



**CEIOPS-OP-68-10 Rev5 (public)
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**REPORT ON REPORTING
REQUIREMENTS TO SUPERVISORY
AUTHORITIES**

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List of abbreviations

AT	Austria
BE	Belgium
BG	Bulgaria
CY	Cyprus
CZ	Czech Republic
DE	Germany
DK	Denmark
EE	Estonia
ES	Spain
FI	Finland
FR	France
GR	Greece
HU	Hungary
IE	Ireland
IS	Iceland
IT	Italy
LI	Liechtenstein
LT	Lithuania
LU (CAA)	Luxembourg, Commissariat aux Assurances
LU (CSSF)	Luxembourg, Commission de Surveillance du Secteur Financier
LV	Latvia
MT	Malta
NL	Netherlands
NO	Norway
PL	Poland
PT	Portugal
RO	Romania
SE	Sweden
SI (ISA)	Slovenia, Insurance Supervision Agency
SI (SMA)	Slovenia, Securities Market Agency
SK	Slovakia
UK	United Kingdom

1. Introduction

EIOPA (formerly CEIOPS) has decided to carry out a follow-up project on the reporting requirements to supervisory authorities. While the original report on reporting requirements focused on the information/documents to be submitted to the supervisory authority, the aim of this follow-up project is to analyse in detail the difference in reporting requirements amongst Member States, and the link, if any, between reporting requirements and supervisory regime. At the outset, it should be noted that supervisory regimes do not fall into clearly separated, easily defined categories.

This report focuses on ongoing reporting requirements. Reporting requirements e.g. during the licensing process are not covered.

This report contains important information on supervisory regimes and practices for Institutions for Occupational Retirement Provision (IORPs) in the EU and will provide a valuable input to EIOPA further work in this area.

1.1 Legal background

Directive 2003/41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision (hereafter referred to as "the Directive") refers to the reporting requirements to supervisory authorities in Recital 25 and Article 13.

Recital 25: *"To fulfil their statutory function, the competent authorities should be provided with adequate rights to information and powers of intervention with respect to institutions and the persons who effectively run them. Where an institution for occupational retirement provision has transferred functions of material importance such as investment management, information technology or accounting to other companies (outsourcing), it should be possible for the rights to information and powers of intervention to be enlarged so as to cover these outsourced functions in order to check whether those activities are carried out in accordance with the supervisory rules."*

Article 13: *"Each Member State shall ensure that the competent authorities, in respect of any institution located in its territory, have the necessary powers and means:*

(a) to require the institution, the members of its board of directors and other managers or directors or persons controlling the institution to supply information about all business matters or forward all business documents;

(b) to supervise relationships between the institution and other companies or between institutions, when institutions transfer functions to those other companies or institutions (outsourcing),

influencing the financial situation of the institution or being in a material way relevant for effective supervision;

(c) to obtain regularly the statement of investment-policy principles, the annual accounts and the annual reports, and all the documents necessary for the purposes of supervision. These may include documents such as:

- (i) internal interim reports;*
- (ii) actuarial valuations and detailed assumptions;*
- (iii) asset-liability studies;*
- (iv) evidence of consistency with the investment-policy principles;*
- (v) evidence that contributions have been paid in as planned;*
- (vi) reports by the persons responsible for auditing the annual accounts referred to in Article 10.*

1.2 Objective and methodology of the survey

The topic of reporting requirements has been addressed by EIOPA, in its advice on Solvency II to the European Commission, and other international organisations, as can be seen from the exemplary list below, but none of them with the main focus on reporting requirements as regards institutions for occupational retirement provision.

- **International Organisation of Pension Supervisors (IOPS):** Working Paper on Efficient Information Collection, March 2011.
- **European Banking Authority (EBA):** Guidelines on Common Reporting, January 2010; Guidelines on Financial Reporting, December 2009.

The survey on Reporting Requirements to the supervisory authority has the following objectives:

- To provide a short overview on the reporting requirements in the Member States.
- To examine the factors that are relevant for explaining the differences in reporting requirements between Member States.
- To explore inter alia the reasons for collecting data, what risks are being mitigated and how the data is used.
- When analyzing the link special attention is given to the use of IT in supervisory reporting, the differences within national boundaries (depending on the types of IORPs, their size, numbers etc) and the type of supervisor.

In order to collect information necessary for achieving the objectives of the survey, a questionnaire was prepared.

1.3 Responding countries

On 26 April 2010 the questionnaire was sent to 30 CEIOPS members and observers. Replies from 25 countries were received. The responding countries were: Austria, Belgium, Bulgaria, Czech Republic, Estonia, France, Germany, Hungary, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg (Commissariat aux Assurances - CAA), Malta, The Netherlands, Norway, Poland, Portugal, Romania, Slovenia (Insurance Supervision Agency - ISA), Slovakia, Spain, Sweden and United Kingdom.

Countries not considered and other considerations

The Czech Republic noted that while foreign IORPs can operate on its territory in accordance with the Directive, it is not possible to set up an IORP in the Czech Republic. Therefore the Czech Republic was not able to supply relevant information necessary for this report.

Estonia, Hungary, Malta and Lithuania responded that there are currently no IORPs in their countries. France responded that the IORP activity is not material at the time being, and that actually all retirement oriented products are sold by insurance undertakings, thus subject to the insurance regulation reporting requirements. Therefore, these countries are not further considered in the report.

The 19 responding countries that are taken into account in this report often included some remarks, comments or made certain qualifications when answering the questions in the survey. These are reproduced in this report only when necessary in order to explain some of the findings. Otherwise, this report is limited to providing an overview of main results. For Luxembourg and Slovenia, the answers refer to the respective authorities mentioned above.

Context of findings

The findings stated in this report reflect the situation as of December 2010.

2. Outline of findings

2.1 Overall characteristics of the IORPs' framework

This section of the survey provides an overview of the supervisory authorities and the main characteristics of IORPs in the surveyed countries. The purpose of this characterization is to identify whether these characteristics influence the reporting requirements applicable to IORPs or their supervisory practices.

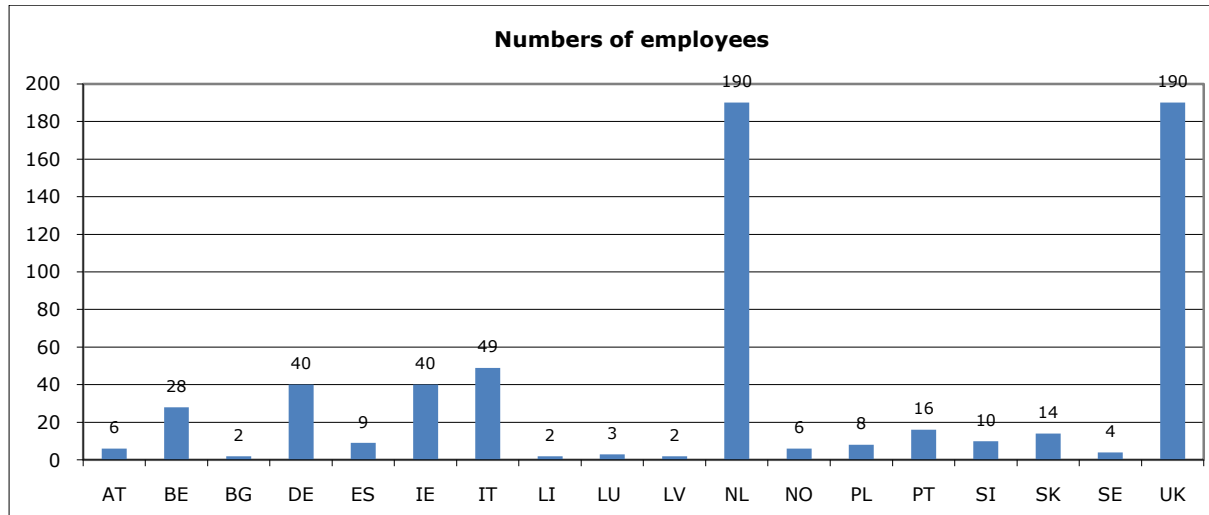
2.1.1 Type of supervisory authority

In response to what type of supervisory authority operated for IORPs in the Member States, ten respondents belonged to the fully integrated prudential authority type (two of which are also part of a central bank), with the second most popular type being partly integrated insurance and IORPs supervisory authorities. There are four stand alone specialised occupational pension supervisors. In **Bulgaria**, the Financial Supervision Commission supervises the following sectors – securities, insurance and supplementary social insurance (including IORPs).

What kind of supervisory authority?						
Fully integrated supervisory authority (IORPs, insurance, banks and securities)		Partly integrated supervisory authority				Specialized occupational pension supervisory authority
Central Bank	Not Central Bank	IORPs and insurance	IORPs, insurance and banks	IORPs and securities	Other, please explain	
NL, SK	AT, BE, DE, LI, LV, NO, PL, SE	ES, LU (CCA), PT, SI (ISA)			BG (securities, insurance and pensions)	IE, IT, RO, UK

2.1.2 How many people are responsible for the supervision of IORPs within your authority?

Most Member State respondents reported supervisor numbers as less than 50. In two Member States 190 employees are responsible for the supervision of IORPs.



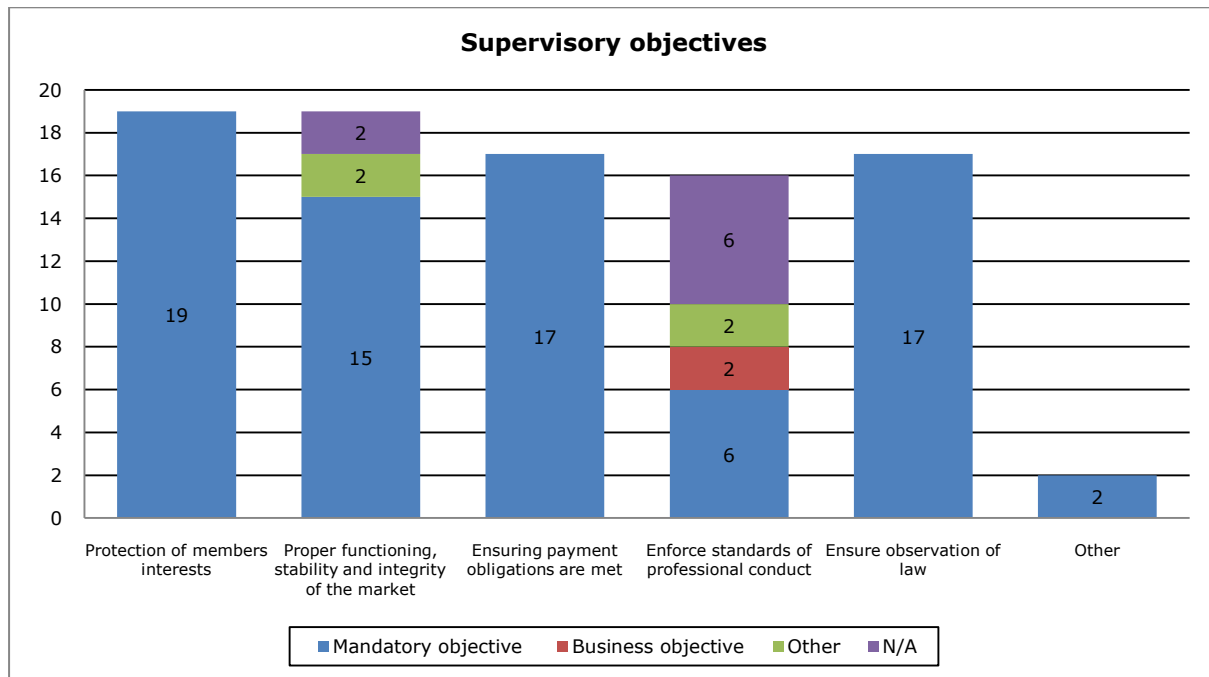
2.1.3 What are the objectives of your supervisory authority and where are the objectives laid down?

The most common objective was to ensure that members and beneficiaries are adequately protected, with guaranteeing the proper functioning, stability and integrity of the financial market and ensuring the ability of the supervised entities to meet their payment obligations and the compliance with the law being the second most common objectives. In the majority of cases the supervisory authorities objectives were mandatory and set in law.

What are the objectives of the SA and where are they laid down?				
	Mandatory objective in law	Business objective (chosen by SA)	Other	Not applicable
To ensure that the interests of inter alia members and beneficiaries are adequately protected	AT, BE, BG, DE, ES, IE, IT, LI, LU, LV, NL, NO, PL, PT, RO, SI, SK, SE, UK			
To guarantee the proper functioning, stability and integrity of the financial market	AT, BE, BG, DE, ES, LI, LV, NL, NO, PL, PT, RO, SI, SK, SE		NL, UK	IE, LU
To ensure the ability of the supervised entities to meet their payment obligations	AT, BE, BG, DE, ES, IE, LI, LU, LV, NL, NO, PL, RO, SI, SK, SE, UK			
To enforce standards of professional conduct	BE, ES, LV, NL, PL, SE	AT, LI	SI, UK	BG, DE, IE, LU, RO, SK

To ensure the observation of the respective laws	AT, BE, BG, DE, ES, IE, LI, LU, LV, NL, NO, PL, RO, SI, SK, SE, UK			
Other	IT, UK			

Italy also mentioned the objective of ensuring that pension funds are managed in a sound and transparent manner for the well functioning of the private pension system and the **United Kingdom** of promoting good administration of work based pensions.



2.1.4 Who is the main authority for collecting statistical data directly from IORPs in your country?

The supervisory authority is the main authority for collecting statistical data from IORPs for almost all the respondents.

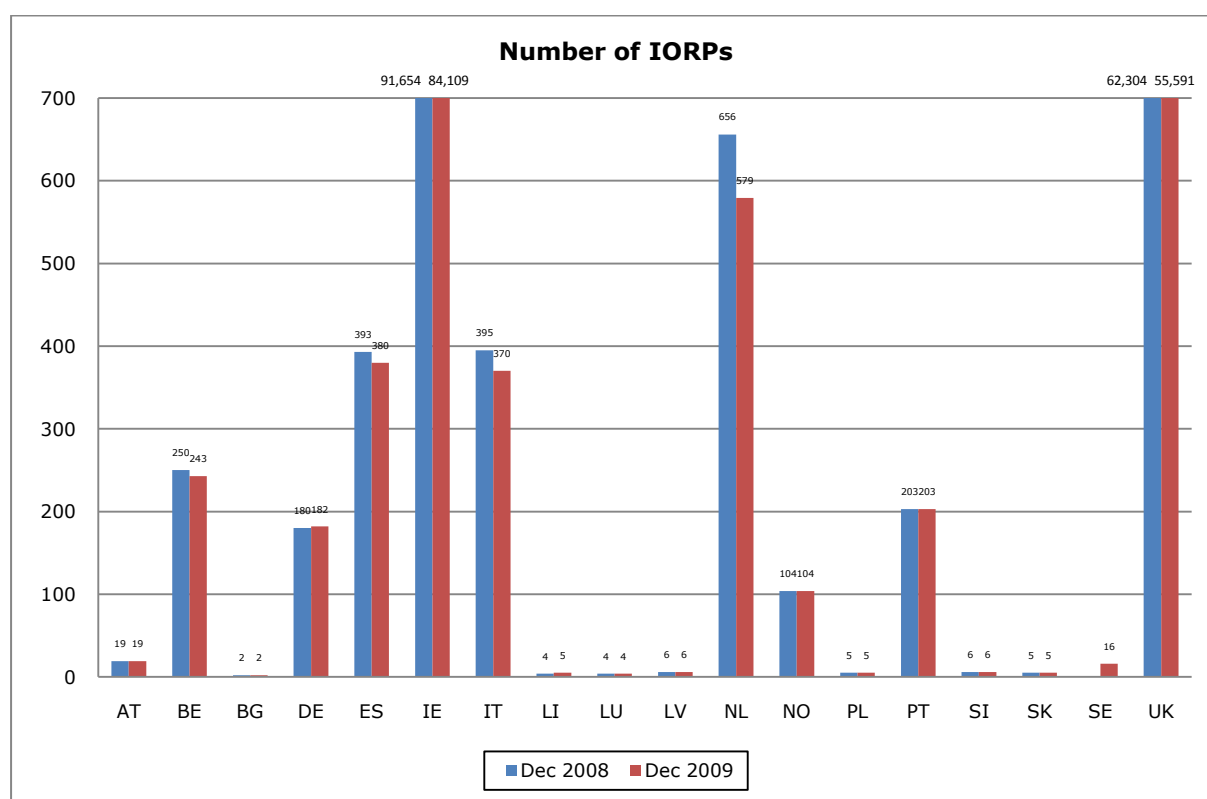
Who collects statistical data from IORPs?		
Supervisory authority	National Statistics Office	Other
AT, DE, ES, IE, IT, LI, LU, NL, PL, PT, RO, SI, SK, SE, UK	BG	BE, NO

In **Belgium** the data is collected through a portal site which transfers to CBFA, the supervisory authority. **Bulgaria** clarified that although the national statistics office is responsible for collecting the data, the supervisory authority, FSC, (even though not legally obliged to) publishes a

lot of statistical information on its website, in order to foster better informing and understanding of the supplementary pension insurance. In **Norway**, the statistical data is collected in a joint reporting system (PORT) in cooperation between the supervisory authority, Finanstilsynet, and Statistics Norway, consisting of annual balance sheet, profit and loss accounting.

