



EIOPA-15/080

26 March 2015

EIOPA Board of Supervisors Meeting

26-27 March 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: Victoria Natar, CZ: David Rozumek (1st day only), Zuzana Silberova (2nd day only), DE: Thomas Smitz-Lippert, DK: Per Plougmand Bærtelsen, EE: Kilvar Kessler, ES: Pablo Muelas García, FI: Anneli Tuominen, FR: Philippe Richard, GR: Ioanna Seliniotaki, HR: Gordana Letica, HU: Koppány Nagy, IE: Sylvia Cronin, IT: Alberto Corinti, LT: Vytautas Valvionis, LU: Claude Wirion, LV: Dina Mikelšone, MT: Marisa Attard, NL: Thijs van Woerden, PL: Damian Jaworski, PT: José Almaça, RO: Misu Negritoiu, SK: Júlia Cillíková, SI: Mojka Rome (PoA), SE: Martin Noreus, UK: Andrew Bulley

Non-voting: BE: Luc Kaiser, Henk Becquaert, ES: Fernando Moreno, FI: Teija Korpiaho, HU: József Banyar, IE: Mark Burke, Brendan Kennedy, IS: Unnur Gunnarsdóttir, IT: Fausto Parente, Rafelle Capuano, LU: Annick Felten, NL: Petra Hielkema, UK: Lesley Titcomb, Nigel Peaple, COM: Klaus Wiedner, EBA: Adam Farkas, ESMA: Jakub Michalík, ESRB: Francesco Mazzaferro

Experts:

AT: Gerlinde Taurer, CZ: Jaroslav Kovanda, Jan Bouska, DE: Petra Faber Graw, EE: Stina Mander, ES: Flavia Rodriguez-Ponga, PL: Katarzyna Malgorzata Chrzanowska, RO: Simona Dobrica, SK: Matus Medvek

EIOPA Working Group Chairs:

Veronique Hijl (IGSRR Chair), Edward Forshaw (Equivalence Committee Chair), Paolo Cadoni (Internal Models Chair), Patrick Darlap (FSC Chair), Olaf Sleijpen (OPC Chair), Fausto Parente (IGSC Chair)

EIOPA Staff:

Carlos Montalvo Rebuelta (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 Karšev (item 3), Danny Janssen (item 4, 5), Phil Codrai (item 4, 5), Katja Wuertz (item 6), Timothy Shakesby (item 6); Pieter Hulst (item 6), Philip Kitzmantel (item 14), Pamela Schuermans (item 7), Justin Wray (item 7, 10, 12), Lazaro Cuesta Barbera (item 7), Laurent Etori (item 7), Sandra Hack (item 7), Tomas Walter (item 8), Dimitris Zafeiris (item 12), Juan Zschiesche (item 12), Andrew Candland (item 9), Vesa Ronkainen (item 9), Peter Kleisen (item 10), Barthold Kuipers (item 12, 13), Daniel Perez (item 13)

Welcome and introductory remarks by the EIOPA Chairman	Information
Conclusions: <ul style="list-style-type: none">• Not applicable	

Action points:	
<ul style="list-style-type: none"> • Not applicable 	
1. Adoption of the Agenda	Decision by SMV¹
Conclusions:	
<ul style="list-style-type: none"> • BoS adopted the meeting agenda. 	
Action points:	
<ul style="list-style-type: none"> • Not applicable 	
2. Update by Chairman, Executive Director and COM	Information
Conclusions:	
<ul style="list-style-type: none"> • Not applicable 	
Action points:	
<ul style="list-style-type: none"> • Not applicable 	
3. Closed session: End of term process for Chairman and Executive Director	Decision by SMV¹
Confidential exchange of information without Chairman and Executive Director and without EIOPA staff except Legal.	
4. Reports:	
4.1. Budget 2014: execution report	Information
4.2. EIOPA Annual Activity Report 2014	Decision by SMV¹
4.3. Report according to Article 310a Directive 2009/138/EC	Decision by SMV¹
<u>4.1. Budget 2014: execution report</u>	
Conclusions:	
<ul style="list-style-type: none"> • Not applicable 	
Action points:	
<ul style="list-style-type: none"> • Not applicable 	
<u>4.2. EIOPA Annual Activity Report 2014</u>	
Conclusions:	
<ul style="list-style-type: none"> • The "EIOPA Annual Activity Report 2014 (EIOPA-BoS-15/071, 12 March 2015)" was adopted, with the condition that EIOPA will deal with any identified inaccuracies raised by BoS prior to the deadline (1st July 2015) for submitting to EU Institutions. 	
Action points:	
<ul style="list-style-type: none"> • BoS to provide comments before noon 9th April 2015. 	
<u>4.3. Report according to Article 310a Directive 2009/138/EC</u>	
Conclusions:	

- BoS adopted, subject to the amendment of typo's and small errors, the "EIOPA REPORT according to Art. 310a to the European Parliament, the Council and COM, on staffing and resources needed to accomplish the tasks under Solvency II (EIOPA-BoS-15/078, 13 February 2015)".

