The information provided includes the risks associated with non-compliant financial products and advice on understanding and assuming them in the investment decision-making process.

In 2024, the ASF Call Center received and resolved 13,386 calls, of which 13,342 were in Romanian and 44 in English, an increase of 11.20% compared to 2023, when 12,038 calls were received. Compared to 2023, the number of calls received in 2024, according to the area requested by consumers, is as follows:



- ✓ **Financial Instruments and Investments:** 448 calls (3.35% of total calls received), up 25.14% compared to 2023;
- ✓ **Insurance – Reinsurance:** 4,951 calls (36.99% of total calls received), down 6.87% compared to 2023;
- ✓ **Private Pensions:** 5,691 calls (42.51% of total calls received), up 32.53% compared to 2023;

- ✓ **Other information:** 1,957 calls (14.62% of total calls received), up 9.57% compared to 2023;
- ✓ **Alternative dispute resolution entity (SAL-Fin):** 295 calls (2.20%), up 21.40% compared to 2023;
- ✓ **English:** 44 calls (0.33%), up 7.32% compared to 2023.

In 2024, the ASF Call Center made a total of 2,211 calls outside the institution, with the aim of providing additional support to consumers who needed telephone assistance. These calls facilitated rapid access to information, avoiding the need to submit a paper or electronic petition, especially in cases exceeding ASF's competence.

Also in 2024, 1,363 consumers received specialized assistance directly at the ASF headquarters, in addition to the assistance provided through the Authority's Call Center, representing an increase of 2.48% compared to 2023.

In addition, 3,259 consumers created new user accounts through ASF's digital communication channel, the petition submission portal, down 9.25% compared to 2023.

Through the "Find out which pension fund you belong to!" application, available on the ASF website (www.ASFromania.ro, "Useful" section), consumers can check their membership in a privately managed pension fund. Thus, during 2024, a total of 572,355 unique consumers accessed the application, of which 458,728 are participants in the privately managed pension fund system - Pillar II, and 113,627 are not participants in this system.

At the same time, during 2024, ASF issued 18 alerts and notifications to investors regarding unauthorized capital market entities operating online. In addition, when accessing the website www.asfromania.ro, ASF warns consumers of non-bank financial products about the emergence of fraudulent initiatives, transmitted by malicious individuals through communication channels (e.g., email, telephone, WhatsApp,

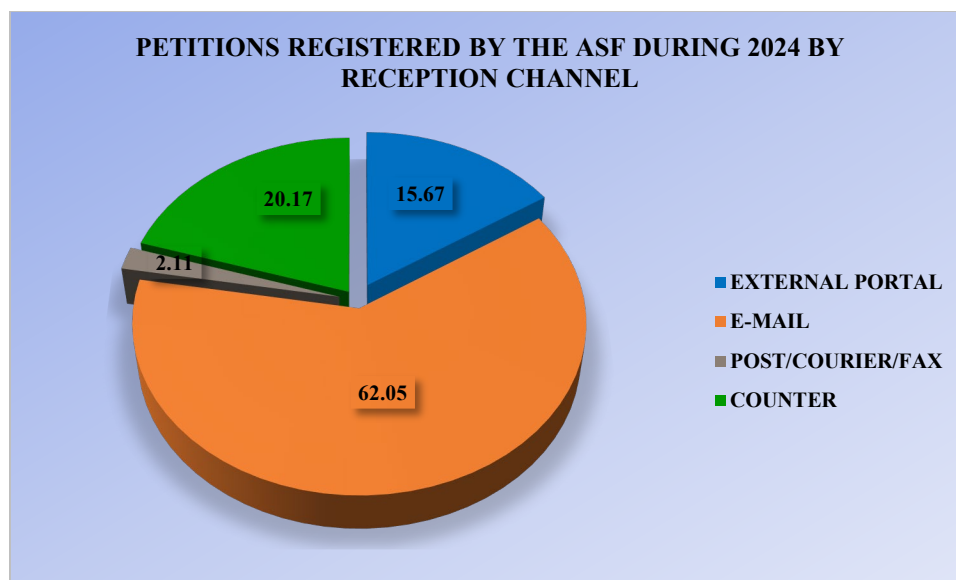
etc.) claiming to be representatives of the Authority, contacting citizens either by email or telephone, offering investment recommendations and, at the same time, requesting payment of sums of money. In this regard, "Alert" messages have been posted on the main page of the ASF website in the "Press releases and information" section, and the following pop-up message has been posted on the main page:



In 2024, a total of **9,033** complaints submitted by consumers of non-bank financial services were analysed, representing an increase of 5.19% compared to the number recorded in 2023. These were distributed as follows:

- **78.95%** of the complaints were analysed exclusively by the Insurance-Reinsurance Sector;
- **2.51%** of the complaints were reviewed exclusively by the Private Pension System Sector;
- **2.59%** of the complaints were reviewed exclusively by the Financial Instruments and Investments Sector;
- **15.95%** of the petitions were analysed exclusively by the Public Relations Service (petitions that exceed ASF's competence to resolve or those that do not contain the necessary identification information, in accordance with the provisions of GD 27/2002 on the regulation of the activity of resolving petitions, with subsequent amendments and additions).

In terms of the channel of receipt, the petitions registered during 2024 have the following structure:



It can be seen that transmission by electronic mail (e-mail) is the channel most used by consumers (**62.05%** of the petitions registered in 2024 were received by e-mail), followed by those submitted directly to the ASF headquarters (**20.17%**). Submissions registered through *the ASF external portal* accounted for **15.67%** of the total, with the lowest share being submissions received by post/courier/fax (**2.11%**).

Therefore, digitalisation and technological innovation are part of ASF's usual way of working in terms of managing petitions, responding quickly to consumer needs, with 77.72% of all petitions being processed exclusively by electronic means.

The Financial Supervisory Authority, through its responsible organisational structures, will continue to contribute directly to the achievement of the authority's objectives, applying the latest and most innovative consumer protection tools, providing the necessary support for education, accurate and transparent information on all three sectors regulated, authorized, supervised, and controlled by ASF.

9.4 Development of financial education

One of ASF's strategic areas of action is financial education, a concept that is adapted and improved annually to support the needs of the population. The programs and actions are customized and delivered in a flexible format that is easily accessible to beneficiaries.

In 2024, the Financial Supervisory Authority's Strategy for Financial Education for the period 2024-2028 was developed, in line with the National Strategy for Financial Education, a document that aims to develop appropriate financial education content for each target audience, in accordance with ASF's scope of

activity and the importance of 360° financial education, as well as to facilitate access to relevant resources and information for all citizens.

Also, in the context of implementing the Capital Market Strategy, ASF has taken a series of essential measures to improve the financial education of investors and potential investors in the capital market through online courses, video educational materials, conferences, etc.

Since the launch of financial education programs in 2015, ASF has entered into partnerships with over 20 universities, all school inspectorates in the country, as well as other institutions and entities, and has held courses for approximately 450,000 pupils, over 36,000 students, over 8,000 teachers, and over 65,000 adults.

As a member of international organisations, ASF has participated in specific IOSCO and OECD-INFE activities, in the activities of European Commission working subgroups, has given presentations on teacher training in financial education, and has made a significant contribution to meeting the indicators required for Romania's accession to the OECD.

The educational resources made available by the Authority are extremely diverse, containing guides to good practice in financial education, collections of worksheets, support materials and manuals for teachers, presentations complementary to the school curriculum, financial education games and activities, and, last but not least, a magazine dedicated to teachers, which is also distributed through school inspectorates. The ASF financial education website – www.edutime.ro, a source of educational and pedagogical resources, has seen significant (organic) growth this year, with new users expressing interest in the resources made available online by the Authority.

In 2024, the Authority carried out several types of programs/actions/events, as follows:

1. Programs for children and students

- **Start2Play** is a program dedicated to primary school children, based on physical learning activities through play, taking into account the specific characteristics of their age and receptivity to sensory experiences. In 2024, this program registered over **100 children**.
- **Start2Learn** is a program aimed at middle and high school students. The program consists of several activities that have become traditional projects, organised on a regular basis and/or with massive participation. In 2024, over **22,000 students** were trained under this program. The most important actions within the Start2Learn Program are:
 - **The bell rings at BVB!** is a traditional project of ASF and BVB – twice a year, young people open trading on the first day of Global Money Week and World Investor Week, thus celebrating financial education and advocating for awareness of its importance. In 2024, this event was attended by over **3,200 students**.
 - **TTT – Train the Trainer** is a program dedicated to training volunteer lecturers. During the financial education sessions held by volunteer lecturers in 2024, **over 4,500 students** attended these activities.