2.1.5 How many IORPs does your supervisory authority supervise?

There was a very wide range in terms of IORPs supervised by the supervisory authority. With at one end some supervisory authorities supervising IORPs numbering in the tens of thousands and on the other end some supervisory authorities supervising only a handful (two to five) of IORPs. However, when interpreting the data it has to be borne in mind that in some countries (especially **Ireland** and the **UK**) the number of IORPs is the same as the number of pension schemes which results in a high number of IORPs while in other countries IORPs can operate more than one scheme.



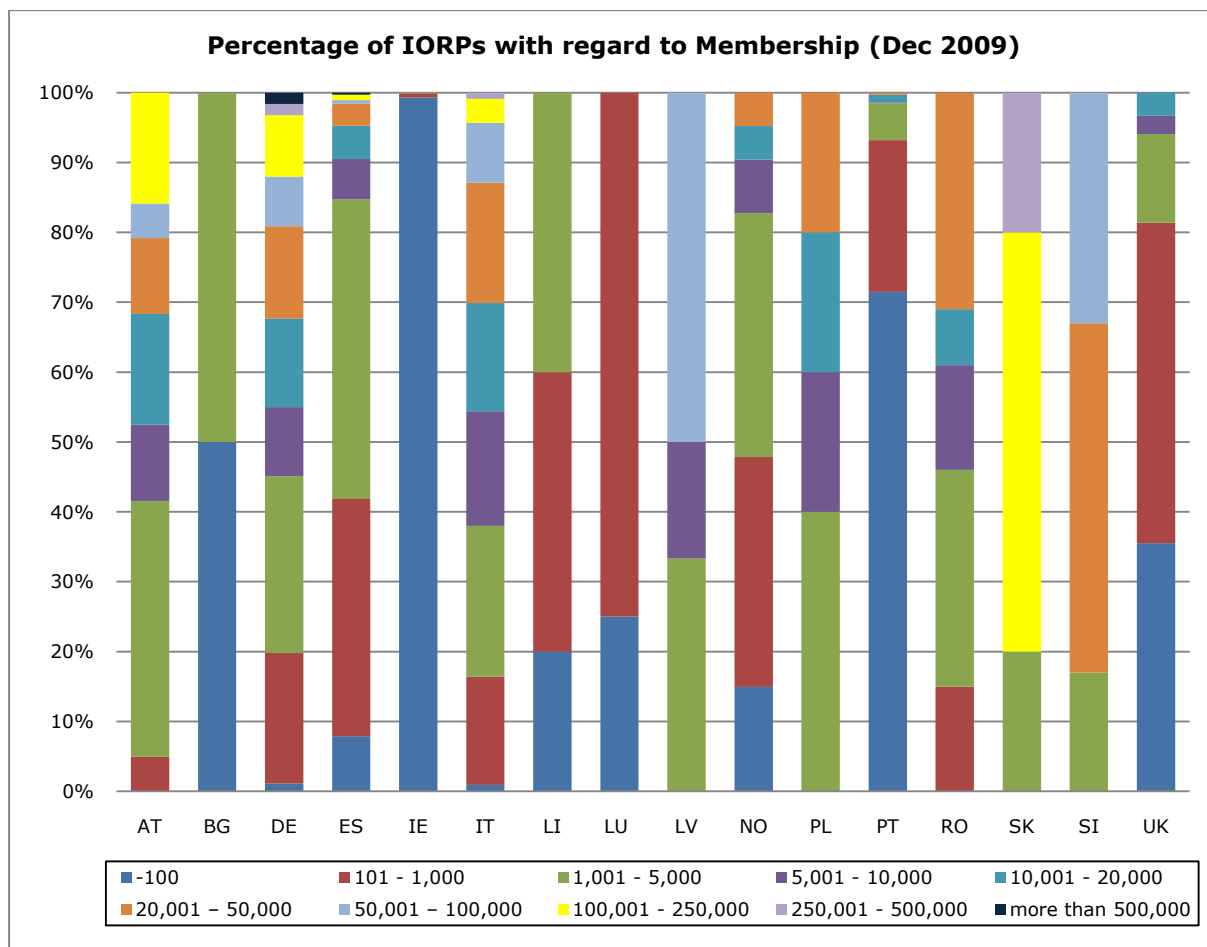
In **Italy**, there are 582 pension funds of which 370 are IORPs (255 are related to "old pension funds"). The data for Italy in the tables below are related only to new IORPs (contractual and open pension funds)¹. **Sweden** reported 16 IORPs as friendly societies in the form of occupational pension

¹ The number includes all pension funds supervised: IORPs, non autonomous pension funds and personal retirement plans implemented through insurance policies. Some IORPs can host both occupational and personal schemes.

funds and 27 life insurance companies with occupational pensions in force. The **United Kingdom** reported the number of IORPs as at 31st March 2009 and 31st March 2010.

2.1.6 How many IORPs (in percentage) in your country fulfil the following criteria with regard to the members and beneficiaries?

There was a wide spread of results for percentage of IORPs supervised with few members and beneficiaries, with certain supervisory authorities supervising almost exclusively IORPs with few members and beneficiaries and others supervising none. This spread of results was much smaller for larger IORPs (100,001 to >500,000 members and beneficiaries) with most supervisory authorities reporting supervising a low percent of these IORPs.

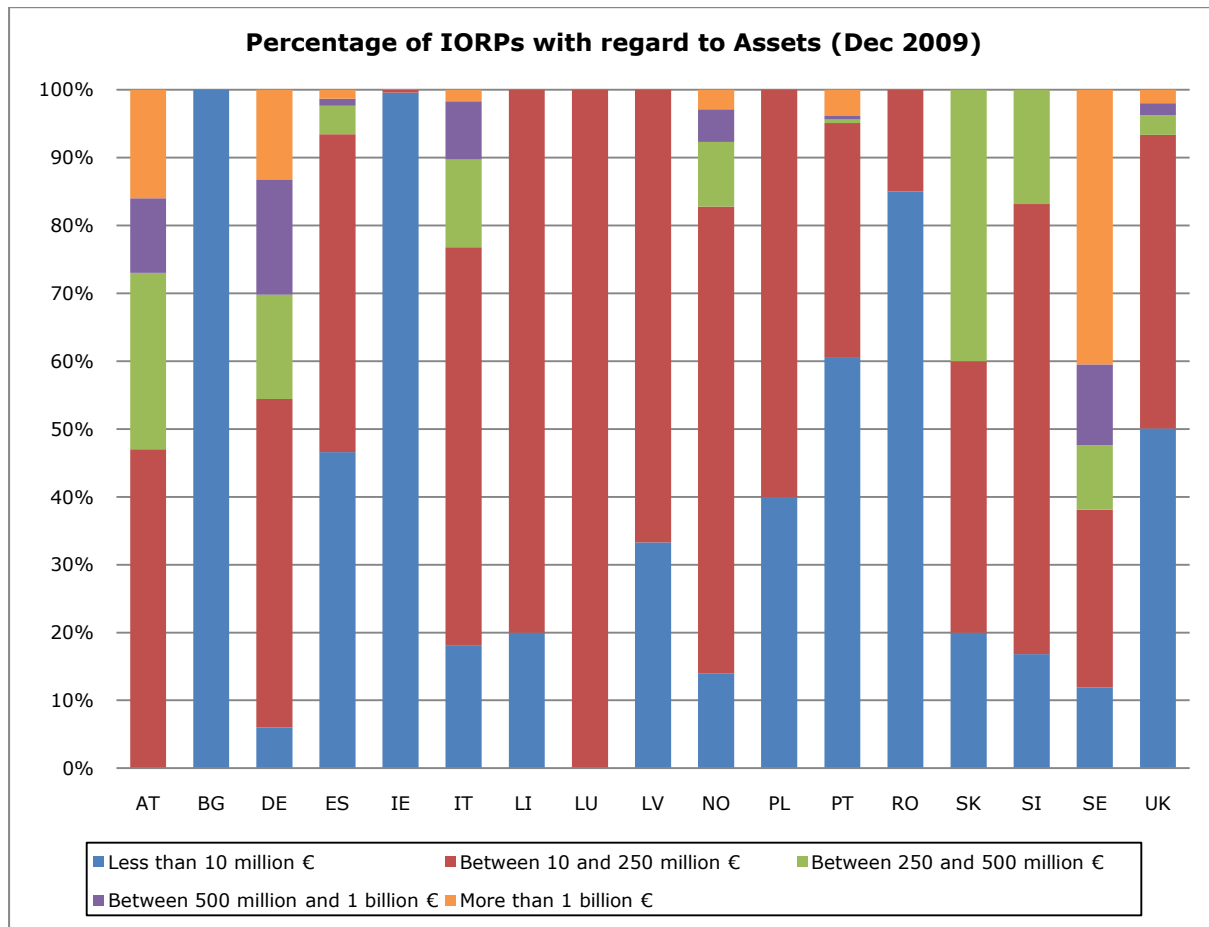


The data for the **United Kingdom** refers to DB figures.

2.1.7 How many IORPs (in percentage) in your country fulfil the following criteria with regard to the sum of total assets?

There was a wide spread of results for percentage of IORPs supervised with lower sums of assets, with certain supervisory authorities supervising almost exclusively IORPs with lower sums of assets. This spread of results was much smaller for larger IORPs (between €250 million and €1 billion)

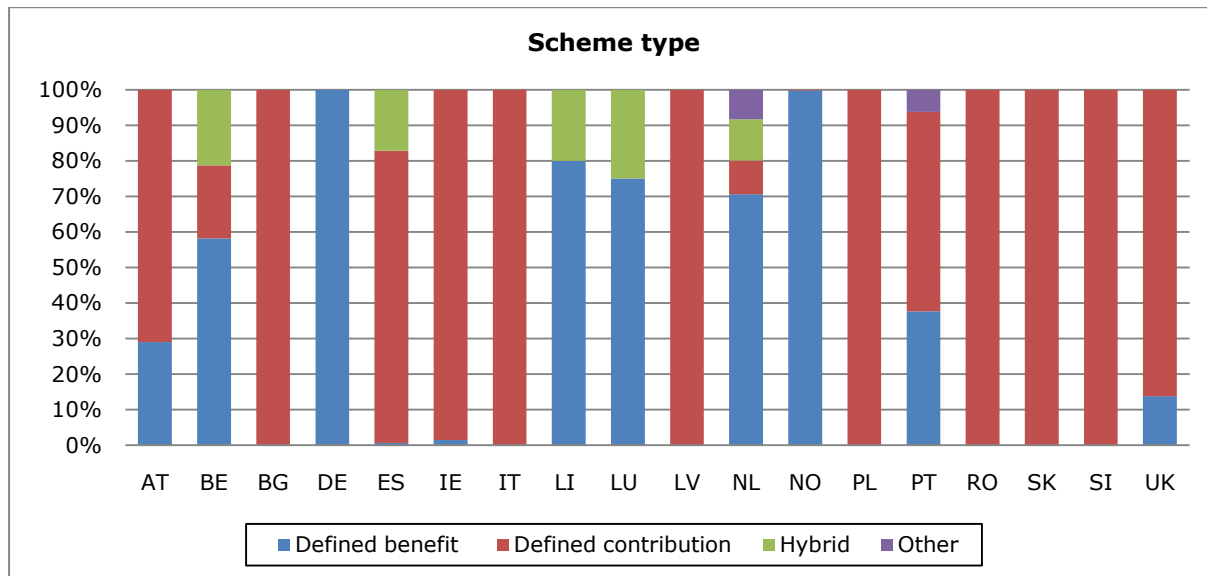
with most supervisory authorities reporting that the very large IORPs comprise a low percentage of the IORPs supervised.



The data for the **United Kingdom** refers to DB figures.

2.1.8 How many pension schemes (in percentage) in your country are defined benefit, defined contribution or hybrid schemes?

A few supervisory authorities supervised almost exclusively defined benefit or defined contribution schemes (in terms of numbers of pension schemes) but the majority of Member States fell in between, supervising defined benefit as well as defined contribution schemes.



Italy mentioned that defined benefit schemes still exist only for a limited number of pre-existing pension funds that are not entitled to accept new adhesions. **Norway** mentioned that there is one small commercial IORP that only has DC schemes. **Romania** clarified that the data for defined contribution schemes also includes defined contribution schemes with guarantees. The **UK** data for defined benefit schemes includes hybrid schemes as well because there are no separate figures available. It has to be mentioned that each Member State has its own definition of the categories.

2.2 Approach to reporting requirements

The following section provides an overview of the reporting requirements approach Member States have chosen.

2.2.1 What information/documents have to be submitted to the supervisory authority?

In order to explore the important aspects of the reporting requirements in each Member State and to investigate the links between them, it is very important first to have a look at what information/documents have to be submitted to the supervisory authority. Using Article 13 of the IORP Directive as a starting point a list of potential information/documents that have to be submitted was developed. This list covers 18 items of which one item is further sub-divided into 12 sub-items.

The following table lists the different items and provides the information if a respondent receives the information (green cell marked with a "Y").

Respondents generally receive the items 1. Annual accounts and annual reports and 2. Statement of investment-policy principles and the sub-items 15.2 Amount of contributions and 15.3 Amount of benefits paid and transferred. Additionally, also the items 3. Actuarial valuations and

assumptions and 5. Actuarial report and the sub-items 15.1 Composition of the membership, 15.5 Allocation of assets to different asset classes, 15.10 Return on investment, 15.11 Investment income losses and 15.12 Net asset value are submitted to the supervisory authority in most countries, whereas only 53% of the respondents receive the 13. Evidence contributions have been paid in and 37% the 16. Special register for assets covering the technical provisions.

