



# 73<sup>RD</sup> BOARD OF SUPERVISORS MEETING VIA VIDEOCONFERENCE

DATE: 24 NOVEMBER 2021 10:30 – 16 :18 CET

25 NOVEMBER 2021 09:00 – 13 :10 CET

LOCATION: VIDEOCONFERENCE

## FINAL MINUTES

### WELCOME AND INTRODUCTORY REMARKS BY THE EIOPA CHAIRPERSON

1. The Chairperson welcomed the attendees to the 73<sup>rd</sup> meeting of EIOPA's Board of Supervisors (BoS).
2. The Chairperson expressed her disappointment that the meeting could not take place on-site, as initially planned, due to the new COVID-19 rules adopted by the German and Hesse Authorities.

### AGENDA ITEM 1: ADOPTION OF THE AGENDA

3. The Chairperson proposed to take item 13 'Decision on EIOPA's regular information requests towards NCAs regarding the provision of occupational pensions information - Revision' out of the agenda as more discussion in the Policy Steering Committee (PSC) is required.

### DECISION

4. BoS adopted the revised agenda by consensus of all voting members.

### CONCLUSIONS AND ACTION POINTS

5. The Chairperson concluded that there is no BoS Member that has an interest that could be considered prejudicial to their independence with regard to any item of the adopted agenda following declaration by all BoS Members of absence of any such interest.

## AGENDA ITEM 2: UPDATES BY CHAIRPERSON, EXECUTIVE DIRECTOR AND COM

### UPDATES BY THE CHAIRPERSON

#### MEMBERSHIP UPDATES

6. Mary-Cécile Duchon, Deputy Director for International Affairs at the French Prudential Supervision and Resolution Authority (ACPR), stepped down as BoS Alternate to Mr. Patrick Montagner. The Chairperson thanked her for the involvement and work during her time as Alternate. Patrick Montagner will remain the only representative for ACPR until a new Alternate is appointed.

#### PRODUCT INTERVENTION CASE

7. On 9 November EIOPA made public on its website the non-compliance of the National Bank of Slovakia with EIOPA's recommendation.
8. EIOPA will continue to assess the steps that can be taken besides monitoring the situation, taking into account that the licence of the concerned company has not been withdrawn and business is still being underwritten within the European Economic Area. As the protection of policy holders is the ultimate objective of EIOPA further steps are needed to remediate the situation.
9. EIOPA will keep the BoS informed on the developments.

#### CHAIR STAKEHOLDER ENGAGEMENT STRATEGY

10. Already prior to the new Chairperson starting in her role, EIOPA received many requests for meeting and speeches. Hence, a stakeholder engagement strategy was developed. Prior to her start the Chair liaised with all EIOPA BoS Members. Once started, the goal was to accept a broad range of speaking engagements and meetings in the first three months, reflecting the diversity of stakeholders and geographic balance focussing first on the EU-level before moving to the national level. The speaking engagements and meetings provided an opportunity to demonstrate areas of focus/interest. EIOPA is committed to transparency and publishes all meetings held with external stakeholders within a period of two weeks following the meeting on EIOPA's website.

#### PUBLIC HEARING BEFORE THE ECON COMMITTEE (EUROPEAN PARLIAMENT)

11. On 14 October 2021, the ESAs Chairs were invited to their regular public hearing in the ECON Committee of the European Parliament to discuss the the authorities' experience throughout the previous year.
12. EIOPA's Chairperson gave an update on the EIOPA's key achievements from the past year and upcoming challenges and priorities. The introductory statement was published on EIOPA's website.

13. In the context of the Q&A session with the ECON Members, main questions asked were in the area of consumer protection, review of Solvency II, climate change and protection gaps.

#### RECURRING UPDATE FROM STAKEHOLDER GROUP MEETINGS

14. The Chairperson expressed appreciation for BoS Members' participation and engagement in the discussions at the Joint meeting of the BoS, IRSG, and OPSG, which took place on 23 November.
15. The Chairperson thanked the COM representative, Martin Merlin, for his participation and answers provided to the many questions.
16. Among the topics discussed were Digital Operational Resilience Act (DORA), investing in the best interest of policyholders, members and beneficiaries in light of sustainability considerations, the future of retirement savings and proposals of the Solvency II review and issues concerning sustainable finance.
17. Upcoming are the individual BoS and IRSG/OPSG meetings, which EIOPA is preparing for next year.

#### INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS (IAIS) ACTIVITIES

18. The IAIS Insurance Capital Standard Task Force (ICS TF) met on 5th November and agreed on a revised timeline for the public consultation on the detailed criteria for the comparability assessment between the International Capital Standard (ICS) and the US-led Aggregation Method (AM).
19. Due to COVID-19 pandemic, it was not possible to progress the work sufficiently and more time is needed. The launch of the public consultation will be postponed to H1 2022.
20. The delay will not impact the overall timeline of the comparability assessment exercise as well as of the ICS, with both planned to be finalized by end-2024.

#### OTHER UPDATES

21. More updates were made available to the BoS through the written documents on: interaction with and within the Joint Committee (JC), including updates on the meeting of 8 October, the successful Joint Consumer Protection Day on 7-8 October, and preparation for the high-level conference on financial education and literacy on 1-2 February 2022.

