



70TH BOARD OF SUPERVISORS MEETING VIA VIDEOCONFERENCE

DATE: 30 MARCH 2021 09:00 - 12:30 CET

31 MARCH 2021 09:00 - 13:35 CET

LOCATION: N/A

FINAL MINUTES

WELCOME AND INTRODUCTORY REMARKS BY THE EIOPA CHAIRPERSON

1. The Vice-Chairperson welcomed the attendees to the seventieth meeting of EIOPA's Board of Supervisors (BoS).

AGENDA ITEM 1: ADOPTION OF THE AGENDA

DECISION

2. The BoS adopted the agenda by consensus.

CONCLUSIONS AND ACTION POINTS

3. The Vice-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 interests.

AGENDA ITEM 2: UPDATES BY CHAIRPERSON, EXECUTIVE DIRECTOR AND EUROPEAN COMMISSION

UPDATES BY CHAIRPERSON

MEMBERSHIP

4. The Vice-Chairperson started his update by welcoming Mr. Thierry Flamand, appointed Voting Member for Commissariat aux Assurances and replacing Mr. Claude Wirion.

RECURRING UPDATE FROM STAKEHOLDER GROUP MEETINGS

FINAL MINUTES

5. The Occupational Pensions Stakeholder Group (OPSG) meeting took place on 22 March. Mrs. Evija Dundure (FCMC, LV) joined the meeting as BoS representative.
6. Upcoming is the meeting of the Insurance and Reinsurance Stakeholder Group (IRSG), which will take place on 6 May 2021.
7. The Vice-Chairperson reminded the Members on 16 March the list of suggested MB/BoS members to attend Stakeholder Groups meetings in 2021 was circulated to BoS by email. Four weeks ahead of each stakeholder group meeting, EIOPA will proactively get in touch with the MB/BoS members that have expressed their intention to attend 2021 stakeholder groups meetings to obtain confirmation on their availabilities.

JOINT COMMITTEE

8. The Vice-Chairperson informed the Members on the Chairmanship of the Joint Committee. Following the end of the mandate of EIOPA's Chair end February and of ESMA Chair and JC Chair mandate end of March as of 1 April the EBA Chair, Jose Manuel Campa (EBA Chair) will be the only ESA Chair in office. Therefore, it was agreed, that for the interim period he will run the JC until the next permanent ESMA Chair arrives.

BOARD OF APPEAL - UPDATE ON THE APPEAL AGAINST EIOPA'S PARTICIPATION IN THE ROMANIAN BALANCE SHEET REVIEW (BSR)

9. In December 2020, one of the participating insurers in the Balance Sheet Review (BSR) in Romania filed an appeal at the Board of Appeal alleging that by participating in the BSR, EIOPA exceeded its mandate. EIOPA submitted its response to the Board of Appeal on 20 January 2021 arguing that the appeal is inadmissible and unfounded. A hearing took place on 25 March. EIOPA is currently waiting for the next steps and a decision is expected by mid-April.

PANDEMICS INSURANCE COVERAGE

10. EIOPA received a letter from Commissioner McGuinness following the publication of the "EIOPA staff paper on measures to improve the insurability of business interruption risk in light of pandemics" in February. The letter refers to another exchange of letters between EIOPA and the European Commission of end February, on business interruption and policy exclusions in light of COVID-19.
11. The letter encourages EIOPA to continue its valuable technical work on this front, also taking into account the lessons learned from the ongoing pandemic, especially as regards changes to insurance supply and variations in policyholder needs, welcomes EIOPA's initiative to further explore the challenges and opportunities on multi-peril approaches and also welcomes the analysis performed by EIOPA on the challenges related to the use of financial markets.

LETTER FROM COMMISSIONER MCGUINNESS ON TREATMENT OF EXCLUSIONS

12. The Vice-Chairperson informed the BoS Members on Commissioner McGuinness' letter sent to EIOPA concerning the differences that emerged relating to insurance coverage for losses incurred due to business interruption because of COVID-19. The letter asked for more clarity

FINAL MINUTES

on what EIOPA has done to monitor and quasi-mandated EIOPA to carry out a preliminary assessment of the situation in the EU, including on whether the issue also relates to other products.

13. Before the definition of the activities EIOPA expects to have a discussion with the CCPFI on the activities and the Committee's mandate as the topic extends beyond consumers.

EUROPEAN SYSTEMIC RISK BOARD (ESRB)

14. Firstly, the Vice-Chairperson updated the Members on the Stress Test (ST) scenario which was approved by the ESRB General Board (GB) in a written procedure and was officially submitted to EIOPA on 25 March 2021. Comments submitted by EIOPA have been taken on board.
15. Secondly, at the ESRB GB meeting, on 25 March, one of the items and key topic for EIOPA was the report on macroprudential aspects arising from a low interest rates environment. The comments made during the meeting by EIOPA will hopefully be taken on board. The report will be published in due course.

