



EIOPA REGULAR USE

EIOPA-BoS-19/474

28 November 2019

EIOPA Board of Supervisors Meeting

27-28 November 2019

Final Minutes

Chairman: Gabriel Bernardino

Voting: AT: Peter Braumüller, BE: Jean Hilgers, BG: Vladimir Savov, CY: Tonia Tsangaris, CZ: Zuzana Silberova, DE: Frank Grund, DK: Carsten Brogaard, EE: Kilvar Kessler, ES: Sergio Alvarez, FI: Teija Korpiaho, FR: Patrick Montagner (1st day), Frederic Hervo (2nd day), GR: Ioanna Seliniotaki, HR: Ante Žigman, HU: Koppány Nagy, IE: Domhnall Cullinan, IT: Alberto Corinti, LT: Mindaugas Šalčius, LU: Claude Wirion, LV: Dina Mikelsone, MT: Marianne Scicluna, NL: Olaf Sleijpen, PL: Damian Jaworski, PT: Margarida Corrêa de Aguiar, RO: Valentin Ionescu (PoA), SK: Andrea Gondova (PoA), SI: Goraz Čibej, SE: Bertil Sjöo, UK: Anna Sweeney

Non-voting: BE: Dieter Hendrickx, Henk Becquaert, CY: Constantinos Stavrakis, CZ: Jiri Kalivoda, DE: Thomas Schmitz-Lippert, ES: Francisco Carrasco Bahamonde, FR: Frederic Hervo (1st day), HR: Ilijana Jeleč, IE: Brendan Kennedy (2nd day), IS: Rúnar Guðmundsson, IT: Ambrogio Rinaldi, LI: André Hoffmann (PoA), NO: Ann Viljugrein, PL: Mariusz Smetek, PT: Ana Byrne, SI: Mojca Rome, COM: Didier Millerot, EFTA SA: Frank Büchel, EBA: Philippe Allard, ESMA: Verena Ross, ESRB: Francesco Mazzaferro

Experts:

AT: Gerlinde Taurer, CZ: Hana Marčíková, DE: Petra Faber-Graw, IE: Zita Culliton, LU: Yves Baustert, MT: Jonathan Sammut, PT: Hugo Borghino, SK: Zuzana Kardosova

EIOPA Working Group Chairs:

Ludwig Pflieger (CCPFI Chair), Veronique Hiji (ITDC Chair)

EIOPA Staff:

Fausto Parente (EIOPA Executive Director Susanne Rosenbaum, Ivo Karshev, Ineta Galubicke, Manuela Zweimueller (item 2), Danny Janssen (item 3), Sylvia Geiger Cludts (item 3), Catherine Coucke (item 5), Sophia Milili-Makrydakis (item 5), Marieke van Grevenstein (item 5), Justin Wray (items 6, 7, 9, 10), Pamela Schuermans (items 6, 10), Lazaro Cuesta Barbera (item 7), Dimitris Zafeiris (items 8, 10, 22, 23, 24, 25, 26), Sandra Hack (items 8, 14), Lars Dieckhoff (item 9), Ana Teresa Moutinho (items 9, 12, 13, 19, 20), Patrick Hoedjes (items 9, 13, 14, 15), Giovanni Rago (items 9, 13, 19, 20), Carlos Guine (item 9), Philip Kitzmantel (item 12), Marjan Trobina (item 12), Frederik Vandenweghe (item 12), Paola Brenda (items 13, 19, 20), Hiltrud Besgen (item 15), Jarl Kure (item 15), Timothy Shakesby (items 17, 18), David Cowan (item 17), Pascal Pfefferle (item 17), Pedro Pires (item 18), Dinant Veenstra (item 19), Edward Samsom (items 19, 20), Diana Vieira (item 19), Petr Jakubik (items 21, 22, 23, 24), Matteo Sottocornola (item 23), Juan Zschiesche (items 24, 26), Eveline Turturescu (item 24), Alessandro Fontana (item 24), Daniel Perez (item 25), Luisa Mazzotta (item 25), Josep Marquez (item 26)

**Welcome and introductory remarks by the
EIOPA Chairman**

Information

Remarks:

