



EIOPA-16/159
27 June 2016

EIOPA Board of Supervisors Meeting

27-28 June 2016

Approved Deliberations and Conclusions

Chairman: Gabriel Bernardino

Members and Observers:

Voting: AT: Peter Braumüller, BE: Jean Hilgers, BG: Nikolay Petkov (PoA), CY: Victoria Natar, CZ: Zuzana Silberová, DE: Frank Grund, DK: Jan Parner, EE: Andres Kurgpõld, ES: Francisco Carrasco Bahamonde, FI: Teija Korpiaho, FR: Sandrine Lemery, HR: Gordana Letica, GR: Ioanna Seliniotaki, HU: Koppany Nagy, IE: Sylvia Cronin, IT: Alberto Corinti, LT: Mindaugas Salcius, LU: Claude Wirion, LV: Dina Mikelsone, MT: Marisa Attard, NL: Thijs van Woerden, PL: Damian Jaworski, PT: José Almaça, RO: Ion Giurescu, SK: Lucia Stefunkova, SI: Sergej Simoniti, SE: Asa Larson, UK: Edward Forshaw (PoA)

Non-voting: BE: Dominik Smoniewski, Henk Becquaert, FR: Frédéric Hervo, IS: Halldóra E. Ólafsdóttir, IT: Alessia Angelilli, Raffaele Capuano, LI: Alexander Imhof, LU: Annick Felten, NL: Olaf Sleijpen, NO: Runa Saether, PL: Mariusz Smętek, PT: Mario Ribeiro, SI: Mojca Piscuric, COM: Nathalie Berger, Steve Ryan, EBA: Anne Tiedemann, ESMA: Verena Ross, ESRB: Francesco Mazzafero

Experts:

AT: Gerlinde Taurer, CZ: Jaroslav Kovanda, Marcela Gronychová, DE: Petra Faber-Graw, ES: Javier Castillo Garcia, FR: Jean Nicolini, HU: Beatrix Denes, IE: Mary Burke, LU: Yves Baustert, RO: Adina Dragomir, SK: Matus Medvek, UK: Fiona Rogers

EIOPA Working Group Chairs:

Ludwig Pflieger (CCPFI Chair)

EIOPA Staff:

Fausto Parente (EIOPA Executive Director), Manuela Zweimüller (EIOPA Head of Regulations), Patrick Hoedjes (EIOPA Head of Operations and Oversight), Susanne Rosenbaum, Szabolcs Dispiter (Legal), Sophia Milili-Makrydakis, Justin Wray (items 3, 7, 16), Philip Kitzmantel (item 4), Marjan Trobina (item 15), Pamela Schuermans (item 3), Petr Jakubik (item 3) Dimitris Zafeiris (items 3, 11, 12), Katja Wuertz (item 10), Juan Zschiesche (items 11, 12), Andrew Candland (items 6, 9, 13, 15), Louis De Louvencourt (items 6, 9), Lars Dieckhoff (item 7), Tomas Walter (item 8), Timothy Walters (item 8), Vesa Ronkainen (item 9), David Cowan (item 10), Moritz Beker (item 10), Jan-Ole Wagner (item 10), Teresa Casado (item 13), Sandra Desson (item 15), Hiltrud Besgen (item 15), Ana Teresa Moutinho (item 16)

**Welcome and introductory remarks by the
EIOPA Chairman**

Information

1. Adoption of the Agenda

Decision by SMV¹

Conclusions: BoS adopted the agenda with the change suggested by the Chairman where item 5 (IAS Audit on EIOPA's Oversight Capability: outcomes and action plan) would not be discussed. Items 7 (Risk Free Rate (RFR): approval of representative portfolios), 12 (Work Stream on Recovery and Resolution: update) and 16 (SRP handbook) would be discussed on 28 June.