#### UPDATES BY THE EXECUTIVE DIRECTOR

##### FINANCIAL SERVICES COMMITTEE (FSC) MEETINGS

22. At the meeting on 10 November, EIOPA updated FSC Members on its draft advice on pension dashboards and pension tracking systems to be submitted to the Commission on 1 December 2021.

23. Also at the meeting, the ESAs presented an update on their joint work under the Sustainable Finance Disclosure Regulation and Taxonomy Regulation, which was welcomed.

#### ECON SCRUTINY SESSION ON PRIIPS RTS (EUROPEAN PARLIAMENT)

24. EIOPA represented the European Supervisory Authorities (ESAs) at the ECON scrutiny session on the Packaged Retail Investment and Insurance-based products (PRIIPs) regulatory technical standards (RTS) on 26 October. The outcome of the exchange of views was positive and constructive. The ESAs, the Commission and ECON Members who intervened shared similar views, thus showing that a consensus has been reached on the topic.
25. Most of the questions raised by the Members of the EP focused on Annexes in the RTS, alignment between level 1 and level 2 legislation, the advice on PRIIPs and differences in EU and US legislation affecting cross-border provisions of investment products.
26. Questions were raised also with regard to the call for advice recently received. EIOPA expressed optimism towards providing a meaningful contribution to the review of the PRIIPs Regulation, as well as ensuring a constructive dialogue across the ESAs, the COM and the EP.

#### COVID-19 – ORGANISATIONAL IMPACT

27. Due to the pandemic situation and the increased COVID-19 incident figures, the German Parliament adopted on 19 November a series of legislative changes.
28. EIOPA aligned with the new provisions and suspended the implementation of the phase 2 return to office strategy, which introduced some mandatory presence, until 19 March 2022. Nonetheless, EIOPA offices are well equipped to offer a safe working environment for those colleagues who are facing difficulties with their home office setting and wish to work from the premises.

#### BUDGET 2021

29. Further to EIOPA's latest forecast of the budget implementation for 2021 a surplus of the staff pension budget of approximately 300,000 EUR has been identified. The main reasons for this excess are the delays in recruitment campaigns, rejections of offers and delays in the starting dates of new recruits, which occurred throughout 2021.
30. Therefore the budget for the pension contributions will not be fully spent by the end of the year and will require a budget amendment via a BoS written procedure at the end of November. The surplus funded by the NCAs and EFTA countries will be deducted from their respective 2022 contributions. The pension contributions are exclusively financed by NCAs and EFTA countries and will not affect the COM contribution.

#### OTHER UPDATES

31. More updates were made available to the BoS through the written documents on: training and event programme in 2021, Working groups structure.

## UPDATE BY THE EUROPEAN COMMISSION (COM)

32. The COM representative informed the BoS on the following business files:

### SOLVENCY 2 – LEVEL 1

33. COM started the discussion with the Slovenian Presidency. Five Council working parties (CWP) were organised with positive discussions on parts of the Solvency II package, particularly on proportionality, quality of supervision and supervision of cross-border activities, reporting and disclosure. Also on the Insurance Recovery and Resolution Directive (IRR) the Presidency started discussions.
34. In terms of next steps, three more CWP will take place until the end of the year. Following on the good work already done by the Slovenian Presidency, an intensive work program is envisaged for the first semester of next year under the French Council Presidency. The intention of the French Presidency as it currently stands is to seek a general approach on the package at the end of their term.
35. On the side of the EP, rapporteurs have started to be appointed. MEP Markus Ferber will be in charge of the two proposals as the main rapporteur.

### PAN-EUROPEAN PENSION PRODUCT (PEPP)

36. The PEPP Regulation becomes applicable as of March 2022. COM is preparing for this and discussions are taking place with the Member States regarding their preparation for the implementation of the regulation. National authorities need to be appointed and given the appropriate powers and responsibilities for registering the PEPPs and for supervising them.
37. Although there are some delays in some MSs, the overall progress is well on track.

### IFRS 17

38. The European Union has published a Commission Regulation endorsing IFRS 17 'Insurance Contracts'.
39. The Commission Regulation amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council was published in the Official Journal of the European Union on 23 November 2021.
40. The regulation adopts IFRS 17 Insurance Contracts and the June 2020 amendments to IFRS 17 with the same effective date as the IASB (1 January 2023). The regulation provides an optional exemption from applying the annual cohort requirement that relates to the timing of the recognition of the profit in the contract, the contractual service margin, in profit or loss. Entities making use of the exemption are not applying IFRSs as issued by the IASB and need to disclose the fact.

41. The regulation also notes that Commission should by 31 December 2027 review the exemption from the annual cohort requirement taking into account the IASB post-implementation review of IFRS 17.

#### DECISION

42. Not applicable.

#### CONCLUSIONS AND ACTION POINTS

43. Not applicable.

#### AGENDA ITEM 3: CALL FOR ADVICE ON DIGITAL FINANCE

44. The Head of Conduct Oversight Unit presented the draft report of the Call for Advice (CfA) on Digital Finance, explaining the structure of the report, main changes made since the last version and next steps. More detailed overview was given on areas considered as more strategic, such as: enhanced consumer protection in relation to tying and bundling and the issue of insufficient coverage of Mixed Activity Groups (MAGs) by sectoral prudential consolidation rules. Overview was also given on addressing the issue of insufficient of risks posed by MAGs/BigTechs having financial subsidiaries by the existing provisions of Financial conglomerates directive (FICOD) and possible ways to enhance cooperation between financial and other relevant authorities. Insurance-specific recommendations on Solvency II restrictions in the scope of (re)insurance activities and the treatment of peer-to-peer (P2P) insurance was also mentioned.