UPDATES BY THE EXECUTIVE DIRECTOR

FINANCIAL SERVICES COMMITTEE - FSC

16. The Executive Director (ED) briefed the BoS Members on EIOPA's participation to the FSC meeting which took place on 17 February and where EIOPA presented jointly with the other ESAs the Union-wide Strategic Supervisory Priorities 2021. The work was well received. Also, EIOPA updated FSC Members on its advice on the Article 8 of the Taxonomy Regulation (i.e. insurers' key performance indicators on sustainability for non-financial reporting) prepared in collaboration with the other ESAs. The advice received a lot of attention in view of sustainability being on top of the EU agenda.

INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS – IAIS

17. The ED focused his update on two main points:
 - The participation of Internationally Active Insurance Groups (IAIGs) in the Insurance Capital Standards (ICS) Monitoring Period remains strong and is expected to increase. Though the absence of a significant number of European IAIGs continues to be noticed. Sufficient participation of European IAIGs is of key strategic importance to enable EIOPA to continue steering the development of an ICS towards a global standard. Members were invited to support the participation of European IAIGs.
 - Concerning the Holistic Framework for Systemic Risk in the insurance sector (HF) the IAIS concluded the Baseline Assessment (BLA) of the HF. This covered a total of 26 jurisdictions (10 of which from Western Europe, including UK and CH) and is based on a self-assessment of the degree of implementation of the relevant ComFrame standards. For the EU, the results exhibited some discrepancy in relation to the degree of observance, which is justified by the fact that many of the provisions are not part of Solvency II and Member States have taken different approaches following the financial

crisis (some jurisdictions have put in place resolution frameworks). It is expected that the overall situation would improve if EIOPA proposals incorporated in the 2020 Review advice are reflected in the framework.

ESA REVIEW

18. The BoS was reminded about the public consultation launched by the COM on the functioning of the ESAs. Members have been invited by COM to fill-in the detailed questionnaire. EIOPA's Stakeholder Groups have also been invited by COM to reply to the public consultation.
19. COM has invited EIOPA and the other ESAs to fill in a technical questionnaire, the outcome of which will also feed into the preparation of the Commission's Article 81 review report.

PENSION TRACKING SYSTEM

20. EIOPA has established a Practitioners Expert Network with the purpose to strengthen and complement EIOPA's expertise on this matter. A note was circulated to the BoS Members with additional information.

EIOPA INSURANCE STATISTICS

21. The ED reminded the Members on EIOPA's intention to become the center of statistics on Insurance. Based on feedback and data requests from the public, EIOPA will add dedicated aggregated statistics on cross border activity based on annual solo reporting, following the same principles as the current statistics and the same data quality process. A detailed proposal will be launched via BoS written procedure in April.

DIGITAL OPERATIONAL RESILIENCE ACT (DORA)

22. EIOPA has been engaging in informal contacts with EU institutions providing technical support and background, mainly on the governance areas, oversight work and application of proportionality. EIOPA is committed to find the most stream-lined working approach.

DATA DISSEMINATION

23. The ED reminded the BoS that it is time to revise the working instructions on dissemination of data and information collected taking into account the lessons learnt from past experience. EIOPA will prepare and submit a proposal to BoS with the purpose of improving efficiency and have a better balance between the need for BoS approvals and accountability towards the BoS.

UPDATE BY THE EUROPEAN COMMISSION (COM)

24. The COM representative informed the BoS Members on the following business files:
 - Solvency II review: The COM representative mentioned that the work is on track, preparation on the legislative package and also on the impact assessment are ongoing. The envisaged date for the adoption of the proposal is 20 July 2021.

FINAL MINUTES

- Motor Insurance Directive. A third political trilogue on the proposal took place on 17 March 2021 where inter alia the scope of the directive was discussed. The next political trilogue is scheduled for the end of April.
- PEPP: the COM representative reported the good progress of the work for the adoption of the Level 2 package. The RTS were adopted and published by the COM on 22 March. The rest of the package, the Delegated Acts (DAs) on supervisory reporting and product intervention are still under scrutiny until 24 May 2021.

DECISION

25. Not applicable.

CONCLUSIONS AND ACTION POINTS

26. Not applicable.

AGENDA ITEM 3: COVID-19: LATEST DEVELOPMENTS

27. The Chair of the Risk and Financial Stability Committee (RFSC) provided an update on the latest developments. In this context, he referred to the latest European Economic Forecast - Winter 2021 of the European Commission. It looks weaker than expected last autumn, as the pandemic has tightened its grip on the continent. These projections are subject to significant uncertainty and elevated risks, predominately linked to the evolution of the pandemic and the success of vaccination campaigns. Moreover, the latest key conclusions from the May RFSC meeting in the context of COVID-19 crisis were mentioned.

