

72ND MANAGEMENT BOARD MEETING

DATE: 15 JANUARY 2024 10:00-11:45

LOCATION: VIDEOCONFERENCE

EIOPA FINAL MINUTES

WELCOME AND INTRODUCTORY REMARKS BY THE ACTING CHAIRPERSON

1. The Chairperson welcomed the attendees to the 72nd meeting of EIOPA's Management Board (MB).

AGENDA ITEM 1: ADOPTION OF THE AGENDA

DECISION

2. The MB adopted the agenda by consensus.

CONCLUSIONS AND ACTION POINTS

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

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

4. The Chairperson updated the MB Members on the following topics:

FINANCIAL STABILITY TABLE

5. On 9 January 2024, the Chairperson participated in the regular bi-annual Financial Stability Table of the Economic and Financial Committee (EFT-EFC) in the Council of the European Union. The meeting was attended by the Ministries of Finance and Central Banks of the Member States (MSs), the European Supervisory Authorities' (ESAs), represented by the three Chairs, the European Central Bank (ECB) and the European Systemic Risk Board (ESRB).

6. The ESAs, together with the ECB and the ESRB, provided a macro-outlook, an assessment of the latest financial developments and financial stability in the EU, including key risks and policy measures to address them.

STAKEHOLDER GROUPS MEETINGS

7. The annual joint meeting of the Board of Supervisors (BoS) with the members of the two Stakeholders Groups (SHGs) – the Insurance and Reinsurance Stakeholder Group (IRSG) and the Occupational Pensions Stakeholder Group (OPSG), took place online on 13 December 2023.
8. The following topics were discussed: i) “Digital hour with a deep dive on AI”, focusing on the legislative proposals on the Framework for Financial Data Access (FiDA) and the Artificial Intelligence Act (AI); and ii) “Pension Gap”, focusing on current pension gaps, low interest rates and shift from DB to DC, as well as proposals for initiatives to address pension gaps.

JOINT COMMITTEE MEETING

9. The last meeting of the Joint Committee (JC) took place on 15 December 2023. Recent market developments, emerging risks, and possible policy responses were discussed. The COM and the ESRB provided their assessment.
10. The JC exchanged views on specific proportionality concerns regarding the Digital Operational Resilience Act (DORA). Going forward, proportionality should be kept on the agenda in view of being aligned on this important aspect.

UPDATES BY THE EXECUTIVE DIRECTOR (ED)

11. The ED updated the MB Members on the following topics:

DIGITAL OPERATIONAL RESILIENCE ACT (DORA)

12. The Joint Committee on Digital Operational Resilience (JC SC DOR) reported good progress in policy work, finalising the first set of technical standards.
13. The High-Level Group on Oversight (HLGO) met for the first time on 11 December 2023. The HLGO discussion addressed the ambitious activities plan for 2024 and H1 2025. The HLGO also discussed the possible data collection regarding the register on Information and Communication Technology (ICT) third-party providers in 2024, which is important for the start of the oversight activities.
14. Finally, a discussion was held on the joint examination teams and their establishment, as well as on the efficient use of resources granted by COM to the three ESAs.

EIOPA’S INTERNAL ORGANISATION

15. The internal organisational changes are being implemented. As of 1.1.2024: i) the Data Analysis and Processes Unit has been transferred to the Risk and Financial Stability Department; ii) Digital Transformation and Conduct of Business Oversight have been established within the

Consumer Protection Department; iii) the internal mobility of two Heads of Department (Supervisory Processes exchanging with Oversight) took place.

16. By the end of March 2024: i) the Policy and the Supervisory Process Department will be merged; and ii) the International and Sustainable Finance team will be divided.

UPDATE BY THE EUROPEAN COMMISSION (COM)

17. The COM representative informed the MB Members on the following business files:

SOLVENCY II REVIEW PACKAGE

18. The negotiation process is ongoing. The technical discussions between the co-legislators have reached a good outcome and the four-column document has been sent to the MSs for fatal flaw review. Coreper (Committee of the Permanent Representatives of the Governments of the Member States to the European Union) will take place on 24 January 2024. A vote in European Parliament (EP) is still expected under the current legislature and publication of the agreed text is expected for the summer. Work on Level 2 is expected to begin soon.

RETAIL INVESTMENT STRATEGY (RIS)

19. Discussions are underway. It is expected that the European Parliament will adopt the report within the current term. Ambition is to achieve agreement on the general approach under the Belgian Presidency of the Council of the European Union.

MOTOR INSURANCE DIRECTIVE (MID)

20. The revised Motor Insurance Directive (MID) came into force in December 2023. Transposition still needs to take place in some MSs. Insolvency arrangements are still under discussion. Assessment ongoing whether delegated Acts are needed for further implementation.

CORPORATE SUSTAINABILITY DUE DILIGENCE (CSSD)

21. The EP and the Council reached an agreement on the proposal for the Directive on corporate sustainability due diligence.

DECISION

22. Not applicable.

CONCLUSIONS AND ACTION POINTS

23. Not applicable.

AGENDA ITEM 3: EIOPA BUDGET 2023

3.1 EIOPA BUDGET 2023: EXECUTION REPORT

24. The Head of the Corporate Support Department presented the budget execution report for 2023. The EIOPA budget was amended during the year to reflect the additional funds supporting

the projects of COM's DG Reform and the bank interest earned as well as to reduce the budget for the pension contributions for EIOPA staff. EIOPA achieved good execution rates, in particular an implementation rate of 99.89 % for commitments.

DECISION

25. Not applicable.

CONCLUSIONS AND ACTION POINTS

13. MB welcomed the report.

3.2 EIOPA BUDGET 2023: BUDGET TRANSFER REPORT

26. The Head of the Corporate Support Department presented the highlights of the budget transfers report for 2023. A total of six budget transfers were processed in 2023. These were required to cover the needs of the costs for the Operational information and Data management, external services, legal advice, building refurbishment costs.

