



72ND BOARD OF SUPERVISORS MEETING VIA VIDEOCONFERENCE

DATE: 29 SEPTEMBER 2021 09:00 - 13:28 CET

30 SEPTEMBER 2021 09:00 - 13:18 CET

LOCATION: N/A

FINAL MINUTES

WELCOME AND INTRODUCTORY REMARKS BY THE EIOPA CHAIRPERSON

1. The Chairperson welcomed the attendees to the 72nd meeting of EIOPA's Board of Supervisors (BoS).
2. In her introductory remarks, the Chairperson thanked EIOPA's Executive Director and EIOPA's staff for the good welcome and the impressive work done in the last 6 months despite the COVID-19 context.
3. She also expressed appreciation for the work and the efforts of Peter Braumüller acting as EIOPA Chair to keep EIOPA going. In this respect she thanked the Austrian Financial Market Authority (FMA) for its flexibility and understanding which ensured a smooth start of her Mandate.
4. The Chairperson continued by welcoming the newly appointed BoS Members, Javier Castillo García, Deputy Director for Regulation and International Relations at the Directorate General for Insurance and Pension Funds (ES – DGSFP), Armand Schouten, Director Insurance Supervision (NL - DNB), Renata Bagdonienė, Director of Banking and Insurance Supervision Department, Financial Market Supervision Service (LT – BoL), Marius Dumbauskas, Head of Insurance Supervision Division (LT –BoL) and Natasha Cazenave, Executive Director (FR - ESMA).

AGENDA ITEM 1: ADOPTION OF THE AGENDA

DECISION

5. BoS adopted the agenda by consensus.

CONCLUSIONS AND ACTION POINTS

6. 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

7. The Chairperson updated the BoS Members on the following topics:
 - **SOLVENCY II REVIEW**
 - important achievement. The European Commission (COM) will, in its update, provide details on the adoption and publication of the package. *More information in the COM updates.*
 - **THE INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS (IAIS) - THE EXCO RETREAT, 27-28 SEPTEMBER**
 - Discussions focused on the strategic priorities of the IAIS for the coming years including a critical discussion on its organisational structure and how it can be made more agile and efficient, in response to evolving goals and priorities. Other topics (e.g Insurance Capital Standards) will be tabled for discussion in the upcoming meetings.
 - **OTHER INTERNAL EVENTS - PHISHING MAILING**
 - On 22 September EIOPA was notified on fraudulent e-mails attempting to commit financial fraud using the address president@eiopa.org and being signed on behalf of the Chairperson, Petra Hielkema.
 - Several EIOPA users, including Members of the BoS, received such emails.
 - EIOPA took immediate actions. It contacted the Computer Emergency Response Team for EU Institutions (CERT-EU), the domain registrar authority, with the request to close the domain 'eiopa.org' based on the fraud evidence. The BoS was also alerted.
 - No damage or fund transfers were reported by either the BoS Members or EIOPA.

UPDATES BY THE EXECUTIVE DIRECTOR

8. The Executive Director (ED) updated the BoS Members on the following topics:
 - **STAKEHOLDERS GROUPS (SHGs)– NEW APPROACH:**
 - The new approach regarding joint meetings with BoS members will involve one joint meeting Insurance and Reinsurance Stakeholder Groupcan (IRSG), Occupational Pensions

Stakeholder Group (OPSG) and BoS (as in the past), plus one joint IRSG/BoS and one joint OPSG/BoS. While the first one will be virtual for efficiency reasons, the other two (IRSG/BoS and OPSG/BoS) will be in-person meetings.

- **ACCESS TO DOCUMENTS REQUESTS:**
 - Increased interest from the public in EIOPA's documents, such as the Supervisory Handbook, the Ultimate Forward Rate (UFR) calculation and the EIOPA letter to the ECOFIN President has been noticed. Regarding the first one EIOPA proposes to disclose and make public on its website the introduction part of the handbook and a table containing the structure of the handbook, including links to the related EIOPA opinions and supervisory statements.
- **INFORMATION REQUEST ON THE REVISION OF GUIDELINES ON CONTRACT BOUNDARIES AND THE VALUATION OF TECHNICAL PROVISIONS**
 - EIOPA published the consultation papers (CP) on the revision of the Guidelines on contract boundaries and the Guidelines on the valuation of technical provisions. In parallel, EIOPA launched an information request, to be channelled through the national competent authorities (NCAs), to better assess the impact of the revised Guidelines.
 - EIOPA is organising an event with stakeholders on 6 October to present the CP and the information request. In this context, the BoS Members were reminded that the deadline to respond to the information request is 12 November.

UPDATE BY THE EUROPEAN COMMISSION (COM)

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

- **SOLVENCY II REVIEW:**
 - The Solvency II review package was adopted on 22 September. The package contains a Communication which sets out the main objectives for the review and clarifies COM's approach to Level II amendments. The package includes legislative proposal for the amendment of the Solvency II Directive and the legislative proposal for the creation of a European framework for the recovery and resolution of insurance companies. The Impact Assessment was also published.
 - COM thanked EIOPA for its work indicating that the legislative proposals rely a lot on the input provided by EIOPA in its Technical Advice (Solvency II Opinion). COM made few targeted adjustments to core prudential measures, such as volatility adjustments, the new extrapolation method, with a view to find the good balance as regards the capital requirements that will be imposed on the insurance sector.