DECISION

28. Not applicable.

CONCLUSIONS AND ACTION POINTS

29. Not applicable.

AGENDA ITEM 4: INSTITUTIONAL TOPICS

4.1. Election of a Management Board Member

30. The Vice-Chairperson introduced the subject and gave the floor to the Executive Director to present the election procedure. The Executive Director clarified that following a call for candidates, EIOPA received one application for the position of a Management Board Member that will become vacant in May 2021. The application came from the current holder of the position – Mr Patrick Montagner (ACPR), who is eligible to apply for extension of his term of office for a period of two and a half years. Following a short presentation of the application by Mr Montagner, the Vice-Chairperson initiated a voting for the extension of Mr Montagner's term of office.

DECISION

31. The BoS decided by consensus to appoint for a second mandate Mr. Patrick Montagner (ACPR - The French Prudential Supervision and Resolution Authority) as a Member of EIOPA's Management Board for a period of two and a half years starting from 15.05.2021.

CONCLUSIONS AND ACTION POINTS

32. EIOPA to publish this information on its website.

4.2. Follow-up to the preliminary assessment of the European Ombudsman

33. The Vice-Chairperson introduced the topic by informing the BoS that the Management Board supported the presented follow-up put forward for decision by the BoS. He stressed that the deadline for EIOPA to respond to the European Ombudsman is approaching.
34. The Head of Corporate Affairs Department presented the background of the European Ombudsman's preliminary assessment and the essence of the proposed follow-up. In designing the way forward, EIOPA considered a range of options and aspects. Hence, the way forward is tailored to resonate the legal arguments on transparency enshrined in the current case-law concerning legislative decision-making and the relevant, longstanding practice of the European Ombudsman. In tailoring the proposed follow-up, EIOPA also aimed to ensure that the Board's deliberation dynamics are not prejudiced so that the Members are still able to take decisions in the interest of the Union, and that there is no reputational harm on EIOPA and that the ESAs are broadly aligned on the matter. The way forward is therefore intended to address the issues set out in the Ombudsman's preliminary assessment by providing the complainant with the requested information and ensuring that, going forward, votes and related reasons – in particular – dissenting reasons – concerning Board's decisions on technical standards are published in the minutes of the Board. The intention is also to change accordingly the rules of procedure of the BoS.
35. The Vice-Chairperson highlighted that EIOPA needs a workable and reasonable solution in this respect. He underlined that the way forward is in line with the Union transparency regime and the Ombudsman's values. He also pointed to the need of close alignment between the ESAs.
36. In the ensuing discussion the predominant view was that EIOPA should protect the credibility of the authority, be consistent in view of decisions taken in a physical meeting or via a written procedure, look for convergence with the approach of the other ESAs, and ensure that the follow-up essentially relates to legislative decision-making. The BoS also advised EIOPA to continue monitoring the transparency developments with implications on its decision-making process.

DECISION

37. The BoS decided by consensus to provide the complainant with the requested information in case 1564/2020/TE of the European Ombudsman concerning the voting results and related reasoning with regard to the decision of EIOPA's Board of Supervisors of 7 July 2020 to not

FINAL MINUTES

adopt the draft RTS amending Delegated Regulation (EU) 2017/653, and to inform the European Ombudsman accordingly.

38. The BoS decided by consensus, in line with the preliminary assessment of the European Ombudsman to ensure systematic publications of information into the Board's minutes on the Members' votes and related reasoning – i.e. non-supportive, dissenting views – where the Board did not adopt by consensus, or rejected the adoption of draft regulatory and implementing technical standards, as well as to amend the BoS Rules of Procedure accordingly.

CONCLUSIONS AND ACTION POINTS

39. EIOPA to aim for consistency of BoS disclosures across the ESAs' Boards of Supervisors.
40. EIOPA to inform the European Ombudsman of its decision to provide the complainant with the requested information and subsequently to submit the requested information to the complainant.
41. EIOPA to propose the necessary amendments to the BoS Rules of Procedures for adoption by the BoS by written procedure.

AGENDA ITEM 5: QUALITY CONTROL COMMITTEE - MANDATE 2021

42. The QCC Chairperson presented the draft 2021 mandate of the QCC. The BoS agreed that the MB will approve the 2021 QCC mandate via written procedure and that the 2021 review topic will be decided in the June MB meeting. Some new topic proposals from BoS Members have already been received and are being considered. The QCC will avoid selecting topics which are also part of the prospective audit list for EIOPA by the Internal Audit Service of the European Commission.

