



11 June 2019

Press release

PensionsEurope publishes a brochure on supervisory reporting requirements for pension funds which are fit for purpose

PensionsEurope's [brochure on supervisory reporting](#) discusses appropriate reporting requirements for pension funds. It stresses that relevant and comparable information about pensions in Europe is needed, but the requirements need to be fit for purpose, as all costs will ultimately be paid by pension fund members and/or any associated plan sponsor (the members' employer).

Janwillem Bouma, Chair of PensionsEurope, said:

"Our brochure is a natural follow on from our excellent co-operation with the ECB and EIOPA on their new reporting requirements for pension funds. While aiming for stability, it is also important to carry out post-implementation reviews of new requirements in order to keep them 'fit for purpose'. It is right to assess on an on-going basis whether there is room to make reporting requirements and tools more efficient, whether all information requested is necessary and whether potentially overlapping requirements can be streamlined."

"Besides the ECB and EIOPA, we have also had excellent co-operation with the European Commission on their fitness-check on supervisory reporting requirements. It is important that fitness checks on supervisory reporting are regularly conducted to ensure that (i) the benefits of requirements outweigh the associated costs, (ii) supervisory authorities work effectively and efficiently and the supervision is good quality, and (iii) that supervisors' activities remain proportionate in their scope. Based on the outcome of the fitness check, we expect concrete actions from the new EC. Furthermore, the new EC should have a more horizontal approach when drafting new financial market legislation by first exploring its consistency with various current legislation and their wider costs/impact on industries."

Pension funds are covered by various reporting requirements on national and EU level. Reporting requirements under various EU legislation e.g. include European Market Infrastructure Regulation (EMIR), Market in Financial Instruments Directive (MiFID II) and Regulation (MiFIR), and Securities Financing Transactions Regulation (SFTR). The burden and costs to pension funds will increase with the new pension data reporting requirements by EIOPA and the ECB scheduled to start after Q3 in 2019.

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

"All costs – including those to meet supervisory requirements - will ultimately be paid by pension fund members and/or any associated plan sponsor. In most EU Member States employer contributions to occupational pensions are voluntary. Increasing regulation and other requirements make occupational pensions more expensive, making it less attractive to set up new pension schemes and hence potentially

limits the amount of contributions paid and thus the savings for adequate pensions throughout Europe.”

“In general, we welcome that the ECB, EIOPA, Eurostat, and the OECD aim to align their reporting standards for pension funds, and in order to achieve synergies we encourage them to align all the reporting standards together with NCAs and National Supervisory Authorities (NSAs) as much as possible. Furthermore, we invite the EC and the European Supervisory Authorities (ESAs) to explore new IT solutions, for example in the field of distributed ledger technology e.g. by storing all related individual transactions in groups, or blocks, which are attached to each other in chronological order to create a single data chain.”

PensionsEurope brochure highlights that pension funds are, first and foremost, institutions with a social purpose active on the financial markets. Therefore, they cannot be compared directly to financial institutions such as banks and insurers. A one-size-fits-all approach to applying European legislation and supervisory requirements to pension funds would be detrimental as it would not consider the heterogeneity and complexity of the different combined first and second pillar systems.

About PensionsEurope

PensionsEurope represents national associations of pension funds and similar institutions for workplace and other funded pensions. Some members operate purely individual pension schemes. PensionsEurope has **24 member associations** in 18 EU Member States and 3 other European countries¹.

PensionsEurope member organisations cover different types of workplace pensions for over **110 million people**. Through its Member Associations PensionsEurope represents more than **€ 4 trillion of assets** managed for future pension payments. In addition, many members of PensionsEurope also cover personal pensions, which are connected with an employment relation.

PensionsEurope also has **29 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.

What PensionsEurope stands for

- A regulatory environment encouraging workplace pension membership;
- Ensure that more and more Europeans can benefit from an adequate income in retirement;
- Policies which will enable sufficient contributions and good returns.

Our members offer

- Economies of scale in governance, administration and asset management;
- Risk pooling and often intergenerational risk-sharing;
- Often “not-for-profit” and some/all of the costs are borne by the employer;
- Members of workplace pension schemes often benefit from a contribution paid by the employer;
- Wide-scale coverage due to mandatory participation, sector-wide participation based on collective agreements and soft-compulsion elements such as auto-enrolment;
- Good governance and alignment of interest due to participation of the main stakeholders.

Contact:

PensionsEurope

Koningsstraat 97, rue Royale – 1000 Brussels

Belgium

Tel: +32 (0)2 289 14 14 – Fax: +32 (0) 289 14 15

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