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:	Pan-European Insurance Forum (PEIF)	
Disclosure of comments:	EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential. *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**.*	Public
	The question numbers below correspond to Consultation Paper No. 06 (EIOPA-CP-11/006). **Please follow the instructions for filling in the template:** ⇨ Do **not** change the numbering in column "Question". ⇨ Please fill in your comment in the relevant row. If you have no comment on a question, keep the row empty. ⇨ 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. ○ 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. **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).**	
Question	**Comment**	
General comment	The Pan-European Insurance Forum (PEIF) represents the interests of 12 large multinational insurance companies (AEGON, Allianz, Aviva, AXA, Generali, ING, MAPFRE, Munich Re, RSA Insurance Group, Swiss Re, UNIQA and Zurich Financial Services). PEIF's Chairman is Alex	

Wynaendts (AEGON) and its Vice-Chairman is Henri de Castries (AXA).

PEIF companies are active in the area of pensions whether personal or occupational. The relationship between IORPs and life insurers across Europe varies and is complex. In some cases, life insurers manage or operate IORPs, they also may provide key services to IORPs and in other cases they may compete. Even within individual Member States a variety of forms of interaction is possible.

Life insurers are major pension providers and operate in various ways in the occupational pensions sector. Given an appropriate legal framework, they can play an even greater role in bridging the pensions gap. In countries where life insurers and IORPs compete a level playing field is crucial. In other countries, where the interaction is less direct, product transparency which might be on the basis of a well-designed common methodology is important. Indeed, Europe's future pensioners will become increasingly interested in understanding their pension situation.

IORP II should contribute to the goal of ensuring that EU citizens have secure, adequate and affordable pensions. These must be delivered on a sustainable basis. Unless there is empirical evidence that the IORP II project will contribute to achieving this goal, which means having a clear view of the technical options and their impact, then the reservations expressed by many stakeholders will remain.

Preparation for IORP II needs to be thorough and with appropriate impact studies. Even after EIOPA responds to the Call for Advice in depth work and assessment will still be required. EIOPA has so far provided high-level input within extremely short time-limits. Given the importance of this review, the next steps demand realistic time-scales and involvement of all stakeholders – including life insurers.

European multinational life insurers which are active in this area themselves embody Europe's pensions' diversity: EU pension rules impact them in different ways in different countries. The time-frame for the Call for Advice to EIOPA and the two rounds of stakeholder consultation are not sufficient for PEIF as a group of multinational insurers to provide a common set of definitive answers on EIOPA's questions at this stage. We believe that in some cases a general direction can be given although much else can only be tentative or conditional. In most cases more work will be needed at

EU level.

This is not only for technical reasons. There is a need to be sure that what emerges will result in a net improvement for beneficiaries and the sustainability of the pension system. Thorough groundwork and assessment are also important for ensuring political legitimacy. It is also worth recollecting that in this context, the emerging Solvency II regime may be a reference point but it is not yet a working model.

Pensions are for the long-term. The regulatory framework for pensions providers needs to reflect this characteristic. In consequence, anti-cyclical measures are important for both IORPs and life insurers so that they can support European pension provision for generations to come.

Europe's pensions diversity needs to be taken into account. A well-designed common methodology would be an important tool for identifying and respecting real differences so that the objectives of "same risks, same rules" and "different risks, different rules" as well as proportionality can be respected. Diversity also raises the legal question of who decides key aspects of work-place pensions, each Member State or the EU. This question needs public discussion and legal analysis. Diversity must be respected but may not be misused to prevent increased transparency between pensions or block the emergence of a single market in pensions. A respect for diversity also means that a politically sensitive and technically individual approach needs to be found for dealing with mandatory DC schemes currently outside the IORP Directive: simply extending its scope is not the answer.

