



EIOPA-BoS-14/023

EIOPA Board of Supervisors Meeting 30-31 January 2014 Approved Deliberations and Conclusions

Chairman: Gabriel Bernardino

Members and Observers:

Voting: AT: Peter Braumüller, BE: Jean Hilgers, BG: Nikolay Petkov (Acting Alternate), CY: Victoria Natar, CZ: David Rozumek, DE: Felix Hufeld, DK: Jan Parner, EE: Kilvar Kessler (1st day only), ES: Pablo Muelas Garcia, FI: Anneli Tuominen (2nd day only), FR: Sandrine Lemery, GR: Ioannis Chatzivasiloglou, HR: Petar-Pierre Matek, HU: József Banyar (Acting Alternate), IE: Cyril Roux (2nd day only), IT: Alberto Corinti, LT: Mindaugas Salcius, LU: Victor Rod, LV: Kristaps Zakulis (2nd day only), MT: André Camilleri, NL: Petra Hielkema, PL: Damian Jaworski, PT: Mario Ribeiro, RO: Ion Giurescu, SK: Lucia Stefunkova, SI: Jernej Merhar (Acting Alternate), SE: Martin Noréus, UK: Andrew Bulley (Acting Alternate)

Non-voting: BE: Luc Kaiser, Wim Coumans, DE: Thomas Schmitz-Lippert, EE: Andres Kurgpöld (2nd day only), FI: Hely Salomaa, IS: Halldóra Ólafsdóttir, IE: Mark Burke, IT: Fausto Parente, Rinaldi Amborgio, LI: Alexander Imhof, LU: Claude Wirion, LV: Dina Mikelstone, UK: Stephen Soper, Niger Peaple, COM: Klaus Wiedner, EBA: Corinne Kaufman, ESMA: Sophie Vuarlot Dignac, ESRB: Francesco Mazzaferro

Experts:

AT: Gerlinde Taurer, CZ: Jaroslav Kovanda, DE: Dorothee Kohleik, GR: Stella Adamopoulou, NO: Ole-Jørgen Karlsen, PL: Katarzyna Malgorzata Chrzanowska, RO: Rodica Popescu, Adina Maria Dragomir, SK: Andrea Gondova, UK: Fiona Rogers

EIOPA Working Group Chairs:

Patrick Darlap (FSC Chair), Pauline de Chatillon (CCPFI Chair), Evelyn Masse (FinReq Chair), Fausto Parente (IGSC Chair), Damian Jaworski (Peer Review Chair), Veronique Hiji (IGSRR Chair), Paolo Cadoni (IM Chair), Edward Forshaw (Equivalence Committee Chair), Peter Penzes (TFPP 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 (EIOPA senior legal counsel), Sophia Milili-Makrydakis, Sandra Desson (EIOPA coordinator of Colleges team) for point 9, Pamela Schuermans (EIOPA coordinator of Insurance and Pensions policy) for point 13, Andrew Candland (EIOPA coordinator of CoE) for point 16 and 17, Andrew Mawdsley (EIOPA Head of Unit Financial Stability and Information) for point 18

1.	Welcome and introductory remarks by the Chairman	Information
Conclusions: <ul style="list-style-type: none"> Not applicable Action points: <ul style="list-style-type: none"> Not applicable 		
2.	Adoption of the Agenda	Decision by SMV ¹
Conclusions and Action points:		