#### DECISION

45. Not applicable.

#### CONCLUSIONS AND ACTION POINTS

46. BoS supported the draft report and the recommendations.
47. BoS recommended to be more specific regarding the scope of (re)insurance activities as defined in Article 18 of Solvency II, to look at mis-selling beyond cross-selling and to consider further practicalities on cooperation between national competent authorities (NCAs). Also it was recommended to be clear what additional tools, if any, are needed in relation to group supervision and, forward-looking with regard to BigTechs, considering that the SII Review includes the review of Title III on group supervision.
48. EIOPA to circulate the report for written comments to BoS, and to address BoS comments raised during the meeting together with any further comments received during the written procedure. Integrated NCAs are encouraged to submit one set of comments.

#### **AGENDA ITEM 4: DIGITAL TRANSFORMATION STRATEGY**

49. The Head of Conduct Oversight Unit presented the draft Digital Transformation Strategy. He highlighted that the objective was to set out in a structured manner how EIOPA can contribute best to the sound digital transformation of the insurance and pension markets. It focuses on those areas where EIOPA can add value with its European perspective and takes into account both the benefits and challenges raised by digitalisation. The strategy is aligned with EIOPA's union-wide strategic supervisory priorities and other relevant strategies, and does not aim to duplicate EIOPA's normal work planning process.
50. During the discussion it was suggested that EIOPA should aim to further support NCAs to strengthen their supervisory capabilities in the area of digitalisation by creating a center of expertise providing technical support on digitalization topics. It was also suggested to deepen the understanding on the risks arising from the digitalization of the insurance sector.
51. The BoS welcomed the recent changes introduced to the text with regard to the role of EIOPA, although it could be further fine-tuned in certain areas such as regarding sustainable finance activities.
52. Overall the BoS welcomed and supported the strategy.

#### **DECISION**

53. BoS adopted, by consensus, the 'Digital Transformation Strategy'(EIOPA-BoS-21-555, 24 November 2021).

#### **CONCLUSIONS AND ACTION POINTS**

54. EIOPA to refine the wording in some instances based on the input received from during the BoS.
55. EIOPA to consider ways to further support NCAs and to better understand the risks arising from digitalization of the insurance sector.
56. EIOPA to publish the Strategy on its website.

#### **AGENDA ITEM 5: VALUE FOR MONEY IN THE UNIT-LINKED MARKET**

57. The Chairperson introduced the topic by highlighting the importance of addressing value for money risks. The Head of the Conduct Oversight Unit provided further detail by underlying that the proposed approach includes both the issuance of a supervisory statement and the further development of a quantitative and qualitative toolkit for supervisors. The statement follows from the Public Consultation and takes into account the diverse responses received.
58. BoS supported the use of existing product oversight and governance requirements to mitigate value for money risks.
59. BoS made a few drafting suggestions for the supervisory statement, including that it needs to be made clear that no new requirements are being introduced, but rather convergence on existing ones.

60. BoS highlighted that as part of the further work it is important to identify good practices and products in order to help the industry better understand how they can offer value for money.

#### DECISION

61. BoS adopted, by simple majority voting, the 'Draft supervisory statement on assessing value for money in the unit-linked market' (EIOPA-BoS-21-523, 27 October 2021).

#### CONCLUSIONS AND ACTION POINTS

62. BoS supported the work on value for money and the presented next steps.
63. EIOPA to refine the wording in some instances in the supervisory statement based on the input received during the BoS.
64. EIOPA to publish the supervisory statement on its website.
65. EIOPA to continue developing the supervisory tool-kit, which entails a quantitative framework to assess value for money in unit-linked products.
66. EIOPA to further work on including examples of good practices in the supervisory tool-kit based on suggestions received during the BoS.

#### AGENDA ITEM 6: UPDATE ON COVID-19 MONITORING AND WORK ON EXCLUSIONS

67. The Chairperson introduced the topic. The Head of Conduct Oversight Unit presented the findings from the work on pandemic related exclusions, including results from an NCA's survey, bilateral engagements with NCAs as part of the Union-wide Strategic Supervisory Priorities and consumer research.
68. The Chairperson highlighted that EIOPA aims to provide a reply to the request of Commissioner McGuinness for further information on how the insurance sector has addressed coverage and identify exclusions in the context the COVID-19 pandemic, with an overview of the situation at the EU level and a summary of the next steps EIOPA will take following the BoS' steer.
69. BoS pointed out that future work on exclusions is needed at the EU level in a coordinated manner whilst bearing in mind the differences in national legal frameworks.
70. BoS supported the proposal to start a dialogue with the industry to discuss the lessons learned from the pandemic from a consumer and conduct perspective, so as to address such issues in a forward looking manner, including ensuring that this work contributes to closing protection gaps in the long run.
71. Also, BoS emphasized possible limitations in seeking to close the protection gaps using product oversight and governance tools.

