

75TH BOARD OF SUPERVISORS MEETING VIA VIDEOCONFERENCE

DATE: 21 FEBRUARY 2022 11:15 – 12:50 CET

LOCATION: VIDEOCONFERENCE

FINAL MINUTES

WELCOME AND INTRODUCTORY REMARKS BY THE EIOPA CHAIRPERSON

1. The Chairperson welcomed the attendees to the 75th meeting of EIOPA's Board of Supervisors (BoS).

AGENDA ITEM 1: CLOSED SESSION – *Confidential exchange of information*

AGENDA ITEM 2: 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 3: UPDATES BY CHAIRPERSON, EXECUTIVE DIRECTOR AND EUROPEAN COMMISSION

UPDATES BY THE CHAIRPERSON

EUROPEAN PARLIAMENT - ECON IN CAMERA HEARING

4. On 1 February 2022, EIOPA's Chairperson attended an *in camera*¹ hearing with the ECON Chair, Coordinators and the Rapporteur team on the Solvency II and IRRD files. EIOPA's Chairperson made a statement on the non-compliance of the National Bank of Slovakia with EIOPA's recommendation.
5. The Chairperson's statement provided some background on the case and highlighted the main facts and issues. It explained the current state of play and EIOPA's considerations to address similar situations in the future. The Members of the Parliament (MEPs) understood the limitations to EIOPA's powers in these situations and showed strong support for EIOPA with addressing such issues through possible targeted measures in the future.

RECURRING UPDATE ON STAKEHOLDER GROUPS (SHG) MEETINGS

6. The Occupational Pensions Stakeholder Group meeting took place on 20 January 2022 and the Insurance and Reinsurance Stakeholder Group meeting took place on 15 February 2022. Good discussion and developments have taken place in both forums. Among the topics discussed were Sustainable Finance Strategy for IORPs, and SFDR, Risk and Financial Stability issues (IORPs Risk Dashboard and IORPs 2022 Stress Test), Proportionality as well as Consumer Trends Report.

JOINT COMMITTEE / ESAS WORK

7. As of 1 January 2022 EIOPA took over the Chairmanship of the Joint Committee, EIOPA will be running the secretariat of the Joint Committee. A good handover was ensured by the European Banking Authority (EBA) Chairperson. Documents in the pipeline for EIOPA are: i) a warning on crypto assets, ii) what is needed for DORA, iii) initiative on European Single Access Point (ESAP) and what will entail for EIOPA
8. More updates were made available to BoS through the "updates of the Chairperson" uploaded before the meeting.

UPDATES BY THE EXECUTIVE DIRECTOR

THE PAN-EUROPEAN PENSION PRODUCT (PEPP)

9. The 'National Competent Authority Platform on the PEPP Supervisory Process', which has been put in place in October 2021, continues working given the PEPP Regulation becomes applicable on 22 March 2022.

¹ In camera means that the discussions remain confidential and are not made public

10. To date the platform has focused on the PEPP registration process given it is considered to be the most time critical aspect and considering there is a need to clarify how to involve host competent authorities in the PEPP registration process.
11. The platform has worked on a process for home and host NCAs to share with one another information and views on the PEPP to be registered. It also contains indicative timelines to facilitate cooperation within the 3-month prescribed timeframe to register a PEPP. This document is expected to be discussed by the Supervisory Steering Committee (SSC) in March with the intention to present it to the BoS for approval towards the end of the 2022. This timeframe aims at taking into consideration experiences made.

COVID 19 - UPDATES

12. The German authorities have decided on a plan to relax gradually the restrictions due to the decrease of incidence and hospitalisation related to COVID-19 cases. The change will be implemented from 4 March 2022, where for hotels and restaurants the 3G rule applies (vaccinated, recovered, tested) instead of 2G+. Thus also unvaccinated persons with a negative test will be accepted.
13. The applicable rules related to mandatory teleworking will be dropped as of 20 March 2022. EIOPA is resuming the implementation of the phase 2 of the 'Return to office strategy' as of 21 March 2022.
14. Members were reminded on the survey EIOPA launched to inquire on their preference for the set-up of March BoS meeting. The deadline for feedback is 1 March 2022.
15. More updates were made available to BoS through the "updates of the Executive Director" uploaded before the meeting.

