



## CORPORATE GOVERNANCE REPORT 2023

FMA Executive Board and Supervisory Board Report pursuant to the Federal Public  
Corporate Governance Code (B-PCGK)

The Federal Public Corporate Governance Code (B-PCGK) passed by the Federal Government on 30.10.2012 was reviewed based on experiences gained in practice as well as new legal provisions, with several affected departments were involved in the process. The amendments and supplements have been incorporated into the Federal Public Corporate Governance Code 2017 (B-PCGK 2017). The B-PCGK was passed by the Federal Government on 28.06.2017 and applies from the 2017 financial year, with the aim of making corporate governance and supervision more transparent and understandable as well as to clarify the role of the government and the entities of the government as stakeholders.

In accordance with point 3.4.3, the definition of “state-owned enterprises” also includes “public-law institutions (...) as defined in Article 126b of the Federal Constitutional Act (B-VG; *Bundes-Verfassungsgesetz*) that are subject to supervision by the federal government”. Additionally, pursuant to point 4.1, the B-PCGK applies to state-owned enterprises with more than ten employees or annual income of € 300 000 unless such application is prevented by statutory regulations that are binding on the enterprise concerned. The Code contains rules that are mandatory, which are denoted by a "K", as well as "Comply or Explain" rules denoted by a "C".

The Austrian Financial Market Authority (FMA) falls within the intended scope of the Code as envisaged by the federal government. The FMA's statutory bodies avail themselves of this opportunity to commit to the terms of the B-PCGK in their area of responsibility insofar as the Code's application is not limited by specific statutory rules, notably the Financial Market Authority Act (FMABG; *Finanzmarktaufsichtsbehördengesetz*).<sup>1</sup>

## 1 DECLARATION BY THE EXECUTIVE BOARD AND SUPERVISORY BOARD OF THE FMA

### 1.1 DECLARATION

The FMA's Executive Board and Supervisory Board, in their capacity as the FMA's statutory bodies (management and supervisory body), commit to the principles enshrined in the B-PCGK and declare that, as of the end of the 2023 financial year, the applicable rules of the B-PCGK that are not superseded by provisions of the FMABG have been met in their respective areas of responsibility. The terms of the B-PCGK shall also be deemed to be observed provided that the reasons for any deviation are explained.

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<sup>1</sup>In the interests of readability, no differentiation is made regarding genders in academic titles. The terms used apply to all genders in the interests of gender neutrality.

## 2 DECLARATION BY THE EXECUTIVE BOARD AND SUPERVISORY BOARD OF THE FMA

### 2.1 THE FMA'S EXECUTIVE BOARD

The FMA's Executive Board is made up of Helmut Ettl, born on 23.08.1965, and Eduard Müller, born on 31.08.1962.

Helmut Ettl was appointed for the first time on 14.02.2008, and subsequently reappointed on 14.02.2013, on 14.02.2018, and most recently on 14.02.2023. Eduard Müller was appointed on a temporary basis on 01.02.2020, and officially appointed on 06.07.2020.

The appointment, term of office and duties of the FMA's Executive Board are described in Articles 5 to 7 FMABG.

Neither of the Executive Board Members perform any mandates in the oversight bodies of other entities.

In accordance with its legal mandate, the FMA has taken out an insurance policy for its bodies and employees. The policy terms do not include a deductible of "at least 10% of the claim up to a maximum of one and a half times the annual remuneration of the manager concerned" (K-8.3.3.2).

### 2.2 THE FMA'S SUPERVISORY BOARD

Composition of the FMA's Supervisory Board:

<p><b>Chairperson</b> Alfred Lejsek (BMF)</p> <p><b>Vice-Chairperson</b> Governor Robert Holzmann (OeNB)</p>		
<p><b>Members</b></p>		<p><b>Co-opted Members</b></p>
Dr. Gabriela De Raaij (OeNB)	Ms. Elisabeth Gruber (BMF)	Prof. Louis Norman-Audenhove (WKO)
Vice Governor Prof. Gottfried Haber (OeNB)	Dr. Beate Schaffer (BMF)	Dr. Franz Rudorfer (WKO)
Dr. Karin Turner-Hrdlicka (OeNB)	Dr. Nadine Wiedermann-Ondrej (BMF)	

Mr. Lejsek, born in 1959, was appointed for the first time on 01.09.2001. His current term of office ends on 31.08.2026.