#### DECISION

72. Not applicable

## CONCLUSIONS AND ACTION POINTS

73. BoS supported the work and agreed that further work on exclusions is needed at the EU level and that differences in national legal frameworks should be considered.
74. BoS supported the proposal to engage in specific dialogue with the industry on exclusions in general and on conduct aspects of closing protection gaps.
75. EIOPA to reply to Commissioner McGuinness highlighting the main findings and the way forward as agreed in the BoS.

## AGENDA ITEM 7: CALL FOR ADVICE TO EIOPA FROM THE COMMISSION ON RETAIL INVESTOR PROTECTION: PROGRESS REPORT

76. EIOPA Staff presented the progress of the work on the Call for Advice to EIOPA from the COM on Retail Investor Protection.
77. BoS was supportive of the work achieved to date in the Committee on Consumer Protection and Financial Innovation (CCPFI) and the fact that, in some cases, such as the treatment of inducements, an approach was being taken of presenting different policy options with different pros and cons, as opposed to putting forward concrete recommendations.
78. Some Members commented more specifically on the following areas:
  - On product complexity, the need to place the emphasis on consumer comprehension, rather than penalizing insurance-based investment products (IBIPs) with underlying complexity, and also the fact that the current low interest rate environment was making it difficult to generate products with value for money. Another comment was made on the need to promote the development of “independent financial advisors” (as a way of circumventing need for excessive simplification of products) and promote more standardized products with custom-made data.
  - On digital tools and channels, not all IBIPs were suitable for distribution via the Internet and this should be made clear in the advice.
  - On disclosures, EIOPA should focus its efforts on addressing overlapping disclosures and developing further its strategy for reforming consumer disclosures as previously set out in the paper to the BoS meeting in February 2021.
  - On the sales process, the need to ensure that any notion of “streamlined advice” (to make advice on IBIPs more efficient and affordable) does not lead to lower requirements for the suitability assessment.

## DECISION

79. Not applicable

## CONCLUSIONS AND ACTION POINTS

80. BoS supported the work on the Call for Advice done at the CCPFI, in particular the focus on setting out pros and cons for different options on more sensitive issues such as inducements.
81. EIOPA to factor in the comments received in the BoS into further work on the draft Consultation Paper in the CCPFI with a view to bring the draft Consultation Paper for approval to the BoS, tentatively at the meeting on 27 January 2022.

## AGENDA ITEM 8: CALL FOR ADVICE TO THE JOINT COMMITTEE REGARDING THE PRIIPS REGULATION: PROGRESS REPORT

82. EIOPA Staff presented the progress of the work on the Call for Advice from the Commission to the JC on PRIIPs. In particular, it was highlighted that it would be beneficial for additional experts from EIOPA's members to be involved in this work via the JC subcommittee on consumer protection and financial innovation.
83. BoS was supportive of the work being undertaken and topics being addressed, but highlighted the challenges on a number of topics.
84. Some Members commented more specifically on the following areas:
  - On performance scenarios, the importance of reviewing the current approach to avoiding unrealistic information being provided.
  - Regarding multi-option products, that the current rules have been less problematic in markets which only have unit-linked products (as opposed to hybrid products), and that for sensitive topics such as this one, an approach of setting out the pros and cons of different options could be considered.
  - Concerning the scope of the Regulation, a preference was expressed for not extending the scope to additional pension products, but at the same time it was proposed to consider the development of further criteria such as regarding the meaning of retirement purposes, in order to provide for a consistent application across MSs.
85. A question was also raised regarding the composition of the current JC subcommittee and the possibility for EIOPA Members who are not formally members of the subcommittee to participate in its work. It was agreed to share this information as a follow up to the meeting.

## DECISION

86. Not applicable

## CONCLUSIONS AND ACTION POINTS

87. BoS supported the work and the topics addressed, at the same time highlighting the challenges on certain topics. At this stage, the aim should be to agree to be as concrete as possible on the ESAs' recommendations, rather than only setting out the pros and cons of different options.

88. EIOPA to factor in the comments from the BoS into the further work within the JC on the draft advice.
89. EIOPA to inform the BoS in writing of the current composition of the JC Working Group and confirm if additional insurance or pensions experts from the NCAs can get involved in the work.

#### **AGENDA ITEM 9: UPDATED RETAIL RISK INDICATORS METHODOLOGY**

90. The Head of Conduct Oversight Unit presented the draft updated Retail Risk Indicators Methodology, highlighting the novelties introduced in comparison to the previous methodology and setting out the limitations linked to the used retail risk indicators.
91. It was also highlighted that the indicators are by their nature considered as a tool to serve different deliverables. The update of the methodology followed the COM Auditor's request. The BoS welcomed the developments in this area.

#### **DECISION**

92. BoS adopted by consensus the updated Retail Risk Indicators Methodology.' (EIOPA-BoS-21-494)

#### **CONCLUSIONS AND ACTION POINTS**

93. BoS supported the methodology.
94. EIOPA to publish the methodology on its website.

#### **AGENDA ITEM 10: CALL FOR ADVICE**

##### **10.1 PENSIONS TRACKING SYSTEM**

#### **DECISION**

95. The Head of Policy Department presented the technical advice on Pension Tracking Systems, highlighting the recommendations on the role and scope of pension tracking systems, the content and presentation of information provided to citizens, including examples of landing pages, the technical requirements as well as their governance. The advice is supported by all stakeholders, from industry to consumers representatives. Moreover, all the caveats suggested by the Members had been included in the Executive Summary' blue box.
96. Members welcomed the quality of the technical advice. Among the comments made were the view that for non standard type of workers with a discontinuous career the pension estimate was not so predictable and that in this case showing only total savings would be more appropriate.

