

EIOPA Board of Supervisors Meeting

29-30 January 2018

Final Minutes

Chairman: Gabriel Bernardino

Voting: AT: Peter Braumüller, BE: Jean Hilgers, BG: Karina Karaivanova, CY: Tonia Tsangaris, CZ: Zuzana Silberova, DE: Frank Grund, DK: Carsten Brogaard (1st day), Per Plougmand (2nd day), EE: Stina Mander (PoA), ES: Francisco Carrasco Bahamonde, FI: Teija Korpiaho, FR: Sandrine Lemery, HR: Ljiljana Orlovac (PoA), GR: Ioanna Selinotaki, HU: Ferenc Szebelédi, IE: Edward Sibley, IT: Alberto Corinti, LT: Mindaugas Šalčius, LU: Annick Felten (1st day), Claude Wirion (2nd day), LV: Dina Mikelsone (1st day), Peters Putnins (2nd day), MT: Marisa Attard, NL: Olaf Sleijpen, PL: Damian Jaworski, PT: José Almaça, RO: Cornel Coca Constantinescu, SK: Julia Cillikova, SI: Gorazd Čibej, SE: Asa Larson, UK: David Rule

Non-voting: BE: Dominik Smoniewski, BE: Henk Becquaert, DE: Thomas Schmitz-Lippert, IS: Rúnar Guðmundsson, IT: Alessia Angelilli, IT: Ambrogio Rinaldi, LI: Alexander Imhof, LT: Marius Dumbauskas, NL: Thijs van Woerden (2nd day), NO: Runa Saether, PL: Mariusz Smetek, PT: Mario Ribeiro, SI: Mojca Piškurič, COM: Steve Ryan, EBA: Cedric Coraillon-Parquet, ESMA: Mette Sicard Filtenborg, ESRB: Francesco Mazzafero

Experts:

AT: Gerlinde Taurer, CZ: Hana Marčíková, DE: Maria Hüntelmann, ES: Javier Castillo, FR: Emilie Quema, IE: Deirdre Mullally (1st day), Faheem Mirza (2nd day), LU: Yves Baustert, RO: Valentin Ionescu, SI: Kristina Kesmic, SK: Zuzana Kardosova, UK: Elizabeth Larkin, EFTA SA: Per Christian Bærøe

EIOPA Working Group Chairs:

Véronique Hijl (ITDC Chair), Ludwig Pflieger (CCPFI Chair)

EIOPA Staff:

Fausto Parente (EIOPA Executive Director), Susanne Rosenbaum, Ineta Galubicke, Dimitris Zafeiris (items 3, 16, 17), Manuela Zweimüller (items 3, 10, 11, 19), Justin Wray (item 3, 11), Ana Teresa Moutinho (item 3, 9), Patrick Hoedjes (items 3, 18, 19), Katja Wuertz (items 3, 10, 12, 13, 14), Robert Lasocki (item 3), Philip Codrai (item 4), Danny Janssen (items 4, 5, 6), Inga Naumane (item 4), Liviu Rosioara (item 5), Szabolcs Diszter (items 6, 7), Kai Kosik (item 8), Florian Ouillades (item 8), Sandra Hack (item 10), Ursula Bordas (item 10), Carlos Guine (item 11), Jesus Cisneros (item 11), David Cowan (item 12), Moritz Beker (item 12), Timothy Shakesby (items 13, 14), Julian Arevalo (item 14), Juan Zschiesche (item 16), Petr Jakubik (items 17), Daniel Perez (item 17), Matteo Sottocornola (item 17), Sandra Desson (item 18), Adriana Garcia (item 19), Marieke van Grevenstein (ITEM 19), Philip Kitzmantel (item 20), Marjan Trobina (item 20)

Welcome and introductory remarks by the EIOPA Chairman

Information

Remarks:

The Chairman welcomed the attendees to the 1st meeting of EIOPA's Board of Supervisors (BoS) in 2018.