<ul style="list-style-type: none"> Agenda (EIOPA-BoS-13/222 Rev.1) was adopted with no change. 		
3.	Update by Chairman, Executive Director (ED) and COM	Information
<p>Conclusions:</p> <ul style="list-style-type: none"> Not applicable <p>Action points:</p> <ul style="list-style-type: none"> EIOPA to send copy of the letter sent by the ECB to Commissioner Barnier in response to the Philippe Maystadt report entitled "Should IFRS standards be more European" expressing concerns with respect to the envisaged voting system within the EFRAG Board to BoS Members for information. 		
4.	Budget 2014: adoption	Decision by QMV ²
<p>Conclusions:</p> <ul style="list-style-type: none"> The BoS adopted, by qualified majority voting, the final EIOPA budget 2014. The BoS adopted, by qualified majority voting, the EIOPA Work Programme 2014 including reprioritisation. <p>Action points:</p> <ul style="list-style-type: none"> EIOPA to schedule mid-year review of the WP2014 to decide if reprioritization is needed. 		
5.	Budget 2015: draft statement of estimates of revenue and expenditure	Decision by QMV ²
<p>Conclusions:</p> <ul style="list-style-type: none"> The BoS adopted, by qualified majority voting, the draft EIOPA statement of revenue and expenditure for 2015. <p>Action points:</p> <ul style="list-style-type: none"> EIOPA to send 2015 draft estimate of revenue and expenditure to COM by 31 January 2014 (article 63 EIOPA Regulation, article 33(2) EIOPA Financial Regulation). EIOPA to enhance the explanatory cover note to the EIOPA 2015 draft statement of estimates of revenue and expenditure and to send to BoS. 		
6.	Preliminary Work Programme 2015	Discussion
<p>Conclusions:</p> <ul style="list-style-type: none"> EIOPA to ensure sufficient strategic (top-down) discussion on the priorities and to continue to collect and integrate BoS views. EIOPA to ensure the deliverables are sufficiently scoped to aid in decision making on prioritisation. <p>Action points:</p> <ul style="list-style-type: none"> EIOPA to take note of BoS comments as it continues to develop and refine the Annual Work Programme 2015. 		
7.	Management Rules on potential conflict of interest for Board members	Information
<p>Conclusions:</p> <ul style="list-style-type: none"> BoS agreed on the importance of updating the management rules on conflict of interests 		

at EIOPA.

- BoS stressed the importance of aiming at comparable rules at the 3 European Supervisory Authorities (ESAs).

Action points:

- BoS to send comments and suggestions to EIOPA by 17 February 2014.
- EIOPA to clarify the rules (e.g. scope) and present clarifications to Management Board and BoS before implementation by their addressees.

8.	Consumer Protection and Financial Innovation	
	8.1. Final Report on Good Practices on Comparison Websites	Decision by SMV ¹
	8.2. Test Achats ruling: Overview of the implementation into national legislation	Decision by SMV ¹
	8.3. National General Good Provisions	Decision by SMV ¹
	8.4. Cross-border reporting of complaints by insurance undertakings under EIOPA Guidelines	Discussion

8.1. Final Report on Good Practices on Comparison Websites

Conclusions:

- BoS adopted, by simple majority voting, the Report on Good Practices on Comparison Websites.

Action Points:

- EIOPA to publish the Report on Good Practices on Comparison Websites on 30 January 2014.

8.2. Test Achats ruling: Overview of the implementation into national legislation

Conclusions:

- Test Achats ruling - Overview of the implementation into national legislation: the Report on the implementation of the Test Achats ruling into national legislation was adopted by simple majority voting subject to final factual amendments by BoS Members.

Action Points:

- Test Achats ruling - Overview of the implementation into national legislation: BoS Members to suggest factual amendments (if any) to the report by 5 February cob. EIOPA to publish the finalised version of the report on its website by 11 February 2014.

8.3. National General Good Provisions

Conclusions:

- BoS adopted, by simple majority voting, the General Good Provisions in the tables as filled in by each Member State.

Action Points:

- EIOPA to publish, on the website, the National General Good Provisions tables.

8.4. Cross-border reporting of complaints by insurance undertakings under EIOPA Guidelines

Conclusions:

- Support for follow-up work on enhancing information exchange by exploring the possibility of a common template(s) for cross-border reporting of complaints by insurance undertakings. The template(s) would contain information adapted to specific

circumstances and relevant to the home & host (or “market-based”) authority.

- Support for ensuring cross-sectoral consistency in cross-border reporting of complaints, where appropriate.

Action points:

- EIOPA to bring the issue, in the first instance, to the Joint Committee for further consideration.

9.	Colleges	
	9.1. Report on the Functioning of Colleges and the Accomplishments of the 2013 Action Plan	Decision by SMV ¹
	9.2. EIOPA approach to proportionality in the monitoring of colleges	Decision by SMV ¹

9.1. Report on the Functioning of Colleges and the Accomplishments of the 2013 Action Plan

Conclusions:

- BoS adopted, by simple majority voting, EIOPA’s Report on the Functioning of Colleges and the Accomplishments of the 2013 Action Plan.

