



SPEECH

Gabriel Bernardino,
Chairman of EIOPA

Introductory Statement



Press talk at the House of Finance, Goethe University
Frankfurt, 9 February 2012,

Ladies and Gentlemen,

I am very happy to be here, in the House of Finance of Goethe University, and would like to thank Professor Helmut Gründl and his colleagues for having organised this press talk.

Today I would like to provide you with some updates related to EIOPA activities.

First of all as you certainly know the European Parliament postponed the vote on the Omnibus II Directive until March 2012. This delay affects EIOPA's ability to publicly consult on the technical standards and guidelines, which will form an integral part of the new regulatory framework. We are currently trying to take this delay into account in our planning.

I recently wrote a letter to the European Parliament, the Commission and the Council in which I stressed that what supervisors, industry and consumers would benefit most from is certainty on the implementation of Solvency II.

In our view any further delays will lead to the development of national solutions that have the potential to hinder the efforts to achieve the greater European convergent practice that lies in the heart of this project. In this letter I also urged the European Commission, the Parliament and the Council to agree on a clear timeline for the Solvency II implementation. Further uncertainties and delays increase the risk of a postponement of Solvency II and in turn the benefits of a risk-based supervision and enhanced on risk management that Solvency II will bring. They are also potentially harmful to the EU's position and credibility in the international discussions.

In the coming days EIOPA is going to release two very important documents: first, our advice to the European Commission on the so-called IORP Directive (Directive on the activities and supervision of institutions for occupational retirement provision) and secondly, our Action Plan 2012 for colleges of supervisors.

As regards the review of the IORP Directive, last year we launched a public consultation on this advice and received around 170 comments from interested parties. Now we are preparing to publish our reasoned feedback on the comments received and the advice to the EU Commission.

In our advice we will address different areas of IORP supervision including solvency, governance and disclosure.

On the valuation and capital requirements of IORPs we call for application of principles of transparency, comparability, comprehensiveness and market consistency. The "holistic balance sheet" concept should be the means in principle of including all security mechanisms available in the different national frameworks.

On governance our advice will call for the strengthening of fit and proper criteria and for a proportionate (i.e. taking into account their nature size and complexity) implementation by IORPs, of robust internal and external controls and a sound risk management framework.

One of the areas that we touch upon in the Advice is defined contribution schemes. Our aim is that pension scheme members should have confidence in their scheme regardless of where it is located in the EU. EIOPA proposes a Key Information Document containing all the necessary information for members and beneficiaries. We believe that this document will be a huge step towards greater transparency and confidence in the occupational pensions field.

It is important to note that our advice is only the first step in the process and that further reflections will be made taking into account the results of the quantitative impact study, in which EIOPA is involving a number of national supervisory authorities.

The Action Plan for colleges of supervisors is focused on two issues: first supervisors should co-ordinate in their preparations for the implementation of Solvency II and second supervisors should establish a regular exchange of quantitative and qualitative information within colleges. Together with the Action Plan we are also going to publish our Report on the functioning of colleges in 2011, in which we summarise the substantial efforts that have already been made by supervisors and EIOPA in preparing, organising and contributing to the colleges during the last year.

Thank you for your attention.

I am now at your disposal for questions.