

# *Review of the IORP directive*

EIOPA Pensions Team

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Insurance and Reinsurance Stakeholder Group, 13 September 2011

- 1. EIOPA expects to recommend greater consistency between IORPs and other financial sectors, particularly insurance – but not “cut and paste”**
- 2. We welcome stakeholders’ views: we are working with the Occupational Pensions Stakeholder Group**

# The Commission is asking for advice but it has outcomes in mind



- Quantitative requirements
  - Calculation of technical provisions, capital requirements, comparability of differences in financial support
- Qualitative requirements
  - Governance: competence/integrity, and governance processes
- Information disclosure
  - To supervisors and members/beneficiaries
- Other areas:
  - scope of IORP directive, definitions e.g. of cross-border schemes, scope of prudential regulation, ring fencing.
- “The aim is to attain a level of harmonisation where EU legislation does not need additional requirements at the national level”
- Starting point will be the existing IORP directive
- However Commission seeking advice on whether
  - Solvency II is the appropriate standard for quantitative and qualitative requirements
  - Key Investor Information Document is the appropriate standard for information to members/beneficiaries

# We have already consulted on scope and governance



- **Governance**
  - o Fit and proper
  - o Risk management
  - o ORSA
  - o Internal controls
  - o Internal audit
  - o Outsourcing
- **Significant support for adopting Solvency II standards**
  - o Subject to proportionality
- **Scope – key issues:**
  - o Definition of what is prudential regulation
  - o Possible extension to mandatory DC schemes

We will be consulting in October on  
capital requirements and information

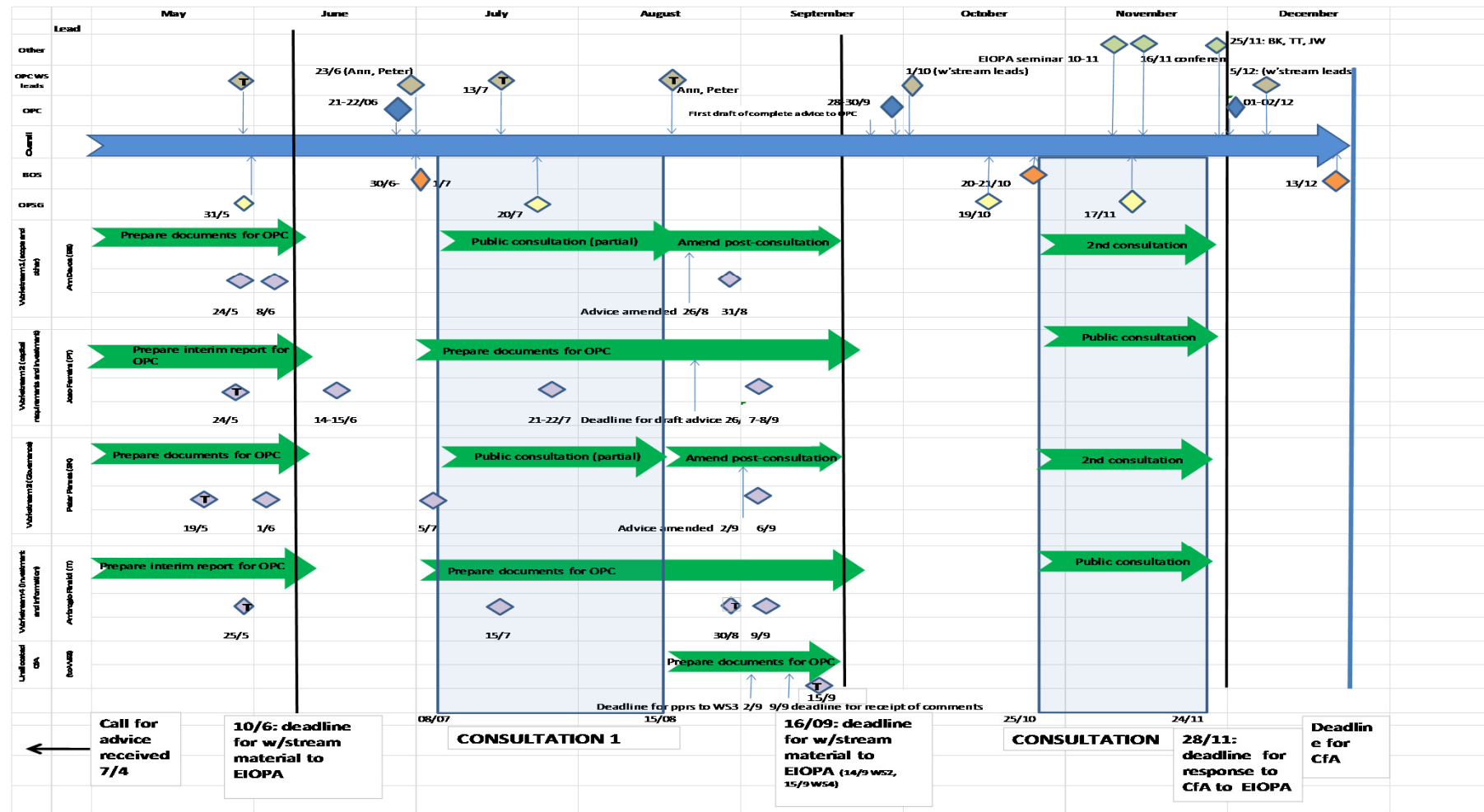


Two broad policy options for technical provisions  
and capital requirements:

- Current IORP Directive
- Holistic balance sheet approach (preferred)

- No harmonisation benefit mix
- Harmonisation of security level
- Harmonisation of discount rate
- All security mechanisms taken into account

We have a demanding timetable – but have met all deadlines so far, and agreed when OPSG will provide its input



# Questions?

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