DECISION

43. Not applicable.

CONCLUSIONS AND ACTION POINTS

44. EIOPA to launch a written procedure with the Management Board (MB) to adopt the 2021 QCC Mandate.
45. The 2021 QCC review topic to be decided in the June MB meeting and subsequently to be included in the QCC mandate.
46. QCC Chair to invite BoS members to provide additional proposals for topics to be covered by the 2021 QCC review.

AGENDA ITEM 6: ASSESSING THE INDEPENDENCE OF NCAS – FOLLOW-UP

47. The Head of the Oversight Department presented the topic, and explained that two different, but related, workstreams falling under this topic.
48. The BoS Members expressed general support on the Note with the principles and the criteria for the independence of supervisory authorities (EIOPA-BoS-21-167). Several concrete drafting

FINAL MINUTES

suggestions were made. Members will have 6 working days to submit further comments on the note. EIOPA will subsequently prepare the note for a written approval procedure.

49. On the report that needs to be submitted to COM on independence, EIOPA is cooperating with the other ESAs. Agreement was reached among the ESAs on the timing of the reports, with final submission in September, and the factual nature and the structure of the reports around the four principles. The ESAs can make use of each other's resources, information collected and input. Members underlined the importance of alignment between the ESAs. Some Members mentioned that it should not be a one-size-fits-all approach. EIOPA also clarified that its report to COM will be made public. EIOPA will keep the BoS updated, and present a first draft of the report for the June BoS.

DECISION

50. Not applicable.

CONCLUSIONS AND ACTION POINTS

51. Members to submit comments on the "Criteria for the independence of supervisory authorities" (EIOPA-BoS-21-167) by 9 April 2021.
52. EIOPA to subsequently prepare the document for adoption via a written procedure.
53. EIOPA to continue the coordination with the other ESAs and to keep the BoS updated on the report that needs to be submitted to COM by September.

AGENDA ITEM 7: SUSTAINABLE FINANCE: OPINION ON THE SUPERVISION OF THE USE OF CLIMATE CHANGE SCENARIOS IN THE ORSA

54. The Head of Policy Department introduced the opinion, which takes into account the feedback received from the public consultation.
55. The BoS supported the aim of the opinion to foster a forward-looking management of climate change risk by insurers, also in the long term, and the expectation that scenario analysis needs to evolve over time as methods advance and insurers gain experience. The opinion addressed the concerns raised by Members on a flexible and proportionate application of the supervisory expectations, while maintaining its fundamental thrust. Too few insurers assess the risks of climate change and more will have to do so.
56. In the ensuing discussion, doubts were expressed whether the ORSA is the right place for scenario analysis exceeding a time horizon of 3-5 years, yet EIOPA's intention to do follow-up work on preparing further practical optional guidance and scenarios was welcomed. The majority of Members however expressed support for the opinion, emphasizing the importance of encouraging insurers to analyse climate change scenarios in the ORSA and the proportionate and flexible approach taken by the opinion.

DECISION

57. The BoS approved by a simple majority vote the opinion on the supervision of the use of climate change risk scenarios in the Own Risk and Solvency Assessment (ORSA), the feedback

statement and the resolutions to comments received during the public consultation, subject to minor editing changes.

CONCLUSIONS AND ACTION POINTS

58. EIOPA to publish the opinion, the feedback statement and the resolutions to comments on its website.

AGENDA ITEM 8: RISK-FREE RATES: IBOR TRANSITIONS

59. The Head of Policy Department presented EIOPA's proposal on IBOR transitions which included a new version of the instant change option subject to two preconditions, an updated project plan and a timeline. The project plan included the simultaneous launch of a public consultation of the new proposal and an impact assessment via written procedures in April. The aim is to present the final outcome in the BoS of September and be operational from October 2021 onwards.
60. Overall, the majority of the BoS supported the new proposal, the project plan and the timeline.
61. The need that the impact assessment must not be too burdensome was highlighted given that it is a year where the insurance stress test is taking place. It was clarified that the burden of this exercise is much smaller than the insurance stress test and it needs to take place given the change of certain IBOR rates by the end of the year.
62. It was also mentioned that provisions for a gradual phasing-in would need to be re-evaluated in case of future market developments preventing the trigger conditions from being met.

DECISION

63. Not applicable.

CONCLUSIONS AND ACTION POINTS

64. The BoS supported the proposed approach of making an instant change from Inter-bank offered rate curves to overnight indexed swap curves subject to preconditions.
65. EIOPA to circulate via written procedure a consultation document and impact assessment technical specifications.

AGENDA ITEM 9: BREXIT - RECENT DEVELOPMENTS

66. The Head of Policy Department presented the recent developments on Brexit, including the negotiation of the Memorandum of Understanding (MoU) between the European Union (EU) and the United Kingdom (UK) that will set up a dialogue similar to the one held with the United States of America (US).
67. COM added that the MoU is well advanced, after reaching general agreement at technical level. The MoU will set up a Forum for discussion, not for decision making, and EIOPA will be invited to participate. Following the adoption process of the agreement, COM will discuss at some point the equivalence of the UK.

