



EIOPA-15/040

28 January 2015

## **EIOPA Board of Supervisors Meeting**

**28-29 January 2015**

### **Approved Deliberations and Conclusions**

Chairman: Gabriel Bernardino

Members and Observers:

**Voting**: AT: Peter Braumüller, BE: Jean Hilgers, BG: Nikolay Petkov (Power of Attorney), CY: Nicos Koullapis, CZ: Zuzana Silberová, DE: Thomas Smitz-Lippert (1<sup>st</sup> day), Felix Hufeld (2<sup>nd</sup> day only), DK: Jan Parner, EE: Kilvar Kessler, ES: Fernando Moreno, FI: Teija Korpiaho, FR: Sandrine Lemery, GR: Ioanna Seliniotaki, HR: Petar-Pierre Matek, HU: Koppány Nagy, IE: Sylvia Cronin, IT: Alberto Corinti, LT: Vytautas Valvoniš, LU: Claude Wirion, LV: Dina Mikelšone, MT: Marianne Scicluna, NL: Thijs van Woerden, PL: Damian Jaworski, PT: José Almaça, RO: Misu Negritoiu, SK: Peter Penzes (Power of Attorney), SI: Sergej Simoniti, SE: Åsa Larson, UK: Andrew Bulley

**Non-voting**: BE: Luc Kaiser, Henk Becquaert, HU: József Banyar, IE: Mark Burke, IS: Runar Gudmundsson, IT: Fausto Parente, Rafelle Capuano, LU: Annick Felten, NL: Petra Hielkema, PT: Mario Ribeiro, NO: Jan Hagen, COM: Klaus Wiedner, EBA: Corinne Kaufman, ESMA: Jakub Michalik, ESRB: Francesco Mazzaferro

Experts:

AT: Gerlinde Taurer, CZ: Jaroslav Kovanda, Jan Bouška, DE: Petra Faber Graw, ES: Francisco Carrasco, FR: Philippe Richard, PL: Katarzyna Malgorzata Chrzanowska, RO: Raluca Taniuc, SK: Matus Medvek, NO: Jon Reiersen

EIOPA Working Group Chairs:

Ludwig Pflieger (CCPFI Chair), Veronique Hiji (IGSRR Chair), Edward Forshaw (Equivalence Committee Chair), Paolo Cadoni (Internal Models Chair), Evelyne Massé (FinReq Chair), Patrick Darlap (FSC Chair), Olaf Sleijpen (OPC Chair)

EIOPA Staff:

Carlos Montalvo Rebuerta (EIOPA Executive Director), Manuela Zweimüller (EIOPA Head of Regulations), Patrick Hoedjes (EIOPA Head of Operations and Oversight), Susanne Rosenbaum, Catherine Coucke (Legal), Sophia Milili-Makrydakis, Ivo Karshev (items 3, 6), Danny Janssen (item 3), Gabriela Asikainen (item 3), Katarzyna Wojtkiewicz (item 3), Phil Codrai (item 3), Gabriele Arnoldi (items 4.4.,5), Carlos Guine (items 4.4.,5), Pamela Schuermans (item 6), Yvonne Schmerfeld (item 6), Katja Wuertz (item 7), Moritz Beker (item 7.1.), Jan-Ole Wagner (item 7.2.), Alexandra de Jong (item 7.3.), David Cowan (item 7.4.), Adrian O'Brian (item 7.4.), Justin Wray (item 8, 9), Dimitris Zafeiris (item 8), Lorenzo Esteban (item 8), Cees Karregat (item 9.1.), Sandra Hack (item 9.2.), Carine Pilot-Osborn (item 9.2.), Andrew Candland (items 11,12,13), Vesa Ronkainen (items 11,12), Sandra Desson (item 13)

External attendant: US Treasury/Federal Insurance Office FIO: Michael McRaith

	<b>Welcome and introductory remarks by the EIOPA Chair</b>	<b>Information</b>
<b>Conclusions:</b>		

- Not applicable

**Action points:**

- Not applicable

<b>1.</b>	<b>Adoption of the Agenda</b>	<b>Decision by SMV<sup>1</sup></b>
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**Conclusions:**

- BoS adopted the meeting agenda.