- **11 April** – Over **1,800** students from across the country participated in the celebration of **National Financial Education Day**. They learned how to manage their money effectively and avoid financial pitfalls, how to ensure their own well-being, and how to be financially independent.
- **The Entrepreneurship Education Marathon**, a nationwide event organised by CONAF in April–May, in partnership with ASF, was attended by over **1,700 children**.
- The **We All Matter** program is aimed at students in rural and small urban areas (a module of the *Start2Learn* program adapted to this environment). These activities involved over **850 students** in 2024.
- **The ASF Olympiad**, a national competition on financial topics organised by ASF with the support of UNSAR, registered over **280 students** in 2024.
- **The Urban Financial Education Camp** is a program concept developed by ASF and launched in 2018. This type of financial education activity is an excellent opportunity that provides children and teenagers, as well as teachers, with the financial education they need to make smart long-term financial decisions. The program is run in partnership with BNR, ARB, MF, and ME, and in 2024, **over 30 students and over 30 teachers** participated.
- **Start2Learn: Personal Finance** is a comprehensive national financial education project run by ASF and ISF (Institute of Financial Studies), aimed at high school students in the 11th grade, studying technology or theory. The content is provided entirely by ASF. The program is based on collaboration with volunteer lecturers and enjoyed the participation of over **1,500 students** in 2024.
- **The Pilot School for Financial Education**, an intensive comprehensive financial education program run by ASF at General School No. 56 in Sector 2, with over **1,000 students** participating in 2024 (**in two stages**).
- The European Money Quiz competition, an event in which ASF was a partner, the program being organised by the Romanian Banking Association - **over 6,000 participating students**.
- Financial education sessions held in partnership with the Bucharest International Theoretical High School of Informatics, which brought together **over 150 participants** in 2024.
- The sessions held in partnership with the Ilfov County Council were attended by over **450 children**, and those held in partnership with the Buzău County Prefect's Office had **400** participants.
- **Start4Life** is the ASF program, initiated in 2022, which targets children and young people in foster care and family-type day centres, who are a vulnerable group in terms of financial education and financial inclusion. It is the only program of its kind in Romania. Over **80 children** participated in 2024.
- **The program, run in partnership with the Romanian Football Federation**, was launched in 2024 and targets a group considered financially vulnerable. It aims to develop financial education skills in order to increase financial resilience in the event of early interruption of income-generating activity. It involves organising courses for young athletes and has attracted over **80 participants**.

The first financial education manual dedicated to students who play soccer, "Despre bani la firul ierbii" (About Money at Grassroots Level), has also been produced.

2. Programs for teachers and volunteer lecturers

In financial education, a very important educational component, through which information reaches students, is related to teachers. Thus, ASF, through the Start2Teach, FinTTT, and StartFIN programs, carried out in partnership with the Institute of Financial Studies, addresses teachers and professors. This educational component includes the development and support of content, as well as lecturers for courses accredited by the Ministry of Education. It should be noted that in 2024, over 1,000 teachers and professors participated in these courses.

3. Programs for students

- The **Academic Laboratory** program, launched in 2015, is dedicated to the academic environment and has several components: seminars and conferences, workshops, and lectures. In 2024, it enjoyed the participation of over **6,000 students**.
- Another educational component aimed at students and offering the opportunity for personal development of skills based on financial education is **the White Night of Universities**, a unique program in Romania, inspired by the international practice of major university centres. In 2024, three editions were held, attended by **over 1,800 students**.
- **The Insurance Academy** is a professional specialization program dedicated to students, developed by ISF and UNSAR, in partnership with ASF. In 2024, **over 60 students** participated.
- Similarly, **the Investment Academy** is a professional specialization program dedicated to students and run by ISF and ASF, together with AAF and BVB. The program has several training modules supported by specialists in the financial field, and **over 200 students** participated.

4. Programs for adults

Financial education programs for adults consist of several activities, events, and campaigns that have become traditional national projects, organised on a regular basis and/or with broad participation. The main actions and programs dedicated to adults:

- **Financial Wellness** is a program launched in 2019 that targets active, salaried adults, based on the concept of financial education in the workplace. It is also a program aimed at companies, as employers, offering access to various financial education workshops in the workplace. **More than 21,000 people** participated in 2024.
- **Financial education programs run in collaboration with the Ministry of Internal Affairs (MAI), the Ministry of National Defense (MApN), and the National Prison Administration (ANP)**, which reinforce ASF's approach to financial education. Starting in 2019, ASF launched a financial education program in partnership with the Ministry of National Defense (MApN - specialized structures), and in 2024 the program was expanded to include, in addition to the MApN, educational institutions within the MAI and ANP, reaching **over 4,000 participants**.

- **The PAD Caravan** is a national campaign organised by ASF since 2017, held annually and following a pre-established national route. Representatives of PAID and UNSAR are also present alongside ASF. In 2024, the PAD Caravan started in Ilfov and travelled along routes with stops in various county capitals, including Iași, Oradea, and Cluj-Napoca, **with over 240 people participating**.

5. Programs dedicated to entrepreneurs and the business environment

The **IMMHub** program for entrepreneurs was created as a result of the need arising from CNSM Recommendation No. R/3/2022 on the sustainable growth of financial intermediation, approved by the National Committee for Macprudential Oversight on 28 June 2022, which provided, among other things, the application of measures regarding the financial health of companies and, respectively, the improvement of the financial education of entrepreneurs and the sustainable diversification of sources that could increase financial intermediation. Over the past year, ASF has joined forces with the ISF, CONAF, Envisia, and the Bucharest Stock Exchange to carry out educational activities dedicated to entrepreneurs. Through these joint projects, we have reached 454 companies, 164 consultants, 363 investors, and over 1,200 participants.

9.5. SAL-FIN activity

The alternative dispute resolution entity in the non-banking financial field, SAL-FIN, represents the creation of alternative mechanisms to the judicial system, through its legally conferred powers, so that through SAL-FIN, two main activities are carried out, namely:

- ✓ **the specific activity of providing specialized assistance to consumers** regarding the submission of requests for alternative dispute resolution in the non-banking financial field, analysing/verifying their compliance, as well as the subsequent management of requests (registration, investigation, timely resolution of requests, sending responses to consumers, etc.);
- ✓ **activities specific to the field of litigation (disputes)**, aimed at representing the interests of the SAL-FIN Entity before courts, arbitration tribunals, or in mediation proceedings related to civil, criminal, etc. matters.

Below, we briefly present the activity carried out at SAL-FIN level, in figures, for an overview of the alternative dispute resolution measures undertaken during 2024.

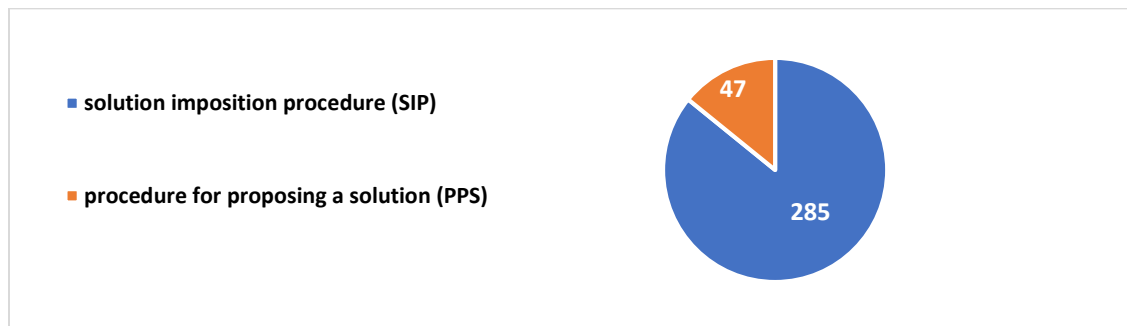
In 2024, SAL-FIN registered 761 conciliation requests, down by approximately 18% compared to the previous year, when 923 requests were registered. The reason for the decrease recorded in 2024 is that, in 2023, until the bankruptcy of Societatea de Asigurare-Reasigurare Euroins SA (June 2023) was declared, approximately 100 requests concerning this trader had been received.

Of the total number of claims registered in 2024, 21 claims were closed, 31 claims were under review by the Analysis and Technical Support Department, 377 claims were rejected, and the remaining 322 claims were accepted, as they met the legal eligibility conditions, in the following situations:

- 64 applications were in the conciliation procedure;
- 268 applications were finalized.

Of the total 332 accepted applications, consumers chose the solution enforcement procedure (PIS) for 285 applications (86%), of which approximately 98% of the procedures were conducted online.

For 47 claims (14%), consumers chose the solution proposal procedure (SPP), of which approximately 99% of the procedures were conducted online.