#### **DECISION**

97. BoS adopted, by consensus, the 'Technical Advice on the Development of Pension Tracking Systems' (EIOPA-BoS-21-535, 10 November 2021).

## CONCLUSIONS AND ACTION POINTS

98. BoS endorsed the work on the Pension Tracking System.
99. EIOPA to submit to COM and publish on its website the Technical advice by 1 December 2021 the impact assessment, roadmap, feedback statement and resolutions to comments.

### 10.2 PENSIONS DASHBOARD

100. The Head of Policy Department presented the technical advice on the pension dashboard, the outcomes of the public consultation, the PSC and MB discussions and the subsequent changes made to the advice, as well as a highlighted issue on whether the advice should suggest that EIOPA is well-placed to collect the additional pensions data from all private pension providers (view 1), or only from insurance undertakings and IORPs (view 2) or whether the advice should be silent on this (view 3).
101. BoS expressed broad support for the technical advice, highlighting the quality of the work and appreciating the additions and changes made to the advice after the consultation. Some Members expressed their concern that the advice is beyond the remit of insurance and pension supervisors, but could support it given the caveats to the advice. Others felt they could not support for this reason, even though the caveats were appreciated.
102. With respect to the highlighted issue, some Members supported the suggestion that EIOPA is most suitable to collect data from insurers and IORPs, but most Members preferred to leave the issue open as, inter alia, the data may not be compatible with supervisory mandates and first a decision has to be made on the specific data to be collected. Still, BoS did not exclude a future role for EIOPA in collection of data, provided that there are additional resources and conditions to ensure data quality.

## DECISION

103. BoS adopted, by simple majority voting, the 'Technical advice on the development of pension dashboards and the collection of pensions data' (EIOPA-BoS-21-540, 11 November 2021).
104. EIOPA to incorporate view 3 of the highlighted issue in the technical advice, as supported by the majority of the Members.

## CONCLUSIONS AND ACTION POINTS

105. EIOPA, after incorporating view 3, to submit to COM and publish on its website the Technical advice, the statistical annex, the impact assessment, feedback statement and the resolutions to comments.

### **AGENDA ITEM 11: IORPS RISK DASBOARD – PROJECT PROPOSAL: DISCUSSION ON THE ROADMAP AND LAUNCH OF THE NEW PROJECT GROUP UNDER RFSC**

106. The Head of Risks and Financial Stability Department presented the roadmap for the development of EIOPA IORP Risk Dashboard, and sought approval from BoS to establish a new project group under RFSC to develop the IORP RDB.

#### **DECISION**

107. BoS approved, by simple majority voting, to launch the project group under the Risk and Financial Stability Committee (RFSC) to develop the Occupational Retirement Provisions Risk Dashboard (IORP RDB).

#### **CONCLUSIONS AND ACTION POINTS**

108. BoS welcomed the proposal to develop the IORP RDB using the regular data reported to EIOPA and appreciated the effort made to include an estimation of full-time equivalent (FTEs) required from NCAs.

109. Some Members suggested to explore the use of programming tools that may facilitate the sharing of the coding with NCAs.

110. EIOPA confirmed that the use of IORP regular data reported to EIOPA for the Risk Dashboard would not create additional burden to the reporting IORPs or NCAs.

111. EIOPA to launch a call for candidates to form the project group.

### **AGENDA ITEM 12: METHODOLOGICAL FRAMEWORK FOR STRESS-TESTING IORPS: FEEDBACK FROM CONSULTATION AND FINAL REPORT FOR PUBLICATION**

112. The Head of the Risks and Financial Stability Department presented the amended Methodological Framework for Stress-Testing IORPs, highlighting the feedback received in the public consultation and how the framework was consequently amended.

113. BoS supported the amended Methodological Framework for Stress-Testing IORPs and advised it should be used for the upcoming 2022 IORP stress test.

#### **DECISION**

114. BoS adopted, by simple majority voting, the ‘Methodological Framework for Stress-Testing IORPs’ (EIOPA-BoS-21-507, 5 November 2021), accompanied by the ‘Feedback statement to CP-21-003’ (EIOPA-BoS-21-508, 5 November 2021).

## CONCLUSIONS AND ACTION POINTS

- 115.BoS agreed with the publication of the Methodological Framework for Stress-Testing IORPs, together with the feedback statement, as well as the Methodological Framework for Stress-Testing IORPs' use for the 2022 IORP stress test.
- 116.EIOPA to publish the Methodological Framework for Stress-Testing IORPs and the feedback statement on its website.

## AGENDA ITEM 13: DECISION ON EIOPA'S REGULAR INFORMATION REQUESTS TOWARDS NCAS REGARDING THE PROVISION OF OCCUPATIONAL PENSIONS INFORMATION - REVISION

- 117.The item was taken out of the Agenda.

## AGENDA ITEM 14: *CONFIDENTIAL EXCHANGE OF INFORMATION*

## AGENDA ITEM 15: INSURANCE STRESS TEST - DRAFT REPORT

- 118.The Head of the Risks and Financial Stability Department introduced the topic providing information on the status of the exercise, the results of the collection of the consent for individual disclosure, the main outcome of the validation process, the main results contained in the stress test report and the plan to communicate the results.
- 119.BoS discussed on the process and on the preliminary outcome of the requests for consent to individual disclosure. Potential enhancement of the process based on the results will be considered.
- 120.Clarifications on specific indicators were provided and discussed.