Action points:

- EIOPA to send final report to European institutions.

5. EIOPA Annual Work Programmes:

5.1. EIOPA Annual Work Programme 2015 (revised)

Decision by SMV¹

5.2. EIOPA Annual Work Programme 2016

Decision by SMV¹

5.1. EIOPA Annual Work Programme 2015 (revised)

Conclusions:

- BoS adopted the revised "EIOPA Work Programme 2015 (EIOPA-BoS-15/067 11 March 2015)".

Action points:

- Not applicable.

5.2. EIOPA Annual Work Programme 2016

Conclusions:

- BoS adopted the "1st Iteration (updated) EIOPA Annual Work Programme 2016 (EIOPA-BoS-15/068 11 March 2015)" for sending as a draft to the 3 institutions by 31 March 2015.

Action points:

- Not applicable

6. Consumer Protection: Technical discussion note on PRIIPS KID strategic options Discussion

Conclusions:

- Concrete positions to be presented on relevant key issues (including wrappers, risk premiums, and the use of credit ratings) at next available BoS.

Action points:

- Not applicable

7. Solvency II:

7.1. Approval of final advice on RTS on recovery plan and finance scheme

Decision by SMV¹

7.2. Approval of draft consultation paper on ITS on the procedures and template for the submission of information to the group supervisor

Decision by SMV¹

7.3. Strategic discussion on way forward on external audit of Solvency II publically disclosed information

Decision by SMV¹

7.1. Approval of final advice on RTS on recovery plan and finance scheme

Conclusions:

- BoS adopted the “Final Report on Public Consultation No 14/062 on the Advice to the European Commission in response to the Call for Advice on recovery plan, finance scheme and supervisory powers in deteriorating financial conditions (EIOPA-BoS-15-052_Final_Report_Advice_Recovery_plan)”.

Action points:

- EIOPA to publish the Final Report on the Advice to the European Commission in response to the Call for Advice on recovery plan, finance scheme and supervisory powers in deteriorating financial conditions on EIOPA’s website.
- EIOPA to send the Advice to COM.

7.2. Approval of draft consultation paper on ITS on the procedures and template for the submission of information to the group supervisor**Conclusions:**

- BoS adopted the draft “Consultation Paper on the proposal for implementing technical standards on the procedures and templates for the submission of information to the group supervisor as well as the exchange of information between supervisory authorities (EIOPA-CP-15-002_ITS_Info_exchange_FINAL)”.

Action points:

- EIOPA to publish the consultation paper on the draft ITS on its website.

7.3. Strategic discussion on way forward on external audit of Solvency II publically disclosed information**Conclusions:**

- BoS Members agreed to a staggered approach, which means to look into developing a good practices-type material on external audit and to communicate its views on the external audit of Solvency II publically disclosed information. At a later stage, EIOPA shall assess the actual quality of the data which will be provided in the SFCRs and to thoroughly consider any gaps in the level of quality, which may trigger further action by EIOPA in the future including considerations to issue Guidelines should need arise.

Action points:

- IGSRR, together with EIOPA staff, to develop a good practices-type material on external audit of Solvency II publically disclosed information for future consideration by the BoS in June, and to develop appropriate communication on this issue.

8. Discussion paper on infrastructure investment risk Decision by SMV¹**Conclusions:**

- BoS adopted the “Discussion Paper on Infrastructure Investments by Insurers discussion paper on infrastructure investment risk for publication (EIOPA-15-065_Draft_discussion_paper_on_Infrastructure_Investments_by_Insurers)”.

Action points:

- Discussion paper to be modified to reflect the point regarding the more granular treatment and then to be published.

9. EIOPA opinion on internal models	Decision by SMV¹						
<p>Conclusions:</p> <ul style="list-style-type: none"> • No agreement on Element 1 (modelling of the Volatility Adjustment) of the opinion. After a period for further comments from Members, an updated text will be issued and a telco and vote held on 13 April. • Elements 2 (modelling of Sovereign Exposures), 3 (practical preparation of the application in the absence of some related formal decisions) and 4 (use of comparative studies as a complementary tool in the analysis of internal models) of the opinion were adopted. • A single opinion including all approved elements will be issued after the telco on 13 April. <p>Action points:</p> <ul style="list-style-type: none"> • EIOPA to organise a written procedure and telco on 13 April, and issue updated text soon after the close of the written procedure. • Members to provide comments on Element 1 using the written procedure with a deadline of 7 April. 							
10. Prioritisation of equivalence assessments on request of national supervisory authorities	Decision by SMV¹						
<p>Conclusions:</p> <ul style="list-style-type: none"> • BoS adopted the note "Prioritisation of Equivalence Assessments on request of National Supervisory Authorities (EIOPA-BoS-15-057, 2 March)". • The EIOPA Equivalence Committee is mandated to come forward with a recommendation, after following the criteria agreed upon, which third countries to be assessed and with which priority. This recommendation will be brought to the BoS for approval. • COM was requested to give clarity with regard to expected equivalence decisions and their timing. <p>Action points:</p> <ul style="list-style-type: none"> • The EIOPA Equivalence Committee to come forward with a recommendation which third countries to be assessed and with which priority. 							
11. Closed Session							
<p>Confidential exchange of information.</p>							
<p>12. Pensions</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">12.1. Update from public consultation and next steps regarding work on solvency for IORPs</td> <td style="text-align: right;">Decision by SMV¹</td> </tr> <tr> <td>12.2. Technical specifications for QIS</td> <td style="text-align: right;">Decision by SMV¹</td> </tr> <tr> <td>12.3. EIOPA's Crisis Prevention and Management Handbook for IORPs</td> <td style="text-align: right;">Decision by SMV¹</td> </tr> </table>		12.1. Update from public consultation and next steps regarding work on solvency for IORPs	Decision by SMV¹	12.2. Technical specifications for QIS	Decision by SMV¹	12.3. EIOPA's Crisis Prevention and Management Handbook for IORPs	Decision by SMV¹
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12.3. EIOPA's Crisis Prevention and Management Handbook for IORPs	Decision by SMV¹						
<p><u>12.1. and 12.2 Update from public consultation and next steps regarding work on solvency for IORPs and technical specifications for QIS</u></p>							
<p>Conclusions:</p>							