The Chairman welcomed the attendees to the fifth meeting of EIOPA's Board of

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| Supervisors (BoS) in 2019. | |
| 1. Adoption of the Agenda | Decision by SMV¹ |
| <p>Conclusions:</p> <ul style="list-style-type: none"> The Chairman informed that item 11 will not be discussed. With this change, BoS adopted, by simple majority voting, the agenda. <p>Action points:</p> <ul style="list-style-type: none"> Not applicable | |
| 2. Update by Chairman, Executive Director and COM | Information |
| <p>Conclusions:</p> <ul style="list-style-type: none"> Not applicable <p>Action points:</p> <ul style="list-style-type: none"> Not applicable | |
| 3. Quality Control Committee | Discussion |
| <p>3.1. QCC review report on the implementation of Professional Secrecy Rules</p> <p>3.2. EIOPA Follow-up on QCC review: EIOPA Q&A process</p> | |
| <p><u>3. Quality Control Committee (QCC)</u></p> <p><u>3.1. QCC review report on the implementation of Professional Secrecy Rules</u></p> | |
| <p>Conclusions:</p> <ul style="list-style-type: none"> BoS welcomed the review report on the implementation of the Professional Secrecy Rules (27 November 2019, EIOPA-BoS-19-484). <p>Action points:</p> <ul style="list-style-type: none"> BoS Members to provide comments to the report by 11 December 2019. The Chair of the QCC to adjust the report further to the comments received from BoS Members and then to present it for adoption to the QCC and the Management Board (MB). | |
| <p><u>3.2. EIOPA Follow-up on QCC review: EIOPA Q&A process</u></p> | |
| <p>Conclusions:</p> <ul style="list-style-type: none"> BoS took note of the QCC conclusions presented by the QCC Chair, following which this QCC review exercise was considered completed. | |

Action points:

- EIOPA to keep the QCC informed about the implementation of Article 16b of the review of EIOPA's Regulation.
- EIOPA to keep QCC informed about the launch of the new website as well as the launch of the Single Rulebook with a focus on Q&A functionalities.

4. MB Member Election**Decision by SMV¹****Conclusions:**

- BoS re-elected, by simple majority voting, Mr Olaf Sleijpen as a Member of EIOPA's MB for a second period of two and a half years.

Action points:

- Not applicable

5. ESA Review Implementation – Updated Governance Package:**5.1. Revised EIOPA's Rules of Procedure Discussion****5.2. Revised Rules of Procedure of EIOPA's Board of Supervisors Discussion****5.3. Revised Rules of Procedure of EIOPA's Information Management Board Information****5.4. Revised Rules of Procedure of EIOPA's Breach of Union Law Discussion****5.5. Revised Rules of Procedure of EIOPA's Mediation Panel Discussion****5.6. Revised Rules of Procedure of EIOPA's Inquiry Panel Discussion****5.7. Peer review governance Discussion**5. ESA Review Implementation – Updated Governance Package:5.1. Revised EIOPA's Rules of Procedure5.2. Revised Rules of Procedure of EIOPA's Board of Supervisors5.3. Revised Rules of Procedure of EIOPA's Management Board5.4. Revised Rules of Procedure of EIOPA's Breach of Union Law5.5. Revised Rules of Procedure of EIOPA's Mediation Panel5.6. Revised Rules of Procedure of EIOPA's Inquiry Panel**Conclusions on items 5.1 to 5.6:**

- BoS recognised EIOPA's efforts to ensure, along with the European Banking Authority (EBA) and the European Securities and Markets Authorities (ESMA), consistency of the implementation approaches across the European Supervisory Authorities (ESAs), including of the need to finalise the procedural rules in

January 2020.

- BoS took note of the mandatory legal requirement necessitating the abstention of a conflicted National Competent Authorities (NCA) representative from participating in both – the discussion of and the vote upon – the relevant agenda point at BoS.
- BoS observed that EIOPA has secured the right of the conflicted NCA representative to be heard within the procedure concerned and that the rules regarding the process of decision on the presence in the room of the conflicted member could be refined.
- BoS took note of EIOPA’s willingness to increase the NCA representation in the Advisory Committee on Proportionality (PAC) by few members, and of the high-level scope of the proportionality advice, which will not overlap granular proportionality assessments conducted in dedicated EIOPA working fora.
- Overall, BoS concluded that all rules of procedure, as updated, constitute a balanced implementation proposal and that EIOPA should further fine-tune them following today’s BoS discussion and the upcoming discussions at the Boards of the EBA and ESMA so as to adopt them in January 2020 in coordination with the EBA and ESMA.