The consumer complaints analysed in 2024 were (almost) entirely related to insurance. Under these circumstances, the structure of the complaints accepted by subject matter is as follows:

Structure of requests in relation to the subject matter of the dispute	Number of claims accepted	% of total
Motor third-party liability insurance (MTPL)	254	7
General insurance (GI)	45	14
CASCO insurance	13	4
Life insurance (LI)	16	5
PAD	3	1
Private pensions	1	0
Total	332	10

The requests admitted for conciliation in 2024 concerned 17 traders, of which the first 4 accounted for approximately 76% of the total requests. Although the requests received in 2023 concerned 14 traders, the share of the first 4 is comparable to that in 2024.

The structure of the claims, by trader and product/service that generated the dispute, is as follows:

Total number of claims accepted in relation to the entity involved in the dispute, of which:	No.	% of total
Groupama Asigurări SA, of which:	80	24
MTPL	60	
CASCO	2	
GI	8	
LI	10	
Allianz -Țiriac Asigurări SA, of which:	76	23
MTPL	66	
CASCO	2	
GI	7	
LI	1	
Grawe Romania Asigurare SA, of which:	66	20
MTPL	63	

CASCO	0	
GI	2	
LI	1	
Omniasig Vienna Insurance Group SA, of which:	34	10
MTPL	20	
CASCO	5	
GI	5	
LI	4	
Generali Romania Insurance Reinsurance SA, of which:	30	9
MTPL	27	
CASCO	1	
GI	0	
LI	2	
Asigurarea Românească - Asirom Vienna Insurance Group, of which:	22	7
MTPL	18	
CASCO	2	
LI	1	
GI	1	
Uniqa Asigurări SA, of which:	10	-
CASCO	1	-
LI	4	-
GI	5	-
Eurolife FFH General Insurance SA	3	-
Pool-ul de Asigurare Împotriva Dezastrelor Naturale (PAID)	4	-
BRD Life Insurance SA	1	-
Signal Iduna Life Insurance SA	0	-
Signal Iduna SA	1	-
Allianz Unit Life Insurance	1	-
BCR Life Insurance	1	-
Garanta Insurance S.A.	1	-
NN Life Insurance	1	-
Metropolitan Life Pensions	1	-
Total	332	100

Analysing the structure of claims, we can see that:

- ✓ Groupama Asigurări S.A. was at the top of the list of claims received in 2024, followed closely by Allianz-Tiriac Asigurări S.A.; the situation is reversed in the case of disputes concerning MTPL;
- ✓ Grawe România Asigurare S.A., even though it ranked third overall, recorded a significant number of disputes concerning MTPL;
- ✓ Omniasig Vienna Insurance Group S.A., Generali România Asigurare Reasigurare S.A., and Asigurarea Românească - Asirom Vienna Insurance Group remain relatively constant in terms of both the number of disputes and their percentage of total disputes.

With regard to the *average duration of dispute resolution*, for claims completed in 2024, the average duration was approximately 30 days for dispute resolution through the proposal of a solution, and

approximately 55 days for the dispute resolution procedure by imposing a solution (excluding from the calculation the claims rejected and the claims not resolved by the reference date)³⁵, within the legal limit of 90 days.

Of these, in 2024, 38 decisions were challenged in court, of which 34 were challenged by traders (relating to seven insurance companies) and four were challenged by traders.

The most common disputes subject to alternative dispute resolution in 2024 were generated by the following issues:

- the large difference between the amounts proposed by insurers in claims files and the calculations that consumers receive following assessments or findings by service units;
- the lack of transparent communication of the calculations made by insurers in determining the amount of damages/insufficient justification of the solutions adopted by insurers;
- the establishment of market value by insurers in the case of total damage, without taking into account all the features of the vehicles in question;
- the request for penalties due to consumers for delays in the payment of differences in compensation under MTPL contracts;
- requesting amounts considered due by consumers for car rental or loss of use under MTPL contracts/covering the costs of towing the damaged car;
- requesting the establishment of individual fault in the event of an accident, where the insurer has established joint fault;
- the award of moral damages by insurers in relation to trauma points established by Trauma Assessment Reports/Insurance Medical Assessment Reports.

After conducting a comparative analysis, we can say that the significant problems that frequently arise and lead to disputes between consumers and traders are (relatively) similar to those recorded in 2023.

From the perspective of the effectiveness of ADR procedures, the procedures carried out in 2024, regardless of the method of resolution, were generally complied with to a large extent by the parties involved, with the solutions adopted being accepted by the parties in approximately 86% of cases³⁶.

In total, in 2024, consumers received approximately RON 1.7 million in addition to the initial offers from insurers, which proves once again the usefulness of this entity for consumers. At the same time, it is important to highlight the growing interest shown by consumers, which stems mainly from their expressed need to find a faster, more transparent, and free way to resolve their claims.

Last but not least, we reiterate that the Alternative Dispute Resolution Entity in the Non-Banking Financial Sector, SAL-FIN, organised within the Financial Supervisory Authority, has been accepted by the European

³⁵ Given the specific nature of SAL-FIN procedures, the final results of all requests may vary.

³⁶ Percentage calculated as the ratio between the number of finalized disputes contested in court and the total number of disputes resolved.

Commission to be part of FIN-NET, the network of national organisations in the European Economic Area that resolve consumer disputes in the field of financial services out of court.

Analysing the data presented above, the following can be observed:

- Although it continues to be the main reason for disputes referred to conciliation, MTPL is losing its share of total claims and is also seeing a decrease in the number of requests;
- The distribution of disputes among traders indicates that they are no longer concentrated on one or two insurers, as was the case in the period 2019-2022;
- The diversification of disputes brought to conciliation through the emergence of other types of insurance, namely life insurance and private pensions.

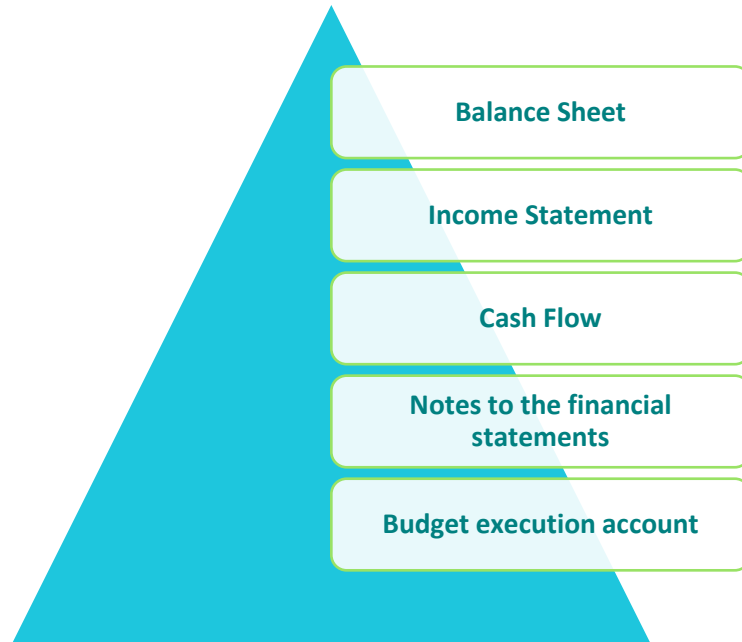
Given the trends recorded, SAL-FIN will continue its efforts to increase the level of information and accessibility among consumers as an alternative to the resolution of disputes related to markets regulated by ASF, and the Coordination Board will ensure the necessary framework for the entity to operate in good conditions and will continuously monitor changes in the legislative framework, both at national and European level.

ANNEX - ASF financial statements for 2024 and audit report

The Financial Supervisory Authority (ASF) is an autonomous, specialized administrative authority with legal personality, independent, self-financed, established in accordance with Art. 1 para. (2) of GEO No. 93/2012 on the establishment, organisation, and functioning of the Financial Supervisory Authority, approved by Law No. 113/23.04.2013, with subsequent amendments and additions, which exercises its powers by taking over and reorganising all the powers and prerogatives of the National Securities Commission, the Insurance Supervisory Commission, and the Private Pension System Supervisory Commission.

The financial statements as of 31 December 2024, were prepared in accordance with the provisions of Accounting Law No. 82/1991, Order of the Minister of Public Finance No. 1917/2005, as amended and supplemented, Order of the Minister of Finance No. 699/2024 on the transmission of centralized annual financial statements prepared by public institutions as at 31 December 2024, and Order No. 85/2025 amending and supplementing certain orders of the Minister of Public Finance in the field of public institution accounting.

The financial statements of ASF are prepared in accordance with the accounting principles and rules provided by the legislation in force and include:



The financial statements are prepared in RON, monetary items expressed in foreign currency, receivables and payables in foreign currency, non-monetary items purchased with payment in foreign currency are valued and reported at BNR exchange rate valid on 31.12.2024.

