

The IA/BE Regulatory Watch aims to inform you of changes and updates in the regulatory framework that could impact your day-to-day work.

As we operate in a heavily regulated industry, we can't claim to be complete. Our main aim is to make you aware of the changes and to trigger your attention.

We distinguish 3 categories: regulatory items from Belgian (BE), European (EUR) and International (INT) instances.

The IA/BE Regulatory Watch is based on publicly available information.

RECENT UPDATES

BE – 2020 0514: [NBB publishes new coordinated version of the Belgian Solvency II Law of 13 March 2016](#)

- This version includes the changes introduced by the Law of 28 April 2020, published in the Belgian Official Gazette on 6 May 2020; this Law transposes to Belgian Law the Directive (EU) 2017/828 of the European Parliament and the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.
- New in this coordinated version of the Solvency II Law are the Art. 101/1 and 101/2 (*De la transparence en matière de politique d'engagement / Transparantie met betrekking tot het betrokkenheidsbeleid*) and Art. 102 (*Transfer de portefeuille et autres opérations particulières / Portefeuilleoverdracht en ander bijzondere verrichtingen*)

BE – 2020 0512: NBB issues [update of the Overarching Circular on governance for the insurance sector](#)

- 6 aspects covered
 - (i) indication of how to reconcile the new rules of the Companies and Associations Code with prudential requirements;
 - (ii) simplification of the rules on the distribution of tasks between members of the management committee;
 - (iii) clarification of recommendations on outsourcing and a number of new requirements;
 - (iv) reinforcement of remuneration rules;
 - (v) strengthening of the rules on IT infrastructure, in particular through the publication of a new circular on cloud outsourcing; and
 - (vi) introduction of initial recommendations on sustainable finance.
- The new recommendations on outsourcing and remuneration apply from 2021.

EUR – 2020 0512: [Commission Implementing Regulation \(EU\) 2020/641](#)

- laying down technical information for the calculation of technical provisions and basic own funds for reporting with reference dates from 31 March 2020 until 29 June 2020 in

accordance with Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance

- This Regulation shall enter into force on the day following that of its publication in the Official Journal of the European Union.
- It shall apply from 31 March 2020.
- This Regulation shall be binding in its entirety and directly applicable in all Member States.

EUR – 2020 0511: AAE issues [Position Paper on Covid-19](#)

BE – 2020 0505: NBB issues [recommendations to \(re\)insurers on outsourcing of cloud service providers](#)

- Based on the recommendations of EIOPA
- Effective as of 1 January 2021

EUR – 2020 0504: Insurance Europe publishes [a position paper on the European Commission's proposal for a European Climate Law](#).

EUR – 2020 0430: [EIOPA revises its timetable for advice on Solvency II Review until end December 2020](#)

BE – 2020 0428: NBB communicates on the [conditions for exemption of adding to the flashing light reserves in 2020](#)

EUR – 0423: ESAs consult on environmental, social and governance disclosure rules

- The three European Supervisory Authorities EBA, EIOPA and ESMA (the ESAs) have issued a [Consultation Paper](#) seeking input on proposed environmental, social and governance (ESG) disclosure standards for financial market participants, advisers and products.

BE – 2020 0422: NBB announces [Support measure in the context of Covid-19: the State temporarily reinsures short-term credits](#)

EUR – 2020 0409: Pensions Europe issues [Statement on the Covid-19 Crisis 2020](#)

CONTENT OF EARLIER EDITIONS OF THE REGULATORY WATCH

In this section, you will find the content of earlier editions of the IA/BE Regulatory Watch in 2020.

It also contains elements that were not yet included earlier but could be of use anyhow.

BE – 2020 0408: [NBB and the Federal Planning Bureau publish a scenario for the impact of the Covid-19 Health Crisis](#)

- NBB and FPB expect the country's real GDP could contract by 8% in 2020. A rebound of 8.6% is now assumed for 2021, provided that the acute phase of the crisis – concentrated in the first six months of 2020 – does no lasting damage to the Belgian economy's production potential.

BE – 2020 0407: NBB issues Circular NBB_2020_012 about dividend payments, variable pay and profit sharing in Covid-19 times ([NL](#) / [FR](#))

EUR – 2020 0407: EIOPA publishes [Opinion on the supervision of remuneration principles in the insurance and reinsurance sector](#)

EUR – 2020 0402: EIOPA issues [statement on dividends distribution and variable remuneration policies in the context of COVID-19](#)

BE 2020 0401: NBB issues [Circulars](#) NBB_2020_08 (new COVID-19 reporting for Insurance) NBB_2020_09 and NBB_2020_10 (OneGate and eCorporate Platforms) for reporting in the Covid-19 Health Crisis

- These circulars defer in time the date of collection of certain quantitative and qualitative reports expected from insurance and reinsurance companies as well as certain reports expected from the authorised auditors.