Prof. Holzmann (Governor, OeNB), born in 1949, was appointed for the first time on 01.09.2019. His current term of office ends on 31.08.2026.

Prof. Haber (Vice Governor, OeNB), born in 1972, was appointed for the first time on 11.07.2019. His current term of office ends on 31.08.2026.

Dr. De Raaij, born in 1968, was appointed for the first time on 01.02.2014. Her current term of office ends on 31.08.2026.

Dr. Turner-Hrdlicka, born in 1976, was appointed for the first time on 03.01.2018. Her current term of office ends on 02.01.2028.

Dr. Schuster, born in 1980, was appointed for the first time on 05.09.2019. Dr. Schuster stood down as a member of the FMA's Supervisory Board with effect from 30.06.2023.

Dr. Wiedermann-Ondrej, born in 1977, was appointed for the first time on 01.08.2023. Her current term of office ends on 02.01.2028.

Ms. Gruber, born in 1967, was appointed for the first time on 18.09.2017. Her current term of office ends on 31.08.2026.

Dr. Schaffer, born in 1959, was appointed for the first time on 01.07.2013. Her current term of office ends on 31.08.2026.

#### Co-opted Members:

Dr. Rudorfer, born in 1960, was co-opted on 05.10.2012, and has been part of the Supervisory Board ever since.

Dr. Knirsch, born in 1945, was co-opted on 06.09.2005, and stood down on 18.03.2023.

Prof. Norman-Audenhove was co-opted on 21.04.2023 and has been part of the Supervisory Board ever since.

None of the members of the FMA's Supervisory Board are members of a committee of the Supervisory Board of the FMA, as there are no supervisory board committees.

## 3 FUNCTIONING OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD OF THE FMA

### 3.1 EXECUTIVE BOARD

In accordance with Article 5 para. 1 FMABG, the FMA Executive Board is a collegial body comprising two persons. Pursuant to Article 4 para. 2 of the FMA's Rules of Procedure, the Executive Board takes decisions by unanimous vote.

There is no provision for an allocation of responsibilities among the members of the Management Board (Executive Board) (K-15.2.3). In accordance with Article 2 para. 4 of the FMA's Rules of Procedure and regardless of the deputising arrangements set out in these Rules, the Executive Board bears collective responsibility.

Article 10 para. 2 FMABG defines what activities and measures require the approval of the Supervisory Board.

### 3.2 SUPERVISORY BOARD

Five Supervisory Board meetings were held in 2023.

- 17.03.2023
- 21.04.2023
- 01.06.2023
- 29.09.2023
- 21.11.2023

The focus of the activities of the Supervisory Board in 2023 at its meetings was as follows:

A report was given pursuant to Article 6 para. 5 FMABG to the Supervisory Board on a quarterly basis about the general performance of the financial market and the conduct of supervision during the reporting period.

These reporting points are addressed by the FMA's Quarterly Report and the corresponding fixed agenda points in the Supervisory Board meetings.

Pursuant to Article 16a para. 3 FMABG the Supervisory Board is informed on a quarterly basis about the audit areas and the material findings of audit activities on the basis of audits performed by the internal audit function. The Head of the Internal Audit Function also participated at the supervisory board meeting on 17.03.2023.

Pursuant to Article 10 para. 2 FMABG the following require the approval of the Supervisory Board:

- the financial plan to be drawn up by the Executive Board including the investment and staff plan;

the financial, investment and staff plan for 2024 pursuant to Article 17 FMABG was approved in the Supervisory Board meeting on 21.11.2023.