ASF BALANCE SHEET as at 31 December 2024

RON

No.	INDICATOR	Line code	Balance at the beginning of the year	Balance at the end of the period
A	B	C	1	2
1.	ASSETS	01	X	X
2.	NON-CURRENT ASSETS	02	X	X
3.	Intangible fixed assets (acc.2030000+2050000+2060000+2080100+2080200+2330000-2800300-2800500-2800800-2900400-2900500-2900800-2930100*)	03	2,039,771	2,513,754
4	Technical installations. Means of transport. Animals. Plantations. Furniture. Office equipment and other tangible assets	04	6,689,051	4,731,428

	(acc.2130100+2130200+2130300+2130400+2140000+2310000-2810300-2810400-2910300-2910400-2930200*)			
5	Land and buildings (acc.2110100+2110200+2120101+2120102+2120201+2120301+ 2120401+2120501+2120601+2120901+2310000-2810100-2810200 -2910100-2910200-2930200)	05	12,687,505	12,396,496
6	Other non-financial assets (acc.2150000)	06	0	0
7	Non-current financial assets (long-term investments) over one year (acc. 2600100+2600200+2600300+2650000+2670201+2670202+ 2670203+2670204+2670205+2670208-2960101-2960102-2960103-2960200). of which:	07	0	0
8	Equity securities (acc. 2600100+2600200+2600300-2960101-2960102-2960103)	08	0	0
9	Non-current receivables – amounts to be collected after a period of more than one year (acc. 4110201+4110208+4130200+4280202+4610201+4610209- 4910200-4960200). of which:	09	0	0
10	Non-current trade receivables – amounts to be collected after more than one year (acc. 4110201+4110208+4130200+4610201-4910200-4960200)	10	0	0
11	TOTAL NON-CURRENT ASSETS (line 03+04+05+06+07+09)	15	21,416,327	19,641,678
12	CURRENT ASSETS	18	x	x
13	Inventories (acc. 3010000+3020100+3020200+3020300+3020400+3020500+3020600+3020700+3020800+3020900+3030100+3030200+3040100+3040200+3050100+3050200+3070000+3090000+3310000+3320000+3410000+3450000+3460000+3470000+3490000+3510100+3510200+3540100+3540500+3540600+3560000+3570000+3580000+3590000+3610000+3710000+3810000+/-3480000+/-3780000-3910000-3920100-3920200-3930000-3940100-3940500-3940600-3950100-	19	1,555,343	1,429,686

	3950200-3950300-3950400-3950600-3950700-3950800-3960000-3970000-3980000-4420803)			
14	Current receivables – amounts to be collected in less than one year	20	x	x
15	Receivables from commercial operations. Advances and other settlements (acc. 2320000+2340000+4090101+4090102+4110101+4110108+4130100+4180000+4250000+4280102+4610101+4610109+4730109**+4810101+4810102+4810103+4810200+4810300+4810900+4820000+4830000+4890101+4890301-4910100-4960100+5120800). of which:	21	16,681,858	29,443,548
16	Settlements regarding the completion of the current year's state budget execution (acc. 4890101+4890301)	21.1		
17	Trade receivables and advances (acc.2320000+2340000+4090101+4090102+4110101+4110108+ 4130100+4180000+4610101-4910100-4960100). of which:	22	3,795	12,157
18	Advances granted (acc.2320000+2340000+4090101+4090102)	22.1	1,260	2,179
19	Budgetary receivables (acc.4310100**+4310200**+4310300**+4310400**+4310500**+4310700**+4370100**+4370200**+4370300**+4420400+4420800**+4420802+4440000**+4460000**+4460100**+4460200**+4480200+4610102+4610104+4630000+4640000+4650100+4650200+4660401+4660402+4660500+4660900+ 4810101**+4810102**+ 4810103**+4810900**+4820000**-4970000). of which:	23	0	0

20	Consolidated general budget receivables (acc.4630000+4640000+4650100+4650200+4660401+ 4660402+ 4660500+4660900-4970000)	24	0	0
21	Receivables from operations with non-reimbursable external funds and budget funds (acc. 4500100+4500300+4500501+4500502+4500503+ 4500504+4500505+4500700+4510100+4510300+4510500+ 4530100+4540100+4540301+4540302+4540501+4540502+ 4540503+4540504+4550100+4550301+4550302+4550303+ 4560100+4560303+4560309+4570100+4570201+4570202+ 4570203+4570205+4570206+4570209+4570301+4570302+ 4570309+4580100+4580301+4580302+4610103+4730103* *+ 4740000+4760000). of which:	25	0	0
22	Amounts receivable from the European Commission/other donors (acc. 4500100+4500300+4500501+4500502+4500503+ 4500504+ 4500505+4500700)	26	0	0
23	Short-term loans granted (acc. 2670101+2670102+2670103+2670104+2670105+ 2670108+ 2670601+2670602+2670603+2670604+2670605+ 2670609+ 4680101+4680102+4680103+4680104+4680105+ 4680106+ 4680107+4680108+4680109+4690103+4690105+ 4690106+ 4690108+4690109)	27	190,727,725	283,254,744
24	Total current receivables (lines 21+23+25+27)	30	207,409,583	312,698,292
25	Short-term investments (acc. 5050000-5950000)	31		
26.	Accounts with treasuries and credit institutions	32	x	x
27	Accounts with treasuries. Cash in RON (acc. 5100000+5120101+5120501+5130101+5130301+5130302+ 5140101+5140301+5140302+5150101+5150103+5150301+ 5150500+5150600+5160101+5160301+5160302+5170101+ 5170301+5170302+5200100+5210100+5210300+5230000+ 5250101+5250102+5250301+5250302+5250400+5260000+ 5270000+5280000+5290101+5290201+5290301+5290400+ 5290901+5310101+5500101+5520000+5550101+5550400+ 5570101+5580101+5580201+5590101+5600101+5600300+ 5600401+5610101+5610300+5620101+5620300+5620401+)	33	27,757,772	19,317,725

	5710100+5710300+5710400+5740101+5740102+5740301+5740302+5740400+5750100+5750300+5750400-7700000)			
28	Interest receivable. Other securities. Cash advances (acc. 5180701+5320100+5320200+5320300+5320400+5320500+ 5320600+5320800+5420100)	33.1	1,764	1,764
29	Deposits	34	x	x
30	Accounts with credit institutions. BNR. Foreign currency cash (acc. 5110101+5110102+5120102+5120402+5120502+5130102+5130202+5140102+5140202+5150102+5150202+5150302+5160102+5160202+5170102+5170202+5290102+5290202+5290302+5290902+5310402+5410102+5410202+5500102+5550102+5550202+5570202+5580102+5580202+5580302+5580303+5590102+5590202+5600102+5600103+5600402+5610102+5610103+5620102+5620103+5620402)	35	126,238,210	49,741,231
31	Interest receivable. Cash advances (acc.5180702+5420200)	35.1	2,604,028	2,247,432
32	Deposits	36	X	X
33.	Total cash and other assets (line 33+33.1+35+35.1)	40	156,601,774	71,308,152
3	Cash accounts of the Central Treasury and regional treasuries (acc. 5120600+5120700+5120901+5120902+5121000+5240100+ 5240200+5240300+5550101+5550102+5550103-7700000)	41	0	0
35	Interest receivable. Other securities. Cash advances (acc.5320400+5180701+5180702)	41.1	0	0
36	Prepaid expenses (acc. 4710000)	42	10,292,582	7,866,644
37	TOTAL CURRENT ASSETS (lines 19+30+31+40+41+41.1+42)	45	375,859,282	393,302,774
38	TOTAL ASSETS (line 15+45)	46	397,275,609	412,944,452
39	LIABILITIES	50	x	x
40	NON-CURRENT LIABILITIES - amounts to be paid after a period of more than one year	51	x	x
41	Non-current amounts - amounts to be paid after a period of more than one year	52	0	0