Action points: Not applicable

2. Update by Chairman, Executive Director and COM	Information
<p>Conclusions: Not applicable</p> <p>Action points: Not applicable</p>	
3. Reports by Chairs of the Steering Committees (IPC, RFSC)	Information
<p>Conclusions: Not applicable</p> <p>Action points: Not applicable</p>	
4. IT developments: 4.1. Update 4.2. Tool for undertakings	Information Decision by SMV¹
<p><u>4.1. Update</u></p> <p>Conclusions:</p> <ul style="list-style-type: none"> The BoS took note of the progress report. <p>Action points:</p> <ul style="list-style-type: none"> EIOPA to continue to provide regular reports to the BoS. 	
<p><u>4.2. Tool for undertakings</u></p> <p>Conclusions:</p> <ul style="list-style-type: none"> The BoS approved the development of one additional release of the Tool for Undertakings (T4U), scheduled for October 2016, and supporting the 2.1.0 taxonomy which will be published by EIOPA on 15 July 2016. The BoS agreed to maintain support for the T4U until 1 July 2017, covering the first annual report submission of solo undertakings and groups. The BoS agreed to communicate that further development on the T4U after the October 2016 release will cease and that EIOPA will cancel the support for the tool as of 1 July 2017. <p>Action points:</p> <ul style="list-style-type: none"> EIOPA to kick off project to build next release. EIOPA to communicate on the BoS decision. ITDC to collaborate on consistent communication at European level. 	
5. IAS Audit on EIOPA's Oversight Capability: outcomes and action plan	Information
<p>Conclusions:</p> <ul style="list-style-type: none"> The item was not discussed due to time constraints. <p>Action points:</p> <ul style="list-style-type: none"> Not applicable 	
6. Project plan for reporting on capital add-ons and exemptions under Solvency II	Decision by SMV¹
<p>Conclusions:</p>	

- The BoS approved the templates and process to produce the reports on capital additions and limitations and exemptions from reporting required by Article 52.

Action points:

- Not applicable

7. Risk free rate (RFR): approval of representative portfolios Decision by SMV¹

Conclusions:

- BoS adopted the Risk-free interest rate term structures report on the update of the representative portfolios (EIOPA-BoS-16/129, 10 June 2016).

Action points:

- EIOPA to publish the new representative portfolios after the BoS meeting. New representative portfolios to be used for the first time in the publication of the end-September 2016 technical information.

8. Final advice on infrastructure corporates Decision by SMV¹

Conclusions:

- BoS adopted the Final Report on Consultation Paper no. 16/004 on the request to EIOPA for further technical advice on the identification and calibration of infrastructure investment risk categories, i.e. infrastructure corporates (EIOPA-BoS-16/490, 13 June 2016) with the inclusion of option 2 in the advice regarding the security package and the mentioned presentational changes.
- The BoS agreed that there should be an exchange between NSAs on the supervision of security arrangements including discussions between supervisors (on a senior level), an assessment of NSA implementation, and the development of EIOPA guidance.

Action points:

- Final Report on Consultation Paper no. 16/004 on the request to EIOPA for further technical advice on the identification and calibration of infrastructure investment risk categories, i.e. infrastructure corporates to be published and submitted to the COM by the end of June.
- EIOPA staff to establish a process to exchange practices on the supervision of security arrangements for infrastructure projects.

9. Internal Models Consistency Projects: update Information

Conclusions:

- The BoS noted the status update given on the three internal model consistency projects (VA, sovereign risk modelling and the Market and Credit Risk Benchmark Study (MCRBS)).

Action points:

- EIOPA to ensure that any issues requiring steering are brought to the BoS.

10. Draft Consultation Paper on technical advice to the Commission on possible delegated acts under the IDD Decision by SMV¹

Conclusions:

- BoS adopted the "Draft Consultation Paper on Technical Advice on possible delegated

acts concerning the Insurance Distribution Directive” (EIOPA-BoS-16/127, 13 June 2016).

Action points:

- Restatement in Consultation Paper that large risks exemption in Article 25(4), IDD applies to Product Oversight & Governance requirements.
- Publication of Consultation Paper for a consultation period of three months.

11. Operationalisation of the Crisis Management Handbook (Extension of the Recovery Period): update	Discussion
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Conclusions:

- Not applicable

Action points:

- EIOPA to launch a written procedure for the approval of the processes for declaring exceptional adverse situation for the purposes of Article 138 of Solvency II (Extension of the Recovery Period).

12. Work Stream on Recovery and Resolution: update	Information
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Conclusions:

- The Board of Supervisors endorsed the approach taken and the timeline proposed.