1. Adoption of the Agenda	Decision by SMV¹
Remarks: Not applicable Voting Results: BoS adopted, by simple majority voting, the agenda. Written Procedure: Not applicable	
Conclusions: Not applicable Action points: Not applicable	
2. Update by Chairman, Executive Director and COM	Information
Conclusions: Not applicable Action points: Not applicable	
3. Update by PSC, RFSC, SSC and CCPFI	Information
Conclusions: <ul style="list-style-type: none"> The closing event on the Institutions for Occupational retirement Provision (IORP) Stress Test 2017 will be organised in the EIOPA premises on March 2018. The 2017 exercise as well as the ideas for the future should be discussed. After that, the project group will be disbanded. Action points: <ul style="list-style-type: none"> EIOPA to organise closing event on the IORP Stress Test on March 2018. 	
4. Budget and Work Programme: <ul style="list-style-type: none"> 4.1 2017 Budget: Report on budget execution Information 4.2 Single programming document 2017 – 2019 <ul style="list-style-type: none"> 4.2.1 Final EIOPA Budget 2018 Information 4.2.2 Revised Annual Work Programme 2018 Decision by SMV¹ 4.3 Draft Single Programming Document 2019-2021 <ul style="list-style-type: none"> 4.3.1 EIOPA Budget 2019 draft estimate of revenue and expenditure Decision by QMV² 4.3.2 Draft Single Programming Document 2019-2021 EIOPA draft Annual Work Programme 2019 Decision by SMV¹ 	

4. Budget and Work Programme:

4.1 2017 Budget: Report on budget execution

Conclusions:

- BoS took note of the 2017 budget execution information.

Action points:

- Not applicable

4.2 Single programming document 2017 – 2019

4.2.1. Final EIOPA Budget 2018

Conclusions:

- BoS took note of the adopted EIOPA 2018 budget breakdown information.

Action points:

- Not applicable

4.2.2 Revised Annual Work Programme 2018

Conclusions:

- BoS adopted the 'Single Programming Document (SPD) 2017-2019 with Revised Annual Work Programme (AWP) 2018' (EIOPA-BoS-18-019, 29 January 2018).

Action points:

- Not applicable

4.3 Draft Single Programming Document 2019-2021

4.3.1 EIOPA Budget 2019 draft estimate of revenue and expenditure

Conclusions:

- BoS adopted, by qualified majority voting, the EIOPA 2019 Draft Estimate of Revenue and Expenditure as part of the 'Draft Single Programming Document (SPD) 2019-2021' (EIOPA-BoS-18-021, 29 January 2018).

Action points:

- Not applicable

4.3.2 Draft Single Programming Document 2019-2021 EIOPA draft Annual Work Programme 2019

Conclusions:

- BoS adopted, by single majority voting, the 'Draft Single Programming

Document (SPD) 2019-2021' (EIOPA-BoS-18-021, 29 January 2018) and endorsed it for submission to the EU Institutions.

Action points:

- EIOPA to submit the Draft SPD 2017-2019 to EU Institutions.

5. Professional Secrecy for non-EIOPA staff - Discussion Practical Implementation Guidance

Conclusions:

- BoS adopted by single majority voting the 'Practical Arrangements on handling EIOPA information under decision (EIOPA-MB-17-039) of the Management Board of 20 April 2017 adopting rules of procedure on professional secrecy for non-staff, and repealing decision of the Management Board of 10 January 2011 on professional secrecy and confidentiality (EIOPA-MB/008)' (EIOPA-BoS-18-039, 29 January 2018), pending final comments to be received from Members within one week.

Action points:

- EIOPA to submit the endorsed Practical Arrangements to the Management Board for approval if no significant objections will be raised.
- EIOPA to develop scenarios to illustrate the application of the Practical Arrangements.

6. Mediation Panel - Election of substitute Decision by SMV¹

Conclusions:

- BoS approved by simple majority voting the appointment of substitute of the Mediation Panel.

Action points:

- EIOPA to launch a call for candidate for one substitute and one member position in the Mediation Panel.

7. Opinion of the Mediation Panel Decision by SMV¹

Conclusions:

- BoS proposed to the Mediation Panel to revisit its opinion.

Action points:

- Mediation Panel to reconsider its opinion with regard to the comments made by Members.

