

# 78<sup>TH</sup> BOARD OF SUPERVISORS **EXTRAORDINARY** MEETING

DATE: 12 APRIL 2022 10:30 – 12:00 CET

LOCATION: VIDEOCONFERENCE

## FINAL MINUTES

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### WELCOME AND INTRODUCTORY REMARKS BY THE EIOPA CHAIRPERSON

1. The Chairperson welcomed the attendees to the 78<sup>th</sup> meeting of EIOPA's Board of Supervisors (BoS).

### AGENDA ITEM 1: ADOPTION OF THE AGENDA

#### DECISION

2. BoS adopted the agenda by consensus of all voting members.

#### CONCLUSIONS AND ACTION POINTS

3. The Chairperson concluded that there is no BoS Member that has an interest that could be considered prejudicial to their independence with regard to any item of the adopted agenda following declaration by all BoS Members of absence of any such interests.

### AGENDA ITEM 2: UPDATES BY CHAIRPERSON, EXECUTIVE DIRECTOR AND EUROPEAN COMMISSION

#### UPDATES BY THE CHAIRPERSON

4. The Chairperson updated the BoS Members on the following topics:

#### ADOPTION OF SFDR DELEGATED REGULATION AND COMPARISON TO THE ESAS DRAFT RTS

5. The Commission (the COM) recently adopted, as a Delegated Regulation, the European Supervisory Authorities (ESAs)' 13 Regulatory Technical Standards (RTS) under the Sustainable

Finance Disclosure Regulation (SFDR). The ESAs have been able to determine that the changes the Commission is making to the ESAs' text do not constitute substantive amendments. The changes identified by the ESAs and the Members of the Joint Committee Sub-Committee on Consumer Protection and Financial Innovation (JC SC CPFI) were clerical in nature, or correcting errors.

6. Two changes were highlighted: i) for Multi-Option Products (MOPs) and the Pan-European Personal Pension Product (PEPP), the COM included an article regarding the disclosure of underlying investment options for periodic disclosures to allow for a consistent approach to disclosures both pre- and post- contractually, ii) the COM removed the possibility to disclose information on investments for which insufficient data are available for products covered by Article 9 of the SFDR ("dark green" products).

#### NEW MANDATES FOR THE ESAS TO WORK ON AMENDMENTS TO THE SFDR LEVEL 2 LEGISLATION

7. The COM has sent one Mandate for the ESAs to work on under the Joint Committee (JC) and another Mandate is expected to be sent soon.
8. The first Mandate is a request to update the existing SFDR product disclosure requirements and templates by integrating a question on whether the investments are in gas and nuclear power. In order to align the timing of the Complimentary Delegated Regulation on the Taxonomy Regulation with the Delegated Regulation on SFDR so that both regimes apply as of 1 January 2023, the ESAs have been given a deadline of 30 September 2022 to submit the amended RTS to the COM.
9. The second Mandate is expected to be a request (as previously anticipated in EIOPA's Annual Work Program) for EIOPA to update its existing Principal Adverse Impact (PAI) indicators under the SFDR to include specific social indicators. The deadline for completing the work is expected to be 12 months.

#### UPDATES BY THE EXECUTIVE DIRECTOR

10. The Executive Director updated the BoS Members on the following topics:

##### EIOPA ANNUAL CONFERENCE

11. The conference scheduled to take place on 21<sup>st</sup> June will be a virtual event.
12. Moreover, EIOPA is revising its planning for in-person meetings in 2022, to align it with EIOPA's strategy for the reduction of on-site meetings.

#### DECISION

13. Not applicable.

## CONCLUSIONS AND ACTION POINTS

14. Not applicable.

### AGENDA ITEM 3: FINAL REPORT ON ADVICE TO THE COMMISSION ON RETAIL INVESTOR PROTECTION

15. EIOPA staff presented the content of the draft Final Report on EIOPA's technical advice to the COM on retail investor protection, in particular what adjustments had been made to the draft advice after the end of the public consultation.
16. The Chairperson thanked the BoS for the intensive engagement in the work, which was carried out under challenging circumstances with a compressed deadline set by the COM.
17. BoS supported the work done, in particular in terms of the thorough and balanced nature of the draft advice, setting out different policy options. Comments were raised that there should not be "grandfathering arrangements" for existing contracts as regards the requirement to disclose adjusted individualized projections to the policyholder on an annual basis. This would result in an arbitrary point in time being used to determine the regulatory treatment of policies and could result in a two tier system of protection for consumers. It was agreed that the language in the Final Report should be revisited on this issue so that it was phrased more neutrally and making clear that the question of retrospective application of the legislative framework to specific insurance policies was, in any event, solely in the remit of the COM.

## DECISION

18. Not applicable

## CONCLUSIONS AND ACTION POINTS

19. BoS welcomed the work done in developing the draft Final Report in a compressed timeframe following the end of the public consultation.
20. EIOPA to adjust text in the draft Final Report relating to "grandfathering" of existing contracts and launch first phase of BoS written procedure to finalise the work.

