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# Implementation of the IORP II Directive: Governance and risk assessment

EIOPA Occupational Pensions Stakeholder Group meeting  
Frankfurt, 21 February 2019

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## **Why is the topic on the agenda?**

- Provide information on documents and specific questions issued to the OPSG on 15 February for technical comments
- Provide feedback on proportionality following call for input

## **What is expected from the OPSG?**

- Submit their response using EU Survey **by no later than cob 29 March**

## **What are the next steps?**

- EIOPA will finalise draft opinion(s) for BoS approval in June
- EIOPA will provide reasoned feedback to the OPSG at July meeting

## **Purpose of informal consultation**

- Added value to gather stakeholders' perspectives on specific aspects before finalising supervisory opinions addressed to National Competent Authorities (NCAs)

## **Focus OPSG views**

- Clarity on aspects of draft opinions
- Practicality of voluntary tools and examples

## **Remarks**

- Draft and confidential status of opinions and annexes shared
- Engagement extended to Pensions Europe, AEIP and AAE on exceptional basis only

## **Four supervisory opinions with Annexes**

- Governance documents
- Practical implementation of EIOPA's Common Framework
- Operational risks
- ESG risks

## **Q&A on proportional supervision of IORPs**

- OPSG input used to establish and focus scope on proportional supervision
- OPSG input used to draw illustrative indicators

## **Opinion**

- Transparent use of governance documents in supervision
- Transparency of NCAs' requests for governance documents

## **Annexes**

- Principles on Statement of Investment Policy Principles (SIPP)
- Principles on Own-Risk Assessment (ORA)
- Illustrative ORA template

## **Focus of OPSG**

- Proportionality aspects: information consistency between governance documents, transparency of requests, disclosure
- Practical examples and other suggestions including ORA template

# Practical implementation of EIOPA's Common Framework



## **Opinion**

- Voluntary use for NCAs in complement of national framework
- Voluntary use for IORPs as part of Risk Management
- Transparency

## **Annexes**

- Principles and Technical Specifications
- Standard Risk Assessment calculation tool

## **Focus of OPSG**

- Ideas to foster IORPs' voluntary use without material change to 2016 Opinion on Common Framework
- Clarity and practicality of proposed improvements / simplifications

## **Opinion**

- Definition
- Specificities of operational risks in context of RM and ORA

## **Annexes**

- Illustrative categorisation
- Outsourcing risks
- Cyber risks

## **Focus of OPSG**

- Categorisation in context of ORA
- Specificities of operational, outsourcing and cyber risks for IORPs
- Practical examples and other suggestions

## **Opinion**

- Definition
- Specificities of ESG risks in context of RM and ORA

## **Annexes**

- Illustrative categorisation

## **Focus of OPSG**

- Categorisation in context of ORA
- Specificities of ESG risks for IORPs
- Practical examples and other suggestions



## **Purpose of Q&A**

- Clarification relative to other aspects of proportionality
- Practical steps and illustrative supervisory practices

## **Annex**

- Illustrative indicators for implementation and conduct of proportional supervision

## **Focus of OPSG**

- Illustrative supervisory practices
- Illustrative indicators