Comments Template on EIOPA-CP-11/006 Response to Call for Advice on the review of Directive 2003/41/EC: second consultation		**Deadline 02.01.2012 18:00 CET**
Company name:	Assoprevidenza – Italian Association for supplementary pensions	
Disclosure of comments:	EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential. *Please indicate if your comments on this CP should be treated as confidential, by deleting the word **Public** in the column to the left and by inserting the word **Confidential**.*	Public
	The question numbers below correspond to Consultation Paper No. 06 (EIOPA-CP-11/006). **Please follow the instructions for filling in the template:** ⇨ Do **not** change the numbering in column "Question". ⇨ Please fill in your comment in the relevant row. If you have no comment on a question, keep the row empty. ⇨ There are 96 questions for respondents. Please restrict responses in the row "General comment" only to material which is not covered by these 96 questions. ⇨ Our IT tool does not allow processing of comments which do not refer to the specific question numbers below. ○ If your comment refers to multiple questions, please insert your comment at the first relevant question and mention in your comment to which other questions this also applies. ○ If your comment refers to parts of a question, please indicate this in the comment itself. **Please send the completed template to *CP-006@eiopa.europa.eu*, in MSWord Format, (our IT tool does not allow processing of any other formats).**	
Question	**Comment**	
General comment	1. Level playing field between operators is often brought forward as one of the objectives that should be achieved. In most member states, IORP's are not-for profit institutions established by employers or social partners for the sole and unique goal to manage the occupational pension in the best	

interests of the pension plan members and the beneficiaries (spouses, orphans, etc.). They have a fundamentally different activity then a commercial undertaking, and should therefore not be treated in the same way.

2. Review of the IORP directive can not be handled separately from other initiatives of the Commission with respect to pension policy. The review as it is presented through the questionnaire touches also upon issues like the organisation of social protection, which are of political nature.

3. The goal of the regulation should consist in facilitating the existence of good pension schemes for the European workers and citizens. In a number of member states pension schemes exist since a long time. They are regulated and function well, and can prove a track record in delivering pensions.

4. The barriers for the setup of a cross border activity are not only of prudential nature. They have to deal also with tax issues, resistance of local stakeholders, costs for managing a complex legal environment, and possibly also a basic lack of demand since cross border economies of scale on the asset management side can also be achieved by other means.

5. The directive takes the single market as starting point. It must however take the social aspect of pensions fully into account, as they are part of the European social model. Regulation of pensions might not result in a situation wherebye employers become discouraged to provide occupational pensions because of the cost/risk balance. AEIP believes that strong occupational pensions are superior to individual pension solutions, both from an economical as a social perspective. Pensions should continue to be considered as part of labour agreements.

6. The basis for the review of the IORP Directive should be the IORP Directive itself and thedifferent reports published by the CEIOPS. It is not appropriate to use the framework of theSolvency II Directive as a starting point.

7. A revised IORP Directive should be able to handle different pension systems and the variety of pension agreements, including hybrid systems and leave enough flexibility for national decisions in this respect. A revised IORP directive should also leave enough flexibility for future adjustments of pension arrangements and for new kind of pension agreements. The European level should only intervene in the subsidiarity if national legislation fails to comply with the relevant principles of a

	single market. 8. Assoprevidenza wants to stress that proportionality should be taken into acoount when drafting and applying regulations. They should not be an administrative burden. The rules must not constitute a hurdle for employers to provide pension benefits via pension funds, or smaller pension funds to operate. 9. IORP'S deal with long term commitments. They are an important source of institutional investment, and can play a stabilising role in crisis situations. Pension funds are true long term investors. Therefore standards should be drafted in such a way that they are not procyclical nore intensify short term trends. If the whole financial industry turns to risk based supervision using the same type of harmonised standards, everyone might be forced to move in the same direction in periods of turmoil. This creates a huge systemic risk. 10.A new directive should be neutral towards different type of pension schemes, and should not lead to the shift from one type to another, e.g from defined benefit to defined contribution or hybrid schemes or vice versa, or from collective to individual, or occupational to private 11. The liabilities encountered in pension schemes can be very different from those in a insurance contract concluded between parties. Benefits can be conditional, they can even be reduced when employers and employees agree, pension protection schemes can interfere. Especially in those schemes that are negociated between social partners, liabilities are not to be treated as fixed items. Security becomes as such in some types of scheme part of the pension promise itself. Harmonisation will be very difficult because of the differences in the schemes. The freedom of social partners to negociate on occupational pensions should not be hampered. 11. Best practices already exist in member states, so we support a flexible approach by control authorities. 12. impact assessments are needed before issuing decisions at level 1.	
1.	We agree in general with the analysis of the options as laid down in the advice A change of the scope of the IORP Directive is not only of technical nature, but has political implications. Indeed it touches on questions with regard to the extent and coordination of social	