Action points:

- Not applicable

13. Revision of the General protocol	Decision by SMV¹
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Conclusions:

- BoS agreed the Project Description: Revision of the General Protocol, EIOPA-BoS-16-119 rev 4, 10 June 2016.

Action points:

- EIOPA to consider what can be presented to September BoS to ensure steering by BoS.

14. Closed Session	Confidential exchange of information
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Conclusions:

- Confidential exchange of information.

Action points:

- Confidential exchange of information.

15. Colleges:	
15.1. EIOPA Colleges strategy	Discussion
15.2. Themes for Colleges 2017	Decision by SMV¹
15.3. Adding value and generating new insight using data and analytics (AVA) project - data sharing for Colleges and for testing definition of	Decision by SMV¹

peer groups

15.1. EIOPA Colleges strategy

Conclusions:

- BoS Members provided some steering on the development of colleges and contributed several practical priorities for improving the functioning of colleges.

Action points:

- EIOPA to develop a second version of the updated colleges strategy and bring it to September BoS.

15.2. Themes for Colleges 2017

Conclusions:

- The BoS approved the themes for colleges in 2017.

Action points:

- EIOPA to provide more concrete input on how to approach each theme.

15.3. Adding value and generating new insight using data and analytics (AVA) project - data sharing for Colleges and for testing definition of peer groups

Conclusions:

- The BoS approved the proposal for data sharing for Colleges in the test phase until November BoS meeting.
- The BoS requested the AVA work stream to provide more information on the security aspects in the on-going test phase and for the November BoS.
- The BoS has approved the proposal for testing definition of peer groups.

Action points:

- The AVA work stream to provide more information on the security aspects in the on-going test phase and for the November BoS.
- EIOPA to provide to the selected 5 group supervisors for the test period QRT data of group and solo undertakings including reports with data/indicators/analysis calculated from the QRTs.
- To use the data and reports provided by EIOPA for regular information sharing within the college in line with the group supervisors' legal responsibilities according to the Solvency II regulation and the provisions in the coordination arrangements.
- The NCAs experts in the AVA work stream to test definition of peer groups at EIOPA premises on secured computers with the coordination and under the close supervision of the staff members of the BI EIOPA Information Team.

16. SRP Handbook:

16.1. Approval of the following chapters:

Decision by SMV¹

**16.1.1. Life Technical Provisions
(partial chapter)**

16.1.2. ORSA (partial chapter)

**16.1.3. Scope of group and group
supervision**

16.2. Future chapters to be developed

Discussion

16.1. Approval of the following chapters:

16.1.1. Life Technical Provisions (partial chapter)

16.1.2. ORSA (partial chapter)

16.1.3. Scope of group and group supervision

Conclusions:

- BoS adopted the Chapters on "Life Technical Provisions (partial chapter)", "ORSA (partial chapter)" and "Scope of group and group supervision" (EIOPA-BoS-16/141, EIOPA-BoS-16/142 and EIOPA-BoS-16/143, 10 June).;
- NSAs should consider these chapters in the development and maintenance of their SRP process under Solvency II and share it with field supervisors so that they can use it as appropriate in their day-to-day supervision.

Action points:

- Handbook chapters to be published in EIOPA's restricted area;
- Schedule to September BoS an initial discussion on the Supervisory Culture and on the tools to promote the use of the Supervisory Review Process (SRP) Handbook.

16.2. Future chapters to be developed

Conclusions:

- The aim is to have a first 'complete' version of the SRP Handbook (version 1.0) once the areas of Supervisory Review Process (SRP) and Own Funds (OF) are finalised, probably next year (timing still uncertain). This should also include the discussion on the Chapter 0 (as said in the up-date);

Action points:

- Update in September BoS and discussion on way forward, including discussion on the tools to ensure that we take the benefit from the Handbook: training but also other tools need to be envisaged.

17. AOB

Information

Conclusions:

- Next BoS meeting is on 29-30 September.

Action points:

- Not applicable

¹: Decision by simple majority (Article 44(1) 1st para. EIOPA Regulation)

²: Decision by qualified majority (Article 44(1) 2nd para. EIOPA Regulation)

Frankfurt am Main

[Signed]

Gabriel Bernardino
Chairperson of EIOPA