FINAL MINUTES

68. The BoS Members raised concerns regarding the potential agreement between the EU and Gibraltar particularly on market access.

DECISION

69. Not applicable.

CONCLUSIONS AND ACTION POINTS

70. No new issues arising from the end of the transitional period have been reported by the BoS Members.
71. EIOPA to elaborate the proposal for a High-Level dialogue in September and to monitor and report to BoS the developments related to the EU-Gibraltar agreement.

AGENDA ITEM 10: UPDATE ON EIOPA WORK ON THE EUROPEAN UNIT-LINKED MARKET

10.1. Product Intervention Opinion

72. The Vice-Chairperson informed the BoS Members that the voting procedure closed on 29 March and that the Board adopted by consensus the Opinion on the proposed product intervention measure of Komisja Nadzoru Finansowego (KNF) of Poland.
73. The Head of the Conduct of Business Oversight Unit provided further details on the voting results and indicated that the Opinion will be published on EIOPA's website on 31 March, the date indicated in the KNF's notification for adoption of the intended product intervention measure. The Head of the Conduct of Business Oversight Unit further clarified that the next steps in the process are to be taken by the KNF before handing the floor to the KNF representative.
74. Indicating the next steps in the process, the KNF representative acknowledged the good cooperation among all parties, allowing for the thorough analysis as set out in the EIOPA Opinion. The KNF will issue the administrative decision accompanied by a statement setting out how the EIOPA Opinion was taken into account in the administrative decision.
75. By way of concluding, the Vice-Chairperson pointed out that the preparation of the Opinion was a complex matter but made possible thanks to the cooperation of EIOPA Members.

DECISION

76. Not applicable.

CONCLUSIONS AND ACTION POINTS

77. The BoS Members took note of the voting result as outcome of the written procedure and of the next steps to be taken by EIOPA and the KNF.
78. EIOPA to publish the Opinion on its website on 31 March 2021.

10.2. Draft Framework for addressing Value for Money

79. The Vice-Chairperson introduced the item, highlighting its connection with the Opinion. The Head of the Conduct of Business Oversight Unit emphasized that this version of the Framework – which reflects comments provided by the CCPFI and by the BoS via Written Procedure – takes into account the need to balance different Members’ views between ensuring practicality and enforceability and taking into account that the unit-linked market is diverse across Europe.
80. The BoS Members appreciated how comments have been taken into account.
81. BoS Members highlighted that Product Oversight and Governance measures should not be used for product approval or price regulation. It was clarified that the proposed framework links value to a balance between costs, services, risk/reward and target market needs, so as to ensure manufacturers make their own assessment about value for money.
82. It was also noted that while issues have been identified with regard to some products, this does not imply that all products show the same issues.

DECISION

83. The BoS approved by consensus the Framework and its publication for a three-month public consultation subject to the change below.

CONCLUSIONS AND ACTION POINTS

84. Paragraph 3.3 of the document to be revised prior to publication, as follows: (the words “extra” from “extra costs” and “additional” from “additional services” shall be removed).
85. EIOPA to assess after the public consultation how to proceed further on this topic.

AGENDA ITEM 11: COSTS AND PAST PERFORMANCE 2021 REPORT

86. The Head of the Conduct of Business Oversight Unit introduced the item by highlighting the main findings of the Report, including similarities with the ESMA’s report. Improvements made in this edition, including the overall increase in market coverage, were presented and differences with respect to the previous editions of the report were also explained. The Vice-Chairperson highlighted the Report was finalized, having undergone commenting at the CCPFI. The aim of the discussion was to seek approval for publication by the BoS.

DECISION

87. The BoS approved by consensus the 2021 Cost and Past Performance Report subject to the changes below.

CONCLUSIONS AND ACTION POINTS

88. It was agreed to remove the sentence “Such difference can be possibly due to the non IBIPs nature of personal pension products in the Italian markets” on p.34 of the Cost and Past Performance Report.
89. The report will be published on 14 April 2021 in coordination with the European Securities and Markets Authority’s (ESMA) report on costs and net returns on retail investment products.

AGENDA ITEM 12: CLOSED SESSION – CONFIDENTIAL EXCHANGE OF INFORMATION

AGENDA ITEM 13: DIVIDENDS DISTRIBUTION: CRITERIA FOR A CONVERGENT APPROACH

90. The Head of the Risks and Financial Stability Department presented the revised note reflecting on both written comments from BoS and a discussion in the last MB meeting. In the subsequent discussion, it was acknowledged that it is an important topic and a common supervisory approach at the EU level is needed. As such, an internal note with specific criteria is a better fit for purpose.
91. The note should be revised, using two instead of three eligibility categories and be sent to the BoS Members for written approval.