FINAL MINUTES

- In some areas COM goes beyond EIOPA's advice, such as cross-border supervision, in order to foster EIOPA's mediation powers and to clarify the framework for on-site inspections.
- As regards to financial stability, in line with the objectives underlying EIOPA's advice COM proposed targeted amendments to ensure that supervisors have appropriate powers. However, in the area of macro-prudential tools COM made some adjustments to ensure a good balance of the package as a whole.
- As regards sustainability risks, which were not covered in EIOPA's Solvency II Opinion, COM built on EIOPA's earlier Opinion and in line with it COM proposed to introduce a requirement on long term climate change scenario analysis and it also set out 2 (two) mandates on the capital requirements,
- As regards proportionality, in comparison to EIOPA's advice COM proposed to increase the threshold of exclusion from Solvency II based on gross written premiums and extended the list of proportionality measures to cover also lighter requirements in public disclosure for low risk profile undertakings.
- COM proposed to simplify the eligibility criteria for classification as low risk profile, in comparison to EIOPA's advice.
- The package was already presented to the Economic and Finance Committee (EFC) on 23 September. Member States (MS) confirmed their view that Solvency II has, in general, worked well and welcomed the steps taken in the review to avoid significant increases in the capital requirements. MS showed interest in the process and content for the forthcoming delegated acts (level II measures). COM intends to organize expert groups meetings to kick off the discussions on the level II measures in parallel with the negotiation for the level I text so as to provide more clarity on the whole package.
- Commissioner McGuinness will present the package to Finance Ministries at the ECOFIN Council on 5 October. The Council Presidency scheduled the first Working group on 14/15 October, with the goal to complete the first reading of the text before the end of the year.
- The European Parliament is still to assign the Rapporteurs for the package.

RETAIL INVESTMENT STRATEGY

- As announced in the CMU Action Plan, the COM is currently reviewing the EU framework for retail investor protection amid concerns that retail investor participation in capital markets remains very low as compared to other economies and that investors are not sufficiently benefiting from the investment opportunities that the capital markets can offer. As part of its work to prepare next year's retail investment strategy, the Commission has requested advice from ESMA, EIOPA and the Joint Committee of the European Supervisory Authorities on a number of aspects related to the protection of retail investors. Deadline

for reply is April 2022. In line with the Commission's stated objective of 'an economy that works for people', the Commission is seeking to ensure that a legal framework for retail investments is suitably adapted to the profile and needs of consumers, helps ensure improved market outcomes, empowers retail investors and enhances their participation in the capital markets. The strategy will cover a range of initiatives designed to provide the necessary level of confidence and assurance for retail investors.

- Next steps: to be decided, based on the feedback from the ESAs COM will table a communication and a legislative proposal in order to improve the rules applicable most likely for 2022.

In the follow-up discussions, several BoS Members:

- inquired on SII and the type of assistance that is expected from EIOPA. The COM representative clarified that major work for EIOPA is envisaged on reporting and proportionality, mediation between home and host supervisors, on the macro-prudential tools, sustainability and group supervision.
- expressed disappointment that the IGSs were left out. The COM reiterated that the IGS is postponed and not cancelled as currently the main focus is on recovery.

DECISION

10. Not applicable.

CONCLUSIONS AND ACTION POINTS

11. Not applicable.

AGENDA ITEM 3: SINGLE PROGRAMMING DOCUMENT

3.1 REVISED SINGLE PROGRAMMING DOCUMENT 2022-2024

12. The Head of Corporate Support Department presented the revised Single Programming Document (SPD) 2022-2024.
13. EIOPA has taken the opportunity to update the previous version of the SPD, in particular relating to legislative developments, the COM's opinion on the SPD as well as clarifications to sections on efficiency initiatives and de-prioritised work.
14. While the BoS gave overall support to the revised SPD 2022-2024, it invited EIOPA to further align the messages on the priorities of the Sustainable Finance Action Plan and pensions before the publication. The BoS also made proposals for a more detailed presentation of the impact of its deliverables to the NCAs, as well as for an overview of key operational priorities before the submission of the final SPD 2022-2024 in January 2022.

DECISION

15. BoS adopted, by consensus, 'the Single Programming Document (SPD) 2022-2024' (EIOPA-BoS-21-419, 29 September 2021).

CONCLUSIONS AND ACTION POINTS

16. BoS welcomed the SPD 2022-2024 and made some proposals for improvement.
17. EIOPA to integrate the feedback from the BoS in the SPD 2022-2024 and to transmit the document to the European Parliament (EP), the European Council (EC) and COM by 30 September 2021.
18. EIOPA to create an additional shortened version of the SPD for communication purposes.
19. EIOPA to consider a further prioritisation of the SPD deliverables as well as to present the foreseen impact of the SPD on the NCAs before the submission to the MB and BoS of the final SPD 2022-2024 in January 2022.