DECISION

27. Not applicable.

CONCLUSIONS AND ACTION POINTS

28. MB welcomed the report.

AGENDA ITEM 4: EIOPA BUDGET 2024: DETAILED BREAKDOWN

29. The Head of the Corporate Support Department presented the breakdown of the EIOPA Budget 2024. The budget 2024 was adopted by the BoS in December 2023 by means of a written procedure to allow its implementation to begin. The budget 2024 is in line with the EU Multi-Annual Financial Framework 2021-2027 and is 0.82% higher than the budget 2023. The increase in Title 1 (staff expenditure), is mainly related to the additional indexation impacting basic salaries and allowances, as well as additional funds stemming from REFORM/SLA2023/002 signed in December 2023 and increase of pension contribution rate of 1.0%. The increase in Title 2 is mainly due to increase in rental, utilities, and electricity costs due to indexations. The decrease in Title 3 is mainly due to the less funds for IT projects in 2024, the lower costs of training and events and to the mystery shopping procurement being brought forward to 2023.

DECISION

30. Not applicable.

CONCLUSIONS AND ACTION POINTS

31. MB welcomed the budget breakdown information.
32. EIOPA to submit the document to the BoS meeting on 30 January 2024 for information.

AGENDA ITEM 5: QCC QUALITY REVIEW

5.1 ANNUAL ACTIVITY REPORT 2023

33. The Head of the Corporate Support Department presented the report on the QCC work in 2023 and highlighted the main deliverables, i.e. the QCC assessment of EIOPA 2022 Annual Activity Report, the follow up to the 2022 QCC Quality Review “Lessons learnt from the cooperation and interaction between EIOPA and the NCAs during the Covid-19 pandemic”, the 2023 QCC Quality Review “Preparations of BoS-meetings, meeting modalities (in person/hybrid) and the functioning of written procedures”, as well as the establishment of the 2024 QCC Mandate.

DECISION

34. Not applicable.

CONCLUSIONS AND ACTION POINTS

35. MB welcomed the report of the work of the Quality Control Committee (QCC) in 2023.

5.2 QCC MANDATE 2024

36. The Head of the Corporate Support Department presented the 2024 QCC mandate, including the quality review topic for 2024, i.e. “Oversight Activities with a focus on Union-Wide Strategic Supervisory Priorities”.

DECISION

37. MB adopted, by consensus, the QCC Mandate for 2024, with the main review topic “Oversight Activities with a focus on Union-Wide Strategic Supervisory Priorities”.

CONCLUSIONS AND ACTION POINTS

38. QCC Chairperson to present the mandate to the BoS meeting on 30 January 2024, for information.

AGENDA ITEM 6: BOS PREPARATION

6.1 REPORT ON NATIONAL SUPERVISORY POWERS (SOLVENCY II)

39. The Head of the Supervisory Processes Department presented the final version of the Report on National Supervisory Powers and explained the main conclusions and follow-up to the analysis of the use of emergency powers under Article 155(4) of Solvency II.

40. Members agreed on the need to improve supervisory convergence of practices and strengthen cooperation among EIOPA, Home and Host supervisors. The current Report further clarifies that the Host supervisor is not prevented from acting under extreme urgency.
41. The Chairperson underlined that the follow-up measures in the Report are meant to enhance cooperation without hindering or delaying the powers or actions of Host supervisors in emergency situations. Through the Supervisory Steering Committee (SSC), the Members will be kept involved in the implementation.

DECISION

42. Not applicable.

CONCLUSIONS AND ACTION POINTS

43. EIOPA to further clarify in the document that the proposed amendments will not affect the current review of Solvency II Directive. In addition, EIOPA to further reflect on the upcoming amendments in the Solvency II Review in relation to supervisory cooperation.
44. EIOPA to further refine the language clarifying that the report does not prevent the Host supervisory authority from acting in urgent situations.
45. EIOPA to follow-up with COM on whether, in light of the judgement of the Court of Justice of the EU in Case C-559/15, Article 155 may be presented at the transposition workshop for the implementation of the Solvency II review.

AGENDA ITEM 7: AOB

DECISION

46. Not applicable.

CONCLUSIONS AND ACTION POINTS

Not applicable.

ANNEX: LIST OF DECISIONS ADOPTED BY WRITTEN PROCEDURE FROM 23.11.2023 TO 15.01.2022

MB-2023-13

47. Decision adopting, by consensus, the Minutes of the 71st Management Board meeting which took place on 22 November 2023.

MB-2023-14

48. Decision adopting, by consensus, the BoS Decision on the third amendment of EIOPA budget 2023.

MB-2023-15

49. Decision adopting, by consensus, the Final Single Programming Document (SPD) 2024-2026.

Participants at the Management Board's meeting via videoconference

15 January 2024

Chairperson: Petra Hielkema

Vice-Chairperson: [-]

<u>Country</u>	<u>Member/ Alternate</u>
Croatia	Ante Zigman /[-]
Finland	Teija Korpiaho /[-]
Ireland	Domhnall Cullinan /[-]
Italy	Alberto Corinti /[-]
Netherlands	[-]/Armand Schouten
Portugal	Margarida Corrêa de Aguiar/[-]

<u>Institution</u>	<u>Non-Voting Member/ Alternate</u>
European Commission	Larisa Dragomir

EIOPA Staff

Executive Director	Fausto Parente
Head of Corporate Affairs Department	Susanne Rosenbaum
Head of Corporate Support Department	Danny Janssen
Head of Supervisory Processes Department	Ana Teresa Moutinho
Head of Risk and Financial Stability Department	Dimitris Zafeiris