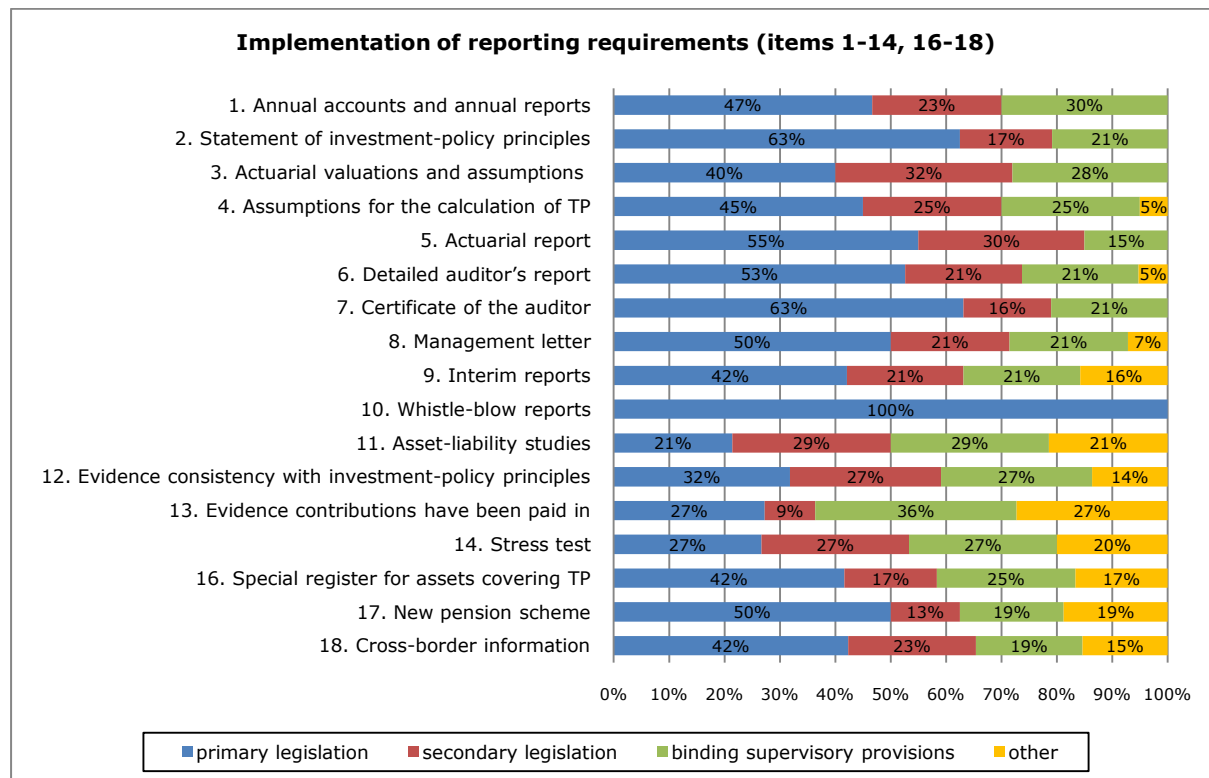
	Reporting requirements																			
	AT	BE	BG	DE	ES	IE	IT	LI	LU	LV	NL	NO	PL	PT	RO	SI	SK	SE	UK	
1. Annual accounts and annual reports	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
2. Statement of investment-policy principles	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Actuarial valuations and assumptions	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y		Y	Y	Y		Y	Y	
4. Assumptions for the calculation of TP	Y	Y	Y	Y	Y				Y	Y				Y	Y	Y			Y	
5. Actuarial report	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y		Y	Y	Y		Y	Y	
6. Detailed auditor's report	Y	Y	Y	Y		Y	Y	Y	Y	Y		Y	Y	Y	Y	Y		Y	Y	
7. Certificate of the auditor	Y	Y		Y	Y	Y		Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	
8. Management letter	Y	Y	Y						Y	Y	Y		Y	Y	Y	Y			Y	
9. Interim reports	Y	Y	Y	Y	Y	Y	Y	Y		Y		Y	Y		Y	Y	Y		Y	
10. Whistle-blow reports		Y	Y	Y	Y	Y	Y			Y	Y		Y	Y		Y	Y		Y	
11. Asset-liability studies	Y	Y	Y	Y	Y			Y	Y	Y	Y	Y		Y		Y			Y	
12. Evidence consistency with investment-policy principles	Y	Y	Y	Y	Y			Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		Y	
13. Evidence contributions have been paid in	Y	Y			Y	Y		Y	Y	Y	Y			Y					Y	
14. Stress test	Y	Y		Y	Y			Y	Y	Y		Y		Y		Y		Y	Y	
15. Further documents/information in the following fields:																				
15.1 Composition of membership	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
15.2 Amount of contributions	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
15.3 Amount of benefits paid and transferred	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
15.4 Risk management	Y	Y	Y	Y	Y		Y		Y			Y	Y	Y		Y		Y	Y	
15.5 Allocation of assets to different asset classes	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
15.6 Transactions of assets	Y	Y	Y	Y	Y		Y						Y		Y	Y	Y	Y	Y	
15.7 Funding	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y		Y		Y		Y	Y	
15.8 Solvency Requirements	Y	Y	Y	Y	Y	Y		Y		Y	Y	Y		Y		Y	Y	Y	Y	
15.9 Commissions to be paid	Y		Y	Y	Y		Y	Y	Y	Y	Y			Y	Y	Y	Y		Y	
15.10 Return on investment	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	
15.11 Investment income losses	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	
15.12 Net asset value	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		Y	
16. Special register for assets covering TP		Y		Y					Y						Y	Y		Y	Y	
17. New pension scheme	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y		Y	Y		Y	Y		Y	
18. Cross-border information	Y	Y	Y	Y	Y	Y		Y	Y	Y			Y	Y		Y	Y		Y	

2.2.2 How are the reporting requirements implemented in the Member States?

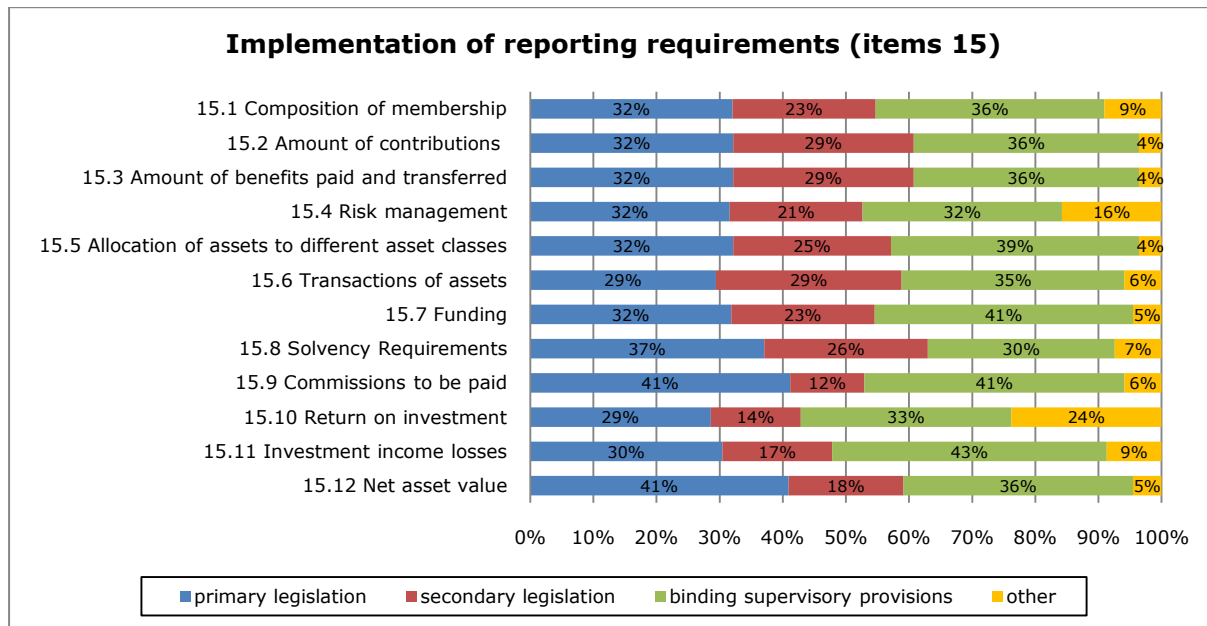
Reporting requirements are in general implemented by primary legislation, by secondary legislation and/or by binding supervisory provisions.

The following graphs summarize the answers (multiple answers are possible) to this question and provide interesting information about the means Member States have chosen to implement the reporting requirements for the different information/documents.

As can be observed from the following graph (which refers to items 1-14 and 16-18) the implementation by primary legislation is the predominant form for almost all items, with an average of 44% over all items. The average for secondary legislation was 19% with binding supervisory provisions having an average of 21%. Respondents reported under the category "other" e.g. the implementation by ministerial order.



Regarding item 15. Further documents/information the implementation is almost even spread between primary legislation and binding supervisory provisions (on average over all sub-items 33% for primary legislation and 37% for binding supervisory provisions), followed by secondary legislation (22%) and other (8%).



2.2.3 How often do you receive the following information/documents in general?

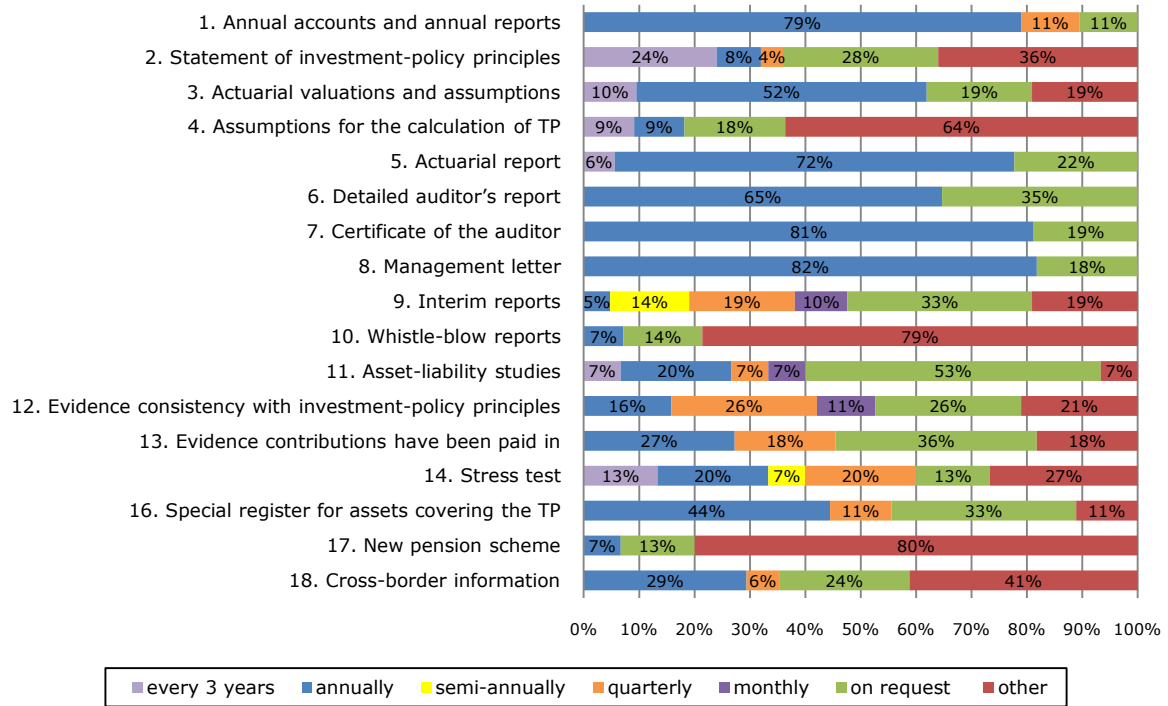
A very important factor for describing a Member State's reporting requirements approach is the frequency in which IORPs have to submit information/documents to the supervisory authority. Respondents could choose between the following frequency categories (multiple answers possible):

- Every three years;
- Annually;
- Semi-annually;
- Quarterly;
- Monthly;
- On request; and
- Other.

As can be seen from the graphs there is a big variety of Member States' approach to frequency in which information is provided.

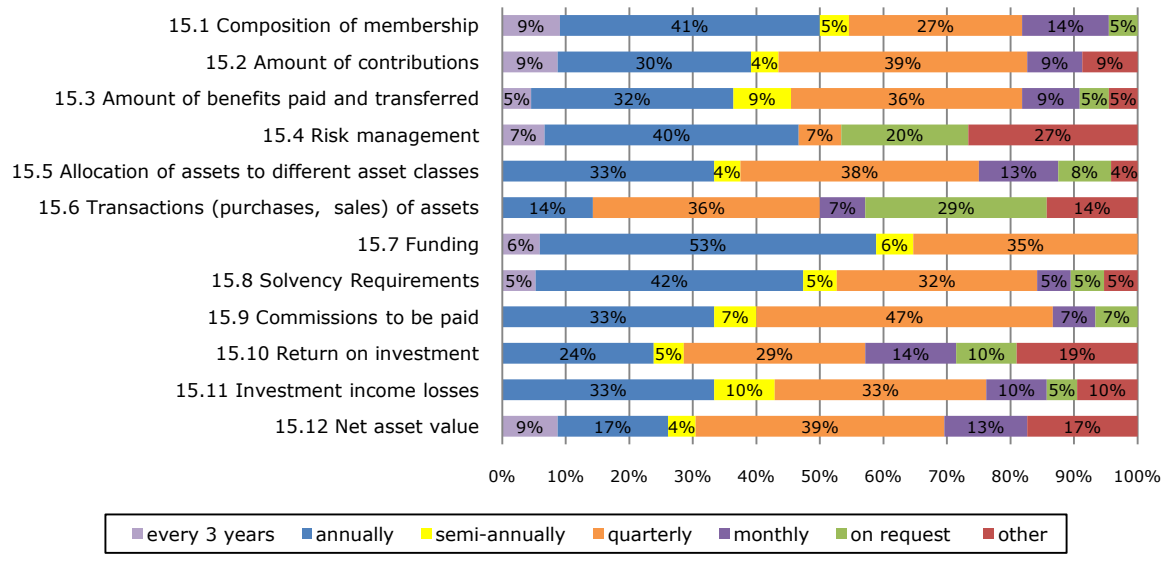
With regard to the items 1-14 and 16-18, the predominant frequency categories are annually (37%), other (25%) and on request (25%). An annual reporting requirement is especially predominant for the items 1. Annual accounts and annual reports, 3. Actuarial valuation and assumptions, 5. Actuarial report, 6. Detailed auditor's report, 7. Certificate of the auditor, 8. Management letter and 16. Special register for assets covering the technical provisions. The category on request is very relevant for item 11. Asset-liability studies. The category "other" comprises e.g. reporting requirements if special events occur.

Frequency of reporting requirements (items 1-14, 16-18)



In the case of the sub-items of item 15, the most important frequency categories are quarterly (33% over all items) and annually (33% over all items). The annual reporting requirements range from 14% for sub-item 15.6 Transactions of asset to 53% for sub-item 15.7 Funding. The quarterly requirements range from 7% for sub-item 15.4 Risk management to 47% for sub-item 15.9 Commissions to be paid.

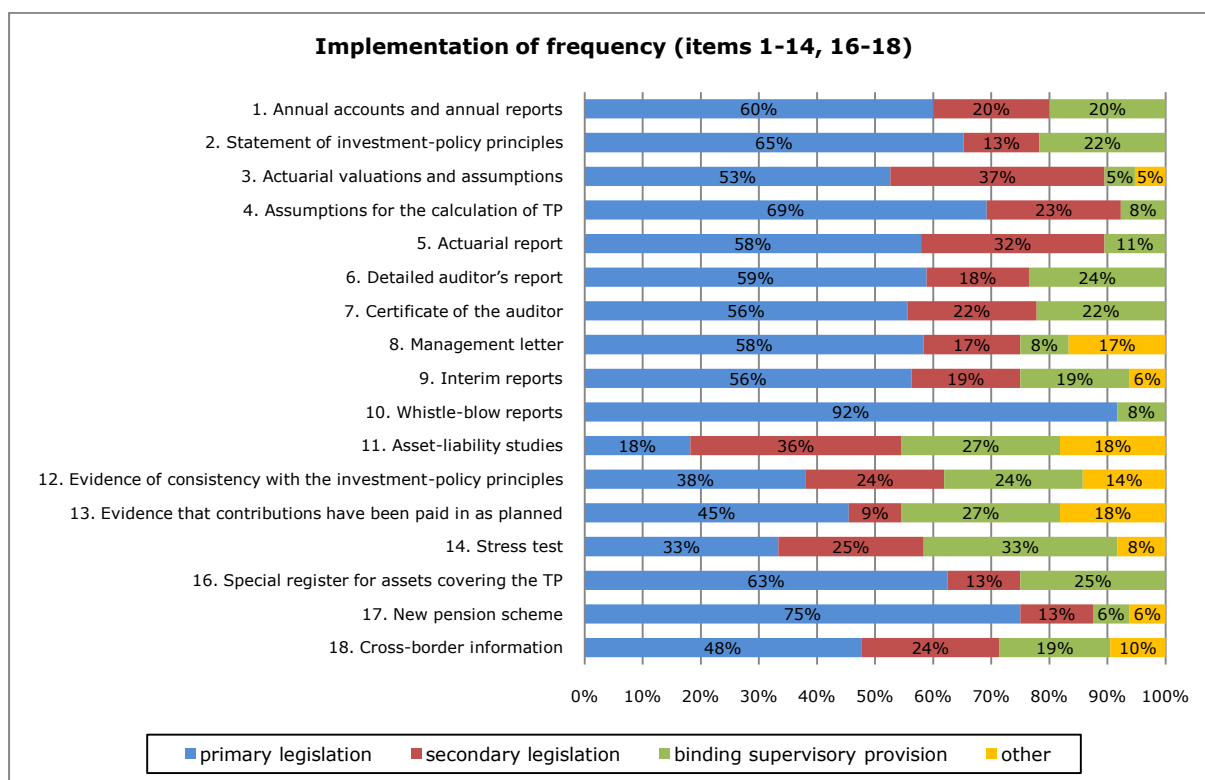
Frequency of reporting requirements (items 15)



