



EIOPA REGULAR USE

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**Opinion**  
**of the European Insurance and Occupational Pensions Authority**  
**on the decision of the European Parliament in the discharge procedure in respect of the**  
**implementation of the budget for the financial year 2019 (2020/2175(DEC))**

The Board of Supervisors of the European Insurance and Occupational Pensions Authority (EIOPA) has adopted the following Opinion.

**1. Introduction**

The European Parliament has granted on 28 April 2021 discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority (EIOPA) for the financial year 2019<sup>1</sup>. In accordance with article 64(11) of the EIOPA Regulation<sup>2</sup>, the Authority shall provide a reasoned opinion on the position of the European Parliament and on any other observations made by the European Parliament in the discharge procedure.

The current Opinion provides EIOPA's views on the Parliament's decision and observations. It also highlights the measures taken by EIOPA to address the recommendations made by the European Parliament acting as Discharge Authority in respect of the implementation of the budget for the financial year 2019 in accordance with Article 106 of the EIOPA Financial Regulation<sup>3</sup>.

**2. Discharge 2019: European Parliament's observations and measures taken by EIOPA**

The below table lists the observations from the European Parliament and the measures taken by EIOPA to address these observations.

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<sup>1</sup> [https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2020/2175\(DEC\)&l=en](https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2020/2175(DEC)&l=en)

<sup>2</sup> Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC (OJ L 331, 15.12.2010, p. 48).

<sup>3</sup> Financial Regulation of the European Insurance and Occupational Pensions Authority (2019), available on EIOPA's webpage.

Ref <sup>4</sup>	Observation of the Discharge Authority	Response and measures taken by EIOPA
<b><i>Budget and financial management</i></b>		
3	<p>Notes that, according to the Court's report, the contribution percentage for the NCAs and the Union is not consistent with the contributions made in 2017 (Union 37,16 % and the NCAs 62,84 %) and the surplus from 2017 was distributed in 2019 (Union 40 % and the NCAs 60 %); notes from the Authority's reply that its founding regulation determines the funding key for the Union (40 %) and the NCAs (60 %), however, due to a misconception, in 2017 and 2019 the total percentage for the recovery from the NCAs was greater than that from the Union; notes that the Authority reimbursed the full budgetary surplus of 2017 to the Union and the Union paid it back to the Authority in 2019, applying the original 40/60 funding key; calls on the Authority to improve its reporting policies to avoid substantial inconsistencies in the future;</p>	<p>The additional financing of the employer's contribution to the EU Pensions Scheme by the NCAs dilutes the funding key determined in the EIOPA founding regulation (40%-60%). The European Commission (DG Budget) advised the agencies in 2016 (letter Ref. Ares(2016)2772696 of 15.6.2016) not to revise ex-post the NCAs and EFTAs share in the employer's pension contribution and not to adjust it to actual levels because of the insignificant differences between the budgeted and the actual figures. DG BUDG concluded that the administrative costs to the Commission and Agencies would outweigh the benefits of such exercise. The difference in allocation can be considered immaterial. As a mitigating action EIOPA enhanced the budget monitoring in 2020: through a constant monitoring of the staff evolution, EIOPA can better follow up on the actual budget needs for the employer's contribution to the EU Pensions Scheme, and is in a position to make a more reliable assessment of the financing needed for the employer's pension contribution towards the third quarter of the year. In 2020, for example, EIOPA amended the budget in September to align the final budget with the actual financing needs for 2020 including adjustments to the employer's contribution to the EU Pensions Scheme.</p>
<b><i>Performance</i></b>		

<sup>4</sup> Ref: this is the reference to the specific observation from the "European Parliament decision of 28 May 2021 on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2019 (2020/2175(DEC))"

