

The logo for PensionsEurope, featuring the word "PENSIONS" in black and "EUROPE" in blue, with a yellow star between them. The text is surrounded by a circular arrangement of yellow stars.

PENSIONS★EUROPE

IORP II Directive

Matti Leppälä
Secretary General/CEO of PensionsEurope
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Table of contents



1. About PensionsEurope: who do we represent
2. General remarks about the IORP II Directive
3. Higher standards in the areas of governance, risk management, and information
4. New rules for cross-border-activities
5. Implementation
6. European gap analysis
7. IORPs' risk management
8. EIOPA's IORP Stress Test 2017
9. Conclusions and takeaways from the speech



1. Who do we represent



Leading European voice for pensions

24 member associations:

- 19 EU Member States (AT, BE, BG, DE, EE, ES, FI, FR, HU, HR, IE, IT, LT, LU, NL, PT, RO, SE, UK)
- non-EU (CH, IS, NO)

PensionsEurope Members are large institutional investors representing the buy-side on the financial markets.

Our Members manage pension assets of over **€ 4 trn** for more than **110 million people**.



2. General remarks about the IORP II Directive

PensionsEurope has welcomed the modernised EU rules for pension funds:

- Diversity of the European IORP landscape is respected
- No delegated acts
- No new solvency capital requirements for IORPs
- IORPs are first and foremost institutions with a social purpose



3. Higher standards in the areas of governance, risk management, and information

Requirements for fit and proper management

Depository

Key functions

Remuneration policy

Risk-management

Actuarial function



Internal audit function

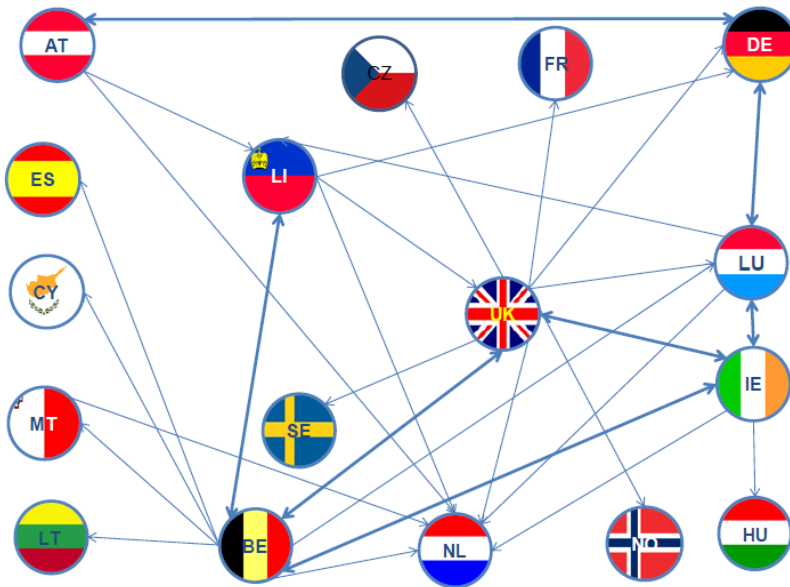
Outsourcing and investment management

Documents concerning governance

More information to prospective Members, Members, and Beneficiaries



4. New rules for cross-border-activities



Source: EIOPA's 2016 Market development report on occupational pensions and cross-border IORPs

- Several reasons why currently only 79 IORPs actively operate on a cross-border basis:
 - Fully funded requirement
 - Setup can be costly and complex
 - Uncertainty about regulatory changes
 - National labour, social and tax law
- The "fully funded at all times" requirement for cross-border IORPs remained in the IORP II Directive, but...



5. Implementation

- National laws, regulations and administrative provisions necessary to comply with the Directive should be ready **by 13 January 2019**.
- No delegated acts of the EC.
- The EC has invited PensionsEurope to provide comments on how to best implement the IORP II Directive through e.g. a non-paper by 1 September 2017. We are also ready to work closely with EIOPA.



6. European gap analysis

- Currently PensionsEurope is preparing the European gap analysis between the current national legislation and the IORP II Directive.
- In all of those countries that have provided answers to PensionsEurope (including Norway), there is a gap between the current national legislation and the IORP II Directive concerning:
 - Own-risk assessment (Article 28)
 - Pension Benefit Statement and supplementary information (Articles 38-40)
 - Information to be given to prospective members (Article 41)



7. IORPs' risk management

- IORPs' own risk assessment, management and stress testing
- The IORP II Directive
- EIOPA and common methodology
- The upcoming ECB Regulation on statistical reporting requirements for pension funds
- The ESRB's macroprudential policy work in the pension sector
- Low interest rates and low inflation



8. EIOPA's IORP Stress Test 2017

- 18 May 2017 - 13 July 2017.
- 19 countries have been invited to participate: AT, BE, CY, DE, DK, ES, FI, GR, IE, IT, LI, LU, NL, **Norway**, PT, SE, SI, SK and UK.
- EIOPA's aim is to reach a coverage rate of IORPs of at least 50% of assets of the total IORP sector per country in the EEA.
- PensionsEurope has provided 2 written inputs to EIOPA for the preparation of IORP Stress Test 2017.



9. Conclusions and takeaways from the speech



- Be active and influence on the Norwegian legislators, as the IORP II Directive is only **minimum harmonisation**.
- Until the review of the IORP II Directive, PensionsEurope calls for a **period of legislative calm**.
- PensionsEurope **shares the best practices on the implementation of the IORP II Directive**.
- **No new Solvency capital requirements for IORPs** should be developed.
- **Stay as active Members within PensionsEurope!**





Tusen Takk!

A banner for the Pensionseurope Conference 2017. On the left is a stylized tree with a brown trunk and green, blue, and yellow foliage. The text "PENSIONSEUROPE CONFERENCE 2017" is in large, bold, blue and green letters. Below it, the subtitle "Security in an uncertain world: the role of pension schemes in 2017 and beyond" is in a smaller, dark blue font. On the right is the "PENSIONS EUROPE" logo with a circle of yellow stars. At the bottom right, the dates and location "7-8 JUNE, THON HOTEL EU, BRUSSELS" are written in yellow on a dark blue background.

**PENSIONSEUROPE
CONFERENCE 2017**

Security in an uncertain world: the role of pension schemes in 2017 and beyond

PENSIONS EUROPE

7-8 JUNE, THON HOTEL EU, BRUSSELS