## DECISION

- 121.Not applicable

## CONCLUSIONS AND ACTION POINTS

- 122.EIOPA to share with NCAs in advance the messages to be communicated in the press conference, to ease their translations in the national languages.
- 123.EIOPA to discuss the draft recommendations in January 2022 BoS.

## AGENDA ITEM 16: UNION WIDE STRATEGIC SUPERVISORY PRIORITIES (USSP)

- 124.The Head of the Oversight Department introduced the topic highlighting the process of collecting the information for the report where a balance is sought between the high-level nature of the priorities and catering for the national circumstances. The report is built on individual exchanges between EIOPA staff of the prudential and conduct Oversight teams and

the NCA staff and was shared formally via letters with the NCAs. Although the content therefore isn't new, it is the first opportunity for BoS to see the complete information.

125. BoS welcomed the document and provided a few comments and suggestions already.

#### DECISION

126. Not applicable

#### CONCLUSIONS AND ACTION POINTS

127. BoS supported the work and the Report on activities 2021.

128. BoS recommended to maintain the strategic focus on the Union-wide priorities.

129. EIOPA to circulate the report for further suggestions and written comments with feedback to be received in the week 13 – 17 December 2021.

130. EIOPA to present proposals for USSP activities to be undertaken in 2022 in the January Supervisory Steering Committee (SSC), for approval.

#### AGENDA ITEM 17: INTERNAL MODELS DASHBOARD & ROADMAP

131. The Head of Internal Models Unit (IMU) presented both the Internal Models Dashboard and Roadmap.

132. Some Members questioned the decision to exclude for the 2022-2024 Roadmap the planned comparative study on Operational Risk and at the same time include it under ENW4 as this network also has limited resources. The Head of IMU explained that the plan was to reduce the scope of the project and also complement the resources needed considering the involvement of the NCAs. He also explained that both the governance and the scope will be decided under the Internal Model Forum.

#### DECISION

133. Not applicable

#### CONCLUSIONS AND ACTION POINTS

134. BoS welcomed both the IM Dashboard as well as the Roadmap.

135. The Operational Risk Initiative to be discussed at the Internal Model Forum to decide on governance and scope.

#### AGENDA ITEM 18: APPLICATION GUIDANCE ON THE USE OF CLIMATE CHANGE RISK SCENARIOS IN THE ORSA

#### DECISION

136. The Head of the Policy Department presented the proposal for a consultation procedure on the "application guidance on the use of climate change scenarios in the ORSA". The upcoming pilot

exercise with the objective of promoting the guidance and use any lesson learned to improve the paper was mentioned.

137.BoS welcomed the paper and expressed strong support for the consultation procedure and the paper itself.

#### DECISION

138.BoS approved, by consensus, to launch the public consultation on the “Application guidance on the use of climate change scenarios in the ORSA (EIOPA-BoS-21-567, 14 October 2021.)”.

#### CONCLUSIONS AND ACTION POINTS

139.BoS agreed on the publication of the “Application guidance on the use of climate change scenarios in the ORSA”.

140.EIOPA to launch the consultation procedure on its website on 10 December 2021.

#### AGENDA ITEM 19: LIQUIDITY MONITORING OF THE EUROPEAN INSURANCE SECTOR

141.The Head of the Risks and Financial Stability Department introduced the topic explaining the motivation that initiates the monitoring, the evolution of the methodology, and summarised the main outcomes of the analysis of the last submissions. The presentation was concluded with the proposal for an extension of the monitoring exercise based on a reduced frequency of the data collection.

142.BoS supported the way forward highlighting the contribution to the enhancement of the dialogue with the insurance undertakings on the topic brought by the monitoring exercise.

#### DECISION

143.BoS adopted, by consensus, the ‘Liquidity monitoring report on 2021 submissions’ (EIOPA-BoS\_21-498, 15 October 2021)

#### CONCLUSIONS AND ACTION POINTS

144.BoS welcomed the work and remarked that the exercise proved to be beneficial for an enhanced understanding of the liquidity position of insurance undertaking.

145.BoS agreed to extend the liquidity monitoring exercise according to the proposed timeline but at a lower frequency (one yearly submission in 2022 with reference date year-end 2021 and one in 2023 with reference date year-end 2022).

146.Members endorsed the proposal to extend the monitoring with a reduced frequency.

## **AGENDA ITEM 20: SUPTECH - PROPOSAL ON THE REVISION OF THE REGISTER OF INSURANCE UNDERTAKINGS**

147. EIOPA staff presented the background of the proposal and the main reasons for the proposal on how to improve the existing register and its consistency, in particular regarding cross-border information, and eliminate the risks identified.
148. BoS agreed that the presented proposal is the most adequate one based on a cost-benefit analysis, however concern was expressed that it would not completely eliminate the risks identified

### **DECISION**

149. BoS adopted by consensus, the 'Register of Insurance Undertakings' (EIOPA-BoS-21-382, 27 October 2021).

### **CONCLUSIONS AND ACTION POINTS**

150. BoS agreed with the proposals, ie. to follow an efficient approach liaising on traditional IT solutions, in particular those already in use or under development by EIOPA. Potential uses of the new technologies analysed, in particular Blockchain, might be reassessed in two or three years.
151. BoS agree to manage the Register project as a regular IT project, i.e. involving Members at the level of the Information Technology and Data Committee (ITDC).
152. EIOPA to start the analysis phase in early 2022 to prepare a detailed proposal and implementation plan in collaboration with the SupTech Register Team.

