

Resolution table for the Consultation Paper on the draft Opinion on the supervisory reporting of costs and charges of IORPs					
No	Stakeholder	Quest.	Response		Resolution
1	EIOPA OPSG	Q1	Yes	<p>We agree. At the European level the IORPs II Directive introduced structural cost disclosure requirements for IORPs, both towards prospective and actual scheme members. Nonetheless, the directive does not further specify which costs should be covered, according to which criteria and how detailed the breakdown should be or how the costs should be presented.</p> <p>Therefore this data collection of costs and charges is strongly necessary, as – in EIOPA’s Questionnaire of 2020 (cf. Annex 4 of CP) and in the 2015 report on costs and charges of IORPs - EIOPA found that there is a lack of detailed information and practical experience to obtain details on costs and charges in a number of Member States. In consequence, it proved not to be possible at that time to fulfil the original goal of the project to develop common definitions and breakdowns of costs and charges. But this original goal has to be achieved, because EIOPA has to include IORPs in its annual report on “Costs and Past Performances” requested by the Commission.</p>	Noted.

				<p>Some OPSG members additionally stress that IORPs in different member states are investing into different asset classes leading to the fact that a certain breakdown of costs will not work for all asset classes. This should usually be no problem regarding fund investments but with regard to (non-fund-based) direct investments e.g. into real estate or German registered bonds this will simply not work for technical reasons.</p> <p>The objective of implementing a transparent and comprehensive cost reporting for supervisory purposes is based on the Decision of the Board of Supervisors on EIOPA's regular information requests toward NCAs regarding provision of occupational pensions information of 2 June 2020 (EIOPA BoS 20-362), which again is based on the former Decision of EIOPA's BoS 18-114. The template "Expenses" (PF.05.03.24) outlines the following items: administrative, investment, tax, other and total expenses.</p> <p>Additionally the European Securities and Markets Authority (ESMA), the EU's securities markets regulator, has identified costs and performance for retail investment products and market data quality as the Union Strategic Supervisory Priorities for national competent authorities (cf. ESMA PR of 13 November 2020). Some OPSG members add that occupational pensions in many cases cannot be equated with retail products, especially when there are compulsory memberships, no choice options for beneficiaries etc.</p>	<p>The generic cost classification is applicable to any asset class.</p> <p>Noted.</p>
2	aba Arbeitsgemeinschaft für betriebliche Altersversorgung	Q1	No	<p>First, we would like to comment on the legal basis for the proposed Opinion (addressed in the Draft Opinion on p. 5). Art. 29 (1) a of the EIOPA Opinion states that EIOPA shall provide Opinions to competent authorities (CAs) and "play</p>	Noted.

			<p>an active role in building a common Union supervisory culture and consistent supervisory practices, as well as in ensuring uniform procedures and consistent approaches throughout the Union". However, the IORP II Directive, which is relevant for IORPs, uses a minimum harmonisation approach in order to accommodate the differences in labour and social law which shape occupational pensions.</p> <p>Our proposal: Building on the IORP II Directive, the Opinion should leave sufficient leeway for the NCAs to tailor the principles to their national circumstances. In the introduction the Opinion should refer to the minimum harmonisation character of the IORP II Directive and commit itself to this principle.</p> <p>EIOPA states Art. 19 (Investment rules), Art. 45 (Main objective of prudential supervision), Art 48 (Powers of intervention and duties of the competent authorities) and Art. 50 (Information to be provided to the competent authorities) of the IORP II Directive as a justification for the Opinion. However, taking e.g. Art 19, which states that the assets shall be invested in the best long-term interest of members and beneficiaries as a whole, it is not clear to us how that justifies the push towards publication of the cost data.</p> <p>Our proposal: While the protection of the long-term interest of members and beneficiaries is an important goal, it does not in itself justify reporting or disclosure. There are several ways to protect the long-term interest of members and beneficiaries. The way proposed by EIOPA could possibly fit best for individual DC schemes, where the individual has numerous choices. It therefore does not fit for Germany.</p>	<p>Not agreed: CAs should apply the principles of this Opinion, which includes a principle on proportionality.</p> <p>Competent Authorities (CAs) have the power to publish the results of their supervisory actions.</p> <p>Not agreed. Please see cost-benefit analysis accompanying the Opinion</p> <p>Not agreed. According to Article 45(1) IORP II Directive, it is CAs' competence to supervise</p>
--	--	--	---	--

			<p>When considering the incomplete cost-benefit analysis (see more on that below), we do not see any evidence or analysis which would show that this opinion improves the long-term outcomes for members and beneficiaries.</p> <p>Finally, we would like to stress that without doubt it is important to monitor costs IORPs are incurring when delivering occupational pensions. Since in Germany employers have to stand in for the pension promise given (including during the pay-out phase), they have a strong interest in ensuring a sound and efficient management of the IORP. This mechanism aligns the interests of employers with those of the members and beneficiaries, and consequently employers try to get the best deal for their employees and of course for themselves, keeping costs down. From our perspective, this mechanism means that no further cost reporting for supervisory purposes is needed.</p> <p>Before implementing a transparent and comprehensive cost reporting for supervisory purposes it is therefore crucial to establish what potential problems are, why they exist and what instruments work best to address them. EIOPA, together with NCAs, should conduct a stock taking exercise to determine any problems (rather than taking stock of whether MS already have in place the requirements envisaged by EIOPA, as is set out in Annex 4).</p> <p>Our proposal: Conduct a one-off reporting exercise with selected IORPs from selected MS to determine whether there is a need for intervention. Problems, their sources, and potentially even possible solutions should be determined in this exercise.</p>	<p>the costs of the IORP sector to identify risks and vulnerabilities and to protect members and beneficiaries.</p> <p>According to Article 48(8)(a) it is CAs' competence to make sure IORPs can fulfil their duties to scheme members.</p> <p>Not agreed. The European Insurance and Occupational Pensions Authority (EIOPA) believes a pilot exercise conducted prior to the adoption of the Opinion by EIOPA is not necessary. However, a fact-finding exercise before implementing the Opinion can be conducted by the CA at the national level to determine the appropriate level of supervisory reporting.</p> <p>Agreed. Text revised as follows: For "value for money" assessments, CAs are expected to take into account return and risk</p>
--	--	--	--	--

				<p>In addition, we would like to stress two further points:</p> <p>EIOPA states that “Assessments should also compare against what other, similar pension schemes are paying (benchmarking). Although typically low costs are a good indication of better outcomes (they usually correlate with higher returns), the assessment of the affordability and value for money requires to take into account the risk levels of the investment strategy and the net return (after costs) delivered.”</p> <p>We understand that e.g. differences in the pay-out phase are addressed by benchmarking only schemes against each other which are alike. However, we wonder whether this is generally possible / beneficial because even schemes within one jurisdiction might differ in terms of the services and benefits they provide. Put more generally, we expect that it will be necessary to not only compare the quality of service (which assumes that the type of service is the same), but also the kind of service provided.</p> <p>On the objective of assessing the affordability for the sponsor (No. 2.7 and 4.1b): The sponsoring employers are not under the supervision of the NCAs, an assessment of sponsor affordability is therefore not adequate.</p>	<p>data, as well as the type and quality of the service provided, jointly with cost data, as absolute levels of costs do not give enough information to make this assessment.</p> <p>Not Agreed. According to Article 45(1) of the IORP II Directive, it is CAS’ competence to supervise the costs of the IORP sector to identify risks and vulnerabilities, as well as to protect members and beneficiaries. According to Article 48(8)(a): It is CAS’ competence to make sure IORPs can fulfil their duties to scheme members.</p>
3	Actuarial Association of Europe	Q1	Yes	<p>There are many hidden costs both from the IORP itself, its outsourcing partners and from the asset managers of the funds they sell or distribute. In the first place the management of the IORP need to be aware of all costs and in the second place transparent and understandable communication on costs to members and beneficiaries of an IORP should be in place.</p>	Noted.

				<p>Implementation of transparent cost reporting will provide different stakeholders with the information regarding value for money assessment and also for efficiency of the cost structure.</p> <p>Another approach to assess this topic could be a pilot study based on the data that NCAs already receive from the IORPs with additionally requirements formulated by the NCAs and based on their supervisory experience. At this stage we would suggest that in addition to quantitative also qualitative information is collected and analysed.</p>	<p>Noted. EIOPA believes a pilot exercise conducted prior to the adoption of the Opinion by EIOPA is not necessary. However, a fact-finding exercise before implementing the Opinion can be conducted by the CA at the national level to determine the appropriate level of supervisory reporting. (paragraph 3.22)</p>
4	European Association of Paritarian Institutions (AEIP)	Q1	No	<p>We agree with cost transparency and comprehensive cost reporting as an objective of the management board of the IORP and/or the negotiating social partners in the setup of a pension scheme but only to the extent of necessity and without causing more transparency costs than transparency value. Extensive cost communication to the members and beneficiaries should be limited to pure DC schemes with investment options where costs are borne by the members. Clear definitions of cost, a general classification, principles for compilation and templates might be useful to facilitate this communication and reporting purposes.</p> <p>We do not agree with cost transparency and comprehensive cost reporting as an objective of EIOPA nor of the NCA to make an in-depth cost analysis, a benchmarking exercise and/or a cost evaluation with feedback to the IORP. For EIOPA and NCAs, a high-level cost overview should be sufficient.</p> <p>We would like to take the opportunity for sharing some</p>	<p>Not agreed:</p> <p>According to Article 45(1) IORP II Directive</p> <ul style="list-style-type: none"> It is CAs competence to supervise the costs of the IORP sector to identify risks and vulnerabilities, as well as to protect members and beneficiaries. The template for IORPs to report cost data to CAs is not granular. Benchmarking and other supervisory actions are important tools to achieve these goals. It is CAs competence to make sure employers and trustees can

			<p>initial considerations as follows:</p> <p>Paritarian pension funds are set up by collective agreements of their social partners. They do not present any conflicts of interest. Their affiliated beneficiaries are not customers in this relationship. They are affiliated automatically when concluding their employment contracts. This entitles them to the right on an occupational pension. They do not – and cannot- intervene in any investment decision. There are no options for choice. The investment decisions are taken by the pension scheme’s board or asset management department. This system is possible for very lean costs. It is nevertheless not commercial, and there is no competition between paritarian IORPs. Competition is not an objective of paritarian IORPs, as they are not-for-profit institutions. Their strong advantages have another nature: financial stability, security and predictability for the beneficiaries, at low cost levels. There is very little cost involved for marketing or advertisement, and managers receive no bonuses whatsoever. Cost efficiency is excellent. We invite EIOPA to assess cost transparency in the light of the described setup of paritarian pension schemes. This should be done in a field study to define the problem that should be solved via “cost transparency and comprehensive cost reporting” Increased transparency efforts require higher costs. In return, there must be an added value. In our view, supervision does not extend to a purely economic dimension.</p> <p>Furthermore, Cost transparency and comprehensive cost reporting is connected with national social & labour law:</p> <ul style="list-style-type: none"> • Does the sponsor provide the plan as agreed amongst social partners 	<p>fulfil their duties to scheme members</p> <p>It is EIOPA’s competence among others to:</p> <ul style="list-style-type: none"> • ensure the integrity, transparency, efficiency and orderly functioning of financial markets • enhance customer and consumer protection <p>The use of a more high-level overview of costs (than the generic classification in the opinion) by CAs would limit the ability to appropriately supervise the costs.</p> <p>Noted.</p> <p>Noted. EIOPA believes a field study conducted prior to the adoption of the Opinion by EIOPA is not necessary.</p>
--	--	--	--	--

				<ul style="list-style-type: none"> • For those cost and charges which are individual and directly born by members, it is essential to include them on the annual pension benefit statement • Indirect or collectively allocated costs should be reported at entity (or pension scheme level). In Belgium e.g., the social and labour regulation includes these type of costs in a so called “transparency report” which is on request available to members and beneficiaries. In German paritarian IORPs e.g., the conditions of the pension plan are established based on actuarial principles and needs to be endorsed by the supervising authority. • With respect to supervisory convergence, the costs caused depend on the organisation of the scheme. When it comes to comparison between schemes, the basic rule should apply: to compare equal objects (and to treat them equally), while treating different objects unequally. This is true at both EU level and national levels. 	Not agreed: Please note that this Opinion is not addressed to members and beneficiaries, it is addressed to CAs and IORPs. Annual reports do not necessarily follow a look through approach.
5	Federation of the Dutch Pension Funds	Q1	Yes	Although supervisory convergence should be helpful in assessment of costs awareness and cost reporting by IORPs generally, primarily a set of reporting standards should benefit the cost control framework of the IORPs themselves. It is in the interest of ultimately the participant of the pension scheme of an IORP to get enough value for money. Generally, more transparency of the costs of a pension scheme is desirable. That’s is one of the reasons why the Dutch pension fund sector have developed the set of Recommendations on Administrative Costs, to which the Draft Opinion refers (see footnote 10).	Noted.

				In the Netherlands transparency has contributed to a reduction of the administration costs (see annex 1, p. 18).	
6	German Association of Actuaries (DAV)	Q1	No	<p>We do agree that especially in the current low yield environment costs are an important topic for the efficiency of the pension market overall. Still, we do have some doubts whether the implementation of a cost reporting for supervisory purposes as outlined in this draft opinion is the best suited tool to reach the goals mentioned (cost efficiency, value for money) considering complexity and required resources.</p> <p>Before giving arguments for our opinion, we would like to suggest that EIOPA considers a different approach: This approach would start with a pilot study that could be based on the data that CAs already receive from the IORPs with additionally requirements formulated by the CAs and based on their supervisory experience. At this stage we would explicitly suggest that not only quantitative but also qualitative information is collected and analyzed.</p> <p>We base our approach on practical as well as general arguments with obvious considerations about the German IORP market:</p> <p>1. In general German IORPs will not have the cost information according to the MiFID II logic: German IORPs invest in general either directly (assets directly held on the balance sheet of the IORP, usually larger IORPs, to a large extent fixed income instruments) or use Kapitalverwaltungsgesellschaften (KVG) offering Spezialfonds (a specific German form of an AIF for institutional investors), which are in general not subject to regulation stemming from MiFID II. As pointed out in Q1 we</p>	<p>Noted.</p> <p>Not agreed. EIOPA believes a pilot exercise conducted prior to the adoption of the Opinion by EIOPA is not necessary.</p> <p>Noted.</p> <p>Noted. The Opinion establishes a generic classification, supported by definitions of IORP costs. The use of MiFID is recommended where relevant.</p>

			<p>doubt that the data for Spezialfonds according to MiFID II requirements are in general available or retrievable right now. Reporting according to the MiFID II is therefore to a large extent just not possible in the moment. The first supervisory reporting according to the suggested methodology would only be possible after an implementation period (at the KVG and IORP) and then a data observation period – we would guess that not considering any cost issues this would need quite some time of preparations.</p> <p>2. While transparency and comparability with regards to costs definitely can help to find inefficiencies and improve value for money, it is only helpful for the supervisor / CA and an IORP if the peer group of comparable IORPs is large enough – otherwise it is comparing apples with oranges. We doubt that similar size of IORPs (e.g. measured by AuM) is a sufficient criterion for comparability (compare Q5) and think that the kind of scheme (DB, collective DC, DC, ...) already within countries and different formats between countries lead to a larger number of smaller peer groups. Likewise, we think that different pension products (in different countries) can probably lead to inefficiencies in different steps of the value chain. Therefore we strongly advocate to review the efficiency of the suggested methodology, which at least in Germany cannot be implemented without costs and preparation time.</p> <p>Final remark: In our view in the present draft opinion the high level objective to get better information on costs is already strongly associated with a preference of EIOPA for a methodology. As pointed out before we would like to ask EIOPA to consider a different approach. Likewise, the</p>	<p>Noted. The size of the IORP is not the only criterion for comparing IORPs. The differences between the type of IORPs (DB and DC, hybrids), decumulation options, and the role of the sponsor, or investment strategy, should be taken into account when comparing data.</p>
--	--	--	--	--

				<p>answers to some questions have to be read in this context: We understand the objective, but see the need for a discussion on the methodology. This will repeatedly be mentioned.</p>	
7	German Association of Insured (BdV)	Q1	Yes	<p>Yes, we fully agree. At the European level the IORPs II Directive introduced structural cost disclosure requirements for IORPs, both towards prospective and actual scheme members. Nonetheless, the directive does not further specify which costs should be covered, according to which criteria and how detailed the breakdown should be or how the costs should be presented.</p> <p>Therefore this data collection of costs and charges is strongly necessary, as – in EIOPA’s Questionnaire of 2020 (cf. Annex 4 of CP) and in the 2015 report on costs and charges of IORPs - EIOPA found that there is a lack of detailed information and practical experience to obtain details on costs and charges in a number of Member States. In consequence, it proved not to be possible at that time to fulfil the original goal of the project to develop common definitions and breakdowns of costs and charges. But this original goal has to be achieved, because EIOPA has to include IORPs in its annual report on “Costs and Past Performances” requested by the Commission.</p> <p>The objective of implementing a transparent and comprehensive cost reporting for supervisory purposes is based on the Decision of the Board of Supervisors on EIOPA’s regular information requests toward NCAs regarding provision of occupational pensions information of 2 June 2020 (EIOPA BoS 20-362), which again is based on the former Decision of EIOPA’s BoS 18-114. The template “Expenses” (PF.05.03.24) outlines the following items:</p>	Noted.

				<p>administrative, investment, tax, other and total expenses.</p> <p>Additionally the European Securities and Markets Authority (ESMA), the EU's securities markets regulator, has identified costs and performance for retail investment products and market data quality as the Union Strategic Supervisory Priorities for national competent authorities (cf. ESMA PR of 13 November 2020).</p>	
8	Gesamtverband der Deutschen Versicherungswirtschaft e. V.	Q1	No	<p>The question could be understood to mean that there has been no cost reporting to the supervisor so far. This is not the case. There is already such reporting. In our opinion, the question could therefore be whether this reporting should be more formalised and further standardised across Europe. It is also essential whether existing information can be used for this and which areas are affected, e.g. only certain cost information for DC plans.</p> <p>In principle we welcome considerations for a more transparent and comprehensive cost representation with regard to the National competent authority (NCA). In this way the value of occupational pensions can be better assessed, especially by IORPs and NCAs. However, in Germany, there already exist extensive reporting obligations to the CA for IORPs. This should be evident from the response to the survey of NCAs in 2020. Further detailing or a different cost classification or logic in the breakdown does not seem to us to be purposeful or beneficial; it would inevitably lead to increased expense without any discernible gain in transparency and would cause confusion among IORPs. It should be avoided that a further cost reporting system is established in addition to the existing costs reporting obligations. Moreover, the proposal of the cost reporting in the consultation paper would impose a</p>	<p>The responses of CAs to the survey conducted in 2020 show that current reporting does not always follow a look-through approach, limiting the ability of CAs to supervise the costs of IORPs.</p> <p>Idem.</p>

			<p>reporting of costs which is generally not applicable to IORPs in Germany. Costs according to MiFID - to which the Opinion is obviously oriented - are - if at all - only available for small parts of the investment of IORPs. This does not mean that MiFID-based costs are already made available to IORPs today. The disclosure of a multitude number of cost variables does not provide more clarity; it should be limited to relevant, meaningful, existing values.</p> <p>As mentioned before, in Germany reporting obligations base on the annual accounts with an additional further breakdown of costs at the company level (Regulation on Reporting by Insurance Companies to the Financial Supervisory Authority – BerVersV, Regulation on the supervision of pension funds and on the implementation of pure defined contribution plans in occupational pension schemes – PFAV).</p> <p>Moreover all costs required to assess the appropriateness of the calculation are already reported to the CA by IORPs as part of the product notifications pursuant to Section 143 insurance supervision law (VAG). We see no need – and no benefit for the beneficiaries – in reporting additional cost variables. The IORP must present the adequacy and sufficiency of costs for the entire term of the contract to the CA (Sec. 143 VAG and Sec. 4 Actuary Regulation – AktuarV). This is very different to investment funds, where the costs can be adjusted every year. In the rare case of unit-linked products, changing fund costs lead either to a deterioration or an improvement in the fund's performance; in particular, the fund's costs have no effect on the underwriting costs or on the guarantees included in the product. We do not see the added value for the CA in case that IORPs are obliged to</p>	<p>Noted. The Opinion establishes a generic classification, supported by definitions of IORP costs. The use of MiFID is recommended where relevant.</p> <p>Full transparency could lead to lower level of IORP costs</p>
--	--	--	---	--

				<p>inform about changing fund costs.</p> <p>Due to regulatory requirements for insurance products or product offerings from IORPs, costs are contractually agreed with the customer and cannot be adjusted during the term (Sec.138 VAG, Sec. 163 insurance contract law – VVG).</p> <p>IORP costs must be calculated in such a way that they take unfavorable developments into account [Sec.138 VAG in connection with Sec. 141 VAG]. However, beneficiaries by law participate in case of cost surplus [Sec.153 VVG in connection with Sec. 4ff. Minimum supply regulation (MindZV) and Sec. 5 AktuarV].</p> <p>The draft Opinion has the potential - depending on the level of detail eventually be set by the NCA - to significantly increase the reporting burden on IORPs, in particular with regard to the cost categories defined by EIOPA as “Investment costs” and “Transaction costs”. At the same time, however, efficiency, affordability and good value for money of IORP’s are intended by EIOPA. Both contradict each other.</p>	<p>due to competition among asset managers.</p>
9	Insurance Europe	Q1	Yes	<p>The general objective of having comprehensive cost reporting at EU level is understandable and somewhat desirable. However, the proposed approach should first consider the requirements that exist at national level. Without taking into account existing national requirements, member states with already well-developed cost reporting would be particularly disadvantaged as EIOPA’s proposals might introduce unnecessary changes.</p>	<p>EIOPA takes into account of the existing cost reporting requirements at national level.</p>
10	PensionsEurope	Q1	No	<p>Cost transparency and reporting are important tools and objectives of the management board of the IORP and/or the negotiating social partners in the set-up of a scheme. The</p>	<p>Not agreed. EIOPA delivers this Opinion on the basis of Directive</p>