Ref <sup>4</sup>	Observation of the Discharge Authority	Response and measures taken by EIOPA
6	<p>Notes that the Authority is replacing its current e-human resources management system with Sysper, provided by the Commission; acknowledges that the Authority will benefit from lower costs, efficiency and synergies; notes that the project delays linked to the size of the project have been resolved and that it was expected to be implemented in 2020; calls on the Authority to report to the discharge authority on the concrete results in this regard;</p>	<p>EIOPA formed part of a large project coordinated by the European Commission to roll out Sysper to EU Agencies, which required substantial resources and synchronisation amongst all parties. Due to COVID-19, the project encountered some delays. EIOPA finally rolled-out SYSPER to all staff in September 2020, increasing efficiency of HR administrative processes, in particular approval processes and staff access to their individual rights.</p>
7	<p>Notes with satisfaction that the Authority is proactive in identifying opportunities for efficiency and synergies with other agencies, in particular with the European Banking Authority and the European Securities and Markets Authority through the European Supervisory Authorities' Joint Committee and through joint procurement procedures; welcomes the news that the Authority has been engaged with other agencies on areas related to FinTech, innovation and cyber resilience; strongly encourages the Authority to actively seek further and broader cooperation with all Union agencies;</p>	<p>EIOPA already relies on a large number of services shared with other institutions and continues to invest in concrete measures to increase efficiency by close cooperation with its members and partners. Current examples are listed below.</p> <p><u>Data and information management collaboration:</u></p> <ul style="list-style-type: none"> <li>- EIOPA and EBA are embarking on a software development project to enable the full convergence of regulatory reporting for the insurance, pension fund and banking sectors from a technical perspective;</li> <li>- Together with the other ESAs, EIOPA is currently investigating IT solutions to support the exchange of fit and proper information between NCAs.</li> </ul> <p><u>Infrastructure and operations:</u></p> <ul style="list-style-type: none"> <li>- Use of central systems provided by other institutions <ul style="list-style-type: none"> <li>- EIOPA chose to make use of ESMA's 'HUB' when implementing its solution for data collection;</li> <li>- EIOPA is using the Commission's systems for financial processes (ABAC) and HR management (SYSPER)</li> <li>- A rollout of the Commission's central travel management system is in the planning stage (MIPS)</li> <li>- EIOPA is using the ECB's Central Securities Database (CSDB) to conduct quality checks and improve the quality of its reports</li> </ul> </li> </ul>

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		<ul style="list-style-type: none"> <li>- Sharing of IT providers               <ul style="list-style-type: none"> <li>- EIOPA and the EBA have shared the same data centre supplier for seven years and have recently moved to the same inter-agency cloud service procured by the European Food Safety Authority;</li> <li>- EIOPA is making extensive use of the shared security services provided by CERT-EU for advice, vulnerability and penetration testing. This is particularly efficient and effective in light of the growth in quantity and complexity of cyber security threats, which has only been exacerbated during the COVID-19 crisis;</li> </ul> </li> <li>- Sharing of procurement services               <ul style="list-style-type: none"> <li>- EIOPA is constantly benefitting from joint procurement initiatives run by the European Commission, the other ESAs as well as other EU bodies to achieve economies of scale. Recently, EIOPA was able to join initiatives coordinated by the Eurosystem Procurement Coordination Office (EPCO). EIOPA has signed its first Declaration for participation on 07/12/2020 for joining an IT advisory services framework contract that will be valid until 2024.</li> </ul> </li> </ul>
8	Encourages the Authority to pursue the digitalisation of its services, as a way to reduce bureaucracy;	<p>EIOPA is on a digital transformation journey. The Data &amp; IT Strategies approved by EIOPA's Board of Supervisors are the foundation to become a digitally transformed, user-focused and data-driven organisation. The goals are clear: ensuring well-informed decision-making based on authoritative information; providing efficient IT services in line with business priorities; empowering everyone to conduct their business from any location; and managing security and privacy risk while always ensuring the continuity of operations. On an ongoing basis, EIOPA launches projects to increase internal and external productivity through the use of digital solutions.</p> <p>Examples of already achieved efficiencies via digitalisation include:</p> <ul style="list-style-type: none"> <li>- Regular data collection from national authorities, using highly standardised XBRL taxonomies for Solvency II and pension funds;</li> <li>- Shared data centres based on intra-agency contracts provided by the European Food Safety Authority (EFSA) and set up together with the European Banking Authority (EBA);</li> <li>- Development of electronic solutions for financial transactions (e-workflows) replacing the traditional paper-based scheme that has led to reduction of volume of paper files, time efficiencies and simplification of processes;</li> </ul>