UPDATE BY THE EUROPEAN COMMISSION (COM)

16. The COM representative informed the BoS Members on the following business files:

SOLVENCY 2 PACKAGE NEGOTIATIONS

17. On the 21 February 2022, the 8th working party meeting of the Council took place where group and cross border supervision were discussed.
18. At the European Parliament (EP) the first discussion with the parliamentary negotiation team took place last week and COM introduced the package.
19. A public hearing will take place in the ECON by the end of February followed by a first discussion in the ECON Committee in mid-April.

RETAIL INVESTMENT STRATEGY

20. COM is preparing a package of proposals to be launched by end of 2022.

21. Moreover, COM has decided to launch a targeted public consultation on options to enhance the suitability and appropriateness assessments. The objective of the consultation is the preparation of a retail investment strategy, which aims to take a holistic view of investor's protection rules. One of the key objectives is to make the EU an even safer place for individuals to save and invest long-term and to increase participation of retail investors in capital markets. More can be read [here](#)
22. The consultation process will run for 4 weeks period and the responses should be submitted through the online questionnaire.

EIOPA'S ADVICE ON PENSIONS RELATED MATTERS

23. COM is engaged in the work relating to EIOPA's Advice to the COM on the pension tracking system and on the pensions dashboard, and on finalisation of the study on auto-enrolment in occupational pensions schemes. Two rounds of discussions took place with the Member States (MSs) on the Advices and on the study. One took place in the context of the EDPI and one in the context of social protection committee run by the DG for Employment, Social Affairs and Inclusion (DG EMPL). Aim was to get the views of the Member States on the subject matter and on the possible follow up at EU level. decision

CONCLUSIONS AND ACTION POINTS

24. Not applicable.

AGENDA ITEM 4: CALL FOR ADVICE TO THE JOINT COMMITTEE REGARDING THE PRIIPS REGULATION: PROGRESS REPORT

25. EIOPA staff presented the direction of travel for the work on the Call for Advice to the JC regarding the PRIIPs Regulation.
26. BoS welcomed the progress made and in general supported the direction of the work, including on scope and the treatment of annuities, performance and differentiation between products, but Members highlighted their views or concerns on a number of topics, including: i) some Members expressed concerns that a waiver mechanism would lead to divergences and therefore challenges regarding cross-border activities if not properly coordinated at EU level; ii) regarding performance, several Members highlighted that forward looking scenarios are important for insurance-based investment products and past performance is only relevant for certain types of products; iii) several Members did not see a basis to change the existing approach to pre-notification of the KID.
27. In terms of the options presented for multi-option products most Members expressed a preference for Option 2, but some questions were raised on the meaning of insurance wrapper. Of those in favour of Option 1, several Members suggested that where the insurance costs are not material an exception could be considered.

DECISION

28. Not applicable.

CONCLUSIONS AND ACTION POINTS

29. BoS supported the direction of the work, including on scope and the treatment of annuities, performance and differentiation between products. Some Members expressed a preference for pre-notification to remain a Member State option. It was also recommended that any waiver mechanism would need to ensure appropriate coordination between national competent authorities.
30. On multi-option products different views were expressed with slightly more Members in favour of Option 2 and still many supporting Option 1. Some Members asked for more explanation on what was meant precisely in Option 2. Others expressed the need to allow for exceptions if Option 1 was chosen. The Options should be further developed by the JC SC CPFI taking into consideration the comments made.
31. EIOPA to factor in the comments from the BoS into ongoing work within the JC to prepare the draft advice for discussion in the BoS meeting in March.

AGENDA ITEM 5: SUPERVISORY HANDBOOK CHAPTER ON CLIMATE RISKS

32. The Head of Supervisory Processes Department introduced the Supervisory Handbook chapter on climate-change risks.
33. BoS supported the chapter and its educational character, providing case studies and examples. The chapter should serve as good inspiration for supervisors when supervising climate-change risks in the context of Pillar II.
34. It is EIOPA's intention to review it in the future to accommodate other aspects of supervision of Environment, Social and Governance risks.

DECISION

35. BoS adopted, by simple majority voting, the 'Supervisory Handbook Chapter on supervision of climate change risks in the context of Solvency II Pillar II requirements' (EIOPA-BoS-22/101, 26 January 2022).

CONCLUSIONS AND ACTION POINTS

36. EIOPA to consider the minor amendments proposed in the BoS meeting and integrate the chapter into the Digital Supervisory Handbook.