DECISION

92. Not applicable.

CONCLUSIONS AND ACTION POINTS

93. The BoS agreed to develop criteria for a supervisory assessment regarding dividend distribution but not to publish any note on the issue at this point in time.
94. The note to be revised accordingly and sent for approval in written procedure.

AGENDA ITEM 14: PEPP GUIDELINES ON SUPERVISORY REPORTING

95. EIOPA staff introduced the draft Guidelines, their objective, legal basis and limitations.

DECISION

96. The BoS adopted by consensus EIOPA's Guidelines on PEPP supervisory reporting (EIOPA-BoS-21-098).

CONCLUSIONS AND ACTION POINTS

97. EIOPA to translate the Guidelines in all EU official languages. The Guidelines will be published around the same time as the publication of the forthcoming Delegated Regulation on PEPP supervisory reporting in the Official Journal.

AGENDA ITEM 15: PENSIONS CONSULTATION PAPERS

15.1. Opinion on DC risks

98. The Head of the Policy Department introduced the draft opinion on long-term risk assessment of IORPs providing defined contribution (DC schemes). The BoS discussed in its meeting of 3 February 2021 the issue whether IORPs necessarily have to consider pension projections to assess risks from the perspective of members and beneficiaries. The draft opinion is aligned with the BoS steer by setting out its objectives, adopting a proportionate approach and leaving the issue open in view of the public consultation, also by including a number of specific questions to stakeholders. The same approach was followed on a new issue that arose regarding the opinion's scope of application.

FINAL MINUTES

99. In the ensuing discussion, it was argued that the draft opinion does not properly recognize DC models that offer investment choice to plan members. By choosing from a range of investment options, the investment strategy will be aligned with the risk-return preferences of the plan members and – once a choice has been made – it will be difficult to change. Some Members expressed support to subject the draft opinion to public consultation. Moreover, while agreeing to leave the issue open for the time being, it was emphasised that the opinion should be applied to IORPs where members and beneficiaries bear all risks, and for members to decide whether to apply it in addition to IORPs where members and beneficiaries bear material risks.

DECISION

100. The BoS approved by simple majority voting the draft opinion on the supervision of long-term risk assessment by Institutions for Occupational Retirement Provision (IORPs) providing defined contribution (DC) schemes for public consultation.

CONCLUSIONS AND ACTION POINTS

101. EIOPA to publish the consultation paper on the draft opinion for a three-month public consultation.

15.2. Opinion on IORP costs and charges

102. The Head of the Policy Department introduced the draft opinion on the supervisory reporting of costs and charges of IORPs. The BoS discussed the issue on whether NCAs should have discretion to fully exempt certain DB IORPs from cost reporting in its meeting of 3 February 2021. The draft opinion is aligned with the BoS steer by setting out its objectives, emphasising a proportionate approach and leaving the issue open in view of the public consultation, also by including a specific question to stakeholders on how to achieve a proportionate approach for DB IORPs.

103. The BoS Members expressed support to subject the draft opinion to public consultation.

DECISION

104. The BoS approved by consensus the draft opinion on the supervisory reporting of costs and charges of IORPs for public consultation.

CONCLUSIONS AND ACTION POINTS

105. EIOPA to publish the consultation paper on the draft opinion for a three-month public consultation.

AGENDA ITEM 16: STRESS TEST:

16.1. Insurance Stress Test 2021

106. The Head of the Risks and Financial Stability Department introduced the topic focusing on the timeline and approval process, the feedback received from the BoS Members in written and

FINAL MINUTES

from the stakeholders, the ESRB scenario and the main amendments applied to the package that will be sent for approval in written after the meeting.

107. The importance of proper communication and risk assessment related to the issue of Volatility Adjustment was highlighted and it was reassured that the final report will contain, as in the past, specific analysis on the impact of the transitional and long term guarantees measures on the participating entities.

DECISION

108. Not applicable.

CONCLUSIONS AND ACTION POINTS

109. The BoS endorsed the proposed amendments to the stress test package and to the operational documentations made upon the comments received from the BoS Members in the first leg of the written procedure, the Risk and Financial Stability Committee (RFSC) steer, and the remarks received from the stakeholders.
110. The second leg of the written procedure for the approval of the pre-launch / consultation package to be launched after the BoS meeting according to the timeline presented.
111. EIOPA will communicate to the public on the stress test exercise on the day of the launch of the consultation / pre-launch phase through a dedicated page on its website.