Ref <sup>4</sup>	Observation of the Discharge Authority	Response and measures taken by EIOPA
		<ul style="list-style-type: none"> <li>- Extranet solutions for EIOPA and its Members that allowed for business continuity throughout the COVID-19 crisis and successful organisation of the work on the SII Review 2020 via its collaborative “live” editing functionality;</li> <li>- Data quality tracking and data standardisation tools for regulatory reporting that led to significant improvements in quality, harmonisation of data modelling, data exchange and validations in scope of EIOPA’s, EBA’s and the NCAs’ activities;</li> <li>- Improved Risk Free Rate (RFR) production that allows for better data integration and retention as well as strengthened system responsiveness;</li> <li>- Online publication of the Rulebook for Solvency II and the Supervisory Handbook available at all times to a large number of employees in the NCAs with an intelligent search functionality.</li> </ul> <p>These measures have allowed to adapt to new demands and changing circumstances, including the move from regulation to supervision and the COVID-19 crisis.</p>
9	<p>Welcomes the Authority’s efforts towards a more coordinated supervisory regime across the European financial system; underlines its role of ensuring a stable, well-integrated, efficient and safe financial market; highlights the importance of consumer protection in the Union by promoting fairness and transparency on the product and financial services market, and looks forward to receiving an update on future measures taken in this direction, including also responses to the challenges of the digitalisation of the economy and sustainability measures;</p>	<p>EIOPA has further enhanced its work on Consumer Protection, through supporting NCAs in their identification, assessment and mitigation of risks to consumers arising from the conduct of business of market participants, and in enhancing its own market monitoring and conduct risk identification capabilities.</p> <p>Examples include further improvements to its report on Consumer Trends to identify supervisory priorities, and communicate these by means of a conduct risk heatmap, and increased use of Solvency II reporting data and data collected for the purposes of EIOPA’s annual costs and past performance reporting.</p> <p>Specific measures are being taken to reflect the challenges arising from digitalisation and sustainability from a consumer protection perspective, including steps to enhance the identification and assessment of trends in these two areas as part of its reporting on consumer trends, and thematic work, for example on fragmentation in the insurance value chain and new business models, such as the emergence of platforms within the insurance value chain. This work contributes also to EIOPA’s response to a Commission Call for Advice on, amongst other things, changes in the value chain and new business models as part of its Digital Finance Strategy.</p> <p>EIOPA has also undertaken extensive work engaging with stakeholders and NCAs to assess the impact of AI in the insurance sector, including from the consumer perspective, and facilitating the preparation of a report on AI in insurance by an Expert Group on Digital Ethics, and in assessing changing business models in the insurance sector due to digitalisation.</p>

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12	<p>Considers that the responsibilities of the Authority have progressively increased since its creation; notes that budget increases should be gradual and continuous over time in line with the increase in competences; considers that future responsibilities arising, inter alia, from the Digital Finance Strategy as well as the responsibilities inherent in the fight against money laundering require an adaptation of the Authority's financing;</p>	<p>EIOPA supports the EP's opinion.</p>
14	<p>Notes that, as the Authority's workload is increasingly shifting from regulatory tasks to enforcing and applying Union law, budgetary and personnel resources have to be reallocated internally; points out that a strict focus on the mandate assigned by the Union legislator will ensure a more effective and more efficient use of resources; considers that further efforts are needed in terms of budget and recruitment and governance of management and procedures in order to foster supervisory convergence, thereby contributing to the functioning of the internal market; stresses the urgency of allocating sufficient resources to the Authority to allow it to carry out its allocated tasks in an adequate and efficient manner;</p>	<p>EIOPA continually seeks efficiencies in its processes to allow for redeployment of staff. In fact, since 2017 considerable effort has been invested in shifting EIOPA's workforce from regulatory tasks to tasks improving the quality and consistency of supervision in the insurance and pensions market. The limitation is, however, that staff available for redeployment do not necessarily possess the expertise necessary to fulfil certain roles. For this reason, EIOPA would like to stress the importance of gradually allocating sufficient resources to implement possible new mandates and carry out its allocated tasks efficiently and effectively.</p>