3.2 DRAFT SINGLE PROGRAMMING DOCUMENT 2023-2025

20. The Chairperson invited the BoS to provide comments on the first iteration of the SPD 2023-2025, including the strategic context, multi-annual goals and the envisaged operational priority areas.

DECISION

21. Not applicable.

CONCLUSIONS AND ACTION POINTS

22. The Chairperson concluded that many of the comments made for the SPD 2022-2024 are also relevant for the draft SPD 2023-2025 and will be taken on board when preparing the next version of the document.
23. BoS had no further comments in regards to the strategic direction for the period 2023-2025.
24. EIOPA to prepare the Draft SPD 2023-2025 reflecting the by EIOPA proposed strategic direction. The document to be submitted to the MB and BoS for adoption in January 2022.

AGENDA ITEM 4: ADVISORY PROPORTIONALITY COMMITTEE ADVICE 2022

25. The Chair of the Advisory Committee on Proportionality (ACP) provided an update on the ACP's work.
26. The ACP Chair informed the BoS of the finalisation of the methodology of the ACP for assessing the impact of the proportionality aspects and for the process to advise EIOPA.
27. Moreover, the Members were informed on the Advice for 2022 activities and was asked to consider the Advice when preparing, discussing and approving the concrete products and services from EIOPA's Annual Work Plan (AWP), which are impacted by the ACP Advice.

28. The ACP Advice for 2022 identified the following areas for further proportionality work: system of governance of insurance undertakings, the institutions for occupational retirement provision (IORPs), Digital operational resilience and Sustainable finance (Environment, Social and Governance).

DECISION

29. Not applicable.

CONCLUSIONS AND ACTION POINTS

30. BoS welcomed the Advice and gave its appreciation for the work developed by the Advisory Committee on Proportionality.

AGENDA ITEM 5: Management Board: Member Election

31. The Chairperson introduced the subject and clarified that following a call for candidates, EIOPA received one application for the vacant Management Board (MB) member position. Following a short presentation of the candidate, the Chairperson initiated a successful voting for the election of Member of MB.

DECISION

32. BoS decided, by consensus, to elect Frank Grund (Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority - BaFin)) as a Member of the EIOPA MB for a period of two and a half years starting as of 29 September 2021.

CONCLUSIONS AND ACTION POINTS

33. Not applicable

AGENDA ITEM 6: BOARD OF APPEAL RENEWAL

34. 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 for EIOPA.
35. The Chairperson emphasized that EIOPA is aiming at selecting the most qualified candidates for the insurance and pensions matters and also striking a good balance with respect to gender, nationality and diversity.

DECISION

36. Not applicable.

CONCLUSIONS AND ACTION POINTS

37. BoS welcomed the described process and the proposed candidates of EIOPA for the new BoA.
38. EIOPA to finalize the appointment of the new EIOPA BoA members via written procedure with the MB ensuring close coordination with the European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA).

AGENDA ITEM 7: DG REFORM'S TECHNICAL SUPPORT WORK TO THE MEMBER STATES

39. Nathalie Berger (Director for Support to Member States' Reforms in the Directorate-General for Structural Reform Support (DG REFORM), European Commission) presented DG REFORM's technical support work for Member States as well as the cooperation with EIOPA on a number of insurance and pension related projects. The upcoming flagship project on EU Supervisory Digital Finance Academy was also mentioned.
40. The BoS expressed overall support to DG REFORM's technical support work to Member States as well as EIOPA's engagement in that respect. A number of Members stressed the importance of sharing experiences and best practices, which could be facilitated among others by setting up a library for supervisors.
41. The ED welcomed the engagement as valuable for all parties involved. He underlined the importance of the tool while at the same time attention should be needed in view of resources needed.

DECISION

42. Not applicable.

CONCLUSIONS AND ACTION POINTS

43. BoS welcomed DG REFORM's technical support work to the Member States (MS) as well as EIOPA's engagement with the Technical Support Instrument.

AGENDA ITEM 8: INSURANCE STRESS TEST 2021 – VALIDATION PROCESS AND DISCLOSURE OF INDIVIDUAL RESULTS

44. The Head of the Risks and Financial Stability Department introduced the topic by presenting: i) the steps for the collection of the individual disclosure including the planning of a meeting with the high level representative of the participants; ii) the enhancement applied to the framework to accommodate the rationale expressed by participants in 2018 for not publishing individual information; iii) the outcome of the RFSC discussion on the same topic; iv) the main issues identified in the first week of central validation.
45. While supporting the need of increasing the transparency in communicating the results, some Members expressed concern on the success of the request in the absence of a legal mandate

and the need to identify a new narrative to be communicated to the stakeholders and the participants to encourage the disclosure.

