

2013 Report on market developments in cross-border IORPs

This report provides a general overview on the developments in cross-border arrangements of Institutions for Occupational Retirement Provision (IORPs), following the implementation by Member States of Directive 2003/41/EC¹.

This is the seventh report in a series on Market Developments² and shows the evolution in the number of cross-border IORPs³, as formally notified to Member States during the course of a twelve month period from June 2012 until June 2013.

1. The process adopted

Member States were invited to update on cross-border activity for this one year period of June 2012 to June 2013, from the perspective of the **home state**.

The update asked for a report on new cross-border IORPs homed in their territory, including descriptive data such as benefit type (Defined Benefit or Defined Contribution) and the number of members and beneficiaries involved in the cross-border arrangement. Respondents also reported on any new **host state** activity of existing cross-border IORPs, since it is possible for an existing institution to expand its activity into another Member State.

The update also asked whether or not any established IORP had withdrawn from previously reported cross-border activity.

Following on from the three most recent reports, an additional question was asked as to whether any existing IORPs have never had any members in the host state in relation to the cross-border activity. This was designed to find out about dormant or inactive IORPs that had not formally withdrawn but were not operating as active IORPs.

¹ Directive 2003/41/EC is on the Activities and Supervision of Institutions for Occupational Retirement Provision

² For the 2012 report see EIOPA-OPC-12/046.

³ The IORP Directive requires all new cross-border arrangements to be taken into the notification process, including the situation where an IORP, which already operates cross-border, wants to extend this arrangement into another sponsoring employer and/or host state.

2. The findings

Table A (below) shows new notifications and withdrawals received during the period June 2012 to June 2013. Table B updates the table published in previous reports and summarises responses showing the identity of home and host states and the number of cross-border IORPs since 2007.

As is now well documented, Member States have adopted different approaches as to how they identify and/or recognise a cross-border arrangement. In particular, it must not be assumed that notification of a cross-border arrangement by the home state is agreed with by the host state and has been followed by actual cross-border membership. Therefore some care must be taken in reaching conclusions relating to home and host state activity and making comparisons between states.

Nevertheless, this report continues to facilitate the tracking of individual states' cross-border activity over time and provides a view of the overall level of activity across the EEA.

2.1 Overall results

The results of the 2013 survey show that during the 12 month period from June 2012 to June 2013, two new cross-border IORPs have been reported.

The results also show the cessation of cross-border activity by three IORPs during the reporting period. Information on withdrawals is only presented where the Member State Competent Authority has been formally notified of a withdrawal, and the full procedures for withdrawal have been undertaken by the IORP in question. The requirements for this may vary from state to state.

In querying the responses from the member states, it emerged that in one case, an IORP had previously been included as a new cross-border IORP when in fact it had only expanded its scope of operation into a new member state. This has been corrected in the table.

Therefore, in total, we see that the picture is one of a decrease in the number of IORPs operating cross-border to 82, compared to the 84 in last year's report. For comparison, the 2012 report showed no change in the number of IORPS. The 2011 and 2010 reports showed increases of 8% and 3% respectively.

2.2 Home activity of Member States

The reported number of home states in the 2012 report was nine, the same as in the 2011 report and an increase from 7 in 2010. This year again there were no new cross-border home states reported. Therefore, the number of home states has remained the same at a total of nine states.

2.3 Host activity of Member States

In relation to acting as the host state, we see greater levels of diversity compared to home state designation. A majority of EEA states host one or more cross-border IORPs.

In the previous report 22 states were reported as host states. In this reporting period, the total number of host states decreased by three to 19 member states, as the cross-border activities of one IORP that had Denmark, Estonia and Finland as the host state were ceased. Several existing cross-border IORPs extended activities into other host states, but those states were already host state to other cross-border IORPs.

2.4 Type of Provision

Although it needs to be recalled that within the EEA generally there are varying definitions for the different types of scheme design, the questionnaire, as in previous years, asked the respondents to specify the type of provision being provided by new cross-border activity.

The IORPs reported as newly engaging in cross-border activity were reported as providing Defined Contribution type benefits in the host state.

2.5 Number of Members and beneficiaries

In relation to the actual number of members and beneficiaries, not all new cross-border IORPs can give a definite figure as to membership (as was the case with the new cross-border IORPs included in this report). This is because some new IORPs have projected members in mind but few or no actual members.

With regard to dormant IORPs, i.e., those that have never had any members, there was no new information received in the responses. States have previously reported limited experience of dormant IORPs, some of whom have now formally revoked their cross-border status, but one of which is still authorised to operate cross-border.

2.6 Withdrawal of Cross-Border Activity

Where a withdrawal was reported, we asked the Member State Competent Authority to give an indication as to the reasons for this. As in previous years, the reasons reported were varied, including closure of IORPs.

3. Next steps

This report will be made available to market participants via the EIOPA website. EIOPA intends to continue to seek an understanding of market developments in this area.