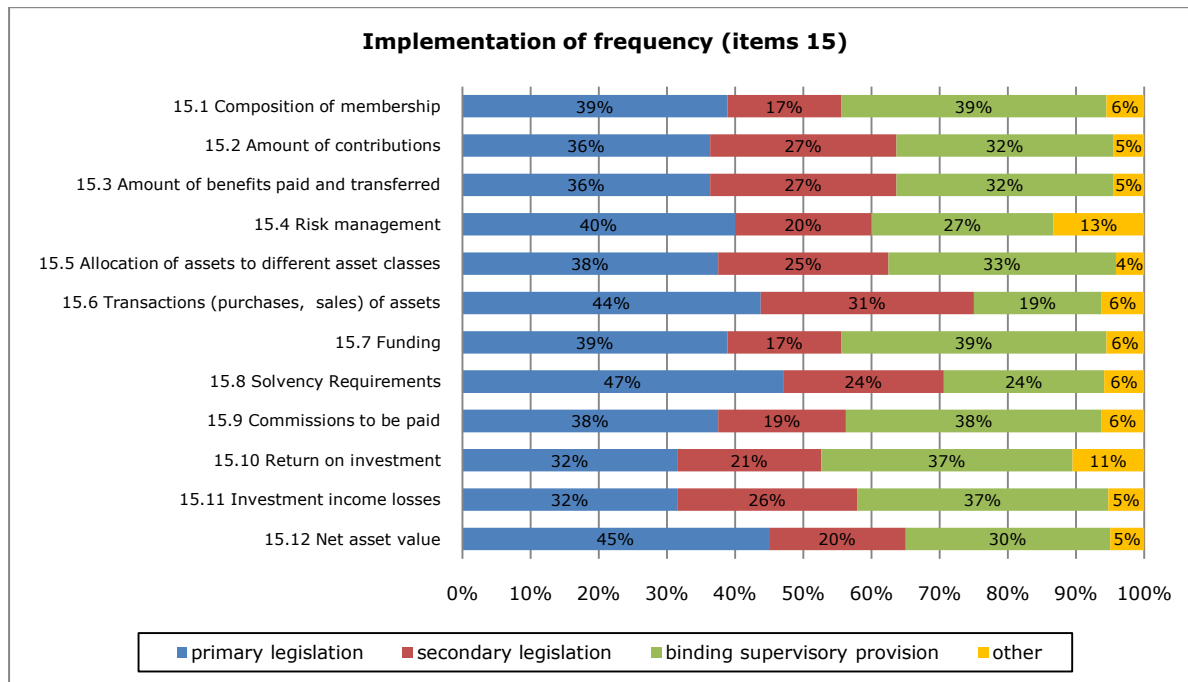
2.2.4 How is the frequency implemented?

The frequency of reporting requirements is in general implemented by primary legislation, by secondary legislation and/or by binding supervisory provisions.

With regard to the items 1-14 and 16-18 the implementation by primary legislation is the predominant form for almost all items, except for item 11. Asset-liability studies (18%), where secondary legislation is the predominant one. The average for the implementation by primary legislation over all items is 56%. The average for secondary legislation amounts to 20% and for binding supervisory provisions it is 18%.



In the case of the sub-items of item 15, the predominant implementation type is primary legislation (average of 39%), followed by binding supervisory provisions (average of 32%) and secondary legislation (average of 23%). Respondents reported under the category "others" e.g. ministerial order and supervisory tool.



2.2.5 Please explain in detail what the relevant factors are that determine your country's approach to frequency.

Respondents were asked to elaborate on the relevant factors that determine their country's approach to frequency. A big variety of responses were given which can be summarized as follows:

- To meet legal obligations;
- To balance regulatory burden with necessary information collection;
- To ensure effective monitoring/supervision;
- To ensure up to date information, especially for investment;
- To mirror the approach as used for insurance companies;
- To supervise the long term business;
- To collect information for a risk based assessment of the IORP;
- To create an early-warning system.

The full detailed responses are provided below:

Belgium reported that most reporting requirements were set annual to meet the legal obligations with regard to accounting (annually) and because it would be too much burden for IORPs (most of Belgian IORPs are small to very small) to report and too much burden for the supervisor to analyse (restricted resources) on a more frequent basis.

Bulgaria reported that the frequency for submission of information to the supervisory authority is determined mainly by the needs of the supervisor to ensure effective and timely monitoring of the activity of the pension companies and funds and its compliance with the legal framework.

Germany reported that the driving factor is the time interval with regard to which the supervisory authority requires the information.

Spain reported that some information is quarterly when more updated information is needed. They also noted that they require annual actuarial reports in DB plans because they have more risks.

Ireland reported that the default frequency is on an annual basis, but there is a three year cycle for defined benefit solvency material.

Italy reported that frequency (in general a quarterly basis) is determined by the supervisory authority in order to monitor the development of the market, to be able to effectively supervise pension funds, and for statistical reasons.

In **Liechtenstein** pension funds must submit their business report (annual account statement, consisting of balance sheet, income statement, and notes, plus annual report) together with a report on the past business year to the FMA each year. In addition to the yearly business report pension funds must report to FMA on a quarterly basis.

Luxembourg mentioned that useful and relevant information is collected on quarterly or annual frequency, depending on the subject.

In general, **the Netherlands** feels it is important to supply sufficient information to DNB, in order for DNB to be able to effectively supervise pension funds. That includes in the Dutch perspective for instance that the liabilities are recalculated at least once a year. As for investment information, it can also be important to know the rate of circulation of the investments. That is one of the reasons behind the quarterly reporting of data on assets.

Poland reported that the frequency is determined by means of primary legislation and the PFSA has no influence on the determination of the frequency. In Polish supervisory practice binding supervisory provisions do not apply. The aim of the country's approach to frequency is to ensure a balance between excessive load on supervised entities and the necessity of obtaining relevant data (reports etc.) by the PFSA. Furthermore, the PFSA may require, at any time, any information and explanations relating to the IORP's operations both by off-site control and on-site control.

Portugal mentioned that for asset data the frequency is quarterly because information on the valuation of assets is essentially made from market information, which is readily available, and also because of the importance of closely monitoring the fluctuation of the net asset value of the IORP. Accounting and actuarial data has to be submitted yearly in order to keep a closed monitoring of that information and strategic information (like the statement of investment principles and ALM studies) every three years because these strategic issues should be reviewed on a medium term basis.

Slovenia noted that the frequency of reporting for IORPs is the same as for insurance companies.

Slovakia mentioned that the main factors determining the frequency of submitting reports are the rules based supervisory approach, market structure (small number of large DC schemes) and supervisory objectives (consumer protection). In order to be able to discharge its functions properly the supervisory authority needs to have up-to-date information on the transactions and compositions of portfolios. The focus lies a lot on checking whether the quantitative and qualitative investment limits are observed by the IORPs.

Sweden noted additional monthly reporting at low solvency.

In the **United Kingdom** the Pensions Regulator operates a risk based framework so its assessment of the risk relies on it having up to date information about the scheme on a regular basis and on it receiving reports of significant events which affect the scheme. The scheme return operates annually for DB, hybrid and large DC schemes, whilst small schemes will be on a 3 yearly cycle of reporting.

2.2.6 Do you have different reporting requirements for different IORPs?

There was almost an even spread between those supervisory authorities that reported having different reporting requirements for different IORPs (DE, ES, IE, LT, NO, PT, SI, SE, UK) and those that did not (AT, BE, BG, IT, LI, LU, NL, PL, SK, RO).

Factors that determine the different reporting requirements are:

- Type of IORP, e.g. there is more than one type of IORP in a country (DE, LT);
- Legal form of the IORP, e.g. joint-stock company or foundation (DE, SI, SE);
- Size of the IORP, e.g. balance sheet total (DE, NO, SE, UK);
- Complexity of the IORP's business, including complexity of investment structure (DE);
- Type of pension scheme(s) operated by the IORP (ES, IE, LT, PT, UK);
- Differences in regulation, e.g. with regard to investment regulation (DE, SI);
- Belonging to a group (DE);
- Other (previous record of scheme) (UK).

Germany noted that reporting requirements between Pensionskassen and Pensionsfonds mainly differ with regard to investment information because the investment rules for Pensionsfonds are more liberal than for Pensionskassen. Apart from that, some reporting requirements may not apply to IORPs if they fulfil special criteria, e.g. because they are very small.

Ireland reported that the factors include whether the scheme is defined benefit or defined contribution and there are also some reporting exemptions for small schemes.

Norway reported that four regular reporting systems exist for pension funds:

- Annually reporting of fulfilment of the capital adequacy requirements and the solvency margin requirement.
- Annually joint reporting system with Statistics Norway consisting of annual balance sheet, profit and loss accounting and a report with additional detailed statement (PORT) has replaced the actuary report from pension funds.
- Pension funds are not obliged to make/issue interim accounts. About 35 pension funds, pension funds with total assets over 1 milliard NOK (norske kroner), are included in a key-figure reporting which takes place on a semi-annual basis. The reporting consists of a selection of items from the profit and loss account and the balance sheet plus some key figures like the percentage of capital adequacy and return on assets. These 35 pension funds cover about 85 per cent of pension funds' total assets.
- The 3 largest pension funds have (like insurance companies) quarterly reporting on stress tests.

In **Portugal** there are different reporting requirements for different types of schemes. Defined contribution schemes do not have actuarial reporting requirements.

Slovenia stated that there are three different types of providers: insurance companies, pension companies and mutual pension funds. Reporting requirements for insurance companies and for pension companies are the same but reporting requirements for mutual pension funds are completely different and are set by Security Market Agency. Slovenia's answers in the report are only for insurance companies and pension companies.

In **Spain** there are different information requirements for defined contribution and defined benefit pension plans.

Slovakia mentioned that since there are quite high barriers of entry into the market (e.g. minimum initial capital of 1 650 000 EUR, strict fit and proper requirements for management and key staff), most IORPs are subsidiaries of large financial groups that provide also other services through insurance companies or banks established in Slovakia. For these reasons the primary and secondary legislation is very prescriptive and imposes quite strict and precise rules on IORPs. Also proportionality of reporting requirements is not much of an issue in private pension business in Slovakia.

Sweden noted that for pensions foundations, they have different reporting requirements compared to insurance companies and friendly societies that do occupational pensions business. Pensions foundations do not entirely fall under the supervision of Finansinspektionen. Pension foundations are

therefore not, other than in this question, included in the responses. Looking at the reporting requirements for insurance companies and friendly societies there are different requirements depending on size. There are however only two friendly societies that fall under the definition of being a smaller IORP and therefore have other reporting requirements.

In the **United Kingdom** all pension schemes have to regularly complete a pension scheme return for the regulator. Defined benefit and large defined contribution schemes will receive a return annually while smaller defined contribution schemes may wait up to three years between returns. In addition anyone associated with the scheme (trustee, employers, advisers etc) has a duty to report to the regulator situations where they have reasonable cause to believe that the pension scheme is not being properly administered and that this failure is likely to be of material significance. In addition where a scheme has a recovery plan in place trustees must additionally provide an actuarial valuation ('valuation summary'). This should include asset value, the technical provisions, estimated cost of securing benefits with an insurance company, the method adopted for calculating the technical provisions and the principal assumptions on which the calculation of technical provisions has been based, including investment returns, pension increases, pensionable pay increases and the mortality assumptions.

2.2.7 Are the reporting requirements for IORPs affected by reporting requirements for other financial undertakings, e.g. insurance undertakings or banks?

Member States were asked if the reporting requirements for IORPs are affected by reporting requirements for other financial undertakings, such as insurance undertakings or banks. The answers showed that there was almost an even spread between those supervisory authorities that reported that the requirements for IORPs were affected by reporting requirements for other financial undertakings, namely insurance undertakings (DE, ES, LU, NO, PT, SI, SK, SE) and those that did not (AT, BE, BG, IE, IT, LV, LI, NL, PL, RO, UK).

2.2.8 How often are the reporting requirements changed in your country?

All respondents except one change the reporting requirements if necessary. One respondent changes the requirements annually.

Belgium stated that it changed its reporting requirements annually and detailed that it issues a circular which sets out the reporting requirements for the year. This Circular gives an overview of the reporting obligations set by legislation (primary and secondary) and by the supervisor and sets out the format, timing and responsible person for submitting the report (the IORP, the auditor, the actuary). For each reporting requirement it explains the differences, if any, versus the previous year and the attention points. **Italy** noted that further detailed information may be collected for all or

some pension funds. In **Slovenia**, if there are changes these are usually not deep changes but are adjustments to previous reporting requirements to make them more efficient.

2.3 Reasons for collecting data and risks being monitored/mitigated

2.3.1 Main reasons for collecting data

The questionnaire surveyed countries on the main reasons for their supervisory authority to collect data. There was no pre set list of reasons in the questionnaire and the responses were varied.

The most frequently stated reasons for collecting data were for the supervisory authority to:

- Perform its supervisory functions (DE, ES, IT, LU, LV, NL, NO, PL, PT, RO, SI, SK, SE, UK);
- Generate statistics and reports (BG, DE, ES, IT, LU, NL, PL, PT, SE, SK);
- Fulfil its legal objectives (BG, DE, IT, LI, UK);
- Supervise the funding level of IORPs/schemes (BE, DE, LI, SI, SE, UK);
- Ensure financial stability of the pensions market (DE, LI, NL, SE);
- Input for the supervisor's risk model (BE, DE);
- Identify special risks (BE, DE, IT);
- Check consistency between financing method and investment policy (BE, IT);
- Transparency (IT, LU);
- Pass data on to the national Statistical Office (IT, SE, SK);
- Balance the payment (SK).

2.3.2 Main risks that the documents/information aims to monitor/mitigate

The questionnaire also tried to survey in which way some of the reporting requirements (from the identified list of items on information/documents) aimed to monitor/mitigate certain risks. Respondents were asked to identify which risks a specific information/document requirement aimed to monitor/mitigate.

Some care must be taken when interpreting these results because there is not always a direct relationship between the documents or the information required and a specific need to monitor or mitigate a particular risk, as one Member State pointed out when answering this question. In general, the documents are needed to enable the supervisory authorities to effectively supervise IORPs which might not be expressly linked to a per risk analysis.

The results presented below try to summarize the mapping out between the risks and the information requirements. For each information/document (in rows) the number of times each risk was selected by a Member State was calculated which in turn allowed to determine the frequency analysis per item. The full table is in the Annex A.1. Below, the 5 most selected risks are shown.

The analysis provided by the table below allows identification of the main risks that each document / information requirement tries to monitor or mitigate. For example, respondents have signalled the funding, governance and operational risks are the three most chosen risks that 1. Annual accounts and annual reports are used to monitor / mitigate.

Information/documents	Main risks that it aims to monitor/ mitigate				
	1st	2nd	3rd	4th	5th
1. Annual accounts and annual reports	Funding	Governance	Operational	Market	Strategic
2. Statement of investment-policy principles	Market	Concentration	Credit	Liquidity	Funding
3. Actuarial valuations and assumptions	Funding	Underwriting	Strategic	Employer	Operational
4. Assumptions for the calculation of TP	Funding	Underwriting	Employer	Strategic	Operational
5. Actuarial report	Funding	Underwriting	Operational	Liquidity	Liquidity
6. Detailed auditor's report	Funding	Operational	Governance	Fit&Proper	Strategic
7. Certificate of the auditor	Operational	Governance	Reputational	Funding	Fit&Proper
8. Management letter	Operational	Strategic	Concentration	Funding	Liquidity
9. Interim reports	Market	Funding	Liquidity	Operational	Credit
10. Whistle-blow reports	Governance	Operational	Reputational	Liquidity	Fit&Proper
11. Asset-liability studies	Funding	Liquidity	Market	Credit	Concentration
12. Evidence consistency with investment-	Credit	Market	Concentration	Operational	Governance
13. Evidence contributions have been paid	Funding	Employer	Liquidity	Operational	Governance
14. Stress test	Funding	Market	Credit	Concentration	Underwriting
15. Further documents/ information in the following fields:					
15.1 - Composition of membership	Funding	Liquidity	Concentration	Strategic	Underwriting
15.2 - Amount of contributions	Funding	Liquidity	Underwriting	Strategic	Employer
15.3 - Amount of benefits paid and	Funding	Liquidity	Credit	Concentration	Underwriting
15.4 - Risk management	Operational	Strategic	Funding	Reputational	Governance
15.5 - Allocation of assets to different asset	Market	Credit	Concentration	Liquidity	Funding
15.6 - Transactions of assets	Market	Credit	Concentration	Funding	Liquidity
15.7 - Funding	Funding	Underwriting	Liquidity	Market	Credit
15.8 - Solvency Requirements	Funding	Underwriting	Liquidity	Market	Credit
15.9 - Commissions to be paid	Operational	Funding	Liquidity	Reputational	Governance
15.10 - Return on investment	Market	Funding	Operational	Strategic	Credit
15.11 - Investment income losses	Market	Liquidity	Funding	Credit	Concentration
15.12 - Net asset value	Funding	Market	Liquidity	Credit	Concentration
16. Special register for assets covering TP	Funding	Market	Credit	Concentration	Liquidity
17. New pension scheme	Funding	Employer	Governance	Operational	Strategic
18. Cross-border information	Operational	Reputational	Fit&Proper	Funding	Governance

More interesting though is to analyse the complete table (Annex A.1) and identify what are the main documents used to monitor or mitigate a specific risk (a by column analysis). Employer risk, for example, is especially monitored through the information requirement on 13. Evidence contributions have been paid.

