

EIOPA-OPSG-13-01

14 February 2013

Occupational Pensions Stakeholder Subgroup on “Pension Fund Governance” Mandate

I. Background

In April 2011 the European Commission asked EIOPA to provide advice on the Review of the IORP Directive¹. The Commission stated in the CfA that it intends to introduce a risk-based prudential regime for IORPs that attains “a level of harmonisation where EU legislation does not need additional requirements at a national level.”

In December 2011 the EIOPA Occupational Pensions Stakeholder Group issued its opinion on EIOPA’s draft response to the Call for Advice.

In July 2012 the EIOPA Occupational Pensions Stakeholder Group issued its opinion on EIOPA consultation paper on draft technical specifications for the quantitative impact study (QIS) of EIOPA’s advice to the European Commission on the review of the IORP Directive.

In this opinion, the EIOPA Occupational Pensions Stakeholder Group reaffirmed its belief that the European Pension Fund should provide adequate, sustainable and safe pensions. As the White Paper on Pensions acknowledges, a holistic approach to pensions is necessary to achieve good pensions across Europe, now and in the future. The OPSG welcomes the recognition by the European Commission and by EIOPA of the fact that the risks of IORPs differ from insurance companies. Therefore it follows that the revised IORP Directive cannot be directly copied from the Solvency II Directive.

In this line, it is the aim of the OPSG to investigate corporate governance features in and of occupational pension funds (IORPs). The main concern is that the new regulation on IORPs might impose SII-like governance features unsuited for pension funds/occupational pension schemes causing disruption to current practice.

EIOPA shall, according to Article 32 of Regulation 1094/2011, monitor and assess market developments in the area of its competence. OPSG may, according to Article 37, 6 of the same Regulation, submit opinions and advice to EIOPA on any issue related to the tasks of EIOPA.

This subgroup is organised in respect of the Article 10 of the Rules of Procedures.

¹ European Commission, Call for Advice from the European Insurance and Occupational Pensions Authority (EIOPA) for the Review of Directive 2003/41/EC (IORP II), 30 March 2011.

II. Tasks of the Subgroup

- Task 1: to prepare an OPSG own initiative Report on occupational pension funds (IORPs) Governance.

III. Expiration of mandate

The mandate of the Subgroup expires with fulfilment of the task 1, latest by the end of the OPSG mandate in August 2013.

IV. Organisation of work

The EIOPA Occupational Pensions Stakeholder Group has had a preliminary debate on Pension Fund Governance at its meeting on 28 November 2012.

During this meeting, the set-up of a subgroup with the primary aim to investigate corporate governance features in pension funds was proposed, discussed and adopted. Subsequent measures in line with OPSG RoP were taken to establish this subgroup regarding its members, lead and deliverables as mentioned in V, VI and VII.

The subgroup shall report on progress at the OPSG meeting on 14 February. The OPSG shall be able to finalize the debate on the draft Report during the OPSG meeting on 25 April and approve it at the OPSG meeting on 4 July.

V. Working group lead

- Subgroup leader: Charles Cronin (user occupational pension services).

VI. Members

- Subgroup members: Niels Kortleve, Joachim Schwind, Martine Van Peer, Isabel Semiao, Chris Verhaegen, Allan Whalley (industry representatives); Régis De Laroulliere, Ruth Goldman (users occupational pension services); Gunnar Andersson, Yves Stevens and Dariusz Stanko (academics representatives).

VII. Deliverables

OPSG Subgroup on Pension Fund Governance	Timeline (Q1 to Q2 2013)	OPSG expected date of approval
Milestones and deliverables		
Initial feedback on sub-group progress	Q1	14 February
Progress on draft report on Pension Fund Governance	Q1	25 April 2013
Report on Pension Fund Governance	Q2	4 July 2013