

Summary of Conclusions

Occupational Pensions Stakeholder Group (OPSG)

Second meeting

Date: 30 June 2016

Time: 10:00 – 16:00

Location: EIOPA premises

Contact: giulia.conforti@eiopa.europa.eu

List of participants:

OPSG: Matti Leppälä (Chair), Bernard Delbecque (Vice-Chair), Tomas Bern, Janwillem Bouma, Francesco Briganti, Lukasz Budzynski, Charlotta Carlberg, Alexandru Ciuncan, Giuseppe Corvino, Laure Delahousse, Senka Fekeža Klemen, Zdeněk Hustak, Paul Kelly, Damien Lagaude, Claudia Menne, Marianne Moscoso Osterkorn, Stefan Nellshen, Philip Neyt, Kevin O'Boyle, John O'Quigley, Guillaume Prache, Falco Valkenburg and Fieke van der Lecq.

Not present: Alf Alviniussen, Paul Brice, Paul Cox, Michaela Koller, Sonia Maffei, Raimond Maurer, Ján Šebo.

EIOPA: Gabriel Bernardino (Chair), Fausto Parente (Executive Director), Peter Braumueller (Vice-Chair), Manuela Zweimueller (Head of Regulations), Patrick Hoedjes (Head of Oversight and Operations), Justin Wray (Head of Policy), Sandra Hack (Co-ordinator Pensions Team), Pedro Pires (Principal Expert), Giulia Conforti (External Relations Team), Barthold Kuipers (Principal Expert on Pension), Katalin Almasi (Insurance Team).

European Commission (EC, DG FISMA) : Yann Germaine (via telco)

1. Approval of the agenda

The Chair welcomed all participants to the second meeting of the new OPSG.

Agenda items 6 and 7 were moved into the discussion on the OPSG work organisation & sub-groups.

Conclusion/Action:

- The agenda was approved.

2. Approval of draft minutes OPSG 28 April 2016

Conclusion/Action:

- The minutes were approved subject to corrections of a few typos on pages 1-3.

3. EIOPA update by Fausto Parente

The EIOPA Executive Director provided the OPSG with a short update on the work recently delivered/initiated by EIOPA in the field of pensions and other important developments:

- Recent United Kingdom referendum on leaving the European Union: he emphasised that the UK is still a full member of the European Union and will remain to be member with all its rights and obligations until a final date to leave the European Union has been agreed. Until the agreement of the final date is reached, all EU legislation continues to apply and thus no change to EIOPA's conduct of business. Therefore OPSG members of UK national do not need to resign and EIOPA is looking forward to continue working with them as usual. If any OPSG member decides to resign, EIOPA will proceed with the replacement of the member by following the established procedure in the framework for the Selection Procedure.
- EIOPA on Roundtable on Pan-European occupational pensions held on 15 June in Frankfurt, with focus on:
 - incentives, disincentives and obstacles to cross-border pensions: he indicated that despite low steady take-up of cross-border IORPs, recent interest shows encouraging signs for future increase in cross-border activities, especially in DC as multinationals look for cost-efficient solutions to stay competitive in a low interest rate environment. He concluded that this trend will be recorded in the next EIOPA's Market Development report.
 - feasibility of creating a simple and transparent pan-European framework for occupational DC pensions: he described the general support for the idea to create a simple and transparent pan-European framework for occupational DC pensions with diverse opinions on its objective e.g. facilitate cross-border DC pensions, be force for EU improvement in jurisdictions moving toward DC, create a second non-legally binding regime for occupational DC pensions. He concluded saying that the project is at an initial stage and that OPSG would be involved in future discussions.
- IORP II: he expressed his satisfaction for the finalisation of the trilogue negotiations and assured that EIOPA stands ready to play its part in promoting a Single Market for occupational pensions and to strive for supervisory convergence. He concluded that concrete steps will be analysed once the final text is available.
- SIPP peer review: he thanked members of the OPSG for their recent contributions to a call for relevant academic/industry references on SIPP market practices in the context of the current peer review on IORPs. These have been considered as part of finalising the report, due to be approved by the BoS in September and then published this autumn.

