



EIOPA REGULAR USE

EIOPA-BoS-18/068

21 February 2018

## EIOPA Extraordinary Board of Supervisors Meeting

21 February 2018

### Final Minutes

Chairman: Gabriel Bernardino

**Voting:** AT: Peter Braumüller, BE: Jean Hilgers, BG: Dimitar Koychev (PoA), CZ: Jiří Kalivoda, DE: Thomas Schmitz-Lippert, DK: Carsten Brogaard, EE: Kilvar Kessler, ES: Sergio Alvares, FR: Emilie Quema (PoA), HR: Ante Žigman, GR: Ioanna Seliniotaki, HU: Koppány Nagy, IE: Ed Sibley, IT: Alberto Corinti, LT: Marius Dumbauskas, LU: Yves Baustert, LV: Peters Putnins, MT: Marisa Attard, NL: Olaf Sleijpen, PL: Damian Jaworski, PT: Jose Almaca, RO: Cornel Coca Constantinescu, SK: Lucia Štefunková, SI: Gorazd Čibej, SE: Asa Larson, UK: David Rule

**Non-voting:** BE: Dominik Smoniewski, BE: Henk Becquaert, IE: Sylvia Cronin, IS: Rúnar Guðmundsson, LI: Alexander Imhof, LV: Dina Mikelsona, NL: Thijs Van Woerden, PL: Mariusz Smetek, COM: Nathalie Berger, EBA: Cedric Coraillon-Parquet, ESMA: Mette Sicard Filtenborg, ESRB: Francesco Mazzaferro

Experts:

CZ: Hana Marčíková, DE: Petra Faber-Graw (PoA), FR: Jean Nicolini, NO: Thea Birkeland Kloster, RO: Florin Golovatic, SK: Zuzana Kardosova, UK: Elizabeth Larkin

EIOPA Staff:

Fausto Parente (EIOPA Executive Director), Susanne Rosenbaum, Ineta Galubicke, Manuela Zweimüller (items 2, 3, 4, 5), Justin Wray (items 2, 3, 4, 5), Camille Graciani (item 2), Tomas Walter (items 2, 5), Lars Dieckhoff (items 4, 5), Carlos Guine (item 3), Jesus Cisneros (item 3), Lazaro Cuesta (item 4), Jarl Kure (item 6), Sandra Desson (item 6), Vesa Ronkainen (item 6), Yvonne Schmerfeld (item 6)

Welcome and introductory remarks by the EIOPA Chairman		Information
<b>Remarks:</b> The Chairman welcomed the attendees to the 2nd meeting of EIOPA's Board of Supervisors (BoS) in 2018.		
<b>1.</b>	<b>Adoption of the Agenda</b>	<b>Decision by SMV<sup>1</sup></b>
<b>Remarks:</b> <b>Voting Results:</b> BoS adopted, by simple majority voting, the agenda.		

<b>Written Procedure:</b> Not applicable		
<b>Conclusions:</b> Not applicable		
<b>Action points:</b> Not applicable		
<b>2.</b>	<b>Review of Solvency Capital Requirement- final advice</b>	<b>Decision by SMV<sup>1</sup></b>
<p><b>Conclusions:</b></p> <ul style="list-style-type: none"> <li>• BoS adopted, by single majority voting, the 'Final Report on the second set of Advice on SII DR Review' (EIOPA-BoS-18/075 09 February 2018) with the part on Interest Rate Risk adopted subsequently in correspondence.</li> <li>• On loss-absorbing capacity of deferred taxes, the proposed advice was supported by Members.</li> <li>• On interest rate risk, all Members supported the need to depart from the current calibration and to adopt a shifted approach.</li> <li>• On unlisted equity, Members supported the proposed advice.</li> <li>• On the treatment of exposures to central counterparties, both the relative consistency approach and the alternative approach should be included in the advice.</li> <li>• On risk margin, the proposed advice was supported.</li> <li>• On all other topics, the proposed advice was supported.</li> <li>• The impact assessment on premium and reserve risk, volume measure and currency risk at group level will be completed to the extent data quality allows it.</li> <li>• On the next steps, Members agreed that a short written procedure will be organised to integrate a proposal on interest rate risk. The editorial changes to the advice will also be sent to Members. The detailed responses to stakeholders' comments will be submitted to BoS for approval via written procedure.</li> </ul> <p><b>Action points:</b></p> <ul style="list-style-type: none"> <li>• Two written procedures to be organised: a short one for the advice on interest rate risk; another later one for the detailed responses to stakeholders' comments.</li> <li>• EIOPA to circulate the editorial changes to the advice to Members for information.</li> </ul>		
<b>3.</b>	<b>ICS - update on developments</b>	<b>Discussion</b>
<p><b>Conclusions:</b></p> <ul style="list-style-type: none"> <li>• Members supported that inclusion in 2018 Field Testing is not equivalent to an agreement on the International Capital Standards (ICS) 2.0 itself.</li> <li>• Members supported the testing of a compromise package including consideration of elements for Field Testing in 2018.</li> </ul>		

