

PROCEDURE TO SELECT MEMBERS OF THE EUROPEAN INSURANCE AND OCCUPATIONAL PENSIONS AUTHORITY'S STAKEHOLDER GROUPS



DECISION

ADOPTING THE PROCEDURE TO SELECT MEMBERS OF EIOPA'S STAKEHOLDER GROUPS

The Board of Supervisors of the European Insurance and Occupational Pensions Authority,

Having regard to Regulation (EU) No 1094/2010 of the European Parliament and the Council (the "EIOPA Regulation")¹, in particular Article 37 thereof,

Has decided to adopt the following procedure:

Procedure to select members of EIOPA's Stakeholder Groups (Insurance and Reinsurance Stakeholder Group and Occupational Pensions Stakeholder Groups)

1. Background

- 1.1. This document defines the procedure for selecting the members of the EIOPA Insurance and Reinsurance Stakeholder Group (IRSG) and the Occupational Pensions Stakeholder Group (OPSG).
- 1.2. Following the ESA Review, Article 37 of the EIOPA Regulation was amended with effect on 1 January 2020². The changes, which relate to the composition, length of mandate, and scope of activities of the Stakeholder Groups, require EIOPA to revise its selection procedure.
- 1.3. Any future revisions of this document shall be approved by the EIOPA Board of Supervisors.

2. Considerations on the criteria set out by the EIOPA Regulation

General considerations

- 2.1. Members of the Stakeholder Groups represent different interests in accordance with the requirements of Article 37 of the EIOPA Regulation. To guarantee unbiased judgement, each member of the stakeholder group must only represent one interest (stakeholder category)³ and not be in a situation of conflict of interest with another category in the Stakeholder Group.
- 2.2. EIOPA will consider the final composition of the Stakeholder Groups in relation to the applications received. In addition, the EIOPA Regulation Article 37(4) refers to three criteria: *"In making its decision, the Board of Supervisors shall, to the extent possible, ensure an appropriate reflection of diversity of the insurance, reinsurance and occupational pensions sectors, geographical and gender balance and representation of stakeholders across the Union."*

¹ 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).

² Regulation (EU) 2019/2175 of the European Parliament and of the Council of 18 December 2019 amending Regulation (EU) No 1093/2010 establishing a European Supervisory Authority (European Banking Authority), Regulation (EU) No 1094/2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), Regulation (EU) No 1095/2010 establishing a European Supervisory Authority (European Securities and Markets Authority), Regulation (EU) No 600/2014 on markets in financial instruments, Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, and Regulation (EU) 2015/847 on information accompanying transfers of funds (Text with EEA relevance) (Text with EEA relevance) (OJ L 334, 27.12.2019, p. 1).

³ One can only submit one application per group.

- 2.3. Stakeholder Group members serve in their personal capacity, meaning that they cannot be represented by any other person. Stakeholder Group members may reapply for a second term as foreseen in Article 37(5).⁴
- 2.4. The requirement of “representation of stakeholders across the Union” in Article 37 is specified as follows: EIOPA will aim at ensuring a wide representation of differing regulatory approaches and market structures and an adequate representation of stakeholders in the (re)insurance or pensions sector across the Union. An over-representation of regions or areas or certain categories of stakeholders representing only particular regions, areas or cultures should be avoided. The intention is to ensure that different regulatory and supervisory systems and policies, types of businesses including cross-border activities, and market structures are taken into account in order for the Stakeholder Groups to provide EIOPA with the best advice and opinion possible.

Description of the IRSG member categories

- 2.5. When selecting the members in the different categories as described in Article 37(2), EIOPA will consider the following descriptions:
 - a. **Insurance and reinsurance undertakings and insurance intermediaries (“industry”)**: includes individuals representing insurance and reinsurance undertakings and intermediaries operating in the Union, representatives of cooperative and mutual insurers or reinsurers, as well as representatives of associations acting on behalf of such undertakings, intermediaries, cooperatives or mutuals;
 - b. **Employees**: includes individuals, representatives of associations, bodies, or others who represent the interests of employees and trade unions in the (re)insurance sector and who may be paid by their employer.
 - c. **Consumers and users of insurance and reinsurance services**: includes representatives of consumer associations or any individual with a proven expertise record in the area of consumer protection in financial services. Users include individuals and/or associations delivering services and advice to consumers/policyholders, including other retail users of financial institutions.
 - d. **Small and medium-sized enterprises (SMEs)**⁵: includes individuals employed by a SME relevant to the insurance and reinsurance sector (with focus on client/buyer-side SMEs), or associations that defend the interests of SMEs.
 - e. **Relevant professional associations**: includes representatives of associations of professionals that are relevant to the sector of (re)insurance: including but not limited to actuaries, lawyers, accountants, auditors and others. Representatives of (re)insurance and intermediaries (industry) associations fall under the industry category, see above 2.5 a).
 - f. **Independent top-ranking academics**: includes individuals preferably with a Ph.D. in finance, economics, law or other field relevant to (re)insurance, or equivalent qualifications and a solid academic experience in a university or institute of higher education (e.g. professorship). They should have strong publication record in the field of finance, economics, law, preferably with a focus on insurance or reinsurance and participate in international conferences and workshops.

