

Joint Board of Supervisors (BoS) and Occupational Pensions Stakeholder Group (OPSG) meeting and OPSG-only meeting

DATE: 29 March 2022

TIME: 09:30 – 15:30

LOCATION: VIDEOCONFERENCE

MEETING CONCLUSIONS

JOINT MEETING

AGENDA ITEM A: Introductory remarks

1. EIOPA's Vice Chairperson and OPSG Chairperson welcomed participants to the first Joint BoS/OPSG meeting. EIOPA's Chairperson was excused.

CONCLUSIONS AND ACTION POINTS

2. Not applicable

AGENDA ITEM B: APPROVAL OF THE AGENDA

3. EIOPA's Vice Chairperson presented the draft agenda.

CONCLUSIONS AND ACTION POINTS

4. The draft agenda (EIOPA-BoS-22-136) was adopted.

AGENDA ITEM C: IORP II Review

5. Philip Neyt (OPSG) presented the results of a second OPSG survey on the IORP II implementation and effectiveness, which aimed to provide support to EIOPA in view of an incoming Call for Advice to EIOPA by June 2022.
6. On the implementation, results showed limited experience due to delays in the transposition of the Directive. Results further reflected the diversity in the IORP sector as well as the emergence of multi-employer providers.

7. EIOPA shared further views on the objectives of the IORP II Review. With respect to the aim of promoting cross-border activities, participants acknowledged that the IORP II Directive had not succeeded in this area, mainly due to its minimum harmonisation character, other issues of national social, labour and tax law, and regulatory hurdles in particular in the area of cross-border transfers..

CONCLUSIONS AND ACTION POINTS

8. OPSG remains committed to further support EIOPA in identifying and helping to solve the issues that hinder cross-border activities.

AGENDA ITEM D: BEST PRACTICES FOR DEFINED CONTRIBUTION (DC) PENSIONS

9. Brendan Kennedy, (BoS -The Pensions Authority, Ireland) outlined the scope and timeline of EIOPA's work to identify good practices in the design of occupational DC pensions, to influence the growth of the DC market with a view to protecting pension savers.
10. OPSG Members broadly welcomed EIOPA's way forward. Some OPSG members suggested to look further into designing the best possible outcome with minimum member engagement, or to find innovative ways to make DC schemes more attractive to younger generations. On a point of methodology, good practices at national level was mentioned: a pension quality mark whereby schemes could be compared and awarded different credits for different aspects.

CONCLUSIONS AND ACTION POINTS

11. OPSG to advise EIOPA on this issue in two public consultations starting in Q4 2022.

AGENDA ITEM E: IORP STRESS TEST FINAL TECHNICAL SPECIFICATIONS

12. Stefan Nellshen summarised the OPSG input to an informal consultation on the technical specifications for the IORP II Stress Test, highlighting i.e. that more insights into the calculation procedures and assumptions or parameters for the different scenarios would also have been appreciated.
13. Jean Hilgers (BoS, National Bank of Belgium) addressed the questions raised and explained the approach taken as well as the next steps of the exercise.
14. BoS and OPSG Members further engaged in an open discussion on the Stress Test exercise, the long-term trend of transparency in disclosure and the concept of sensitivities vs. vulnerabilities.

CONCLUSIONS AND ACTION POINTS

15. OPSG Members were invited to EIOPA's Launch event of the 2022 IORP Stress Test on 7 April 2022.

AGENDA ITEM F: PROPORTIONALITY

16. Bernard Delbecque and Philip Neyt presented views on how proportionality could be enhanced in relation to the IORP Directive, digital operational resilience (DORA) and Solvency II. They highlighted the heterogeneity of the pension's landscape, which requires in turn adequate and proportionate supervision in the interest of pension beneficiaries.

CONCLUSIONS AND ACTION POINTS

17. EIOPA welcomed the OPSG initiative of providing initial analysis and EIOPA very much values specific input in the area.