Action points:

- EIOPA to publish its Report on the Functioning of Colleges and the Accomplishments of the 2013 Action Plan, on the public area of the EIOPA’s website, in the form as agreed by the BoS.
- EIOPA to contact the respective BoS Members for the Colleges that did not yet have an emergency plan in place.

9.2. EIOPA approach to proportionality in the monitoring of colleges

Conclusions:

- BoS adopted, by simple majority voting, EIOPA’s approach to proportionality in the monitoring of colleges.

Action points:

- BoS Members to consider Appendix 3 to the paper: “Proportionate Colleges proposed list” and to revert to EIOPA with any proposed additions to (or deletions from) the list by Friday 14th February 2014 cob.
- EIOPA then to circulate list for information (by Written Procedure) to BoS and EIOPA Colleges Team to inform the relevant Group Supervisors to put the new arrangements in place.
- BoS Members to come back to EIOPA with proposals concerning the elements to be discussed in BoS related to Colleges and group supervision.

10.	Closed session	
11.	TFPP mandate	Decision by SMV ¹

Conclusions:

- BoS adopted, by simple majority voting, the revised TFPP Mandate.

Action points:

- Revised TFPP Mandate to be published on public area of EIOPA website.

12.	Preliminary Report to COM - Towards an EU-single market for personal pensions	Decision by SMV ¹
<p>Conclusions:</p> <ul style="list-style-type: none"> ▪ BoS endorsed, for delivery to COM and publication, the EIOPA Preliminary Report to COM "Towards a single market for personal pensions" and associated feedback document. <p>Action points:</p> <ul style="list-style-type: none"> ▪ EIOPA to deliver the Preliminary Report to COM "Towards a single market for personal pensions", following factual editing revisions. ▪ EIOPA to draft cover letter to COM reflecting the main conclusions of the report and to share a paragraph regarding the discussion on consumer protection aspects of CEE Pillar 1 bis schemes with BoS before delivery to COM. ▪ EIOPA Preliminary Report to COM "Towards a single market for personal pensions" and associated feedback document to be published on public area of EIOPA website. 		
13.	Solvency II timeline	Discussion
<p>Conclusions:</p> <ul style="list-style-type: none"> ▪ BoS agreed on the strategy and the timeline for the deliverables of the SII project in the next 2 years. ▪ EIOPA ED underlined the importance of the legal soundness of the deliverables, in particular the technical standards: the legal drafting will prevail in case of doubt. ▪ In particular, the number and length of GLs should be carefully scrutinised. If the quality of the deliverables would be at risk, the GL for Day-1 application should be reconsidered according to necessity. ▪ BoS agreed that an extraordinary BoS meeting should be scheduled closer to the date of delivery of the first set of Implementing Technical Standards (ITS) in October 2014. <p>Action points:</p> <ul style="list-style-type: none"> ▪ EIOPA to schedule extraordinary BoS meeting for October 2014. ▪ EIOPA to ensure consistency between the final timeline and the WG mandates, to be published. ▪ EIOPA to publish communication of the Solvency II timeline on EIOPA website. ▪ EIOPA to ensure targeted communication with stakeholders, beginning with the IRSG. 		
14.	Inclusion of OMDII material during the preparatory phase	Decision by SMV ¹
<p>Conclusions:</p> <ul style="list-style-type: none"> ▪ BoS supported the recommendation to include the Long Term Guarantee (LTG) measures in the preparatory guidelines. ▪ BoS agreed that practically, as no changes would be made to the templates for the preparatory phase, some description of the calculations with and without the LTG measures could accompany the calculations (e.g. in the narrative, an NCA could require to report with and without the LTG measures). ▪ BoS agreed that a disclaimer should accompany the technical specifications, stating that the inclusion of the calculations during the preparatory phase should not pre-empt any decision on the future approval by the NCAs of the use of the measures and that undertakings that would like to use these LTG measures should prepare themselves in order to demonstrate that they would be able to comply with the requirements underlying 		

the use and approval of LTG measures.

Action points:

- EIOPA to prepare a disclaimer and decide which measure (including means of communication to industry) will be used to allow NCAs to require reporting the impact of the calculations and to require a dialogue with undertakings which wish to use these measures.