46. Some Members noted that in case also in 2021 the publication of individual results is limited to few participants, , for future exercises the overall concept of individual disclosure, if not backed by stronger regulatory powers, should be reshaped.
47. BoS supported the proposed process and the need to approach the participants in a coordinated way using a narrative based on the competitive advantage brought by the transparency, and the use of transparency as a means to achieve a better quality in the data.

DECISION

48. BoS adopted, by simple majority voting, ‘Insurance Stress Test 2021 - Disclosure of results and collection of consent for individual disclosure’ (EIOPA-BoS-21-372, 27 July 2021).

CONCLUSIONS AND ACTION POINTS

49. BoS agreed on the proposed process and related communications on the request for individual disclosure.
50. EIOPA to liaise with NCAs to validate and collect the needed information.

AGENDA ITEM 9: FAILURES AND NEAR MISSES IN INSURANCE - OVERVIEW OF RECOVERY AND RESOLUTION ACTIONS AND CROSS-BORDER ISSUES

51. The Head of Risks and Financial Stability presented the report on ‘Failures and near misses in insurance’. Emphasis was put on the next steps on the database work that were being considered by EIOPA. To carry out this work, access to the information in the database will be granted to dedicated EIOPA staff. In line with EIOPA’s commitment to ensure adequate protection of the data, this will be on a case-by-case basis and based on a need-to-know principle. Furthermore, the yearly updates to the database will take place in Q2 2022, covering cases from 2021.
52. The annexes to the report summarize EIOPA’s Opinion on the 2020 Review of Solvency II. A change in the title of the annexes was asked by the Members, in order stress that it is a summary of EIOPA’s Opinion.

DECISION

53. BoS adopted, by consensus, the ‘Report on failures and near misses in insurance’ (EIOPA-BoS-21-394, 31 August 2021) and agreed to its publication.
54. Prior to the publication, a change will be made to the annexes to clarify that this is a summary of EIOPA’s Opinion on the 2020 Review of Solvency II.

CONCLUSIONS AND ACTION POINTS

55. EIOPA to make the requested change and publish the report.

AGENDA ITEM 10: SUSTAINABLE FINANCE: NEXT STEPS

56. The Head of the Policy Department introduced the topic highlighting the importance of an evidence risk-based approach in EIOPA's work on sustainable finance and consistency with the objectives of supervision. He also noted the importance of prioritization.
57. The proposals put forward to the BoS comprised EIOPA's ongoing work and the work deriving from the COM strategy. Where possible, EIOPA will leverage on other (international) initiatives.
58. The Chairperson stressed the need to achieve 'convergence from the start', ensuring efficient supervisory practices for the future.
59. COM expressed support for EIOPA's work and noted that all activities are necessary. COM will engage further with EIOPA to provide more detail on the priorities.
60. Further sequencing will take place in the coming weeks, based on the recently published mandates in the Solvency II Directive and further clarification from COM on scope and timing of the expected deliverables. Reference was made to two examples for sequencing: the reassessment of the natural catastrophe risk underwriting reassessment would not start before the second half of 2022, and analysis on the IORP II fiduciary duty may not start before early 2022.
61. Several Members commented that for public communication purposes, a clear mapping of the expected deliverables is needed. Several Members commented that EIOPA must be aware of its role as a financial supervisory authority in this work. EIOPA's Head of Department noted that as a consequence of the double materiality principle, the sector should also take into account the impact of its activity on society, as sustainability risks materialize in risks to the balance sheet. EIOPA's objectives on sustainable finance already include the sector's application of stewardship principles.

DECISION

62. Not applicable.

CONCLUSIONS AND ACTION POINTS

63. BoS agreed on the importance of the work and supported the proposed areas of activity.
64. EIOPA to prepare a further sequencing of the activities, to be submitted to the Policy Steering Committee (PSC) and as appropriate BoS in the coming weeks.
65. Having carried out the sequencing, more detailed communication to take place at EIOPA's 5th Sustainable Finance Roundtable on 7 December 2021 with previous more general

communication to take place at the fringes of the 26th UN Climate Change Conference of the Parties (COP26) .

66. The communication at the roundtable to reflect members' input, to be shared beforehand with BoS members, and to reflect on the role supervisors play in the context of sustainable finance.

AGENDA ITEM 11: INSURANCE CAPITAL STANDARD: NEXT STEPS

67. The Team Leader of the International and Sustainable Finance Team introduced the topic.
68. 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.
69. The aim of the discussion is to agree on a coordinated European approach.

DECISION

70. Not applicable.

CONCLUSIONS AND ACTION POINTS

71. BoS supported the suggestions made by EIOPA on the Insurance Capital Standard and the timeliness of the discussion.

AGENDA ITEM 12: BREXIT: SUPERVISORY SPLIT OF RESPONSIBILITIES AND GENERAL UPDATES

72. The Head of Policy Department presented EIOPA's assessment of Split of Responsibilities agreements (SoR) from a legal, supervisory and political perspective. A potential role for EIOPA could take various forms, from monitoring the UK Prudential Regulation Authority's (PRA) interaction with the European Economic Area's (EEA) NCAs to negotiating a SoR template, which may be used by relevant NCAs.
73. The majority of Members supported an active role for EIOPA while recognising that split of responsibilities agreement may not be relevant for every member.