	security systems, their relation with competition rules, and the dividing lines between pillars. We support for keeping the scope of the directive unchanged. An unchanged scope of application of the IORP Directive would not mean that no appropriate regulation has to apply eventually to DC plans that fall outside the scope in case the protection offered by the national framework appears as not appropriate. All this has also to do with the relation between the IORP Directive and other legal framework. With regard to the 1th pillar or the 1th pillar bis this concerns the question on whether EIOPA can interfere on social security items. It is the member state's responsibility to take responsibility towards their citizen's for guaranteeing their rights in first pillar schemes and to make them sustainable.	
2.	NO	
3.	Option 2 – See answer question 4	
4.	Yes. In Italy it could be some problems for "Open pension funds" held by banks and other financial institutions that can receive collective membership on the bases of a collective bargaining. This kind of funds could be excluded from IORP's Directive because they aren't autonomous for admistrative aspects but only with respects of assets, so exclusion ex art. 2.2.b) could apply. For these particular pension funds the same possibility offered by current art. 4 of IORP directive could be provided (following par. 4.3.27 of CfA).	
5.	We agree with the analysis of the options as laid out in the advice. A clear and concise definition of cross-border activity is required in order to avoid any gaps or conflicting interests between different member states. The respect of social and labour law, including compulsory membership and the existence of solidarity elements, together wiith the recognistion of the role of social partners in negociating pension schemes, is a crucial factor in the security and sustainability of pension schemes and systems. The provision "without prejudice to social and labour law" of the host Member State should be interpreted widely enough to cover prudential regulation as well, if this is part of the social and labor law.	
6.	Yes, the option responds on concerns of CfA. In the context of art. 16.3 we agree on Option 1	

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7.	Ring fencing might have a positive impact: clear and homogenous criteria, so better and homogenous protection, fundamental in the case of cross border activity, but theremight be also negtive impact: more administrative tasks and thus possibile increase of costs and no possibility for an employer to really act on European level by offset surplusses and deficits of different schemes. This last point can however lead to arbitration of opportunities by compensating intenal shortage with assets of another country.	
8.	It should be up to Member States to prohibit or not ring fencing.	
9.	Privilege rules might be introduced because the social mission of IORP's imposes to protect at maximum level members rights	
10.	We agree. However, "conditions of operations" could also include governance and organisation of the IORP. It seems advisable to provide for a default clause in order to avoid a legal vacuum, or uncertainty as to which Member State is responsible : all provisions that have not been defined as social and labour law by the Host Member State are of the competence of the Home Member State	
11.	We agree with the impact analysis of EIOPA	
12.	We appreciate the EIOPA analysis on specific characteritics of IORP. We agree with holistic approach. We would rather like to talk about a holistic approach, rather than of a holistic balance sheet. The holistic approach should be seen as a prudential supervisory solvency assessment tool rather than a "usual" balance sheet based on generally agreed accounting standards. The term "holistic" allows to take into consideration intangible elements like some security and benefit adjustment mechanisms, i.e., it includes all economic exposures to which IORPs are exposed, whether or not the elements would be on or off balance sheet in an accounting sense. Any decision over these matter should be taken at the political level since there might be relevant impacts over the structure and nature of occupational pension schemes in Member States. The nature of the commitment taken by the pension vehicle is essential to design its supervisory framework. Not taking the nature of the commitment into account, would lead to a de-level playing field between different vehicles. So we have to review the IORP Directive in a way that is flexible enough to allow for all kinds of IORPs through the holistic approach in order to ensure that it fully	

reflects the different security mechanisms.

The holistic approach could be used to judge the sustainability of a pension scheme or system independent of the vehicle which is used to finance it. The analysis of the security and sustainability of the pension scheme goes and should go beyond the IORP directive as it applies to all pension schemes or systems independent of the vehicle that is used. The EC could address this in the forthcoming white paper on pensions or take a separate initiative.