- BoS agreed on extending the deadline for IORPs participating in the QA to submit results to NCAs by one month to 10 August 2015 (instead of 10 July).
- BoS agreed that the EIOPA validation of QA results will take place from end-August to last week of September 2015 and that the Advice to COM on solvency rules for IORPs will be published by March 2016.
- BoS agreed that the calculation of the highlighted SCR sub-modules (intangible asset, mortality, disability, benefit option, expense and CAT risk) will not be part of the basic request to IORPs, but IORPs that consider them important will be provided with the opportunity to include the modules.
- BoS agreed on the technical specifications subject to further changes to be made following the informal consultation with stakeholders, which will need to be approved by BoS through written procedure.
- BoS agreed not to publish the technical specifications before completion of the informal consultation with stakeholders. NSAs have the opportunity to informally exchange the draft technical specifications with participating IORPs. The AEIP will be asked to participate in the informal consultation.

Action points:

- EIOPA staff to revise technical specifications in line with BoS conclusions and circulate to NSAs to facilitate informal exchange with participating IORPs.
- EIOPA staff to request AEIP to participate in the informal consultation.
- OPC and its OPC Solvency Subgroup to finalise technical specifications and the rest of the QA package.

12.3. EIOPA’s Crisis Prevention and Management Handbook for IORPs

Conclusions:

- BoS adopted “EIOPA’S Crisis Prevention and Management Handbook for IORPs in case of events with EU-wide effect (EIOPA-BoS-15-053_EIOPA's_Crisis_Prevention_and_Management_Handbook)”.

Action points:

- Not applicable

13. Pensions Stress Test

13.1. Technical specifications for pensions stress test Decision by SMV¹

13.2. Pensions Stress Test – project update Information

13.1. and 13.2 Technical specifications for pensions stress test and project update

Conclusions:

- BoS agreed on extending the deadline for IORPs participating in the stress test to submit results to NCAs by one month to 10 August 2015 (instead of 10 July).
- BoS agreed that the EIOPA validation of stress test results will take place from end-August to last week of September 2015 and that the stress test report will be published by December 2015, subject to further consideration of the timing only in September BoS.
- BoS agreed that NSAs should submit non-anonymized data to EIOPA.

- BoS agreed to rebrand the DC part of the stress test in the stress test specifications, similar to the low-yield module in the insurance stress test
- BoS agreed on the stress test specifications subject to further changes to be made following the informal consultation with stakeholders, which will need to be approved by BoS through written procedure.
- BoS agreed not to publish the stress test specifications before completion of the informal consultation with stakeholders.
- BoS agreed that communication of stress test results should be considered at an early stage.

Action points:

- EIOPA to work out a project planning compatible with the changes in the timeline.
- FSC and its FSC/OPC Pensions Stress Test Subgroup to finalise the launch package for the pensions stress test aiming at publication of the specifications and spreadsheets on the 11 of May, i.e. after the consultation with stakeholders and the final approval of the BoS by written procedure to be launch by end of April.

14. Tool for undertakings: Way forward

Discussion

Conclusions:

- The BoS adopted the proposal with the amendments as proposed by the Chairman.

Action points:

- EIOPA to publish a stable version based on Solvency II in August;
- EIOPA to commit to the tool being available to undertakings for their first SII reporting in 2016 but to stop its direct engagement afterwards;
- EIOPA to start engaging with market suppliers to facilitate the transition;
- EIOPA to analyse whether budget could be reallocated to continue development until 2016, or if impossible to propose a way forward through contributions from Members.

15. AOB

Information

Conclusions:

- Next BoS meeting will take place on 29-30 June 2015.

Action points:

- Include CR Update as standard agenda point for future BoS meetings;
- BoS Members will have the opportunity to comment upon EIOPA's views on the endorsement of IFRS 9 Financial Instrument.

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

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

[Signed]

Gabriel Bernardino

Chairperson of EIOPA