**Action points:**

- Not applicable

<b>2.</b>	<b>2.1. Update by Chairman, Executive Director and COM</b>	<b>Information</b>
	<b>2.2. Board of Supervisors Rules of Procedure revised version (including Note on the Qualified Majority Voting)</b>	<b>Decision by SMV<sup>1</sup></b>

2.1. Update by Chairman, Executive Director and COM

**Conclusions:**

- Not applicable

**Action points:**

- Not applicable

2.2. Board of Supervisors Rules of Procedure revised version (including Note on the Qualified Majority Voting)

**Conclusions:**

- BoS adopted its amended Rules of procedure "BoS of EIOPA Rules of Procedure Rev.3-TR (EIOPA-BoS-11-002, 27 January 2015)".

**Action points:**

- Not applicable

<b>3.</b>	<b>Budget and Work Programme :</b>	
	<b>3.1. 2014 Budget execution report</b>	<b>Information</b>
	<b>3.2. Formal approval of 2015 budget</b>	<b>Decision by QMV<sup>2</sup></b>
	<b>3.3. Implications of 2015 budget decisions on Work Programme</b>	<b>Discussion</b>
	<b>3.4. EIOPA Budget 2016 draft estimate of revenue and expenditure</b>	<b>Decision by QMV<sup>2</sup></b>
	<b>3.5. EIOPA Work Programme 2016. First Iteration (for budget)</b>	<b>Decision by SMV<sup>1</sup></b>

3.1. 2014 Budget execution report

**Conclusions:**

- Not applicable

**Action points:**

- Not applicable

### 3.2. Formal approval of 2015 budget

#### **Conclusions:**

- BoS adopted EIOPA 2015 budget “EIOPA Budget 2015 Adoption (EIOPA-14-692, 23 December 2014)”;
- Re-prioritisation exercise concerning deliverables of the Work Programme 2015 will be done at EIOPA and presented to the MB and BoS in March 2015 for discussion and approval.

#### **Action points:**

- Not applicable

### 3.3. Implications of 2015 budget decisions on Work Programme

#### **Conclusions:**

- BoS Members took note of the implications of 2015 budget cuts and will discuss the re-prioritization exercise in its meeting in March 2015.

#### **Action points:**

- Re-prioritisation exercise will be done inside EIOPA and presented to the MB and BoS in March 2015 for discussion and approval.

### 3.4. EIOPA Budget 2016 draft estimate of revenue and expenditure

#### **Conclusions:**

- BoS adopted the “EIOPA Draft Estimate of Revenue and Expenditure for Financial year 2016” amounting to 23.513.000 € based on the draft statement of estimates of revenue and expenditures.

#### **Action points:**

- Not applicable

### 3.5. EIOPA Work Programme 2016. First Iteration (for budget)

#### **Conclusions:**

- BoS adopted the 1st Iteration Annual Work Programme 2016 “1st Iteration EIOPA Annual Work Programme 2016 For Budgeting (EIOPA-BoS-15/011, 9 January 2015)” for sending to the 3 institutions with the Draft Budget.

#### **Action points:**

- EIOPA to conduct a robust prioritisation exercise for the 2nd iteration of the AWP 2016 factoring the priorities for 2016 along with the wider impacts and dependencies of its work;
- EIOPA to include the outcome of the benchmarking exercise comparing EIOPA to other EU bodies on the operational versus horizontal split in FTE allocation and further information to better explain the allocation of staff to administrative tasks.

## **4.**

### **Elections:**

- 4.1. EIOPA Alternate Chair**
- 4.2. Management Board member**
- 4.3. OPC Chair**

- Decision by SMV<sup>1</sup>**
- Decision by SMV<sup>1</sup>**
- Decision by SMV<sup>1</sup>**