Because the three most selected risks are pointed out in colours (green for the highest, yellow for the 2nd highest and orange for the 3rd highest), the complete table also allows to extract which risks are mostly addressed in the overall reporting requirements. By looking at the colours one can conclude that funding, operational, market, liquidity and credit risks are the ones that the reporting requirements most aim to monitor / mitigate.

2.4 Analysis of the data including relevant IT issue

2.4.1 How do you analyse the data?

18 respondents (AT, BE, BG, DE, ES, IE, IT, LI, LU, NL, NO, PL, PT, RO, SI, SK, SE, UK) reported analysing data manually as well as IT supported.

Latvia reported that it analysed data manually using Excel tables where data from pension funds are received and aggregated by online data submission system. **Portugal** mentioned that the quantitative information is analysed mainly through IT procedures while the qualitative information (reports sent to the Supervisor) is analysed manually. The **UK** regulator uses an online data submission tool called 'Exchange'. It allows schemes to share important information with the regulator about the scheme. The scheme can be registered online and details updated easily.

2.4.2 Information collection: how and what format?

Due to the importance of IT systems in collecting and helping process the information required by the supervisory authorities the questionnaire raised some questions about IT practices and current systems. Respondents were asked, for each of the documents / required information, on how the reporting information is collected from the point of view of IT systems. The list of options given was:

- Paper form;
- Electronic media (CD, floppy disc, etc.);
- Email;
- FTP (File Transfer Protocol);
- HTTP (HyperText Transfer Protocol);
- HTTPS (HyperText Transfer Protocol Secure);
- VPN (Virtual Private Network);
- Other.

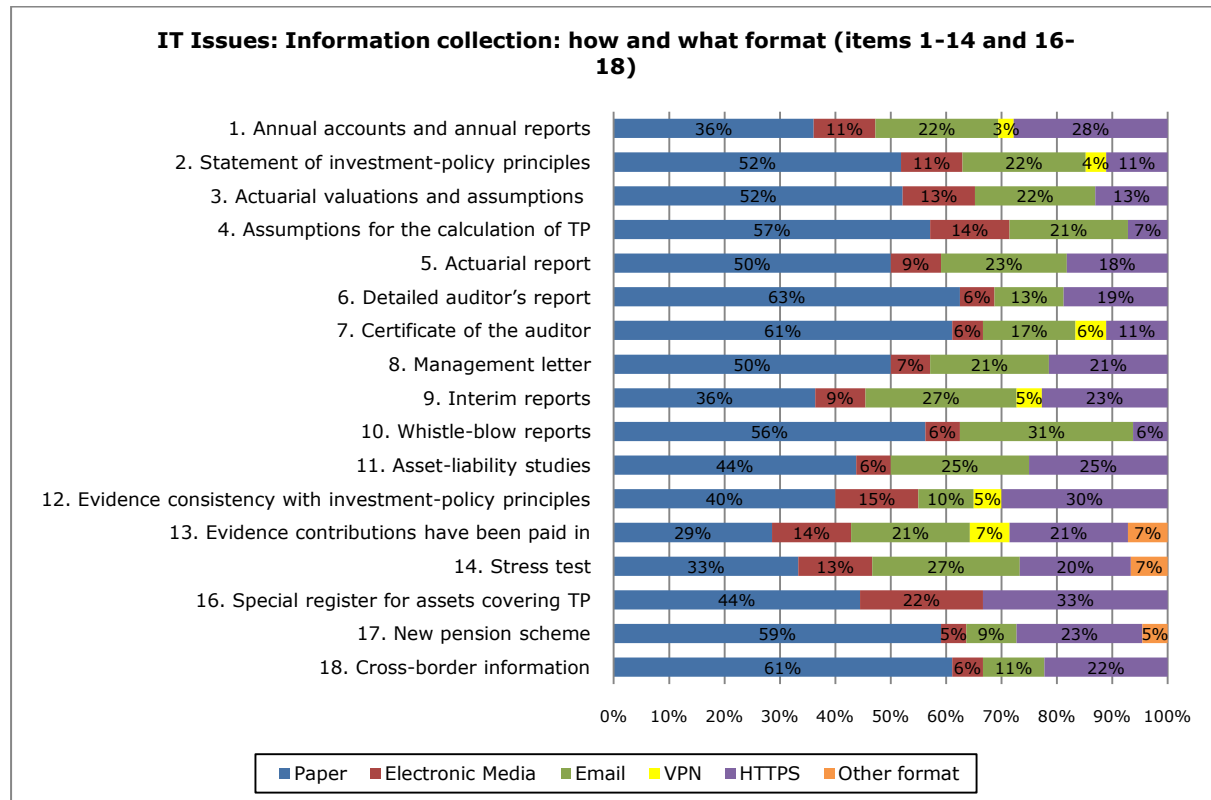
A more specific question about which format (e.g. XML, XBRL etc.) was used by the IT systems was also raised but the responses allow only to conclude that when using HTTPS the format XML is more widely used than XBRL.

The graphs below show the results on how the information is collected for each of the documents and information required. Please note that multiple answers were allowed.

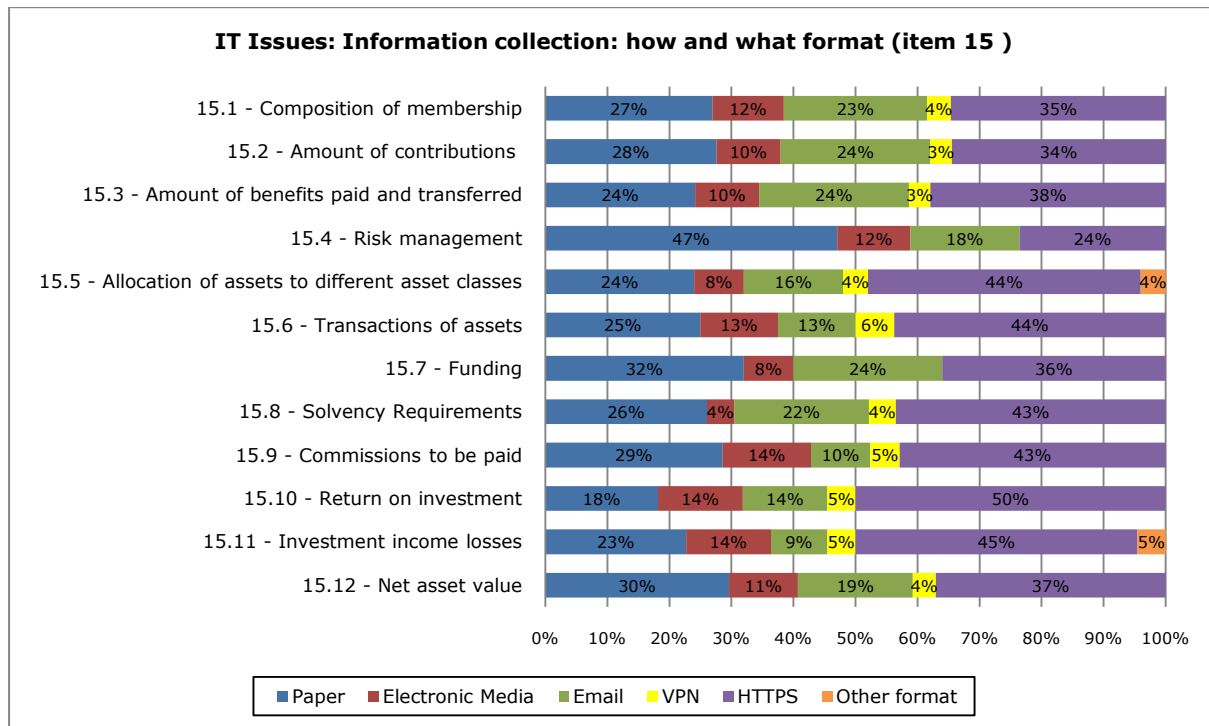
As one can observe paper form is still substantially used as a reporting method with 48% of answers for all the listed items. Paper form is especially used in items 6. Detailed auditor's report, 7. Certificate of the auditor, 17. New pension scheme and 18. Cross-border information with a percentage around 60%.

The second most widely method for reporting the information is HTTPS with approximately 20% of answers. This method is commonly used for reporting the items: 16. Special register for assets covering TP, 12. Evidence consistency with investment-policy principles and 1. Annual accounts and annual reports.

Email is the third most common method for sending the information, with about 19% of answers, and is especially popular in reporting the items: 9. Interim reports, 10. Whistle-blow reports and 14. Stress tests.



Regarding item 15. Further documents/ information the methods most commonly used are slightly different from those previously stated. HTTPS is now the most common method considering all 12 subtopics with 39% of answers followed by paper form with 28% and email with 18%.



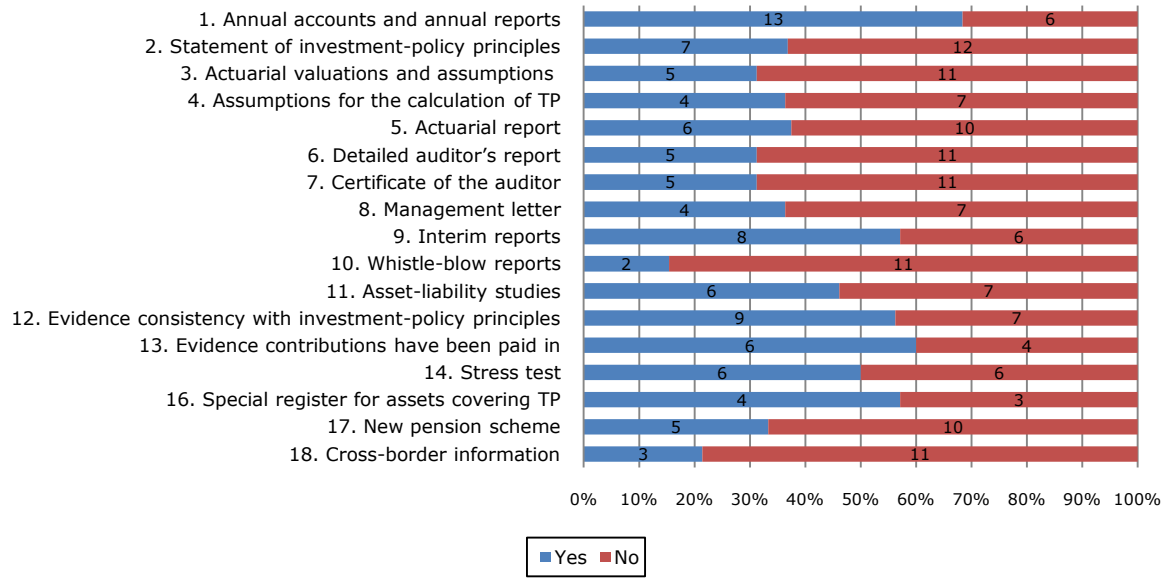
2.4.3 Information technology used by IORPs for submitting information

Because of the widespread use of technology by the supervisory authority to collect information respondents were also asked whether there was any need for the IORPs to employ information technology of any kind for submitting the information.

The following graphs show results listing for each of the information / documents required whether or not (yes/no perspective) IORPs have to apply any type of information technology to send the information. The analysis takes only into account the information/documents that individual Member States receive.

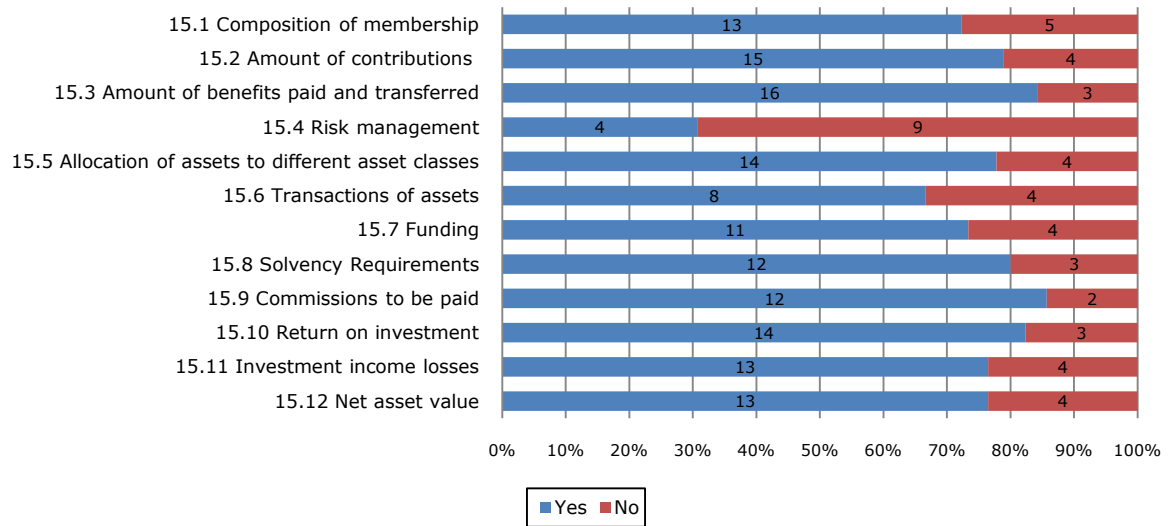
In terms of if IORPs need to employ IT to submit the information (which gathers the answers from items 1-14 and 16-18) the overall average of positive answers is 41%. The documents / information required that most demand IORPs to employ any type of IT systems for the submission are 1. Annual accounts and annual reports, 9. Interim reports and 13. Evidence that contributions have been paid in as planned.

IT issues: Are IORPs obliged to employ IT to submit the information (items 1-14 and 16-18)?



Concerning item 15 the number of positive answers rises considerably to an overall average of 74% with most items having above 70% of positive answers and two items (15.4 Risk management and 15.6 Transactions of assets) having lower percentages.

IT Issues: Are IORPs obliged to employ IT to submit the information (item 15)?

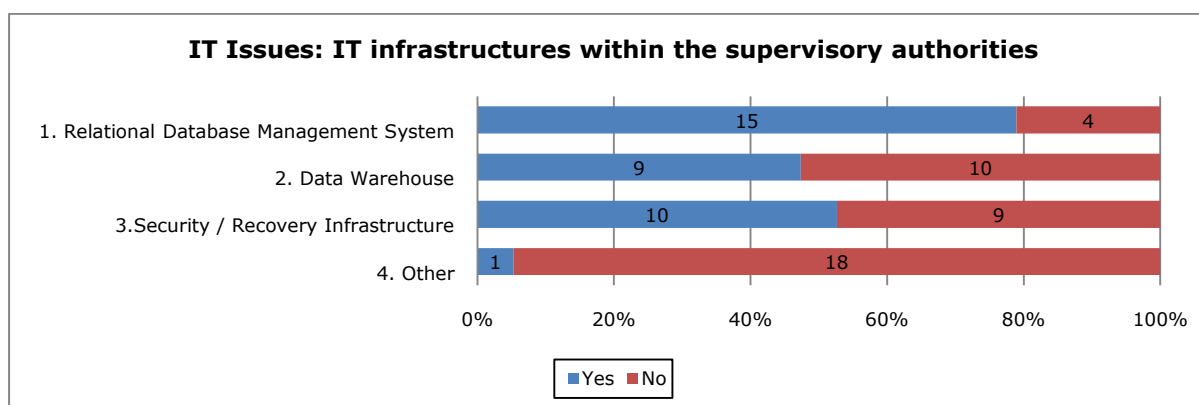


2.4.4 IT infrastructure within the supervisory authority

Since the development of IT systems is also a challenge to the supervisory authorities the questionnaire tried to survey the current information technology infrastructure of supervisory authorities.