4. Update by the European Commission

- UK referendum: Mr. Germaine informed that following the resignation of Jonathan Hill, Valdis Dombrovskis will take over from 16 July, ensuring a smooth transition.
- IORP II: he announced that COM reached political agreement on 15 June and that a press release will follow within days. On the next steps, he informed that the paper is with Council (COREPER) for approval, with Parliament approval to follow in October. He also assured that there will be no change in the directive as a result of the new commissioner.
- Commission Consultation on personal pensions: he noted that the paper, which builds up on the work conducted by EIOPA, is being finalised and will probably be published next week. Moreover, he informed that in parallel the Commission has issued a call for tender for a Study on the feasibility of a European personal pensions framework, aimed at mapping the tax regimes applicable to PPP in the EU. He con-

cluded that the assessment of these projects is expected by the end of 2016.

Conclusion/Action:

- Yann Germaine to revert back to Chair and EIOPA on the status of the TTYPE European Tracking service project.

5. OPSG work organisation 2016-2017

Presentation is available on OPSG website: [link](#)

The Chair and the Vice Chair introduced their proposals on the organisational structure of the new OPSG. They emphasised that whilst the final decision on the approval/rejection of a paper is always at the OPSG level, the Subgroup lead is responsible for either preparing the opinion/position paper or delegating it to a Working Group/Working Party lead. Therefore, members that decide to join a Subgroup/WS or WP should commit to the work. As regards to the split between WS and WP, it was clarified that a WS is created in order to respond to an EIOPA consultation or request for input, whereas a WP is created to deliver own initiative work. Both WS and WP should be dissolved once the work is delivered.

Several members shared the view that topics on occupational pensions and consumer protection can overlap. In such cases the relevant working parties could be merged.

It was also suggested that working parties could be based on products and therefore split between DB and DC products.

Conclusion/Action:

- Members agreed to keep the structure as proposed.
- Call for volunteers to join work streams and working parties.

6. OPSG subgroups

EIOPA Chair introduced the topic.

Adoption of mandates

The Chair explained that the mandates are still drafts and can be reviewed taking into account the EIOPA work programme. Mandates are reviewed annually.

Deadlines for deliveries of each work stream are detailed in point 2.2 of the mandate to the extent possible at this stage. Further planning will be based on the deadlines set out in the EIOPA work programme.

Conclusion/Action:

- Subgroup leaders to update the mandates in co-operation with subgroup members.
- EIOPA will provide an overview of tasks and deadlines as per the EIOPA work programme.

Appointment of leaders

Conclusion/Action:

The following volunteers to lead the subgroups were confirmed:

- Occupational Pensions subgroup: Francesco Briganti
- Personal Pensions subgroup: Bernard Delbecque
- Consumer Protection subgroup: Alexandru Ciuncan

7. EIOPA Advice on Personal Pensions Products (PPP)

Presentation is available on OPSG website: [link](#)

Sandra Hack, Coordinator Pensions Policy, provided an update on EIOPA's work towards finalis-

ing its advice on the development of an EU Single Market for personal pension products (PPP). OPSG members were interested in the definition of personal pension products and the way forward regarding PEPP and its role in the Capital Markets Union.

Conclusion/Action:

- OPSG will actively follow COM's next steps in relation to PEPP.

8. OPSG input to the EIOPA Consumer trends Report

Alexandru Ciuncan explained the background on the first draft of the report. He thanked the 8 members who have already provided comments and invited others to share their views.

Members shared the opinion that some terms used in the report are not used clearly and consistently and should be reconsidered (e.g. members, pension savers, beneficiaries). EIOPA Chair responded that the terminologies differ in the legislation and then even more in countries so there is no right or wrong. It is the relevant issues that are important to reflect in the report, not the exact terminology.

In order to provide a comprehensive OPSG response to the report, members were asked to send their comments in writing.

Conclusion/Action:

- Members to send comments raised during the meeting to Alexandru. A new version will be circulated for further comments by 8 July. Final paper will be sent for OPSG written approval and then submitted to EIOPA by 15 July.

9. Creation of work streams

The Chair called for volunteers to lead the work streams.