<b>Action points:</b> <ul style="list-style-type: none"> <li>• EIOPA and Members to coordinate and to pursue the agreed compromise proposal at the upcoming IAIS meetings.</li> <li>• EIOPA to contact the relevant Members for cooperation in the development of the assessment of impact of the ICS proposals (vs. SII) requested by BoS.</li> </ul>	
<b>4.</b>	<b>2018 LTG report</b> <span style="float: right;"><b>Decision by SMV<sup>1</sup></b></span>
<b>Conclusions:</b> <ul style="list-style-type: none"> <li>• BoS adopted, by simple majority voting, the 'LTG review Structure of the LTG report 2018 and information request to undertakings' (6 February 2018, EIOPA-BoS/18-065), including the thematic focus on risk management provisions, and the information request to undertakings.</li> </ul> <b>Action points:</b> <ul style="list-style-type: none"> <li>• EIOPA to submit proposal on information request to undertakings to BoS for approval in written procedure in at the beginning of March 2018.</li> </ul>	
<b>5.</b>	<b>Analysis of the illiquidity characteristics of long-term products and treatment of spread and equity risk linked to them</b> <span style="float: right;"><b>Decision by SMV<sup>1</sup></b></span>
<b>Conclusions:</b> <ul style="list-style-type: none"> <li>• BoS adopted, by simple majority voting, the proposal as outlined in the note 'Analysis of the illiquidity characteristics of long-term products and treatment of spread and equity risk linked to them' (EIOPA-BoS-18/074, 08 February 2018).</li> <li>• BoS agreed to establish a Project Group (PG) under the Policy Steering Committee (PSC).</li> <li>• BoS agreed to include questions on illiquid characteristics products into the current Long Term Guarantees (LTG) info requests for undertakings.</li> <li>• EIOPA to ensure strong coordination between this work stream and the LTG and the macroprudential work streams.</li> </ul> <b>Action points:</b> <ul style="list-style-type: none"> <li>• EIOPA to include questions on illiquid products into the current LTG info request to undertakings.</li> <li>• EIOPA to launch a call for candidates for the agreed PG under the PSC, establish a scoping note and work plan.</li> </ul>	
<b>6.</b>	<b>Report on Oversight activities 2017</b> <span style="float: right;"><b>Discussion</b></span>
<b>Conclusions:</b> <ul style="list-style-type: none"> <li>• Members are invited to comment and approve an amended version of 'Year-end report 2017 on EIOPA oversight activities, including functioning of colleges of supervisors' (21 February 2018, EIOPA-BoS/18-071) in a following written</li> </ul>	

procedure.

- EIOPA to clarify the nature of the priorities mentioned in the report and include a link to the overall Supervisory Convergence Plan to be discussed in April 2018.
- EIOPA to further clarify in the report the involvement of the National Competent Authorities (NCAs) in Supervisory Convergence activities.

**Action points:**

- EIOPA to share a revised version of the 'Year-end report 2017 on EIOPA oversight activities, including functioning of colleges of supervisors' (21 February 2018, EIOPA-BoS/18-071).
- Members to comment on the revised draft report in the first step of a written procedure as follow up to the BoS meeting.
- Members to approve the report in the second step of the written procedure.
- EIOPA to send the final report to the European Parliament and to publicly disclose it after approval by Members.

<b>7. AOB</b>	<b>Information</b>
---------------	--------------------

**Conclusions:**

- Not applicable

**Action points:**

- EIOPA to launch by the end of February 2018 a second information request on contingency planning in the run-up for Brexit to update and enrich the information collected in the first information request.
- EIOPA to launch by March/April 2018 a written procedure to approve the proposal for Stage 2 of the statistics plan.
- EIOPA to aim publishing the statistics by June 2018.

<sup>1</sup>: Decision by simple majority (Article 44(1) 1<sup>st</sup> para. EIOPA Regulation)

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

Frankfurt am Main

[Signed]

Gabriel Bernardino

Chairperson of EIOPA