Action points on items 5.1 to 5.6:

- EIOPA to continue cooperating with EBA and ESMA to ensure single governance approach to the decision-taking on the possibility for a conflicted NCA representative to attend a BoS discussion and vote, to increase the NCA representation in the PAC by few members, and to the involvement of staff members in the panels.

5.7. Peer review governance

Conclusions:

- BoS overall supported EIOPA’s high-level proposal on the governance of future peer reviews.
- The mandates of the different structures need to be clearly described, in particular the Supervisory Steering Committee (SSC) and the dedicated NCA experts contact list.
- The effectiveness of the new governance arrangement should be subject to a review one year after its implementation.

Action points:

- EIOPA to draft governance proposal based on the practical implementation of the new EIOPA Regulation on Peer Reviews presented in the BoS meeting where the SSC involvement is ensured along with a mechanism providing quality control.

6. Update by the PSC Chair

Information

Conclusions:

- BoS noted the update by the Rapporteur of the Policy Steering Committee (PSC).

Action points:

- Not applicable

7. Annual Report 2019 on Long-term guarantees Decision by SMV¹

Conclusions:

- BoS adopted, by simple majority voting, the 'Report on long-term guarantees measures and measures on equity risk 2019' (EIOPA-BoS-19-495, 12 November 2019)

Action points:

- EIOPA to circulate an updated version of the report to BoS Members for fatal flaw checks.
- Members to inform EIOPA about any factual mistakes with regard to the information included in the report about their national market by 5 December 2019.
- EIOPA to correct mistakes and publish the report.

8. Consultation paper on PEPP Decision by SMV¹

Conclusions:

BoS adopted, by simple majority voting, the 'Consultation Paper on the proposed approaches and considerations for EIOPA's Technical Advice, Implementing and Regulatory Technical Standards under Regulation (EU) 2019/1238 on a Pan-European Personal Pension Product (PEPP)' (EIOPA-BoS-19-492, 05 November 2019).

Action points:

- EIOPA to launch the public consultation.

9. Solvency II 2020 review: Towards an overall Discussion approach

Conclusions:

- BoS welcomed the note and the opportunity to develop an overall approach.
- BoS broadly supported the elements included as part of a balanced approach BoS also emphasised the need to incorporate the results of the ongoing Public Consultation and Data Requests, before drawing final conclusions on the different topics.
- BoS suggested that additional principles should be considered in the review, such as simplicity/reduced complexity and stability.

Action points:

- EIOPA to include in the mandates for Project Groups an explicit reference to the

need to pursue simple solutions and/or reduce complexity where possible. The mandates were otherwise agreed.

- Members' representatives on the project groups to contribute fully and constructively to fulfilment of the mandates in time for the January 2020 BoS.
- Members to nominate representatives to work with EIOPA on the topic of proportionality.

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| 10. Update on Sustainable finance programme | Discussion |
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Conclusions:

- BoS supported the revised objective for EIOPA's work on sustainable finance subject to clarifying the meaning of stewardship, as well as the scope of the proposed activities, but in terms of implementation these were potentially subject to further prioritisation.

Action points:

- EIOPA to clarify the term of stewardship.

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| 11. Joint Consultation on Sustainable Finance Disclosures | Discussion |
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Conclusions:

- Not applicable

Action points:

- Not applicable

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| 12. Update by the ITDC Chair | Information |
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Conclusions:

- BoS noted the update by the Chair of the IT and Data Committee (ITDC) and Head of Supervisory Processes Department.

Action points:

- Not applicable

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| 13. Update by the SSC Chair | Information |
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Conclusions:

- BoS noted the update by the Chair of the Supervisory Steering Committee (SSC).

