PENSIONS EUROPE

Press Release 1 July 2016

PensionsEurope welcomes the modernised rules for pension funds

After the successful trilogue negotiations the Committee of Permanent Representatives approved the review of the IORP Directive 30 June. PensionsEurope welcomes the updated legislation on the activities and supervision of institutions for occupational retirement provision (IORPs).

Janwillem Bouma, Chair of PensionsEurope:

- ”I would like to warmly congratulate the EU Member States, the European Parliament, and the European Commission for finding an agreement on the modernised rules for pension funds. On behalf of PensionsEurope, I would like to especially thank the Dutch EU Presidency and European Parliament Rapporteur Brian Hayes for taking on board many concerns raised by the pension funds. In particular, PensionsEurope is pleased that the updated legislation does not contain new solvency capital requirements for IORPs. As also EIOPA has noted, they could have significant negative impacts on the IORPs, sponsors, and members.”
- ”PensionsEurope welcomes that the IORP II Directive recognises that the IORPs are first and foremost institutions with a social purpose. Considering the diversity of occupational pension systems across the EU and the central role played by national social and labour law, we are happy that the Member States retain flexibility to implement the IORP II Directive, and furthermore, the delegated acts which would give many regulatory competences to the EU level are not included the legislation.”

One of the original objectives of the European Commission’s proposal was to make it easier to operate cross-border pension schemes.

Matti Leppälä, Secretary General/CEO of PensionsEurope:

- ”The IORP II Directive clarifies the rules on the IORPs’ cross-border activities. The fully funded requirement at all times for cross-border IORPs maintains as a matter of principle. However, the possibility to be underfunded is now mentioned in the Directive for the first time and PensionsEurope warmly welcomes this. Furthermore, we are pleased that both transferring and receiving authorities have a role in cross-border transfers, their roles are clearly defined, and EIOPA’s mediation is not binding.”
- ”In addition to clarifying the rules on the IORPs’ cross-border activities, the modernised legislation makes pension funds better governed and more transparent. PensionsEurope is happy that the new rules are more principles-based than the European Commission’s original proposal, and therefore, they take better into account the diversity of occupational pension systems across the EU.”

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 19 EU Member States and 3 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 around **€ 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.