



60TH MANAGEMENT BOARD MEETING VIA VIDEOCONFERENCE

DATE: 14 SEPTEMBER 2021 10:00-13:10

LOCATION: VIDEOCONFERENCE

FINAL MINUTES

WELCOME AND INTRODUCTORY REMARKS BY THE CHAIRPERSON

1. The Chairperson welcomed the attendees to the 60th meeting of EIOPA's Management Board (MB).
2. The Chairperson expressed appreciation for the excellent work done by Peter Braumüller in leading EIOPA as Vice-Chair until the start of her mandate on 1st September.

AGENDA ITEM 1: ADOPTION OF THE AGENDA

DECISION

3. The MB adopted the agenda by simple majority.

CONCLUSIONS AND ACTION POINTS

4. The Chairperson concluded that there is no MB 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 MB Members of absence of any such interests.

DECISION

5. Not applicable.

CONCLUSIONS AND ACTION POINTS

6. Not applicable.

AGENDA ITEM 2: UPDATE BY THE CHAIRPERSON, EXECUTIVE DIRECTOR AND THE EUROPEAN COMMISSION

UPDATES BY THE CHAIRPERSON

7. The Chairperson updated the MB Members on the following topics:

- **BOARD OF SUPERVISORS (BOS) MEMBERSHIP UPDATES:**
 - Francisco Carrasco Bahamonde left the Directorate General for Insurance and Pension Funds. He was replaced by Javier Castillo García who was nominated for the position of Alternate Member to Sergio Alvarez Camiña for the BoS. Javier Castillo García is the Head of International Relations;
 - Armand Schouten was nominated for the position of Alternate Member to Else Bos for the BoS and MB. Armand Schouten is the Director Insurance Supervision of De Nederlandsche Bank (the Central Bank of the Netherlands - DNB).

- **FINANCIAL STABILITY TABLE OF THE EU ECONOMIC AND FINANCIAL COMMITTEE (EFC-FST) MEETING OF 3 SEPTEMBER:**

Provided a good platform for a strategic discussion on economic challenges and risks to financial stability. Main points taken from the meeting were:

- from a macro perspective housing market is getting an increased attention due to the uncertainty regarding the potential for price corrections, especially when support measures expire.
 - the European Banking Authority (EBA) Union-wide stress test. Overall severe impact but the sector appears resilient as the pre stress capital adequacy was at better levels than in the past.
- **THE EUROPEAN SUPERVISORY AUTHORITIES (ESAs) ONLY MEETING ON 1 SEPTEMBER:**

Topics discussed:

 - the finalisation of the Final Report on the Taxonomy related product disclosure Regulatory Technical Standards (RTS). The proposed revised draft report as circulated for this meeting was agreed by the ESAs and is ready to be launched to the three ESAs BoSs for a new Written Procedure. The proposal addresses the overall complexity of the document and two Key Performance Indicators (KPIs) were envisaged: one including sovereign bonds in the denominator of the KPI (the one that we have already in the RTS) and one excluding them;
 - election of a new Chair of Joint Committee Sub-Committee on Consumer Protection and Financial Innovation (JC SC CPFI). A call for candidates was launched on 8 September with the three ESAs BoSs. The MB Members were invited to propose candidatures;

- European Commission's (COM) Call for Advice (CfA) on the Packaged Retail Investment and Insurance-Based Products (PRIIPs): COM sent a CfA. During the ESAs meeting it was discussed how to deal with the consultation and the proposal was not to launch a public consultation on a draft of the ESA Technical Advice, but instead to launch a public call for evidence at a relatively early stage of the process.
- **EIOPA STAKEHOLDER GROUPS:**
 - the last Insurance and Reinsurance Stakeholder Group (IRSG) meeting took place on 15 July. A productive meeting with a positive outcome;
 - the Members of the Occupational Pensions Stakeholder Group (OPSG) will meet on 5 October. Among the items which will be discussed are the CfA for the Pensions' Tracking system and the Pensions' Dashboard.