EU pension reform must respect four principles:

- **promote regulatory consistency** on the basis of the equality between all pension providers which means fully taking into account relevant similarities and differences ("same risks, same rules" and "different risks, different rules");
- **respect pensions diversity** across and within Member States whilst actively supporting the development of a pan-European market in pensions;
- **enhance transparency as to differences and similarities between pensions**;

	• **ensure non-disruption** not only by fully understanding Europe's pension diversity but by appropriate transitional arrangements to avoid sudden and unintended consequences to existing pensions arrangements involving IORPs as well as for life insurers (e.g. currently relevant for Article 4 providers who are facing a level playing field issue but also for insurers otherwise acting in the occupational sector). Only a workable common methodology that is well-designed will ensure these principles will be effective. EIOPA's holistic approach could form a key element of this.	
1.	The analysis seems broadly acceptable. In any event, should new wording be proposed to clarify scope, it should not result in exclusion of those providers currently falling under the definition of an institution for occupational retirement provision.	
2.	The options seem sufficient. Without pre-empting policy choices, we welcome EIOPA's suggestion that the issues surrounding Article 4 be examined. A decision on whether to modify or delete Article 4 (or modify Article 2) is possible only after the impact on current activity in the workplace by life insurers is fully understood. For example, extending IORP II to life insurers without taking into account the impact on current business could be disruptive. Furthermore, Article 4 is based on the assumption that it is possible to have a coherent regulatory regime based on mixing parts of the Life Insurance Directive and the IORP Directive, this assumption should be assessed. There is a need to ensure proper treatment of providers currently having to operate under Article 4 (level playing field issue).	
3.	Option 1. In any event, should new wording be proposed to clarify the scope, it should not result in accidental exclusion of those providers currently falling under the definition of an institution for occupational retirement provision (including life insurers operating under Article 4). Nor should it result in the accidental inclusion of arrangements currently outside the IORP Directive.	

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5.	A uniform definition of cross border activity across all Member States would be a useful starting point and would remove scope for confusion. However, in itself clarifying the definition of 'cross-border activity' is unlikely to result in any substantial increase in cross border activity. Option 2 is in fact a way of reinforcing Option 1. Regulatory transparency needs to be improved. Member States should be encouraged to identify their social and labour law and its financial services implications. Care needs to be taken that any adjustment to the current definition of sponsor does not affect the scope of the directive as the definition of an IORP depends on the definition of a sponsor. EIOPA's remarks about the state of the social and labour law being potentially different from the home and host States seem correct. A Level 2 or Level 3 solution seems appropriate. The Directive should make clear that other cross-border arrangements are not prohibited. For example, in situations where employees and the IORP are located in one country and the employer in another; or where all three are in different countries. IORP II should include provisions that support practicable treatment of such situations. In the same context, looking to the future, treatment of cross-border provision pensions to pensioners located in different countries from the IORP should also be possible. It may be useful to explore to what extent the approaches in the Solvency II Framework Directive and the IORP Directive could be made more consistent.	
6.	We prefer Option 1. However, this does not preclude specifying at EU level the types of ring-fencing. It would be useful to give EU-level guidance on what would be excessive ring-fencing. Ring-fencing needs to serve its purpose and be as light as possible. In view of this, it should be noted that the current Recital 38 of the IORP Directive is unclear and needs deleting (its wording is also mandatory – legally inappropriate for a recital).	

	Ring-fencing rules set at EU-level should not preclude the possibility of cross-border solidarity where this is, for example, agreed by the social partners in a multinational company and is consistent with the relevant rules of all states concerned. Reflection should be given to the treatment of third country sections.	
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10.	Clarification via Option 2 seems useful. It should be noted that Option 2 does not preclude use of the Court of Justice. However, a principle-based approach starting from the concept of economic activity (mentioned in another context in EIOPA's first consultation but not in the second – and supported by PEIF) would seem useful. Simply listing provisions in the current IORP Directive as prudential risks being circular and avoids difficult questions. For example, there are a number of issues in the current consultation where the interaction with social and labour law is critical (example: who has competence for deciding confidence levels - Question 36). So-called grey areas should not be encouraged. Many issues may resolve themselves into 'black' and 'white' by looking at them in greater detail. Linkages between the notion of social and labour law and the concept of the general good also need clarifying. The wording of the IORP Directive also needs bringing up to date to reflect changes introduced by the Lisbon Treaty. In many areas of social and labour policy there has been no transfer of competences	