8. Replacement of IRSG member Decision by SMV¹

Conclusions:

- BoS adopted by single majority voting the 'EIOPA Management Board recommendation for the replacement of Mr. Valter Trevisani, IRSG member, representative in the industry category (insurance and reinsurance undertakings and intermediaries)' (EIOPA-BoS-18-032, 15 January 2018).

Action points:

- EIOPA to proceed with IRSG member replacement on the basis of the adopted candidates list.

9. Review of Mandates: CCPFI, ITDC, PSC, RFSC and SSC Decision by SMV¹**Conclusions:**

- BoS approved by simple majority voting all draft mandates: 'Committee on Consumer Protection and Financial Innovation Mandate' (EIOPA-BoS/17-411, 29 January 2018), 'Information Technology and Data Committee Mandate' (EIOPA-BoS/17-409, 29 January 2018), 'Risk and Financial Stability Committee' (EIOPA-BoS/17-412, 29 January 2018), 'Policy Steering Committee Madate' (EIOPA-BoS/17-414, 29 January 2018) and 'Supervisory Steering Committee Mandate' (EIOPA-BoS/17-413, 29 January 2018) subject to agreed changes to the ITDC, SSC and PSC draft mandates:
 - the Information Technology and Data Committee (ITDC) mandate to clarify the context of the ITDC preparation to collect pensions data from 2019, and
 - the Supervisory Steering Committee (SSC) mandate to highlight the cross-committee cooperation with the ITDC;
 - the Policy Steering Committee (PSC) mandate to reflect that work on the analysis of liquidity of long-term products and their risk charges will be initiated and carried out in line with future discussions in BoS.

Action points:

- EIOPA to circulate the final mandates for information to BoS.

10. Ongoing discussion on PEPP Discussion**Conclusions:**

- Members agreed with the objective and outline of the relevant issues as presented in the document. Further, they welcomed to continue to discuss those topics and additional ones as they emerge from the political discussions.
- A number of Members requested further clarifications relating to the separation of the authorisation processes for Pan-European Personal Pensions initiative (PEPP) and the ongoing supervision of the PEPP by the national supervisors.
- Due to the potentially high number of providers from different sectors supervised by different national competent authorities (NCAs), the need to ensure supervisory convergence and consistent authorisations was highlighted.

Action points:

- EIOPA to further work on clarifying the authorisation of PEPP and the interlinkages with national competencies and the national supervision of the providers.
- EIOPA to consider specifying the criteria for eligible risk mitigation techniques, pre-contractual information to cover the effects of a hard guarantee compared to an investment strategy aiming at capital protection and risk indicators tailored to a long-term, illiquid product.

11. ICS – strategic discussions on next steps**Decision by SMV¹****Conclusions:**

- BoS approved by simple majority voting a compromise package including elements for Field Testing in 2018.

Action points:

- EIOPA to further work, together with the EU Members, on impact assessment.

12. Insurance Distribution Directive – Consultation Paper on Regulatory Technical Standards on Professional Indemnity Insurance amounts**Decision by SMV¹****Conclusions:**

- BoS approved by simple majority voting the 'Consultation Paper on Regulatory Technical Standards on Professional Indemnity Insurance amounts' (EIOPA-BoS-17-407, 18 January 2018) subject to a consultation question on any potential market issues being added.

Action points:

- EIOPA to publish the 'Consultation Paper on Regulatory Technical Standards on Professional Indemnity Insurance amounts'.

13. Stock-take on EIOPA's Strategy for Risk-based and Preventative Conduct of Business Supervision**Discussion****Conclusions:**

- Strong support for developing the strategy as outlined, including step-by-step approach.

Action points:

- EIOPA to finalise conduct strategy for approval in April 2018 BoS, taking steer into account.