	(acc. 2690200+4010200+4030200+4040200+4050200+4280201+ 4620201+4620209+5090000). of which:			
42	Personnel - additional salary-related entitlements: (acc.4200201+4200202)	52.1	10,225,937	7,785,202
43	Trade payables (acc.4010200+4030200+4040200+4050200+4620201)	53	0	0
44	Long-term loans (acc.1610200+1620200+1630200+1640200+1650200+1660201+ 1660202+1660203+1660204+1670201+1670202+1670203+ 1670208+1670209-1690200)	54	0	1,157,239
45	Provisions (acc. 1510201+1510202+1510203+1510204+1510208)	55	11,948,554	14,561,062
46	TOTAL NON-CURRENT LIABILITIES (line 52+54+55)	58	22,174,491	23,503,503
47	CURRENT LIABILITIES - amounts payable within one year	59	x	x
48	Trade payables, advances, and other settlements (acc. 2690100+4010100+4030100+4040100+4050100+ 4080000+4190000+4620101+4620109+4730109+4810101+ 4810102+4810103+4810200+4810300+4810900+4820000+ 4830000+4890201+5090000+5120800). of which:	60	2,868,263	2,044,397
49	Settlements regarding the completion of the current year's state budget execution (acc. 4890201)	60.1	0	0
50.	Trade payables and advances (acc. 4010100+4030100+4040100+4050100+ 4080000+ 4190000+ 4620101). of which:	61	1,758,129	1,363,459
5	Advances received (acc.4190000)	61.1	0	0
52	Payables to budgets (acc. 4310100+4310200+4310300+4310400+4310500+ 4310700+4370100+4370200+4370300+4400000+4410000+ 4420300+4420801+4440000+4460000+4460100+4460200+ 4480100+4550501+ 4550502+4550503+4620109+4670100+ 4670200+4670300+ 4670400+4670500+4670900+ 4730109+4810900+4820000). of which:	62	5,058,008	25,047,601

5	Public institutions' debts to budgets	63	x	x
54	Social contributions (acc. 4310100+4310200+4310300+4310400+4310500+ 4310700+ 4370100+4370200+4370300)	63.1	4,275,594	4,343,564
55	Amounts owed to the budget from non-reimbursable external funds (acc.4550501+4550502+4550503)	64	0	0
56	Debts from operations with non-reimbursable external funds and budget funds. Other debts to other international organisations (acc. 4500200+4500400+4500600+4510200+4510401+ 4540402+ 4540409+4510601+4510602+4510603+4510605+ 4510606+4510609+4520100+4520200+4530200+4540200+ 4540401+4540402+4540601+4540602+4540603+4550200+ 4550401+4550402+4550403+4550404+4550409+4560400+ 4580401+4580402+4580501+4580502+4590000+4620103+ 4730103+ 4760000)	65	0	0
57	of which: amounts owed to the European Commission/other donors (acc.4500200+4500400+4500600+4590000+4620103)	66	0	0
58	Short-term loans - amounts to be paid within a period of up to one year (acc. 5180601+5180603+5180604+5180605+5180606+ 5180608+5180609+5180800+5190101+5190102+5190103+ 5190104+5190105+5190106+5190107+5190108+5190109+ 5190110+ 5190180+5190190)	70	0	0
59	Long-term loans – amounts to be paid during the current financial year (acc. 1610100+1620100+1630100+1640100+1650100+ 1660101+1660102+1660103+1660104+1670101+1670102+ 1670103+1670108+1670109+1680100+1680200+1680300+ 1680400+1680500+1680701+1680702+1680703+1680708+ 1680709 -1690100)	71	0	0
60	Employee salaries (acc. 4210000+4230000+4260000+4270100+4270300+4280101)	72	6,907,785	7,043,445

61	Personnel - additional salary entitlements: (acc.4200101+4200102)	72.1	0	0
62	Other entitlements due to other categories of persons (pensions, unemployment benefits, scholarships) (acc. 4220100+4220200+4240000+4260000+4270200+ 4270300+ 4290000+4380000). of which:	73	0	0
63	Pensions, unemployment benefits, scholarships	73.1	x	x
64	Advance income (acc.4720000)	74	0	0
65.	Provisions (acc.1510101+1510102+1510103+1510104+1510108)	75	20,918,398	14,268,820
66	TOTAL CURRENT LIABILITIES (line 60+62+65+70+71+72+73+74+75)	78	35,752,454	48,404,263
67	TOTAL LIABILITIES (lines 58+78)	79	57,926,945	71,907,766
68	NET ASSETS = TOTAL ASSETS – TOTAL LIABILITIES = EQUITY (line 80 = line 46-79 = line 90)	80	339,348,664	341,036,686
69	EQUITY	83	x	x
70	Reserves. Funds 1000000+1010000+1020101+1020102+1020103+1030000+ 1040101+1040102+1040103+1050100+1050200+1050300+ 1050400+1050500+1060000+1320000+1330000+1390100)	84	5,551,267	5,551,267
71	Carried forward result (acc.1170000- credit balance)	85	317,451,430	333,643,330
72	Carried forward result (acc.1170000- debit balance)	86		
73	Net income for the year (acc.1210000- credit balance)	87	16,345,967	1,842,089
74	Net income for the year (acc.1210000- debit balance)	88		
75	TOTAL EQUITY (lines 84+85-86+87-88)	90	339,348,664	341,036,686

ASF INCOME STATEMENT as at 31.12.2024

RON

No.	INDICATOR	Line code	Previous year	Current
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A	B	C	1	2
I.	OPERATING REVENUES	01		
1.	Revenue from taxes, fees, insurance contributions, and other budget revenues (acc.7300100+7300200+7310100+7310200+7320100+7330000+7340000+7350100+7350200+7350300+7350400+7350500+7350600+7360100+7390000+7450100+7450200+7450300+7450400+7450500+7450900+7460100+7460200+7460300+7460900)	02	0	0
2	Revenue from economic activities (acc.7210000+7220000+7510100+7510200+/-7090000)	03	0	0
3	Financing. Subsidies. Transfers (acc.7510500+7710000+7720100+7720200+7740100+7740200+7750000+7760000+7780000+7790101+7790109)	04	32,458	46,563
4	Other operating income (acc.7140000+7180000+7500000+7510300+7510400+7810200+7810300+7810401+7810402+7770000)	05	210,800,749	244,152,872
	TOTAL OPERATING REVENUES (line 02+03+04+05)	06	210,833,207	244,199,435
II	OPERATING EXPENSES	07		
1.	Salaries and social contributions related to employees (acc.6410000+6420000+6450100+6450200+6450300+6450400+6450500+6450600+6450800+6460000+6470000)	08	168,694,992	149,421,125
2	Subsidies and transfers (acc.7000000+6710000+6720000+6730000+6740000+6750000+6760000+6770000+6780000+6790000)	09	11,110,249	85,102,484
3	Inventories. Consumables. Work and services performed by third parties (acc.6010000+6020100+6020200+6020300+6020400+6020500+6020600+6020700+6020800+6020900+6030000+6060000+6070000+6080000+6090000+6100000+6110000+6120000+6130000+6140000+6220000+6230000+6240100+6240200+6260000+6270000+6280000+6290100)	10	15,508,234	17,001,322

4	Capital expenditures, depreciation, and provisions (acc.6290200+6810100+6810200+6810300+6810401+6810402 +6820101+6820109+6820200+6890100+6890200)	11	19,099,751	9,841,025
5	Other operating expenses (acc.6350000+6350100+6540000+6580101+ 6580109)	12	1,554,619	766,467
6	TOTAL OPERATING EXPENSES (line 08+09+10+11+12)	13	215,967,84 5	262,132,42 3
III	RESULT FROM OPERATING ACTIVITIES	14		
	- SURPLUS (line 06- line 13)	15		
	- DEFICIT (line 13- line 06)	16	5,134,638	17,932,988
IV	FINANCIAL INCOME (acc.7630000+7640000+7650100+7650200+7660000+7670000 +7680000+7690000+7860300+7860400)	17	21,508,476	19,827,727
V	FINANCIAL EXPENSES (acc. 6630000+6640000+6650100+6650200+6660000+6670000+ 6680000+6690000+6860300+6860400+6860800)	18	68,583	52,650
VI	RESULT FROM FINANCIAL ACTIVITIES	19		
	- SURPLUS (line 17 - line 18)	20	21,439,893	19,775,077
	- DEFICIT (line 18- line 17)	21		
VII.	RESULT FROM CURRENT ACTIVITIES	22		
	- SURPLUS (line 15+20-16-21)	23	16,305,255	1,842,089
	- DEFICIT (line 16+21-15-20)	24		
VIII.	EXTRAORDINARY REVENUES (acc.7910000)	25	40,712	0
IX.	EXTRAORDINARY EXPENSES (acc.6900000+6910000)	26	0	0
X	RESULT FROM EXTRAORDINARY ACTIVITIES	27		
	- SURPLUS (line 25-line 26)	28	40,712	0
	- DEFICIT (line 26-line 25)	29		
XI	NET INCOME FOR THE YEAR	29.1		
	- SURPLUS (line 23+28-24-29)	29.2	16,345,967	1,842,089

	- DEFICIT (line 24+29-23-28)	29.3		
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CASH FLOW as at 31.12.2024