16.2. Methodological framework for stress-testing IORPs: Key issues of the forthcoming consultation paper

112. The Head of the Risks and Financial Stability Department provided an overview on the key deliverables of the project as well as the feedback received from stakeholders on the suggested approaches to those key deliverables. Further, he referred to the discussions at RFSC and differences in the perceived relevance of assessing the impact on IORPs' members and beneficiaries, contributing to DB versus DC schemes, as well as the impact on the resilience of DC IORPs.
113. BoS Members welcomed the update and confirmed the suggested way forward for the forthcoming discussion paper to cover methodologies and appropriate analytical tools to understand and assess the impact of an adverse scenario on an IORP, considering all different types of schemes, as well as on its members and beneficiaries.

DECISION

114. Not applicable.

CONCLUSIONS AND ACTION POINTS

115. EIOPA to proceed with the further development of the forthcoming discussion paper in the suggested manner and according to the proposed timelines.

AGENDA ITEM 17: SUPERVISORY HANDBOOK FOR IORPS - PRUDENT PERSON RULE CHAPTER

116. The Head of Supervisory Processes Department introduced the topic. The Prudent Person Rule was selected as the first chapter of the Supervisory Handbook focusing on the supervision of the IORPs. The Chapter covers a number of IORPs' specificities to take into account when supervising the prudent person rule. The Chapter also addresses two recommended actions to EIOPA from the past peer review of the Prudent Person Rule.

117. As the Supervisory Handbook is a living toolkit under on-going review, further updates are anticipated, for instance upon legal certainty on the treatment of Multiple Trading Facilities and Organised Trading Facilities in respect of the Prudent Person Rule.

DECISION

118. BoS adopted, by consensus, the Prudent Person Rule Chapter of the Supervisory Handbook for IORPs (EIOPA-BoS-21-141, 15 March 2021).

CONCLUSIONS AND ACTION POINTS

119. EIOPA to include the Prudent Person Rule Chapter for IORPs in the digital Supervisory Handbook tool.

120. NCAs to consider this chapter in the development and maintenance of their supervisory process of IORPs and to make it available for field supervisors to use as appropriate for day-to-day supervision.

AGENDA ITEM 18: DIGITAL SUPERVISORY HANDBOOK

121. The Head of Supervisory Processes Department introduced the topic. The Digital Supervisory Handbook was designed to enhance user friendliness, make the handbook different chapters consultation more modern, adaptable to the living nature of the Handbook and also bear in mind environmental concerns with regard to printing.

122. The Head of the Supervisory Processes Department gave a quick overview of the main functionalities of the tool (search, navigation, PDF export) and highlighted the confidentiality features embedded in the export functionalities. BoS was also made aware that an NCA user guide is available in the tool itself.

DECISION

123. Not applicable.

CONCLUSIONS AND ACTION POINTS

124. Not applicable

AGENDA ITEM 19: AOB

DECISION

125. Not applicable.

CONCLUSIONS AND ACTION POINTS

126. Not applicable.

ANNEX: LIST OF DECISIONS ADOPTED BY WRITTEN PROCEDURE FROM 04.02.2021 TO 31.03.2021

BOS-2021-03

127. Decision adopting by consensus the Union-wide strategic supervisory priorities (SSP).

BOS-2021-05

128. Decision adopting by qualify majority the draft Regulatory Technical Standards (ITS) under the Sustainable Finance Disclosure Regulation (JC 2021 12).

BOS-2021-07

129. Decision adopting by consensus the Supervisory Statement on the application of the Sustainable Finance Disclosure Regulation (JC 2021 06).

BOS-2021-08

130. Decision adopting by simple majority data request on the Non-Life Underwriting Risk Comparative Study in Internal Models (NLCS).

BOS-2021-09

131. Decision adopting by consensus the January 2021 Risk Dashboard.

BOS-2021-10

132. Decision adopting by consensus the EMIR Q&As.

BOS-2021-11

133. Decision adopting by consensus the EIOPA's technical advice on key performance indicators under Art. 8 of the Taxonomy Regulation.

BOS-2021-12

134. Decision adopting by consensus the composition of ad the hoc peer review committee (PRC) for the Peer Review on Outsourcing.

BOS-2021-13

135. Decision adopting by consensus the transformation of the Informal Reinsurance Network into the Expert Network 8 on Reinsurance.

BOS-2021-14

136. Decision adopting by consensus the Final Minutes of the 68th Board of Supervisors Meeting.

FINAL MINUTES

[BOS-2021-15](#)

137. Decision adopting by consensus the Discussion Paper on blockchain and smart contracts in insurance.

[BOS-2021-16](#)

138. Decision adopting by consensus the Risk and Financial Stability Committee (RFSC) Mandate 2021.

[BOS-2021-17](#)

139. Decision adopting by simple majority the EIOPA's consultation paper on revised LEI guidelines.

[BOS-2021-18](#)

140. Decision adopting by consensus the Data Governance Handbook.

[BOS-2021-20](#)

141. Decision adopting by consensus the ESAs' joint Opinion on the jurisdictional scope of application of the Securitisation Regulation.