UPDATES BY THE EXECUTIVE DIRECTOR

8. The Executive Director (ED) updated the MB Members on the following topics:

- **FINANCIAL SERVICE COMMITTEES (FSC) MEETING OF 7 JULY:**
 - the Slovenian Presidency provided an overview of its priorities in financial services for its Presidency in the second semester of 2021 which includes the Solvency II review, Digital finance (incl. DORA), Sustainable finance, Capital Market Union (CMU), Anti-Money Laundering, Basel III and Banking Union.
- **THE INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS (IAIS):**
 - with the start of her term as EIOPA Chairperson on 1 September, EIOPA has nominated Petra Hielkema to become its representative at the IAIS Executive Committee (ExCo). The appointment is effective as of 17 September and shall be confirmed by the IAIS Annual General Meeting (AGM) in November;
 - the (re)election of representatives for the two rotating seats in the ExCo allocated to the Western European Region (WER) of the IAIS. Following a call for candidates two candidates (Alberto Corinti – IT – and Gerry Cross – IE) have put forward their application. EIOPA requested the confirmation of the two candidates by the Members of the WER. The IAIS AGM should (re)elect the two representatives in November.
- **PRIIPS CALL FOR ADVICE (CfA):**
 - the ED complemented the information already provided by the Chairperson in its oral updates, pointing out the challenge in approving the RTS on PRIIPs. On 27 July a CfA was sent to the JC with a deadline of 30 April requesting input on areas to be covered during a review of the PRIIPs Regulation. EIOPA highlighted to COM that as part of the work on the CfA is expected to analyse the areas that were considered critical to be examined during a review of the PRIIPs Regulation by EIOPA's Members.
- **EUROPEAN OMBUDSMAN'S DISCUSSIONS:**

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- the EBA received the European Ombudsman's preliminary assessment on a Breach of Union Law (BUL) vote disclosure inquiry. The Ombudsman concluded that failing to disclose the voting records on alleged BUL by national supervisory authorities constitutes maladministration. The EBA is analysing the Ombudsman's preliminary assessment and will respond to it in due course. EIOPA will closely follow and assess any possible implications for the organisation.
- **ESA'S POWERS:**
 - the Court of Justice ruled in favor of the EBA confirming that the EBA's Product Oversight and Governance (POG) Guidelines from 2017 are valid. The EBA POG Guidelines were challenged by the Fédération bancaire française (French Banking Federation - FBF) which lodged an application seeking the annulment of the Autorité de Contrôle Prudentiel et de Résolution (the French Prudential Supervision and Resolution Authority – ACPR) notice before the Conseil d'État of France. The Court confirmed the non-binding nature of guidelines and stated that product governance can form part of corporate governance. Consequently, the EBA had a valid legal basis to adopt the POG Guidelines based on the corporate governance rules of the Capital Requirements Directive.
 - in the case of The European Securities and Markets Authority (ESMA) rejecting the request from a Member of the European Parliament (MEP) from Lithuania to launch an inquiry into an alleged case of manipulation of a Lithuanian benchmark, the General Court confirmed that the ESAs have broad discretion concerning the opening of a BUL and inquiry and the complainant cannot challenge that decision.
- **ACCESS TO DOCUMENTS REQUESTS:**
 - increased interest from the public on EIOPA's documents, such as Supervisory Handbook, the Ultimate Forward Rate (UFR) calculation and EIOPA letter to the ECOFIN President. The requests are in different stages of analysis with EIOPA. MB suggested having a clear and common line in respect of this important topic.

UPDATE BY THE EUROPEAN COMMISSION (COM)

9. The COM representative conveyed congratulation to Petra Hielkema in taking her new role as EIOPA's Chairperson.
10. The COM representative informed the MB Members on the following business files:

- **SOLVENCY II REVIEW:**
 - the internal adoption of the package was launched and will run for 1 week. The publication is envisaged for 22 September. COM launched the internal procedure for two proposals, the Amendments to Solvency II and Recovery and Resolution Directive and also a communication which is mainly focusing on the interplay with the Level 2 measures. The communication will also address the topic of Insurance Guarantee Schemes (IGSs).

Translations will take longer than expected, possibly impacting the negotiations with the two legislators, the Slovenian Presidency and the European Parliament (EP).