				<p>social partners, who often manage IORPs, have an intrinsic interest to reduce costs to improve pension outcomes for employees. Cost considerations are a key factor driving the modernisation of pension administration. We observe that administration and asset management costs are trending downward, although costs associated with regulation is slowing down this trend. Cost's considerations are already a significant driver of consolidation in some MSs.</p> <p>We agree that costs and charges are a key issue when considering the value for money that IORPs deliver and that such an assessment should always consider costs in conjunction with risk and return.</p> <p>Some observations on the legal basis and the underlying objective of the draft Op.: as for the legal basis, the draft opinion refers to art. 29(1)a of the EIOPA Reg. . However, in the field of pensions, the scope of action of EIOPA is limited by art. 1 to the powers conferred within the IORP II Directive and to the requirement of acting without prejudice to national SLL. The IORP Directive takes a minimum harmonisation approach to accommodate the differences in SLL, which shape occupational pensions, as the EU legislator considered that there is only limited need for supervisory convergence in the pension field. It is critical that EIOPA considers and respects the heterogeneity of this sector.</p> <p>The Op. should leave sufficient leeway for the CAs to tailor the principles to their national circumstances. In the introduction, the Op. should refer to the minimum harmonisation character of the IORP II Directive and commit itself to it.</p>	<p>(EU) 2016/2341 (the IORP II Directive), in particular in relation to Article 19(1)(a), Article 45(1), Article 46, Article 48(8)(a), Article 49 and Article 50 thereof.</p> <p>Noted.</p> <p>Noted.</p> <p>Not agreed. The principles included in the Opinion should suit all IORPs. One of the principles concerns proportionality, which allows for some</p>
--	--	--	--	---	--

			<p>These considerations lead us also to question whether the objective of comparability is the right driver for the Op. We see very different types of IORP across the EU and as a result diverging existing practices in cost reporting. An important difference between MSs is the degree to which IORPs are industry-wide or multi-sponsor IORPs, or single-sponsor IORPs, as well as whether the risk is carried by the participants or not. In a single-sponsor DB scheme where the sponsor carries a significant part of the costs the case for having comparable cost reporting is simply less pronounced.</p> <p>In countries such as the Netherlands, Italy, and the UK (although UK is out from the scope), with industry-wide funds and where the participants carry the risk and costs, a detailed cost reporting framework for IORPs has been put in place.</p> <p>In certain MSs, IORPs enjoy a flexible legal framework that allows them to be tailor-made to the sponsor company/social partners' needs in terms of structure, governance, investments, administrative and operational organisation. This renders the sector very diverse not only across MSs, but even within the same MS. The Op. should better consider the complexity of the operations of each specific IORP, not only comparing the quality of service, which assumes that the type of service is the same, but also the kind of service provided.</p> <p>Furthermore, the Op. is delivered based on certain articles of the IORP II Directive (see par. 1.2). However, it is not clear how these articles justify the push towards the publication of cost data. While the protection of members and beneficiaries is key, it does not in itself justify disclosure.</p>	<p>adjustments at national level.</p> <p>The Opinion highlights the need to compare “equals to equals”.</p> <p>Agreed. The service has been added as a criterion for “value for money” assessments.</p> <p>Competent Authorities (CAs) have the power to publish the results of their supervisory actions.</p>
--	--	--	---	--

				<p>There are several ways to protect their long-term interest. The way proposed could fit DC pension plans that allow members to choose their investment option, when costs have an immediate impact on the member's benefit, and where members can opt for an IORP. We agree with cost transparency, but in an appropriate and fitting manner. Cost transparency and reporting as it is understood in this Op. should not lead EIOPA to make an in-depth cost analysis, benchmarking exercise, or a cost evaluation of IORPs. Considering the flawed cost-benefit analysis (see Q2), we do not see any evidence or analysis proving that this Op. would improve the long-term outcomes for members and beneficiaries.</p> <p>Finally, IORPs' reporting has considerably increased in recent years, also due to the IORP II Directive and other applicable EU legislation (e.g. EIOPA and ECB reporting regulations, sustainable finance legislation). Additional cost reporting requirements to CA would not generate efficiencies. On the contrary, they will only generate additional fixed costs carving out the pension scheme's value. It is important that CAs always consider the need, reasons, and objectives for adding new transparency requirements, as otherwise, they would lead to additional cost for IORPs (which could ultimately be transferred to members and beneficiaries) without providing added value.</p>	<p>EIOPA has updated the costs and benefit analysis in the final Opinion. Full transparency of costs, in particular with regards hidden costs, can lead to improved cost efficiency of IORPs and hence better value for money.</p>
11	PensioPlus	Q1	No	<p>We agree with cost transparency and comprehensive cost reporting as an objective of the management board of the IORP and/or the negotiating social partners in the setup of a pension scheme as well as its importance for members and beneficiaries as part of their pension benefit communication. Extensive cost communication to the members and beneficiaries should be limited to pure DC</p>	<p>Not agreed. According to Article 45(1) IORP II Directive, it is CAs competence to supervise the costs of the IORP sector to identify risks and vulnerabilities and to</p>

			<p>schemes with investment options where costs are borne by the members. Clear definitions of cost, a general classification, principles for compilation and templates might be very useful to facilitate this communication and reporting purposes.</p> <p>We do not agree with cost transparency and comprehensive cost reporting as an objective of EIOPA nor of the NCA to make an in-depth cost analysis, a benchmarking exercise and/or a cost evaluation with feedback to the IORP. For EIOPA and NCAs, a high-level cost overview should be sufficient.</p> <p>No. Cost transparency and comprehensive cost reporting are a matter of national social & labour law:</p> <ul style="list-style-type: none"> • Does the sponsor provide the plan as agreed amongst social partners • Is the plan organised in an efficient way so that the members & beneficiaries can benefit in an optimal way which is a task for IORP board members • For those cost and charges which are individual and directly born by members, IORP II already requires to include them on the annual pension benefit statement • Indirect costs either indirectly or collective should be reported at entity (or pension scheme level). In Belgium our social and labour regulation includes these type of costs in a so called “transparency report” which is on request available to members and beneficiaries 	<p>protect members and beneficiaries. The use of a more high-level overview of costs (than the generic classification in the opinion) by CAs would limit the ability to appropriately supervise the costs.</p> <p>According to Article 48(8)(a) it is CAs’ competence to make sure IORPs can fulfil their duties to scheme members.</p> <p>Not agreed. EIOPA believes a pilot exercise conducted prior to the adoption of the Opinion by EIOPA is not necessary. However, a fact-finding exercise before implementing the Opinion can be conducted by the CA at the national level to determine the appropriate level of supervisory reporting.</p> <p>Please note that this Opinion is not addressed to members and beneficiaries, it is addressed to CAs and IORPs.</p>
--	--	--	--	---

				<ul style="list-style-type: none"> • Cost transparency is no matter of consumer protection – social partners are protecting members and beneficiaries as interests are aligned, members and beneficiaries do not buy anything they get a pension offering in the context of their comp and benefit package • Cost transparency is no matter of prudential regulation - IORPs are not for profit institutions and as such are not operating in a competitive environment • Cost transparency is no matter of supervisory convergence - the IORP sector across EU is too heterogeneous and therefore it is no option to regulate cost transparency at EU level 	<p>Annual reports do not necessarily follow a look through approach. Information on costs is also a matter of prudential regulation, because it impacts on IORPs' returns. For instance, for Defined Benefit schemes there is a risk that pension schemes are covered by sponsor that may not be able to support the pension promise should net returns (after costs) not be high enough to meet the pension promise.</p> <p>It is CAs competence to supervise the costs of the IORP sector to identify risks and vulnerabilities, but also to protect members and beneficiaries. Cost transparency is a matter of consumer protection and a duty of CAs is to supervise whether IORPs deliver good pension outcomes for members.</p> <p>EIOPA provides this Opinion on the basis of Article 29(1)(a) of Regulation (EU)</p>
--	--	--	--	---	--

					No 1094/2010. This article mandates EIOPA to play an active role in building a common Union supervisory culture and consistent supervisory practices, as well as in ensuring uniform procedures and consistent approaches throughout the Union.
17	EIOPA OPSG	Q2		<p>Some OPSG members agree. EIOPA correctly stresses that “as institutional clients, IORPs should be able to request to service providers the itemised cost disclosure under MiFID II to collect detailed data on investment and transaction costs and report it accordingly to the NCA.” Therefore, option 3 as pointed out by EIOPA, seems to be adequate: “Development of reporting templates for IORPs to report data to the CAs, according to principles, as well as templates for IORPs to collect data from service providers.” There is no contradiction between granularity and flexibility, if the principle of proportionality for SMEs will be applied appropriately.</p> <p>Other members do not agree stressing that MiFID II is a reporting standard, which is quite suitable for fund-based investment products. However, in some European countries not only funds are used for investments covering occupational pensions. For certain other forms of investments the MiFID II standard definitely does and will not work. So, if this standard will be used for occupational pensions cost reporting, we would have to limit this to fund-based investment, where this standard works.</p>	<p>Noted.</p> <p>Not agreed. The Opinion provides with a generic cost classification without requiring to use MiFID cost disclosure for the reporting on investment and transaction costs. The Opinion encourages however to report based on MiFID cost disclosures in those cases where IORPs</p>

					invest through fiduciary managers, external asset managers and other service providers.
18	aba Arbeitsgemeinschaft für betriebliche Altersversorgung	Q2	No	<p>The first step should be taking stock in the MS: It is not clear to us that there is an EU-wide cost problem of IORPs and that this Draft Opinion would contribute to solving this problem. Regarding the question whether there is a problem, the Mercer global asset manager fee survey 2020 could be starting point before conducting a thorough stock taking exercise, e.g. by a once-off reporting of a manageable number of representative IORPs in MS where IORPs play a significant role. It seems to us that the last Report on costs and charges for IORPs was published in 2015, if that is correct, this should be updated before any further action is taken.</p> <p>Our proposal: EIOPA and the NCAs should conduct a stock-taking exercise to determine whether and where there are problems regarding costs and charges for IORPs, and if they exist, of what type they are.</p> <p>Although the title of this section is “Analysis costs and benefits”, the Annex rather explores advantages and disadvantages of the discussed options. While the benefits are laid out at the beginning, Annex 1 does not say much about the associated costs for IORPs. Merely mentioning that there will be costs for IORPs is not a proper cost-benefit-analysis.</p> <p>General points:</p> <p>To assess the costs and benefits of an initiative, it is</p>	<p>Not agreed. EIOPA believes a pilot exercise conducted prior to the adoption of the Opinion by EIOPA is not necessary. However, a fact-finding exercise before implementing the Opinion can be conducted by the CA at the national level to determine the appropriate level of supervisory reporting.</p> <p>Based on CAs feedback, the costs currently reported are not comprehensive and therefore it would be difficult to conduct assessments based on the existing data.</p>

				<p>important to understand the current situation. We expect that the current situation and problem assessment will vary between different MS. This needs to be recognised in the cost-benefit analysis. It is important to conduct a thorough analysis in the MS with IORPs, and, if there is a problem, find tailored solutions (leeway for NCAs is key).</p> <p>Comparing the three options, it is not clear to us why the third option is best. It is the option with the biggest price tag, so a clear justification (including evidence) is needed. Option 3 follows a one-size-fits all approach, which is unlikely to be suitable for all IORPs across the EU.</p> <p>For the cost-benefit-assessment the granularity of the reported data is a key factor. We would like to emphasise that higher granularity always leads to higher costs, which might not be justified by the additional benefits gained.</p> <p>We note that there are currently no concrete proposals of having lower requirements for smaller IORPs (as is i.a. the case with the EIOPA Reporting). We call on EIOPA and the NCAs to take size into account, and generally follow the understanding of proportionality used by the IORP II Directive.</p> <p>More generally, we would like to emphasise again that in some MS, it is not possible for members and beneficiaries to choose between IORPs. An occupational pension membership is not sold to the consumer, but members are enrolled by their employers. Cost efficiency for members and beneficiaries is ensured by an alignment between the interests of employers and employees: if the employer has to step in in case the given pension promise cannot be met,</p>	<p>EIOPA has updated the costs and benefits analysis.</p> <p>Agreed. This has been reflected in the costs and benefits analysis.</p> <p>Agreed: the Opinion provides possibilities for applying proportionality when implementing the Opinion.</p> <p>CAs should supervise whether IORPs deliver good pension outcomes in mandatory enrolment frameworks, where the member is obliged to contribute to the scheme without a possibility to withdraw.</p>
--	--	--	--	---	--

				<p>he has a strong incentive to ensure a sound and efficient management of the IORP. We see little to no added value if cost data is reported to the NCA or even published (4.7).</p> <p>The EU Commission has set itself Better Regulation Guidelines. While the descriptions and proposed / prescribed tools are obviously specific to the Commission, from our perspective EU authorities such as EIOPA should follow the more general guidelines. On impact assessments, the guidelines state:</p> <p>“Impact assessments collect evidence (including results from evaluations) to assess if future legislative or non-legislative EU action is justified and how such action can best be designed to achieve desired policy objectives. An impact assessment must identify and describe the problem to be tackled, establish objectives, formulate policy options, assess the impacts of these options, and describe how the expected results will be monitored. (...)”</p> <p>On these grounds we would like to emphasise the need to “identify and describe the problem to be tackled”.</p>	<p>Noted: EIOPA has identified the problem, for instance analysing CA’s responses to the survey. Please see accompanying document with results of the CAs survey.</p>
19	Actuarial Association of Europe	Q2	Yes	<p>High-level, scheme specific investment and administrative cost information would be feasible for most schemes to produce, but sponsor related internal costs and transaction costs would sometimes be more difficult to produce, may lead to increased costs to schemes, and be of questionable value as these internal costs are most likely less material.</p> <p>There could be a distinction between DB and DC schemes and whether the costs are deducted directly from members (thereby reducing member investment outcomes) or payable by another party, such as the employer .</p>	<p>Noted.</p> <p>Noted. Sponsor costs are to be reported separately.</p>

				<p>Applying proportionality makes sense and disclosing the AMC/TER for unitised funds is probably as deep a 'look through' as is practical.</p> <p>We expect that the costs information is available for the providers of Pension Plans since the costs is an essential part of the financial reports of the managing entity. The AAE believes that with a further disclosure of cost structure a process of cost reduction will be initiated. Such cost reduction should balance the costs of collecting/reporting the information. We think that information about costs will likely be more than balanced by potential cost reductions for members of the plan and also will serve the needs of management of the IORP. We would apply proportionality if it is obvious from the start that the additional costs would outweigh the potential cost reductions.</p>	<p>The AMC/TER do not include transaction costs.</p> <p>Noted.</p>
20	European Association of Paritarian Institutions (AEIP)	Q2	No	<p>We believe the need for cost reporting and related supervisory actions is highly depending on the structure of the market. A DB market or even a DC market where investment portfolios are set collectively highly differ from a pure DC market based on an individual's free choice of the investment fund/provider.</p> <p>Taking a one size fits all approach generates unnecessary costs for many small and medium sized IORPs. which is detrimental for the members' benefit and which destroys the affordability for many sponsors to organise an adequate pension scheme.</p> <p>We therefore advocate for an approach which is as close as possible to the relevant market.</p>	<p>Partially agreed: While the generic cost classification for the reporting to the CAs is applicable across markets, CAs should have discretion to determine the level of cost reporting for DB IORPs following a risk-based approach, taking into account the supervisory objectives.</p> <p>Partially agreed.</p>

				<p>As hardly any IORP is “selling” or “commercialising” a product across Europe, we believe supervisory convergence is subordinate to efficiency, value for money and affordability.</p> <p>Increasing regulatory requirements, reporting requirements leads to administrative burden and increases costs. As in many cases this does not bring value for money for the member, these initiatives are seen as detrimental for the efficiency of the IORP and makes many pension schemes no longer affordable for sponsors. In extreme it makes them running away from the triangular approach to organise pension benefits via not for profit solutions and forces them to opt for commercial products at higher cost, less control (especially for smaller parties) and less tailor-made solutions with in the end lower benefits for the members. As the cost attached to this burden are fixed costs we notice that mainly the small and medium sized sponsors and IORPs are heavily impacted.</p> <p>We believe paritarian pension schemes to be not commercial at all. Therefore, there is less risk of hiding business profits carried by the beneficiaries via high (investment) costs.</p>	<p>The Opinion aims at enhancing supervisory convergence in the supervision of IORPs to ensure minimum standards on cost supervision are applied across the single market.</p> <p>The opinion specifies that CAs should have discretion to determine the level of cost reporting for DB IORPs, e.g. a lower frequency of reporting, reduced scope of cost reporting or full exemption for certain DB IORPs, where certain DB IORPs should be considered non-commercial small or non-commercial closed DB IORPs.</p>
21	Federation of the Dutch Pension Funds	Q2	Yes	<p>In addition: In the Netherlands we already have a high standard for making the costs of IORPs transparent (included in the Dutch pension law) and the national supervisors supervise the implementation of and compliance with the law. We need to prevent extra supervision costs for the pension funds as result of European and national supervision. That would be detrimental to the participant in the pension scheme.</p>	Noted.

22	German Association of Actuaries (DAV)	Q2	No	Obviously the overview of the three options provided in Annex 1 is formally correct. Concerning the question whether it is a balanced view we refer to our answer to Q1 and think this decision should be taken on the results of a pilot study.	Noted. EIOPA believes a pilot exercise conducted prior to the adoption of the Opinion by EIOPA is not necessary. However, a fact-finding exercise before implementing the Opinion can be conducted by the CA at the national level to determine the appropriate level of supervisory reporting. (paragraph 3.22)
23	German Association of Insured (BdV)	Q2	Yes	Yes, we agree. EIOPA correctly stresses that “as institutional clients, IORPs should be able to request to service providers the itemised cost disclosure under MiFID II to collect detailed data on investment and transaction costs and report it accordingly to the NCA.” Therefore, option 3 as pointed out by EIOPA, seems to be adequate: “Development of reporting templates for IORPs to report data to the CAs, according to principles, as well as templates for IORPs to collect data from service providers.” There is no contradiction between granularity and flexibility, if the principle of proportionality for SMEs will be applied appropriately.	Noted.
24	Gesamtverband der Deutschen Versicherungswirtschaft e. V.	Q2	No	We well understand the objective to evaluate supervisory convergence. Cost reporting is significant and important, but it has to be established efficiently, i.e. comprehensively and at the same time in a way that minimises effort/costs, considering the existing setup of occupational pension system. However, the present EIOPA proposal on supervisory cost reporting is detached from the framework for IORPS cost reporting, already established by legal norms in Germany. For example, the cost classification proposed by	Not agreed. Existing cost reporting does not provide a full picture on all the costs, such as transaction costs or sponsor costs.