## **AGENDA ITEM 21: DECISION OF THE BOARD ON COLLECTION OF INFORMATION BY EIOPA UNDER SOLVENCY II – REVISION**

153. The Head of Data Analysis and Processes Unit presented the main reasons for a revision of the Decision and a summary of the main changes proposed.
154. Some Members questioned the provision of full narrative reports instead of only parts thereof, which contain information needed by EIOPA. The reason for this is the confidential treatment of some narrative reports under some national laws.
155. BoS also emphasised that for submission of parts of narrative reports more preparation time would be needed to assess what can be shared.
156. The Chairperson understood the concerns and proposed that for partial reports the deadline could be prolonged upon a reasoned request. BoS considered this acceptable, provided that an exceptional clause is added in such cases.
157. BoS also emphasised the risk of deteriorating quality of reported quantitative insurance data due to shortened deadlines as well as the risk of having more resubmissions. A compromise was

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achieved on keeping the new deadline of 10 days for Solvency II quarterly reporting only while reverting to the current deadline of 20 days for annual reporting.

158. The Chairperson highlighted that the Decision already foresees that EIOPA asks for information that should be available to competent authorities and that when that is not the case different time lines apply. In addition, it concluded that an exception for submission of parts of narrative reports should also be explicitly mentioned, although not every request can be dealt with as an exception.

#### DECISION

159. BoS adopted, by simple majority voting, the ‘Decision of the Board of Supervisors on collection of information by EIOPA’ (EIOPA-BoS-21-519, 27 October 2021) subject to amendments proposed by the Members.

#### CONCLUSIONS AND ACTION POINTS

160. BoS agreed to introduce the following amendments:

- a. The deadlines for Solvency 2 quantitative annual reporting revert to 20 days like in previous version of the Decision, while the current proposal of deadlines for quarterly reporting stays at 10 days;
- b. EIOPA to include a new introductory recital making explicit reference to the exceptional clause, currently existing in Article 5 of the Decision, when submitting partial rather than full narrative reports requires extra submission time;
- c. The Decision to be revised in 1 year time at November 2022 BoS meeting;

161. The updated Decision, reflecting amendments proposed by the Members, to be shared with Members for information before publication.

162. EIOPA will develop a process to allow for exceptions to the timelines approved.

#### AGENDA ITEM 22: AOB

#### DECISION

163. Not applicable.

#### CONCLUSIONS AND ACTION POINTS

164. Not applicable.

**ANNEX: LIST OF DECISIONS ADOPTED BY WRITTEN PROCEDURE FROM 30.09.2021 TO 24.11.2021****BOS-2021-74**

165. Decision adopting by consensus the Report on NCAs Independence.

**BOS-2021-75**

166. Decision adopting by consensus EIOPA's Report on IBOR transitions and updated Technical Documentation.

**BOS-2021-76**

167. Decision adopting by consensus phase 2 data request on diversification in Internal Models.

**BOS-2021-77**

168. Decision adopting by simple majority the Q&As 1788, 1995, 2176, 2177 and 2188 on life and health SLT expense risk.

**BOS-2021-78**

169. Decision adopting by qualified majority the Revised joint ESAs draft Final Report with RTS on taxonomy-related product disclosures as follows:

27 Voting Members	Yes	No	Abstain	Provided Reason
Peter Braumüller (AT – FMA)			✓	
Jean Hilgers (BE – NBB)	✓			
Vladimir Savov (BG – FSC)	✓			
Ante Žigman (HR – FSC)	✓			
Tonia Tsangaris (CY – ICCS)	✓			
Zuzana Silberová (CZ – CNB)			✓	Our concerns on the practical application and credibility of the KPIs calculation (namely regarding the absence of valid underlying data), the usability of the templates and their comprehensibility, particularly from perspective of retail investor, still persist. We are concerned that the proposed design of legislative framework has a potential to encourage behaviour leading to greenwashing, the misinterpretation of information by end users and/or misselling.

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Carsten Brogaard (DK – FSA)	✓			
Siiim Tammer (EE – FSA)	✓			
Teija Korpiaho (FI – FSA)	✓			
Patrick Montagner (FR – ACPR)	✓			
Frank Grund (DE – BaFin)	✓			
Ioanna Seliniotaki (GR – Bank of Greece)	✓			
Koppány Nagy (HU – MNB)	✓			
Domhnall Cullinan (IE – CBI)	✓			
Alberto Corinti (IT – IVASS)	✓			
Santa Purgaile (LV – FCMC)	✓			
Renata Bagdoniene (LT – BoL)	✓			
Thierry Flamand (LU – CAA)	✓			
Ray Schembri (MT – MFSA)	✓			
Else Bos (NL – DNB)	✓			
Damian Jaworski (PL – FSA)	✓			
Margarida Corrêa de Aguiar (PT – ASF)	✓			
Cristian Rosu (RO – ASF)	✓			
Julia Cillikova (SK – NBS)	✓			
Gorazd Čibej (SI – AZN)	✓			
Sergio Álvarez (ES – DGSFP)	✓			
Åsa Larson (SE – FSA)	✓			