- **PENSION ISSUES:**
 - the review of the IORP II Directive will be postponed to 2024 due to late transposition by the Member States. EIOPA to expect the CfA in early 2022.
- **MOTOR INSURANCE DIRECTIVE:**
 - the text was finalised under the Portuguese Presidency. It is expected to be adopted in the second Plenary in October. Endorsement is expected in November and publication in December.
- **DIGITAL OPERATIONAL RESILIENCE ACT (DORA):**
 - the Slovenian Presidency is looking at the COM initial proposal. In addition, at the EP level, progress is being made and amendments are being considered. A resolution from the two co-legislators is expected during the fall, allowing for the kick-off of the trilogies.
- **INTERNATIONAL NEWS:**
 - the JC of the Covered Agreement EU-US is planned for the 28th of October and the EU US Forum on 29 September.

DECISION

11. Not applicable.

CONCLUSIONS AND ACTION POINTS

12. Not applicable.

AGENDA ITEM 3: SINGLE PROGRAMMING DOCUMENTS

3.1. REVISED SINGLE PROGRAMMING DOCUMENT 2022-2024

13. The Head of Corporate Support Department presented the revised Single Programming Document (SPD) 2022-2024.
14. EIOPA has taken the opportunity to update the previous version of the SPD, in particular relating to the expected implications to EIOPA's work stemming from Commission's Renewed Sustainable Finance Strategy, legislative updates, the Commission's opinion on the SPD as well as updates to EIOPA's efficiency initiatives and de-prioritised work due to resource capacity limitations.
15. The MB overall supported the revised SPD 2022-2024. The MB invited EIOPA to ensure alignment of messages across the document, enhance its performance framework and consider the publication of an additional shortened and simplified version of the SPD.

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DECISION

- 16. The MB approved by simple majority the revised SPD 2022-2024 for submission to the BoS for adoption.

CONCLUSIONS AND ACTION POINTS

- 17. The MB welcomed the SPD 2022-2024 and made some proposals for improvement.
- 18. EIOPA to integrate the feedback from the MB in the SPD 2022-2024 and to submit the revised document to the September BoS meeting for adoption.
- 19. EIOPA to consider the creation of an additional shortened version of the SPD for communication purposes

3.2. DRAFT SINGLE PROGRAMMING DOCUMENT 2023-2025

- 20. The Head of Corporate Support Department presented the first iteration of the SPD 2023-2025, including the strategic context, multi-annual goals and the envisaged operational priority areas. The MB had no further comments to strategic direction for the period 2023-2025.

DECISION

- 21. Not applicable.

CONCLUSIONS AND ACTION POINTS

- 22. The MB welcomed the 1st iteration of the draft SPD 2023-2025.
- 23. EIOPA to submit the draft SPD 2023-2025 to the September BoS meeting for discussion.

AGENDA ITEM 4: BOARD OF APPEAL RENEWAL

- 24. The Head of Corporate Affairs Department presented the EIOPA Board of Appeal (BoA) renewal process and the concrete proposal for the selection of one new BoA member and two alternates. She informed that the proposal has been closely coordinated with EBA and the ESMA who also will appoint new members.

DECISION

- 25. Not applicable.

CONCLUSIONS AND ACTION POINTS

- 26. The MB agreed with the suggested process for the renewal of the EIOPA BoA and welcomed the concrete proposals put forward by EIOPA.
- 27. EIOPA to consult the BoS in its September meeting on the appointment of the BoA.

28. EIOPA to launch the written procedure regarding the appointment of the BoA with the MB in a timely manner after consultation of the BoS.