Description of the OPSG member categories

- 2.6. When selecting the members of the different categories as described in Article 37(3), EIOPA will take into consideration the following descriptions:

⁴ Whereby the following transitional provision is introduced: With the revised EIOPA regulation entering into force on 1 January 2020, members of the stakeholder groups in the period 2018-2021 are prevented from fulfilling their full mandate until 2021 as originally foreseen. This procedure foresees that the eligibility criterion of serving a maximum amount of two successive terms is accordingly disregarded for all applicants of the 2020 selection procedure.

⁵ For SME definition, please refer to Article 2 of the Annex of Recommendation 2003/361/EC on maximum staff headcount and financial ceilings: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:124:0036:0041:en:PDF>

- a. **Institutions for occupational retirement provision (IORPs):** includes representatives of: (a) employers or sponsors acting on behalf of IORPs as defined in Article 6 of Directive (EU) 2016/2341⁶; (b) associations of IORPs; (c) IORP asset managers, and (d) insurance undertaking running IORPs.
- b. **Employees':** includes individuals, representatives of associations, bodies, or others which represent the interest of employees and trade unions in the occupational pensions sector and which may be paid by their employer.
- c. **Beneficiaries:** includes individuals or representatives of associations defending the interests of pension savers or persons receiving retirement benefits from an IORP (according to Article 6 of Directive (EU) 2016/2341) or any individual with a proven record in advocating the interests of pensions savers.
- d. **Small and medium-sized enterprises (SMEs)**⁷ includes individuals employed by a SME relevant to the pensions sector (including pension plans managed by SMEs).
- e. **Relevant professional associations:** includes representatives of associations of professionals that are relevant to the sector of pensions, including but not limited to professional associations of actuaries, lawyers, accountants, auditors and others. Representatives of occupational retirement associations however fall under the IORP category, see above 2.6 a).
- f. **Independent top-ranking academics:** includes individuals preferably with a Ph.D. in finance, economics, law or another field relevant to pensions, or equivalent qualifications and a solid academic experience in a university or institute of higher education (e.g. professorship). They should have a strong publication record in the field of finance, economics, law, preferably with a focus on pensions and participate in international conferences and workshops.

3. Considerations as to the requirements set out in the Call for Candidates

3.1. Eligibility criteria

The following eligibility criteria shall be met in order for a candidate to be considered eligible:

- a. **Experience:** minimum four years of professional experience relevant to the financial services (for all Stakeholder Group member categories).
- b. **Availability:** to participate in meetings 5 times a year and is committed to deliver active contributions and to carry out significant work between meetings to prepare the deliverables of the Group (e.g. advice, opinions, feedback statements, position papers). Applicants should carefully consider their capacity to take part in more than one Stakeholder Group.
- c. **English command:** have sufficient English written and oral communication skills to enable the candidate to actively participate in the Stakeholder Group.

3.2. Exclusion criteria

An applicant may be excluded from the selection process on the following grounds:

- a. **Conflict of interest:** the Candidate shall not be in a situation of conflict of interests.
- b. **Fraud or misconduct:** the Candidate shall not have been found guilty of fraud or misconduct.

3.3. Essential criteria

The following essential criteria will be assessed:

- a. **Relevant qualifications, skills, knowledge and proven expertise:** The professional experience and expertise ("professional quality") of a candidate will be assessed against the category selected by the candidate in the application form.

⁶ See [DIRECTIVE \(EU\) 2016/2341 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision \(IORPs\)](#).

⁷ See footnote 5.

- b. **European⁸ dimension of the professional/personal experience:** Relevant experience of a candidate at the European/international level, in addition to a national-oriented expertise, will be considered as an essential criterion as EIOPA expects members to convey positions that are representative at EU level and hence further improve the EU single market.