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15	<p>Believes that the Authority should take account of new digital challenges and those related to sustainability; considers that the fulfilment of these established objectives and their integration into the regulatory and supervisory framework must always be in line with the strengthening of the market, without undermining its competitiveness and without placing an excessive burden on market actors, especially small and medium-sized ones; considers that the monitoring of the implementation of these objectives must be met with adequate resources;</p>	<p>In the field of sustainability, EIOPA has recognized already since 2018 the critical importance of the topic and has been developing numerous initiatives, namely supporting the European Commission's Sustainable Finance Action Plan.</p> <p>EIOPA initiatives aim at integrating sustainability considerations into the prudential and conduct framework for insurers, reinsurers and insurance distributors, in a balanced and proportional way. In particular, EIOPA acknowledges the very important role of insurers and pension funds in mitigating the impact of climate change. Currently there are numerous initiatives under development, cutting across all EIOPA core areas of work and involving a significant number of resources.</p>
16	<p>Points out that the Authority, when carrying out its activities, needs to pay attention to ensuring compliance with Union law, to respecting the principle of proportionality as a guiding principle and to complying with the fundamental principles which govern the internal market;</p>	<p>Any tool used by EIOPA is subject to thorough legal scrutiny that ensures that the given measure complies with Union law, including the principle of proportionality.</p> <p>In addition, various committees within EIOPA look into EIOPA's processes from this angle. The newly formed Proportionality Committee plays a leading role to assess and improve EIOPA's activities from a proportionality perspective.</p>
17	<p>Calls on the Authority to ensure a proper follow-up and implementation of the Court's recommendations;</p>	<p>EIOPA has put in place arrangements to ensure that all recommendations made by the European Court of Auditors (ECA) are timely and adequately addressed through dedicated action plans and this within the agreed deadlines or in case no specific target date is specified the latest within twelve months after the communication of the recommendation (internal EIOPA KPI).</p> <p>Currently EIOPA has only three observations under follow up: two of them form part of the 2019 accounts audit (published in 2020) and were completed immediately by EIOPA; the third one was also addressed by EIOPA but ECA is waiting for the judgement of a pending case (not EIOPA related) before the CJEU to close this item, addressing several questions concerning the application of Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work to EU agencies.</p>

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18	Calls on the Authority to address the long-term systemic challenges arising from the low real interest rate environment, which are particularly relevant for funded pension schemes and for some life insurance and insurance-based investment products, and also to inquire into potential solutions at Union level that would benefit consumers/investors and ensure financial stability of service providers;	EIOPA regularly monitors and assesses the risk of low yield environment that was further intensified by the COVID-19 outbreak. As a response, the report on <i>“Impact of ultra low yields on the insurance sector, including first effects of COVID-19 crisis”</i> was released in July 2020 to assess the risk in light of the pandemic crisis. Moreover, this risk was reflected in the EIOPA Opinion on the 2020 review of Solvency II. Finally, this is also the central topic of assessment regularly provided in EIOPA Financial Stability reports and insurance and IORPs stress tests. Given the new reporting for IORPs, EIOPA is in better position to regularly monitor and assess this risk also for the IORP sector.
19	Asks the Authority to address proactively sustainability and heterogeneity issues of private funded pension schemes in the Union in a way that protects consumers/investors as well as market integrity;	EIOPA recognises the importance of the sustainability of funded pension schemes, for example in providing a common framework for risk assessment. Likewise EIOPA acknowledges the diverse nature of pension schemes throughout the Union.
<b>Staff policy</b>		
21	Notes the lack of gender balance reported for 2019 with regard to the senior managers (six men and three women) and the management board (five men and three women); asks the Authority to ensure gender balance at the senior management level in the future; welcomes the Authority’s intention to publish a shortlist consisting of at least one woman and one man for nomination as its Chair; calls on the Authority to draw inspiration from the European Central Bank’s initiatives to propose internal programmes for the promotion of women and for greater diversity among its staff; welcomes the staff’s geographical representation within the Authority;	EIOPA has been successful throughout the years in ensuring gender equality for its total staff population. We offer free access to the European School in Frankfurt and support staff with securing childminding places. We make use of flexitime possibilities to adapt to the different needs of our staff, whether male or female, taking care of small children or elderly parents. The organisation also strives to have gender balance in its leadership and management positions. In view of ensuring diversity among the leadership team, EIOPA’s managerial vacancy notices include specific declaration strongly encouraging female applications. Moreover, the selection panels ensure always gender representation. EIOPA’s Management Board is composed of the Chair and six of its Board members. EIOPA has currently three female members and 3 male Board members in the Management Board. In order to fill the post of EIOPA Chairperson, EIOPA was committed to present to the Council of the European Union and to the European Parliament a shortlist of candidates ensuring gender representation, as done on 22 March. EIOPA’s new Chairperson is a female. At middle management level, while in the past a more balanced composition was achieved with four female Heads of Department out of seven, there is a need to recompose such a balance after two of them decided to leave the Authority. In a recent external management recruitment campaign the deadline for applications was extended to ensure sufficient number of female candidates. EIOPA also actively promotes campaigns via LinkedIn, approaching potential candidates with similar profiles.