			<p>EIOPA differs from that used in Germany. In any case, only data on costs available for IORPs should be used, whereby it must be taken into account that these are not MiFID based costs. EIOPA's template should match existing reporting by member states. In particular, member states with already well-developed cost reporting should not be penalised by not taking their cost reporting into account.</p> <p>EIOPA's draft opinion seems to be based on the idea that IORPs primarily make fund-based investments and that other investments by IORPs (direct investments, real estate, etc.) are the exception. However, this idea does not correspond to the occupational pension system in Germany with primarily collective, broadly diversified, and predominantly security-oriented direct capital investments. In our opinion, the proposed cost reporting mainly addresses individual investment savings models in the sense of an original defined contribution (DC) plan. However, the occupational pension system in Germany differs fundamentally from such investment savings models as they are often designed in other countries within the framework of occupational pensions. Until a few years ago, there were no DC plans in the German occupational pension system at all. They are currently in the beginning stages and have a collective approach similar to existing pension solutions.</p> <p>IORPs in general have no information or data, respectively, of costs borne by the sponsor. It would be problematic and costly to generate this data. In addition, IORPs with many employers are quite common in Germany. For IORPs with more than 100 sponsors, for example, the problem increases accordingly. The IORP has only limited access to the external costs incurred by the employer for promised benefits. In</p>	<p>Not agreed. The generic cost classification fits Defined Benefit schemes.</p>
--	--	--	--	--

			<p>addition, it is not clear how, for example, the costs of a possible support by the sponsor/employer (subsidiary liability) could be calculated a priori.</p> <p>In addition, the value for money is to be assessed. However, the draft Opinion only takes into account the costs and not the returns and risks. In our opinion, this does not ensure a reliable assessment of the value for money.</p> <p>Overall, the CA in Germany tends to have an information overload. Netting - if it takes place at all – should therefore be able to be identified by the CA.</p> <p>Option 3 in Annex 1 of the draft Opinion states a “one-size-fits-all-approach”, leaving no flexibility for the enormous range of different IORPs and thus no room for the necessary proportionality. The assessment of the advantages and disadvantages of the 3 options are not convincing and are apparently intended to lead to the seemingly desired result. For example, the benefits of option 3 are mentioned several times.</p> <p>In addition, the draft opinion partly quotes old reports / studies (AFM report from 2011 and EIOPA Report on Costs and charges of IORPs, EIOPA-BoS-14/266, 7 January 2015), which are used to justify the observed deficiencies in cost presentation / reporting. In the meantime, however, the IORP II Directive 2017 has been adopted; its national implementation resulted in further transparency requirements regarding costs (VAG-InfoV) and IORPs have been sensitised accordingly. In addition, further European reporting requirements were installed, such as by the ECB (ECB/2018/2) but also via EIOPA’s Decision of the Board of</p>	<p>Noted. The opinion refers to “value for money”, however it does not as such include recommendations to CAs on how to undertake “value for money” assessments.</p> <p>EIOPA updated the costs and benefit analysis.</p> <p>The cost reporting serves specific purposes and will supplement the objectives of other initiatives, such as cost transparency to members and beneficiaries under the IORP II Directive or the IORP regular reporting to EIOPA. In the costs and benefit analysis, EIOPA considered the reporting on costs provided in EIOPA’s regular information requests towards NCAs regarding provision of occupational pensions information.</p>
--	--	--	--	---

				Supervisors on EIOPA's regular information requests towards NCAs regarding provision of occupational pensions information (EIOPA BoS/18 114 of April 10, 2018), templates included. In our view, these requirements also include cost information. Therefore, the "problems" and deficiencies described in the draft Opinion should have been significantly reduced by now.	
25	Insurance Europe	Q2			
26	PensionsEurope	Q2	No	<p>No, we recognise some of the considerations, yet believe that an in-depth research and analysis is needed before developing an opinion on costs. Before establishing regular reporting requirements, EIOPA, together with the national competent authorities, should take stock to analyse and determine whether there are any problems and if so, for which reasons. This stock taking exercise could e.g. take the form of a one-off reporting of (a number of) IORPs in relevant MS. Based on this sample, any further action could be determined.</p> <p>Annex 1 does not include an analysis that allows us to understand whether there are issues related with the cost and transparency of IORPs and whether this opinion would contribute to solving these issues. The EIOPA 2015 IORP report on costs and charges concluded that considering common definitions and standardised breakdowns of costs and charges would not be possible. We understand that with this new opinion EIOPA wants to develop comparability but we do not believe this is the right objective. Assuming that in some MSs the situation might have changed in recent years, that the current situation and problem assessment will vary between different MS, and considering that EIOPA is now collecting cost data from IORPs and NCAs under the EIOPA</p>	<p>Noted: EIOPA believes a pilot exercise conducted prior to the adoption of the Opinion by EIOPA is not necessary. However, a fact-finding exercise before implementing the Opinion can be conducted by the CA at the national level to determine the appropriate level of supervisory reporting.</p> <p>The summary of the outcomes of the CA survey includes as a conclusion that the look-through approach is not commonly applied across CAs. The Opinion aims at providing full transparency on the level of IORP costs.</p>

			<p>Reporting Decision, we would invite EIOPA, before adopting this opinion, to conduct more in-depth analysis on:</p> <ul style="list-style-type: none"> • the stocktaking of actual problems for members, beneficiaries, IORPs or sponsoring employers. • the definition of what exactly are the deficiencies of each of the instruments identified by the survey, i.e. instruments used by CAs to collect information on IORP's cost and, if they exist, of what type they are • only then, it will be possible to find tailored solutions, for which leeway for NCAs is key <p>The same as just above should be done for the costs incurred by third parties (e.g., investment funds, but also trading costs, custodian costs, costs of external management units, etc.) that are directly or indirectly charged to the IORP: EIOPA could investigate what exactly does already exist as regulation, and in light of EIOPA's objectives and key principles, determine whether this is sufficient, what and why is not sufficient, and what should be changed.</p> <p>Only based on such a thorough and precise analysis, which should be developed also in cooperation with stakeholders, potential further steps, including suggestions for change and improvement, should be considered and proposed.</p> <p>The "Costs and benefits analysis" included in Annex 1 explores the advantages and disadvantages of the discussed options only very generally, without including any estimate or more detailed analysis on the associated costs for IORP. Comparing the three options, it is not clear to us why the</p>	<p>Agreed: EIOPA conducted an analysis of the costs incurred by third parties.</p> <p>EIOPA has updated the costs and benefit analysis.</p> <p>Not agreed.</p>
--	--	--	--	--

				<p>third option is best. This is the option with the biggest price tag, so a clear justification (including evidence) is needed.</p> <p>For the cost-benefit-assessment the granularity of the reported data is a key factor. We would like to emphasise that higher granularity always leads to higher costs, which might not be justified by the additional benefits gained. We note that there are currently no concrete proposals of having lower requirements for smaller IORPs. We call on EIOPA and the CAs to take size into account and follow the understanding of proportionality used by the IORP II Directive.</p> <p>More generally, we emphasise that in some MSs members and beneficiaries cannot choose between IORPs. Occupational pension membership is not sold to the consumer, but members and beneficiaries are enrolled by their employers. Cost efficiency for members and beneficiaries is ensured by an alignment between the interests of employers and employees: if the employer must step in in case the given pension promise cannot be met, it has a strong incentive to ensure a sound and efficient management of the IORP. We see little to no added value if cost data in those systems is reported to the national competent authority or even published (4.7).</p>	<p>The Opinion sets out expectations on the supervisory reporting of costs and charges of IORPs, using a proportional and risk-based approach. Proportionality measures should be based on a risk-based approach.</p> <p>CAs should supervise whether IORPs deliver good pension outcomes also in mandatory enrolment frameworks, where the member is obliged to contribute to the scheme without a possibility to withdraw.</p> <p>Partially agreed: According to Article 48(8)(a): It is CAs' competence to make sure IORPs can fulfil their duties to scheme members.</p>
27	PensioPlus	Q2	No	<p>We agree with cost transparency and comprehensive cost reporting as an objective of the management board of the IORP and/or the negotiating social partners in the setup of a pension scheme as well as its importance for members and beneficiaries as part of their pension benefit communication. Extensive cost communication to the members and beneficiaries should be limited to pure DC schemes with investment options where costs are borne by</p>	<p>Not agreed.</p> <p>According to Article 45(1) IORP II Directive, it is CAs' competence to supervise the costs of the IORP sector to identify risks and vulnerabilities, as well as to</p>

			<p>the members. Clear definitions of cost, a general classification, principles for compilation and templates might be very useful to facilitate this communication and reporting purposes.</p> <p>We do not agree with cost transparency and comprehensive cost reporting as an objective of EIOPA nor of the NCA to make an in-depth cost analysis, a benchmarking exercise and/or a cost evaluation with feedback to the IORP. For EIOPA and NCAs, a high-level cost overview should be sufficient.</p> <p>No. We believe the need for cost reporting and related supervisory actions is highly depending on the structure of the market. A DB market or even a DC market where investment portfolios are set collectively highly differ from a pure DC market based on an individual's free choice of the investment fund/provider.</p> <p>Taking a one size fits all approach generates unnecessary costs for many small and medium sized IORPs which is detrimental for the members' benefit and which destroys the affordability for many sponsors to organise an adequate pension scheme.</p> <p>We therefore advocate for an approach which is as close as possible to the relevant market.</p> <p>As hardly any IORP is "selling" or "commercialising" a product across Europe, we believe supervisory convergence is subordinate to efficiency, value for money and affordability.</p>	<p>protect members and beneficiaries.</p> <p>According to Article 48(8)(a), it is CAS' competence to make sure IORPs can fulfil their duties to scheme members.</p> <p>The use of a more high-level overview of costs (than the generic classification in the opinion) by CAs would limit the ability to appropriately supervise the costs.</p> <p>Not agreed: Supervisory actions should be applied taking into account the differentiation between IORPs in the market.</p> <p>Partially agreed: The cost classification provided in the Opinion fits all type of schemes. Some options to apply a proportional approach are included in the Opinion.</p> <p>Not agreed. The Opinion aims at enhancing supervisory convergence in the supervision of IORPs to ensure minimum standards on cost supervision are</p>
--	--	--	---	--

			<p>Increasing regulatory requirements, reporting requirements lead to administrative burden and increase costs. These initiatives are seen as detrimental for the efficiency of the IORP and makes many pension schemes no longer affordable for sponsors and makes them running away from the triangular approach to organise pension benefits via not for profit solutions and forces them to opt for commercial products at higher cost, less control (especially for smaller parties) and less tailormade with in the end lower benefits for the members. As the cost attached to this burden are fixed costs we notice that mainly the small and medium sized sponsors and IORPs are heavily impacted.</p> <p>We believe EIOPA should limit this exercise to giving guidance to the management board of an IORP how to look at its costs, how to gain efficiency and how to bring added value for members and affordability for the sponsors but should stay clear from any attempt to strive for supervisory convergence and comparability of costs and charges and the administrative burden of extensive reporting to CAs. A generic cost classification, principles for the compilation of costs and templates to ask asset managers the relevant cost information can be excellent tools to help the management board of the IORP to make their cost analysis and to increase efficiencies where possible. Additional reporting requirements to CA does not generate any efficiencies on the contrary, it will only generate additional fixed costs carving out the pension scheme's value.</p>	<p>applied across the single market.</p> <p>Some options to apply a proportional approach are included in the Opinion.</p> <p>Not agreed. The opinion is not aimed exclusively at providing guidance to IORPs for internal purposes, but primarily to report on cost to CAs. Please note that the reporting templates should help the management board to analyse costs levels for own purposes.</p>
33	EIOPA OPSG	Q3	<p>Some OPSG members agree that the section 3.2 in the consultation paper provides very detailed and logical classification of costs. They believe that the suggested cost-classification and the presented reporting templates for the industry would be a good starting point. They agree that</p>	<p>Noted.</p>

			<p>there should be also a distinction between direct investment charges and “bundled” investment / administration charges, i.e. insured schemes. What is important is to be able to have a clear view of all the costs paid by the sponsor and paid by the IORP, as long as producing this information does not generate disproportionate additional costs.</p> <p>But this generic classification should be complemented by giving distribution costs a separate disclosure (cf. our comment on Q4). There are many IORPs which offer their services on the free market of occupational and private retirement provision (and not only to a clearly fixed number of sponsors), and in consequence they have to calculate distribution costs. That is why for classification and definitions we refer to EIOPA’s 2021 Report on Costs and Past Performances (administration / distribution costs: box 5, p. 36/37, and definitions of one-off and ongoing costs, p. 57/58) as well as to EIOPA’s 2020 Report on Costs and Past Performances on “Cost Mapping” (Annex II, p. 37).</p> <p>There must not be any hidden costs. Transparency on the fees could be a lever in order to be able to put pressure to reduce them, and therefore lower costs could possibly lead to an increase in accumulation of contributions in a CD context or increased benefits in a DB context. As it is clearly stated in the paper, annual charges of 1% of assets during 40 years of service will reduce, as a rule of thumb, pension benefits with some 20%. Therefore, the cost transparency is vital for well-being of society in long term perspective. Considering the latest Ageing and Poverty reports we believe that all mechanisms should be used to ensure reasonable pension benefits after retirement.</p>	<p>Noted. Reporting of sponsor cost is required when deemed proportionate by the CA.</p> <p>Agreed: Distribution costs are disclosed as part of administrative costs, however it is required to provide a break down for this specific cost.</p> <p>Noted.</p>
--	--	--	---	--

			<p>Other OPSG members disagree to the proposal that costs borne by sponsors should be included, because – under certain conditions (cf. explanations below) - they do not have any influence the future pension result of the beneficiaries. Including such costs would also often not contribute to a higher degree of comparability and would often tell us nothing about the IORP’s efficiency and/or the affordability of the IORP for sponsors.</p> <p>First, if an IORP has a sponsor company, to which a big part of its pension products can be assigned, and beside that only few sponsor companies having a relatively small share on the IORP’s pension products, it is sometimes the case, that this “majority” sponsor companies pays certain costs. So, in such a case, strictly speaking, the cost level for different sponsor companies might be different. Often sponsor companies have also certain information requirements with regard to an IORP – and are willing to pay for that. In such a situation the cost level is influenced by these sponsor companies themselves and it would be misleading to compare the cost structure (including such costs paid by the sponsors) of that IORP with the cost structure of another IORP having sponsors with much less information requirements resulting in lower administrative costs. Also the argument, that reporting of these cost blocks may give additional insight with regard to the question, if – especially in the situation of a crisis – a sponsor company can still afford the pensions provided by this IORP, has to be questioned, because experience tells, that the size of such administrative costs is usually quite irrelevant for the respective employer. This aspect has already been treated in the OPSG position paper regarding DC risk assessment earlier this year.</p>	<p>Not agreed: Reporting of sponsor cost is required when deemed proportionate by the CA. Including costs paid directly by sponsors increases comparability between IORPs where sponsors do and where sponsors do not bear such costs.</p> <p>Noted: reporting on costs paid directly by sponsors is required only when deemed proportionate by the CA.</p>
--	--	--	--	---

34	aba Arbeitsgemeinschaft für betriebliche Altersversorgung	Q3	No	<p>Regarding the costs borne by the sponsor, we do not see any benefit for the long-term interest of members and beneficiaries in reporting these costs. This approach therefore runs against the legal basis and objective of this opinion. It should be avoided that employers reduce their commitments to their employees and/or their support of IORPs.</p> <p>As we have done in the past, we would like to emphasise that if costs are paid by sponsors and do not affect the level of benefits, the information about such costs is not relevant for the beneficiaries at all. Publishing it can lead beneficiaries and the public to drawing wrong conclusions or to compare pension schemes which are not comparable at all. But also the requirement in German labour law for the employer to stand in for the given pension promise for three of the four possible types of pension promise means that it is in the employers' self-interest that the occupational pension is delivered cost-efficiently. In other words, the interests of the sponsoring employer and the members / beneficiaries are aligned.</p> <p>The social partner DC which was introduced in Germany in 2018 sets the framework to offer an occupational pension without a guarantee. The framework stipulates that employer and employee representatives need to be involved in the governance of the scheme, making it likely they will keep an eye on cost from both perspectives.</p> <p>On a more general level, we would like to stress once more that we see no added value if the costs borne by the sponsor are reported to the supervisory authorities. This information is not of any help regarding the assessment of the value for</p>	<p>Not agreed. EIOPA believes that it is important to include sponsor costs in order to enable benchmarking across schemes. However, under the principle of proportionality, CAs might require IORPs to report on sponsor costs in a proportional manner.</p> <p>Not agreed. This Opinion is aimed at NCAs, not at members and beneficiaries, however they can access to the costs information published by CAs.</p> <p>Not agreed. According to Article 48(8)(a), it is CAs' competence to make sure IORPs can fulfil their duties to scheme members. In addition, reporting on sponsor costs facilitates comparisons between those schemes where the sponsor does no bear any costs, with those where it does.</p>
----	---	----	----	--	--

				<p>money for the beneficiaries of an IORP. Additionally, IORPs, where (part of) the costs are borne by the sponsors, cannot be compared to those ones, where all costs are borne by the beneficiaries, from a beneficiary's point of view.</p> <p>Comparability is further hindered especially in cases, where an IORP has one very large sponsor carrying certain costs and some smaller sponsors who do not carry these costs. It has to be taken additionally into account, that big sponsors in such cases may influence themselves the level of costs e.g. by defining the set of information which they want to receive from the IORP.</p> <p>Additionally, including the cost the sponsor bears runs counter the objective of determining "value for money", because this takes the members' perspective, and costs borne by the sponsor are not money that the member contributed.</p> <p>Turning to transaction costs, we would like to stress that it would be complex / very costly or even impossible to determine the related transaction costs (e.g. fixed income: Bid-ask-spreads respectively broker fees). The reporting requirements on costs must fit the set-up in the Member States and have a reasonable cost-benefit ratio.</p>	<p>Reporting on sponsor costs facilitates comparisons between those schemes where the sponsor does not bear any costs, with those where it does.</p> <p>Transaction costs are already required to be disclosed under MiFID framework.</p>
35	Actuarial Association of Europe	Q3	Yes	<p>The section 3.2 in the paper provides very detailed and logical classification of costs. The AAE believes that the suggested costs-classification and the presented reporting templates for the industry would be a good starting point.</p> <p>We agree that there should be also a distinction between direct investment charges and "bundled" investment/administration charges, i.e. insured schemes.</p>	Noted.

				<p>What is important is to be able to have a clear view of all the costs paid by the sponsor and paid by the IORP, as long as this information does not generate disproportionate additional costs.</p> <p>It will sometimes be difficult to identify and collate fees discharged by or incurred by sponsors in operating schemes, and expressing these as a percentage of assets under management . There is also the question of what purpose this will serve in case the fee levels do not impact members' benefits and one can assume that the employer will always look for the most cost-efficient solutions. So, we would suggest only to do this if it could be argued that lower costs will lead to increased contributions in a DC context or increased benefits in a DB context.</p> <p>Transparency on the fees could be a lever in order to be able to put pressure to reduce them, and therefore lower costs could possibly lead to an increase in accumulation of contributions in a CD context or increased benefits in a DB context.</p> <p>As it clearly stated in the paper annual charges of 1% of assets during 40 years of service will reduce pension benefits with 20%. Therefore, the cost transparency is vital for well-being of society in long term perspective. Considering the latest Ageing and Poverty reports the AAE believes that all mechanisms should be used to ensure reasonable pension benefits after retirement.</p>	<p>Agreed: reporting on costs paid directly by sponsors is required only when deemed proportionate by the CA.</p> <p>Noted.</p>
36	European Association of Paritarian Institutions (AEIP)	Q3	No	We do not agree with cost transparency and comprehensive cost reporting as an objective of EIOPA nor of the NCA to make an in-depth cost analysis, a benchmarking exercise and/or a cost evaluation with feedback to the IORP. For	Not agreed: According to Article 45(1) IORP II Directive: It is CAs' competence to supervise

				<p>EIOPA and NCAs, a high-level cost overview should be sufficient.</p> <p>We do not agree to include sponsor costs. The IORP is not in a position to ask the sponsor detailed information on costs except if this information is publicly available. The IORP, nor the CA, nor EIOPA, have the competencies to control sponsor information on costs.</p> <p>There would not be any advantage for the beneficiaries if the sponsor costs were reported, because this might provoke a cost cutting initiative by sponsors.</p>	<p>the costs of the IORP sector to identify risks and vulnerabilities, but also to protect members and beneficiaries.</p> <p>The use of a more high-level overview of costs (than the generic classification in the opinion) by CAs would limit the ability to appropriately supervise the costs. According to Article 48(8)(a), it is CAs' competence to make sure IORPs can fulfil their duties to scheme members. Inclusion of sponsor costs in a separate category aims at facilitating comparisons between schemes that include sponsor costs in a transparent way by clearly identifying whether sponsor costs are reported or not. Reporting on costs paid directly by sponsors is required only when deemed proportionate by the CA.</p>
37	Federation of the Dutch Pension Funds	Q3	Yes	<p>The cost classification in Annex 2 corresponds with the cost classification in the Recommendations on Administrative Costs of the pension fund sector. The costs of the sponsor are however not earmarked as a separate class in the Recommendations, but part of the other cost categories</p>	<p>Noted. Inclusion of sponsor costs in a separate category aims at facilitating comparisons between schemes that include</p>

				(primarily administration costs). They may be funded separately (by the sponsor, not the IORP).	sponsor costs in a transparent way by clearly identifying whether sponsor costs are reported or not.
38	German Association of Actuaries (DAV)	Q3	Yes	<p>We can agree with the generic cost classification, however existing classifications used by IORPs for internal, external and regulatory reporting as well as internal processes (e.g. risk management) should be considered.</p> <p>Just one exception: IORPs in general do not have any information of costs borne by the sponsor.</p>	<p>Noted: The cost classification is based on existing transparent classifications.</p> <p>Including costs paid directly by sponsors increases comparability between IORPs where sponsors do and where sponsors do not bear such costs.</p>
39	German Association of Insured (BdV)	Q3	Yes	<p>Yes, we agree, but this generic classification should be complemented by giving distribution costs a separate disclosure (cf. our comment on Q4). There are many IORPs which offer their services on the free market of occupational and private retirement provision (and not only to a clearly fixed number of sponsors), and in consequence they have to calculate distribution costs. That is why for classification and definitions we refer to EIOPA's 2021 Report on Costs and Past Performances (administration / distribution costs: box 5, p. 36/37, and definitions of one-off and ongoing costs, p. 57/58) as well as to EIOPA's 2020 Report on Costs and Past Performances on "Cost Mapping" (Annex II, p. 37).</p>	<p>Agreed: Distribution costs are disclosed as part of administrative costs however it is required to provide a break down for this specific cost.</p>
40	Gesamtverband der Deutschen Versicherungswirtschaft e. V.	Q3	No	<p>In Germany, apart from claims settlement, the cost categories are selected according to the three areas in which costs dominate: Investment costs, acquisition costs, administrative costs. Sponsor costs are not included as they are not incurred by the IORP. IORPs in general have no information or data, respectively, of costs borne by the</p>	<p>Noted: Reporting of sponsor cost is required when deemed proportionate by the CA. Including costs paid directly by sponsors increases</p>