RON

INDICATOR NAME	Line code	TOTAL	5310101	5600101*.770*	Other cash and cash equivalents (acc.5xx)
A	B	1	2	3	4
I. CASH FROM OPERATING ACTIVITIES	1				
1. Receipts	2	227,698,307	74,417	227,616,233	7,657
2. Payments	3	233,563,896	74,417	233,473,056	16,423
3. Net cash from operating activities (line 02- line 03)	4	-5,865,589	0	-5,856,823	-8,766
II. CASH FROM INVESTING ACTIVITIES	5				
1. Proceeds	6	0	0	0	0
2. Payments	7	2,574,458	0	2,574,458	0
3. Net cash from investing activities (lines 06-07)	8	-2,574,458	0	-2,574,458	0
III. CASH FROM FINANCING ACTIVITIES	9				
1. Proceeds	10	0	0	0	0
2. Payments	11	0	0	0	0
3. Net cash from financing activities (line 10-line 11)	12	0	0	0	0
IV. NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (line 04+line 08+line 12)	13	-8,440,047	0	-8,431,281	-8,766
V. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	14	27,757,772	0	27,744,547	13,225
- Amounts recovered in the previous year's surplus **)	14.1	26,000,000	x	26,000,000	x

- Amounts used from the previous year's surplus/amounts transferred from the surplus to the local budget/amounts transferred from the surplus to set up treasury deposits***)	14.2	26,000,000	x	26,000,000	x
Amounts transferred from unused funds at the end of the previous year****)	14.3		x	x	x
VI. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (line 13+line 14+line 14.1 - line 14.2 - line 14.3)	15	19,317,725	0	19,313,266	4

CASH FLOW STATEMENT FOR COMMERCIAL BANKS as of 31.12.2024

RON

INDICATOR	Line code	Total	5310402	5500102. 5600402. 5120402. 550
A	B	1	2	3
I. CASH FROM OPERATING ACTIVITIES	01			
1. Receipts	02	977,582,131	1,290,533	976,291,598
2. Payments	03	1,054,046,203	1,290,391	1,052,755,812
3. Net cash from operating activities (line 02- line 03)	04	-76,464,072	142	-76,464,214
II. CASH FROM INVESTMENT ACTIVITIES	05	0		
1. Proceeds	06	0	0	0
2. Payments	07	0	0	0
3. Net cash from investing activities (lines 06-07)	08	0	0	0
III. CASH FROM FINANCING ACTIVITIES	09	0		
1. Revenue	10	0	0	0
2. Payments	11	0	0	0

3. Net cash from financing activities (line 10-line 11)	12	0	0	0
IV. NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (line 04+line 08+line 12)	13	-76,464,072	14	-76,464,214
V. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	14	126,238,210	0	126,238,210
1. Favourable exchange rate differences	15	4,006	28	3,978
2. Unfavourable exchange rate differences	16	36,913	170	36,743
VI. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (line 13+14 +15-16)	17	49,741,231	0	49,741,231

EXECUTION OF THE ASF REVENUE AND EXPENDITURE BUDGET for 2024

RON

INDICATOR	Budget code	Annual provisions for 2024	Budget execution 31.12.2024	% of achievement
1	2	3	4	5=4/3
TOTAL OWN REVENUES. of which:	00.01.10	234,070,080	242,969,987	103.80
REVENUE FROM CONCESSIONS AND LEASES	30	20,000	23,080	115.4
INCOME FROM INTEREST	31.10	18,000,000	20,170,184	112.06
FINES, PENALTIES, AND CONFISCATIONS	35.10	250,000	21,143	8.46
CURRENT REVENUES. of which:		215,800,080	222,755,580	103.22
1. Fees related to transactions with financial instruments and public offerings. of which:	36,105	14,186,300	15,134,648	106.68
Share of the value of transactions with financial instruments carried out within supervised trading systems. except for transactions with derivative financial instruments	36.10.50	9,450,000	8,847,917	93.63

Fees charged for monetizing transactions carried out outside trading systems (turnaround)	36.10.50	1,161,800	1,095,070	94.26
Fee on the value of public offerings	36.10.50	4,500	0	0
Registration document fee/universal registration document fee	36.10.50	1,370,000	1,293,196	94.39
Share of the value of public purchase/takeover bids	36.10.50	2,200,000	3,898,465	177.20
2. Shares and fees applicable for the operation/administration/supervision of collective investment undertakings/private pension funds and insurers/insurance/reinsurance intermediaries. of which:	36.10.50	194,007,745	198,586,730	102.36
Monthly fee on the net asset value of investment funds (collective investment undertakings)	36.10.50	35,849,513	37,187,640	103.73
Monthly share of the total value of the management fee of the privately managed pension fund (pillar II)	36.10.50	40,225,444	39,835,095	99.03
Monthly share of the net asset value of voluntary pension funds (pillar III)	36.10.50	6,050,451	6,244,620	103.21
Monthly fee on the gross contributions collected by voluntary pension funds (pillar III)	36.10.50	1,403,201	1,060,853	75.6
Operating fee applicable to depositaries of privately managed pension funds	36.10.50	1,100,000	1,145,818	104.17
Operating fee applicable to insurance intermediaries	36.10.50	1,771,871	1,827,882	103.16
Contribution for the supervision and control of general insurance activities, excluding motor vehicle liability insurance activities.	36.10.50	31,596,616	31,947,191	101.1
Contribution for the supervision and control of life insurance activities	36.10.50	9,832,729	10,350,598	105.27

Contribution for the supervision and control of motor vehicle liability insurance activities	36.10.50	66,177,920	68,987,033	104.24
3. Revenue from other activities, of which:	36.10.50	7,601,035	8,912,263	117.25
Fee/tax for processing applications for authorisation/approval/certification and withdrawal of authorisation for regulated entities	36.10.50	1,121,147	1,208,875	107.82
Fee/charge for registration/maintenance/deletion in/from the ASF records and registers	36.10.50	175,600	193,500	110.19
Quotas/fees/taxes charged for monitoring entities regulated by ASF provided for in Art. 2 para. (1) letter a) of Government Emergency Ordinance No. 93/2012 on the establishment, organisation, and functioning of the Financial Supervisory Authority. Approved with amendments and additions by Law No. 113/2013. approved with amendments and additions by Law No. 113/2013, with subsequent amendments and additions (Government Emergency Ordinance No. 93/2012), except for investment companies	36.10.50	6,002,288	7,149,288	119.11
Fees and charges from other activities carried out by ASF	36.10.50	302,000	360,600	119.40
Other income		5,000	121,939	2,438.78
TOTAL EXPENSES. of which:	80.01.30	252,906,519	236,058,282	93.34
CURRENT EXPENSES (10 + 20 +30+ 55). of which:	80.01.30	249,631,021	236,769,073	94.85
PERSONNEL EXPENSES. of which:	80.01.30	161,668,286	154,272,136	95.43
Salary expenses in cash	80.01.30.10	156,131,651	149,749,982	95.91
Salary expenses in kind	80.01.30.10.02	1,669,850	1,144,745	68.55
Contributions	80.01.30.10.03	3,866,785	3,377,409	87.34

GOODS AND SERVICES, of which:	80.01.30.20	21,855,775	16,676,881	76.30
Goods and services	80.01.30.20	11,621,952	9,257,768	79.66
Current repairs	80.01.30.20.02	39,000	1,881	4.82
Inventory items	80.01.30.20.05	395,150	140,918	35.66
Travel	80.01.30.20.06	1,082,000	764,259	70.63
Books, publications, and documentary materials	80.01.30.20.11	77,350	29,469	38.10
Consultancy and expertise	80.01.30.20.12	1,565,000	448,384	28.65
Vocational training	80.01.30.20.13	230,000	226,747	98.59
Occupational safety	80.01.30.20.14	856,413	775,753	90.58
Legal and extrajudicial expenses	80.01.30.20.25	50,000	25,928	51.86
Other expenses	80.01.30.20.30	5,938,910	5,005,774	84.29
TRANSFERS - contributions to international organisations	80.01.30.55	11,803,000	11,643,841	98.65
OTHER EXPENSES	80.01.30.59	54,303,960	54,176,215	99.76
CAPITAL EXPENSES, of which:	80.01.30.70	6,554,098	2,574,459	39.28
TITLE X NON-FINANCIAL ASSETS, of which:	80.01.30.71	6,554,098	2,574,459	39.28
Fixed assets	80.01.30.71.01	5,536,033	2,524,315	45.6
Capital repairs related to fixed assets	80.01.30.71.03	1,018,065	50,144	4.9
Payments made in previous years and recovered in the current year	80.01.30.85.01.03	-3,278,600	-3,285,250	
CURRENT SURPLUS		-18,836,439	6,911,705	

REPORT ON THE BALANCE SHEET AND INCOME STATEMENT PREPARED ON 31.12.2024

The total assets of ASF as at 31 December 2024 amounted to RON 412,944,452, RON 15,668,843 higher than their value as at 31.12.2023, an increase mainly generated by the positive evolution of the value of receivables (income due to ASF).