DECISION

74. BoS approved, by simple majority voting, that EIOPA takes an active role in relation to so-called 'Split of Responsibilities agreements' (EIOPA-BoS-21-376, 7 September 2021).

CONCLUSIONS AND ACTION POINTS

75. The majority of BoS members supported an active role for EIOPA in relation to SoR agreements.
76. EIOPA to communicate the outcome of the BoS discussion to the PRA in the scheduled EIOPA-PRA- the Financial Conduct Authority (FCA) Supervisory Dialogue on 30 September 2021.
77. EIOPA to further monitor developments and develop a template.

AGENDA ITEM 12i: FINAL REPORT WITH RTS ON TAXONOMY-RELATED PRODUCT DISCLOSURES

78. The Chairperson introduced the topic, indicating that given the failure to obtain a qualified majority on the draft Regulatory Technical Standards (RTS) in the previous voting by the ESAs in July, the Joint Committee (JC) proposed to review the draft RTS with regards to two issues: i) the treatment of sovereign bonds in the Key Performance Indicator (KPI) that calculates the extent to which financial products are aligned with the EU Taxonomy; and ii) the length and complexity of the product templates.
79. The amendments proposed by the JC consist of adjusting the way the taxonomy-alignment of the financial product is calculated, by including a second KPI which excludes sovereign exposures, in addition to the first KPI which includes sovereign exposures. The JC also proposed additional simplifications to the templates for pre-contractual and periodic disclosures.
80. In terms of process, the Chairperson indicated that both the EBA and ESMA BoSs discussed the amended Final Report in their respective meetings in September. The amended Final Report is to be voted on by the ESAs, without the BoS comments phase.
81. No BoS Members provided further comment.

DECISION

82. Not applicable.

CONCLUSIONS AND ACTION POINTS

83. BoS had no comments on the amendments to the Final Report proposed by the JC.
84. EIOPA to launch, together with the other ESAs, the approval phase (without the usual comment phase) of the written procedure for the approval of the Final Report as amended by the JC

AGENDA ITEM 13: CONFIDENTIAL EXCHANGE OF INFORMATION

AGENDA ITEM 14: PENSIONS ISSUES

14.1 OPINION ON IORP COSTS AND CHARGES

85. The Head of Policy Department introduced the opinion, emphasising the substantial impact that costs and charges may have on retirement income. Only five NCAs collect transparent cost information and experience shows that cost transparency works, significantly reducing IORPs' cost levels. There is one highlighted issue on whether NCAs should have the possibility to provide DB IORPs with a full exemption for the cost reporting or not. Following the steer of the PSC and with support of the MB, a compromise view was developed, limiting the scope of possible exemptions to non-commercial small and non-commercial closed DB IORPs.

86. Members expressed support for the opinion, underlining the positive impact of cost transparency. Some Members brought forward that the opinion is particularly important for DC schemes, in which costs are borne directly by members and beneficiaries. Among the comments made were support for a step-by-step approach, e.g. initially restricting the cost reporting to commercial and open IORPs or by limiting the granularity of the reported cost items, or alternatively a fact-finding exercise prior to issuing the opinion.
87. On the highlighted issue, Members expressed views in favour and against allowing NCAs discretion to fully exempt DB IORPs from the cost reporting. Still, Members also indicated that limiting the possible exemptions to non-commercial small and closed DB IORPs would constitute a balanced compromise. The Chairperson emphasised that the opinion already recognises considerable time for implementation as well as the need for a proportionate approach leaving room to NCAs to allow for further exemptions in exceptional cases.

DECISION

88. BoS approved, by simple majority voting, the ‘Opinion on the supervisory reporting of costs and charges of the Institutions for Occupational Retirement Provision (IORP) (EIOPA-BoS-21-426, 16 September 2021).
89. EIOPA to incorporate view 2 of the highlighted issue in the Opinion, supported by majority of the BoS Members, providing NCAs with the possibility to exempt non-commercial small and non-commercial closed defined benefit IORPs from the cost reporting.

CONCLUSIONS AND ACTION POINTS

90. EIOPA, after incorporating the view 2, to publish the Opinion, the impact assessment, feedback statement and the resolutions to comments on its website.

14.2 OPINION ON DC RISK MANAGEMENT

91. The Head of Policy Department introduced opinion, explaining that two previous highlighted issues have been resolved through the inclusion of appropriate compromise texts. These concerned the definition of DC and the scope of the opinion as well as the need to do pension projections where IORPs provide multiple investment options.
92. Members expressed support for the opinion although concern was raised that the opinion does not appropriately consider DC schemes with multiple investment options.

DECISION

93. BoS approved, by a simple majority voting, the ‘Opinion on the supervision of long-term risk assessment by IORPs providing Defined Contribution schemes’ (EIOPA-BoS-21-429, 16 September 2021).