BE – 2020 0326: [Assuralia announces a number of corona – related measures, after discussions with NBB, FSMA and the Federal Government](#)

- Staff of insurance companies remains protected in case of temporary unemployment
- Certain customer groups can benefit from delayed payment until 30 September 2020 of installments for mortgage loans and premium payments for related mortgage protection insurance and fire insurance; also extended to other loans
- Delay of premium payments will be handled in a less strict way
- Insurances offered to companies at an economic standstill will also pause, in line with the standstill.

EUR – 2020 0320: [EIOPA issues recommendations on supervisory flexibility regarding the deadline of supervisory reporting and public disclosure - Coronavirus/COVID-19](#)

BE - 2020 0319: Corona crisis: [Belgian Government launches the Economic Risk Management Group](#).

- On 19 March, the Federal Government launched the ERMG that should map the impact of the corona crisis on the Belgian economy and make recommendations for supporting measures. This working group will be co-chaired by Pierre Wunsch, NBB Governor, and Piet Vanthemsche. The ERMG will include representatives from different stakeholders. To support the ERMG, NBB has allocated some 100 of its specialists with expertise in macro and microeconomics, statistics, financial markets, banking and insurance.

EUR – 2020 0317: [EIOPA issues statement on actions to mitigate the impact of Coronavirus/COVID-19 on the EU insurance sector](#)

- EIOPA announced it would limit its requests of information and the consultations to the industry to essential elements needed to assess and monitor the impact of the current situation in the market.

INT – 2020 0317: [IASB decides on new effective date for IFRS 17 of 1 January 2023](#)

- IASB decided that the effective date of the Standard will be deferred to annual reporting periods beginning on or after 1 January 2023.
- IASB also decided to extend the exemption currently in place for some insurers regarding the application of IFRS 9 Financial Instruments to enable them to implement both IFRS 9 and IFRS 17 at the same time.
- IASB expects to issue the amendments to IFRS 17 in the second quarter of 2020.

EUR – 2020 0303: AAE commented on EIOPA’s consultation concerning technical advice, implementing and regulatory technical standards for the Pan-European Personal Pension Product (PEPP).

- [The EIOPA Consultation](#)
- [The AAE Comments](#)

EUR - 2020 0219: European Commission publishes [White Paper on Artificial Intelligence - A European approach to excellence and trust](#)

- No specific comments on insurance, but on financial services
- Based on the report from the Commission on the same date (see next topic)

EUR 2020 0219: Report from the Commission to the European Parliament, the Council and the European Economic and Social Committee: [Report on the safety and liability implications of Artificial Intelligence, the Internet of Things and robotics](#)

BE – 2020 0214: NBB publishes Annual Report 2019 ([NL](#) ; [FR](#) ; [ENG](#)).

In the preamble, the NBB Governor recommends a prudent dividend policy for the insurance sector, to build additional reserves in the current low-yield environment.

EUR – 2020 0212: EIOPA publishes its [Supervisory convergence plan for 2020](#)

Three new priorities have been identified for 2020:

- **Supervisory technology**

- **Pension issues:** The aim is to promote supervisory convergence in the area of supervision of institutions for occupational retirement provision (IORPs). EIOPA will identify and monitor supervisory risks in the authorisation of cross-border IORPs, with a view to developing appropriate supervisory responses
- **Cyber underwriting:** EIOPA will promote appropriate cyber underwriting and cyber risk management practices by industry, as well as good supervisory practices. EIOPA will also promote adequate assessment and mitigation tools to address potential systemic cyber and extreme risks.

The plan has been developed according to a risk-based approach and in close cooperation with national supervisors. It is a strategic tool that supports EIOPA in its goal to build a European common supervisory culture.

EUR – 2020 0205: EIOPA publishes [consultation paper on Review of technical implementation means for the package on Solvency 2 Supervisory Reporting and Public Disclosure](#)

- Due date: 20 April 2020

EUR – 2020 0120: AAE published a [paper on professional judgment by actuaries](#).