AGENDA ITEM 5: EIOPA ENVIRONMENTAL POLICY: FUTURE APPROACH TOWARDS ON-SITE MEETINGS

29. The Head of the Corporate Support Department presented an overview of EIOPA's environmental objectives in the context of the Authority's planned certification under the Eco-Management and Audit Scheme (EMAS).
30. In this context, EIOPA plans to reduce both on-site meetings with external participants as well as missions of EIOPA staff by 35% compared to pre-pandemic times. Following initial feedback received from the BoS in its June meeting, EIOPA revised the individual reduction targets for the agency's different meeting bodies. These adjustments were presented to the MB.
31. The MB welcomed the approach to reduce on-site meetings but also emphasised the continued importance of face-to-face interactions. They shared the opinion that the proposed reduction target of 35% strikes a sensible balance between offering opportunities for in-person interactions and improving the agency's environmental performance.
32. With the general agreement that hybrid meetings pose disadvantages, MB Members reiterated the need to continue to provide the possibility for remote participation in on-site meetings both during and after the pandemic.
33. The Head of the Corporate Support Department also presented the plans to hold MB and BoS meetings in November 2021 as hybrid meetings with limited in-person participation at EIOPA's premises in Frankfurt. While the MB could convene regularly, the BoS is proposed to meet in reduced composition with only one representative per National Authority or Institution. The MB was informed about the applicable health and safety measures, including the need for a 'green pass' to enter EIOPA's premises.
34. The MB welcomed the prospect of convening in a physical meeting, pending the further developments of the pandemic.

DECISION

35. Not applicable.

CONCLUSIONS AND ACTION POINTS

36. The MB welcomed the environmental policy, including the objectives and revised targets.
37. EIOPA to finalise the environmental policy, with a view towards implementation as of January 2022.
38. EIOPA to confirm to MB and BoS Members by end-October as to whether the MB and/or BoS meetings in November will be hosted as hybrid meetings with limited in-person participation at EIOPA's premises in Frankfurt.

AGENDA ITEM 6: JOINT BOS- SHGS MEETING IN 2022 - WAY FORWARD

39. The ED presented the new approach to meetings with EIOPA's Stakeholder Groups (SHGs). In June 2021 EIOPA's SHGs requested to meet more often with EIOPA BoS Members referring to Article 40(2) of the EIOPA Regulation.
40. EIOPA developed a new approach in line with the EIOPA Regulation aiming at keeping efficiency and ensuring alignment with the EIOPA Environmental Policy and its future approach to on-site meetings.
41. In 2022, the SHGs will continue to meet two times on-site and two or more virtual meetings will be envisaged. In addition, 1 joint meeting of both SHGs and the BoS will take place virtually. On top each SHG will have 1 on-site meeting with the BoS.

DECISION

42. Not applicable.

CONCLUSIONS AND ACTION POINTS

43. MB took note of the new approach towards joint BoS-SHGs meetings.
44. EIOPA to apply the new approach as of 1 October 2021.
45. EIOPA to circulate the way forward for the Joint BoS-SHGs meetings together with the proposed MB and BoS meeting dates for the year 2022.

AGENDA ITEM 7: BOS PREPARATION

7.1 PENSIONS ISSUES

7.1.1. Opinion on IORPs costs and charges

46. The Head of Policy Department introduced the revised Opinion, following the public consultation between 22 April and 22 July 2021. There is one highlighted issue on whether the NCAs should be able to provide Defined Benefits (DB) for IORPs, with a full exemption for the cost reporting or not. The majority of the Policy Steering Committee (PSC) members supported the view that the NCAs should have discretion to exempt certain DB IORPs. Also the PSC concluded that a limitation of the scope of the exemption should be explored. In line with the PSC steer of 7 September meeting, the Head of Policy Department presented a modified view 2, which would limit the possible exemption to non-commercial small and closed DB IORPs.
47. The MB welcomed the revised Opinion emphasising the benefits of cost reporting by increasing transparency and competition and lowering cost levels.
48. The MB concluded that particular attention should be taken not to exempt a wide range of DB IORPs, but possibly only some specific categories of DB IORPs or portfolios (e.g. those in run-off). COM also expressed its support for cost transparency and warned against automatic exemptions.

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DECISION

49. Not applicable.

CONCLUSIONS AND ACTION POINTS

50. The MB expressed a preference to allow for a proportionate approach to the cost reporting of DB IORPs, but not to allow a full exemption.

51. The MB supported the Opinion to be submitted to the September BoS meeting, including the modified view 2 on the highlighted issue, for decisions and approval.