AGENDA ITEM G: ANY OTHER BUSINESS

18. Not applicable

CONCLUSIONS AND ACTION POINTS

19. Not applicable

OPSG-ONLY MEETING

AGENDA ITEM 1: APPROVAL OF THE AGENDA

20. The OPSG Chairperson welcomed members to the 10th OPSG meeting.

CONCLUSIONS AND ACTION POINTS

21. The draft agenda (EIOPA-OPSG-22-04) was adopted.

AGENDA ITEM 2: UPDATE BY OPSG CHAIRPERSON

22. OPSG Chairperson informed the group about upcoming deadlines and deliverables.

CONCLUSIONS AND ACTION POINTS

23. Members adopted the [OPSG Advice on upcoming IORP II Review / cross-border activities](#).

AGENDA ITEM 3: UPDATE BY EIOPA

24. EIOPA's Executive Director provided an update to the group on:

Impact of Russian invasion in Ukraine

The Russian invasion in Ukraine has marked a very sad development from all perspectives, not to mention potential repercussions it may have for the economy. EIOPA/IRSG/OPSG Chairpersons held a call on 3 March to exchange information about the situation and agreed to stay in close contact on this issue. Should any questions arise from the pensions industry regarding the implementation of EU sanctions, they should be channeled through the supervisory community.

25. Cost & and Past Performance Report

This year's report ([link](#)) includes some initial analysis on ESG products, and some considerations on cross border business. On personal pension products, a new analysis at national level has been introduced. On IORPs, analysis on costs and investment income have also been introduced.

26. Results of Survey with NCAs on Implementation of [EIOPA Opinions](#)

EIOPA ran a survey with NCAs showing that most Member States have implemented the Opinions partially, if not fully. This year EIOPA will perform monitoring work related to the implementation of the Opinions on IORP II. The aim of EIOPA's work is to seek evidence on which issues NCAs have encountered during the implementation, and which parts of the Opinions have not been sufficiently covered.

27. Retail Investment Strategy

EIOPA is following on a public consultation and an [open hearing](#) to deliver its final advice to the COM by 30 April.

28. **PRIIPs**

EIOPA is in the process of finalising, together with the other ESAs, its advice to the Commission on the Level 1 Review by 30 April. Following a Call for Evidence and [public hearing](#), EIOPA is now discussing with Members some of the key issues such as the scope of the PRIIPs Regulation, the content of the KID and how to reflect information on performance scenarios and the appropriate regulatory treatment of Multi-Option Products (or MOPs).

29. **EIOPA's feedback on [OPSG Advice on Low Interest Rates](#)**

EIOPA thanked the OPSG for its advice that sheds light on the various causes of the low yield environment: (i.) slowing economic growth, (ii.) changing savings and investments trends, and (iii.) central bank interventions. OPSG is right to point out that funded pension systems will need to play a more important role in Europe. EIOPA fully subscribes to the need to diversify pension systems in an economy facing both ageing trends and low expected returns.

30. A discussion followed on the effects of capital requirements under Solvency II, whether these would have a tendency to force IORPs/life insurers to invest in safe assets with less returns – a point made in the OPSG in its advice – or whether capital requirements actually foster returns and financial stability in the interest of consumers.

CONCLUSIONS AND ACTION POINTS

31. Not applicable

AGENDA ITEM 4: EIOPA'S REVISED STRATEGY

32. EIOPA explained the process of reviewing and adjusting its strategy. Taking into consideration market developments and trends. The aim is to ensure that adequate tools are in place to address the main challenges identified.
33. EIOPA presented the aggregated input received by the Stakeholder Groups members via a survey launched on 24 February -7 March regarding the challenges ahead for the next 3-4 years.
34. EIOPA thanked OPSG members for their input to the survey. OPSG input is valuable and will inform the review.

CONCLUSIONS AND ACTION POINTS

35. EIOPA to give further feedback to OPSG.

AGENDA ITEM 5: PAN-EUROPEAN PERSONAL PENSION PRODUCT (PEPP)

36. EIOPA updated the group about the entry into force of the PEPP as a new option for EU citizens to save for retirement through a voluntary, low-cost, portable personal pension scheme. Other activities were described ([communication](#), [webinar](#)) and a [FAQ webpage intended for prospective PEPP providers](#) and [for consumers](#) has been released.

CONCLUSIONS AND ACTION POINTS

37. Members noted that only a few Member States implemented the PEPP so far, which often competes with established products in national law.
38. OPSG stands ready to support EIOPA and organise, if needed, a dedicated call on PEPP in due time to assess the situation and discuss possible initiatives to promote the PEPP.