				<p>sponsor (see answer to Q2). Investment costs, for example, are broken down in accordance with German legal requirements by type of investment. Acquisition costs and administrative costs are broken down too.</p> <p>The cost classification commonly used in Germany does not fit the cost categories envisaged by EIOPA. Transaction costs, for example, are included in investment costs in Germany, as they only play a marginal role due to the long-term nature of capital investments. This does not fit with the idea of EIOPA - which apparently seems to be the basis of this Opinion - that IORPs mainly make fund-based investments. In Germany the circumstances are completely different as IORPs invest in a wide range of capital goods. An already well-developed cost reporting system must not be penalised by conflicting requirements from EIOPA (see answer to Q2). Rather functioning systems should be considered and integrated when new ideas are proposed.</p>	<p>comparability between IORPs where sponsors do and where sponsors do not bear such costs.</p> <p>Noted: EIOPA considers that it is proportionate to require reporting transaction costs as the disclosure of transaction costs is commonly required within European cost disclosure frameworks (PEPP, PRIIPs, MiFID) and hence data should be available for IORPs to report on these costs. While EIOPA agrees that the diversity of methodologies to calculate transaction costs limits the comparability of data reported to CAs, IORPs should be able to explain to the CA what methodology is being used.</p> <p>IORPs should make best efforts to report on transaction costs. When data is not available, IORPs should provide estimates.</p>
--	--	--	--	---	---

					The generic cost classification is compatible with functioning cost classifications that followed the full transparency principles of this Opinion.
41	Insurance Europe	Q3			
42	PensionsEurope	Q3	No	<p>We believe a generic cost classification, principles for the compilation of costs and templates to ask asset managers the relevant cost information can be useful tools to help the management board of the IORP to make their cost analysis and to increase efficiencies where possible.</p> <p>While we do agree with the classification of investment, and administration costs, we do not agree to include sponsor costs (see par. 2.7 and 4.1b) for several reasons:</p> <ul style="list-style-type: none"> • The sponsoring employers are not under the supervision of the NCAs. An assessment of sponsor affordability is therefore not adequate. • IORPs are not in a position to ask the sponsor for detailed information on costs except if such information is publicly available. Neither the IORP, nor the CA, nor the EIOPA, have the competencies to control sponsor information on costs. • We do not see any benefit for the long-term interest of members and beneficiaries in reporting cost incurred by sponsors that do not affect the level of benefits. <p>o this approach runs against the legal basis and objective of this opinion.</p>	<p>Noted.</p> <p>Not agreed: EIOPA believes that it is important to include sponsor costs in order to enable benchmarking across schemes. The reporting on costs paid directly by sponsors is required only when deemed proportionate by the CA.</p>

			<p>o this information is not of any help regarding the assessment of the value for money for the beneficiaries of an IORP</p> <p>o the approach could lead employers to reduce their commitments towards their employees and/or their support to IORPs.</p> <ul style="list-style-type: none"> • Publishing these costs could lead beneficiaries and the public to draw wrong conclusions or to compare pension schemes that are not comparable at all. • It is in the employers' self-interest to manage their occupational pension schemes cost-efficiently. Therefore, the interests of the sponsoring employer and the members/beneficiaries are aligned. • In many MSs, the legislative framework requires the involvement of employer(s) and employees' representatives in the governance of the scheme, making it likely they will keep an eye on cost from both perspectives. • IORPs, where (part of) the costs are borne by the sponsors, cannot be compared to those where all costs are borne by the beneficiaries, from a beneficiary's point of view. Comparability is further hindered especially in cases where an IORP has one very large sponsor carrying certain costs and some smaller sponsors who do not carry these costs. It has to be taken additionally into account that big sponsors in such cases may influence themselves the level of costs e.g. by defining the set of information which they want to receive from the IORP. 	<p>Not agreed: According to Article 48(8)(a): It is CAS' competence to make sure IORPs can fulfil their duties to scheme members.</p> <p>Reporting on sponsor costs facilitates comparisons between those schemes where the sponsor does not bear any costs, with those where it does.</p> <p>"Value for money" is only one of the different</p>
--	--	--	--	--

				<ul style="list-style-type: none"> • Additionally, including the cost borne by the sponsor runs counter the objective of determining “value for money”, because this takes the members’ perspective, and costs borne by the sponsor are not money that the member contributed. • Finally, it should be noted that, in some countries, the national framework for cost reporting recommends including sponsor costs under the other cost categories, e.g. administration cost and not as a separate category. <p>Concerning transaction costs, in particular implicit ones, it should be noted that their recording can be difficult and costly, especially for those related to the acquisition and disposal of fixed income securities. Not all IORPs are able to provide all transaction costs. German IORPs, for instance, can provide data for funds (although at an increased cost). However, for other assets it is more difficult or even impossible. EIOPA could carefully evaluate the difficulties and the partial results experienced by some NCAs in recording this information.</p>	<p>supervisory tools that can be used by CAs.</p> <p>Noted.</p> <p>Noted. Estimates may be reported when data is not available.</p>
43	PensioPlus	Q3	No	<p>We agree with cost transparency and comprehensive cost reporting as an objective of the management board of the IORP and/or the negotiating social partners in the setup of a pension scheme as well as its importance for members and beneficiaries as part of their pension benefit communication. Extensive cost communication to the members and beneficiaries should be limited to pure DC schemes with investment options where costs are borne by the members. Clear definitions of cost, a general classification, principles for compilation and templates might be very useful to facilitate this communication and reporting purposes.</p>	<p>Not agreed: According to Article 45(1) IORP II Directive: It is CAs’ competence to supervise the costs of the IORP sector to identify risks and vulnerabilities, but also to protect members and beneficiaries.</p> <p>The use of a more high-level overview of costs (than the generic classification in the</p>

				<p>We do not agree with cost transparency and comprehensive cost reporting as an objective of EIOPA nor of the NCA to make an in-depth cost analysis, a benchmarking exercise and/or a cost evaluation with feedback to the IORP. For EIOPA and NCAs, a high-level cost overview should be sufficient.</p> <p>No. We do not agree to include sponsor costs. The IORP is not in a position to ask the sponsor detailed information on costs except if this information is publicly available. The IORP, nor the CA, nor EIOPA, have the competencies to control sponsor information on costs.</p> <p>We do agree with the classification investment, transaction, and administration costs.</p>	<p>opinion) by CAs would limit the ability to appropriately supervise the costs. According to Article 48(8)(a): It is CAs' competence to make sure IORPs can fulfil their duties to scheme members. Reporting of sponsor cost is required when deemed proportionate by the CA. Including costs paid directly by sponsors increases comparability between IORPs where sponsors do and where sponsors do not bear such costs. Noted.</p>
49	EIOPA OPSG	Q4	Yes	<p>We only partially agree to the cost categories mentioned in this annex, but following to our comment on Q3 the category of administration costs should be renamed as "administration and distribution costs". Furthermore, transaction costs are not always possible to quantify (as there may be hidden elements) for all asset classes – especially if it comes to bid-offer-spreads.</p>	<p>Not agreed: Distribution costs are classified as part of administrative costs, but reported separately from other administrative costs to ensure comparability between IORPs, as distribution costs are not relevant for all IORPs. With regards transaction costs, IORPs should make best efforts to report on explicit and implicit costs. When data is not available, IORPs should provide estimates.</p>

50	aba Arbeitsgemeinschaft für betriebliche Altersversorgung	Q4		<p>The cost categories and definitions are fitting for investment funds only. Investment funds are just one possible investment option for IORPs. In many German IORPs, they are not the dominant one, but constituting just a proportion of the asset allocation.</p> <p>However, we do not see the need to provide any additional aspects. We have a number of comments on the definitions laid out in the Draft Opinion:</p> <ul style="list-style-type: none"> • On a general note, we would like to stress that it is not only important what is covered, but also how it is covered. While higher granularity (see No. 3.4) might bring more insight, it usually also comes at a higher cost – it is extremely important to consider both aspects. • It is correct that IORPs as important institutional investors can ask for more / additional information from their service providers (see No. 3.12), however, they are likely to have to pay for it. In addition, it will trigger further internal costs analysing the information. • Regarding the proposal to include the costs of guarantees in investment costs: while it is possible to calculate the opportunity costs of providing a guarantee, we wonder what the benefit it. Ultimately, the assessment of the opportunity costs (which price is someone to pay in turn for security?) is a very subjective one, which varies for different cultures and within that for different individuals. Is the objective to show here that everything beyond pure defined contribution schemes is expensive? Is this really what countries with DB systems want and what helps members and beneficiaries? 	<p>Not agreed: While for investment funds the Opinion provides more specific guidance based on MiFID cost disclosure, the generic cost classification applies for costs of all asset classes, including those that are not investment funds.</p> <p>Not agreed: MiFID disclosures are required to be made available by asset managers to investors free of charge.</p> <p>Agreed: The requirement to disclose the costs of provision of guarantees was removed</p>
----	---	----	--	--	--

51	Actuarial Association of Europe	Q4	Yes	The items in Annex 2 provide a rather complete list of cost components, we would like to mention that the relative importance of these components should be analysed further.	Noted.
52	European Association of Paritarian Institutions (AEIP)	Q4	Yes	The definitions are only a basis for a purpose of common understanding and communication between authorities, but they should not be taken as a mandatory basis for reporting purposes.	Not agreed: EIOPA expects CAs to implement the Opinion holistically, including the definitions that are listed in the Annex.
53	Federation of the Dutch Pension Funds	Q4	Yes	Please note that subscription and redemption fees of investment funds serve the purpose of covering for the underlying transaction costs borne by the investment fund for covering the buying of selling financial instruments at the time of subscription or redemption by the investor in the fund. In the Dutch practice a full look through on transaction costs is mandatory, with a (partial) correction on the subscription and redemption fees. If the IORP cannot obtain reliable data because of administrative complexity or lack of available data, the pension fund may resort to mentioning the subscription and redemption fees. In that case the 'comply or explain' principle applies.	Noted.
54	German Association of Actuaries (DAV)	Q4	Yes	The items in Annex 2 provide a rather complete list of cost components, again we would like to mention that according to our opinion the relative importance of these components should be analyzed.	Noted.
55	German Association of Insured (BdV)	Q4	Yes	Yes, we agree, but following to our comment on Q3 the category of administration costs should be renamed as "administration and distribution costs".	Not agreed: Distribution costs are classified as part of administrative costs, but reported separately from other administrative costs to ensure comparability between IORPs, as

					distribution costs are not relevant for all IORPs.
56	Gesamtverband der Deutschen Versicherungswirtschaft e. V.	Q4	No	The cost categories and definitions focus on investment funds. But, investment funds are just one possible asset option for IORPs. In many cases, they are not the dominant one, constituting just a small proportion of the asset allocation (see answer to Q2). In Germany, technical provisions for unit-linked insurance policies corresponded to only about 1% of the balance sheet total of Pensionskassen in 2019. The cost classification commonly used in Germany does not fit the cost categories envisaged by EIOPA (see answer to Q3).	Not agreed: While for investment funds the Opinion provides more specific guidance based on MiFID cost disclosure, the generic cost classification applies for costs of all asset classes, including those that are not investment funds.
57	Insurance Europe	Q4			
58	PensionsEurope	Q4	Yes	<p>Yes, we agree. We do not have any additional suggestions.</p> <p>However, we have a number of general comments on the definitions laid out in the Draft Opinion:</p> <ul style="list-style-type: none"> • On a general note, we would like to stress that it is not only important what is covered, but also how it is covered. While higher granularity (see No. 3.4) might bring more insight, it usually also comes at a higher cost. It is extremely important to consider both aspects. • It is correct that IORPs as important institutional investors can ask for additional information from their service providers (see No. 3.12). However, they are likely to have to pay for it. Further internal costs for analysing the information are also to be considered. • Regarding the proposal to include the costs of guarantees in investment costs: while it is possible to calculate the opportunity costs of providing a guarantee, we wonder what 	<p>Noted.</p> <p>Not agreed: MiFID disclosures are required to be made available by asset managers to investors free of charge.</p> <p>Agreed:</p>

			<p>the benefit it. Ultimately, the assessment of the opportunity costs (which price is someone to pay in turn for security?) is a very subjective one, which varies for different cultures and within that for different individuals. Is the objective to show here that everything beyond pure defined contribution schemes is expensive? Is this really what countries with DB systems want and what helps members and beneficiaries?</p> <ul style="list-style-type: none"> • The inclusion of the cost of the guarantee runs against the objective of this opinion, which is comparability. As the methodology used to calculate the cost of the guarantee is not clearly defined, different approaches would lead to very different results. In case of PEPP, EIOPA has taken into consideration opportunity costs and the “market price” for guarantees. However, neither of the two measures are actual charges or fees that a saver pays for directly. Opportunity costs, in particular, are based on assumptions about future returns on different kind of investments and can therefore vary considerably depending on the scenarios on which these assumptions are based. • Please note that subscription and redemption fees of investment funds serve the purpose of covering for the underlying transaction costs borne by the investment fund for covering the buying or selling financial instruments at the time of subscription or redemption by the investor in the fund. In the Dutch practice a full look through on transaction costs is mandatory, with a (partial) correction on the subscription and redemption fees. If the IORP cannot obtain reliable data because of administrative complexity or lack of available data, the pension fund may resort to mentioning the subscription and redemption fees. In that case the ‘comply or explain’ principle applies. This could be an 	<p>The requirement to disclose the costs of provision of guarantees was removed</p> <p>Noted.</p>
--	--	--	---	---

				approach looking at costs for investment funds (creating additional costs)., however, it does not work for other forms of investment.	
59	PensioPlus	Q4	Yes	<p>We agree with cost transparency and comprehensive cost reporting as an objective of the management board of the IORP and/or the negotiating social partners in the setup of a pension scheme as well as its importance for members and beneficiaries as part of their pension benefit communication. Extensive cost communication to the members and beneficiaries should be limited to pure DC schemes with investment options where costs are borne by the members. Clear definitions of cost, a general classification, principles for compilation and templates might be very useful to facilitate this communication and reporting purposes.</p> <p>We do not agree with cost transparency and comprehensive cost reporting as an objective of EIOPA nor of the NCA to make an in-depth cost analysis, a benchmarking exercise and/or a cost evaluation with feedback to the IORP. For EIOPA and NCAs, a high-level cost overview should be sufficient.</p>	<p>Not agreed: According to Article 45(1) IORP II Directive, it is CAS' competence to supervise the costs of the IORP sector to identify risks and vulnerabilities, as well as to protect members and beneficiaries. According to Article 48(8)(a), it is CAS' competence to make sure IORPs can fulfil their duties to scheme members. Benchmarking and other supervisory actions are important tools to achieve the goals of the Opinion. The use of a more high-level overview of costs (than the generic classification in the opinion) by CAs would limit the ability to appropriately supervise the costs.</p>
65	EIOPA OPSG	Q5		Some OPSG members only agree upon the nominal amounts, but not upon the percentage of average assets under management. No matter if a saver uses a private or an occupational pension product, from beneficiary's perspective the contributions having been paid are always the most important parameter of reference. All costs are	Noted: EIOPA considers all costs should be reported in the reporting currency and as a percentage of average investment assets (including

			<p>deducted from these “gross premiums” or “gross contributions”.</p> <p>That is why there should be consistency with the PEPP regulation as much as possible. The PEPP level 2 regulation (EU/2021/473) of 18 December 2020 stipulated the “Methodology for the calculation of costs, including the specification of summary indicators” (Annex III., Part III., No. 30): “In the PEPP Benefit Statement, the PEPP provider shall present the estimated impact of costs on the final PEPP benefits by using the ‘Reduction in Wealth’ approach. The ‘Reduction in Wealth’ shall be calculated as the difference between the projected accumulated savings at the end of the accumulation and the projected accumulated savings at the end of the accumulation period in a cost free scenario. The difference shall be disclosed in monetary and percentage terms relative to the projected accumulated savings.” For reasons of understandability and comparability providers of occupational and private pension products should use the same methodology with regard to the calculation of costs.</p> <p>While agreeing on the use of the same methodology to calculate costs for comparability, other members disagree on the point of consistency with PEPP regulation as much as possible. PEPPs are personal pension products regulated by an own framework, which is different from the IORP2 directive, it has relevant implications on the methodologies for costs computations which, for IORPs, are defined at national level. Furthermore, the PEPP regulation states that the product is an individual non occupational pension product and that it should not affect occupational pension schemes and products. It may be worthwhile to highlight</p>	<p>that related to third party investments).</p> <p>In addition, administrative, distribution costs and sponsor costs should be reported in the reporting currency per participant. The CA should define whether the number of participants is the combined number of active members, pension beneficiaries or is only composed of active members</p> <p>Not agreed: the Reduction in Wealth approach is suitable for consumer disclosures, not necessarily is the most suitable way to report on costs to CAs.</p> <p>Noted.</p>
--	--	--	--	---

			<p>that even if an IORPs may apply for registration of a PEPP, it is only possible if they are authorised and supervised to provide also personal pension products at national level and all assets and liabilities corresponding to PEPP provision business shall be ring-fenced, without any possibility to transfer them to the other retirement provision business of the institution. The ring-fencing is deemed necessary given the differences between IORPs and PEPPs, both in terms of purpose and management. The methodologies defined for PEPP costs does not fit for IORPs.</p> <p>Other OPSG members stress that in certain cases it is right to report costs as percentage of AUM. The reporting of the costs as a percentage of average assets under management (basically costs related to the investment of the assets) should be assessed considering the landscape of IORPs at national level. If, for supervisory purpose, it is wise to assess costs with this metric it has to be done, otherwise it may not be relevant.</p> <p>Additionally OPSG members stress that costs are to cover expenses, so it is good the administrative costs to be reported as nominal amounts per member / beneficiary. That will enable a comparison with the nominal costs. For investment related costs, we would suggest to report them both as a nominal amount and as a percentage of Assets under management. Therefore, we consider Table 2 from Annex 2 as a good starting point for reporting. It could be the case that for some of the costs only one of the values is reasonable (nominal amount or relative as a percentage). There will be issues with non-unitised funds (such as legacy with-profit funds or segregated funds) as fees are not expressed as a percentage of assets under management.</p>	<p>Noted.</p> <p>Noted.</p>
--	--	--	---	-----------------------------

66	aba Arbeitsgemeinschaft für betriebliche Altersversorgung	Q5	No	See response to Q4 – we disagree on the reporting structure, so we cannot respond to any follow-up questions.	Noted.
67	Actuarial Association of Europe	Q5	Yes	<p>Costs are to cover expenses so it is good the administrative costs to be reported as nominal amounts per member / beneficiary. That will make possible a comparison with the nominal costs. For investment related cost more important is the reporting as a percentage of Assets under management. Therefore, we consider Table 2 from Annex 2 as a good starting point for reporting. It could be the case that for some of the costs only one of the values is reasonable (nominal amount or relative as a percentage).</p> <p>There will be issues with non-unitised funds (such as legacy with-profit funds or segregated funds) as fees are not expressed as a percentage of assets under management.</p>	<p>Noted: EIOPA considers all costs should be reported in the reporting currency and as a percentage of average investment assets (including that related to third party investments).</p> <p>In addition, administrative, distribution costs and sponsor costs should be reported in the reporting currency per participant. The CA should define whether the number of participants is the combined number of active members, pension beneficiaries or is only composed of active members.</p>
68	European Association of Paritarian Institutions (AEIP)	Q5	No	We agree with cost transparency and comprehensive cost reporting as an objective of the management board of the IORP and/or the negotiating social partners in the setup of a pension scheme as well as its importance for members and beneficiaries as part of their pension benefit communication but only to the extent of necessity and without causing more transparency costs than transparency value. Extensive cost communication to the members and beneficiaries should be limited to pure DC schemes with investment options where costs are borne by the members. Clear definitions of cost, a general classification, principles for compilation and	Noted, please refer to resolution to question 1.