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		<p>EIOPA recognises that a diverse and inclusive workplace is essential for a strong and high-performing organisation. In March 2021, and starting on the occasion of the international Women’s Day, EIOPA has launched the ‘Women in Insurance’ initiative, through which we are putting a series of profiles of successful women in the insurance sector in the spotlight. The aim is to provide role models and to raise awareness of the sector as a rewarding and long-term career choice, whether at EIOPA, at national supervisors or in the private sector.</p> <p>EIOPA is part of a EU Agencies Network Working Group on Diversity and Inclusion working together in developing Strategies on this area and closely liaising with the ECB to benefit from their experience.</p>
22	<p>Notes with regard to the follow-up on the previous year’s Court report, that the Authority has not yet accomplished the shift from regulatory to supervisory tasks and that the Authority should strengthen human resources assigned to its supervisory tasks; notes that in 2021, the Authority plans to allocate 59,75 of available full-time equivalents (FTEs) to core supervisory tasks; calls the Authority to report to the discharge authority on the progress made;</p>	<p>Since 2017 considerable effort has been invested in shifting EIOPA’s workforce from regulatory tasks to tasks improving the quality and consistency of supervision in the insurance and pensions market. These staff are focused on EIOPA’s mandated supervisory roles, including ensuring the efficient functioning of supervisory platforms for national supervisors, internal model assessments, monitoring equivalence decisions related to third countries and participating in colleges of supervisors.</p> <p>More specifically resources allocated to supervisory tasks have increased from 33.75 FTEs in 2017 to 65 FTEs in 2021.</p>
23	<p>Considers that the Authority should have some flexibility in the recruitment of its staff and the management of its resources, as it has to respond to the urgent, precise and technical needs of the sectors which it supervises;</p>	<p>EIOPA welcomes the EU Parliament’s support on having flexibility in the recruitment of EIOPA staff and the management of its resources to be able to respond to the urgent, precise and technical needs of the sectors which it supervises.</p>
24	<p>Acknowledges that the composition of the Authority’s board of supervisors seems appropriate to deal with the Authority’s rulemaking responsibilities, but less so for its supervisory roles; reiterates its concern that national supervisors have a decisive say in the Authority’s main governing body, which means that they are in a position to decide the scope of the Authority’s action to review their own effectiveness</p>	<p>EIOPA has been tacking different measures to mitigate any potential risks to this respect. Among the different actions, the following are the most relevant:</p> <ul style="list-style-type: none"> <li>- EIOPA’s Board of Supervisors adopted internal rules on conflict of interests (COI) in view of its compliance with Article 42(3) of Regulation (EU) No 1094/2010. To this end, EIOPA implemented a new COI rule by prohibiting Members of the Board of Supervisors and the Management Board from participating in the discussion of, and voting upon points in relation to which they have an institutional interest which might be considered prejudicial to their independence. Similar safeguards were introduced in relation to the composition of panels preparing decision-making by</li> </ul>

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	(peer reviews); stresses that the lack of resources prevents the Authority from fulfilling its duties independently from Member States;	<p>the Board in relation to Breach of Union law investigations, mediation and inquiries. At the beginning of each meeting, Board of Supervisors Members are invited to confirm the absence of any COI – which is recorded in the minutes of the meeting;</p> <ul style="list-style-type: none"> <li>- The Boards decision-making process has been improved by publishing more detailed accounts of the minutes – a measure increasing the level of transparency and the public accountability;</li> <li>- The rule on avoiding COI was reinforced vis-à-vis all members, observers and any third-country participants throughout EIOPA’s entire working organisation involving National Competent Authorities (NCAs) staff members;</li> <li>- The Boards’ ethics rules have been enhanced to validate the personal independence of their Members;</li> <li>- As for the supervisory roles, EIOPA works in close cooperation with NCAs to develop a common supervisory culture, including through peer reviews, and thus fulfil its objective to promote supervisory convergence across the EU;</li> <li>- Peer reviews are aiming at the assessment of supervisory practices of NCAs as well as at the adequacy of supervisory resources and the degree of independence of those competent authorities. The new peer review governance as foreseen under the revised founding Regulation has been implemented. An adequate level of resources is a necessary requirement to fully benefit from the new governance rules.</li> </ul>
25	Is of the opinion that the combination of public-private experience that its staff brings is beneficial to the Authority; <i>considers that systems should be explored to attract talent from the private sector to the public sector and vice versa</i> , with minimum safeguards in place to promote the independence of both sectors; believes that the implementation of the rules in this area should be monitored by common bodies of the Union and should take into account the specific circumstances of each case;	While we are able to attract talent from both private and public sectors, we are exploring possibilities of short-term secondments and visiting experts with sound experience and strengthening links with academia to further enhance this cross-fertilisation. To promote the independence of both sectors minimum safeguards will be considered.
<b><i>Prevention and management of conflicts of interest and transparency</i></b>		