- Investments, which have not been authorised in the investment plan, as well as the taking out of loans which exceed € 75 000;  
in 2023, one investment was submitted pursuant to Article 10 para. 2 no. 2 FMABG for approval by the Supervisory Board in the Supervisory Board meeting on 29.09.2023.
- the acquisition, disposal and encumbrance of real estate;  
no real estate was acquired or disposed of in 2023, and no encumbrance occurred.
- the annual financial statement to be drawn up by the Executive Board;  
The audited annual financial statement 2022 was approved by the Supervisory Board in its meeting on 21.04.2023.
- Rules of Procedure pursuant to Article 6 para. 2 FMABG and amendments thereto;  
An amendment to the FMA's Rules of Procedure was approved by the Supervisory Board in its meeting on 17.03.2023. Further amendments to the FMA's Rules of Procedure were approved by means of a circular decision on 19.12.2023.
- The Compliance Code pursuant to Article 6 para. 4 and amendments thereto;  
An amendment to the FMA's Compliance Code was approved by the Supervisory Board in its meeting on 17.03.2023.
- The appointment of FMA employees to management functions directly subordinate to the Executive Board (second management level) as well as their dismissal and termination of employment;  
In 2023, one proposal was submitted for the appointment of a FMA employee in management functions or management functions directly subordinate to the Executive Board in the meeting of the Supervisory Board on 01.06.2023 and two proposals were submitted for the appointment of two FMA employees in management functions or management functions directly subordinate to the Executive Board in the meeting of the Supervisory Board on 29.09.2023.
- The annual report to be drawn up pursuant to Article 16 para. 3 FMABG;  
The 2022 Annual Report was approved by the Supervisory Board on 21.04.2023.
- The conclusion of collective labour agreements and works agreements.  
The operational agreement addressing flexible working time pursuant to Article 10 para. 2 no. 9 FMABG was proposed and approved in the Supervisory Board meeting on 17.03.2023.

All members of the Supervisory Board participated at least half of the meetings of the Supervisory Board during 2023.

## 4 REMUNERATION OF THE MEMBERS OF THE EXECUTIVE AND SUPERVISORY BOARDS

The FMA's two Executive Directors' remuneration consists exclusively of fixed components (no variable components are intended) and amounts to € 316,236.20 before taxes per head in 2023.

The costs of contractual old-age pension contributions for the Executive Directors are € 25,931.36 per person in 2023.

The remuneration for the eight members of the supervisory board with voting rights totals € 19,700 per annum. The amount can be broken down as follows:

- Chairperson: EUR 3,600.00
- Vice-Chairperson: EUR 2,900.00
- Member: EUR 2,200.00

The remuneration of the members appointed by the Oesterreichische Nationalbank is not paid to the members themselves but to the Oesterreichische Nationalbank, in accordance with the terms of their employment contracts. The members co-opted by the Austrian Economic Chambers do not receive any remuneration.

## 5 CONSIDERATION OF GENDER ISSUES

The FMA actively pursues an equality policy and is committed towards equal opportunities regardless of an individual's gender, age, ethnicity, religion and ideology or sexual orientation as well as promoting diversity. It works actively and on a sustained basis to ensure that its working environment is free from discrimination and conducive to equal opportunities, promoting a culture of recognition and mutual respect. The Federal Equal Treatment Act (B-GIBG) has applied to the FMA since 01.01.2014.

### 5.1 NON-DISCRIMINATION

A particular remit for the promotion of women is enshrined in the Federal Equal Treatment Act, based on which a plan regarding the promotion of women was implemented for the period from 2016 to 2021. This initial plan for promotion of women was updated in both 2018 and 2020. A new plan for the promotion of women was drawn up for the period between 2022 and 2027 for the FMA. The principle of non-discrimination is particularly expressed in the Federal Equal Treatment Act in terms of gender parity both in terms of numbers of employers as a whole, as well as for managerial staff and in the Specialist Career Programme (*Fachkarriere*). Due to the family-friendly working conditions at the FMA and the ongoing promotion of greater flexibility in the workplace, the gender

equality target for staff members has been achieved from the outset, and met consistently every year.