7.1.2. Opinion on DC Risk Management

52. The Head of Policy Department introduced the revised Opinion, following the public consultation between 22 April and 22 July 2021. The two previous highlighted issues have been resolved at the project group level by including appropriate compromise texts. These concerned the definition of Defined Contributions (DC) / scope of the Opinion and the need to do pension projections where IORPs provide multiple investment options.

53. The MB welcomed the revised Opinion.

54. COM welcomed the need to apply the opinion to all IORPs where members and beneficiaries bear material risks, but proposed to clarify this further.

DECISION

55. Not applicable.

CONCLUSIONS AND ACTION POINTS

56. The MB supported the Opinion to be submitted to the September BoS meeting for approval.

7.2 INSURANCE CAPITAL STANDARD: NEXT STEPS

57. The Team Leader of the International and Sustainable Finance Team introduced the topic.

58. A consultation document on the detailed criteria for the Aggregation Method (AM) comparability assessment is scheduled for adoption at the IAIS parent committee meetings in November 2021.

59. This topic has therefore been presented to MB to give its views on a note to be discussed during September EIOPA BoS meeting. In particular, the aim is to agree on a coordinated European approach.

DECISION

60. Not applicable.

CONCLUSIONS AND ACTION POINTS

61. The MB supported the suggestions made by EIOPA on the ICS and the timeliness of the discussion.
62. The MB concluded that there was no need to **concede** at this stage and rather expressed the necessity to define redlines, for which further reflections are required.

7.3 SUSTAINABLE FINANCE: NEXT STEPS

63. The Head of Policy Department introduced the overview of EIOPA activities and areas of focus on Sustainable Finance, which aim to continue building on previous EIOPA work as well as address the new requests and mandates stemming from the COM Climate Adaptation and Renewed Sustainable Finance strategies.
64. EIOPA Chairperson emphasized the relevance of this work, while acknowledging that good planning and sequencing of the initiatives should take place, to accommodate the strains on resources. The Chairperson also highlighted the opportunity posed by this work to achieve early harmonization and to build up expertise in these very important topics.
65. The MB supported the activities and areas of focus proposed. The Members generally supported the need for sequencing of the work.
66. COM appreciated the work done by EIOPA to operationalise the requests, confirming that the strategies aim to allow EIOPA to continue developing its work while at the same time setting new tasks.

DECISION

67. Not applicable.

CONCLUSIONS AND ACTION POINTS

68. The MB supported the continuation of EIOPA's work as well as public communication of EIOPA next steps.
69. EIOPA to discuss with COM on the content and prioritization of the mandates included in the strategies.
70. EIOPA to develop a holistic planning and sequencing of the activities.

AGENDA ITEM 8. AOB

71. The Chairperson informed the MB Members that the November MB and BoS meeting might tentatively take place in Frankfurt. More to be communicated in October.
72. The Chairperson thanked Sergio Alvarez Camiña for his work and involvement as Member of EIOPA's MB. This has been his last MB meeting, his mandate ending on 26 September 2021.

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DECISION

73. Not applicable.

CONCLUSIONS AND ACTION POINTS

74. Not applicable.

ANNEX: LIST OF DECISIONS ADOPTED BY WRITTEN PROCEDURE FROM 09.06.2021 TO 14.09.2021

MB-2021-06

75. Decision adopting by consensus the Final Minutes of the 59th Management Board Meeting of 8 June 2021

Participants at the Management Board's meeting via videoconference

14 September 2021

Chairperson: Petra Hielkema

Vice-Chairperson: Peter Braumüller - excused

<u>Country</u>	<u>Member/ Alternate</u>
Czech Republic	Zuzana Silberová /[-]
France	Patrick Montagner/[-]
Italy	Alberto Corinti /[-]
Netherlands	[-]/[-]
Spain	Sergio Alvarez /[-]
Sweden	Åsa Larson /[-]

<u>Institution</u>	<u>Non-Voting Member/ Alternate</u>
European Commission	Larisa Dragomir

EIOPA Staff

Executive Director	Fausto Parente
Head of Corporate Affairs Department	Susanne Rosenbaum
Head of Corporate Support Department	Danny Janssen
Head of Policy Department	Justin Wray
Head of Supervisory Processes Department	Ana Teresa Moutinho (first part of the meeting)