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26	<p>Takes note of the measures the Authority already has in place and its ongoing efforts to secure transparency, to prevent and manage conflicts of interest, and to protect whistleblowers; notes that the Authority publishes a register of meetings with external stakeholders on its website; notes that one case of conflict of interest was investigated in 2019; notes that some of the Authority's board of supervisors members' CVs and declarations of interest are not published on the Authority's website, and neither are those of the members of the management board; calls on the Authority to publish the CVs and declarations of interest of the members of the management board and to report to the discharge authority on the measures taken in this regard;</p>	<p>Independence and high standards of professional conduct by all those involved in the activities of EIOPA are crucial for EIOPA's excellence and reputation. This includes Members and Alternates of the EIOPA Board of Supervisors and the EIOPA Management Board.</p> <p>All Members and Alternates of EIOPA's governing bodies shall duly sign a Declaration of Intention and a Declaration of Interest before being admitted to EIOPA's governing bodies. EIOPA has in place procedures to identify, handle and mitigate any potential and actual conflicts of interests related to Members and Alternates. All Members and Alternates are required to renew their Declaration of Interest on a bi-annual basis.</p> <p>Both declarations mentioned above are published without undue delay on EIOPA's website for transparency reasons. As Management Board members represent a subset of the Board of Supervisors, their declarations are not published twice on the website but only once.</p> <p>To increase visibility on EIOPA's website about which Board of Supervisors' Members or Alternates also serve as Management Board Members or Alternates, EIOPA has updated the website accordingly with this information.</p> <p>While it is not mandatory for Members and Alternates if they wish to have their CV's published in the website, we have as of today a complete set of CV's on the website.</p>
27	<p>Notes previous years' comments about the problem of conflicts of interest arising from 'revolving door' situations and stresses the need for a unified approach among the agencies; notes that the Authority's ethics rules were revised and are being approved by the Commission; calls on the Authority to devote its best efforts to prevent 'revolving doors' situations; calls on the Authority to diligently inform the discharge authority about the status of the approval request for the revised ethics rules;</p>	<p>The revised Ethics Rules, adopted by EIOPA's Management Board, have been approved by the European Commission pursuant to Article 110(2) of the Staff Regulations.</p> <p>The revised Ethics Rules are available on EIOPA's public and internal website.</p> <p><b>See: "Related sources" on:</b> <a href="https://europa.eu/europa/en/eioipa/guiding-principles">Guiding principles   Eioipa (europa.eu)</a></p>
28	<p>Calls on the Authority to implement the recommendations of the European Ombudsman in case 2168/2019/KR, in particular, where necessary, by invoking the option of forbidding its senior staff from taking up certain positions after the end of their term in office, setting out criteria for the possibility for staff</p>	<p>Regarding conflict of interest, EIOPA regularly reviews and reassesses its relevant internal policies and procedures in light of legislative changes, case law of the Court of Justice of the European Union or other important legal or practical developments, such as the European Ombudsman's recommendations.</p>