[BOS-2021-21](#)

142. Decision adopting by simple majority the Joint ESA consultation paper on taxonomy-related product disclosures (JC 2021 21).

[BOS-2021-22](#)

143. Decision adopting by consensus the Joint Committee Q&As on securitisation with a cross sectoral aspect.

[BOS-2021-23](#)

144. Decision adopting by simple majority the proposal on EIOPA's approach towards the operationalisation of the Holistic Framework in Europe.

[BOS-2021-24](#)

145. Decision adopting by simple majority the Market and Credit Risk Comparative Study (MCRCS).

[BOS-2021-25](#)

146. Decision adopting by consensus the Report on the reporting limitations and exemptions during 2019 and Q1 2020.

[BOS-2021-26](#)

147. Decision adopting by consensus the UFR for 2022.

BOS-2021-28

148. Decision adopting by consensus the JC Report on the assessment of the application of the Guidelines on complaints-handling.

BOS-2021-29

149. Decision adopting by simple majority the Opinion of the European Insurance and Occupational Pensions Authority on the proposed product intervention measure of Komisja Nadzoru Finansowego of Poland.

BOS-2021-31

150. Decision adopting by consensus the Joint Committee 2021 Spring Report on Risks and Vulnerabilities in the EU Financial System (JC 2021 27).

BOS-2021-32

151. Decision adopting by consensus the Joint Committee Annual Report 2020.

Participants at the Board of Supervisor’s Meeting via Videoconference**30 – 31 March 2021****Vice-Chairperson: Peter Braumueller**

<u>Country</u>	<u>Voting member/ Alternate</u>	<u>Accompanying Experts</u>
Austria	[-]/Katharina Muther-Pradler	Gerlinde Taurer
Belgium	Jean Hilgers/ Dieter Hendrickx	
Bulgaria	Vladimir Savov/[-]	
Croatia	Ante Žigman/Ilijana Jeleč	
Cyprus	Antonia Tsangaris /Constantinos Kalopsidiotis	
Czech Republic	Zuzana Silberová / Jiří Kalivoda	Hana Marčíková
Denmark	Carsten Brogaard/ [-]	
Estonia	Siim Tammer /[-]	
Finland	Anneli Tuominen/Teija Korpiaho	
France	Patrick Montagner/Frederic Hervo (Day 1)	Mary-Cécile Duchon/Gwenola Trotin (Day 1)
Germany	Frank Grund/ Thomas Schmitz-Lippert	Petra Faber-Graw
Greece	Ioanna Seliniotaki /Ioannis Chatzivasiloglou	
Hungary	[-]/Ferenc Szebelédi	
Ireland	Domhnall Cullinan/[-]	Zita Culliton
Italy	Alberto Corinti/ Alessia Angelilli	
Latvia	[-]/ Evija Dundure	
Lithuania	Renata Bagdonienė/[-]	
Luxembourg	Thierry Flamand /Yves Baustert	
Malta	Ray Schembri /Luciano Micallef	
Netherlands	Else Bos/Petra Hielkema	Véronique Hijl
Poland	Damian Jaworski/ Mariusz Smętek	
Portugal	Margarida Corrêa de Aguiar/Hugo Borginho	Ana Byrne
Romania	Valentin Ionescu (PoA)/[-]	Beatrice Verdes
Slovakia	Júlia Cillíková/[-]	Zuzana Kardošová
Slovenia	Goraz Čibej/ Mojca Rome	
Spain	Sergio Alvarez /Francisco Carrasco Bahamonde	
Sweden	Åsa Larson/Bertil Sjöö	

<u>Country</u>	<u>Permanent Representative/ Alternate</u>	<u>Accompanying Experts</u>
Belgium	Henk Becquaert//[-]	
Cyprus	Nikos Koullapis/[-]	
Ireland	[-]/Andrew Nugent	
Italy	[-]/Ambrogio Rinaldi	

<u>EEA EFTA Country</u>	<u>Non-Voting Member/ Alternate</u>	<u>Accompanying Experts</u>
Iceland	[-]/Rúnar Guðmundsson	
Liechtenstein	Alexander Imhof/[-]	
Norway	Ann Viljugrein/[-]	

<u>Institution</u>	<u>Non-Voting Member/ Alternate</u>	<u>Accompanying Experts</u>
European Commission	Didier Millerot	
ESMA	[-]/[-]	Tomas Borovsky
EBA	[-]/[-]	Ann Tiedemann
ESRB	Francesco Mazzaferro	
EFTA	Frank Buechel/[-]	

<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 Policy Department	Justin Wray
Head of Risk and Financial Stability Department	Dimitris Zafeiris
Head of Oversight Department	Patrick Hoedjes
Head of Supervisory Processes Department	Ana Teresa Moutinho (Day 2)