IORPs would then consider elements that are beyond the IORP itself and that are key differences from insurance. This could be seen as representing the interrelation between social aspects and prudential aspects within the field of occupational pensions. Particularly:

- the ability to rely to sponsor support and/or pensions protection schemes;
- benefit adjustment mechanisms;
- supervisory standards applied, even if some regulatory differences should not be material.

The holistic approach has to allow for IORPs make use of differing security mechanisms so long as the overall level of security provided is similar or ideally the same.

The holistic approach can allow to remove distinction in art. 17, because differences between different kind of schemes came from differences on security level

From a more technical point of view, we agree with:

Best estimate: It should take into consideration the distinction between guaranteed and conditional benefits (and possibly discretionary benefits) including the existence of benefit adjustment mechanisms. A distinction between the best estimate of the guaranteed and conditional benefits should be made visible. The extent of benefits to be evaluated and the actuarial method to be used will also influence this component.

Risk buffer margin for deviations calculated according to the current IORP Directive where the buffer is not related to the concept of transfer of liabilities but to the risk of adverse deviations of assumptions (expected normal fluctuations above the best estimate). Under the current IORP Directive approach this option would correspond to a situation where the technical provisions are segregated into a best estimate plus a margin for deviation whereas the prudence in the assumptions

	would become explicit.	
13.	We consider that the evaluation of assets, according to the 'fair value' principles is not the only principle applicable because the long time horizon in wich IORP operate can permit other criteria. "Fair-value"-accounting brings considerable volatility within the balance sheet. Combined with the necessity of meeting the Solvency Capital Requirements at all times, pension funds become very vulnerable to (irrational) market behaviours. Instead of being stable, sometimes anti-cyclical investors, that stabilize financial markets, pension funds are forced to follow the trends therefore fuelling eventual irrationalities of capital markets. They had to adjust contribution rates swiftly and sometimes beyond economic means if market developments work unfavourably against them. Art. 75 implies – like in all fair-value accounting – that markets exist. This is neither true for assets nor for liabilities. Currently there are almost no markets for pension liabilities in continental Europe. All liabilities have to be marked against a certain model. But even the asset side suffers under fair value accounting: pension liabilities are very long-lasting. The average duration of a pension fund may well exceed 20 years. To replicate these liabilities with an assets portfolio that matches the liability structure, huge parts of the assets must have durations longer then 15, 20 or even 30 years. There are almost no fixed income assets with this duration available on the capital markets. Pension funds are unable to achieve a matched asset liability structure. Therefore the high duration of the liability side with the asset liability mismatch drives risk and volatility of the pension funds.	
14.	We agree with option 1. Reference to transfer value is not appropriate; liabilities that are valued in a market consistent manner are not necessarily equal to a transfer value.	
15.	We agree. The own credit standing of IORPs should not be taken into account when valuing liabilities Taking the credit standing of the fund into account, is denying the going concern principle. It would lead to an unclear and ineffective situation. The idea starts from the assumption that there is a market available to take over the liabilities. This is not the case, certainly not in continental Europe.	
16.	We prefers option 1 We believe that harmonization with accounting rules should not be a driver for a new IORP framework. We believes that current IAS / IFRS regulation are unfit to form the basis of a solvency regime for	

	IORP. Pension funds do not compete for investor's money and there is therefore no need to use investor related accounting rules like IAS / IFRS. IORP should use accounting rules based on prudence and with averaging mechanisms, at least when it comes to solvency needs. For industry-wide operating pension funds and their sponsoring companies no international accounting rules exist that seem to be applicable. Liability figures for each sponsoring company cannot be provided in schemes which are calculated via "collective equivalence" and partly funded / partly PAYG. Therefore we prefer option 1.	
17.	We agree with EIOPA view to adopt art. 76(1) and 76(4) and 76(5) amended.About 76(3) we agree with Option 1	
18.	We agree with Option 1	
19.	We agree for the principle, but amendment is not clear. It would be preferable the wording as 9.3.57. Moreover we can consider also contributions and liabilities of new members, particularly if membership is compulsory.	
20.	We agree to this proposal	
21.	We disagree with both option, because we totally share analysis in 9.3.69. To have 2 different level of technical provision has not sense, because we will base all solvency system on the wrong one (risk free) and so the right one semms to be not useful Even comparison is non a good reason, because the level that we shouls use for comparison is not the real one and any conclusion/decision on solvency of IORP should be based on incorrect data. So we would like to bring option 1 on the table. The negative impact for option 2 and 3 are farmore important	
22.	We agree to this proposal	
23.	We agree with option 1	
24.	We agree to this proposal	
25.	We prefer option 2.	
26.	We agree with option 1	
27.	We agree with this proposal	