4. The selection process – Governance

- 4.1. EIOPA shall launch a Call for Candidates, establishing the legal basis, the objectives and the criteria for the selection of candidates, including a declaration on conflict of interest to be signed electronically by the candidates of the relevant categories.
- 4.2. The Call for Candidates is accompanied by a personal data protection notice in compliance with Regulation (EU) No 2018/1725⁹. The notice takes into account the European Data Protection Supervisor’s opinion and recommendations on EIOPA’s selection procedure¹⁰ following EIOPA’s prior checking request under Article 27 of Regulation (EC) No 45/2001.
- 4.3. For the purpose of shortlisting candidates, EIOPA sets up an internal Selection Panel. The Selection Panel will establish a shortlist of candidates as well as a reserve list to be presented to the EIOPA Management Board. The EIOPA Management Board shall have the possibility to adjust the shortlist and reserve list.
- 4.4. The EIOPA Board of Supervisors shall decide on the composition of the two Stakeholder Groups taking into consideration the proposal by the Management Board.
- 4.5. The appointed and rejected candidate(s) shall be informed and the composition of the Stakeholder Groups will be made public on EIOPA’s website. EIOPA will appoint in total 30 new IRSG members and 30 new OPSG members in the above-mentioned categories for a period of four years.
- 4.6. Change of personal or professional circumstances of a member shall be notified to EIOPA by the member without delay. If this occurs in such a way that the eligibility criteria of the relevant member category are no longer fulfilled, or if severe conflicts of interest arise, the EIOPA Board of Supervisors shall appoint an appropriate replacement for this member.
- 4.7. In case of replacement, the selected replacement member will serve his/her term for the remaining mandate of the full Stakeholder Group.

5. Legal framework – Extract from the EIOPA Regulation

- 5.1. For ease of reference, the requirements set out in Article 37 of the EIOPA Regulation are:
The IRSG – *“(…) shall be composed of 30 members, 13 members representing in balanced proportions insurance and reinsurance undertakings and insurance intermediaries operating in the Union and three of whom shall represent cooperative and mutual insurers or reinsurers, 13 members their employees’ representatives, as well as consumers, users of insurance and reinsurance services, representatives of SMEs and representatives of relevant professional associations and four of its members shall be independent top-ranking academics. .” (Art. 37 (2))*
The OPSG – *“(…) shall be composed of 30 members, 13 members representing in balanced proportions institutions for occupational retirement provision operating in the Union, 13 members representing representatives of employees, representatives of beneficiaries, representatives of SMEs and representatives of relevant professional associations and four of its members shall be independent top-ranking academics.” (Art. 37 (3))*
- 5.2. The EIOPA Regulation also states:
“(…) Members of one Stakeholder Group may be also members of the other Stakeholder Group” (Art 37. (1))

⁸ Third-country nationals can be selected on an exceptional basis provided (i) they represent stakeholders across the EU and (ii) their organisation operates in the Union, cf. Article 37.2 and 37.3 of the EIOPA Regulation.

⁹ https://www.eiopa.europa.eu/about/working-stakeholders/eiopas-stakeholder-groups-selection-process_en

¹⁰ https://edps.europa.eu/sites/edp/files/publication/12-07-03_eiopa_en.pdf

“(…) In making its decision, the Board of Supervisors shall, to the extent possible, ensure an appropriate geographical and gender balance and representation of stakeholders across the Union.” (Art. 37 (4))

“(…) Members of the Insurance and Reinsurance Stakeholder Group and of the Occupational Pensions Stakeholder Group shall serve for a period of four years, following which a new selection will take place. The members of the Stakeholder Groups may serve two successive terms (Art. 37 (5))

5.3. Further, Recital 47 of the EIOPA Regulation states:

“[…] Before adopting draft regulatory or implementing technical standards, guidelines and recommendations, the Authority should carry out an impact study. For reasons of efficiency, an Insurance and Reinsurance Stakeholder Group and an Occupational Pensions Stakeholder Group should be used for that purpose and should represent, in balanced proportions and respectively, the relevant financial institutions operating in the Union, representing the diverse business models and sizes of financial institutions and businesses; small and medium-sized enterprises (SMEs); trade unions; academics; consumers; other retail users of those financial institutions; and representatives of relevant professional associations. Those stakeholder groups should work as an interface with other user groups in the financial services area established by the Commission or by Union legislation.”

6. Entry into force

This Selection Procedure shall enter into force on the date of its adoption and shall replace Decision (EIOPA-BoS-17/279) of the Board of Supervisors on the “Selection procedure for members of the EIOPA Stakeholder Groups (IRSG and OPSG)”.

Done at Frankfurt am Main, on 26 February 2020

For the Board of Supervisors

Gabriel Bernardino
Chairperson
[signed]