European Insurance and
Occupational Pensions Authority

EIOPA-25/485
14 July 2025

Petra Hielkema
Chairperson

Maria Luís Albuquerque
*Commissioner for Financial Services and the Savings and Investments Union*

Directorate-General Financial Stability,
Financial Services and Capital Markets Union

European Commission
1049 Brussels
Belgium

**Subject: EIOPA Funding Model**

Dear Commissioner Albuquerque,

the European Insurance and Occupational Pensions Authority (EIOPA) has established itself as a credible supervisor that since its inception has taken on a multitude of new responsibilities, all while operating within the limits of the Multi-Annual Financial Framework (MFF). Yet, rising costs, driven by inflation, stinted staffing and limited funding are aggravating the situation, making it challenging for EIOPA to deliver on these mandates for the benefit of national supervisors and the Single Market. Although the Authority has implemented measures such as de-prioritisation, redeployment of resources, synergies and efficiency improvements to manage the present challenges, these solutions alone are not sustainable in the long term. To fulfil its mandates and respond to the evolving demands of its stakeholders, EIOPA requires sufficient human and financial resources as well as a stable and predictable funding model.

Meanwhile, the members of EIOPA's Board of Supervisors (BoS) consistently voice concerns about the sustainability of their ability to contribute to EIOPA's budget today as well as in the future, both to accommodate new responsibilities and to cover rising costs. Therefore, on behalf of the BoS, I am writing to you to provide recommendations for the adjustment of EIOPA's financing modalities. The proposed measures aim to render the Authority's funding model more sustainable, while maintaining a fair distribution of the financial burden across Member States and ensuring EIOPA's continued ability to deliver on its objectives.

As you are aware, the governance model of the three European Supervisory Authorities (ESAs), requiring 40% of EU financing to be matched by 60% of contributions directly from Member States, is unique among EU agencies and was not reproduced during the establishment of the latest financial agencies (the Single Resolution Board and the Anti-Money Laundering Authority). The 40/60 ratio reflects a political agreement reached years ago, at the time of adoption of the ESA regulations, and does not take into account fiscal and budgetary developments that have taken place since. In view of the above-mentioned budgetary challenges faced by many National Competent Authorities (NCAs) contributing to EIOPA's budget, the Board believes that a recalibration of the funding ratio towards a greater Union



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contribution – to a 50/50 parity ratio or even beyond – is not only desirable but essential in order to ensure sufficient funding for EIOPA's activities in the years to come.

The upcoming review of EIOPA's Regulation and the ongoing negotiations of the MFF provide an opportunity to reflect on the changes needed to ensure the sustainability of EIOPA's funding model. Considering that EIOPA's general budget represents less than 0.02% of the EU's overall budget, an increase of the Union contribution would provide relief especially for smaller NCAs that are facing particularly taxing fiscal strains, with a comparatively limited impact on the overall EU budget. With the suggested recalibration, Member States would be required to continue to provide adequate funding to their NCAs for the fulfilment of EU mandates, while being less exposed to changes in the financial programming for EIOPA decided by the legislator.

Especially with regards to the latter aspect of possible ad-hoc changes to the financial programming, EIOPA's BoS furthermore recommends implementing an approach of full EU funding for unforeseen mid-year expenses. Accordingly, EU funding could be exclusive at a certain point of the budget cycle, for example after the initial budget is approved. For the year in question, any extraordinary increase of the Union contribution (for example for new mandates conferred upon EIOPA in the course of the year or funds provided to cover additional salary indexations) would not be matched by corresponding Member State contributions but instead be fully funded by the EU. In following years, the contribution increase could be factored into the regular budget and be funded by both the Union and Member States according to the agreed ratio. This would help to ensure greater predictability on the contributions expected from NCAs, alleviating pressures due to events outside of their remit and control.

Notwithstanding the implementation of the above-mentioned proposed improvements to the Authority's funding model, EIOPA remains fully committed to its efforts to further improve cost-efficiency, to maximise the impact of every euro spent, and to focus on priorities where action brings most added value. This means that in case of new mandates to be assigned to EIOPA, the Authority must insist on the provision of adequate additional financial and human resources necessary to sustainably implement the new tasks. If such resources cannot be made available and a re-deployment of existing resources is required, the Authority must undertake a prioritisation which may result in the relinquishing of other mandates and cessation of related activities. In addition, EIOPA's BoS also calls on the European Commission to ensure that any preparatory work for new supervisory mandates to be undertaken by EIOPA is fully borne by the EU.

I hope that these proposed measures will find consideration in the Commission's further deliberations on the new MFF and the financial resources to be dedicated to EIOPA's activities. I remain at your disposal to further discuss these matters and answer any question you may have.

Yours faithfully,



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