28.	We agree with this proposal	
29.	We agree with this proposal	
30.	We agree with this proposal	
31.	Many quantative impact studies within Solvency II showed that the most important burden derives from the calculation of technical provisions. Especially the design of the risk free discount curve builds up enormous pressure. These are aspects whose details are fixed on level 2 within the Solvency II process. The most important aspects that decide about the future of the pension fund industry must however be decided on level 1.	
32.	We suggest to provide only rules regarding minimum requirements. This will lead to a desired level of security. In that case an article prohibiting additional rules is redundant and in any case iadditional rules will be cohetent with mesures decided on level 2 .	
33.	We agree with this proposal. We find that this is of utmost importance for an appropriate security system for pension funds.	
34.	Taking the aim of the three tier system into account we find the whole approach artificial. Usually IORP's do not provide of tier 2 or tier 3 capital. The sponsor covenant - provided on legal or contractual basis - is sufficient. However, if it would be decided to apply the concept of own funds to IORP's, the solvency II rules should at least be altered to take the specificities of IORP's into account. In case the holistic balance sheet approach is adopted the differences between unconditional, conditional and discretionary liabilities could be expressed in some form of tiers.	
35.	We agree with this proposal. Subordinated loans might however only be possible in cases of temporarily problematic, but going concern situations.	
36.	We prefer option 2 (a non uniform security level) as the acceptable level in each country depends not only on technical factos but also very much on political factors (eg social and labour law, possibility to reduce benefits, etc), that cannot be overcome by EU-wide prudential regulation. Decisions regarding the adoption of a uniform confidence level across EU countries as well as the definition of a specific probability for the confidence level is of a highly political nature and we agree with the decision of not to propose a specific probability for defining the confidence level.	
37.	We think that a reflexion abut possibility to use a more large time horizon is needed, taking into account the long-term nature of most pension liabilities.	

	For the same reason, the period granted to recover must be much longer (15-20 years for the SCR).	
38.	We share EIOPA advice. We agree that adjustment mechanisms of IORPs should be reflected in the SCR: each pension scheme should be allowed to present its own mixture of risk mitigation techniques to lower qualitative or quantitative requirements. We agree also with the analysis in 10.3.36-40 The Solvency II directive is based on a risk-based supervison. Other examples of risk-based supervision exist already at present in some of the members states. They do not apply all Solvency-II rules for calculating the solvency capital requirement. One can learn from existing best practices. They tend to prove that flexibility is required from supervisors, that very tight rules do not work in crisis situations, and even produce undesired effects.	
39.	We agree to the analysis of EIOPA that a yearly assessment is very costly. Therefore we believe that all calculations can be done on a three-yearly basis.	
40.	We share view in 10.3.81, so we agree with option 1.	
41.	We agree with option 1 A pension protection scheme is an instrument to provide pension security. In a holistic approach all the different security mechanisms should be included. The question remains on how they will be valued: a double taking into account should be avoided. The question if they should reduce sponsor's insolvency risk or valued as a separate asset must be judged on national level due to the construction of the pension protection scheme. If the scheme protects the fund itself it has to be valued as a separate asset. If it protects only sponsors it has to be taken into account by reducing sponsor's insolvency risk.	
42.	We agree with option 3. Yes for capital requirement but tailored. We agree that operational risk is very important for DC scheme, but it coul also have impact in other kind of schemes even if in a more long period (reducing interst, increasing costs, so, at the end, negative impact on benefits). It could be reduced under specific circumstances where there exist other provisions against operational risk. EIOPA should consider the option to reduce the requirements for operational risk, when an IORP is able to show that its operational risk procedures are appropriate.	
43.	We agree with EIOPA advice on art. 136 and 141	
44.	We agree with option 1: this option retains the current flexible position on recovery periods.	