The graph below shows the results on the existence of the following IT infrastructures within the supervisory authorities:

- Relational Database Management System
- Data Warehouse
- Security / Recovery Infrastructure
- Other



The vast majority (almost 80%) of the Member States who have answered to the questionnaire reported that they have implemented relational database management systems while above 50% have set up security / recovery infrastructure systems. Slightly less than half the respondents already have implemented data warehouse systems for collecting data.

2.4.5 Changes in the supervisory authority IT infrastructure

The questionnaire also surveyed the Member States regarding expected changes in their supervisory authorities IT infrastructure. The table below shows the results.

Are there planned changes in the IT infrastructure?	
YES	NO
BG, DE, IE, IT, NL, RO, SE, SK	AT, BE, ES, LI, LU, LV, NO, PL, PT, SI, UK

Bulgaria commented there are plans for better integration of certain components of their IT systems. They are also in the course of building a system for electronic submission of the information to be entered in the

FSC registry (the registry is already operational in electronic form and publicly available in the internet). **Germany** mentioned that a central platform is planned to be installed. **Ireland** explained that most information is currently collected in paper form or by email with attachments and that the Board is currently designing an online portal to deal with the collection and management of data, which should be in operation later in the year. When complete, this project will represent a major change and improvement in the method of data capture and management. The implementation of a data warehouse is expected to further improve the use of data in the **Netherlands**. **Slovakia** mentioned that there are plans to modernise and upgrade the software. Currently, a feasibility study is undertaken. **Sweden** mentioned they have an old system to collect information from the companies and because Solvency II will bring a major concern in collecting information they are planning to develop a new modern system and adapt it to the demands from Solvency II.

2.5 Assessment of factors for the reporting requirements approach

Member States were asked to assess the relevance of particular factors for the reporting requirements approach chosen by their country. In particular, respondents had to assess if the factors are not relevant, less relevant, relevant, very relevant or highly relevant for explaining their reporting requirement approach. Depending on the degree of relevance, scores were given.

Respondents have highlighted the following main factors in their assessment:

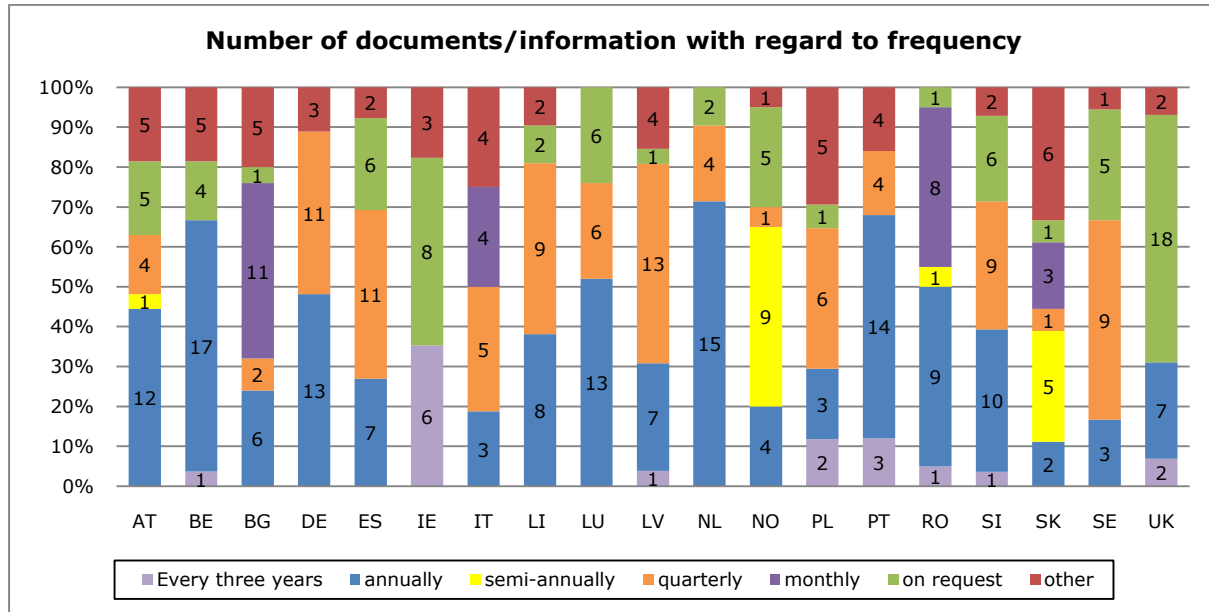
1. Objectives of the supervisory authority;
2. Analysis of data;
3. Number of IORPs;
4. Number of employees responsible for IORP supervision;
5. IORPs per employee;
6. IT infrastructure;
7. Pension Schemes being operated; and
8. Type of supervisory authority.

The following sections aim to answer the question as to whether there is a relationship or not between the analysed factor and the reporting requirements approach in terms of what kind of information is collected and in what frequency.

The starting point for this analysis is the following table that provides information about if and how often documents have to be submitted to the supervisory authorities (E=every 3 year, A=annually, S=semi-annually, Q=quarterly, M=monthly, R=on request, O=other, orange box=not applicable).

	Frequency																			
	AT	BE	BG	DE	ES	IE	IT	LI	LU	LV	NL	NO	PL	PT	RO	SI	SK	SE	UK	
1. Annual accounts and annual reports	A	A	A	A	A	R	A	Q	A	A	A	A	A	A	A	Q	A	A	R	
2. Statement of investment-policy principles	R,O	E, R,O	A	A, O	O	R	O	R	Q	E	R	R	E,O	E	E,O	E	O	O	R	
3. Actuarial valuations and assumptions	O	A,R	O	A	E,A	R		A	A	A	A	A, R,O		A	A	A		R,O	E	
4. Assumptions for the calculation of TP	O	O	O	O	R				R	O				O	A	O			E	
5. Actuarial report	A	A,R	A	A	E,A	R		A	A	A	A	R		A	A	A		A	R	
6. Detailed auditor's report	A	A,R	A	A		R	A	A	A	R		R	A	A	A	A		R	R	
7. Certificate of the auditor	A	A		A	A	R		A	A	A	A	A		A	A	A	A	R	R	
8. Management letter	A	A	A						R	A	A		A	A	A	A			R	
9. Interim reports	O	R	M,R	Q	R	R	A, Q,M, R,O	Q		O		S	S,Q		S	R	O		R	
10. Whistle-blow reports		O	O	O	R	O	O			O	A		O	O		R,O	O		O	
11. Asset-liability studies	R	R,O	A,M	A	R			R	R	Q	R	R		E		A			R	
12. Evidence consistency with investment-policy principles	R	R,O	M,O	Q	R			A	Q	Q	Q	R	O	A,O	A	Q	M		R	
13. Evidence contributions have been paid in	R	O			R	R		A	Q	Q	A			A					R,O	
14. Stress test	S	O		A,O	E,A			O	Q	A		Q,O		E		R		Q	R	
15. Further documents/ information in the following fields:																				
15.1 Composition of membership	Q	A	M	Q	A,Q	E	Q,M		A	Q	A	A	A,Q	A	M	R	S	A	E,A	
15.2 Amount of contributions	A	A	M,O	Q	A,Q	E	Q	Q	Q	Q	A	A,S	Q	A	M	Q	S	Q	E,A, O	
15.3 Amount of benefits paid and transferred	A	A	M,O	Q	A,Q	E	Q	Q	A	Q	A	A,S	Q	A	M	Q	S	Q	R	
15.4 Risk management	A	A	Q,O	A	A		O		R			O	E,O	A		A		R	R	
15.5 Allocation of assets to different asset classes	Q	A	A,M, O	Q	A,Q		Q	A	A,Q	Q	A	A,S	Q	Q	M	R	M	Q	A,R	
15.6 Transactions of assets	O	A,R	O	Q	A,Q		Q						Q		R	R	M	Q	R	
15.7 Funding	A	A	A	Q	A,Q	E		Q	A	Q	A	A,S		A		Q		Q	A	
15.8 Solvency Requirements	A	A	M	A,O	A,Q	E		Q		Q	A	A,S		A		Q	Q	Q	A	
15.9 Commissions to be paid	A		Q	Q	A,Q		Q	A	A	Q	A			Q	M	Q	S		R	
15.10 Return on investment	Q	R	M,O	A	A,Q		Q,M	Q	A	A	Q	A,S	O		M	A	O	Q,O	R	
15.11 Investment income losses	A	A	M,O	Q	A,Q		A	Q	A	Q	Q	A,S		Q	M	A	S	Q,O	R	
15.12 Net asset value	Q		M,O	Q	A,Q	E	Q,M	Q	A	Q	Q	A,S	O	Q	M	Q	O		E,A, O	
16. Special register for assets covering TP		A,O		A					A,R						A	Q		R	R	
17. New pension scheme	R	O	O	O	O	O	O		R	O	A		O	O		O	O		O	
18. Cross-border information	O	A	R,O	A, O	A	O		O	R	Q			R	O		A,O	R		A	

In addition, the following graph that summarizes how many documents the supervisory authority receives in the different frequency categories was developed. It shows the predominant frequency category used in each Member State. It has to be borne in mind that if countries answered e.g. that they receive an information annually and quarterly, this was counted only once under the most frequent category, i.e. in the example quarterly.



2.5.1 Objectives

In the responses, the most reported objective was to ensure that the interests of members and beneficiaries are adequately protected. In all cases this was reported as being a mandatory objective in law. Given the consistency of this objective, it can only be noted that it is not linked to frequency of data collection which itself is much more varied across the supervisors.

The second objective (to guarantee the proper functioning, stability and integrity of the financial market) was on the whole reported as being a mandatory objective in law. The countries that noted this objective as not being applicable had very different frequencies of reporting requirements with one Member State collecting data mostly annually and the other mostly on request. There was therefore no clear link between frequency of reporting requirements and this objective.

The third objective (to ensure the ability of the supervised entities to meet their payment obligations) was reported as a mandatory objective in law in all the Member States that responded. Therefore it is impossible to draw any conclusions.

The fourth objective (to enforce standards of professional conduct) showed a much greater divergence between Member States with six Member States having this as a mandatory objective in law, two as a business objective and six Member States marking it as non applicable. On the majority of cases the supervisory authorities that had this as a mandatory objective in law were also those who collected information annually. This was more varied in other categories with this being a mix of Member States who reported annually and those on request. This is, however, not a strong link.

The final objective (to ensure the observation of the respective laws) was reported as being a mandatory objective in law in all Member States that responded so is not appropriate for further analysis.

The tentative conclusion is therefore that there is no clear correlation between the supervisory authorities' objectives and the frequency of data collection.

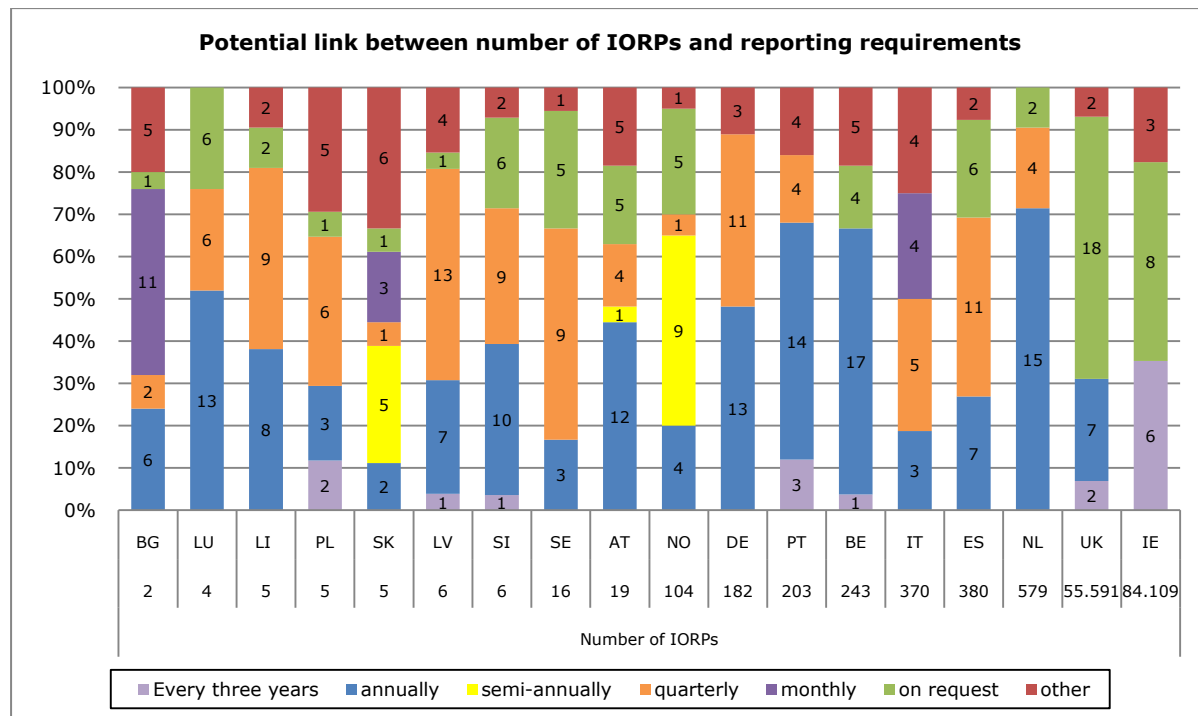
2.5.2 Analysis of data

All respondents except one reported analysing data manually as well as IT supported. Therefore, the analysis of data is not linked to the reporting requirements approach.

2.5.3 Number of IORPs

The number of IORPs that respondents have to supervise varies between Member States significantly, ranging from 2 IORPs supervised in **Bulgaria** to thousands of IORPs supervised in the **UK** and **Ireland**.

The following graph shows the potential link between the number of IORPs and the frequency in which respondents receive information/documents ordered by the number of IORPs supervised in a country.



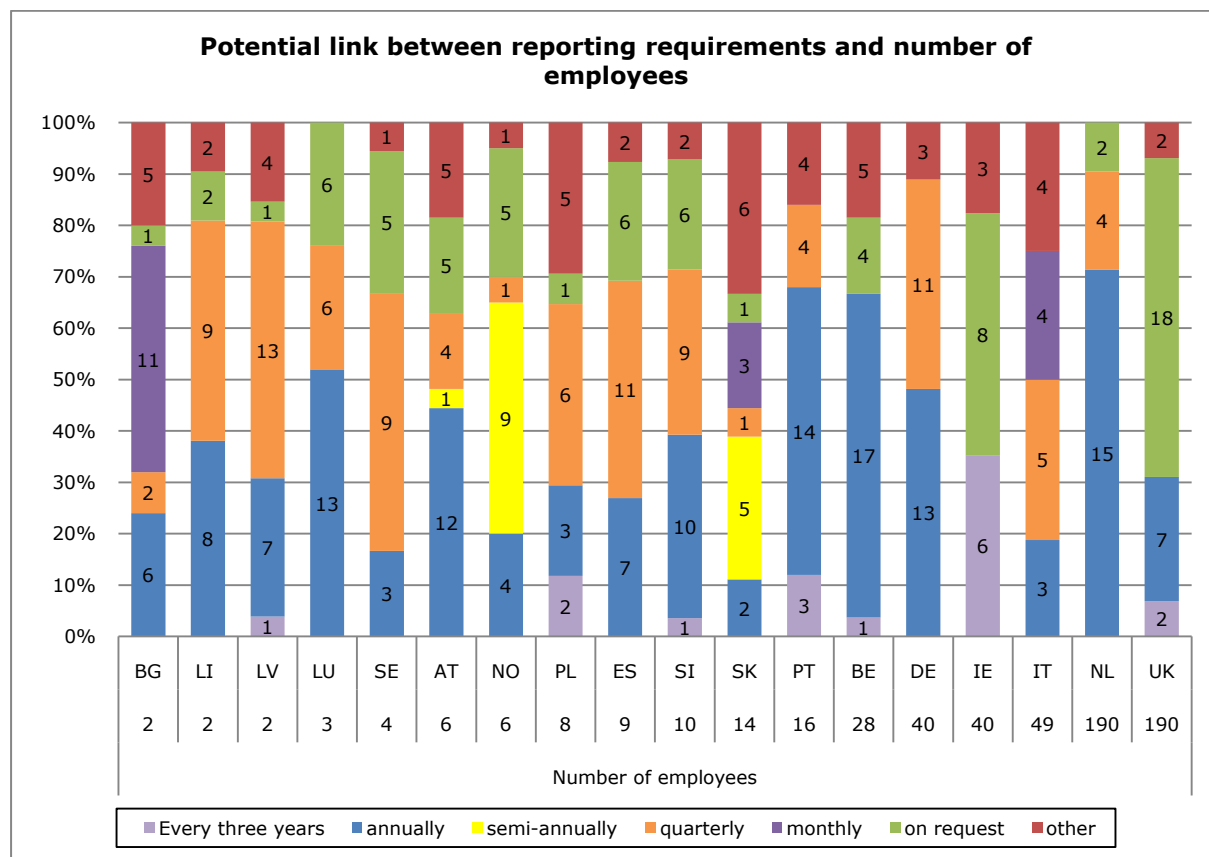
As can be seen from the graph, in comparison to all respondents the category "every three years" is especially relevant for **Ireland** where many thousands of IORPs are in operation. An annual reporting requirement

seems to be the most relevant frequency category for most countries with IORPs between 182 and 243. A quarterly frequency is widespread between Member States with less than 400 IORPs. Monthly reporting requirements are especially relevant for one country with a small number of IORPs. Respondents with thousands of IORPs seem to get especially information on request.