Conclusion/Action:

- Members are invited to volunteer for work streams that still need appointment of leaders.

The following leaders were appointed under the Occupational Pensions Subgroup:

- Work stream on Risk Assessment and Transparency: Falco Valkenburg
- Work stream on Communication tools: Charlotta Carlberg
- Work stream on Financial Stability: Fieke van der Lecq
- Work stream on IORP Stress Tests: Stefan Nellshen
- Work stream on IORP II and its implementation: Paul Kelly

The following leaders were appointed under the Personal Pensions Subgroup:

- Working Party on the Commission's consultation document on "Capital Markets Union: Action on a Potential EU Personal Pension Framework": Francesco Briganti

The following leaders were appointed under the Consumer Protection Subgroup:

- Work stream on Annual Consumer Trends Report: Alexandru Ciuncan
- Work stream on Automated Advice: Charlotta Carlberg

10. Creation of working parties

The Chair called for volunteers to lead the working parties.

A member suggested reducing the number of working parties by combining the "Pension investments" and "Derivatives and other issues in managing liabilities" working parties (under Occupational Pensions subgroup).

A consumer proposed to create a new working party on Costs and Fees (under Consumer Pro-

tection subgroup) and volunteered to be the lead.

Members discussed the need to have a working party to work on COM's consultation on personal pensions to follow soon, to be consistent with the work stream on EC legislative proposals on personal pensions, to follow later in the year.

Conclusion/Action:

- Members are invited to volunteer for working parties that still need appointment of leaders.
- Members agreed to keep the "Cross border IORPs" working party and confirmed Francesco Briganti as leader.
- Members agreed to call the merged WP "Financial instruments and asset liability management (ALM)" and confirmed Giuseppe Corvino as leader.
- Members agreed to create a new working party "Costs and fees" and confirmed Guillaume Prache as lead.
- Members agreed to create a new working party on "Commission's consultation on personal pensions" and confirmed Francesco Briganti as lead.

11. OPSG response to EIOPA Opinion to EU Institutions on Common Framework for Risk Assessment and Transparency for Pension Funds

Falco Valkenburg presented [slides](#) with the position on key issues agreed during the work stream pre-meeting that day. Key topics discussed at the meeting were: scope, public disclosure of Risk Management, Supervisory Actions, proportionality and simplifications. The report will be revised and shortened after the discussion prior to the OPSG meeting.

Conclusion/Action:

- A shortened draft paper will be circulated for OPSG by autumn and discussed at the next meeting on 4 October.

12. EIOPA Report Good Practices on Communication Tools and Channels

Presentation is available on OPSG website: [link](#)

Pedro Pires (Cross-Sectoral and Consumer Protection Unit) provided an overview of the most common comments received during the public consultation and EIOPA's proposed resolution to them. It was also pointed out that the final report benefited from practical examples provided by market participants, in particular concerning Good Practices 4 (Pension calculators) and 6 (Evaluation of communication strategy effectiveness). The report will be presented to BoS by written procedure during the summer and will be published in autumn.

One member questioned whether the report considered how communication to scheme members could promote engagement and awareness. EIOPA's Chair clarified that this specific good practices report focuses on complementary issues but that EIOPA considers member engagement and awareness as a critical issue. As an example of EIOPA's past work on this topic, EIOPA's Chair pointed out to the Good Practices Report on the Provision of Information to Members of Defined Contribution Pension Schemes ([Max Report](#)).

Conclusion/Action:

- No specific action is required from OPSG but any feedback on the report and presentation is welcome.
- Charlotta Carlberg to collect the issues discussed in the subgroup meeting prior to OPSG and send to Pedro Pires.

13.AOB

The next meeting date is confirmed to take place on 4 October.

Joint meeting on 28 November: members to take into account the starting time (11am) and

the dinner (7pm) on the same day when booking their travels.

OPSG meeting dates in 2017 were confirmed:

- Tuesday, 28th February
- Wednesday, 26th April
- Tuesday, 20th June
- Thursday, 05th October
- Tuesday, 28th November (*Joint BoS, OPSG and IRSG meeting*)