	Too short recovery periods would put an unnessessary burden on sponsors, or would seriously harm the pension benefits of the participants without a real need to do so. What IORP's have to do is provide liquidity during the recovery period. By doing so a fixed length of the recovery period is not a stringent necessity. The recovery periods of Solvency II are not appropriate for IORPs. Short recovery periods will stimulate IORPs to a procyclical investment policy, which does not only harm the pension incomes, but also the European Economy as a whole. After the crisis in 2008, many national regulators decided to lengthen the recovery period due to the character of the crisis. Such kind of flexibility should also be possible in the revised IORP Directive. We think that a quantitative impact assessment is needed bfore deciding on recovery periods.	
45.	We agree	
46.	We agree. A recovery plans would be based on long term asset-liability projectiions, taking into account the benefits to be paid, the expected contributions and returns, and the policies adopted by the IORP for these items, wherbye policies based on taking more risk should be disallowed. All of this should be part of a flexible supervisory approach.	
47.	Prudent person principle is a sufficient basis. In most member states pension funds are operated or controlled by the social partners or the representatives of the members and beneficiaries. They are not commercial financial institutions, because their aim is not selling investments in a market, but providing social protection to their beneficiaries. This control structure and this objective, combined with good governance rules and the obligation to invest all assets in the best interests of the members and beneficiaries, constitutes a strong mechanism to make sure that investments are done in a sound way. Investment rules should be consistent with the retirement objective of the IORP, and should therefore be based on the future liabilities and on the asset-liability context, with appropriate internal risk management procedures.	
48.	Member States should not have possibility to impose additional restrictions on investment. The prudent person principle constitutes a qualitative investment basis. It is up to the pension fund to decide on differentiation in investment policies. AEIP favors a principle based supervision rather	

	than quantitative requirements, although some too risky situations should be avoided. Therefore some mandatory quantitative requirements such as investment in the sponsor company can be imposed. The limit on investments in foreign currencies needs to be clarified.	
49.	No differences between DC and DB about investment rules are justified.Prident person principle should be the basis for all type of shemes.	

50.	Requiring pensions funds to take all risks into account and operate a prudent asset-liability management ensures that biometric and inflation risks are dealt with accordingly. Therefore no particular investment rules are required.
	
	We mostly agree with the analysis and particularly:
	We agree with option 3 about introducing material elements of art. 132
	art. 18 (1) (f): we agre with actual text;
	art. 18(5) first and second paragraphs: ok option 3;
	art. 18(5)(b):Delete or (second best) keep this provision for all IORPs only if wording will change to better clarify the aim
	art. 18(5)(c): delete
	art. 18(6): we agree on EIOPA advice;
	art. 18(7):keep Art. 18(7) but improve the wording of the current article to clarify the scope of these rules;
	art. 18(5)(a): we share EIOPA advice;
	introduction art. 132(3): we don't agree, too many differences with IORPs structure;
	Supervisory involvement on multifund: leave the IORP directive unchanged. Authorties can already control using current powers;
	Limit on VAR: we share EIOPA advice, no limits
	Specific Investment for biobetric and inflation risk: we share EIOPA advice, no specific rules;
	Geographical criterion: art. 18(1)(e) is sufficient;
	Derivatives: we share Option 2	

51.	We agree on EIOPA advice. Borrowing should be allowed when it is used for risk management	

	purposes and for hedging of liabilities. Subordinated loans should be exempted from the prohibition of borrowing	
52.	We agree with the analys lead by the advice	
53.	We share EIOPA advice. The material element of art. 29 and 31 of Solvency II Directive should be put in the IORP Directive, but it would preferable to amend IORP directive instead to copy articles	
54.	EIOPA has correctly assessed the impact of an adoption of the material elements of the Solvency II requirements in respect of the general principles of supervision, and in relation to transparency and accountability to IORPs.	
55.	We think that supervisors have already this power, under current IORP Directive. If a supervisor considers it necessary to have a stress test conducted by the IORP, it should be a tailer made stress test wich takes in consideration all the particular characteristics of an IORP as well as the principle of proportionality.	
56.	NO	
57.	We share analysis in 15.4.3 and we agree with the need of more analys.	
58.	Giving the host state power to impose sanctions goes against the principle of home state supervision. it could be better to put a precise and short timing for the intervention of home state authoririty. If a host state could impose direct sanctions against the IORP that is established in another state, this would not only lead to an extra overhead cost, but possibly also to contradictive messages and requirements from the different supervisos to the same IORP. An updated Budapest protocol should stay the basis for the collaboration between supervisors. Possible differences in interpretation should be resolved within EIOPA, taking in consideration the unique comptetence of the host state on its social and labour law.	
59.	We have no objections or comments against the application of art. 36 of Directive 2009/138/EC if the model in place is significantly different from the one applicable to insurance companies under Solvency II. IORPs need a proper supervisory review process that takes their specificities, diversity and their own characteristics into account.	
60.	Supervisors have to have the power to impose capital add-on, otherwise solvency rules don't have any sense.	
61.	Yes	