CONCLUSIONS AND ACTION POINTS

94. EIOPA to publish the Opinion, the impact assessment, feedback statement and the resolutions to comments on its website.

AGENDA ITEM 15: ROADMAP FOR THE 2022 IORP STRESS TEST

95. The Head of the Risks and Financial Stability Department introduced the roadmap to launch the project on the 2022 IORP Stress Test. He provided an overview on the background and motivation of the exercise, which translate into two suggested, main objectives: assessing both IORPs' resilience, potential vulnerabilities of IORPs' financial position and financial stability as well as the effects on IORPs' members and beneficiaries with a set of three core analyses (balance sheet, cash flows and future retirement income).
96. BoS Members discussed the objectives and the high ambition of the suggested 2022 IORP stress test to assess the effects of two complex scenarios on a significant share of European IORPs, and indicated that the project group may need to simplify some of the suggested approaches, concentrate on specific areas and more concretely describe the objectives as well as the corresponding analytical tools to be employed.

DECISION

97. BoS adopted, by simple majority voting, the 'Draft Project Plan: 2022 IORP Stress Test' (EIOPA-BoS-21-386, 31 August 2021).

CONCLUSIONS AND ACTION POINTS

98. BoS agreed to initiate the project for the 2022 IORP Stress Test as set out in the draft project plan. Due to the expected high complexity of the envisaged stress test scenario(s), the forthcoming Risk and Financial Stability Committee (RFSC) project group is mandated to elaborate on efficient processes, considering both costs and benefits and approaches in line with the objectives envisaged in the project plan.
99. EIOPA to launch a call for members and the leader for the new RFSC project group.

AGENDA ITEM 16: CALL FOR ADVICE ON DIGITAL FINANCE - DISCUSSION ON PRELIMINARY FINDINGS FOR INTERIM REPORT

100. The Head of Unit of Conduct of Business Oversight Unit introduced the topic, explaining the ESAs' preliminary findings on market developments, the risks and opportunities, together with the supervisory and regulatory challenges and preliminary recommendations for the Commission. The findings would be submitted to the COM to meet the interim deadline of 31 October. In parallel, ESAs staff will continue development of detailed policy recommendations.

FINAL MINUTES

101. Members supported preliminary findings and draft recommendations and recommended more clarity in the final report and that more should be done as regards the prioritization. Suggestions were made to add a list of abbreviations to improve clarity. Comments were also made on the need for common interpretation on the concept of operations arising directly from insurance in relation to digitalization (Solvency II Article 18).
102. COM welcomed the preliminary findings stating that the final advice, concrete recommendations on supervisory and regulatory issues and on the possible need to adjust the regulatory framework would be very useful for the COM.

DECISION

103. BoS adopted, by consensus, the ‘Call for Advice on Digital Finance ESAs Interim Findings’ (EIOPA-BoS-21-407, (8 September 2021).

CONCLUSIONS AND ACTION POINTS

104. EIOPA to send the Call for Advice on Digital Finance ESAs Interim Findings to COM.
105. BoS supported the preliminary findings and recommended to be more concrete on the recommendations in the final report, as well as more prioritisation.
106. EIOPA to add list of abbreviations and submit the findings to the COM.

AGENDA ITEM 17: AOB

DECISION

107. Not applicable.

CONCLUSIONS AND ACTION POINTS

108. EIOPA to communicate to BoS, after mid-October, the concrete plans and details with regards to setting of the November BoS meeting.

ANNEX: LIST OF DECISIONS ADOPTED BY WRITTEN PROCEDURE FROM 01.07.2021 TO 30.09.2021

BOS-2021-53

109. Decision adopting by consensus the resolution of comments and feedback statement to the stakeholder's comments on EIOPA's insurance protection dashboard on natural catastrophes.

BOS-2021-56

110. Decision adopting by consensus the Supervisory statement on supervisory practices and expectations in case of breach of the SCR.

BOS-2021-57

111. Decision adopting by consensus the Methodology for producing the Consumer Trends Report.

BOS-2021-58

112. Decision adopting by consensus the Conduct of Business Supervision Strategy.

BOS-2021-59

113. Decision adopting by consensus the Consultation paper on Supervisory Statement on supervision of run-off undertakings.

BOS-2021-60

114. Decision adopting by consensus the update of the technical documentation with the results of the depth, liquidity and transparency (DLT) assessment.

BOS-2021-61

115. Decision adopting by consensus the Supervisory statement on ORSA in the context of Covid-19.

BOS-2021-62

116. Decision adopting by consensus the ITS amendments on reporting and disclosure 2021.

BOS-2021-63

117. Decision adopting by consensus EIOPA's Opinion on the position of the European Parliament in the discharge procedure for the financial year 2019 (2020/2175(DEC)).

BOS-2021-64

118. Decision adopting by simple majority the consultation papers on pensions tracking systems and pensions dashboards.

BOS-2021-65

119. Decision adopting by simple majority the Minutes of the 71th Board of Supervisors Meeting.

BOS-2021-66

120. Decision adopting by consensus the Risk Dashboard - Methodological note and description of the indicators and Explanatory Note.

