

OPSG

OCCUPATIONAL PENSIONS STAKEHOLDER GROUP

Advice on the proposal for revised Guidelines on
the use of Legal Entity Identifier (LEI)

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eiopa

European Insurance and
Occupational Pensions Authority

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1. INTRODUCTION

EIOPA launched a public consultation on the review of its Legal Entity Identifier (LEI) Guidelines on 26 March 2021. Occupational Pension Stakeholder Group (OPSG) is expected to respond to this consultation and provide its response by the 30th June 2021.

More background to EIOPA's consultation, including the actual background information on the LEI and the consultation paper can be found on EIOPA's website ⁽¹⁾

Note that EIOPA's current regular information requests towards NCAs regarding provision of occupational pensions information already invites IORPs to provide their LEI codes to EIOPA.

This response to EIOPA's consultation has been prepared by a sub working party and approved by OPSG vote.

⁽¹⁾ https://www.eiopa.europa.eu/content/eiopa-consults-revised-guidelines-use-of-legal-entity-identifier_en

2. INPUT TO EIOPA ON REVISED GUIDELINES

POLICY ISSUE 1 - KEEPING THE STATUS QUO VS REVISING THE LEI GUIDELINES

Q1. Do you consider that the revised LEI Guidelines provide sufficient clarity in terms of scope of legal entities?

Yes.

We note however, that for intermediaries and for complex organisations e.g. with holding and subsidiary levels, further clarity may be needed over exactly which entities need a LEI. The same applies also for undertakings that are not regulated within financial markets regulation.

Q2. Do you agree with the scope of the legal entities that should have LEI as specified in the revised Guideline 1?

No.

We support limiting the scope of the LEI requirement, but propose the following adjustments to the proposed criteria, because a limit of €1 billion euros appears too high given the benefits of having a LEI and the low cost of obtaining one:

“(b) institutions for occupational retirement provisions (‘IORPs’) registered or authorized in accordance with Directive (EU) 2016/2341, whereby IORPs which satisfy all of the following conditions may be excluded from the obligation to have an LEI:

- *it operates pension schemes which together have less than 100 members in total;*
- *it has a balance sheet total of less than **fifty** million Euros;*
- *it is not ranked as one of the five biggest IORPs in terms of balance sheet totals in the Member State, unless the individual balance sheet total is less than one **ten** million Euros.”*

While intermediaries are not typically involved in IORP provision, it is not clear if the intermediaries need to be identified specifically as insurance and re-insurance intermediaries as they may be offering a wider set of products than this, therefore EIOPA should consider deleting the following reference:

“... ~~insurance and reinsurance~~ intermediaries which carry out cross-border business in accordance with Directive (EU) 2016/97, in so far as they fall under the supervisory remit of the competent authority.”

Q3. Do you consider text of the Guideline 2 (Reporting) as sufficiently clear?

Yes.

POLICY ISSUE 2 - NO PROPORTIONALITY VS APPLYING PROPORTIONATE MEASURES (IORP, IDD)

Q4. In the context of proportionality approach to IORPs what is your view on the proposal under revised Guideline 1?

Proportionality should always be considered and not every IORP should be required to have an LEI. However, given the very limited cost and staff resources needed to obtain an LEI, relatively small IORPs can be included. Therefore, the OPSG has proposed a lower size limit than in EIOPA's proposal.

Q5. In the context of proportionality approach to intermediaries what is your view on the proposal under revised Guideline 1? Please include also views on the ancillary intermediaries.

The OPSG agrees that intermediaries carrying out cross-border activities should have an LEI so that certain data relating to their activities can be tracked

We believe that LEI inclusion for intermediaries enables numerous benefits for supervisors and stakeholders involved. LEI business registration process will open the doors for a pension tracking system for entities, schemes and plans of all sizes, to utilize the LEI in the digitization of their processes and as a global passport to enable cross-border engagements or transactions.

Q6. Do you have any comments in relation to the impact assessment as presented in Annex I?

No Comment.

Q7. Do you have any other comments on the revised LEI Guidelines?

The OPSG supports the LEI initiative and the need to update EIOPA's guidelines. A wider adoption of the LEI code will enhance prudential supervision by identifying reporting entities or undertakings in different countries, particularly when classifying and aggregating data from institutions with cross-border operations, with branches established in different member states or through freedom of providing services. The LEI rules will allow unique identification of each reporting entity. This process will improve the quality and timeliness of aggregated data at EU level and eventually improve the supervisory reporting for all undertakings. It is, however, important that these guidelines (e.g. article 1.12) do not extend the current EIOPA reporting requirements for IORPs.

EIOPA, ECB and national reporting requirements should be integrated into one reporting data stream. We believe, it is also important to carry out post implementation reviews of new requirements 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. Finally, it is important that similar guidelines are applied to Banks and asset managers.