

Comments Template on EIOPA-CP-11/006 Response to Call for Advice on the review of Directive 2003/41/EC: second consultation		Deadline 02.01.2012 18:00 CET
Company name:	Association of Pensioner Trustees in Ireland	
Disclosure of comments:	EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential. <i>Please indicate if your comments on this CP should be treated as confidential, by deleting the word Public in the column to the left and by inserting the word Confidential.</i>	Public
<p>The question numbers below correspond to Consultation Paper No. 06 (EIOPA-CP-11/006).</p> <p>Please follow the instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ <u>Do not change the numbering</u> in column "Question". ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a question, keep the row <u>empty</u>. ⇒ There are 96 questions for respondents. Please restrict responses in the row "General comment" only to material which is not covered by these 96 questions. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific question numbers below. <ul style="list-style-type: none"> ○ If your comment refers to multiple questions, please insert your comment at the first relevant question and mention in your comment to which other questions this also applies. ○ If your comment refers to parts of a question, please indicate this in the comment itself. <p>Please send the completed template to CP-006@eiopa.europa.eu, in MSWord Format, (our IT tool does not allow processing of any other formats).</p>		
Question	Comment	
General comment	We note EIOPA's comments in 2.8.3: "EIOPA also wishes to refer to its advice that the 100 member exemption from the IORP be retained". We welcome the proposal to allow member states continued discretion on the application of the revised IORP Directive to schemes with 100 members or less.	

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02.01.2012
18:00 CET**

	<p>In our view, much of the proposed amendments to the IORP Directive are disproportionate for defined contribution schemes, in particular one member arrangements, and therefore this provision is critical. There are two areas where we accept the proportionality argument for distinguishing between defined contribution and defined benefit pensions is not as strong:</p> <ul style="list-style-type: none"> • We recognise the growing emphasis on governance across financial services and in this regard we would support a requirement for at least one trustee of a trust based IORP to meet specified fitness and probity requirements (a 'professional trustee'). It should not be compulsory however for there to be more than one professional trustee. • We also recognise the importance of clear communication to members. In principle we support some harmonisation of member communications, although the effectiveness of this will depend on the final outcome of the proposals. 	
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12.	We think the requirement to prepare a holistic balance sheet is disproportionate for defined contribution IORPS, especially one member arrangements. In this case, the liabilities are exactly	

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	matched by assets and there is no reliance on intangible assets such as an employer covenant. A requirement to hold additional capital would be completely disproportionate, particularly in the current economic climate. For one member arrangements in particular, the member who would be the perceived beneficiary of the additional security would typically be the same member who would have to provide the additional capital.	
13.	See response to question 12.	
14.	See response to question 12.	
15.	See response to question 12.	
16.	See response to question 12.	
17.	See response to question 12.	
18.	See response to question 12.	
19.	See response to question 12.	
20.	See response to question 12.	
21.	See response to question 12.	
22.	See response to question 12.	
23.	See response to question 12.	

**Comments Template on EIOPA-CP-11/006
Response to Call for Advice on the review of Directive 2003/41/EC: second consultation**

**Deadline
02.01.2012
18:00 CET**

24.	See response to question 12.	
25.	See response to question 12.	
26.	See response to question 12.	
27.	See response to question 12.	
28.	See response to question 12.	
29.	See response to question 12.	
30.	See response to question 12.	
31.	See response to question 12.	
32.	See response to question 12.	
33.	See response to question 12.	
34.	See response to question 12.	
35.	See response to question 12.	
36.	See response to question 12.	

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Response to Call for Advice on the review of Directive 2003/41/EC: second consultation**

**Deadline
02.01.2012
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37.	See response to question 12.	
38.	See response to question 12.	
39.	See response to question 12.	
40.	See response to question 12.	
41.	See response to question 12.	
42.	See response to question 12.	
43.	See response to question 12.	
44.	See response to question 12.	
45.	See response to question 12.	
46.	See response to question 12.	
47.	See response to question 49.	
48.	See response to question 49.	
49.	We believe that it is not appropriate to apply the same investment requirements to defined	

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	contribution arrangements as for defined benefit arrangements. There should be greater flexibility for defined contribution arrangements (in tandem with clear disclosures of investment risks), in particular for one member arrangements where limited restrictions should apply.	
50.	See response to question 49.	
51.	See response to question 49.	
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61.	Where activities are outsourced to an appropriately authorised entity, it should not be necessary to apply additional requirements.	
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63.	We believe that a distinction needs to be made between defined benefit schemes and defined contribution schemes, particularly one member arrangements. The material elements of the Solvency II requirements for governance are disproportionate for defined contribution schemes i.e. explicit requirements to establish risk management, internal control, internal audit and actuarial functions and to develop various written policies would not be proportionate for defined contribution schemes (especially one member arrangements). We recognise however the need for sound governance of schemes to protect members' interests. A regime requiring that appropriately	

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	authorised entities be responsible for administering pension scheme would be more appropriate for defined contribution schemes i.e. applying governance requirements at the entity level rather than the pension scheme level.	
64.		
65.	We recognise the growing emphasis on governance across financial services and in this regard we would support a requirement for at least one trustee of a trust based IORP to meet specified fitness and probity requirements (a 'professional trustee'). It should not be compulsory however for there to be more than one professional trustee.	
66.		
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68.	See response to question 63.	
69.	See response to question 63.	
70.	See response to question 63.	
71.	See response to question 63.	
72.	See response to question 63.	
73.	See response to question 63.	
74.	See response to question 63.	
75.	See response to question 63.	

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**Deadline
02.01.2012
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76.	See response to question 63.	
77.	See response to question 63.	
78.	See response to question 63.	
79.	See response to question 63.	
80.	See response to question 61.	
81.	See response to question 61.	
82.	See response to question 61.	
83.	We are in favour of option 1 i.e. "maintain the current provision, leaving to Member States the decision of whether to make the appointment of a custodian or depository compulsory, according to the option that best suits the needs of its own occupational pension system."	
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91.		
92.	In principle, we are supportive of the introduction of a KIID-like document but adapted appropriately fo pension schemes.	
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