The tentative conclusion is that there seems to be a link between the number of IORPs and the reporting requirements approach. Taking into account only the information that has to be provided to the supervisory authority the frequency in which information has to be sent seems to be higher for countries with fewer IORPs than for countries with thousands of IORPs.

2.5.4 Number of employees responsible for IORP supervision

The following graph shows the link between the number of staff that is responsible for the supervision of IORPs and the reporting requirements approach chosen by a Member State. The number of staff varies between 2 and 190.



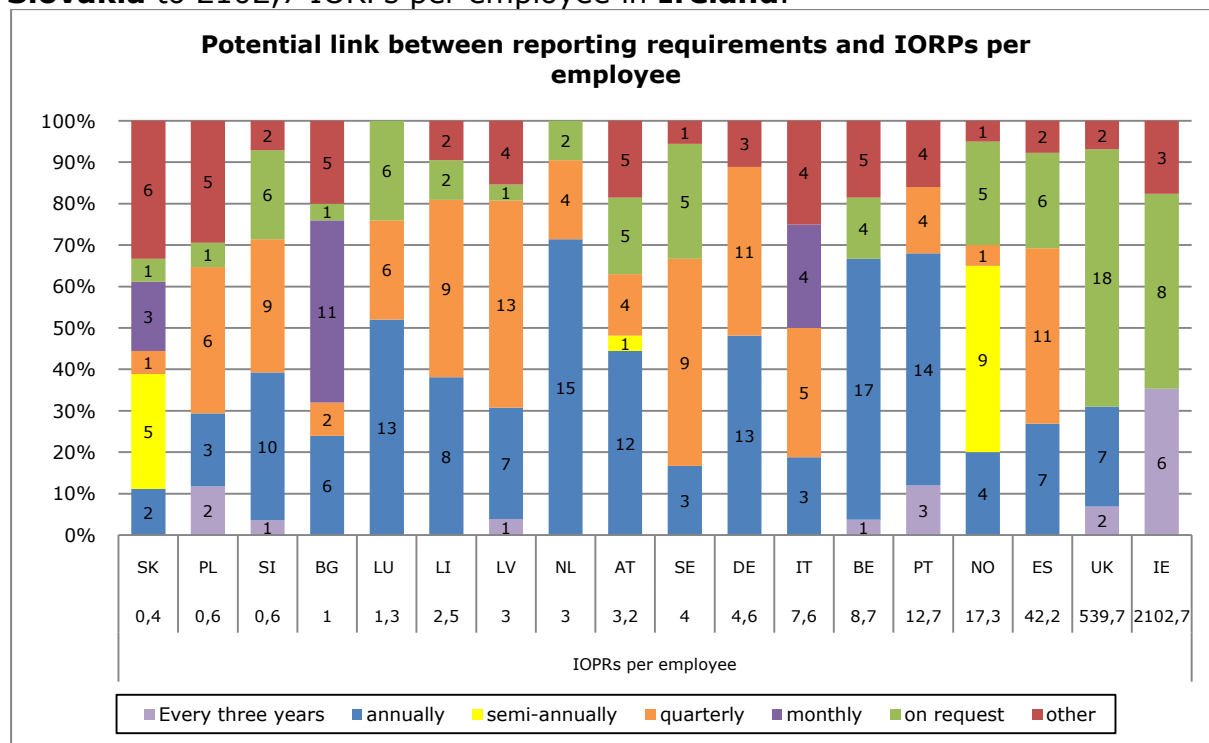
The graph underlines that it is difficult to draw any conclusions about a potential link between the two variables.

On the one hand especially the Member States with a high number of staff receive the information mainly on an annual or request basis and Member States with a small number of employees receive a lot of information/documents on a quarterly basis. On the other hand, it is interesting to note that the Member States with a small as well as medium number of staff receive a lot of information on a monthly basis.

2.5.5 IORPs per employee

Against the background of the analysis on the number of IORPs and the number of employees it seems to be reasonable to also elaborate if there is a potential link between the reporting requirements and the number of IORPs an employee has to supervisor.

The following graph shows that the numbers of IORPs per employee differ widely between Member States, ranging from 0,4 IORPs per employee in **Slovakia** to 2102,7 IORPs per employee in **Ireland**.

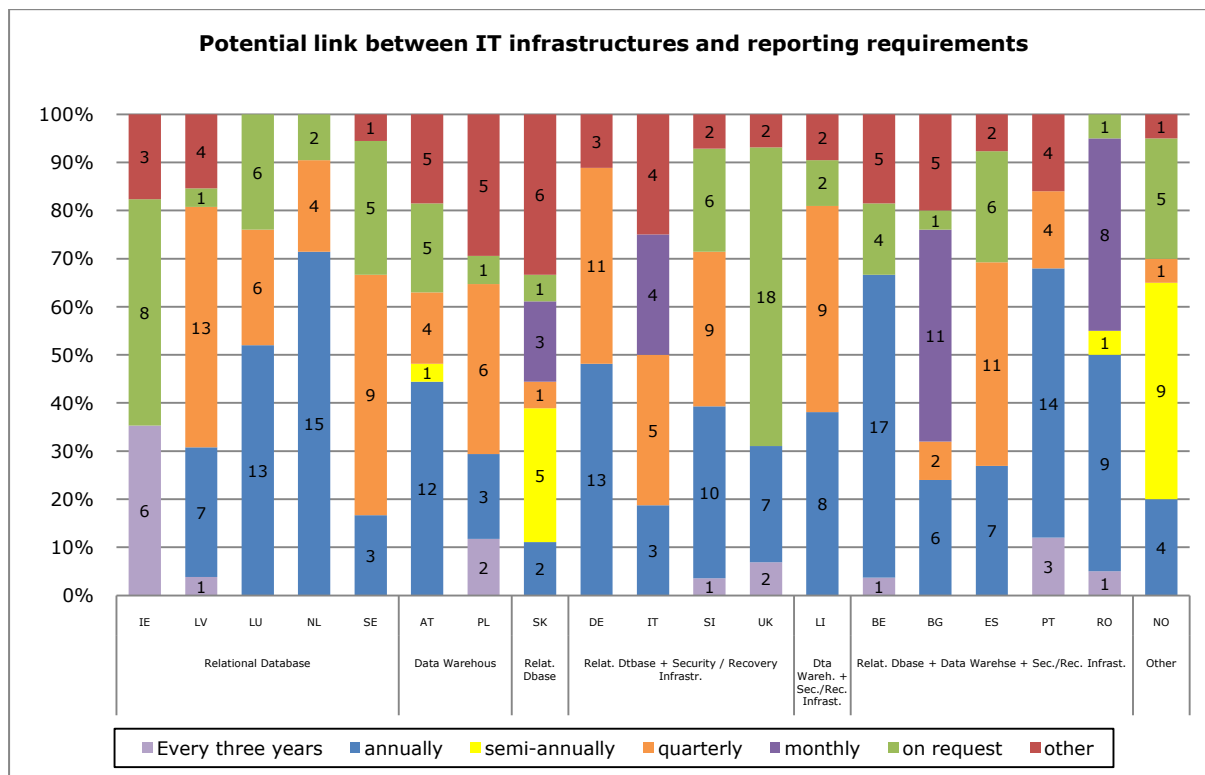


It seems to be more common to report on request in Member States with many IORPs per employee, whereas Member States with fewer IORPs per employee tend to receive / require reporting on a more frequent basis, especially monthly and quarterly. An annual reporting is especially relevant for Member States with about 3 to 13 IORPs per employee.

2.5.6 IT infrastructure

The Member States were asked to provide basic information about the current information technology infrastructure within their supervisory authority.

The graph below tries to connect the several elements of the IT structure and the frequency by which IORPs are required to submit the information/documents.



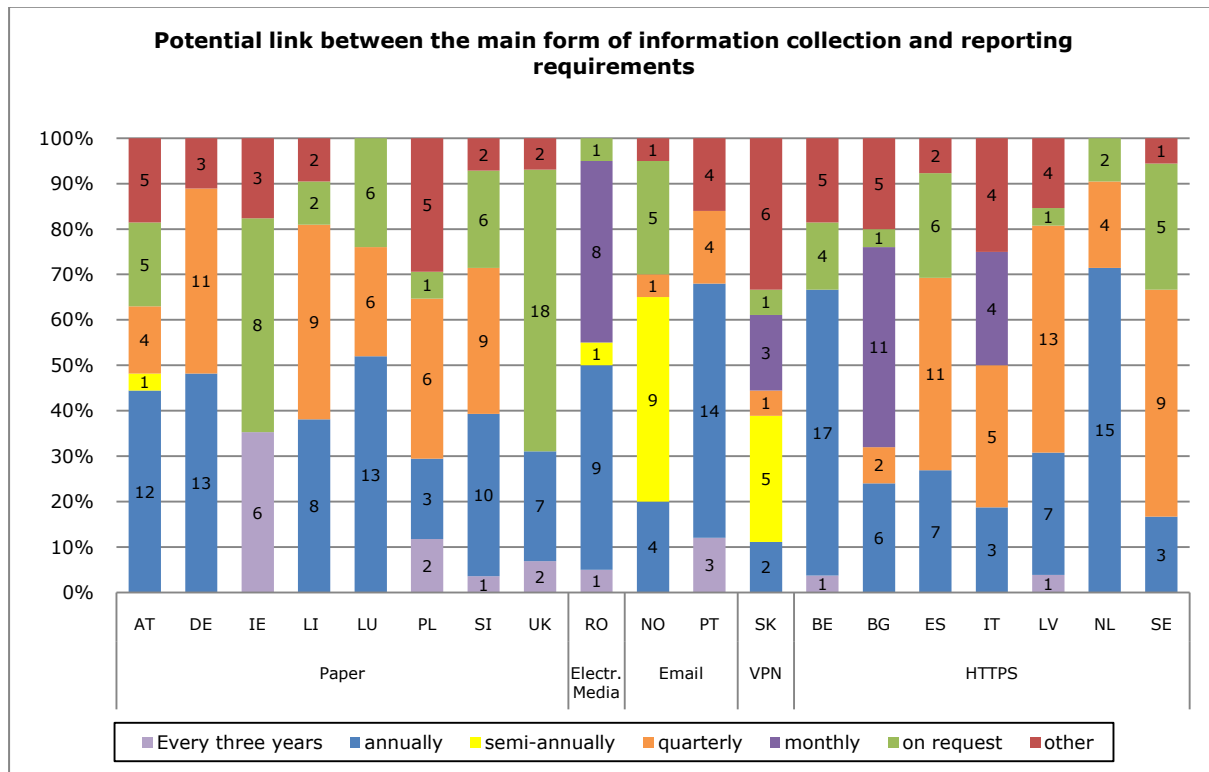
In terms of IT infrastructure the questionnaire surveyed which of the following structures each Member State Supervisory Authorities had implemented: Relational Database Management System, Data Warehouse and Security / Recovery Infrastructure.

The analysis of the graph reveals that there is not a straightforward relationship between the two variables (frequency of reporting and types of infrastructure). On one hand there are Member States – like **Bulgaria** and **Romania** – who have a high frequency of reporting requirements (many of which are on a monthly basis) and therefore have all types of IT infrastructures that helps them process and protect all that information and on the other hand there are countries who do not have such high frequency reporting requirements but also have substantial IT structures – like the **UK**. The graph also shows situation where all the listed IT structures have not been implemented yet although there is a highly frequent reporting requirements approach.

Please note that some Member States already mentioned existing plans for near future improvement on the IT structure.

In respect of the relationship between the way the information is collected (where the given options were paper form, electronic media (CD, floppy

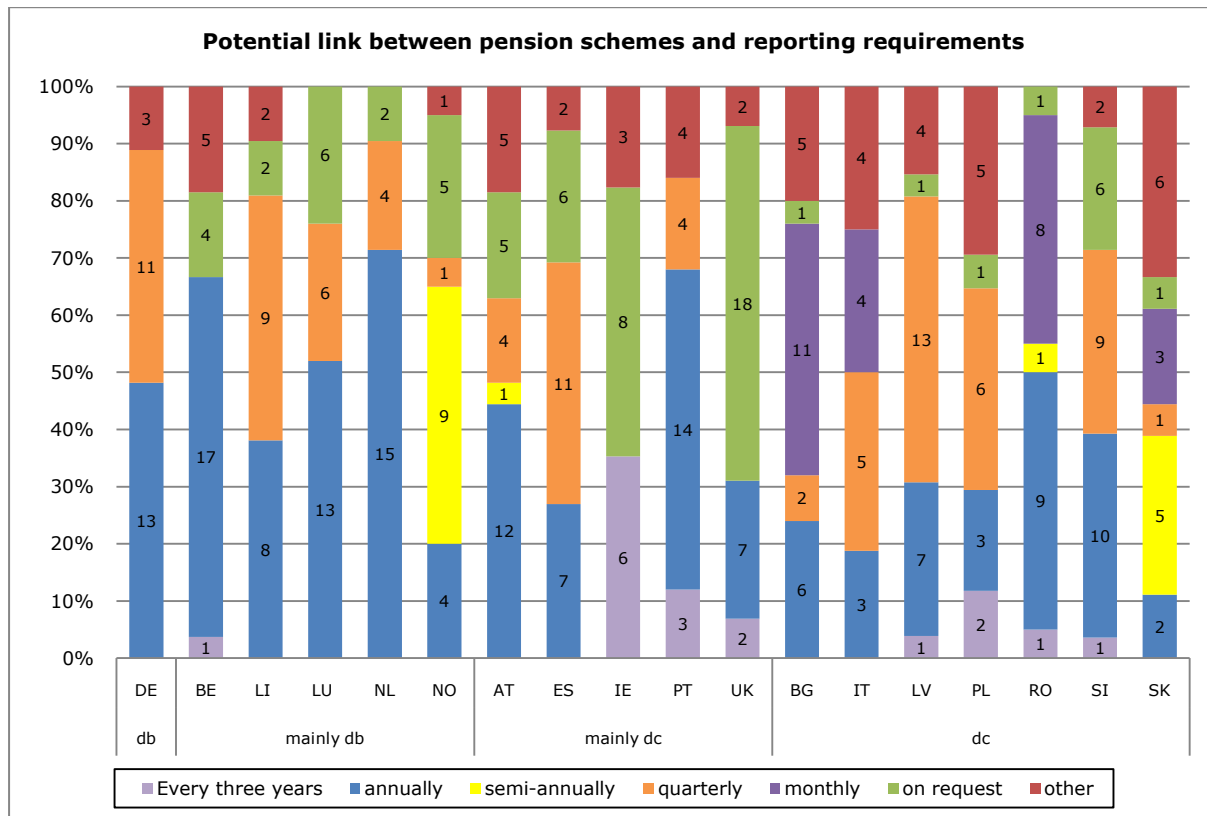
disc), e-mail, FTP, HTTP, HTTPS, VPN and others) and the reporting requirements in terms of frequency the graph below tries to explore it.