Total liabilities in the balance sheet as of 31 December 2024, amounting to RON 71,907,766, mainly comprise provisions for litigation and unused vacation leave.

The estimated value of provisions for risks and expenses recognized in the financial statements is RON 28,829,882, of which the amount of provisions for labor disputes in which ASF is involved is RON 4,977,876. Other provisions for property-related litigation, as well as provisions for unused vacation leave and other salary entitlements, were valued at RON 23,852,006.

The other liabilities represent, for the most part, staff entitlements for December 2024 paid in January 2025, as well as additional salary entitlements.

The equity result is positive, up from the previous year, mainly due to higher operating revenues.

BUDGET EXECUTION ACCOUNT

In accordance with the provisions of Art. 18 of Government Emergency Ordinance No. 93/2012 on the establishment, organisation, and functioning of the Financial Supervisory Authority, approved with amendments by Law No. 113/2013. ASF is financed entirely from its own extra-budgetary revenues. The structure of revenues, as well as the level of quotas, tariffs, fees, and contributions, are regulated by Regulation No. 16/2014 on ASF revenues, republished, with subsequent amendments and additions.

Expenditures are determined by ASF's annual budget, in accordance with its objectives and responsibilities.

The budget execution account includes, on the revenue side, the revenues collected, and on the expenditure side, the payments made. The budget surplus was determined as the difference between the revenues collected and the payments made.

The current surplus of the ASF budget execution for 2024 was RON 6,911,705.

ASF revenue situation in 2024

Revenues collected from core activities amounted to RON 242,969,987, representing an achievement rate of approximately 103.8% compared to the revised budget provisions.

In accordance with the above-mentioned legal provisions and the structure of the ASF Revenue and Expenditure Budget approved for 2024, the structure of the projected and collected revenues is as follows:

RON

Article	Annual provisions for 2024	Budget execution 2024	Degree of achievement compared to provisions (%)
1	2	3	4=3/2
Interest income	18,000,000	20,170,184	112.06

Revenue from fines	250,000	21,143	8.46
Revenue from rents	20,000	23,080	115.4
Operating income, of which:	215,800,080	222,755,580	103.22
fees related to transactions with financial instruments and public offerings	14,186,300	15,134,648	106.68
fees and charges applicable to the operation/administration/supervision of collective investment undertakings/private pension funds and insurers/insurance intermediaries	194,007,745	198,586,730	102.36
Revenue from other activities	7,601,035	8,912,263	117.25
Other income	5,000	121,939	2,438.78
TOTAL INCOME	234,070,080	242,969,987	103.80

According to Regulation No. 16/2014 on ASF revenues, republished, with subsequent amendments and additions, the revenues collected are as follows:

Revenues from fees related to transactions with financial instruments and public offerings recorded a volume of receipts in 2024 of RON 15,134,648, representing an achievement rate of approximately 106.7% of the forecast value for the period. The most relevant fees in this category of revenues are as follows:

- fee on the value of transactions with financial instruments carried out within supervised trading systems, except for transactions with derivative financial instruments (up to 0.06%): RON 8,847,917, achievement rate of approx. 93.6% compared to the forecast value for the period;
- fee charged for monitoring transactions carried out outside trading systems (turnaround): RON 1,095,070, achievement rate of approx. 94.3% compared to the forecast value for the period;
- fee from the value of public sale offers (between 0.05% and 0.1%, but not more than RON 500,000, respectively RON 1,000,000): RON 1,293,196, achievement rate of approx. 94.4% compared to the budgeted value;
- share of the value of public purchase offers - takeover (between 1% and 1.5%): RON 3,898,465, achievement rate of approx. 177.2% compared to the budget provision.

In 2024, the revenues generated from these sources accounted for approximately 6.2% of ASF's total revenues for the same period.

Revenues from fees and charges applicable to the operation/administration/supervision of collective investment undertakings, private pension funds, and insurance companies/intermediaries recorded revenues of RON 198,586,730 in 2024, representing an achievement rate of approximately 102.4% of the forecast value for the period. The main sources of revenue in this category are as follows:

- 0.0078% of the net asset value of investment funds (collective investment undertakings): RON 37,187,640, representing an achievement rate of approximately 103.7% of the budgeted amount;
- 10% of the total value of the management fee for privately managed pension funds (pillar II): RON 39,835,095, achievement rate of approx. 99.0% compared to the budgeted amount;
- 0.01% of the net asset value of voluntary pension funds and a monthly fee of 0.25% of the gross contributions collected by voluntary pension funds (pillar III), as well as from the operating fee applicable to depositaries: RON 8,451,291, achievement rate of approx. 98.8% compared to the budgeted amount;
- contributions applicable to insurers and insurance intermediaries: operating fee of 0.3% applicable to insurers/operating fee of 0.1% applicable to insurance intermediaries, contribution for the supervision and control of general insurance activities (0.4%)/for life insurance (0.3%)/ for motor third-party liability insurance (1%): RON 113,112,704, achievement rate of approx. 103.4% compared to the budgeted amount.

In 2024, the revenues generated from these sources accounted for approximately 81.7% of ASF's total revenues for the same period.

Revenues from other activities, which include revenues from tariffs, authorisation/approval/certification/withdrawal fees, registration/maintenance/cancellation fees, quotas/tariffs/fees for monitoring and other fees/tariffs, as provided for in Annex No. 3 to Regulation No. 16/2014, republished, with subsequent amendments and additions, recorded a total amount collected in 2024 of RON 8,912,263, respectively an achievement rate of approx. 117.3% compared to the budgeted amount.

In 2024, revenues from these sources generated approximately 3.7% of ASF's total revenues for the same period.

Revenues from fines collected from entities belonging to the Insurance and Reinsurance Sector amounted to RON 21,143 during the period under review.

Revenue from rent: RON 23,080.

Financial revenues obtained from placing ASF's available funds in deposits and government securities: RON 20,170,184.

Other income: RON 121,939 (asset sales, penalties, other income).

In 2024, income from these sources generated approximately 8.4% of ASF's total revenue for the same period.

ASF expenditure in 2024

Total expenditures in 2024 amounted to RON 236,058,282, representing an achievement rate of approximately 93.3% compared to the provisions for the period. The cumulative expenditures as of 31 December 2024, have the following structure:

RON

Article	Annual provisions for 2024	Budget execution 2024	Achievement rate compared to provisions %
1	2	3	4=3/2
Personnel expenses	161,668,286	154,272,136	95.43
Expenses for goods and services	21,855,775	16,676,881	76.30
International transfers	11,803,000	11,643,841	98.65
Other expenses	54,303,960	54,176,215	99.76
Capital expenses	6,554,098	2,574,459	39.28
Payments made in previous years and recovered in the current year	-3,278,600	-3,285,250	
TOTAL EXPENSES	252,906,519	236,058,282	93.34

Personnel expenses, totalling RON 154,272,136 (approx. 95.4% of budgeted provisions), represent basic salaries and other entitlements as established by the Collective Labor Agreement/Internal Regulations in force, to which are added the institution's contributions, as well as payment instalments related to court decisions. In 2024, personnel expenses represented approximately 65.4% of the authority's total expenses.

Expenses for goods and services amounted to a total of RON 16,676,881, representing approximately 76.3% of the budgeted provisions. Expenses for goods and services represented, in 2024, approximately 7.1% of the total expenses of ASF for the same period. Among the most important expenditures in this chapter, we mention:

- purchases of office supplies, cleaning materials, fuel, the equivalent value of utility services, telephony, internet, security services, car service, central heating maintenance services, archiving services, press agencies (e.g., Bloomberg, Reuters): RON 9,257,768, representing approximately 79.7% of the amount allocated for this period;
- consultancy and expertise: RON 448,384, representing approx. 28.7% of the budgeted provisions and consisting of payments made under consultancy contracts for motor vehicle liability insurance tariffs, legal assistance, external financial audit services;
- other expenses: RON 5,005,774, representing, for the most part, payments related to rent owed by ASF, other expenses for goods and services in accordance with legal provisions.

International transfers, representing contributions to international bodies of which ASF is a member (ESMA, EIOPA, IOSCO, IAIS, IOPS), amounted to RON 11,643,841 (approximately 4.9% of ASF's total expenses).

Other expenses, amounting to RON 54,176,215, representing approx. 22.9% of ASF's total expenses, consist mainly of the amount corresponding to the special tax applicable under the provisions of Law No.

296/2023 on certain fiscal budgetary measures to ensure Romania's long-term financial sustainability: RON 53,553,960, paid for the first, second, and third quarters of this year, calculated as a percentage of 33% applicable to the authority's revenues, except for interest/rental income.