	to the European Union. This means that the Directive should refer both to the principle of conferral and to the principle of subsidiarity. The freedom of each Member State to decide its social and labour law cannot override internal market rules on economic activity as Member States have conferred powers here. As the Commission felt able to give guidance in its Communication of 2000 on the issue of general good in the area of insurance, we see no reason why a similar approach cannot also be taken to social and labour law. Consideration should be given to a Commission Communication combining treatment of general good and social and labour law issues since cross-border activity by IORPs may also face general good obstacles.	
11.	Option 2, clarification, is sensible and it would help cross-border activity. The method of clarification is important and Member States should be encouraged to identify their social and labour law rules in a legally binding way. The financial services implications of these rules should also be spelled out (see, in this context, Question 36). This would also help the home State to ensure that an IORP operating out its territory satisfies the product requirements of the host State. It would also be helpful if Member States were encouraged to identify what social and labour policy objectives are served by their rules. This need not be part of IORP II. It would encourage reflection on whether the rules really were the most effective method to achieving the objectives.	
12.	(1) Europe's pensions diversity cannot be harmonized away but it can be made more manageable by becoming more transparent. This is why PEIF proposed a common language on pensions so as to allow similarities and differences between different types of pensions to be identified, measured and valued. Therefore, the idea of a holistic approach appears attractive. However, developing this into a useful approach must ensure that the unique features of each country's pension systems really are fully	

	taken into account. A well-designed holistic framework has the potential to become a central and valuable element of a common methodology. However, as the current Solvency II regime is still work in progress, particularly as regards long-term products, and one should be cautious about the application *en bloc* of current elements of Solvency II to pensions. There are also unanswered questions about the valuation of sponsor covenants and the practical consequences of identifying the extent of the liability under the covenant. Thorough evaluation of the consequences of the system in all conceivable economic circumstances should be undertaken before principles are adopted. This should include potential member and employer actions and investment actions of the fund. Therefore, at this stage, PEIF cannot unconditionally endorse the concept of a holistic balance sheet. However, it believes that it is worth further exploration and development including, where appropriate, by impact assessments. Once the holistic balance sheet and its possible variants become more defined, PEIF believes that it should be assessed again before a proposal for IORP II is tabled. (2) Until the detail of the holistic balance sheet becomes clearer and potential solutions to the points identified above can be found, PEIF as a group refrains from taking a view on retaining the current distinctions.	
13.	Assuming that the Solvency II Framework Directive is the model to follow, then in principle, all assets should be valued on a market-consistent basis. However, PEIF would like to further assess this before taking a firmer position. We refer to our opening general comment and we identify elsewhere certain questions that need further assessment. As the emerging Solvency II regime, particularly as regards long term products, has raised some as yet unanswered questions, we urge caution about transposing current Solvency II approaches uncritically here. Even if valuation is intended to influence the behaviour of the IORP and its supervisor, the system of	

	valuation must not become tied to sets of rigid, mechanistic responses and expectations e.g. as to funding or asset allocation decisions. In particular, short-term volatility and impact on long-term business need to be read properly. Even if it is a good idea in principle to include the sponsor covenant as an asset there are still issues around its measurement (see below).	
14.	(1) PEIF at this stage is reluctant to take an unconditional view. If the Solvency II approach is followed, the Option 2, the market consistent approach as a reference would seem preferable. However, care is needed with term structure and period. Nevertheless there should be consistency between IORPs and Life Insurers. Using Solvency II as a reference point here needs to be done with caution as it is not yet a completed regime. (2) Transfer value raises issues in the context of pensions. If it is not used it breaks the link to Solvency II. Using the transfer value method, without qualification that this could be discounted by the employer promise to some extent, raises enormous financial burdens on schemes as they would immediately have to be valued well in excess of the current value of the liabilities. PEIF companies believe that it is not possible to provide an unconditional answer at this stage.	
15.	PEIF agrees that the own credit standing of IORPs should not be taken into account.	
16.		
17.	Assuming that Solvency II is the model to follow, then PEIF supports. However, please see opening general comments. In any event, the regimes for IORPs and insurers should be consistent.	
18.	Assuming that Solvency II is the model to follow, then PEIF supports Option 2.	