<b>4.4. OPSG, IRSG replacement of member</b>	<b>Decision by SMV<sup>1</sup></b>
<p><u>4.1. EIOPA Alternate Chair</u></p> <p><b>Conclusions:</b></p> <ul style="list-style-type: none"> <li>• Peter Braumueller (FMA, AT) was elected as EIOPA’s Alternate Chair.</li> </ul> <p><b>Action points:</b></p> <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>	
<p><u>4.2. Management Board member</u></p> <p><b>Conclusions:</b></p> <ul style="list-style-type: none"> <li>• Jean Hilgers (NBB, BE) was elected as MB member.</li> </ul> <p><b>Action points:</b></p> <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>	
<p><u>4.3. OPC Chair</u></p> <p><b>Conclusions:</b></p> <ul style="list-style-type: none"> <li>• Olaf Sleijpen (DNB, NL) was elected as OPC Chair.</li> </ul> <p><b>Action points:</b></p> <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>	
<p><u>4.4. OPSG, IRSG replacement of member</u></p> <p><b>Conclusions:</b></p> <ul style="list-style-type: none"> <li>• BoS adopted the EIOPA Management Board recommendations for the OPSG replacement (Mr Janwillem Bouma (NL), IORP representative category) and the IRSG replacement (Mr Fernando Herrero (ES), consumers’ category).</li> </ul> <p><b>Action points:</b></p> <ul style="list-style-type: none"> <li>• The outcome to be communicated to the appointed new members of both stakeholder groups.</li> </ul>	
<b>5. IAIS: ICS - high level strategic note</b>	<b>Decision by SMV<sup>1</sup></b>
<p><b>Conclusions:</b></p> <ul style="list-style-type: none"> <li>• BoS adopted the Strategic Note “EIOPA Strategy Paper on ICS (EIOPA-BoS-15-021, 19 January 2015)” including minor refinements to reflect the comments received and agreed during the discussion;</li> <li>• EIOPA Chairman highlighted that this is a living document that will return to BoS for additional discussion when important milestones are reached or new relevant issues arise.</li> </ul> <p><b>Action points:</b></p> <ul style="list-style-type: none"> <li>• EIOPA to include minor adjustments to the document;</li> <li>• EIOPA to take forward the agreed strategy in the upcoming IAIS negotiations.</li> </ul>	
<b>6. Solvency II: Final approval of guidelines on governance and ORSA</b>	<b>Decision by QMV<sup>2</sup></b>
<p><b>Conclusions:</b></p>	

- BoS adopted the “Final Report on Public Consultation No. 14/017 on Guidelines on system of governance (EIOPA-BoS-14/253\_28 January 2015)”; BoS adopted the “Final Report on Public Consultation No. 14/017 on Guidelines on own risk and solvency assessment (EIOPA-BoS-14/259, 28 January 2015)”.

**Action points:**

- The Final Reports on system of governance and ORSA will be published in the coming days on EIOPA’s website. The final Guidelines will be translated and afterwards published which will start the comply-or-explain mechanism for EIOPA Members.

**7. Consumer Protection:**

<b>7.1 Final technical advice: conflicts of interest in direct and intermediated sales of insurance-based investment products</b>	<b>Decision by SMV<sup>1</sup></b>
<b>7.2 Opinion on sales via the Internet</b>	<b>Decision by SMV<sup>1</sup></b>
<b>7.3 Draft good practices report on transfers of Acquired Pension Rights</b>	<b>Decision by SMV<sup>1</sup></b>
<b>7.4 Template to facilitate complaints handling</b>	<b>Discussion</b>

7.1 Final technical advice: conflicts of interest in direct and intermediated sales of insurance-based investment products

**Conclusions:**

- BoS adopted the “Final Report on Public Consultation on the draft technical advice on Conflicts of Interest in direct and intermediated sales of insurance-based investment products (EIOPA-15/006, 7 January 2015)”.

**Action points:**

- EIOPA to send the Technical Advice to COM.

7.2 Opinion on sales via the Internet

**Conclusions:**

- BoS adopted the “EIOPA Opinion on sales via the Internet of insurance and pension products (EIOPA-BoS-14-198, 7 January 2015)”.

**Action points:**

- EIOPA to publish, on the website, the Opinion on sales via the Internet.

7.3 Draft good practices report on transfers of Acquired Pension Rights

**Conclusions:**

- BoS adopted the “Draft Consultation Paper on a Report on Good practices on individual transfers of supplementary occupational pension rights (EIOPA-BoS\_15-019\_CP-15-001, 12 January 2015)” and “Annex I data on volumes values (EIOPA-BoS-15-018)”.

**Action points:**

- EIOPA to launch a public consultation on the Consultation Paper.

7.4 Template to facilitate complaints handling

**Conclusions:**

- BoS agreed that CCPFI carry out further work to introduce a template for

reporting of relevant information at individual undertaking level and to include consideration of the question of materiality. EIOPA should write to COM seeking clarity on the home/host reporting issue through the forthcoming IDD.

