

Peer Review of the Statement of Investment Principles (SIPP) for IORPs

OPSG
Frankfurt, 8 July 2015

Scope

- IORPs, Article 4 IORPs (voluntary)
- Reference period: Q2 2012 – Q2 2015

Peer review timeframe: Q3 2015 – Q3 2016

Two objectives

1. Explore supervisory practices and promote common supervisory culture and convergence with respect to the SIPP
2. Identify, where relevant, best practices in the development and use of the SIPP, primarily as a supervisory tool [Article 12] and; potentially as a disclosure tool [Article 11(3)]

Remark: In practice, the SIPP is also an important tool used by occupational pension funds to closely think about their investment strategy and investment process.

Exploring supervisory practices (and relevant national measures) regarding:

- Development and approval of the SIPP
- Content
- Timeliness / frequency
- NCAs' consistency checks and assessment of the investment policy through the SIPP
- Disclosure of the investment policy

1) How do IORPs use the SIPPs?

- Question originally raised by OPSG members but self-assessment methodology of peer review can only bring NCAs' viewpoint i.e. extent to which market practices may have inspired supervisory practices?
- Are OPSG members aware of relevant research/work/experiences?

2) Examples of market practices with respect to developing and/or using the SIPP worth looking at?

- e.g. examples of SIPPs with quality content and/or structure (especially for complex cases)
- e.g. examples of IORPS actively communicating their investment policy in an understandable manner to members and beneficiaries (especially where members bear investment risk)

3) Views on ensuring the suitability of the SIPP in future in a fast-changing environment

4) Other relevant considerations from latest research/academic literature e.g. lessons learned from international experiences, SIPP and default funds?



Thank you

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