

EU pensions – what you need to know

Pensions Conference 2011

IORP II

- Scope
- Cross-border
- Financial supervision
- DC

Call for Advice

[www.ec.europa.eu/internal_market/pensions/
commission-docs_en.htm](http://www.ec.europa.eu/internal_market/pensions/commission-docs_en.htm)

Topics

- Scope of the IORP directive
- Definition of cross border activity
- Ring fencing
- Prudential regulation and social and labour law
- Valuation of assets, liabilities and technical provisions
- Security mechanisms
- Investment rules
- Objectives and pro-cyclicality

Topics (contd.)

- General principles of supervision, scope and transparency and accountability
- General supervisory powers
- Supervisory review process and capital add-ons
- Supervision of outsourced functions and activities
- General governance requirements
- Fit and proper
- Risk management
- Own risk and solvency assessment

Topics (contd. again)

- Internal control system
- Internal audit
- Actuarial function
- Outsourcing
- Custodian/depository
- Information to supervisors
- Information to members/beneficiaries

Scope

- Book reserves?
- Pillar 1 bis?
- Size
- Proportionality

Social and labour law

- Country A (home) – prudential law
- Country B (host) – social and labour law

Common solvency standard

- All countries?
- Employer sponsored versus own-fund
- Own-fund versus insurance

Security mechanisms

- Employer obligations
- PPF
- Risk buffers
- Contingent assets
- Subordinated loans
- Conditional benefits
- Etc.

Risk management

“The Commission Services would like EIOPA to advise on detailed rules to ensure that IORPs have proper systems in place to identify, measure, monitor, manage and report the risks incurred and has a prospective view on the risks that might possibly occur.”

Harmonisation

“The aim is to achieve a level of harmonisation where EU legislation does not need additional requirements at the national level.”

Next steps

- Call for Advice
- Public consultation
- Draft text
- Political decision