**Action points:**

- CCPFI to propose a template based on relevant information exchange about complaints from individual firms;
- CCPFI to consider how to introduce a materiality element to the data exchange;
- EIOPA to write a letter to COM regarding the need for clarity on home/host competence for reporting purposes, suggesting its inclusion in the forthcoming IDD.

<b>8.</b>	<b>RFR project:</b>	
	<b>8.1. Technical documentation</b>	<b>Decision by SMV<sup>1</sup></b>
	<b>8.2. Technical information for first publication</b>	<b>Decision by SMV<sup>1</sup></b>
	<b>8.3. Recommendations after first publication</b>	<b>Decision by SMV<sup>1</sup></b>

**Conclusions:**

- Members agreed to postpone the publication of the technical information for at least two weeks, steering RFR project to work intensively during next two weeks in order to fix the elements that have been put on BoS table. This will include a review of the coding to the maximum possible extent. Members are requested to send experts for the review of the coding or participate in the final steps;
- Members agreed that the proposed way forward after first publication and the project description were in the right direction.

**Action points:**

- Not applicable

<b>9.</b>	<b>Pensions:</b>	
	<b>9.1. Report on cost and charges</b>	<b>Decision by SMV<sup>1</sup></b>
	<b>9.2. Report on effective investment decisions</b>	<b>Decision by SMV<sup>1</sup></b>

9.1. Report on cost and charges

**Conclusions:**

- BoS adopted the "EIOPA Report on Costs and charges of IORPs (EIOPA-BoS-14-266, 7 January 2015)" and the suggested way forward.

**Action points:**

- The Reports on costs and charges, subject to adding the changes agreed upon during the BoS meeting, will be published on EIOPA's website.

9.2. Report on effective investment decisions

**Conclusions:**

- BoS adopted the publication of the "Report on Investment decisions in the interest of occupational DC scheme members (EIOPA-BoS-15-016, 8 January 2015)" and suggested areas of further EIOPA work.

**Action points:**

- Subject to amending the title agreed during the BoS meeting, the report will be published in the coming days on EIOPA’s website.

**9a. Exchange of views with Michael T. McRaith, Director of the U.S. Federal Insurance Office (FIO), on international standards**

**Discussion**

Exchange of views with Michael T. McRaith, Director of the U.S. Federal Insurance Office (FIO), on international standards

**Conclusions:**

- Not applicable

**Action points:**

- Not applicable

**10. Closed session**

**Discussion**

**11. EIOPA oversight strategy**

**Decision by SMV<sup>1</sup>**

**Conclusions:**

- BoS adopted “EIOPA’s Oversight Strategy 2015-2017 (EIOPA-BoS-15-009, 14 January 2015)” subject to three changes (removing the word “systematically” and adding “with full transparency” in para. 4.8, and adding a review of the implementation of the strategy in 12 months’ time).

**Action points:**

- EIOPA to update the strategy paper for the three changes before it is further disseminated;
- EIOPA to provide an update to the BoS in Q1 2016 on the implementation of the oversight strategy.

**12. EIOPA Opinion on Internal Models**

**Discussion**

**Conclusions:**

- BoS supported the proposal of EIOPA Chairman to allow for a more in-depth analysis of the VA during February.

**Action points:**

- EIOPA together with NSAs to deepen and expand the analysis on the VA by the end of February;
- EIOPA to request the Opinion of the COM Legal Services on the subject.

**13. Report on the Functioning of Colleges and the Accomplishments of the 2014 Action Plan**

**Decision by SMV<sup>1</sup>**

**Conclusions:**

- The item was not discussed due to time restrictions.

**Action points:**

- Not applicable

14. Revised Guidelines Framework	Decision by SMV <sup>1</sup>
<p><b>Conclusions:</b></p> <ul style="list-style-type: none"> <li>The item was not discussed due to time restrictions.</li> </ul> <p><b>Action points:</b></p> <ul style="list-style-type: none"> <li>Not applicable</li> </ul>	
15. AOB	Information
<p><b>Conclusions:</b></p> <ul style="list-style-type: none"> <li>Next BoS meeting will take place on 26-27 March 2015.</li> </ul> <p><b>Action points:</b></p> <ul style="list-style-type: none"> <li>Not applicable</li> </ul>	

<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