Action points:

- Not Applicable

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| 14. Follow-up on recommended actions in past peer reviews | Decision by SMV¹ |
| <p>Conclusions:</p> <ul style="list-style-type: none"> BoS adopted, by simple majority voting, the follow-up report (EIOPA-BoS-19-527, 14 November 2019). <p>Action points:</p> <ul style="list-style-type: none"> A summary of the findings as well as any further progress will be included in EIOPA's Supervisory Activities Report. | |
| 15. Brexit Update | Discussion |
| <p>Conclusions:</p> <ul style="list-style-type: none"> BoS agreed to take a pragmatic approach regarding the data granularity to be collected in context of the 6th information request. Information already collected for 31 October 2019 should be reviewed and analysed to identify critical undertakings with cross-border businesses for which additional and more granular data are crucial to reflect the status at the Brexit date. <p>Action points:</p> <ul style="list-style-type: none"> The Brexit cooperation platform to proceed with the analysis of the data already collected by the UK authority for the 6th information request and identify undertakings and areas for which additional/more granular data are needed. | |
| 16. Closed Session | Confidential exchange of information |
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| 17. Update by the CCPFI Chair | Information |
| <p>Conclusions:</p> <ul style="list-style-type: none"> BoS noted the update by the Chair of the Committee on Consumer Protection and Financial Innovation (CCPFI). <p>Action points:</p> <ul style="list-style-type: none"> Not applicable | |
| 18. New topic for a conduct-of-business thematic review | Decision by SMV¹ |
| <p>Conclusions:</p> <ul style="list-style-type: none"> The BoS approved, by simple majority voting, the launch of conduct of business | |

thematic review on mortgage life and other credit protection insurance sold through banks (EIOPA-BoS-19-486, 12 November 2019).

Action points:

- CCPFI to initiate work on the thematic review.

19. EIOPA Strategy on Cyber underwriting

Decision by SMV¹

Conclusions:

- BoS advised revising the draft to ensure more clarity on the role of EIOPA in the process to ensure more availability of data on cyber incidents and on the possible consideration of a public role regarding extreme/systemic events.

Action points:

- EIOPA to revise the drafting of the document and bring it to January 2020 BoS meeting for approval.

20. Consultation Paper on Guidelines on ICT governance and security

Decision by SMV¹

Conclusions:

- BoS approved, by simple majority voting, the launch of the Consultation Paper on Guidelines on ICT governance and security (EIOPA-BoS-19-526, 11 November 2019).

Action points:

- EIOPA to launch the consultation procedure.

21. Update by the RFSC Chair

Information

Conclusions:

- BoS noted the update by the Chair of the Risk and Financial Stability Committee (RFSC).

Action points:

- Not applicable

22. Draft 2019 IORP stress test report

Decision by SMV¹

Conclusions:

- BoS adopted, by simple majority voting, the '2019 Institutions for Occupational Retirement Provision (IORPs) Stress Test Report' (EIOPA-BoS-19-505, 20 November 2019) and approved its subsequent publication.

Action points:

- EIOPA to incorporate editorial comments received in the meeting.
- EIOPA to publish the report on 17 December 2019.

23. Methodological Principles of Insurance Stress Testing - draft report Discussion

Conclusions:

- BoS acknowledged the summary of the comments received and the RFSC steer. Members also agreed on the proposed way forward.

Action points:

- EIOPA to launch the written procedure at BoS level for comments and approval of the Draft Methodological Paper and resolutions to stakeholders' comments.

24. Follow up analysis on Low Yield environment risks Discussion

Conclusions:

- BoS welcomed the work on the Low Yield environment risks presented and supported further work in the area as suggested.

Action points:

- EIOPA to engage with the group of experts on low yields and prepare a factual report with the main results of the analysis to be published after the discussion at BoS level.
- EIOPA to draft a supervisory statement raising awareness of the risks and vulnerabilities at stake and recommended actions to be taken by the industry. The draft will be circulated to the group of experts and BoS.

25. Investigation on undue short-termism pressure Discussion

Conclusions:

- BoS welcomed the draft report and acknowledged the need for a balanced approach on the provision of recommendations.

Action points:

- EIOPA to submit the revised version of the advice for written approval to the BoS.

26. Overview and lessons learned of EIOPA's first crisis exercise Discussion

Conclusions:

- BoS welcomed the report and agreed to move forward in line with the next

steps discussed.

Action points:

- Not applicable

27. AOB

Information

Conclusions:

- Not applicable

Action points:

- Not applicable

¹: Decision by simple majority (Article 44(1) 1st para. EIOPA Regulation)

²: Decision by qualified majority (Article 44(1) 2nd para. EIOPA Regulation)

Frankfurt am Main

[Signed]

Gabriel Bernardino
Chairperson of EIOPA