	However, please see opening general comments. In any event, the regimes for IORPs and insurers should be consistent.	
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23.	In principle, EIOPA's decision to include unconditional, conditional and discretionary benefits in technical provisions seems plausible. At this stage Option 3, may be the way forward. The mapping of existing pension benefits into unconditional, conditional and discretionary as well as combined forms would increase transparency. The political challenges associated with such a mapping, even if significant, should not become a reason for not doing it. However, please see opening general comments. In any event, the regimes for IORPs and insurers should be consistent.	
24.	Assuming that the Solvency II Framework Directive is the model to follow, then it would be appropriate to introduce Article 79 of the Solvency II Directive including the amendments as proposed by EIOPA. However, please see opening general comments. In any event, the regimes for IORPs and insurers should be consistent.	
25.	Assuming that the Solvency II Framework Directive is the model to follow, then for the majority of PEIF, Option 1 would be appropriate. However, please see opening general comments. In any event, the regimes for IORPs and insurers should be consistent.	

26.	Assuming that the Solvency II Framework Directive is the model to follow, then we support Option 2 introducing Article 81 of Solvency II in a revised IORP Directive with minor amendments in order to address specificities of IORPs. Clear and careful defined netting out should be possible to reduce complexity. The text does not cover the use of derivatives but we should note that IORPs need to carefully evaluate basis risk as part of their risk management and valuation. However, please see opening general comments. In any event, the regimes for IORPs and insurers should be consistent.	
27.	Assuming that the Solvency II Framework Directive is the model to follow, then we support EIOPA' view on Article 82. However, please see opening general comments. In any event, the regimes for IORPs and insurers should be consistent.	
28.	Assuming that the Solvency II Framework Directive is the model to follow, then we support EIOPA' view. However, please see opening general comments. In any event, the regimes for IORPs and insurers should be consistent.	
29.	Assuming that the Solvency II Framework Directive is the model to follow, then we support EIOPA' view. However, please see opening general comments. In any event, the regimes for IORPs and insurers should be consistent.	
30.	Assuming that the Solvency II Framework Directive is the model to follow, then we support EIOPA' view. However, please see opening general comments. In any event, the regimes for IORPs and insurers	

	should be consistent.	
31.	Assuming that the Solvency II Framework Directive is the model to follow, then we support EIOPA' view on Article 86. However, please see opening general comments. In any event, the regimes for IORPs and insurers should be consistent.	
32.	Assuming that there is sufficient harmonization on calculating technical provisions, individual Member States should not be permitted to set their own additional rules in relation to the calculation of technical provision.	
33.	As a concept, we find the idea of valuation of sponsor support and considering the sponsor covenant as a form of asset worth further investigation. EIOPA's analysis shows the variety of forms and methods for assessing them. However, the issues around the quantitative valuation of the sponsor covenant remain. challenging, especially if an IORP has many sponsors. Therefore, at this stage, PEIF refrains from taking a final view.	
34.	Assuming that the Solvency II Framework Directive is the reference point model to follow, then we support EIOPA' view as a starting point. However, as recognized by EIOPA, the diversity of national situations needs to be fully taken into account and there should be a clear benefit for members. The appropriateness of the tiering approach, which was directly copy-pasted from the banking model into the economic model of Solvency II for pension, occupational or personal, or for insurance own funds should be re-considered. Although the regimes for IORPs and insurers should be consistent, PEIF believes that it is not possible to provide an unconditional, comprehensive answer at this stage.	
35.	Subordinated loans from employers to IORPs should be explicitly allowed. However, it may be that	