				<p>templates might be very useful to facilitate this communication and reporting purposes.</p> <p>We do not agree with cost transparency and comprehensive cost reporting as an objective of EIOPA nor of the NCA to make an in-depth cost analysis, a benchmarking exercise and/or a cost evaluation with feedback to the IORP. For EIOPA and NCAs, a high-level cost overview should be sufficient.</p> <p>As administration, investment, and transactions costs are hardly and expensively to distinguish paritarian IORPs should refrain from reporting them at that level of detail. Additionally, the document does not define “average assets under management”.</p>	More guidance can be provided to CAs if need be.
69	Federation of the Dutch Pension Funds	Q5	Yes	The costs ratios as required by Dutch Law are both in nominal amounts and as a percentage of the average total asset under management of the IORP for the asset management costs and transaction costs. The cost ratio for the administration costs are nominal amounts total and a nominal amount per active or retired participant (not as a percentage of average asset under management). The presentation of the administration costs as a percentage of average total asset under management can be added for good measure.	Noted.
70	German Association of Actuaries (DAV)	Q5	No	We do not believe that these highly aggregated numbers are interpretable as they only refer to the benchmark value AuM, which should in our view not be the only criterion for comparability of IORPs.	Not agreed. Average assets under management are a good basis for comparability.
71	German Association of Insured (BdV)	Q5	No	No, we only agree upon the nominal amounts, but NOT upon the percentage of average assets under management. No matter if a saver uses a private or an occupational pension product, from beneficiary’s perspective the	Noted: EIOPA considers all costs should be reported in the reporting currency and as a percentage of average

				<p>contributions having been paid are always the most important parameter of reference. All costs are deducted from these “gross premiums” or “gross contributions”.</p> <p>That is why there should be consistency with the PEPP regulation as much as possible. The PEPP level 2 regulation (EU/2021/473) of 18 December 2020 stipulated the “Methodology for the calculation of costs, including the specification of summary indicators” (Annex III., Part III., No. 30): “In the PEPP Benefit Statement, the PEPP provider shall present the estimated impact of costs on the final PEPP benefits by using the ‘Reduction in Wealth’ approach. The ‘Reduction in Wealth’ shall be calculated as the difference between the projected accumulated savings at the end of the accumulation and the projected accumulated savings at the end of the accumulation period in a cost free scenario. The difference shall be disclosed in monetary and percentage terms relative to the projected accumulated savings.” For reasons of understandability and comparability providers of occupational and private pension products should use the same methodology with regard to the calculation of costs.</p>	<p>investment assets (including that related to third party investments).</p> <p>In addition, administrative, distribution costs and sponsor costs should be reported in the reporting currency per participant. The CA should define whether the number of participants is the combined number of active members, pension beneficiaries or is only composed of active members.</p> <p>Not agreed: the Reduction in Wealth approach is suitable for consumer disclosures, not necessarily is the most suitable way to report on costs to CAs.</p>
72	Gesamtverband der Deutschen Versicherungswirtschaft e. V.	Q5	No	<p>We prefer the reporting of costs only in nominal amounts. We see the following reasons for this:</p> <ol style="list-style-type: none"> 1. No reference figures for percentages are needed when reporting to the CA. 2. The CA should - if it wishes - be able to derive meaningful ratios from this. 3. The reference figure "assets under management" is not the appropriate reference figure for all costs; it is completely 	<p>Partially agreed: In order to calculate the costs in terms of average assets under management, the CAs would need to supplement the reporting of costs by data on assets under management for the same reporting period. Instead, by reporting directly the figures in terms of assets</p>

				<p>unsuitable for acquisition costs, for example (see answer to Q4).</p> <p>4 In our opinion, a separate approach is required for presentation to customers, since customers generally have a different level of knowledge than the CA.</p>	<p>under management, this additional reporting is not required.</p> <p>Agreed.</p>
73	Insurance Europe	Q5			
74	PensionsEurope	Q5		<p>We prefer to not indicate a “yes” or ‘no’ answer to this question. The proposed cost reporting is pretty much in line with the current reporting in some jurisdictions, but not in others.</p> <p>For instance, the costs ratios as required by Dutch Law are both in nominal amounts and as a percentage of the average total asset under management of the IORP for the asset management costs and transaction costs. The cost ratio for the administration costs are nominal amounts total and a nominal amount per active or retired participant (not as a percentage of average asset under management). The presentation of the administration costs as a percentage of average total asset under management can be added for good measure.</p> <p>However, in Belgium, administration costs should be in the reporting currency as a cost per member, while investment and transaction costs as a percentage of (average) assets under management.</p> <p>Finally, we note that because of their investment structure, not all IORPs are able to calculate transaction costs for all asset classes.</p>	Noted.
75	PensioPlus	Q5	No	We agree with cost transparency and comprehensive cost reporting as an objective of the management board of the	Noted, please refer to resolution to question 1.

				<p>IORP and/or the negotiating social partners in the setup of a pension scheme as well as its importance for members and beneficiaries as part of their pension benefit communication. Extensive cost communication to the members and beneficiaries should be limited to pure DC schemes with investment options where costs are borne by the members. Clear definitions of cost, a general classification, principles for compilation and templates might be very useful to facilitate this communication and reporting purposes.</p> <p>We do not agree with cost transparency and comprehensive cost reporting as an objective of EIOPA nor of the NCA to make an in-depth cost analysis, a benchmarking exercise and/or a cost evaluation with feedback to the IORP. For EIOPA and NCAs, a high-level cost overview should be sufficient.</p> <p>No. Administration costs should be in the reporting currency as a cost per member, investment and transactions costs should be as a percentage of (average) assets under management. Please note, the draft opinion does not give a definition for "average assets under management".</p>	<p>Not agreed: EIOPA considers all costs should be reported in the reporting currency and as a percentage of average investment assets (including that related to third party investments).</p> <p>In addition, administrative, distribution costs and sponsor costs should be reported in the reporting currency per participant. The CA should define whether the number of participants is the combined number of active members, pension beneficiaries or is only composed of active members</p>
81	EIOPA OPSG	Q6	Yes	Yes, we fully agree (cf. CP, no. 3.8, p.9).	Noted.
82	aba Arbeitsgemeinschaft für betriebliche Altersversorgung	Q6	No	<p>Please explain and provide any benefits of or obstacles to report costs at the level of pension schemes or investment options.</p> <p>As we have argued in the past, if the reporting system is extended, the first question should be why this information is important for the supervisory authority. Or, in other words: What does it add? These questions should be carefully assessed, because the reporting of costs generates</p>	Noted: EIOPA believes the collection of costs at the scheme level, where IORPs provide multiple schemes, will increase the usefulness of comparisons.

			<p>additional costs, which are likely to be borne by members and beneficiaries in the form of lower pensions or by the respective employer making the offering of occupational pensions even more unattractive for the employer. They should therefore provide a significant added value.</p> <p>Turning to the current situation for IORPs in Germany, significant reporting cost requirements already exist and German IORPs have to publish an annual report and make this available to all their beneficiaries. This annual report includes a full P&L-statement, where a member sees the usual cost blocks and in the appendix thereto these cost blocks are often split up further.</p> <p>Generally, in Germany no information at the scheme level or regarding investment options is necessary, because investment is collective and there is little to no room for individual choice.</p> <p>Social partners (at company level as well as those closing collective agreements) are often involved in the governance of occupational pensions in Germany. In addition, representatives of the employees will be represented in the board of supervisors and can influence decisions at that level.</p> <p>Finally, there might be situations in some MS for certain schemes where it might be useful to have cost information per pension scheme / investment option. We would like to stress that any added value should always be determined for the situation at hand because it is difficult to generalise in this regard. The cost option should therefore provide</p>	<p>Agreed. Text revised as follows:</p> <p>“CAs should expect IORPs, where possible, to report at the level of the scheme or of the investment option where IORPs provide different schemes or investment options that differ in terms of features, such as the investment strategy. Reporting at the level of schemes/ investment options will provide better insight in the costs for sponsors and plan members of a specific scheme and in the costs for plan members of a specific investment option. If there are no material differences in the cost structure, e.g. because the different schemes have the same investment policy, IORPs are not expected to</p>
--	--	--	---	---

				sufficient leeway for the NCA for the necessary adjustments on the set up of the pension schemes.	differentiate cost reporting at the scheme level”.
83	Actuarial Association of Europe	Q6	Yes	Reporting the costs at the level of schemes / investment options will give a chance for comparison of charges for servicing between different portfolios. That will give information of the members / beneficiaries that in equal other parameters their benefits differ one by another only due to the investment performance or other specific features of the schemes.	Noted.
84	European Association of Paritarian Institutions (AEIP)	Q6	No	<p>Social partners define in common the conditions for a paritarian IORP. This is far more cost efficient. Where there are no investment options to the insured persons, there is no reason for granular reporting, as it would not have any objective or benefit – while, on the other hand, be demanding resources.</p> <p>Many of the members of AEIP do not provide investment options to their beneficiaries. Therefore, we don’t see any needs for cost reporting in this case.</p>	Partially agreed, text revised as follows: CAS should expect IORPs, where possible, to report at the level of the scheme or of the investment option where IORPs provide different schemes or investment options that differ in term of features, such as the investment strategy. Reporting at the level of schemes/ investment options will provide better insight in the costs for sponsors and plan members of a specific scheme and in the costs for plan members of a specific investment option. If there are no material differences in the cost structure, e.g. because the different schemes have the same

					investment policy, IORPs are not expected to differentiate cost reporting at the scheme level.
85	Federation of the Dutch Pension Funds	Q6	No	In the Netherlands pension funds are one financial constellation, also if there are multiple schemes (an exception is the Algemeen Pensioenfonds structure (APF), a General Pension Fund). The costs are borne at the IORP level and not the individual scheme (exception being the APF). While no attribution of costs is made at individual participant level, costs can only be analyzed at the IORP level. The most important part of the Dutch pension funds sector consists of industry wide pension funds and corporate pension funds, and occupational pension funds.	Partially agreed, text revised as follows: CAs should expect IORPs, where possible, to report at the level of the scheme or of the investment option where IORPs provide different schemes or investment options that differ in term of features, such as the investment strategy. Reporting at the level of schemes/ investment options will provide better insight in the costs for sponsors and plan members of a specific scheme and in the costs for plan members of a specific investment option. If there are no material differences in the cost structure, e.g. because the different schemes have the same investment policy, IORPs are not expected to differentiate cost reporting at the scheme level.

86	German Association of Actuaries (DAV)	Q6	Yes	We agree with the understanding that this refers to the situation where the beneficiaries can choose between schemes, something that is in practice not relevant for German IORPs.	Not agreed. This applies also when there is no option to choose schemes, but different schemes exist within an IORP.
87	German Association of Insured (BdV)	Q6	Yes	Yes, we fully agree (cf. CP, no. 3.8, p. 9).	Noted.
88	Gesamtverband der Deutschen Versicherungswirtschaft e. V.	Q6	No	A breakdown of cost information at the level of investment option proposed by EIOPA fundamentally contradicts to the collective approach in the German occupational pension system; a cost disclosure at the 'pension scheme' level would be more conceivable. However, the high effort for the desired breakdown is disproportionate to the expected benefit for IORPs and the NCA.	Not agreed, cost levels might differ considerably from scheme to scheme, when each scheme has a different investment strategy.
89	Insurance Europe	Q6			
90	PensionsEurope	Q6	No	<p>No, we do not agree with this approach. The draft opinion should better explain the reasons why extending reporting information would help the supervisory authority and what added value would it bring. These questions should be carefully assessed because the (additional) cost reporting generates (additional) costs, which are likely to be borne by members and beneficiaries in the form of lower pensions or by the respective employer making the offering of occupational pensions even more unattractive for the employer. They should therefore provide a significant added value.</p> <p>Although there might be situations where it could be useful to have cost information per pension scheme/investment option, this is not always the case. A more proportionate approach would consist of limiting the separate information requirement to certain circumstances, for example:</p>	Partially agreed. Text revised as follows: CAs should expect IORPs, where possible, to report at the level of the scheme or of the investment option where IORPs provide different schemes or investment options that differ in term of features, such as the investment strategy. Reporting at the level of schemes/ investment options will provide better insight in the costs for sponsors and plan members of a specific scheme and in the costs for

				<ul style="list-style-type: none"> • If investment options for the members and beneficiaries à per option • If multi-employer where employers do not belong to the same group à per group of employers • If ringfenced, per ringfenced <p>For all other situations, we do not see a need to report per pension scheme/investment option.</p> <p>Cost information should go to the party who bears the cost: either the sponsor (increase of contributions) or the member and beneficiary (decrease of benefits).</p> <p>Finally, we highlight that the IORP II Directive requires IORPs to publish an annual report to make it available to all their members and beneficiaries. The annual report must give a true and fair view of the IORP's assets, liabilities, and financial position and include disclosure of significant investment holdings.</p>	<p>plan members of a specific investment option. If there are no material differences in the cost structure, e.g. because the different schemes have the same investment policy, IORPs are not expected to differentiate cost reporting at the scheme level.</p> <p>Agreed: EIOPA agrees to add a separate information requirement per employer if IORPs are multi-employers</p> <p>Noted, however the IORP II directive does not harmonise the cost disclosure, limiting the comparability. It is also not clear what costs and charges are disclosed, whether a look-through approach is applied by the pension industry.</p>
91	PensioPlus	Q6	No	<p>We agree with cost transparency and comprehensive cost reporting as an objective of the management board of the IORP and/or the negotiating social partners in the setup of a pension scheme as well as its importance for members and beneficiaries as part of their pension benefit communication. Extensive cost communication to the members and beneficiaries should be limited to pure DC schemes with investment options where costs are borne by</p>	<p>Not agreed. According to Article 45(1) IORP II Directive, it is CAS' competence to supervise the costs of the IORP sector to identify risks and vulnerabilities and to protect members and</p>

				<p>the members. Clear definitions of cost, a general classification, principles for compilation and templates might be very useful to facilitate this communication and reporting purposes.</p> <p>We do not agree with cost transparency and comprehensive cost reporting as an objective of EIOPA nor of the NCA to make an in-depth cost analysis, a benchmarking exercise and/or a cost evaluation with feedback to the IORP. For EIOPA and NCAs, a high-level cost overview should be sufficient.</p> <p>No. There might be situations where it could be useful to have cost information per pension scheme/investment option BUT this is not always useful. We suggest limiting the separate information requirement to the following situations:</p> <ul style="list-style-type: none"> • If investment options for the members & beneficiaries à per option • If multi employer where employers do not belong to the same group à per group of employers • If ringfenced, per ringfenced <p>For all other situations we do not see a need to report per pension scheme/investment option.</p> <p>Cost information should go to the party who bears the cost: either the sponsor (increase of contributions) or the member & beneficiary (decrease of benefits).</p>	<p>beneficiaries. The use of a more high-level overview of costs (than the generic classification in the opinion) by CAs would limit the ability to appropriately supervise the costs. According to Article 48(8)(a) it is CAs' competence to make sure IORPs can fulfil their duties to scheme members.</p> <p>Noted.</p>
97	EIOPA OPSG	Q7	Yes		

			No Yes Yes Yes Yes Yes	Yes, we agree (cf. CP, no. 3.9, p. 10-11). Except for costs directly paid by the sponsors they should be excluded as argued before under question Q3. Nevertheless with regard to the application of the principle of proportionality EIOPA should clearly specify from which quantitative thresholds (mainly asset allocation, number of members and beneficiaries) NCAs may allow smaller IORPs to “soften” these principles for compiling cost information.	Not agreed: EIOPA believes that it is important to include sponsor costs in order to enable benchmarking across schemes. Reporting on the costs paid directly by sponsors is required only when deemed proportionate. Partially agreed: proportionality measures might be applied by CAs for small DB IORPs.
98	aba Arbeitsgemeinschaft für betriebliche Altersversorgung	Q7	- - - - - - -	See response to Q4 – we disagree on the reporting structure, so we cannot respond to any follow-up questions.	Noted.
99	Actuarial Association of Europe	Q7	Yes Yes - - Yes - Yes	We agree with the principles of reporting currency and proportionality, leaving the others open to the requested methodological discussion.	Noted.
100	European Association of Paritarian Institutions (AEIP)	Q7	No No No	The look-through approach clearly has its limits. There should be a balance between effort and cost. Some funds reported as a separate line item on the list of assets, do not	Not agreed. EIOPA believes that there is a merit in requiring to report cost

			No	<p>even represent 1% of the total section's value. Guidance on how to report is very abstract. There are limits in matching the look-through, list of assets and balance sheet due to the multi-currency environment, the used exchange rate and rounding. Matching them on the euro often is not possible.</p> <p>No-netting is often a useful principle. However, it is difficult for a non-professional to judge on different investment options with different outcomes on cost, risk and long-term return. Pay a higher cost to obtain a higher gross long-term return but with a high level of risk might be on the longer term (we are talking about saving for pensions!) much more interesting than paying for an investment option at low cost, low risk but a very moderate return over the long term. Therefore, we believe it is better to mention a combination of net return (ideally over a longer period) and volatility over time.</p> <p>Proportionality is an excellent principle in theory but in reality, we notice that it does not work. CA do require full reporting taking into account a one fits all approach. Peer reviews create a kind of EU competition amongst CAs, everyone wants to be the best in class. How to prove that although good practices might be relatively costly?</p> <p>Any fixed cost on top within an IORP is relatively costly, especially for small and medium sized IORPs. As IORPs are not for profit organisations either the sponsor or the members & beneficiaries directly bear these costs. On top, today, we work in a lower for longer environment with a high focus on cost reduction where any additional cost, from an efficiency point of view, seems to be unacceptable.</p>	<p>data based on a look-through approach in order to address the issue of hidden costs.</p> <p>Noted. However, this Opinion does not provide guidance on calculation of net performance.</p> <p>Noted. With regards proportionality, EIOPA believes that CAs should apply a proportionate approach that takes into account costs and benefits.</p> <p>Not agreed: Estimates should be provided only</p>
		No			
		No			
		No			

				Notional percentages are too granular. We feel appropriate to work on best estimation, this is definitely sufficient.	when exact data is not available.
101	Federation of the Dutch Pension Funds	Q7	Yes	Note that if look through is also applied on transaction costs, a mechanism is needed for not double counting subscription/redemptions fees and underlying transaction costs (see our answer at Q4).	Noted.
			Yes		
102	German Association of Actuaries (DAV)	Q7	-	We agree with the principles of reporting currency and proportionality, leaving the others open to the requested methodological discussion.	Noted.
			-		
			-		
			-		
			Yes		
			-		
			Yes		
103	German Association of Insured (BdV)	Q7	Yes	Yes, we agree (cf. CP, no. 3.9, p. 10-11). Nevertheless with regard to the application of the principle of proportionality EIOPA should clearly specify from which quantitative thresholds on (mainly asset allocation, number of members and beneficiaries) NCAs may allow smaller IORPs to “soften” these principles for compiling cost information.	Partially agreed: proportionality measures might be applied by CAs for small DB IORPs, based on a risk-based approach.
			Yes		
104	Gesamtverband der Deutschen Versicherungswirtschaft e. V.	Q7	No	In our view, the first two principles do not make sense and are not feasible, while the last five certainly are. We have explained the reasons for this in more detail in our answers to Q1 – Q4.	Not agreed: EIOPA believes that there is a merit in requiring to report cost data based on a look-through approach in order to address the issue of hidden costs.
			No		
			Yes		

					EIOPA believes that it is important to include sponsor costs in order to enable benchmarking across schemes. Reporting on the costs paid directly by sponsors is required only when deemed proportionate by the CA.
105	Insurance Europe	Q7	- - - - - - -		
106	PensionsEurope	Q7	- No Yes Yes Yes Yes	<p>First, we would like to repeat that we do not believe a sensible comparison is always possible and beneficial.</p> <p>There are different arguments to be made about the inclusion and exclusion of the look-through and no-netting principles. There should be a balance between effort and cost. Some funds reported as a separate line item on the list of assets, do not even represent 1% of the total section's value. Guidance on how to report is very abstract. There are limits in matching the look-through, list of assets and balance sheet due to the multi-currency environment, the used exchange rate and rounding. Matching them on the euro often is not possible. Finally, we stress that, if the look-through is also applied on transaction costs, a mechanism is needed for not double counting subscription/redemptions fees and underlying transaction costs.</p>	Noted.

				<p>In some contexts, no-netting can be a useful principle. However, it is difficult for a non-professional to judge on different investment options with different outcomes on cost, risk and long-term return. Pay a higher cost to obtain a higher gross long-term return but with a high level of risk might be on the longer term (we are talking about saving for pensions) much more interesting than paying for an investment option at low cost, low risk but a very moderate return over the long term. Therefore, we believe it is better to mention a combination of net return (ideally over a longer period) and volatility over time.</p> <p>As for the costs paid by the sponsor(s) see Q3.</p> <p>Proportionality is an excellent principle in theory, but it does not always work efficiently in practice. Often, NCAs require full reporting adopting a one fits all approach. Any fixed cost on top within an IORP is relatively costly, especially for small and medium-sized IORPs. As IORPs are not for-profit organisations either the sponsor or the members and beneficiaries directly bear these costs. On top, today, IORPs work in a “lower for longer environment” in terms of interest rates with a high focus on cost reduction where any additional cost, from an efficiency point of view, seems to be unacceptable.</p>	<p>The Opinion is not a ready-to-use-tool to calculate net returns.</p> <p>Noted. The Opinion includes proportionality measures, CAs should have discretion to determine the level of cost reporting for DB IORPs following a risk-based approach.</p>							
107	PensioPlus	Q7	<table border="1"> <tr><td>No</td></tr> <tr><td>No</td></tr> <tr><td>Yes</td></tr> <tr><td>Yes</td></tr> <tr><td>Yes</td></tr> <tr><td>Yes</td></tr> <tr><td>Yes</td></tr> </table>	No	No	Yes	Yes	Yes	Yes	Yes	<p>We agree with cost transparency and comprehensive cost reporting as an objective of the management board of the IORP and/or the negotiating social partners in the setup of a pension scheme as well as its importance for members and beneficiaries as part of their pension benefit communication. Extensive cost communication to the members and beneficiaries should be limited to pure DC schemes with investment options where costs are borne by</p>	<p>Not agreed: EIOPA believes that there is a merit in requiring to report cost data based on a look-through approach in order to address the issue of hidden costs.</p>
No												
No												
Yes												
Yes												
Yes												
Yes												
Yes												

			<p>the members. Clear definitions of cost, a general classification, principles for compilation and templates might be very useful to facilitate this communication and reporting purposes.</p> <p>We do not agree with cost transparency and comprehensive cost reporting as an objective of EIOPA nor of the NCA to make an in-depth cost analysis, a benchmarking exercise and/or a cost evaluation with feedback to the IORP. For EIOPA and NCAs, a high-level cost overview should be sufficient.</p> <p>The look-through approach clearly has its limits. There should be a balance between effort and cost. Some funds reported as a separate line item on the list of assets, do not even represent 1% of the total section's value. Guidance on how to report is very abstract. There are limits in matching the look-through, list of assets and balance sheet due to the multi-currency environment, the used exchange rate and rounding. Matching them on the euro often is not possible.</p> <p>No-netting is often a useful principle. However, it is difficult for a non-professional to judge on different investment options with different outcomes on cost, risk and long-term return. Pay a higher cost to obtain a higher gross long-term return but with a high level of risk might be on the longer term (we are talking about saving for pensions!) much more interesting than paying for an investment option at low cost, low risk but a very moderate return over the long term. Therefore, we believe it is better to mention a combination of net return (ideally over a longer period) and volatility over time.</p>	<p>EIOPA believes that it is important to include sponsor costs in order to enable benchmarking across schemes. Reporting on the costs paid directly by sponsors is required only when deemed proportionate by the CA. The use of a more high-level overview of costs (than the generic classification in the opinion) by CAs would limit the ability to appropriately supervise the costs. Noted. See principle on the use of estimates.</p> <p>The Opinion is not a ready-to-use-tool to calculate net returns.</p>
--	--	--	--	---

				<p>Proportionality is an excellent principle in theory but in reality, we notice that it does not work. Often CAs do require full reporting taking into account a one fits all approach. Peer reviews create a kind of competition where most of us want to be the best in class. How to prove that although good practices this might be relatively costly?</p> <p>Any fixed cost on top within an IORP is relatively costly, especially for small and medium sized IORPs. As IORPs are not for profit organisations either the sponsor or the members & beneficiaries directly bear these costs. On top, today, we work in a lower for longer environment with a high focus on cost reduction where any additional cost, from an efficiency point of view, seems to be unacceptable.</p>	Partially agreed: proportionality measures might be applied by CAs for small DB IORPs.
113	EIOPA OPSG	Q8	Yes	Yes, we agree since MiFID II is a reasonable reporting standard mainly for fund-based investments (cf. CP, no. 3.11 and 3.13, pages 11-12).	Noted.
114	aba Arbeitsgemeinschaft für betriebliche Altersversorgung	Q8	No	EIOPA seems to assume that IORPs invest through asset managers who fall under MiFID II. However, this is not everywhere the case and shows why it is so important that the planned Opinion leaves sufficient leeway to NCAs. In Germany, IORPs tend to use Kapitalverwaltungsgesellschaften (KVG) offering Spezialfonds (a specific German form of an AIF for institutional investors), which are not subject to regulation stemming from MiFID II. IORPs are considered professional investors under MiFID II, which means that they pay lower fees and charges but are subject to other protection than non-professional investors, therefore they do not automatically receive the information required by MiFID II (Annex II). Similarly, MiFID II does not apply to the specific UCITS tranches bought by institutional investors.	Noted. IORPs are required to report on costs following the generic cost classification. The reporting based on MiFID disclosures is recommended for those asset classes for which the IORP can obtain such disclosures on request.