The proportion of women in managerial positions in the FMA (36.96 %) has ultimately fallen. The FMA views this as a cause to implement more measures to promote women in management positions in the coming years, to ensure that the FMA is able to achieve its objective in the foreseeable future to meet the target of gender equality in the filling of managerial positions at all levels. Efforts are continuing to be made on an ongoing basis to reach the target level of 50% of managerial roles being held by women. In the lowest management level (Team Heads) this target was already reached in 2019. The promotion of gender equality in the special career programme is also a significant personnel development issue.

As a current measure for the promotion of women, it is still envisaged when allocating thematic expertise, working in (inter)national committees and working groups that female employees (also those working part-time) are in particular considered. Regarding access to training and education programmes attention is paid to ensure that women are afforded equal consideration, as well as addressing the continuing professional development needs of female colleagues. In recent times we have observed a balanced representation of the respective genders on an ongoing basis in relation to training and education programmes. Overall there is a strong focus on actively promoting women's potential, also with the scope of the specialist and managerial career paths.

To make the general conditions for employees even more attractive, a revised FMA Teleworking and Home Office Policy has applied since 2019, which provided greater flexibility regarding the performance of work with regard to working hours and the place of work. This policy was initially revised and extended in 2020 during the Coronavirus pandemic, thereby introducing further flexibilisation of working arrangements for FMA employees regarding making use of home office and the models for home office. A further extension of the home office options including flexibility for conditions for making use of home office and documentation of it then came into effect in Summer 2023. The currently applicable home office arrangement makes a sustainable contribution to the compatibility of career and family or private life in general and therefore takes individual life circumstances into account in a flexible manner.

With regard to achieving equal opportunities, diversity and inclusion, in 2022, the FMA initially conducted important analyses and preliminary work in 2022 as part of the EDI project for promoting "Equity, Diversity and Inclusion", which then fed into the the "Fit for Future – FMA 2025" in 2023, in particular via the "Culture" subproject. As the "Fit for Future" programme includes various subprojects focussing on the respective areas for activity of "Culture", "People" and "Organisation", in addition to the outcomes of the EDI project, several measures from the Plan for the Promotion of Women for 2022–2027 have been evaluated and addressed within the "Fit for Future" programme. In 2023, the "Culture" subproject was already able to achieve the following results that especially also directly promote equality of treatment in the FMA: The FMA issued a guide for internal and external communications taking into account gender-sensitive and inclusive language. In addition, *Unsere Werte des Miteinanders* (Our values for working together) - is a document that contains the

values and guiding principles for working together in the FMA, and which was developed in a broad-based participatory process - take into account the guiding principles for equal opportunities, diversity and inclusion (EDI) drafted in the previous year. The FMA's staff members have shown enthusiasm and interest in participating and working, both in the EDI project in 2022, as well as the FMA-wide "Fit for Future – FMA 2025" programme which started in 2023, within various participant-based formats or Sounding Boards established especially for the projects. In 2024, within the "Fit for Future - FMA 2025" programme, one of the priorities for their work is in activating these values in the FMA and implementing and further developing the FMA culture. The PCGK Report for 2024 will then report on progress made on this issue.

## **5.2 GENERAL GENDER ASPECTS**

In terms of inclusive and gender-sensitive language all job advertisements, announcements and publications published by the FMA are either formulated accordingly or contain a disclaimer as applicable. All advertised positions explicitly state that female applicants are particularly welcome to apply.

## **5.3 PROPORTION OF WOMEN IN THE FMA EXECUTIVE BOARD, SUPERVISORY BOARD AND IN MANAGERIAL POSITIONS**

In accordance with Article 5 para. 2 FMABG, the members of the FMA's Executive Board are appointed by the Federal President on the basis of proposals from the Federal Government. There are currently no women in the Executive Board.

The FMA's Supervisory Board is appointed by the Federal Minister of Finance pursuant to Article 8 FMABG, with the exception of the co-opted members. The Oesterreichische Nationalbank names persons for the function of deputy chairperson as well as three additional members of the Supervisory Board. In addition, the Supervisory Board shall co-opt two members named by the Austrian Economic Chambers; however, they shall have no voting right. As of 31.12.2023, the proportion of women on the Supervisory Board was 50% (five women out of ten members).