	they should be limited to a certain amount to reduce risk.	
36.	The implications of the security level being set at national rather than at EU level are profound. PEIF would like wider discussion of this point, including a legal assessment by EU institutions. From the perspective of the development of an internal market in occupational pension provision, a harmonized approach appears preferable. However, the reluctance of EIOPA does seem prima facie consistent with the view that each Member State is responsible for determining the content and quality of the occupational pensions it expects for its citizens. Therefore, at this stage, PEIF refrains from taking a final view. The implications of this Europe's future pensioners also need thinking through. Any differences in security levels need to be communicated to (potential) members. Furthermore, the impact on life insurers who are also active in this area need reflection and if the regimes for IORPs and insurers cannot be made consistent on this point the differences should made transparent.	
37.		
38.	Generally, assuming that the Solvency II Framework Directive is the model to follow, then IORPs should have the same rules regarding the SCR calculation. The specific security and benefit adjustment mechanisms of IORPs should be taken into account. If a different approach is taken for IORPs than this should also be applied to life insurers. In any event, the regimes for IORPs and insurers should be consistent. PEIF believes that it is not possible to provide an unconditional answer at this stage. See opening general comments.	

39.		
40.	The focus of IORP II is on security for the member/beneficiary. This may be through security mechanisms provided 'outside' the IORP itself. However, it can be argued that for the purpose of security of the institution itself, a minimum capital requirement may be reasonable for all IORPs. The principle of proportionality has to be applied. The PEIF group of companies at this stage cannot reach a more detailed view. There is a need to ensure that regulatory and supervisory focus is clearly on MCR and to avoid regulators/supervisors pushing SCR as the primary threshold. Any lessons incorporated in IORP II on this should be extended to SII. In any event, the regimes for IORPs and insurers should be consistent. PEIF believes that it is not possible to provide an unconditional answer at this stage. See opening general comments.	
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43.	Assuming that emerging Solvency II regime is the model to follow, then in principle we support EIOPA' view concerning Article 136 and 141 of Solvency II. However, the proportionality principle must be given due account and the provisions should be adapted to the solvency regime established for IORPs. Reflection should be given as to the consequences of not meeting a recovery plan. IORPs should take a long-term view of the interest of the employees and pensioners including continued employment. Clarity of position and possible outcomes should be more important than forced, formulaic actions However, please see opening general comments. In any event, the regimes for IORPs and insurers should be consistent.	

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45.	PEIF agrees with EIOPA to include Articles 137 and 140 in IORP II.	
46.		
47.	The prudent person principle is a sufficient basis for the investments of IORPs.	
48.	Prudent person principle is sufficient. Further limitations should not to be permitted. This creates the potential for regulatory arbitrage and is potentially a barrier to cross border business.	
49.	In principle we see no change in the high level rules between DB and DC. At the practical level, the precise way prudent person would apply would differ greatly according to type and circumstances.	
50.		
51.	Possibility of capitalisation through subordinated loans should be retained.	
52.	In principle, we agree with EIOPA that Article 28 of Solvency II, should be included in IORP II. In principle, at least the Pillar II dampener of Article 138(4) of Solvency II should be included. However, if IORPs have open recovery periods then there is less need for a Pillar II dampener. There is also an interlinkage with the outcome of discussion on MCR and SCR. There might be no need for the dampener. It is not clear how dampeners will work for cross border IORPs. Solvency II Art 304 is a Member State option that not all Member States will allow. Main objective: protect policy holders and beneficiaries; Secondary objectives: - stability of financial systems	