62.	We agrre with EIOPA advice	
63.	Yes. We think that a number of governance requirements could be applied through the revision of the IORP directive: a) The system of governance which shall provide sound and prudent business management. Paritarian organisations are well prepared to fulfil this requirement because they are owned by their stakeholders and their board (and/or other bodies) consist of representatives of these stakeholders. As the complex system of governance that requires risk-management, compliance, internal audit and actuarial functions for smaller paritarian institutions are difficult to implement, cooperation and outsourcing of all these functions should be possible. b) Transparent organisational structure with clear allocation and appropriate segregation of responsibilities. Again, in the respect of the proportionality principle, already the solvency II framework allows smaller and less complex undertakings to carry out more than one of these functions by a single person or organisational unit. c) Written policies in relation to risk management, internal controls and internal audit. d) Contingency plans have to be taken into account. We would like to invite EIOPA to consider a transition period when implementing the new rules.	
64.	Yes	
65.	We disagree with EIOPA on the proposal tahat the same 'fit and proper' requirements have to be applied as for insurance and reinsurance undertakings foreseen in Art. 42 (1) of the Solvency II Framework Directive We agree that persons who direct the undertaking have to possess an adequate professional qualification, knowledge and experience ("fit"), and be of good repute and integrity ("proper"). A pension provider has to have sufficient knowledge, must be reliable and apt to fulfil his/her tasks. A number of principles should be taken into account : - The requirements have to be linked to the nature and the content of the pension schemes	

	managed, and the complexity of the activities and the investments. - Fitness of non-executive board members or members of a supervisory board should be easier to gain than fitness of executive board members. - The "fit" rule (knowledge and experience) should be applied at the level of the board, which should have the necessary qualification, knowledge and experience as a whole. - "Key functions" should be defined on level 1 and should be consistent with the rest of the regulation insofar as it should be clarified that the amount of key functions and separation of duties depends on the size and complexity of the IORPs operations. Furthermore the qualitative requirements of key personnel should not prevent IORP to establish these kinds of position. - We think that the current Art. 9 of the IORP Directive is sufficient and should not be revised. There should be effective procedures and controls to enable supervisory authorities to assess fitness and propriety.	
66.	Under the condition that the proportionality rules will be applied properly, AEIP agrees. 'Fit and proper requirements' should apply at all times and effective procedures and controls should exist to enable supervisory authorities to assess fitness and propriety. Supervisory authority should be granted advisory powers on the nomination of a candidate before such nomination is decided within the IORP. This can be done by asking the IORP to complete a standard questionnaire on the fitness and propriety of the candidate, to be sent to the supervisor who needs to provide the IORP with its advice on the nomination of the candidate. This will avoid the need for an ex-post intervention of the supervisor.	
67.	We share EIOPA advice	
68.	All IORP's should have an effective risk management system but as the nature of the risks, the size of IORP and its complexity might differ, the qualitative measures and requirements should be in proportion to the risk profile of the IORP (proportionality). An appropriate period of transition will be needed, in order not to have a negative impact on the activity of pensions schemes.	
69.	We agree with the principle that IORPs have to face all risks and to protect themselves. ORSA can be	