AGENDA ITEM 6: Sustainable investments for IORPs: risk, return and inclusion properties

39. Elisa Luciano presented the draft OPSG Advice, describing the drivers behind retail and institutional investors, analysing the instances when investing on ESG is linked to extra returns. The paper also shows past evidence on the return aspect, highlighting that ESG firms have lower downside risks and are able to raise funds at better conditions. As for the future, there is a clear change in investment attitudes driven by millennials entering the investment market. It also highlights that institutional investors are now aligning their investment strategies with their corporate values, and not only to comply with the regulation.
40. OPSG members praised the paper and suggested to consider having a strong message towards ESMA on the need to have regulated ratings agencies, possibly EU based. Another suggestion was to expand the investment strategy question of engagement vs. exclusion.

CONCLUSIONS AND ACTION POINTS

41. Elisa Luciano to resubmit draft to the group based on comments received at the meeting.

AGENDA ITEM 7: OPSG ADVICE ON FUNDED PENSIONS CONTRIBUTION TO OLD AGE INCOME, GROWTH AND EMPLOYMENT

42. Francesco Briganti presented an updated draft of the OPSG own-initiative report that lists possibilities to support funded pensions.

CONCLUSIONS AND ACTION POINTS

43. Francesco Briganti to circulate a revised draft for approval by the OPSG.

AGENDA ITEM 8: CONSUMER TRENDS

44. EIOPA staff provided an update on EIOPA's [2021 Consumer Trends Report](#) and [Heat Map](#), as well as more information on 2022 request (questionnaire) to the OPSG.

CONCLUSIONS AND ACTION POINTS

45. Christian Gülich to coordinate the collection of inputs from OPSG Members by end of May 2022.
46. Members to send input by 13 May focusing to the extent possible on empirical evidence.

AGENDA ITEM 9: ANY OTHER BUSINESS (AOB):

47. Format and timing of the next meeting in May will be confirmed as soon as possible and at the latest four weeks in advance.

CONCLUSIONS AND ACTION POINTS

48. Not applicable

Participants

OPSG:

First Name	Last Name	Country	Member representing	Attendance
Cosmina	Amariei	Romania	Beneficiaries	Present
Pauline	Azzopardi	Malta	Beneficiaries	Present
Francesco	Briganti	Italy	IORPs	Present
Łukasz	Budzyński	Poland/France	IORPs	Present
Marjolijn	Bulk	Netherlands	Employees	Present
Bernard	Delbecque (Chair)	Belgium	Professional associations	Present
Valdemar	Duarte	Portugal	IORPs	Present
Bruno	Gabellieri	France	Employees	Present
Christian	Gulich	Germany	Beneficiaries	Present
Olav	Jones	Norway/UK	IORPs	Present
Kęstutis	Kupšys	Lithuania	Beneficiaries	Present
Paul	Le Bihan	France	IORPs	Present
Christian	Lemaire	France	IORPs	Present
Matti	Leppälä	Finland	IORPs	Present
Elisa	Luciano	Italy	Academics	Present
Aleksandra	Maczynska (Vice Chair)	Poland	Beneficiaries	Present
Flavia	Micilotta	Italy	SMEs	Present
Jerry	Moriarty	Ireland	IORPs	Present
Antonello	Motroni	Italy	IORPs	Present
Stefan	Nellshen	Germany	IORPs	Present
Philip	Neyt	Belgium	IORPs	Present
Nele	Nys	Belgium	Employees	Present
Janina	Petelczyc	Poland	Academics	Present
Gertrude	Pils	Austria	Beneficiaries	Present
Torun	Reinhammar	Sweden	Professional associations	Present
Jan	Sebo	Slovakia	Academics	Present
Onno	Steenbeek	Netherlands	IORPs	Absent
Ioannis	Tzanakos	Greece	IORPs	Present
Falco	Valkenburg (Vice Chair)	Netherlands	Professional associations	Present
Hans	Van Meerten	Netherlands	Academics	Present

Other participants:

EIOPA's Senior Management and staff members, Members of [EIOPA's Board of Supervisors](#), European Commission representatives (contact: Stakeholder.Groups@eiopa.europa.eu)