The results are somewhat diverse but there is some evidence suggesting a link between the two variables. Where there is an emphasis on information sent less frequently on request, reporting allows for both IT and paper submissions. Countries with high frequent reporting requirements making use of more IT oriented forms of collecting information, like HTTPS, VPN or electronic media (BG, SK and RO). **Romania** mentioned that from January 2011, according to secondary legislation provisions regarding reporting requirements, the information is collected mainly via HTTPS.

2.5.7 Pension schemes being operated

The following graph shows the potential link between the reporting requirements approach and the type of pension schemes. In this regard, the comments made by individual Members States in section 2.1.8 on the types of pension schemes have to be borne in mind.



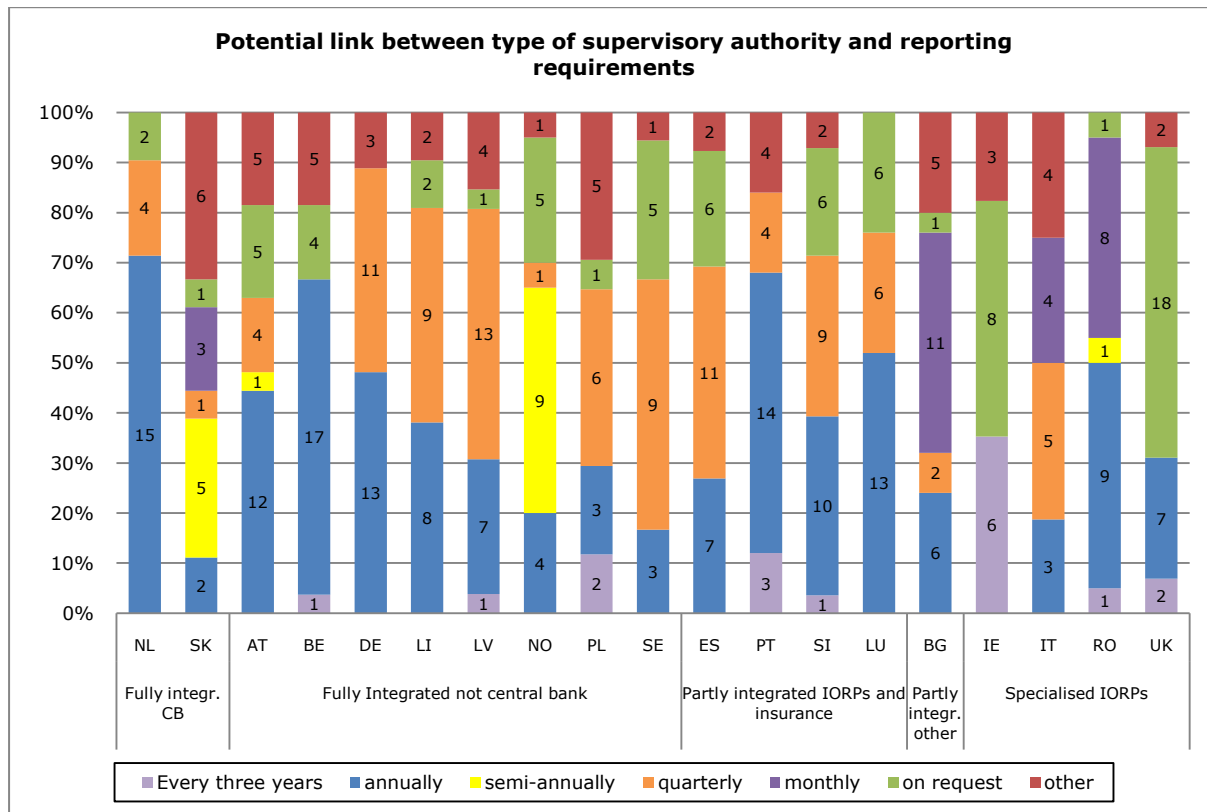
According to the graph above there seem to be a (weak) link between the reporting requirements approach and the predominant form of pension schemes that are operated in a Member State.

Member States that have defined benefit and mainly defined benefit IORPs tend to use a mix of annual and quarterly data reporting. Member States that have mainly defined contribution IORPs tend to use a mix of annual and on request data collection. Member States that have only defined contribution IORPs tend to use quarterly and monthly data collection.

What is interesting is while we can see a weak link there is great diversity within the different groups of Member States. So while a number of defined benefit and mainly defined benefit authorities receive information mostly annually, one authority receives information mainly semi annually. Equally while a number of mainly defined contribution Member States receive information mainly annually, two receive information mainly on request and one mainly monthly. Finally three defined contribution Member States receive information mainly quarterly but one receives information mainly monthly.

2.5.8 Type of supervisory authority

The following graph shows the potential link between the type of supervisory authority and the frequency with which respondents receive information/documents.



What is interesting is the diversity of the responses. While four of the fully integrated authorities use mostly annual reporting requirements a further four use mostly quarterly reporting. The same diversity applies to the reporting requirements of the two central banks.

Equally while three partially integrated authorities use prominently annual reporting requirements, one uses mainly quarterly reporting and one reports mainly monthly.

The same diversity of reporting requirements is seen in specialised authorities with two authorities dependent upon the use of requesting information whereas two other specialised authorities do not use information on request as an approach at all. Instead they have a regular reporting.

It is therefore difficult to draw any links and the table does more to illustrate the diversity in approaches to reporting than any trends.

3. Conclusions

Reporting requirements differ widely between Member States. While some Member States receive a lot of information in a very frequent way, other Member States receive information mainly on request. In order to examine the potential factors that could explain these differences in reporting requirements between Member States EIOPA has decided to carry out a detailed analysis. The conclusions of this analysis are presented below and are drawn from the answers from 19 Member States (see sections 2.2 to 2.5). Although there is great diversity in reporting requirements, the requirements set out in the IORP Directive are common to all.

Main findings on the approach to reporting requirements [2.2] and the reasons for collecting data and risk being monitored/mitigated [2.3]:

- Respondents generally receive the 1. Annual accounts and annual reports, 2. Statement of investment-policy principles, 15.2 Amount of contribution and 15.3 Amount of benefits paid and transferred. However, only 53% of the respondents receive the 13. Evidence contributions have been paid in and 37% the 16. Special register for assets covering the technical provisions.
- There is a big variety of Member States' approach to frequency in which information/documents is provided to the supervisory authority, ranging from every three years to on request. An annual reporting requirement is especially predominant for the items 1. Annual accounts and annual reports, 3. Actuarial valuation and assumptions, 5. Actuarial report, 6. Detailed auditor's report, 7. Certificate of the auditor, 8. Management letter, 15.7 Funding and 16. Special register for assets covering the technical provisions. The frequency category on request is very relevant for item 11. Asset-liability studies.
- Primary legislation is the predominant form for the implementation of the reporting requirements, as well as for the implementation of frequency.
- Respondents were asked to elaborate on the relevant factors that determine their country's approach to frequency. The factors can be summarized as follows: to meet legal obligations, to balance regulatory burden with necessary information collection, to ensure effective monitoring/supervision, to ensure up to date information, especially for investment, to mirror the approach as used for insurance companies, to supervise the long term business, to collect information for a risk based assessment of the IORP and to create an early-warning system.
- Different reporting requirements for different IORPs were reported by almost half of the respondents. Factors that determine the different reporting requirements are inter alia the type of IORP, the legal form of the IORP, the size of the IORP, the complexity of the IORP's business,

the type of pension scheme(s) operated by the IORP and the differences in regulation.

- The reporting requirements for IORPs are affected by reporting requirements for other financial undertakings, namely insurance undertakings, in almost half of the Member States.
- With the exception of one Member State which undertakes changes to its reporting requirements annually, all Member States stated that they only alter their reporting requirements if necessary.
- The main reasons for the supervisory authority to collect data that were mentioned by the respondents are to perform its supervisory functions, to generate statistics and reports, to fulfil its legal objectives, to supervise the funding level of IORPs/schemes, to ensure financial stability of the pensions market and to identify special risks.
- The reporting requirements aim to monitor/mitigate especially the funding, operational, market, liquidity and credit risks.

Main findings on the analysis of the data including relevant IT issues [2.4]:

- Almost all countries reported that they analyse data manually as well as IT supported.
- Paper form is still substantially used as a reporting method with 40% of answers for all documents. It is especially used for the 6. Detailed auditor's report, 7. Certificate of the auditor, 17. New pension scheme and 18. Cross-border information with a percentage around 60%. The second most widely method for reporting the information is HTTPS with approximately 29% of answers. Email is the third most common method for sending the information, with about 18% of answers.
- The vast majority of the Member States reported that they have implemented relational database management systems and over more than half the respondents stated that set up security / recovery infrastructure systems. Furthermore, slightly less than half the respondents have already implemented data warehouse systems for collecting data.
- Eight supervisory authorities reported that they were planning changes in the IT infrastructure.

Main findings on the assessment of factors for explaining differences between Member States in their reporting requirements approach [2.5]:

- The report analysed if the factors objectives of the supervisory authority, analysis of data, number of IORPs, number of employees responsible for IORP supervision, IORPs per employee, IT infrastructure, pension schemes being operated and type of supervisory authority are

linked to the reporting requirements approach chosen by Member States.

- The analysis of data (manually/IT supported) is not linked to the reporting requirements approach.
- There is no clear correlation between the supervisory authorities' objectives and the frequency of data collection. This also applies to the type of IT infrastructure.
- It is difficult to draw any conclusion about a potential link between the number of employees and the supervisory authority respectively and the reporting requirements approach.
- There seems to be a weak link between the reporting requirements approach and the predominant form of pension schemes that are operated in a Member State. Member States that have defined benefit and mainly defined benefit IORPs tend to use a mix of annual and quarterly data reporting. Member States that have mainly defined contribution IORPs tend to use a mix of annual, monthly and on request data collection. Member States that have only defined contribution IORPs tend to use quarterly and monthly data collection.
- The number of IORPs and IORPs per employee respectively and the reporting requirements approach seem to be linked. The frequency in which information has to be sent seems to be higher for countries with fewer IORPs than for countries with thousands of IORPs. In the case of IORPs per employee it seems to be more common to report on request in Member States with many IORPs per employee, whereas Member States with fewer IORPs per employee tend to receive / require reporting on a more frequent basis, especially monthly and quarterly. An annual reporting is especially relevant for Member States with about 3 to 13 IORPs per employee.

Annex

A.1 Main risks that the documents/information aims to monitor/mitigate

Information/documents	Risks												
	Market	Credit	Concentration	Underwriting	Funding	Liquidity	Employer	Operational	Strategic	Reputational	Fit&Proper	Governance	Other
1. Annual accounts and annual reports	9,3%	5,3%	6,7%	4,0%	13,3%	8,0%	2,7%	10,7%	9,3%	9,3%	8,0%	12,0%	1,3%
2. Statement of investment-policy principles	20,6%	19,0%	20,6%	3,2%	9,5%	15,9%	1,6%	1,6%	4,8%	1,6%	0,0%	1,6%	0,0%
3. Actuarial valuations and assumptions	5,4%	2,7%	0,0%	18,9%	35,1%	2,7%	8,1%	8,1%	10,8%	2,7%	0,0%	2,7%	2,7%
4. Assumptions for the calculation of TP	3,8%	0,0%	0,0%	15,4%	38,5%	3,8%	11,5%	7,7%	11,5%	3,8%	0,0%	0,0%	3,8%
5. Actuarial report	5,3%	2,6%	5,3%	18,4%	34,2%	7,9%	7,9%	10,5%	5,3%	0,0%	0,0%	0,0%	2,6%
6. Detailed auditor's report	5,3%	5,3%	5,3%	3,5%	14,0%	7,0%	5,3%	14,0%	8,8%	7,0%	10,5%	12,3%	1,8%
7. Certificate of the auditor	3,7%	3,7%	3,7%	5,6%	11,1%	5,6%	5,6%	16,7%	5,6%	13,0%	9,3%	14,8%	1,9%
8. Management letter	7,5%	7,5%	10,0%	2,5%	10,0%	10,0%	2,5%	15,0%	12,5%	10,0%	2,5%	10,0%	0,0%
9. Interim reports	12,3%	8,8%	8,8%	5,3%	12,3%	12,3%	3,5%	10,5%	7,0%	7,0%	5,3%	3,5%	3,5%
10. Whistle-blow reports	7,8%	7,8%	7,8%	4,7%	7,8%	9,4%	3,1%	10,9%	6,3%	10,9%	9,4%	14,1%	0,0%
11. Asset-liability studies	13,6%	13,6%	9,1%	9,1%	22,7%	15,9%	4,5%	0,0%	4,5%	2,3%	0,0%	2,3%	2,3%
12. Evidence consistency with investment-	15,3%	16,9%	15,3%	0,0%	8,5%	6,8%	1,7%	11,9%	5,1%	5,1%	3,4%	10,2%	0,0%
13. Evidence contributions have been paid	0,0%	0,0%	0,0%	0,0%	33,3%	14,3%	23,8%	14,3%	0,0%	0,0%	4,8%	9,5%	0,0%
14. Stress test	14,3%	14,3%	14,3%	10,7%	16,1%	10,7%	5,4%	5,4%	5,4%	0,0%	0,0%	1,8%	1,8%
15. Further documents/ information in the following fields:													
15.1 - Composition of membership	3,6%	0,0%	10,7%	7,1%	25,0%	14,3%	7,1%	7,1%	10,7%	0,0%	0,0%	7,1%	7,1%
15.2 - Amount of contributions	0,0%	3,0%	3,0%	9,1%	30,3%	24,2%	6,1%	6,1%	9,1%	0,0%	0,0%	3,0%	6,1%
15.3 - Amount of benefits paid and	3,0%	6,1%	6,1%	6,1%	30,3%	27,3%	3,0%	6,1%	6,1%	0,0%	0,0%	3,0%	3,0%
15.4 - Risk management	8,2%	6,8%	6,8%	5,5%	9,6%	6,8%	4,1%	13,7%	12,3%	9,6%	5,5%	9,6%	1,4%
15.5 - Allocation of assets to different asset	20,9%	17,9%	17,9%	4,5%	10,4%	11,9%	3,0%	3,0%	4,5%	3,0%	0,0%	1,5%	1,5%
15.6 - Transactions of assets	21,6%	18,9%	16,2%	2,7%	10,8%	8,1%	0,0%	8,1%	5,4%	2,7%	0,0%	2,7%	2,7%
15.7 - Funding	4,8%	4,8%	4,8%	9,5%	61,9%	9,5%	0,0%	4,8%	0,0%	0,0%	0,0%	0,0%	0,0%
15.8 - Solvency Requirements	7,7%	7,7%	3,8%	11,5%	38,5%	11,5%	0,0%	3,8%	7,7%	3,8%	0,0%	0,0%	3,8%
15.9 - Commissions to be paid	0,0%	0,0%	0,0%	0,0%	16,7%	16,7%	0,0%	27,8%	5,6%	11,1%	0,0%	11,1%	11,1%
15.10 - Return on investment	21,6%	8,1%	8,1%	0,0%	16,2%	8,1%	2,7%	13,5%	10,8%	8,1%	0,0%	0,0%	2,7%
15.11 - Investment income losses	22,9%	11,4%	11,4%	0,0%	17,1%	20,0%	2,9%	5,7%	2,9%	5,7%	0,0%	0,0%	0,0%
15.12 - Net asset value	21,2%	12,1%	9,1%	3,0%	24,2%	15,2%	0,0%	9,1%	6,1%	0,0%	0,0%	0,0%	0,0%
16. Special register for assets covering TP	18,8%	18,8%	12,5%	0,0%	25,0%	12,5%	0,0%	6,3%	0,0%	0,0%	6,3%	0,0%	0,0%
17. New pension scheme	0,0%	0,0%	0,0%	5,7%	14,3%	2,9%	14,3%	11,4%	11,4%	11,4%	8,6%	14,3%	5,7%
18. Cross-border information	6,9%	3,4%	3,4%	3,4%	10,3%	0,0%	6,9%	17,2%	6,9%	13,8%	13,8%	10,3%	3,4%

Legend regarding the main risks covered by each document:

	Highest %
	2nd highest %
	3rd highest %