As of 31.12.2023, 36.96% of all executive positions (including Executive Board members, Managing Directors of Departments, Heads of Divisions and Team Leaders) at the FMA are held by women. Across the FMA as a whole, women represent 53.13% of the staff.

In addition to, and irrespective of, the obligation to draw up the plan regarding the promotion of women pursuant to Article 11a B-GlBG, during the appointment process for senior positions, attention is paid to ensure that preference is given to female applicants holding the same level of qualifications, as long as the gender ratio at the respective management level is still male dominated.

Following the selection process for a managerial position, the ratio of female to male applicants is disclosed to all the FMA's employees.

## 5.4 FMA WOMEN'S NETWORK (FMA-FRAUENNETZWERK)

In 2023, the FMA Women's Network also promoted exchanging and networking of women within and outside the FMA in the form of an in presence network breakfast meeting held on International Women's Day about Financial Literacy for Women as well as continuing its established series of Mystery Lunches (once again held in presence). In mid-2023, the FMA Women's Network organised a self-defence course for women (three dates held outside of office hours), which was well-attended. The FMA Women's Network continues to strengthen its contacts to the OeNB's Women's Forum as well as extending its contacts to Women's Networks in other supervisory authorities, primarily those of the ECB and other supervisory authorities within the SSM. An event is planned to coincide with International Women's Day 2024 on Board Diversity in cooperation with the OeNB Women's Forum, and an internal breakfast meeting of the network is also being planned.

## 6 SUSTAINABILITY

As an organisation, the FMA is committed to the topic of sustainability and understands this as fulfilling the 17 Sustainable Development Goals (SDGs) adopted by the United Nations as part of its "Transforming our world: the 2030 Agenda for Sustainable Development", with the Republic of Austria, as a member country of the United Nations, has committed itself to implementing these sustainable development goals. Within the framework of the FMA's own environment policy, it has been implemented as a principle of action for the sustainable use of resources. The aim is to ensure that demand is met in the long term by preserving the natural regenerative capacity of the systems involved (especially living organisms and ecosystems).

The FMA, in close cooperation with its works council, already established a task force on sustainability in 2019 for this reason. In 2021 the task force was transferred into a project with the objective of securing this topic in the FMA and driving it forward on an ongoing basis. At the same time, the FMA participated in the City of Vienna's "ÖkoWin" environmental programme as received the distinction as an "ÖkoWin-Betrieb" in 2021, 2022 and 2023. The programme analyses individual environmental aspects with regard to activities in and for the FMA, and determines environmental indicators in order to discover further room for improvement. In addition, figures are analysed and subjected to a benchmarking exercise on an ongoing basis.

The FMA considers the topic of sustainability not only as being of great importance in terms everyday work, both in terms of physical presence and working remotely, as well as for travelling for business and in relation to procurements, but also in relation to the Austrian financial market.

In 2023, the following material sustainability measures were taken:

- Holding an information day to present our suppliers' sustainable products to our staff members
- Implementing a dashboard towards the management for controlling purposes containing significant environmental figures about energy, consumption and the FMA's CO<sub>2</sub> footprint.
- Austrian EcoLabel certification of the staff canteen.

The financial sector plays a central role towards achieving a sustainable and environmentally and climate-friendly society. Sustainability risks may negatively influence both the performance of individual assets and financial market participants and may also potentially influence financial stability as a consequence.

Consequently, the issue of sustainability is taken into account in the FMA's annual priorities for supervision and inspections, on the one hand to support the transformation towards a climate-neutral economy and to mitigate climate change risks for the financial market, while on the other hand acting as a role model.

## **7 EXTERNAL EVALUATION OF COMPLIANCE WITH THE RULES OF THE FEDERAL CORPORATE GOVERNANCE CODE**

The most recent evaluation of compliance with the rules of the Public Corporate Governance Code was conducted by a legal practice in January 2023. According to the review performed by the external inspector, the FMA complied with the rules set out in the B-PCGK for the evaluation period from 01.01.2018 until 31.12.2022. The next external evaluation of PCGK compliance by the FMA in accordance with Chapter 15.5 of the B-PCGK 2017 is scheduled to take place in 2027.