AGENDA ITEM 6: SUPERVISORY STATEMENT ON RUN-OFF PORTFOLIOS

37. EIOPA staff presented the EIOPA Supervisory Statement on supervision of run-off undertakings.

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38. BoS supported the Supervisory Statement on supervision of run-off portfolios, highlighting the importance of this work in particular topics such as early dialogue in case of decision to go into run-off, the assessment of the investment strategy and the raising interest towards run-off business by private equities.

DECISION

39. BoS adopted, by consensus, the 'Supervisory Statement on supervision of run-off undertakings' (EIOPA-BoS-22/102, 26 January 2022).

CONCLUSIONS AND ACTION POINTS

40. BoS considered the finalisation of the Supervisory statement as an important step which sets clear expectations toward the market in the context of run-off business.
41. EIOPA to finalise the approval of the rest of the package - feedback statement, detailed answer to comments and impact assessment - in a BoS Written Procedure and thereafter publish the Supervisory Statement on its website together with a press release.

AGENDA ITEM 7: AOB

DECISION

42. Not applicable.

CONCLUSIONS AND ACTION POINTS

43. EIOPA to inform BoS on the outcome of the survey launched in regards to the final set-up for March BoS meeting.

ANNEX: LIST OF DECISIONS ADOPTED BY WRITTEN PROCEDURE FROM 27.01.2022 TO 21.02.2022

BOS-2022-02

44. Decision adopting, by consensus, the January 2022 Risk Dashboard.

BOS-2022-03

45. Decision adopting, by simple majority voting, the 2022 IORP stress test draft technical specifications (for informal consultation).

BOS-2022-04

46. Decision adopting, by consensus, the EIOPA Supervisory Handbook Chapter on the supervision of intra-group transactions and risk concentrations.

Participants at the Board of Supervisor's Meeting via Videoconference**21 February 2022****Chairperson:** Petra Hielkema

<u>Country</u>	<u>Voting member/ Alternate</u>	<u>Accompanying Experts</u>
Austria	Peter Braumüller/[-]	Gerlinde Taurer
Belgium	Jean Hilgers/[-]	
Bulgaria	Vladimir Savov/[-]	
Croatia	[-]/ Ilijana Jeleč	
Cyprus	Antonia Tsangaris /Constantinos Kalopsidiotis	
Czech Republic	Zuzana Silberová/Jiří Kalivoda	Hana Marčíková
Denmark	Carsten Brogaard/[-]	
Estonia	Stina Mander (PoA)/[-]	
Finland	[-]/Teija Korpiaho	
France	Patrick Montagner/Ludovic Lebrun	
Germany	Frank Grund/ Thomas Schmitz-Lippert	Petra Faber-Graw
Greece	Ioanna Seliniotaki /Ioannis Chatzivasiloglou	
Hungary	Koppány Nagy/[-]	Beatrix Dénes (PoA)
Ireland	Andrew Candland (PoA)/[-]	Christopher Joyce
Italy	Alberto Corinti/[-]	Giuseppa Bentivegna
Latvia	Santa Purgaile/ Evija Dundure	
Lithuania	Renata Bagdonienė/Marius Dumbauskas	
Luxembourg	Thierry Flamand /Yves Baustert	Valérie Scheepers
Malta	[-]/Luciano Micallef	
Netherlands	[-]/Armand Schouten	Véronique Hijl
Poland	Damian Jaworski/Mariusz Smętek	
Portugal	Margarida Corrêa de Aguiar/Hugo Borginho	Ana Byrne
Romania	Valentin Ionescu (PoA)/[-]	Beatrice Verdes
Slovakia	Júlia Cillíková/Lucia Štefunková	Zuzana Kardošová
Slovenia	Goraz Čibej/ Mojca Rome	
Spain	Sergio Alvarez / Javier Castillo García	
Sweden	Åsa Larson/Bertil Sjö	

FINAL MINUTES

<u>Country</u>	<u>Permanent Representative/ Alternate</u>	<u>Accompanying Experts</u>
Belgium	[-]/[-]	
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/[-]	

<u>Institution</u>	<u>Non-Voting Member/ Alternate</u>	<u>Accompanying Experts</u>
European Commission	Didier Millerot/[-]	
ESMA	Natasha Cazanave/[-]	Tomas Borovsky
EBA	[-]/[-]	Adrien Rorive
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
Head of Corporate Support Department	Danny Janssen
Head of Risk and Financial Stability Department	Dimitris Zafeiris
Head of Oversight Department	Patrick Hoedjes
Head of Policy Department	Justin Wray
Head of Supervisory Processes Department	Ana Teresa Moutinho