				Looking at the results of the survey presented in Annex 4 of the Draft Opinion, it seems that it might be the case that investments falling under MiFID II do not play the role for IORPs as assumed by EIOPA in other MS neither. On a more general note regarding the survey, we would like to point out that EIOPA should indicate which MS have a significant IORP sector, because these responses should carry more weight when developing opinions for IORPs. The information value of overviews with only a count of the national supervisory authorities is low for occupational pensions.	
115	Actuarial Association of Europe	Q8	Yes	In some countries the investment of IORPs is mainly in assets which are not generally subject to MiFID II regulation. In such cases data according to MiFID II requirements are not or not easily available right now. Reporting according to the MiFID II logic would require new processes in such countries.	Noted. With regards assets outside of the scope of MiFID II, most notably costs and charges related to direct investments in property and private equity, EIOPA refers to a global standard for fees and costs provided the European Association for Investors in Non-Listed Real Estate Vehicles and guidance provided by the Institutional Limited Partners Association respectively.
116	European Association of Paritarian Institutions (AEIP)	Q8	No	There should be a difference regarding cost reporting when DC and DB schemes are compared, due to their different risk factors to the beneficiaries' pensions. It could be an advantage, when IORPs were able to ask their service providers for cost reportings. As far as the German construction sector is concerned, only	Noted: With regards assets outside of the scope of MiFID II, most notably costs and charges related to direct investments in property and private equity, EIOPA refers to a global

				a very small share of assets under management falls under MiFID reporting: real estate, fixed income, sovereign bonds, that are the main share, do not.	standard for fees and costs provided the European Association for Investors in Non-Listed Real Estate Vehicles and guidance provided by the Institutional Limited Partners Association respectively.
117	Federation of the Dutch Pension Funds	Q8	Yes	MiFID II requires most of the data required in cost reporting as we have experienced in the Netherlands. Key to further alignment is having a harmonization of definitions and methodology.	Noted.
118	German Association of Actuaries (DAV)	Q8	No	As pointed out German IORPs invest in general either directly (assets directly held on the balance sheet of the IORP, usually larger IORPs, to a large extent fixed Income instruments) or use Kapitalverwaltungsgesellschaften (KVG) offering Spezialfonds (a specific German form of an AIF for institutional investors), which are in general not subject to regulation stemming from MiFID II. As pointed out in Q1 we doubt that the data for Spezialfonds according to MiFID II requirements are in general available or retrievable right now. Reporting according to the MiFID II logic would require new processes at the KVG, new reporting to the IORP and an additional layer of reporting for the IORP or the change of existing internal processes. The cost of implementation should be part of a pilot study.	Noted. EIOPA clarifies that the use of MiFID disclosures to report on investment and transaction costs for assets classes covered by the MiFID requirements is voluntary.
119	German Association of Insured (BdV)	Q8	Yes	Yes, we agree (cf. CP, no. 3.11 and 3.13, pages 11-12).	Noted.
120	Gesamtverband der Deutschen Versicherungswirtschaft e. V.	Q8	No	As already stated in the answers to Q2 - Q4, the approach of primarily fund-based investments of IORPs is not correct for the German occupational pension system. The link to MiFID regulations and in particular the regulation on cost	Noted. EIOPA clarifies that the use of MiFID disclosures to report on investment and transaction costs for assets

				<p>transparency is therefore, in our view, not expedient and not suitable to the German occupational pension system. As far as IORPs in Germany use fund vehicles for investments, these are usually either Alternative Investment Funds, only accessible for professional investors (so called special funds/Spezialfonds) or the IORPs use special share classes of UCITs (mutual funds) reserved only for professional investors – in both cases MiFID does not apply. IORPs and asset management firms should not be indirectly forced to comply with MIFID requirements.</p> <p>EIOPA states that IORPs, as important investors, should be able to require cost data according to MiFID of their asset managers even if the MiFID regulation does not apply. But such an additional service would come with additional costs. In addition there is a one-off and ongoing implementation effort to process and to document these data. The effect would be completely contrary to the intentions of EIOPA: “value for money” for the IORPs’ beneficiaries (see answer to Q1).</p>	<p>classes covered by the MiFID requirements is voluntary.</p> <p>Not agreed: MiFID disclosures are required to be made available by asset managers to investors free of charge.</p>
121	Insurance Europe	Q8			
122	PensionsEurope	Q8	No	<p>From a theoretical perspective yes, but no in practice. As IORPs diversify their investments on a European and worldwide basis, it could be convenient for IORPs if uniform reporting requirements by investment funds (UCITS, but also AIFs) or their managers towards their investing IORPs would be set throughout Europe.</p> <p>Such uniform European reporting formats or templates could help some IORPs, as they could potentially:</p> <ul style="list-style-type: none"> - improve the quality of the data provided to IORPs 	<p>Noted. The Opinion establishes a generic classification, supported by definitions of IORP costs. The use of MiFID is recommended where relevant. Pensions funds as investors have the right to request a broken down cost disclosure to asset managers, who are required to provide it upon request.</p>

			<p>- reduce the costs of collecting and analysing these data by IORPs</p> <p>- lead to better comparable information for IORPs and, as far as necessary, for their plan sponsors and members.</p> <p>However, it should be highlighted that not all IORPs invest through asset managers who fall under MiFID II. IORPs are considered professional investors under MiFID II (Annex II), which means that they pay lower fees and charges but are subject to lower protection than non-professional investors. Therefore, they do not automatically receive the information required by MiFID II.</p> <p>This does not imply that costs are generally not transparent for the IORP. We would be concerned if the idea was for IORPs to report the data according to the MiFID II template to their supervisor. This would make it necessary to ask for the data from service providers, potentially leading to an increase in costs – which in the end would have to be born either by the members or by the sponsor companies. In the first case, this would mean lower pensions, and, in the second case, this would mean that voluntarily granting an occupational pension becomes less attractive for employers. In addition, this would at least partly revoke the status of IORPs as professional investors, which would run counter to MiFID II that is currently in force. Requiring reporting according to a MiFID II template from IORPs is problematic if the service providers they work with are not subject to MiFID II.</p> <p>Finally, we highlight the importance that new requirements should not be set in such an extended and demanding form</p>	<p>When IORPs invest through asset managers CAs are expected to require IORPs to submit cost reporting data to the CA according to the template included in Annex 1 of the Opinion.</p> <p>IORPs are equally entitled to receive cost disclosures under MiFID as retail investors.</p> <p>Not agreed: MiFID disclosures are required to be made available by asset managers to investors free of charge.</p> <p>Not agreed: EIOPA believes that the generic cost classification is suitable for all asset classes.</p>
--	--	--	--	--

				that they could lead to significantly reduced reasonable investment opportunities for IORPs, compared to other institutional investors including endowments etc. A situation where such a template leads to additional costs without benefits for IORPs must be avoided.	
123	PensioPlus	Q8	Yes	<p>We agree with cost transparency and comprehensive cost reporting as an objective of the management board of the IORP and/or the negotiating social partners in the setup of a pension scheme as well as its importance for members and beneficiaries as part of their pension benefit communication. Extensive cost communication to the members and beneficiaries should be limited to pure DC schemes with investment options where costs are borne by the members. Clear definitions of cost, a general classification, principles for compilation and templates might be very useful to facilitate this communication and reporting purposes.</p> <p>We do not agree with cost transparency and comprehensive cost reporting as an objective of EIOPA nor of the NCA to make an in-depth cost analysis, a benchmarking exercise and/or a cost evaluation with feedback to the IORP. For EIOPA and NCAs, a high-level cost overview should be sufficient.</p>	<p>Not agreed. According to Article 45(1) IORP II Directive, it is CAS' competence to supervise the costs of the IORP sector to identify risks and vulnerabilities and to protect members and beneficiaries.</p> <p>According to Article 48(8)(a) it is CAS' competence to make sure IORPs can fulfil their duties to scheme members.</p> <p>The use of a more high-level overview of costs (than the generic classification in the opinion) by CAs would limit the ability to appropriately supervise the costs.</p>
129	EIOPA OPSG	Q9	No	<p>No, not at a European level. Of course German and Italian IORPs e.g. have to provide a certain break-down of costs according to national laws within their annual financial statement – of course on the level of the IORP.</p> <p>We urge EIOPA to take into consideration its own definition of "Investment Management Costs" outlined in its 2021 Report on Costs and Past Performances (Box 5: "Drivers of</p>	<p>Noted.</p> <p>Not agreed: due to their specificities, for the purpose of the cost reporting,</p>

				costs in the IBIPs markets”, p. 38): “Costs item that can be categorized as investment management are: transaction related costs, payment of investment service. For unit-linked and hybrid products there can also be: costs due to the unit valuation and fund accounting services, fund related governance, regulation and compliance costs, fund related property management and headcount costs, performance fees, carried interest.”	transaction costs should be reported separately from other investment costs.
130	aba Arbeitsgemeinschaft für betriebliche Altersversorgung	Q9	Yes	<p>Yes, we are aware of other cost classifications used by IORPs – however, we are not aware of a single cost classification which is sensible for all IORPs.</p> <p>As we have argued before, it is important that IORPs have a good overview of the cost they incur. In Germany, IORPs tend to use Kapitalverwaltungsgesellschaften (KVG) offering Spezialfonds (a specific German form of an AIF for institutional investors). IORPs are considered professional investors under MiFID II, which means that they pay lower fees and charges but are subject to lower protection than non-professional investors.</p> <p>The cost structure between IORP and KVG are to be negotiated by the two parties, costs can e.g. be fixed and/or performance related. Regarding Spezialfonds, administration costs are negotiated with the KVG, the costs for the asset manager are negotiated between the IORP and the asset manager. That means, that very reasonable, case-specific and individual fee and incentive structures can result, which are not comparable at all. We cannot see how the MiFID II requirements would capture these differences and complexities. The costs for Spezialfonds are much lower than those of Publikumsfonds (UCITS). The latter might have specific tranches which are only open to institutional</p>	Noted.

				<p>investors (often with a minimum investment amount) which are cheaper than the retail tranches.</p> <p>As another general point we would like to stress that IORPs in Germany are in a strong negotiating position (mainly because of their size and their collective approach to asset allocation) and are therefore likely to get good value for money from service providers they work with. Additionally, there are costs statistics for (more standardized) investment products (publicly available from different sources, e.g. the BVI) and also there is a variety of informal networks between German IORPs where certain experiences regarding costs and cost management (for standardized products) are shared on an informal basis. This gives IORPs a good overview over the landscape of costs for certain standardized investment products they may be using.</p> <p>We have the following impression: Institutional asset management in Germany, delivered via Spezialfonds is deemed to be highly competitive and price sensitive amongst international asset managers, offering the lowest margins in the EU. We therefore propose to investigate in which MS IORPs have cost problems and why (see our response to Q1 on stock taking).</p>	
131	Actuarial Association of Europe	Q9	No	Sometimes IORPs manage their own costs (but not necessarily all costs) and have their own schemes already in place.	Noted.
132	European Association of Paritarian Institutions (AEIP)	Q9	No		
133	Federation of the Dutch Pension Funds	Q9	Yes	We refer to the cost classifications as laid out in the appendices of the Recommendations on Administrative Costs. These are the common cost classifications for	Noted.

				reporting in the Netherlands and used for collecting cost information as well, next to the Mifid II template (EMT) and industry standards (eg. ILPA, INREV).	
134	German Association of Actuaries (DAV)	Q9	No	While we are not aware of any general accepted cost classification scheme, obviously IORPs do manage their costs and will have their schemes in place. Again, a pilot study could help to identify best practice solutions.	Noted: EIOPA believes a pilot exercise conducted prior to the adoption of the Opinion by EIOPA is not necessary.
135	German Association of Insured (BdV)	Q9	No	We urge EIOPA to take into consideration its own definition of "Investment Management Costs" outlined in its 2021 Report on Costs and Past Performances (Box 5: "Drivers of costs in the IBIPs markets", p. 38): "Costs item that can be categorized as investment management are: transaction related costs, payment of investment service. For unit-linked and hybrid products there can also be: costs due to the unit valuation and fund accounting services, fund related governance, regulation and compliance costs, fund related property management and headcount costs, performance fees, carried interest."	Not agreed: due to their specificities, for the purpose of the cost reporting, transaction costs should be reported separately from other investment costs.
136	Gesamtverband der Deutschen Versicherungswirtschaft e. V.	Q9	Yes	As already stated in answer to Q3, we propose the three cost categories investment costs, acquisition costs, administrative costs – without sponsor costs – in accordance with the regulations of the existing reporting requirements. In our opinion, the classification of expenses according to the European reporting requirements mentioned in the answer to Q1 also fits into this classification.	Not agreed: Acquisition costs are not relevant for all IORPs. Sponsor costs are relevant to enable fair comparisons.
137	Insurance Europe	Q9			
138	PensionsEurope	Q9	Yes	Yes, but we are not aware of a cost classification that works well for all IORPs. In the Netherlands, IORPs refer to the cost classifications as laid out in the appendices of the Recommendations on Administrative Costs. These are the common cost	Noted.

			<p>classifications for reporting in the Netherlands and used for collecting cost information as well, next to the Mifid II template (EMT) and industry standards (eg. ILPA, INREV).</p> <p>More in general, as we have argued before, it is important that IORPs have a good overview of the cost they incur.</p> <p>Aba, our German member, reports that in Germany, IORPs tend to use Kapitalverwaltungsgesellschaften (KVG) offering Spezialfonds (a specific German form of an AIF for institutional investors). IORPs are considered professional investors under MiFID II, which means that they pay lower fees and charges but are subject to lower protection than non-professional investors.</p> <p>The cost structure between IORP and KVG is to be negotiated by the two parties, costs can e.g. be fixed and/or performance-related. Regarding Spezialfonds, administration costs are negotiated with the KVG, the costs for the asset manager are negotiated between the IORP and the asset manager. That means, that very reasonable, case-specific and individual fee and incentive structures can result, which are not comparable at all. Aba cannot see how the MiFID II requirements would capture these differences and complexities. The costs for Spezialfonds are much lower than those of Publikumsfonds (UCITS). The latter might have specific tranches which are only open to institutional investors (often with a minimum investment amount) which are cheaper than the retail tranches.</p> <p>As another general point, Aba would like to stress that IORPs in Germany are in a strong negotiating position (mainly because of their size and their collective approach to asset</p>	<p>Not agreed: MiFID disclosures are required to be made available by asset managers to investors free of charge.</p> <p>Noted.</p> <p>Noted.</p>
--	--	--	--	---

				<p>allocation) and are therefore likely to get good value for money from service providers they work with. Additionally, there are costs statistics for (more standardized) investment products (publicly available from different sources, e.g. the BVI) and also there is a variety of informal networks between German IORPs where certain experiences regarding costs and cost management (for standardized products) are shared on an informal basis. This gives IORPs a good overview of the landscape of costs for certain standardized investment products they may be using.</p> <p>Aba believes that institutional asset management in Germany, delivered via Spezialfonds, is highly competitive and price-sensitive amongst international asset managers, offering the lowest margins in the EU.</p> <p>Therefore, as explained in more detail in Q2, we propose to investigate in which Member States IORPs have cost problems and why.</p>	<p>Noted: the costs and benefit analysis provides some figures on the different levels of costs across Europe with the limitation that the costs reported are based on high-level data, which might lack accuracy.</p>
139	PensioPlus	Q9	No		
145	EIOPA OPSG	Q10	Yes	<p>We only partially agree (cf. no. 3.13 of CP). However, the extra costs which IORPs would have to pay in order to receive such a breakdown from their investment providers should be limited to a reasonable extent, because such extra costs would have to be paid in the end by beneficiaries and/or sponsor companies (which both would not strengthen occupational pensions in Europe). So, we propose, that EIOPA enters into a dialogue with the investment industry (their respective European associations) and assesses if this can be done without charging additional costs to the IORPs or – if not – to what extent such additional costs might be.</p>	<p>Not agreed: EIOPA expects that overall IORPs cost will decrease due to the peer pressure as well as to the identification of inefficiencies thanks to the improved cost transparency.</p> <p>The template in Annex 2 is intended to facilitate the data collection, as MiFID disclosures are required to be made available by asset</p>
			Yes		

					managers to investors free of charge.
146	aba Arbeitsgemeinschaft für betriebliche Altersversorgung	Q10	No No	No, we do not support the template provided in Annex 3. This MiFID approach is based on a capital investment structure that does not exist in German IORPs. Therefore, it does not fit for German IORPs (see our responses to Q8 and 9). If an NCA - after an analysis which we consider necessary - considers it necessary that the indirect costs of investment funds are reported to the NCA, then the reporting requirements should also be limited to this.	Noted.
147	Actuarial Association of Europe	Q10	Yes Yes	<p>In a first phase it would be useful to see what level of details of costs can be collected and afterwards assess those that must be collected and those that do not need to be collected or can only be collected in an aggregate way.</p> <p>The level of detail required under “Transaction costs” would be very difficult for Trustees to obtain, whether this refers to implicit or explicit transaction costs.</p> <p>For “implicit” transaction costs, the vast majority of Irish pension schemes would invest in a collective investment vehicle, rather than a segregated mandate. In a collective investment vehicle, implicit transaction costs are extremely difficult to obtain at a scheme level and investment managers typically do not provide this information. An estimate of transaction costs in the total fund over the course of the year might be the best Trustees can expect to obtain from an investment manager.</p> <p>For “explicit” transaction costs, this would also be very difficult to obtain. Collective investment funds are typically priced in a variety of ways – single daily swinging price, single price with irregular pricing changes, explicit bid / offer</p>	Not agreed: MiFID disclosures are required to be made available by asset managers to investors free of charge.