	- that the supervisor should to take into account the potential pro-cyclical effects of their actions in case of extreme financial market conditions.	
53.	In principle we agree that, assuming that the Solvency II Framework Directive is the model, then the material elements of a Solvency II-type environment should apply to IORPs to ensure regulatory consistency. However, please see opening general comments. In any event, the regimes for IORPs and insurers should be consistent.	
54.	EIOPA has identified correctly those issues where there should be differences between insurers and IORPs as regards supervision, transparency and accountability. Although different treatment is appropriate when the nature of the IORP and the risks they bear are different from the risks of an insurance company, where risks are identical the approach should be the same. However, we would like greater clarity on what verification on a continuous basis would in practice means for IORPs.	
55.	Agree, with due respect to the principle of proportionality.	
56.	Life insurers and IORPs should have the same regime.	
57.	There are aspects of the question that may deserve clarification. If by a 'penalty' is meant a measure taken to penalize as a result of gross negligence or misdemeanour, then it is difficult to see why this should be concealed. If, however, 'penalties' refers more generally to corrective measures demanded a competent authority there may be less need to publish this.	

	It is also unclear from the question what the scope of the 'public' in 'publishing' is: does it include the employer? Does it include members and beneficiaries?	
58.	Arguably, the general rule should be always that on prudential issues sanctions should only be possible through the home state supervisor. On compliance with social and labour law in the host State, PEIF notes EIOPA's comments that the lack of experience as regards Article 20(10) prevents assessment of the effectiveness of that provision. Rather than an amendment, the answer may be to ensure better cooperation between home and host State supervisors.	
59.	They should apply to IORPs but with due account taken of proportionality.	
60.	PEIF agrees in principle with the concept: if the competent authority concludes that an IORP has more risk is involved than shown, then it must be able to impose capital add-ons. (Not necessarily appropriate for pure DC schemes.)	
61.	The material elements of the requirements on insurers in respect of supervision of outsourcing should apply also to IORPs. One needs also to take into account proportionality.	
62.	We share EIOPA's views on chain outsourcing and location of the main administration. However, in the event that an entity is already supervised by another authority clarification is needed to avoid overlap of supervision, especially where there are two regulators responsible for pension regulation and financial regulation.	
63.	The principles of Solvency II concerning general governance requirements are generally suitable for IORPs. There is also a need for IORP II to have a general proportionality clause applicable to all elements of the governance. The principle of proportionality should apply to the whole governance system and, as a consequence, to all future implementing measures.	

	It is welcome that EIOPA now takes the differences between a single-tier and two-tier governance systems into account and that in each system, adequate control is needed in order to ensure an effective system of governance. However, we have concerns with regard to alternative measures (see par 18.3.9.). Application of alternative measures should also depend on the nature, complexity and scale of risks, not only on the size and the legal form of the IORP.	
64.	We share the view of EIOPA on the differences between insurers and IORPs on general governance requirements. The revised Directive should not prevent Member States from requiring or permitting IORPs to allow for the participation of members or beneficiaries in their governance board. However, as EIOPA correctly indicates, this should be appropriate. In addition, allowing members in the governance board should not harm the fit and properness of the governance board of the IORP. Regarding a sound remuneration policy for IORPs we support EIOPA's advice. Details should be developed at Level 2. It is to be ensured that wherever a remuneration policy may be irrelevant (e.g. with volunteers) the policy regulation should remain prudent. Although governance rules set by the IORP Directive can only address financial services issues, certain decisions may relate to social and labour law matters (e.g. benefit reductions, change of membership conditions or transferability conditions). The governance structure or its method of operation needs to distinguish sufficiently clearly between these spheres particularly in the context of cross-border activity.	
65.	Solvency II Framework Directive concerning fit and proper requirements seem to be generally suitable for IORPs. All individuals should be 'proper'. However, as regards 'fitness', one should look at the team of those individuals with key roles on governance and operational issues and consider their expertise as a	

	whole. In the event that incoming individuals lack skills etc., there should be training to ensure they meet requisite standards. Even volunteers needs to be fit and proper. Where certain expertise is not available, there should be a duty to outsource to ensure it is present. Alternatively, if lower standards are accepted, for whatever reason, this needs to be made clear to members.	
66.	Yes.	
67.	Substantially the same as the powers used under the emerging Solvency II regime, subject to the principle of proportionality (which also includes the scale of any non-fulfilments).	
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76.	We agree that there is a need to define the scope of the actuarial function more precisely in IORP II than in the current IORP Directive. Here there is scope for alignment towards the Solvency II Framework Directive. We also agree that the general system of governance including the actuarial function should be implemented in the same way as under Solvency II. The principle of proportionality should be used to scale the requirements for IORPs.	