15.	Way forward on draft EIOPA Guidelines on External Audit	Decision by SMV ¹
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Conclusions:

- BoS supported a full scope audit (Balance Sheet, Own funds and Capital Requirements), both on solo and group level and with implicit proportionality.
- Some further analysis needs to be undertaken regarding the precision about what is expected of the auditor when auditing capital requirements, also in relation to internal models.
- Guidelines are certainly not to be consulted on before the first set of SII Guidelines as the Guidelines are essential only for first SII disclosures – i.e. on 2016 year end basis, which leaves some leeway for the timing of the public consultation.

Action points:

- EIOPA WGs to continue to work on the EIOPA Guidelines on external audit covering the SII balance sheet, own funds and capital requirements considering implicit proportionality (in the manner as presented in the main document).

16.	Centre of Expertise in Internal Models: update and forward-looking priorities	Discussion
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Conclusions:

- BoS acknowledged the report on the Centre of Expertise (CoE).
- Suggestions from BoS for priorities for the CoE and Informal Supervisory Meeting (ISM) to work on were: diversification, deferred tax and the further use of benchmarking beyond the work underway for market and credit risk.

Action points:

- EIOPA to lead expert groups in producing good practice notes for deferred tax (discussed at January 2014 ISM) and diversification (to be discussed at February 2014 ISM).
- ISM to discuss further opportunities to use benchmarking.

17.	Update on EIOPA actions arising from Peer Review of IM Pre-application	Discussion
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Conclusions:

- BoS acknowledged the interim update on progress by EIOPA.

Action points:

- EIOPA to integrate its final update on progress with the report from the current peer-led follow-up of actions given to NCAs. Expected at June 2014 BoS meeting.

18.	Quarterly Fast Track reporting	Decision by SMV ¹
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Conclusions:

- BoS agreed on Alternative A, involving complete unshuffling and provision of

company level data, as presented in the underlying paper.

- It was emphasised in the discussion that the limitation to the use of the data to FS work should be made clear in the implementation.

Action points:

- EIOPA to put the infrastructure and controls in place to move to the acceptance of information in unshuffled form.

19.	Update on Insurance Stress Test	Information
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Conclusions:

- The project plan was supported by the BoS, including the broad timeline. There was some discussion on the balance of timing for national and central validation.
- It was confirmed that the central validation process would be supported by EIOPA covering the costs of national experts coming to Frankfurt to participate in the validation process.
- On the question of maximising the scope of the exercise in terms of participation, Members were comfortable with allowing scope for this.
- On the question of consultation of industry, BoS endorsed the approach of consulting only on the templates and pre-stress technical specifications but not the stress scenarios.
- The degree and form of disclosure for this exercise was raised and it was agreed to come back to the BoS with detailed proposals for consideration.

Action points:

- Financial Stability Committee (FSC) Chair to provide an update at the next BoS meeting on the project.
- FSC/EIOPA staff to prepare a proposal for disclosure and scope of the report to be discussed at a future BoS meeting.
- EIOPA to develop a detailed document setting out the funding, terms and timing of participation by national experts in the validation process.

20.	Tool for undertakings	Decision by SMV ¹
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Conclusions:

- BoS supported the view that a "Tool for Undertakings" should be developed according to the approach outlined in Option 2 (i.e. a custom software solution to be locally installed by reporting agents).

Action points:

- ITDC to initiate development project and start implementation immediately.

21.	Revised Guidelines Framework	Decision by SMV ¹
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Conclusions:

- BoS requested the reformulation of the proposed provisions of article 10 of the Guidelines framework in view of clarifying their scope, i.e. the "integration phase" of the guidelines.
- BoS requested that consultation at the level of the three ESAs would take place in order to work on a consistent approach.

Action points:

- EIOPA to rephrase the revised provisions before presenting them for adoption by the BoS.

▪ EIOPA to consider outcome of discussions in EBA and ESMA.		
22.	AOB	Information
Conclusions: <ul style="list-style-type: none"> ▪ Not applicable Action points: <ul style="list-style-type: none"> ▪ Next BoS meeting to be held on 27-28 March 2014 in Frankfurt. 		

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