Table A – New IORPs and withdrawals

Home Country	Host Country	Number of new IORPs	Number of withdrawals
Luxembourg (CAA)	Germany (correction)		1
Luxembourg (CSSF)	Greece	1	
Luxembourg (CSSF)	Finland, Denmark, Estonia		1
Ireland	United Kingdom	1	1
United Kingdom	Netherlands		1
Total		2	4

Table B – Overview of Reported Cross-Border IORPs

Home country	Host country	Number of cases as at						
		31 st Jan 2007	1 st June 2008	1 st June 2009	1 st June 2010	1 st June 2011	1 st June 2012	1 st June 2013
Austria	Germany		2	1	2	1 ⁴	1 ⁴	1 ⁴
	Germany, Liechtenstein		1	1	1	1	1	1
Belgium	Luxembourg		4	4	4	3	3	3
	Luxembourg, Netherlands, Ireland ⁵				1	1	1	1
	Netherlands					2	2	2
	Ireland					1	2	2
	Italy					1	1	1
	Cyprus, Lithuania, Luxembourg, Malta, Ireland, United Kingdom ⁶						1	1
Cyprus	Greece ⁷					1	1	1
Finland	Estonia	1	1	0	0	0	0	0
Germany	Luxembourg	1	2	2	2	2	2	2
	Austria	1	1	1	1	1	1	1
Ireland	United Kingdom	18	21	21	23	24	25	25
	Belgium	1	1	1	1	1	1	1
	Netherlands, United Kingdom			1	1	1	1	1
	Hungary, Poland ⁸ , United Kingdom			1	1	1	1	1
	Luxembourg			1	1	1	1	1

⁴ Austria – Germany : This IORP has not commenced cross border operations.

⁵ This IORP had ceased activities in the Netherlands as at 1st June 2011 and had commenced activities in Ireland as at 1st June 2013.

⁶ This IORP had commenced activities in Ireland as at 1st June 2012 and in the UK as at 1st June 2013.

⁷ Cyprus – Greece : This IORP has not commenced cross border operations.

⁸ In Poland, an employer proposing to operate an occupational pension scheme is obliged to register the scheme with the supervisory authority (PFSA). So far, none of the employers mentioned in notifications from home Member States have registered their scheme with PFSA.

Home country	Host country	Number of cases as at						
		31 st Jan 2007	1 st June 2008	1 st June 2009	1 st June 2010	1 st June 2011	1 st June 2012	1 st June 2013
Liechtenstein	Germany		1	2	2	2	2	2
	United Kingdom				1	1	1	1
	Belgium, Germany, Sweden				1	1	1	1
Luxembourg (CSSF)	Finland, Denmark, Estonia		1	1	1	1	1	0
	Greece							1
	Netherlands		1	1	1	1	1	1
	Ireland					1	1	1
Luxembourg (CAA)	France, Germany, United Kingdom ⁹			1	1	1	1	1
	United Kingdom, Netherlands, Germany, France, Poland, Austria, Belgium, Italy, Spain, Sweden	1	1	0	0	0	0	0
Norway	Ireland					1	1	1
Portugal	United Kingdom			1	0	0	0	0

⁹ Romania was previously noted as a host country in respect of this cross border IORP in the 2009 and 2010 reports, but it has since been clarified that Romania was not a host country to this cross border IORP. As of 2013, there are no members of this IORP in France or UK.

Home country	Host country	Number of cases as at						
		31 st Jan 2007	1 st June 2008	1 st June 2009	1 st June 2010	1 st June 2011	1 st June 2012	1 st June 2013
United Kingdom	Germany	1	1	2	2	2	2	2
	Greece	1	1	1	1	1	1	1
	Ireland	11	14	15	13	13	14	14
	Netherlands	3	3	4	4	4	4	3
	France, Luxembourg	1	1	1	1	1	1	1
	France, Netherlands	1	1	1	1	1	0	0
	France, Poland	1	1	1	0	0	0	0
	Belgium, Ireland, Czech Republic	1	1	1	1	1	1	1
	France, Germany, Poland	1	1	1	0	0	0	0
	Czech Republic, France, Luxembourg, Netherlands	1	1	1	1	1	1	1
	France, Sweden, Spain, Poland	1	1	1	1	1	1	1
	Germany, Slovakia, Sweden	1	1	1	1	0	0	0
	Ireland, Netherlands, Spain	1	1	1	1	0	0	0
	Belgium		1	1	1	1	1	1
	Bulgaria		1	1	1	1	0	0
	Austria, Germany		1	1	0	0	0	0
Ireland, Netherlands, Germany		1	1	1	1	1	1	

Home country	Host country	Number of cases as at						
		31 st Jan 2007	1 st June 2008	1 st June 2009	1 st June 2010	1 st June 2011	1 st June 2012	1 st June 2013
United Kingdom (continued)	Austria, Germany, Ireland			1	1	1	0	0
	France			1	1	1	1	1
	Belgium, France				1	1	1	1
Total		48	70	76	78	84	84	82