Capital expenditures, totalling RON 2,574,459, represent the total amount paid in 2024 for both the continued implementation of centralized and decentralized IT infrastructure development projects and the proper functioning of the authority, and consisted of the following main purchases:

- hardware and other IT equipment (laptops, PC equipment): RON 889,260;
- cars: RON 270,119;
- licenses, software development, software platform for human resources management: RON 1,317,344;
- office equipment, furniture: RON 47,592;
- investments to obtain fire safety certification for ASF-owned premises: RON 50,144.

Payments made in previous years and recovered in the current year: RON 3,285,250, representing, for the most part, amounts collected from the National Health Insurance House FNUASS (for the period 2022-2023). According to specific accounting regulations, the amount of these receipts will affect total expenses with a "-" sign.

Current surplus for 2024 (current revenue collected - expenses paid)

The current surplus for 2024 amounts to RON 6,911,705.

List of abbreviations

ADP/AS	=	Association for Privately Managed Pensions in Romania
AIFM	=	Alternative Investment Fund Managers
AIFMMR	=	Alternative investment fund managers from other Member States operating directly in Romania
BAIFMMR	=	Branches of alternative investment fund managers from other Member States operating in Romania
GI	=	General Insurance
AIFMD	=	Alternative Investment Fund Managers Directive
AMLA	=	Anti-Money Laundering Authority
AMLD IV	=	Directive 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing
OCIU	=	Other Collective Investment Undertakings
APAPR	=	Association for Privately Managed Pensions in Romania
ARB	=	Romanian Banking Association
ARIS	=	Absolute Return Innovative Strategies
ASE	=	Academy of Economic Studies in Bucharest
ASF	=	Financial Supervisory Authority
LI	=	Life Insurance
BAAR	=	Romanian Motor Insurers' Bureau
EBRD	=	European Bank for Reconstruction and Development
BET	=	Bucharest Exchange Trading
BNR	=	National Bank of Romania
BSR	=	Balance Sheet Review
BVB	=	Bucharest Stock Exchange
NACE	=	Statistical Classification of Economic Activities
CASCO	=	Land transport insurance
CBDF	=	Cross-border distribution of funds
EC	=	European Commission
CMU	=	Capital Markets Union
CNPF	=	National Commission for Financial Markets
CNSM	=	National Committee for Macroprudential Oversight
CNSP	=	National Commission for Strategy and Prognosis
CNVM	=	National Securities Commission
COVID-19	=	Infectious disease caused by the most recently discovered coronavirus
CR	=	Concentration Rate
CRD	=	Capital Requirements Directive
CRR	=	Capital Requirements Regulation
CSA	=	Insurance Supervisory Commission
CSD	=	Central Securities Depository
CSDR	=	Regulation (EU) No. 909/2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No. 236/2012
CSSPP	=	Private Pension System Supervisory Commission
DC	=	Depozitarul Central
DLP	=	Data Loss Prevention

DLT	=	Distributed Ledger Technology
DNB	=	Dutch National Bank
DORA	=	Regulation on digital operational resilience for the financial sector
DR	=	Disaster Recovery
DVCM	=	Double Volume Cap Mechanism
DvP	=	Delivery vs. Payment, the principle of delivery against payment
EBA	=	European Banking Authority
EIOPA	=	European Insurance and Occupational Pensions Authority
EFAMA	=	European Fund and Asset Management Association
EMIR	=	European Regulation No. 648/2012 on OTC derivatives, central counterparties, and trade repositories
ESAs	=	European Supervisory Authorities
ESEF	=	European Single Electronic Format
ESG	=	Environmental, social, and governance factors
ESMA	=	European Securities and Markets Authority
ESRB	=	European Systemic Risk Board
ETF	=	Exchange Traded Fund
EU-SDFA	=	EU Supervisory Digital Finance Academy
ICF	=	Investor Compensation Fund
OEF	=	Open-Ended Investment Funds
FGA	=	Policyholders Guarantee Fund
FGDSPP	=	Private Pension System Rights Guarantee Fund
AIF	=	Alternative Investment Funds
AIFMR	=	Alternative investment funds from other Member States whose units are distributed in Romania
OEFMR	=	Open-ended investment funds from other Member States whose units are distributed in Romania
AIFRI	=	AIF intended for retail investors
FinTech	=	Financial Technology
CEF	=	Closed-End Investment Funds
FIRDS	=	Financial Instruments Reference Data System
ICMR	=	Investment companies from other Member States operating directly in Romania
FITRS	=	Financial Instruments Transparency System
FMA	=	Financial Market Authority
IMF	=	International Monetary Fund
FNP	=	National Protection Fund
FoS	=	Free movement of services
FoE	=	Freedom of establishment
FP	=	Property Fund
GME	=	Global Monitoring Exercise
GMW	=	Global Money Week
G-SII	=	Systemically important global institutions
HRG	=	Homogeneous risk groups
IAIS	=	International Association of Insurance Supervisors
IAM	=	Identity and Access Management
HICP	=	Harmonised Index of Consumer Prices
IFRS	=	International Financial Reporting Standards
IGC	=	Institute of Corporate Governance
SME	=	Small and Medium-sized Enterprises
INCM	=	Credit institutions in other Member States
INFE	=	International Network on Financial Education, OECD

IOPS	=	International Organisation of Pension Supervisors
IOSCO	=	International Organisation of Securities Commissions
IRRDR	=	Insurance Recovery and Resolution Directive
ISF	=	Institute for Financial Studies
IT	=	Information Technology
FATF	=	National ML/TF Risk Assessment
LB	=	Central Bank of Lithuania
LEI	=	Legal Entity Identifier
MAE	=	Ministry of Foreign Affairs
MAR	=	Market Abuse Regulation
MCR	=	Minimum Capital Requirements
MF	=	Ministry of Finance
MiCA	=	Regulation on crypto-asset markets
MiFID II	=	Markets in Financial Instruments Directive
MiFIR	=	Markets in Financial Instruments Regulation
MMFR	=	European Regulation on Money Market Funds
MMPS	=	Ministry of Labor and Social Protection
NGFS	=	Network of Central Banks and Financial Supervisors for the Greening of the Financial System
OECD	=	Organisation for Economic Co-operation and Development (Organisation for Economic
OECD-INFE	=	Co-operation and Development - International Network on Financial Education
ONPCSB	=	National Office for Preventing and Combating Money Laundering
CIU	=	Collective Investment Undertakings
OPCOM	=	Electricity and Natural Gas Market Operator
UCITS	=	Collective Investment Undertakings in Transferable Securities
ORC	=	Trade Register Office
ORSA	=	Own Risk and Solvency Assessment
OTC	=	Over-The-Counter
OUG	=	Government Emergency Ordinance
PAD	=	Disaster Insurance Policy
GWP	=	Gross Written Premiums
BCP	=	Business Continuity Plan
PEPP	=	Pan-European Personal Pension Product
GDP	=	Gross Domestic Product
PIS	=	Procedure for imposing a solution
PNRR	=	National Recovery and Resilience Plan
PPS	=	Procedure for proposing a solution
RAF	=	Risk Assessment Framework
RBS	=	Risk-based supervision
MTPL	=	Compulsory Motor Third Party Liability Insurance
ROF	=	Regulations on Organisation and Operation
RRA	=	Radio Romania News
RvP	=	Receive vs. Payment
IMC	=	Investment Management Company
IMCM	=	Investment management companies from other Member States
SAL-FIN	=	Alternative Dispute Resolution Entity in the Non-Banking Financial Sector
SAR	=	Insurance and Reinsurance Sector
SARS-CoV-2	=	New coronavirus
SARIS	=	Suspensions and Restorations Instruments System

SCR	=	Solvency Capital Requirements
SFTR	=	Securities Financing Transaction Regulation
SGG-DRP	=	General Secretariat of the Government – Public Relations Directorate
IC	=	Investment companies
SIEM	=	Security Information and Event Management
IMCMR	=	Investment companies from other Member States whose securities are distributed in Romania
FIC	=	Financial Investment Company
FICM	=	Financial investment companies from other Member States
FIIS	=	Financial Instruments and Investments Sector
MTF	=	Multilateral Trading Facility
SOL	=	Online Dispute Resolution
OTS	=	Organised Trading System
SRSP/SRSS	=	Structural Reform Support Program
FISC	=	Financial Investment Services Company
PPSS	=	Private Pension System Sector
STS	=	Special Telecommunications Service
T2S	=	Target2-Securities
ICT	=	Information technology
TRACE	=	Access to Trade Repositories Project
TREM	=	Transaction Reporting Exchange Mechanism, ESMA
TSI	=	Technical Support Instrument
UCITS	=	Directive 2009/65/EC
EU	=	European Union
UNSAR	=	National Union of Insurance and Reinsurance Companies in Romania
NAV	=	Net asset value
NAVPS	=	Net asset value per share
WIW	=	World Investor Week