	a tool, but the same functions can be done by risk management and capital requirement if calculated taking in account long period trends. In any case ORSA should be applied proportionately to the nature, size and complexity of IORPs	
70.	First part of the question: see 69. The impact will be additional costs. Charging IORPs of costs that are not useful without any real return in terms of security and efficiency must be avoided. Therefore the proportionality principle must be applied appropriately.	
71.	See 69. Concerning ORSA we cannot see any differences between a security regime that would be based on the holistic balance sheet approach or one that is not based on that approach.	
72.	We agree.	
73.	We agree that the compliance function should include all legislation relevant for IORP's.	
74.	We agree, Internal Audit Requirements could be applied to pension funds, respecting the proportionality principle and with an appropriate period of transition. The requirement of an internal audit function may be too burdensome for small IORPs or IORPs with little complexity. Therefore we advice to provide for sufficient flexibility in the performance of the internal audit function.	
75.	We agree	
76.	We agree with the analysis od EIOPA, especially with 24.5.4	
77.	Yes	
78.	Yes. The best should be external actuary, almost once a 3 years	
79.	We agree with with the preference of EIOPA for option 2. With regard to the whistle-blowing obligation as is laid out under 24.5.7, we refer to what we said about this topic regarding the compliance function and internal audit. AEIP is in favour to give the right to act as whistle-blower, not the duty. In that case appropriate protection must be provided.	
80.	We agree	
81.	We are not convinced that standardization of outsourcing process requirements would enlarge cross border activity.	
82.	We agree with analysis in 25.5.2 and 25.5.3	

	Minimum outsourcing contract elements could include: (1) rights & obligations of the service provider and the IORP, (2) confidentiality and security features, (3) timely and accurate reporting and communication of information, (4) commitment of the service provider to grant access to information by the IORP and the supervisor on an ongoing basis, (5) defining of applicable laws and regulations, (6) defining auditing rights (by both the internal and the external auditor and possibly also by the compliance officer), (7) requirement of an internal controls certification (8) possiblity to modify and/or terminate the agreement and obligation for the external service provider to return all necessary data to the IORP and/or to transfer them to another external service provider. But given the diversity of IORP's and the social systems in which they play a role, minimum standards should be left to the responsibility of member states, with respect of the principle of subsidiarity.	
83.	We agree with option 1.	
84.	The increase of costs will be translated in higher contributions or lower benefits. In the interest of the participants there is no need for amending the IORP Directive regarding this matter.	
85.	We refer to the two previous questions.	
86.	It is difficult to asses the consequences. We expect that the costs related to a written contract, the role in terms of safekeeping and the oversight functions will be high. The liability of the depositary will increase protection for the IORP but might lead to fee increases. We support the idea of having conflict of interests rules.	
87.	Yes	
88.		
89.	We agree and we prefers option 1	
90.	Yes	
91.	NO	
92.	We believe in the introduction of a KIID-like document for DC schemes, adapted to the specific situation of IORPs and containing information beyond investment information. (i.e. a more general KID or Key Information Document). The objective of the KID should be to provide for a better understanding of the member of his	

	pension accrual under a DC scheme. The information need will be different according to the type of scheme : collective or individual. It might also be driven by social and labour law requirements, imposing elaborate and specific information requirements. The KID sould depend on wheher the IORP's are in competition or not. It should less detailed for the IORP's thar are not in competition: in such case it should be ocnsidererd that IORP's are not publicly quoted and they don't have external shareholders or investors. Therefore it will be difficult to draft a common format of pre-enrolment document and annual benefit statement, because of the differences in the members states' pension schemes and the specific information requirements based on the national social and labour legislation. The implementation of the principles regarding information requirements as provided in the current IORP Directive can best be decided at a member state-level. AEIP thinks that it should be made clear that this KID is not a source of legal commitments..	
93.	We suggests that the directive should not go into too much detail, but rather leave room to member states to regulate further. Risk/reward profiles and/or the time horizon of different investment options can only be based on assumptions, and there will allways be a risk premium and an unpredictable outcome involved. It should in any event be made clear that the information does not contain any guarantees as to risk and/or performance.	
94.	We believe that scheme members should receive ample information on their rights. The information should however be adapted to the type of scheme.	
95.	We agree with EIOPA analysis	
96.	WE believe that the additional information requirements as proposed by EIOPA will indeed lead to additional compliance costs for IORPs and additional supervisory costs for supervisory authorities, which might ultimately be reflected in a charge towards the IORP. AEIP would therefore urge for a proportionality between the additional information requirements (mostly for DC schemes) and the additional costs they would lead to.	