Press Release

PensionsEurope welcomes EIOPA's decision to drop solvency requirements, but has strong concerns about the proposed common framework for risk management.

The European Insurance and Occupational Pensions Authority (EIOPA) published on 14 April 2016 the results of its Quantitative Assessment exercise covering six EU countries and its opinion to the European Commission, Council and Parliament on a Common Framework for Risk Assessment and Transparency for Institutions for Occupational Retirement Provision (IORPs). Both of these were EIOPA's own initiative work launched in 2014.

PensionsEurope has stated all along that additional capital requirements are detrimental for pension provision and welcomes the fact that EIOPA has recognized this.

In its opinion EIOPA now proposes to introduce a standardized risk assessment to calculate the impact on a common framework balance sheet of an IORP.

Matti Leppälä, Secretary General/CEO of PensionsEurope, said:

"It is good that EIOPA is not in favour of a harmonised solvency framework for IORPs. PensionsEurope has been against this idea all along and continues to do so. We also welcome that EIOPA has taken into consideration the diversity of IORP landscape across Europe. Requirements have to be proportional and small and medium size IORPs should not be overly burdened with any new risk management requirements."

Janwillem Bouma, Chair of PensionsEurope:

"Risk management is essential for IORPs and they regularly carry out their own stress tests and scenario analyses (e.g. Asset and Liability Management studies) as part of their own risk management processes. EIOPA proposes an additional framework, which we find unnecessary and it is costly."

PensionsEurope will carefully study EIOPA's Quantitative Assessment and its opinion on EU solvency rules for the IORPs and give its further analysis in a few weeks' time.

About PensionsEurope

PensionsEurope represents national associations of pension funds and similar institutions for workplace pensions. Some members operate purely individual pension schemes. PensionsEurope Members are large institutional investors representing the **buy-side** on the financial markets.

PensionsEurope has **24 member associations** in EU Member States and other European countries with significant – in size and relevance – workplace pension systems[1].

PensionsEurope member organisations cover the workplace pensions of about **70 million European citizens.** Through its Member Associations PensionsEurope represents more than **€ 3.5 trillion of assets** managed for future pension payments.

PensionsEurope also has **27 Corporate and Supporter Members** which are various service providers and stakeholders that work with IORPs.

PensionsEurope has established a **Central & Eastern European Countries Forum (CEEC Forum)** to discuss issues common to pension systems in that region.

PensionsEurope has established a **Multinational Advisory Group (MAG)** which delivers advice on pension issues to PensionsEurope. It provides a collective voice and information sharing for the expertise and opinions of multinationals.

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[1] EU Member States: Austria, Belgium, Bulgaria, Croatia, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Lithuania, Luxembourg, Netherlands, Portugal, Romania, Spain, Sweden, UK. Non-EU Member States: Iceland, Norway, Switzerland.