**BOS-2021-79**

170. Decision adopting by consensus the Final Minutes of the 72nd Board of Supervisors Meeting.

**BOS-2021-80**

171. Decision adopting by consensus EIOPA's update of the representative portfolios for 2022.

**BOS-2021-81**

172. Decision adopting by consensus the October 2021 Risk Dashboard.

**BOS-2021-83**

173. Decision adopting by simple majority the Report on Capital Add-ons during 2020.

**BOS-2021-84**

174. Decision adopting by qualified majority the Revised LEI Guidelines.

**BOS-2021-86**

175. Decision adopting by consensus the the proposal for the inclusion of Digitalisation & Cyber risks in the EIOPA's Risk Dashboard

**BOS-2021-88**

176. Decision adopting by consensus the draft Decision on the former Chairperson's post-EIOPA occupational activity

**Participants at the Board of Supervisor's Meeting via Videoconference****24 – 25 November 2021****Chairperson:** Petra Hielkema

<b><u>Country</u></b>	<b><u>Voting member/ Alternate</u></b>	<b><u>Accompanying Experts</u></b>
<b>Austria</b>	Peter Braumüller/[-]	Gerlinde Taurer
<b>Belgium</b>	Jean Hilgers (Day 1)/ Dieter Hendrickx	
<b>Bulgaria</b>	Vladimir Savov/[-]	
<b>Croatia</b>	Ante Žigman (Day 1)/ Ilijana Jeleč	
<b>Cyprus</b>	Antonia Tsangaris /Constantinos Kalopsidiotis	
<b>Czech Republic</b>	Zuzana Silberová/Jiří Kalivoda	Hana Marčíková
<b>Denmark</b>	Carsten Brogaard/[-]	
<b>Estonia</b>	Siim Tammer/[-]	
<b>Finland</b>	[-]/Teija Korpiaho	
<b>France</b>	Patrick Montagner/[-]	Gwenola Trotin(Day 1)/Justine Ferrante(Day 2)
<b>Germany</b>	Frank Grund (Day 2)/ Thomas Schmitz-Lippert	Petra Faber-Graw
<b>Greece</b>	Ioanna Seliniotaki /Ioannis Chatzivasiloglou	
<b>Hungary</b>	Koppány Nagy / [-]	
<b>Ireland</b>	Domhnall Cullinan/[-]	Zita Culliton
<b>Italy</b>	Alberto Corinti (Day 2)/[-]	Giuseppa Bentivegna
<b>Latvia</b>	Santa Purgaile (Day 1) / Evija Dundure	
<b>Lithuania</b>	Renata Bagdonienė /[-]	
<b>Luxembourg</b>	Thierry Flamand /Yves Baustert	Valérie Scheepers
<b>Malta</b>	Ray Schembri /Luciano Micallef	
<b>Netherlands</b>	[-]/ Armand Schouten	Véronique Hijl
<b>Poland</b>	Damian Jaworski/ Mariusz Smętek	
<b>Portugal</b>	Margarida Corrêa de Aguiar/Hugo Borginho	Ana Byrne
<b>Romania</b>	Cristian Rosu/[-]	Valentin Ionesc/Beatrice Verdes
<b>Slovakia</b>	Júlia Cillíková/[-]	Zuzana Kardošová
<b>Slovenia</b>	Goraz Čibej/ Mojca Rome	Kristina Čenčič
<b>Spain</b>	Sergio Alvarez / Javier Castillo García	
<b>Sweden</b>	Åsa Larson/Bertil Sjöö (Day 1)	

## FINAL MINUTES

<u>Country</u>	<u>Permanent Representative/ Alternate</u>	<u>Accompanying Experts</u>
Belgium	Henk Becquaert/[-]	
Cyprus	Nikos Koullapis (Day 1)/[-]	
Ireland	Brendan Kennedy (Day 1)/[-]	Christopher Joyce (Day 2)
Italy	[-]/Ambrogio Rinaldi	Elisabetta Giacomel

<u>EEA EFTA Country</u>	<u>Non-Voting Member/ Alternate</u>	<u>Accompanying Experts</u>
Iceland	Jónas Þór Brynjarsson (PoA)/[-]	
Liechtenstein	Alexandre Imhof/[-]	
Norway	Ann Viljugrein/[-]	Brita Hrenovica

<u>Institution</u>	<u>Non-Voting Member/ Alternate</u>	<u>Accompanying Experts</u>
European Commission	Didier Millerot/[-]	
ESMA	Natasha Cazanave (Day 1)/[-]	Tomas Borovsky
EBA	[-]/[-]	Adrien Rorive
ESRB	Francesco Mazzaferro/[-]	Constanze Fay
EFTA	[-]/[-]	Marta Margret Runarsdottir

<u>Observers</u>	<u>Representative</u>	<u>Accompanying Experts</u>
N/A	[-]/[-]	

EIOPA Staff

Executive Director	Fausto Parente
Head of Corporate Affairs Department	Susanne Rosenbaum
Head of Oversight Department	Patrick Hoedjes
Head of Policy Department	Justin Wray
Head of Risk and Financial Stability Department	Dimitris Zafeiris
Head of Supervisory Processes Department	Ana Teresa Moutinho