

EIOPA and ECB consultations on pension data

**Opinion by the EIOPA Occupational
Pensions Stakeholder Group**

OPSG comments on EIOPA and ECB consultations on pension data

OPSG shares the aim of EIOPA and the ECB to have better, comparable and relevant information regarding occupational pensions in Europe. We understand that the collection of statistical information on pension funds is needed to e.g. satisfy regular and ad hoc analytical needs to support the ECB in carrying out monetary and financial analysis, and for the ESCB's contribution to the stability of the financial system.

Particularly we find important that:

- The ECB, EIOPA, Eurostat, and OECD try to align their reporting standards for pension funds;
- Some of the most burdensome and costly features have been removed from the ECB Draft Regulation;
- Pension funds are not required to report directly to the ECB, but to the NCBs or the NCAs;
- Derogations may be granted to small pension funds;
- The accounting rules followed by pension funds shall be those laid down in the relevant national law.

However, we would like to stress that statistical reporting and collecting information always contain costs for pension funds, so it should be very carefully considered, which information is really relevant and needed, and how often they should be reported. Any extra costs will be finally paid by the sponsor and/or Members and Beneficiaries. It should be kept in mind that contributions to occupational pensions in some EU Member States are voluntary for employers. Increasing regulation and other requirements make occupational pensions more expensive, making it less likely that pension schemes are being set up and contributions paid.

Pension funds should not be required to pay high fees to third parties in order to be able to provide the required information to the ECB and EIOPA. The ECB should also take the full advantage of its current statistical reporting requirements on other non-monetary financial corporations, so that pension funds should not have to provide the same data to the ECB that it already has from other sources.

In some countries (e.g. in the Netherlands), currently pension funds already have two different statistical reporting requirements to national competent authorities (NCAs): one for statistical purposes, and the other one for supervisory purposes. As the envisaged reporting requirements by the ECB and EIOPA are very different from the current national requirements, the new requirements would lead to additional reporting requirements and information flows for pension funds. Therefore, we would prefer to have the same definitions and classifications nationally and at the EU level.

We understand that the deadlines for reporting have been aligned between EIOPA and ECB. We are disappointed that the new reporting lacks ambition to go further in the improvement of the reporting process. For example: the information requested by the ECB on assets with an ISIN code is

limited. EIOPA should use the same approach and deduct further information on assets with ISIN codes from the Centralized Securities Database. One single reporting should be the norm and although EIOPA and ECB promote this option the requested information does not reflect this ambition.

We would like to stress that the reporting burden and costs on IORPs should be minimised and we are happy to see that the ECB already pays a lot of attention to that in its draft Regulation. In this respect, we support the principle that a lot of flexibility should be given to the Member States in the process of data collection and distribution. The NCAs (which already have a lot of information about the financial activities of occupational pensions) should have a central role and a 'one stop shop' approach should be implemented by them.

We agree with EIOPA that NCAs should provide the contents of all individual IORP reporting templates as aggregated information at Member State level to EIOPA. **However, we disagree that the NCAs should be also required to report individually the contents of all reporting templates of the largest IORPs, as it is not the role of EIOPA to supervise individual IORPs. Furthermore:**

- **We question EIOPA's legal basis to require this type of reporting, which would go further than what is provided by Article 35 of the EIOPA Regulation (Collection of Information).**
- **It seems to us that only the European Commission's proposal for the review of the European system of financial supervision could create the legal basis to require the NCAs to report individually the contents of all reporting templates of the largest IORPs: "The Authority may also request information to be provided at recurring intervals and in specified formats or by way of comparable templates approved by the Authority. Such requests shall, where possible, be made using common reporting formats."** (Amending Art. 35 (2) of the EIOPA Regulation).¹ **However, even if this change was adopted, the level of harmonisation for IORPs would still be determined by the IORP II Directive.**
- **Currently EIOPA does not have the legal basis to directly require data from individual IORPs and EIOPA should not aim to do this in an indirect way by asking the NCAs to submit to it all reporting templates of individual IORPs.** The only exemptions are actions in emergency situations (the Article 18). The Commission proposes that the circumstances under which EIOPA can directly approach individual IORPs are extended – according to the proposal they should be allowed to approach individual IORPs if the NCAs (and other authorities, see proposed Article 35 (5) of EIOPA Regulation) do not make the data available (proposed

¹ Art. 2 (22) Proposal for a Regulation of the European Parliament and of the Council Amending Regulation (EU) No 1093/2010 establishing a European Supervisory Authority (European Banking Authority); Regulation (EU) No 1094/2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority); Regulation (EU) No 1095/2010 establishing a European Supervisory Authority (European Securities and Markets Authority); Regulation (EU) No 345/2013 on European venture capital funds; Regulation (EU) No 346/2013 on European social entrepreneurship funds; Regulation (EU) No 600/2014 on markets in financial instruments; Regulation (EU) 2015/760 on European long-term investment funds; Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds; and Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.

Article 35b of EIOPA Regulation).² Similar to the point raised above, also in this case EIOPA would still be bound by the IORP II Directive.

- **The NCAs are responsible for the supervision of individual IORPs.** This is adequate because the national authorities are well placed to supervise the IORPs within the context of national social and labour law. It is unlikely that EIOPA would be better placed to fulfil this task.
- **So far, we have not heard valid reasons supporting EIOPA's request for detailed individual IORP data. There has to be a clear need to require individual IORP data and it has to be clearly stated in legislation.**

Furthermore, IORPs cannot and should not give information on the sponsor's balance sheet as requested by EIOPA and we ask to amend the text accordingly. EIOPA does not have a mandate to supervise the sponsoring companies.

EIOPA requires quarterly reporting on assets from all IORPs to be collected by the NSAs. The ECB has set a threshold on quarterly reporting requirements and we would expect EIOPA to use the same threshold. This threshold allows for 85% of market coverage and reduces considerably the number of IORPs that must report quarterly and as such the cost related to this reporting.

² See footnote 1 and Art. 2(23) of the Commission's proposal.