BOS-2021-67

121. Decision adopting by consensus the pan-European Personal Pension Product key information document

BOS-2021-68

122. Decision adopting by consensus Report on Supervisory Activities in 2020.

BOS-2021-69

123. The BoS did not adopted by qualified majority the joint ESAs draft Final Report with RTS on taxonomy-related product disclosures, as follows:

27 Voting Members	Yes	No	Abstain	Provided Reason
Katharina Muther-Pradler (AT – FMA)			✓	Whilst we acknowledge the difficulties of the task regarding content and timing, we are concerned that the draft is not sufficiently fit for publication yet. We would like to reiterate our suggestion for thorough legal review. We would very much welcome if the substantial changes that were made after the last version was circulated for comments were discussed together with NCAs - e.g. the changes regarding insurance and reinsurance undertakings that carry out non-life underwriting activities. We regret that although the European Commission has signalled to postpone the applicability of the SFDR Level 2 that the ESAs and NCAs were not granted more

				time and thus enabled to deliver better legislative quality.
Jean Hilgers (BE – NBB)	✓			
Vladimir Savov (BG – FSC)	✓			
Ante Žigman (HR – FSC)			✓	concerns on the significant complexity of the templates which consequently may cause a lack of comprehensibility for retail investors and pose a great challenge even for professionals-financial advisers and manufacturers. We are also concerned about the lack of consistency in the approach used for sovereign bonds. We appreciate the extraordinary effort made by the group of colleagues engaged in the preparation of this RTS given the complexity of the matter, however we would strongly encourage the ESAs to engage with the Commission and attempt to resolve these divergences prior to the adoption of the RTS.
Tonia Tsangaris (CY – ICCS)	✓			
Jiří Kalivoda (CZ – CNB)			✓	concerns on the practical application and credibility of the KPIs calculation, the usability of the templates and their comprehensibility for the retail investors. Nevertheless, we appreciate the efforts made so far and understand the challenges dealing with the complexity of the topic. In this respect, we encourage the ESAs to raise all relevant issues regarding the preparation of the RTS in the follow-up communication with the Commission.
Carsten Brogaard (DK – FSA)	✓			
Siiim Tammer (EE – FSA)	✓			
Teija Korpiaho (FI – FSA)	✓			
Patrick Montagner (FR – ACPR)	✓			
Frank Grund (DE – BaFin)	✓			
Ioanna Seliniotaki (GR – Bank of Greece)	✓			

Ferenc Szobelédi (HU – MNB)	✓			
Domhnall Cullinan (IE – CBI)	✓			
Alberto Corinti (IT – IVASS)			✓	<p>the application of the Taxonomy Regulation to sovereign bonds, which are an important asset class for insurers and reinsurers, would need further analyses and the development of corresponding methodologies within the taxonomy framework before to be included in the calculation of the KPI.</p> <p>Keeping the sovereign bond only in the denominator, as written in the draft RTS, will provide misleading information to the potential policyholders due to the fact that in the numerator the sovereign bond are not considered and the relation will unbalanced.</p> <p>Moreover, the draft RTS does not take into consideration that the delegated act issued by the Commission on 6 July 2021, in the absence of a robust methodology for assessing the share of taxonomy alignment of sovereign and central bank exposures, does not include sovereign bond in the numerator or denominator of the KPIs of financial institutions.</p> <p>Therefore, there will be two legislative acts issued by the Commission on sustainable finance that provides contradictory provisions.</p>
Santa Purgaile (LV – FCMC)	✓			
Jekaterina Govina (LT – BoL)	✓			
Thierry Flamand (LU – CAA)	✓			
Ray Schembri (MT – FSA)	✓			
Else Bos (NL – DNB)	✓			
Damian Jaworski (PL – FSA)			✓	
Margarida Corrêa de Aguiar (PT – FSA)			✓	<p>the concerns it has raised in the comments phase of this written procedure have not been duly considered by the ESAs.</p>

				<p>Notably, we would like to highlight, once again, the fact that the successive changes in the disclosure of pre-contractual information due to growing concerns about sustainability at a European level have contributed to an instability in the legal framework applicable to insurance companies and pension fund management entities, which begins to take significant proportions, which translate into increased costs, both for operators and for the Supervisory Authorities themselves.</p> <p>In this regard, it should be noted that part of Regulation 2019/2088 has not even entered into force yet (some provisions only come into effect at the end of 2022) and it has already been amended by Regulation 2020/852 regarding taxonomy. Furthermore, the fact that the legislative technique “abuses” references and never privileges the republication of documents leads to the creation of a highly complex legal labyrinth.</p> <p>In the case of operators, these costs may translate into a new need to revise the contractual content, thus enhancing contractual instability.</p> <p>Regarding the form of providing information, we only suggest that the path chosen is not only the most transparent, but also the one that is simpler and facilitates the understanding of the topic for the average consumer, since the excess of information is very sometimes reverses the intended effect.</p> <p>We reinforce here the need to move towards simplifying the information to be provided.</p> <p>Notwithstanding, we appreciate the fact that the ESAs staff have agreed to develop a guide for financial market participants and supervisors, which should help them through the legal maze of information on sustainability.</p>
Cristian Rosu (RO – ASF)	✓			