				<p>spreads etc. Obtaining this information over the course of a year would be a very onerous task for investment managers, in particular for a DC scheme with potentially hundreds of transactions over a year.</p> <p>We consider also that a transparency implies lower costs due to competition.</p>	
148	European Association of Paritarian Institutions (AEIP)	Q10	No No	<p>The template in Annex 3 is too granular. We need a cost reporting which reflects decision options. Paritarian pension funds' beneficiaries do not – and cannot- intervene in any investment decision. There are no options for choice. The investment decisions are taken by the pension scheme's board or asset management department. This system is possible at very lean costs. It is nevertheless not commercial, and there is no competition between paritarian IORPs. Competition is not an objective of paritarian IORPs, as they are not-for-profit institutions. Their strong advantages have another nature: financial stability, security and predictability for the beneficiaries, at low cost levels. There is very little cost involved for marketing or advertisement, and managers receive no bonuses whatsoever. Cost efficiency is excellent. We suggest EIOPA to assess cost transparency in the light of the described setup of paritarian pension schemes. The objective of the template is not to introduce new requirements, but rather to support the mission of the supervisory authorities.</p> <p>The template in Annex 3 will facilitate the collection of costs by IORPs from portfolio managers especially when investments are limited to investment funds. For investments in private debt, private equity, infrastructure, and other alternative asset classes it will be much harder to obtain this information. We should avoid that investment</p>	<p>Noted. The template in Annex 2 is intended to facilitate the data collection, as MiFID disclosures are required to be made available by asset managers to investors free of charge. The generic cost classification is the template to be provided by IORPs to CAs is not very granular. The template included in Annex 3 is granular to enable the IORP to assess whether the costs disclosed to the IORP according to the template are comprehensive.</p>

				<p>parties will charge high additional fees to obtain this cost information.</p> <p>A further detail of the cost breakdown might enhance the understanding of IORPs in the underlying investment cost structure but again at the expense of what? Another additional cost while the lower for longer investment environment forces every IORP to further reduce costs and the focus on pension adequacy is keeping us away of putting additional charges at the individual's retirement benefit. We should avoid that the cost transparency objective becomes a cost generator destroying pension savings!</p>	<p>Agreed: See principle on proportionality. CAs should apply a proportionate approach in terms of costs and benefits.</p> <p>Noted. The template in Annex 2 is intended to facilitate the data collection, as MiFID disclosures are required to be made available by asset managers to investors free of charge.</p>
149	Federation of the Dutch Pension Funds	Q10	<p>Yes</p> <p>Yes</p>	<p>It may facilitate IORPs, if it is non-compulsory. IORPs should be able to use their own data collection tooling to assist in their reporting process to also adhere to local transparency requirements.</p> <p>Do you agree that the more detailed breakdown of costs enhances the understanding of IORPs in the underlying investment cost structure? To the extent that the data is relevant and understandable. The IORP has to be able to sufficiently understand all costs, but this may be at an aggregated level, not for instance line by line.</p>	<p>Noted: The objective of this Opinion is to set expectations towards CAs on transparent supervisory cost reporting and to provide CAs and IORPs with practical guidance on how to collect the data.</p> <p>Nevertheless, the use of the template included in Annex 3 is not compulsory.</p> <p>The use of own data is possible as far as the IORP follows the principles included in the Opinion.</p> <p>Costs reporting on aggregated level does not provide enough information for the IORP to assess whether it is based on a</p>

					look-through approach, hence it does not address the issue of hidden costs.
150	German Association of Actuaries (DAV)	Q10	No No	We do expect that IORPs already have processes concerning cost management in place that suit their needs. While improvements are always possible we do not think that the topics of templates provided are new to IORPs.	Noted.
151	German Association of Insured (BdV)	Q10	Yes Yes	Yes, we agree (cf. no. 3.13 of CP)	Noted.
152	Gesamtverband der Deutschen Versicherungswirtschaft e. V.	Q10	No No	<p>We do not consider the proposals to be simplifying and do not see them as an improvement because of the already existing extensive reporting obligations in Germany (see answer to Q1), EIOPAs wrong focus on fund-based investments (see answer to Q8 and Q2), the proposed cost categories (see answer to Q3) and the excessive effort due to the proposed level of detail (see answer to Q1).</p> <p>When gathering information, the principles of parsimony and efficiency should be priorities by the supervisory authorities. Information once obtained by European institutions should not be repeated or sought again from other stakeholders. Therefore, the exchange of information between European institutions should be improved, especially from a cost perspective of members and beneficiaries of IORPs. Access to already existing information e. g. regarding the cost components of funds by national supervisors would reduce the burden on IORPs, while making the information accessible to supervisors.</p>	<p>Noted. The template in Annex 2 is intended to facilitate the data collection, as MiFID disclosures are required to be made available by asset managers to investors free of charge.</p> <p>The cost categories of the generic cost classification should suit all asset classes. Not agreed: The reporting on costs should be conducted on a regular basis.</p>
153	Insurance Europe	Q10	- -		
154	PensionsEurope	Q10	Yes Yes	The voluntary use of the template in Annex 3 could facilitate the collection of costs by IORPs from portfolio managers especially when investments are limited to investment	Noted.

				<p>funds. For investments in private debt, private equity, infrastructure, and other alternative asset classes it will be much harder to obtain this information. We should avoid that investment parties will charge high additional fees to obtain this cost information.</p> <p>A more detailed breakdown of costs might enhance the understanding of IORPs in the underlying investment cost structure, but this must be weighed against the additional cost implied. EIOPA should avoid that the cost transparency objective becomes a cost generator at the expense of pension savings.</p>	<p>Agreed: See principle on proportionality. CAs should apply a proportionate approach in terms of costs and benefits.</p>
155	PensioPlus	Q10	<p>Yes</p> <p>No</p>	<p>We agree with cost transparency and comprehensive cost reporting as an objective of the management board of the IORP and/or the negotiating social partners in the setup of a pension scheme as well as its importance for members and beneficiaries as part of their pension benefit communication. Extensive cost communication to the members and beneficiaries should be limited to pure DC schemes with investment options where costs are borne by the members. Clear definitions of cost, a general classification, principles for compilation and templates might be very useful to facilitate this communication and reporting purposes.</p> <p>We do not agree with cost transparency and comprehensive cost reporting as an objective of EIOPA nor of the NCA to make an in-depth cost analysis, a benchmarking exercise and/or a cost evaluation with feedback to the IORP. For EIOPA and NCAs, a high-level cost overview should be sufficient.</p> <p>The template in Annex 3 will facilitate the collection of costs</p>	<p>Not agreed. According to Article 45(1) IORP II Directive, it is CAs' competence to supervise the costs of the IORP sector to identify risks and vulnerabilities and to protect members and beneficiaries.</p> <p>According to Article 48(8)(a) it is CAs' competence to make sure IORPs can fulfil their duties to scheme members.</p> <p>The use of a more high-level overview of costs (than the generic classification in the opinion) by CAs would limit the ability to appropriately supervise the costs.</p> <p>Noted.</p>

				<p>by IORPs from portfolio managers especially when investments are limited to investment funds. For investments in private debt, private equity, infrastructure, and other alternative asset classes it will be much harder to obtain this information. We should avoid that investment parties will charge high additional fees to obtain this cost information.</p> <p>A further detail of the cost breakdown might enhance the understanding of IORPs in the underlying investment cost structure but again at the expense of what? Another additional cost while the lower for longer investment environment forces every IORP to further reduce costs and the focus on pension adequacy is keeping us away of putting additional charges at the individual's retirement benefit. We should avoid that the cost transparency objective becomes a cost generator destroying pension savings!</p>	<p>Noted.</p> <p>Agreed: See principle on proportionality. CAs should apply a proportionate approach in terms of costs and benefits.</p>				
161	EIOPA OPSG	Q11	<table border="1"> <tr> <td>Yes</td> <td rowspan="4"> <p>No, we do not agree upon any full exemption for certain DB IORPs. Only in a very particular general market situation like in spring 2020 due to the pandemic there may be allowed a lower frequency of reporting. The crucial risk of beneficiaries' detriment by overly calculated costs is too high ("value for money" from consumer protection perspective, cf. CP no. 4.1c, p. 14). EIOPA itself has stated: "The impact of costs can be very significant. Pension pots can end up much smaller than expected because investments carried higher costs than expected." (CP, p. 17)</p> <p>However, we definitely urge EIOPA in the context of proportionality to think about simplifications for non-for-profit IORPs (i.e. IORPs not having any third party equity holders or something comparable) when there is compulsory membership and beneficiaries do not have any investment</p> </td> </tr> <tr> <td>reduced scope of costs reporting (e.g. only investment, transaction, administrative costs)</td> </tr> <tr> <td>lower frequency of reporting</td> </tr> <tr> <td>-</td> </tr> </table>	Yes	<p>No, we do not agree upon any full exemption for certain DB IORPs. Only in a very particular general market situation like in spring 2020 due to the pandemic there may be allowed a lower frequency of reporting. The crucial risk of beneficiaries' detriment by overly calculated costs is too high ("value for money" from consumer protection perspective, cf. CP no. 4.1c, p. 14). EIOPA itself has stated: "The impact of costs can be very significant. Pension pots can end up much smaller than expected because investments carried higher costs than expected." (CP, p. 17)</p> <p>However, we definitely urge EIOPA in the context of proportionality to think about simplifications for non-for-profit IORPs (i.e. IORPs not having any third party equity holders or something comparable) when there is compulsory membership and beneficiaries do not have any investment</p>	reduced scope of costs reporting (e.g. only investment, transaction, administrative costs)	lower frequency of reporting	-	<p>Noted.</p> <p>Agreed: the opinion specifies that CAs should have discretion to determine the level of cost reporting for DB IORPs, e.g. a lower frequency of reporting and/or reduced</p>
Yes	<p>No, we do not agree upon any full exemption for certain DB IORPs. Only in a very particular general market situation like in spring 2020 due to the pandemic there may be allowed a lower frequency of reporting. The crucial risk of beneficiaries' detriment by overly calculated costs is too high ("value for money" from consumer protection perspective, cf. CP no. 4.1c, p. 14). EIOPA itself has stated: "The impact of costs can be very significant. Pension pots can end up much smaller than expected because investments carried higher costs than expected." (CP, p. 17)</p> <p>However, we definitely urge EIOPA in the context of proportionality to think about simplifications for non-for-profit IORPs (i.e. IORPs not having any third party equity holders or something comparable) when there is compulsory membership and beneficiaries do not have any investment</p>								
reduced scope of costs reporting (e.g. only investment, transaction, administrative costs)									
lower frequency of reporting									
-									

				options. In these cases there will be no detriment for beneficiaries resulting out of simplifications. As said before, that does not mean, that such IORPs should not report on costs at all, but the scope indeed should be reduced in the manner proposed in this question and no further granularity should be provided since this would not deliver any additional value.	scope of cost reporting. Only certain DB IORPs can be exempted from the reporting requirements, i.e. non-commercial small or non-commercial closed DB IORPs.
162	aba Arbeitsgemeinschaft für betriebliche Altersversorgung	Q11	Yes	<p>Yes, we agree that appropriate regulation for IORPs, including costs, taking into account national labour law and prevailing structures and problems is important. NCAs should have the discretion to exempt certain DB schemes as well as reducing the scope of cost reporting.</p> <p>Generally, we welcome that EIOPA in this Draft Opinion considers the differences between DB and DC. We agree that costs play a different role for members of a (pure) DC system than they do for those covered by a DB system.</p> <p>On these grounds, we support giving national supervisors discretion to issue a full exemption for certain DB schemes proposed in the Draft Opinion. In Germany, employers are liable to ensure that the promises made under a DB scheme is met. That means that the sponsoring employer has an interest in ensuring that the IORP works cost-efficiently, because this lowers the risk of having to pay additional contributions to make up potential shortfalls in the future. From our perspective this is a strong incentive to ensure cost-efficiency and no further measures such as reporting or disclosure of costs are needed for those IORP. This characteristic should therefore be used to assess which DB schemes are exempt from the reporting requirements laid down in this Draft Opinion.</p>	Agreed: the opinion specifies that CAs should have discretion to determine the level of cost reporting for DB IORPs, including a full exemption for certain DB IORPs, where certain DB IORPs should be considered non-commercial small or non-commercial closed DB IORPs.
			-		
			-		
			full exemption for certain DB IORPs		
			other		

			<p>Taking this argument further, it is the employer who can decide the degree of granularity on cost information the IORP provides to the sponsor. Higher granularity might come at a higher cost, but more insight might lead to preventing problems further on. However, it also comes at a cost, increasing the admin costs the IORP incurs. The employer therefore chooses between a low but certain and a probably higher and uncertain cost later on. At which degree of granularity the cost-benefits-analysis tilts depends on the circumstances and not least on the risk appetite of the employer.</p> <p>Appropriate regulation for IORPs, including costs, taking into account national labour law and pre-vailing structures and problems is important. Schemes where there are other mechanisms to keep costs down should be exempted from the scope of this Opinion. This is for example the case for German DB schemes where the employer is liable to ensure that a given pension promise is met.</p> <p>Our proposal: No regulation for the sake of regulation – the first objective should be creating value for money for beneficiaries. Recognise other mechanisms for cost containment: Schemes using other mechanisms to keep costs down should be exempted from the scope of this Opinion. This is for example the case for German DB schemes where the employer is liable to ensure that a given pension promise is met.</p> <p>Our proposal: Take into account the diversity of the labour law and of IORPs in the EU when defining prudential requirements: More generally, we urge EIOPA to provide the leeway for NCAs to decide if and how they collect data on</p>	<p>Noted: The Opinion includes a list of specific proportionality measures.</p> <p>Agreed. See proportionality measures.</p>
--	--	--	---	--

				<p>cost. Once this has been determined by the NCAs, proportionality as laid down in IORP II should be applied to the actual data collection, taking into account the size, nature, scale and complexity of the activities of the IORP.</p> <p>Regarding other forms of discretion for NCAs, we call again for a thorough stock-taking exercise to determine whether and what kind of problems exist. Based on the insights from this exercise, NCAs should be able to decide on the scope and granularity of the cost reporting.</p> <p>Finally, we would like to stress that a reduced reporting frequency often does not have a big impact on those reporting the data: the processes have to be in place regardless of whether the data has to be reported every year or only every two years.</p>	<p>Not agreed: EIOPA believes a pilot exercise conducted prior to the adoption of the Opinion by EIOPA is not necessary. However, a fact-finding exercise before implementing the Opinion can be conducted by the CA at the national level to determine the appropriate level of supervisory reporting. (paragraph 3.22)</p>
163	Actuarial Association of Europe	Q11	<p>Yes</p> <p>reduced scope of costs reporting (e.g. only investment, transaction, administrative costs)</p> <p>lower frequency of reporting</p> <p>full exemption for certain DB IORPs</p> <p>-</p>	<p>Proportionality should also be considered in the frequency of returns as well as the nature of the data to be submitted.</p> <p>It will be necessary to provide members / beneficiaries with clear and simple explanations on the details of the costs so that the information to be useful but not to be confusing.</p>	<p>Partially agreed: proportionality measures listed in the opinion include the frequency and the scope of reporting.</p> <p>Not agreed: This Opinion is for supervisory purpose, not for providing information to members and beneficiaries that should receive information on costs in the PBS.</p>

164	European Association of Paritarian Institutions (AEIP)	Q11	Yes	<p>Only those costs which negatively impact the members' benefits should be reported to the IORP's management board and the members & beneficiaries either via the pension benefit statement or a periodic report. The benefit statement should be used for all direct and individual costs borne by the member charged on either the contribution or the pension saving pot. Other costs should be reported via periodic reports. For all types of DB scheme the mandatory cost reporting should be out of scope.</p> <p>Proportionality makes a lot of sense in the IORP sector. Parameters should not be an institution's size only, but its risk profile. This is even more meaningful. For instance: small institutions may present significant risks while larger ones might present rather low risk profiles. The risk level of an institution e.g., where the affiliated persons do not intervene in the investment decision, is rather limited. This should be reflected in the reporting requirements.</p>	<p>Partially agreed: the opinion specifies that CAs should have discretion to determine the level of cost reporting for DB IORPs, including a full exemption for certain DB IORPs, where certain DB IORPs should be considered non-commercial small or non-commercial closed DB IORPs.</p> <p>It is CAs' competence to supervise the costs of the IORP sector to identify risks and vulnerabilities, as well as to protect members and beneficiaries</p> <p>Not agreed: Please note that this Opinion is not addressed to members and beneficiaries, but to CAs and IORPs.</p> <p>Annual reports do not necessarily follow a look through approach.</p>
			-		
			-		
			full exemption for certain DB IORPs		
			-		
165	Federation of the Dutch Pension Funds	Q11	No	<p>In the Netherlands we have already a regulatory framework for the transparency of administration costs, with legal cost ratios, also for DB-pension schemes.</p> <p>If supervisors in different member states opt for a different application, the primary objective of convergence of supervisory reporting standards is partially lost. Especially</p>	Noted.

				when it comes to definitions (accurateness) and scoping (completeness) there should be little room for divergence.	
166	German Association of Actuaries (DAV)	Q11	Yes	Given the low interest rate environment and very often quite ambitious return targets to meet the DB obligations, we would expect that the cost sensitivity in DB schemes is quite high, giving room for reduced reporting requirements.	Agreed: the opinion specifies that CAs should have discretion to determine the level of cost reporting for DB IORPs, e.g. a lower frequency of reporting, reduced scope of cost reporting or full exemption for certain DB IORPs, where certain DB IORPs should be considered non-commercial small or non-commercial closed DB IORPs.
			reduced scope of costs reporting (e.g. only investment, transaction, administrative costs)		
			lower frequency of reporting		
			full exemption for certain DB IORPs		
			other		
167	German Association of Insured (BdV)	Q11	Yes	No, we do not agree upon any full exemption for certain DB IORPs. Only in a very particular general market situation like in spring 2020 due to the pandemic there may be allowed a lower frequency of reporting. The crucial risk of beneficiaries' detriment by overly calculated costs is too high ("value for money" from consumer protection perspective, cf. CP no. 4.1c, p. 14). EIOPA itself has stated: "The impact of costs can be very significant. Pension pots can end up much smaller than expected because investments carried higher costs than expected." (CP, p. 17) This impact of costs on the return of pension plans is regularly shown by Better Finance's annual report on "Pension Savings: The Real Return":	Noted.
			reduced scope of costs reporting (e.g. only investment, transaction, administrative costs)		
			lower frequency of reporting		
			-		
			-		

				https://betterfinance.eu/publication/pension-savings-the-real-return-2020-edition/	
168	Gesamtverband der Deutschen Versicherungswirtschaft e. V.	Q11	Yes	<p>Discretion for the NCA concerning reporting requirements for DB IORPs is tantamount in this context: Full exemption is indicated against the background of high guarantee levels for the beneficiaries and existing comprehensive cost disclosures for the supervisory authority, for sponsors and for beneficiaries alike.</p> <p>The NCA is by nature particularly familiar with the high quality of German reporting and the situation of IORPs. From our point of view, one of the main concerns of the statement is to eliminate the deficits in reporting and to bring the level of cost reporting in Europe into line. However, since - as described in the responses to Q1 to Q4 - the proposed approach does not fit the already existing comprehensive cost reporting in Germany, DB IORPS should definitely be excluded from the scope of the Opinion. In our view, it is also important to distinguish DB IORPS from DC IORPs; in this context, we believe that the broadest possible interpretation of DB IORPS is appropriate: DB pension plans are, in our view, those with liability obligations of the employer, as for example in Germany according to Company Pensions Act (§ 1 Abs. 1 BetrAVG). In the draft opinion on the supervision of risk assessment by IORPs providing DC schemes, we believe that the definition of DC pension plans is not clear and should be tightened.</p>	Partially agreed: the opinion specifies that CAs should have discretion to determine the level of cost reporting for DB IORPs, including a full exemption for certain DB IORPs, where certain DB IORPs should be considered non-commercial small or non-commercial closed DB IORPs.
			-		
			-		
			full exemption for certain DB IORPs		
			-		
169	Insurance Europe	Q11	-		
170	PensionsEurope	Q11	Yes	Yes, we do agree that national supervisors should have discretion to determine the level of cost reporting requirements for IORPs. Appropriate regulation for IORPs,	Agreed. See proportionality measures.
			-		
			-		

			<p>full exemption for certain DB IORPs</p>	<p>including on costs, should always take into account national social and labour law and the prevailing structures and problems. Only those costs which actually negatively impact the members' benefits should be reported to the members and beneficiaries either via the pension benefit statement or an annual report. The benefit statement should be used for all costs borne by the member charged on either the contribution or the pension saving pot. Other costs should be reported via periodic reports. National supervisors should have the discretion to exempt certain DB schemes as well as reducing the scope of cost reporting. We welcome that EIOPA in this draft Opinion considers the differences between DB and DC. We agree that costs play a different role for members of a (pure) DC system than they do for those covered by a DB system.</p> <p>On these grounds, we welcome the full exemption for certain DB schemes proposed in the Draft Opinion. In some MSs, employers are liable to ensure that the promise made under a DB scheme is met. That means that the sponsoring employer has an interest in ensuring that the IORP works cost-efficiently because this lowers the risk of having to pay additional contributions to make up potential shortfalls in the future. From our perspective, this is a strong incentive to ensure cost-efficiency and no further measures such as reporting or disclosure of costs are needed for those IORPs. This characteristic should therefore be used to assess which DB schemes are exempted from the reporting requirements laid down in this Draft Opinion. At the very least, it should be possible to adjust the requirements appropriately.</p> <p>Taking this argument further, it is the employer who can and should decide the degree of granularity on cost information</p>	<p>Not agreed: Information on costs is also a matter of prudential regulation, because costs impacts on IORPs' returns.</p> <p>Not agreed: This Opinion is for supervisory purpose, not for providing information to members and beneficiaries that should receive information on costs in the PBS.</p>
			<p>-</p>		

				<p>the IORP provides to the sponsor. Higher granularity often comes at a higher cost, but more insight might lead to preventing problems. The employer, therefore, chooses between a low but certain cost now and a probably higher and uncertain cost later. At which degree of granularity the cost-benefits-analysis tilts depends on the circumstances and not least on the risk appetite of the sponsor.</p> <p>∅ Recognise other mechanisms for cost containment: schemes using other mechanisms to keep costs down should be exempted from the scope of this Opinion. This is for example the case for German DB schemes where the employer is liable to ensure that a given pension promise is met.</p> <p>∅ Take into account the diversity of the labour law and of IORPs in the EU when defining prudential requirements: more generally, we urge EIOPA to provide the leeway for national competent authorities to decide which data on cost should be collected and how. Once this has been determined by the national competent authorities, proportionality, as laid down in IORP II, should be applied to the actual data collection, taking into account the size, nature, scale and complexity of the activities of the IORP.</p>	<p>Noted: Proportionality should be applied by CAs when implementing this Opinion.</p> <p>EIOPA believes a pilot exercise conducted prior to the adoption of the Opinion by EIOPA is not necessary. However, a fact-finding exercise before implementing the Opinion can be conducted by the CA at the national level to determine the appropriate level of supervisory reporting.</p>
171	PensioPlus	Q11	<p>Yes</p> <hr/> <p>-</p> <hr/> <p>-</p> <hr/> <p>full exemption for certain DB IORPs</p>	<p>We agree with cost transparency and comprehensive cost reporting as an objective of the management board of the IORP and/or the negotiating social partners in the setup of a pension scheme as well as its importance for members and beneficiaries as part of their pension benefit communication. Extensive cost communication to the</p>	<p>Agreed: the opinion specifies that CAs should have discretion to determine the level of cost reporting for DB IORPs, including a full exemption</p>