### AGENDA ITEM 4: DRAFT CONSULTATION PAPER ON GUIDELINES ON THE IDD SUITABILITY ASSESSMENT

21. EIOPA staff presented the content and objectives of the draft Guidelines and how the comments of the BoS received in a written procedure preceding the meeting have been taken into account.
22. BoS generally supported the Consultation Paper and welcomed EIOPA's initiative to consider developing, in a second stage, more user friendly tools on this matter which remains highly technical, in particular for retail customers.
23. BoS discussed the current approach taken in the draft Guidelines to request the customer to decide whether the "minimum proportion of investments" aligned with the Taxonomy should

be collected according to the first or the second Key Performance Indicator (KPI). Comments were raised on the need, depending on stakeholder feedback received, to revisit this issue after the public consultation in order to check that this approach is still justified and proportionate.

24. EIOPA agreed to add in the introduction to the Consultation Paper some text stating that the data currently available on the market might be still limited and hence EIOPA expects the insurance market to mature further in the future on the basis of the application of these requirements.

#### DECISION

25. BoS adopted, by consensus, the 'Consultation Paper – Draft Guidelines on the integration of the customer's sustainability preferences in the suitability assessment under the Insurance Distribution Directive' (EIOPA-BoS-22/246, 12 April 2022).

#### CONCLUSIONS AND ACTION POINTS

26. EIOPA to make final adjustments to the text of the draft Consultation Paper to reflect the comment received during BoS and the public consultation on 13 April 2022.

#### **AGENDA ITEM 5: CLOSED SESSION – CONFIDENTIAL EXCHANGE OF INFORMATION**

## Participants at the Board of Supervisor's Meeting via Videoconference

12 April 2022

**Chairperson:** Petra Hielkema

<u>Country</u>	<u>Voting member/ Alternate</u>	<u>Accompanying Experts</u>
<b>Austria</b>	Peter Braumüller/[-]	Gerlinde Taurer
<b>Belgium</b>	[-]/[-]	
<b>Bulgaria</b>	Vladimir Savov/[-]	
<b>Croatia</b>	Ante Žigman/Ilijana Jeleč	
<b>Cyprus</b>	[-]/Constantinos Kalopsidiotis	
<b>Czech Republic</b>	Zuzana Silberová/Jiří Kalivoda	Hana Marčíková
<b>Denmark</b>	Carsten Brogaard (Day1)/[-]	
<b>Estonia</b>	Siim Tammer/[-]	
<b>Finland</b>	[-]/Teija Korpiaho	
<b>France</b>	Patrick Montagner/Ludovic Lebrun	
<b>Germany</b>	Frank Grund/[-]	Petra Faber-Graw
<b>Greece</b>	Ioanna Seliniotaki /Ioannis Chatzivasiloglou	
<b>Hungary</b>	[-]/Ferenc Szebelédi	
<b>Ireland</b>	Domhnall Cullinan/[-]	Zita Culliton
<b>Italy</b>	Alberto Corinti/ [-]	Giuseppa Bentivegna
<b>Latvia</b>	Santa Purgaile/[-]	Marina Sala
<b>Lithuania</b>	Renata Bagdonienė/Marius Dumbauskas	
<b>Luxembourg</b>	Thierry Flamand /Yves Baustert	Valérie Scheepers
<b>Malta</b>	[-]/Luciano Micallef	
<b>Netherlands</b>	Jan Berndsen (PoA)/[-]	Véronique Hijl
<b>Poland</b>	Damian Jaworski/Mariusz Smętek	
<b>Portugal</b>	Margarida Corrêa de Aguiar/Hugo Borginho	Ana Byrne
<b>Romania</b>	Valentin Ionescu (PoA)/[-]	Beatrice Verdes
<b>Slovakia</b>	Júlia Cillíková/Lucia Štefunková	Zuzana Kardošová
<b>Slovenia</b>	Goraz Čibej/Mojca Rome	
<b>Spain</b>	Sergio Alvarez/Javier Castillo García	
<b>Sweden</b>	Åsa Larson/Bertil Sjöö	

## FINAL MINUTES

<u>Country</u>	<u>Permanent Representative/ Alternate</u>	<u>Accompanying Experts</u>
Belgium	[-]/Greet T'Jonck	
Cyprus	[-]/[-]	
Ireland	[-]/[-]	
Italy	[-]/Ambrogio Rinaldi	

<u>EEA EFTA Country</u>	<u>Non-Voting Member/ Alternate</u>	<u>Accompanying Experts</u>
Iceland	Rúnar Guðmundsson/[-]	
Liechtenstein	[-]/Beat Wäfler	
Norway	Ann Viljugrein/[-]	Brita Hrenovica

<u>Institution</u>	<u>Non-Voting Member/ Alternate</u>	<u>Accompanying Experts</u>
European Commission	Didier Millerot/[-]	
ESMA	Natasha Cazanave/[-]	Tomas Borovsky
EBA	[-]/[-]	Philippe Allard
ESRB	Francesco Mazzaferro/[-]	
EFTA	[-]/[-]	Marta Margret Runarsdottir

<u>Observers</u>	<u>Representative</u>	<u>Accompanying Experts</u>
N/A	[-]/[-]	

EIOPA Staff

Executive Director	Fausto Parente
Head of Corporate Affairs Department	Susanne Rosenbaum