

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:	Cable & Wireless Communications Plc.	
Disclosure of comments:	EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential. <i>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.</i>	Public
<p>The question numbers below correspond to Consultation Paper No. 06 (EIOPA-CP-11/006).</p> <p>Please follow the instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ <u>Do not change the numbering</u> in column "Question". ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a question, keep the row <u>empty</u>. ⇒ 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. <ul style="list-style-type: none"> ○ 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. <p>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).</p>		
Question	Comment	
General comment	We welcome the opportunity to comment on the European Insurance and Occupational Pensions Authority (EIOPA) consultation on its draft advice to the European Commission in respect of the review of the Institutions for Occupational Retirement Provision directive.	

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Background to Cable & Wireless Communications Plc

Cable & Wireless Communications Plc (the Group) is a UK listed international telecommunications company incorporated and domiciled in the UK. We operate through four business units being the Caribbean, Panama, Macau and Monaco & Islands. For the year ended 31 March 2011, we recorded revenue of US\$2.4 billion and profit before tax of US\$462 million.

We had 7,213 employees on average during the year ended 31 March 2011. The Group operated a number of pension schemes for its current and former UK and overseas employees. In particular, we operate the Cable & Wireless Superannuation Fund (CWSF), a UK based defined benefit scheme which at 31 March 2011 had assets and liabilities measured under International Accounting Standard 19 *Employee Benefits* of US\$1,926 million and US\$1,941 million respectively. The CWSF has over 6,300 in-service, deferred and pensioner members.

General comments

As a Group, we do not wish to comment on the 95 specific questions raised in the consultation.

However, we do wish to make a number of general comments which we believe are helpful to the EIOPA consultation. As a Group, we have always taken our obligations to the members of our defined benefit pension schemes very seriously and have always sought to conduct our business in a way that fulfils our obligations to the members of those schemes in full.

We do not agree that applying an insurance style regime to pensions is the correct approach and, further, we do not agree that such a regime is necessary given the strong protection that is available to pensioners. In particular, we believe that the proposals would lead to a massive increase in funding costs for pension schemes. As a Group, we do not seek and indeed it is not in our interest to jeopardise

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	<p>members' benefits by investing pension scheme assets in overly risky investments. However, we believe that the proposals will lead to a change in pension schemes' asset allocations in a way that will act as a disincentive to long term investment in equity and corporate debt. Overall, it is hard to see why existing defined benefit schemes in the UK, such as our CWSF, which are not competing with insurers, need to be subject to similar solvency requirements.</p> <p>We understand that the EIOCPA is also considering requiring defined contribution schemes to hold additional assets to cover occupational risks. We believe this would add an additional cost burden to companies and defined contribution scheme members with little compensating benefit.</p>	
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