	The actuarial function should not include a responsibility for investment rules/principles. Instead there should be a parallel but separate 'investment function'.	
77.	Yes.	
78.	Yes. Reporting lines, segregation of duties, avoiding conflict of interest.	
79.	Yes.	
80.	In principle, yes. Given the vast number of IORPs and their need to be effectively run by fit and proper persons, key activities may have to be outsourced to appropriate providers. In certain cases there may need to be a duty to outsource. Any notification process must on the basis of 'notify-and-go', it must explicitly avoid becoming an opportunity for competent authorities to approve the arrangement. However, the legal distinction between 'managing' an IORP under Article 9(4) of the current IORP Directive and providing other outsourced services to an IORP may need to be clarified as should the scope of power of competent authorities to take measures against "the persons running an institution" (IORP) (Article 14(2)). The basic rules in this area should be clear to all parties *ab initio*.	
81.	Yes.	
82.	In general, Solvency II requirements should suffice. It may be worth considering advising members and beneficiaries of any outsourcing arrangements.	
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89.	In general, yes. However, But Option 2 seems to be disproportionate in terms of impact and costs.	
90.	Article 35 should apply to IORPs. Proportionality issue and the risk profile of the IORP should be taken into account. Detailed rules should not be included in Level 1 but when developing Levels 2 and 3.	
91.	For DB schemes, the KIID for UCITS funds is an appropriate starting point for information to members. For DB schemes, some necessary information requirements could be addressed in the national social and labour law. Information for members and beneficiaries is important both for ensuring adequate protection of members and beneficiaries and for enabling effective pension planning (increasing the transparency and comparability of occupational pension schemes). People need sufficient information to make informed decisions about their retirement plans. Although the current IORP Directive already provides some general rules on information to members and beneficiaries, we suggest consideration of the following: • Identification of the risk sharing mechanisms (benefit adjustment, role of the sponsoring firm) used in the DB scheme. • If the registration/authorization distinction is retained for IORPs, a statement as to whether the IORP is registered or authorized. • Information on who bears the risks (the IORP, the sponsor or member). Any changes in the how the risks are distributed should also be communicated. • Depending on how Question 36 is answered, it may be useful to identify in some simplified way	

	the confidence level. • The information should clarify what elements of the retirement benefit are unconditional, conditional or discretionary. In the latter two cases, members and beneficiaries should be advised of the extent to which conditional commitments or discretionary awards have been executed in the past. • It may be useful to consider the need for information on how the approach to retirement is dealt with, particularly, if annuitisation means a change of provider (e.g. from an IORP to a life insurance company.) • Information on whether the scheme envisages the possibility of reducing benefits or claim additional payments from the employer, how this is decided and whether this has been done in the past. • If the sponsor bears some of the risks: Information on how pension benefits are protected in case of sponsor insolvency. • If the IORP bears some of the risks: information on how pension benefits are protected in case of its insolvency.	
92.	Standardisation of the information to be provided between different types of IORPS and across countries could help the growth of cross border activity (although elements of national diversity would still be present due to difference in social and labour law). The legal status of any pension projections would need to be clarified.	
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95.	The information contained in Article 51- 56 of the Solvency II Framework Directive is irrelevant for	

	IORPs with one sponsor. For IORPs with more than one sponsor the provisions of Articles 51-56 of the Solvency II Framework Directive should apply.	
96.	It has to be ensured that additional burdens imposed by any future regulation, either at Level 1 or Level 2, could be fulfilled by the IORP without undue or disproportionate cost and effort.	