Julia Cillikova (SK – NBS)	✓			
Gorazd Čibej (SI – AZN)	✓			
Sergio Álvarez (ES – DGSFP)		✓		<p>DGSFP cannot agree with the proposal and consequently votes against, given several important comments have not been taken into account.</p> <p>The KPI to be used for articles 5 and 6 of Regulation (EU) 2020/852 (Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088) of this RTS establishes that sovereign bonds must be included in the denominator of the ratio even though it is not included in the numerator, because its alignment with the taxonomy cannot be assessed.</p> <p>This criterion differs from the approach adopted by the Commission (Delegated act of 6 July 2021) for the KPIs of financial institutions: in this case, sovereign bonds are excluded from both numerator and denominator, as there is no robust methodology to assess the alignment of sovereign bonds and exposures to the Central Bank with the taxonomy.</p> <p>From our point of view, the inclusion of sovereign bonds in the denominator (while they are excluded from numerator) in order to calculate the KPI for products is not only inconsistent with the criterion for KPIs for financial institutions, but it gives rise to an incorrect interpretation of it and penalizes unduly products that invest in sovereign bonds.</p>
Åsa Larson (SE – FSA)	✓			

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124. Decision adopting by consensus the Draft Autumn 2021 Joint Committee Report on Risks and Vulnerabilities.

BOS-2021-71

125. Decision adopting by consensus the July 2021 Risk Dashboard.

BOS-2021-72

126. Decision adopting by consensus the Joint Committee (JC) Annual Work Programme for 2022.

Participants at the Board of Supervisor's Meeting via Videoconference**29 – 30 September 2021****Chairperson:** Petra Hielkema

<u>Country</u>	<u>Voting member/ Alternate</u>	<u>Accompanying Experts</u>
Austria	Gerlinde Taurer (PoA)/ [-]	
Belgium	Jean Hilgers/ Dieter Hendrickx	
Bulgaria	Vladimir Savov/[-]	
Croatia	Ante Žigman/ Ilijana Jeleč	
Cyprus	Antonia Tsangaris /Constantinos Kalopsidiotis (Day 1)	
Czech Republic	Zuzana Silberová /Jiří Kalivoda	Hana Marčíková
Denmark	Carsten Brogaard (Day1)/ Per Plougmand Bærtelsen (Day 1)	
Estonia	Siim Tammer [-]/	
Finland	[-]/Teija Korpiaho	
France	Patrick Montagner/ Mary-Cécile Duchon	
Germany	Frank Grund/ Thomas Schmitz-Lippert	Petra Faber-Graw
Greece	Ioanna Seliniotaki /Ioannis Chatzivasiloglou	
Hungary	Koppány Nagy (Day 1)/Ferenc Szebelédi	
Ireland	Domhnall Cullinan/[-]	Zita Culliton
Italy	Alberto Corinti/ [-]	
Latvia	[-]/ Evija Dundure	
Lithuania	Renata Bagdonienė /[-]	
Luxembourg	Thierry Flamand /Yves Baustert	Valérie Scheepers
Malta	Ray Schembri /Luciano Micallef	
Netherlands	Else Bos/ 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/[-]	Zuzana Kardošová
Slovenia	Goraz Čibej/ Mojca Rome	
Spain	Sergio Alvarez / Javier Castillo García	
Sweden	Åsa Larson/Bertil Sjöö	

FINAL MINUTES

<u>Country</u>	<u>Permanent Representative/ Alternate</u>	<u>Accompanying Experts</u>
Belgium	Henk Becquaert/[-]	
Cyprus	Nikos Koullapis (Day 2)/[-]	
Ireland	[-]/[-]	
Italy	[-]/Ambrogio Rinaldi	

<u>EEA EFTA Country</u>	<u>Non-Voting Member/ Alternate</u>	<u>Accompanying Experts</u>
Iceland	Rúnar Guðmundsson/[-]	
Liechtenstein	Alexandre Imhof (Day 2)/Beat Wäfler (Day 1)	
Norway	Ann Viljugrein/[-]	Brita Hrenovica

<u>Institution</u>	<u>Non-Voting Member/ Alternate</u>	<u>Accompanying Experts</u>
European Commission	Martin Merlin/[-]	Violeta Ananieva Schneider
ESMA	Natasha Cazanave/[-]	Tomas Borovsky
EBA	Francois-Louis Michaud/[-]	Ann Tiedemann
ESRB	Francesco Mazzaferro/[-]	
EFTA	[-]/ Jonina Sigrun Larusdottir	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 Affairs Department	Danny Janssen (Day 1)
Head of Policy Department	Justin Wray
Head of Risk and Financial Stability Department	Dimitris Zafeiris
Head of Oversight Department	Patrick Hoedjes
Head of Supervisory Processes Department	Ana Teresa Moutinho