14. ESAs joint warning on Virtual Currencies	Discussion
<p>Conclusions:</p> <p>BoS approved by simple majority voting the 'Joint ESAs warning on Virtual Currencies' (EIOPA-BoS-18-055) 24 January 2018).</p> <p>Action points:</p> <ul style="list-style-type: none"> • Publication of the warning following its endorsement also by the BoS's of European Securities and Markets Authority (ESMA) and European Banking Authority (EBA). • If the BoS's of ESMA and EBA propose changes to the current text of the warning, EIOPA will also seek to bring the definition of Virtual currencies (VCs) to the beginning of the warning and clarify that the warning is not against the distributed ledger technology that underpins VCs. • The Chairman will assess whether possible changes proposed by the BoS's of ESMA and EBA respect the rationale of the current text of the warning. 	
15. Closed Session	Confidential exchange of information
16. EIOPA's stance on macroprudential policy in insurance: 'Solvency II tools with macroprudential impact'	Decision by SMV¹
<p>Conclusions:</p> <ul style="list-style-type: none"> • BoS approved by simple majority voting the document 'Solvency II tools with macroprudential impact (EIOPA-BoS-18/028, 15 January 2018), subject to a one-week fatal-flaw procedure regarding the proposed changes. <p>Action points:</p> <ul style="list-style-type: none"> • EIOPA to implement the proposed changes to section 6 ('transitional measure on technical provisions') and run a one-week fatal-flaw procedure regarding these changes. • EIOPA to publish the document afterwards. 	
17. Insurance Stress Test 2018	Decision by SMV¹
<p>Conclusions:</p> <ul style="list-style-type: none"> • BoS approved by simple majority voting the document '2018 Insurance Stress Test Exercise' (EIOPA-BoS-18/010, 15 January 2018), subject to a one-week fatal-flaw procedure regarding the proposed changes. 	

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Action points:

- Members with experience at national level are encouraged to support the 2018 stress test project group by committing resources available in engaging with professional model vendors for natural catastrophes.
- EIOPA to organise a meeting for consultation with high-level representatives of participants, including Members, on suitable date. An additional, technical meeting to take place as well, involving industry associations.
- Insurance Stress Test 2018 Project Group to provide within the next three weeks a bucketing criteria for insurance contracts with the purpose of linking the lapse shock parameters for both market scenarios to the type of insurance product.

18. Project Plans for Peer Review Projects 2018 Decision by SMV¹

Conclusions:

- BoS approved by simple majority voting the 'Project Plan for Peer Review on Decision on the collaboration of the insurance supervisory authorities' (EIOPA-BoS-18-007, 15 January 2018) and 'Project Plan for Peer Review on Regular Supervisory Report' (EIOPA-BoS-18-008, 15 January 2018).

Action points:

- Review Panel (RP) in its further discussions on the terms of references of the two forthcoming peer reviews to take into account lessons learnt from previous and ongoing peer reviews and ensure focused scope of reviews.
- RP to initiate the two forthcoming peer reviews in accordance with the two project plans.
- EIOPA to publish the updated mandate of the RP 2018 on its website.

19. Implementation EU-U.S. Agreement Discussion

Conclusions:

- The EU-U.S. Covered Agreement will be added to the discussion on the subjects which need to be on the priority list of the Supervisory Steering Committee (SSC). The task of the working group under the SSC will be to ensure a convergent implementation of the Covered Agreement.

Action points:

- EU-U.S. Covered Agreement to be added to the discussion in the SSC on the priorities list of the Supervisory Convergence Plan.
- COM to check the exact dates of application of the Covered Agreement for the re-insurance business (COM confirmed afterwards as September 2019).

20. Update on IT developments	Information
<p>Conclusions:</p> <ul style="list-style-type: none"> BoS took note of the report and the presentation on projects and Solvency II submission completeness ratios. <p>Action points:</p> <ul style="list-style-type: none"> EIOPA to inform BoS on findings from the Questionnaire for NCA's on implementation approach for Pension Funds reporting, specifically on reporting format and need for tool for Pension Funds. 	
21. AOB	Information
<p>Remarks:</p> <p>Next BoS meeting is on 21 February 2017 (Extraordinary meeting).</p> <p>Voting Results: Not applicable</p> <p>Written Procedure: Not applicable</p>	
<p>Conclusions:</p> <ul style="list-style-type: none"> Not applicable <p>Action points:</p> <ul style="list-style-type: none"> 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