- In the AAE’s thinking, professional judgment is the judgment of the actuary, based on actuarial (or other relevant) training and experience, bound by the Standards and Code of Conduct of the profession. The key message is that professional judgment is by no means arbitrary but based on strict scientific arguments and the discipline of our profession.
- The AAE paper has two main goals.
 1. Firstly, it aims at identifying the distinguishing features of actuarial professional judgment, which arise predominantly from the principles of professionalism laid down in the Code of Conduct for actuaries.
 2. Secondly, it argues that the soundness of the actuary’s judgement is enhanced by the suggested self-assessment questionnaire since it helps ensuring consistency of the professional judgment applied by the actuary in line with the principles in the AAE Code of Professional Conduct. In line with AAE’s Code of Professional Conduct, the high-level principles of professionalism considered in the paper are knowledge and expertise; values and behaviour; and professional accountability.

EUR 2020 0115: [AAE comments on the EIOPA Consultation Paper on the Opinion on the 2020 Review of solvency II](#)

- The IABE WG Solvency II contributed to these comments

BE – 2020 0114: FSMA publishes a feedback statement on the outcome of its Audit of the Financing of Defined Benefit Pension Plans via Group Insurance Policies

- One of the fundamental principles of the legislation on supplementary pensions is that pension plan sponsors are required to outsource the management of such plans to a pension institution. The building up of reserves in a separate ('external') body is designed to safeguard accrued supplementary pension savings in the event that the sponsor goes bankrupt.

- In this context, the FSMA has performed an audit on the financing of defined benefit pension plans via group insurance policies.
- As detailed in its audit report, the FSMA's main aim was to ascertain the extent to which the financing methods used offer adequate protection for members' pension rights
- [NL / FR](#)

EUR 2020 0113: AAE comments on ESAs consultation on changes to the key information for PRIIPs

- AAE comments on [The European Supervisory Authorities \(ESAs\) consultation on amendments to existing rules underpinning the Key Information Document \(KID\) for Packaged Retail and Insurance-based Investment Products \(PRIIPs\)](#):
- Comments from AAE to follow

BE – 2020 0110: [NBB reports on the financial wealth of Belgian households at 30 September 2020](#)

- Financial assets increased in the 3rd quarter of 2019 by EUR 17 billion to reach EUR 1,390 billion.
- Remarkable was the EUR 10 billion increase in the insurance products in the 3rd quarter from EUR 321 to 331 billion

Scope of the IA|BE Regulatory Watch

Belgium

- Assuralia: www.assuralia.be
- Federal Planning Bureau – Belgium; www.plan.be
- FSMA: Financial Service and Markets Authority – Belgium; www.fsma.be
- NBB: National Bank of Belgium; www.nbb.be
- PensioPlus: www.pensioplus.be

Europe

- AAE: Actuarial Association of Europe; www.actuary.eu
- CRO Forum: <https://www.thecroforum.org>
- EBA: European Banking Authority; www.eba.europa.eu
- ECB: European Central Bank; www.ecb.europa.eu
- EFRAG: European Financial Reporting Advisory Group; www.efrag.org
- EIOPA: European Insurance and Occupational Pension Authority:
 - <https://www.eiopa.europa.eu/>
 - In the insurance sector, the EIOPA Board of Supervisors (BoS) adopted three Decisions on collaboration of the supervisory authorities: EIOPA-BoS-17/014 from 30 January 2017 (Solvency II), EIOPA-BoS-18/320 from 27 September 2018 (IORP) and EIOPA-BoS/18-340 from 28 September 2018 (IDD).
- ESAs: the European Supervisory Authorities: EBA, EIOPA and ESMA
- ESMA: European Securities and Markets Authority: <https://www.esma.europa.eu>
- ESRB: European Systemic Risk Board: www.esrb.europa.eu
- European Commission
- Eurostat: www.eurostat.ec.europa.eu
 - Next to more general economic indicators, Eurostat also gives an overview of Accidents at Work by age, sex, severity, etc. for the EU in total and for the 28 individual countries;
 - https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=hsw_ph3_08&lang=en
- PEIF: The Pan-European Insurance Forum: a forum for the CEOs of major European insurers (Aegon, Allianz, AVIVA, AXA, GENERALI, MAPFRE, Munich Re, RSA, Swiss Re, UNIQA and Zurich) to exchange and present views on policy and regulatory issues impacting the European insurance sector. PEIF aims to promote a better understanding and recognition of the role of the insurance business model in the European Union and to provide its Members with the opportunity to discuss major policy and strategic issues affecting the insurance business in Europe and worldwide. www.peif.eu
- PensionsEurope: www.pensionseurope.eu
- InsuranceEurope: www.insuranceeurope.eu

International

- IAA: International Actuarial Association; <https://www.actuaries.org/iaa>
- IASB: International Accounting Standards Board:
- IAIS: International Association of Insurance Supervisors: www.iaisweb.org ; 151 member organisations; from Belgium: NBB and FSMA