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	to move to the private sector, informing applicants for senior posts of the Authority of the criteria when they apply, and putting in place internal procedures to ensure that when a member of its staff moves to another job, his or her access to the confidential information is withdrawn with immediate effect; further calls on the Authority to consider extending the 12-month mandatory cooling-off period for senior members of staff that contemplate a move that may give rise to post-public employment conflicts of interest;	Accordingly, EIOPA reviewed its own rules and informed its Board of Supervisors on these updates and the comprehensive procedure put in place by EIOPA's Advisory Committee on Conflict of Interests in case of a potential Col situation for senior managers. EIOPA's Conflict of Interests and Ethics (CoIE) framework applicable to EIOPA staff includes stringent and clear rules ensuring very high standards of professional conduct, which are crucial for EIOPA's credibility as the EU regulator for insurance and occupational pensions sectors. The CoIE framework includes the European Commission's decision on outside activities, adopted by analogy. It envisages specific requirements and obligations vis-à-vis members of staff leaving the service. For the senior managers (Chairperson and Executive Director), EIOPA's Advisory Committee on Conflicts of interests (ACCI), composed of 1 BoS member, 1 MB member and the Ethics Officer, is in charge of handling potential Col situations. The ACCI informed the BoS about its detailed procedure to handle cases before and/or after the end of mandates and a list of post-employment activities that would be authorized or not, and those for which mitigating measures would be required.
29	Calls on the Authority to draw inspiration from the publication by the European Central Bank's ethics committee of its opinions on cases of conflicts of interest and post-mandate gainful employment, in order to increase transparency on potential conflicts of interest and on post-mandate gainful employment;	EIOPA already publishes annually, on its public website, information on senior staff members having left the agency and, where relevant, the opinion of its Ethics Officer, in accordance with Article 16 of the Staff Regulations.  See: <a href="#">Report on former senior managers   Eioipa (europa.eu)</a>
<b><i>Internal Control</i></b>		
30	Notes that the Commission's Internal Audit Service (IAS) issued an audit report on 'HR Management and Ethics' which led to six recommendations for improvement and the implementation of an action plan; notes that at the end of 2019 four important recommendations were still open; urges the Authority to inform the discharge authority about the status of implementation of those recommendations;	EIOPA has implemented between 2019 and 2020 the recommendations issued by the IAS in the frame of the HR Management and Ethics Audit (2018). The audit was formally closed by the IAS in December 2020 (official note received in January 2021), confirming that EIOPA addressed all the recommendations received.

Ref <sup>4</sup>	Observation of the Discharge Authority	Response and measures taken by EIOPA
31	Notes that IAS started a comprehensive audit on the oversight tools in the consumer protection area; notes that the outcome of that audit and consequent action plan was to be available by the end of 2020; calls on the Authority to report to the discharge authority on the outcome of the audit;	The audit took place between Q4 2019 and Q2 2020 and its objective was to assess the design and the effectiveness and efficiency of the management and control systems put in place by EIOPA to manage and implement its activities and actions related to the protection of consumers from unfair business conduct by insurance and pensions sector service providers and, in particular, the oversight tools to monitor and detect any such conduct and behaviour. The IAS concluded that the EIOPA management and control systems put in place for the oversight tools are adequately designed, efficient and effectively implemented and support the Authority in achieving its business objectives. The final audit report includes four recommendations for improvement, none rated as very important or critical. EIOPA prepared a detailed action plan, accepted by the IAS, which includes a set of nine actions to be implemented in 2020-2021. The first deadline is end of Q2 2021 and EIOPA is currently preparing the evidence to be provided to the IAS.
32	Notes that the Authority's new internal control framework was adopted by the management board in November 2018 and has been applied since January 2019; notes that the Authority's internal control function ran the first annual assessment of the entire system under the new internal control framework and concluded that all components and principles were implemented and function as intended; calls on the Authority to report how the calculation errors for the determination of the Union and EFTA Members' NCAs' contributions have been taken into account in the assessment and why this did not result in the identification of a deficiency in internal control principles 12 or 13;	EIOPA's internal control framework includes the methodology based on which the annual assessments take place. This methodology includes a set of indicators (110), a dedicated internal control staff survey and the outcome of specific control activities (e.g. ex-post verifications, sensitive functions review, follow up of previous audits, etc.). It shall be noted that the annual internal control assessment for 2019 took place between Q4 2019 and Q1 2020, while the Court's report dates from Q3 2020. Since the Court's observation was immediately addressed, the internal control function did not consider necessary to amend the overall outcome of the annual internal control assessment. However the observation forms part of the continuous monitoring of recommendations and observations received from internal and external reviews and audits.

Done at Frankfurt am Main, on 03 August 2021

*Signed*

For the Board of Supervisors  
Peter Braumüller  
Vice- Chair