			-	<p>members and beneficiaries should be limited to pure DC schemes with investment options where costs are borne by the members. Clear definitions of cost, a general classification, principles for compilation and templates might be very useful to facilitate this communication and reporting purposes.</p> <p>We do not agree with cost transparency and comprehensive cost reporting as an objective of EIOPA nor of the NCA to make an in-depth cost analysis, a benchmarking exercise and/or a cost evaluation with feedback to the IORP. For EIOPA and NCAs, a high-level cost overview should be sufficient.</p> <p>Yes. Only those costs which negatively impact the members' benefits should be reported to the IORP's management board and the members & beneficiaries either via the pension benefit statement or a periodic report. The benefit statement should be used for all direct and individual costs borne by the member charged on either the contribution or the pension saving pot. Other costs could be reported via periodic reports. For all types of DB scheme the mandatory cost reporting should be out of scope. Sponsoring undertakings are liable to ensure that the promise made under a DB scheme is met. That means that the sponsoring employer has an interest in ensuring that the IORP works cost-efficiently because this lowers the risk of having to pay additional contributions to make up potential shortfalls in the future. From our perspective, this is a strong incentive to ensure cost-efficiency and no further measures such as reporting or disclosure of costs are needed for those IORPs.</p>	<p>for certain DB IORPs, where certain DB IORPs should be considered non-commercial small or non-commercial closed DB IORPs.</p> <p>Not agreed. According to Article 45(1) IORP II Directive, it is CAS' competence to supervise the costs of the IORP sector to identify risks and vulnerabilities and to protect members and beneficiaries. The use of a more high-level overview of costs (than the generic classification in the opinion) by CAs would limit the ability to appropriately supervise the costs. According to Article 48(8)(a) it is CAS' competence to make sure IORPs can fulfil their duties to scheme members. Please note that this Opinion is not addressed to members and beneficiaries, but to CAs and IORPs. Annual reports do not necessarily follow a look through approach.</p>
--	--	--	---	---	---

177	EIOPA OPSG	Q12	Yes	<p>Yes, we agree (cf. no. 4.2 and 4.3 of CP).</p> <p>One example on the national level: on 26 February 2021 the German Actuarial Association (DAV) published a study justifying the forthcoming reduction of the guaranteed minimum interest rate for life-insurers and IORPs by the legislator. It argued that - under the ongoing conditions of low or zero interest rates - strongly reduced or even no guarantees could increase the return of long-term pension plans. Only by reducing or completely abolishing the capital guarantees the returns will be high enough to cover the costs.</p> <p>These conclusions were criticized by the German Association of Insured (BdV) by stressing that first the costs of distribution, of administration and of investment have substantially to be reduced by the product providers (public position paper of 31 March 2021 on website). Nevertheless the legislator followed the proposals of the actuaries: now the highest level of interest rates guaranteed for the entire contract duration by life-insurers and IORPs (under the Solvency II-regime) is at 0,25%.</p> <p>This controversy between actuaries (DAV) and consumerists (BdV) clearly emphasizes how important is the issue of “value for money” particularly with regard to long-term savings under the general extremely challenging economic conditions of ongoing low-interest rates, increasing inflation, volatile stock markets, pension plans with defined benefits / minimum guarantees and the additional impact of costs on the real returns for the beneficiaries.</p> <p>In Italy, the national supervisor Covip, displays, on a yearly</p>	<p>Agreed: The requirement to disclose the costs of provision of guarantees was removed</p>
-----	------------	-----	-----	--	---

				<p>basis, the costs of the supplementary pension schemes, both IORPs and Personal Pension Products (Comparatore dei costi delle forme pensionistiche complementari – Comparator of the costs of supplementary pension schemes - https://www.covip.it/isc_dinamico/).</p> <p>The comparison is a useful tool for members in a market where IORPs and Personal Pension Products share almost the same legislative and regulatory framework). The tables report the values of the “Indicatore sintetico dei costi” (Synthetic cost index, based on assumptions determined by Covip), for each investment option offered to members. There is also a graphical representation of the average costs, for type of pension scheme (closed, open, insurance contracts) and for category of investment option.</p> <p>The assessment of the cost is associated with a similar tool for net returns (Elenco dei rendimenti dei Fondi pensione – List of the return of supplementary pension schemes https://www.covip.it/per-gli-operatori/fondi-pensione/costi-e-rendimenti-dei-fondi-pensione/elenco-dei-rendimenti), to show both sides of the coin: costs and returns.</p> <p>It is agreed that costs are by far not the only dimension used for comparison between IORPs. There may be an IORP having higher costs but providing in the long run a better quality for the beneficiaries (better long-term investment returns, better service level, better guaranteed benefits etc.). So just “cheering the cheapest” is an approach, supervisory authorities should definitely not follow.</p>	
178	aba Arbeitsgemeinschaft für betriebliche Altersversorgung	Q12	No	Comparison impossible: When focusing on the long-term interest of the members and beneficiaries, we would like to stress that this long-term interest is only rarely best served	Noted: EIOPA agrees to refer to the service provided as an

			<p>by a focus on keeping costs low. Higher costs might generate higher returns; higher costs might be due to additional services offered, or they might reduce the risk for the members such as guarantees or insolvency protection do. With that in mind, it is not even enough to focus on the triangle between risk, return and cost, but the type of services provided matters as well.</p> <p>Taking into account the different types of services provided, it becomes clear that the issue is extremely complex, and that even once this complexity is somehow taken into account, a comparison becomes impossible: how should e.g. the cost in a scheme with a guarantee be compared to a scheme which does not have a guarantee? Administration costs for example are not comparable because they might cover completely different services. How are the costs for insolvency protection taken into account?</p> <p>The approach proposed by EIOPA to use MiFID II as a template might work for MS where IORPs invest through asset managers who are covered by MiFID II. In all other MS, this approach is likely to lead to significant additional cost. These costs would only be justified and in the long-term interest of members and beneficiaries, if it was shown that there is a problem and that this type of reporting and comparative analyses by the NCAs would solve the problem.</p> <p>Comparative analysis of the cost levels of IORPs to assess the efficiency, affordability and value for money offered to members and beneficiaries - is this really a role of supervisors? Based on the fact that this is primarily about individual consumer protection: In which MS is this approach necessary and useful? What methods would be appropriate?</p>	<p>important element for the “value for money” assessments</p>
--	--	--	--	--

				<p>Does EIOPA create an additional burden for NCAs by publishing this Opinion?</p> <p>Having in place many collective schemes in Germany, we see the set-up of pensions schemes with value for money and ongoing control primarily as a task of the IORP Board and the Supervisory Board (Aufsichtsrat), in which employers and beneficiaries are represented.</p> <p>Our proposal: In the long-term interest of the members and beneficiaries is a good value for money – and not a focus on low costs. It is not clear to us how “value for money” would be determined.</p>	
179	Actuarial Association of Europe	Q12	Yes	<p>Of course, a comparative analysis should be made by supervisors. Take in mind that it is important not only to look at the level of costs, but also at the risks taken, the expected rate of return and the level of service that has been or will be given. One cannot only compare the percentages, basis points or the amount of costs in Euros without taking into account these observations.</p> <p>In the context of non-insured schemes, comparability will be an issue as every scheme is different in terms of complexity and servicing needs, i.e. multi-category, multi-payroll, frequency and duration of trustee meetings, supplementary services, etc.</p>	Noted: EIOPA agrees to refer to the service provided as an important element for the “value for money” assessments
180	European Association of Paritarian Institutions (AEIP)	Q12	No	<p>We do not agree with cost transparency and comprehensive cost reporting as an objective of EIOPA nor of the NCA to make an in-depth cost analysis, a benchmarking exercise and/or a cost evaluation with feedback to the IORP. For EIOPA and NCAs, a high-level cost overview should be sufficient.</p>	Not agreed. According to Article 45(1) IORP II Directive it is CAS’ competence to supervise the costs of the IORP sector to identify risks and vulnerabilities and to

				<p>Checking the efficiency and making a comparative analysis of IORPs is not the role of the supervisor, this is more the role of the IORPs management board to check if the pension scheme is managed in an efficient way. Affordability should be controlled by the one who is paying the contribution to the pension scheme, either the sponsor, or the member or a combination thereof and which are represented on the IORPs board. The member can check in the benefit communication if he or she gets the benefit he or she was promised (value for money). The pension benefit statement mentions all direct and individual costs borne by the member and charged on individual contributions/pension reserves, periodic reports (e.g. a transparency report) mentions all collective or indirect costs (e.g. by mentioning gross/net returns).</p>	<p>protect members and beneficiaries. The use of a more high-level overview of costs (than the generic classification in the opinion) by CAs would limit the ability to appropriately supervise the costs. According to Article 48(8)(a) it is CAs' competence to make sure IORPs can fulfil their duties to scheme members. Not agreed: It is CAs' competence to supervise the costs of the IORP sector to assess the efficiency and affordability in order to identify not only risks and vulnerabilities, but also to protect members and beneficiaries</p>
181	Federation of the Dutch Pension Funds	Q12	No	<p>In value for money-assessments not only the costs of the pension schemes are relevant. It's a triangle of costs, risk and return on investment. Pensions are a labour condition. An employer could be willing to pay more costs for the pension scheme than the average costs for a pension scheme by maintaining the corporate pension fund. That can be a choice of the employer in accordance with the representatives of the employees. Employers, labour unions and other representatives of employees have to assess the efficiency, affordability and value for money offered to members and beneficiaries, not the supervisors.</p>	<p>Not agreed: It is CAs' competence to supervise the costs of the IORP sector to assess the efficiency and affordability in order to identify not only risks and vulnerabilities, but also to protect members and beneficiaries.</p>

				Furthermore, the comparative analysis could result in looking only to cost levels and not taking into account the local pensions systems, differences in pension product offerings and local requirements on service levels and investment policy.	
182	German Association of Actuaries (DAV)	Q12	No		
183	German Association of Insured (BdV)	Q12	Yes	<p>Yes, we agree (cf. no. 4.2 and 4.3 of CP). On 26 February 2021 the German Actuarial Association (DAV) published a study justifying the forthcoming reduction of the guaranteed minimum interest rate for life-insurers and IORPs by the legislator. It argued that - under the ongoing conditions of low or zero interest rates - strongly reduced or even no guarantees could increase the return of long-term pension plans. Only by reducing or completely abolishing the capital guarantees the returns will be high enough to cover the costs.</p> <p>These conclusions were criticized by the German Association of Insured (BdV) by stressing that first the costs of distribution, of administration and of investment have substantially to be reduced by the product providers (public position paper of 31 March 2021 on website). Nevertheless the legislator followed the proposals of the actuaries: now the highest level of interest rates guaranteed for the entire contract duration by life-insurers and IORPs (under the Solvency II-regime) is at 0,25%.</p> <p>This controversy between actuaries (DAV) and consumerists (BdV) clearly emphasizes how important is the issue of "value for money" particularly with regard to long-term savings under the general extremely challenging economic</p>	Agreed: The requirement to disclose the costs of provision of guarantees was removed.

				conditions of ongoing low-interest rates, increasing inflation, volatile stock markets, pension plans with defined benefits / minimum guarantees and the additional impact of costs on the real returns for the beneficiaries.	
184	Gesamtverband der Deutschen Versicherungswirtschaft e. V.	Q12	No	<p>In our view, it is not the supervisor’s role to conduct and publish comparative analyses. We see it as their task to monitor the overall business operations of IORPs and to protect policyholders and beneficiaries. In EIOPAs report the “Framework for assessing conduct risk through the product lifecycle” EIOPA itself stated that “From a supervisory perspective, assessing value for money of insurance products may not be within the competencies of NCAs or it may not be feasible to the extent required to infer on the potential level of consumer detriment.” However, EIOPA would undertake such an assessment with guidance for NCAs to publish comparative analyses.</p> <p>In addition, an exclusive focus in this analysis on the cost side of products by evaluating the usefulness of products can lead to incorrect conclusions. Products cannot be compared by costs only without analysing expected benefits. There are a variety of parameters and an appropriate methodology to use here in order not to mislead consumers.</p> <p>Occupational pension schemes in Germany are diverse, as are their pension providers. Not all IORPs in Germany are comparable with each other. In some cases, they are in completely different situations: For example, there are IORPs that are directly tied to large employers and, in contrast, competing IORPs with benefits for over 100 employers. In this case, employers also compare the benefits and costs of the different solutions before involving</p>	<p>Noted: The opinion refers to “value for money”, but it does not as such include recommendations to gather performance and risk data collection for such assessments</p>

				employees. Thus, no comparability can or needs to be made among all IORPs.	
185	Insurance Europe	Q12		Insurance Europe welcomes, in principle, the focus on “value for money”. However, an exclusive focus on costs is not enough to assess whether a product generates sufficient value. There are several parameters to be considered. The insurance industry considers that efficiency and affordability are elements that largely depend on the market in which the products/schemes are offered and on the characteristics of the policyholders/members/beneficiaries. Therefore, discussions on cost reporting should not attempt to define “good value for money” since this is unrealistic due to the diversity in Europe.	
186	PensionsEurope	Q12	No	<p>No. As we have stressed above, when taking into account the diversity of occupational pensions across the EU and also within single jurisdictions, we do not think that a sensible comparison is always possible at a reasonable cost and level of complexity.</p> <p>We note that an exclusive focus on the cost side of schemes in the pension sector can lead to incorrect results, since schemes might be compared with others with completely different characteristics and features.</p> <p>In addition, assessing the efficiency and making a comparative analysis of IORPs is not the role of the supervisor, this is more the role of the IORPs management board to check if the pension scheme is managed in an efficient way. Affordability should be controlled by the one who is paying the contribution to the pension scheme, either the sponsor or the member or a combination thereof, and which are represented on the IORPs supervisory board. The members can check in the benefit communication if they get</p>	<p>Not agreed:</p> <ul style="list-style-type: none"> • It is CAS’ competence to supervise the costs of the IORP sector to identify risks and vulnerabilities, as well as to protect members and beneficiaries. Supervisory tools include benchmarking/comparisons of schemes. • It is CAS’ competence to make sure IORPs can fulfil their duties to scheme members • This Opinion is addressed to NCAs not to members and beneficiaries • EIOPA acknowledges pension

				<p>the benefit they were promised (value for money). The pension benefit statement mentions the costs directly borne by the member and charged on individual contributions/pension reserves, periodic reports (e.g. a transparency report) mention all the other costs (e.g. by reporting the gross/net returns).</p>	<p>schemes have to be compared in “clusters” with those that have the same characteristics.</p> <p>Please note that this Opinion is not addressed to members and beneficiaries, but to CAs and IORPs. Annual reports do not necessarily follow a look through approach.</p>
187	PensioPlus	Q12	No	<p>We agree with cost transparency and comprehensive cost reporting as an objective of the management board of the IORP and/or the negotiating social partners in the setup of a pension scheme as well as its importance for members and beneficiaries as part of their pension benefit communication. Extensive cost communication to the members and beneficiaries should be limited to pure DC schemes with investment options where costs are borne by the members. Clear definitions of cost, a general classification, principles for compilation and templates might be very useful to facilitate this communication and reporting purposes.</p> <p>We do not agree with cost transparency and comprehensive cost reporting as an objective of EIOPA nor of the NCA to make an in-depth cost analysis, a benchmarking exercise and/or a cost evaluation with feedback to the IORP. For EIOPA and NCAs, a high-level cost overview should be sufficient.</p> <p>No. Checking the efficiency and making a comparative</p>	<p>Noted: Please refer to the resolution to question 1.</p>

				<p>analysis of IORPs is not the role of the supervisor, this is more the role of the IORPs management board to check if the pension scheme is managed in an efficient way. Affordability should be controlled by the one who is paying the contribution to the pension scheme, either the sponsor, or the member or a combination thereof and which are represented on the IORPs board. The member can check in the benefit communication if he or she gets the benefit he or she was promised (value for money). The pension benefit statement mentions all direct and individual costs borne by the member and charged on individual contributions/pension reserves, periodic reports (e.g. a transparency report) mentions all collective or indirect costs (e.g. by mentioning gross/net returns).</p>	<p>Not agreed: It is CAs' competence to supervise the costs of the IORP sector to identify risks and vulnerabilities, but also to protect members and beneficiaries. It is CAs' competence to make sure IORPs can fulfil their duties to scheme members. This Opinion is addressed to NCAs not to members and beneficiaries. Please note that this Opinion is not addressed to members and beneficiaries, it is addressed to CAs and IORPs. Annual reports do not necessarily follow a look through approach.</p>
193	EIOPA OPSG	Q13	<p>Yes</p> <hr/> <p>Yes</p>	<p>Yes, we fully agree.</p> <p>In an EU member state like Germany IORPs represent only a rather small market share of occupational and private pension plans. Following to the 2019 figures of the Association of German Insurers (GDV) and the Federal Ministry of Labour and Social Affairs (BMAS) the two types of IORPs ("Pensionskassen / Pensionsfonds") represent only about a quarter of all five existing occupational pension vehicles (about 4,2 million contracts out of 16,25 million contracts). Besides these occupational pension plans there</p>	<p>Noted.</p>

			<p>are about 18 million contracts of state subsidized private pension plans (about 16 million “Riester” contracts and 2 million “Rürup” contracts) and more than 20 million private annuities. These figures show that IORPs are in a very strong competition with all providers of pension products or long-term savings, and in consequence from consumers perspective comparability of costs constitutes a fundamental and crucial element for any “informed decision making” by retail customers.</p> <p>Source:</p> <p>https://www.gdv.de/de/themen/news/betriebliche-altersversorgung-weiter-auf-wachstumskurs-60730</p> <p>For Italy, please refer to the previous answer.</p> <p>However, some OPSG members explicitly feel differently. They of course support the idea, that all IORPs should publish their total cost level in a way that beneficiaries can easily see, what value they are getting for their money. However, this can comprise only costs being carried by the beneficiaries – and not such being carried by the employers. A granular breakdown should also not be published in cases, where there are compulsory memberships and no investment options to be chosen by the beneficiaries, since this offers no advantage for the beneficiaries in these cases.</p> <p>Other OPSG members think that information of the costs, also when they are carried by the employers, is important to have. Other employers will pay higher contributions if the costs are paid in full by the IORP. Also for the members /beneficiaries it is important to be aware that the employer</p>	<p>Not agreed: The publication of aggregated cost data is not only useful for members and beneficiaries, but also for NGOs, IORPs, sponsors.</p> <p>Noted.</p>
--	--	--	--	--

				is still paying a substantial part of the costs, so they can value this commitment as it keeps the contributions to the IORP lower than otherwise would be the case. When there is no choice for members/beneficiaries they need to get at least transparency regarding all aspects of the scheme including costs.	
194	aba Arbeitsgemeinschaft für betriebliche Altersversorgung	Q13	No No	<p>A narrow focus on costs is neither in the interest of beneficiaries nor of employers/social partners and IORPs. There is a huge risk that it will lead to wrong discussions and wrong decisions (race to the bottom). This is even more true if the published data should also be used for EU-wide comparisons.</p> <p>No, we do not agree. The publication of cost data by individual IORPs would lead to comparisons and, given the complexity of the topic, probably lead to discussions where the cheapest schemes are considered the best (race to the bottom). This runs against the concept of value for money, where cost is put in relation to what is delivered in return. Incentivising schemes to try to be the cheapest is neither in the interest of the sponsoring employers, nor in the interest of members and beneficiaries.</p>	Noted: Taking into account confidentiality, CAs are encouraged to publish the outcomes of the analysis as well as aggregated cost figures. When considered necessary, the comparison and publication of aggregated data should be done by clusters of similar IORPs or schemes to ensure comparability.
195	Actuarial Association of Europe	Q13	Yes Yes	The question we have to ask ourselves upfront is: how does public disclosure of these numbers add to the benefit of members? If publication adds value to the members than this is okay. In some cases publication of the absolute amount of charges and fees could confused the members. Information provided on relative base could be more beneficial – charges on the base of contributions or AuM. In some countries the maximum allowed fees and charges are stipulated by the law	Noted: Publication of aggregated cost data as well as of the results of supervisory actions such as benchmarking of IORPs may improve cost efficiency of IORPs by adding peer pressure among IORPs.
196		Q13	No		

	European Association of Paritarian Institutions (AEIP)		No	<p>IORPs manage pension schemes which were agreed by social partners in the context of the compensation and benefit packages a sponsor offers to its employees. The organisation of an IORP's activity is fully tailor-made depending on the sponsor's appetite to keep part of the operational activities in house or not. Given the tailor-made character, by definition, there is no comparability of costs.</p> <p>Therefore, we disagree to publish aggregated cost levels and the results of comparative cost analyses by the supervisor as well as the publication of cost levels by the IORPs</p>	Not agreed: The comparison and the publication of aggregated data should be done by "clusters" of similar IORPs or schemes to ensure comparability.
197	Federation of the Dutch Pension Funds	Q13	<p>Yes</p> <p>Yes</p>	<p>Note: In the Netherlands the supervisor (Dutch central bank) already publishes the cost ratios for administration costs, administration costs and transaction costs with the name of the pension fund. In an explanation near the figures they explain which factors determine the level of the different type of costs. A warning nevertheless: when - as mentioned in answer to Q12 – the fixation is only on the cost level comparison, the risk is missing out on the choices of the IORP and market impact on cost levels.</p> <p>Do you agree that supervisors should encourage IORP to publicly disclose their cost levels?</p> <p>In the Netherlands we already have a regulatory framework for disclosing the cost levels (see the answer at question 1). At the IORP level, in for instance their annual report or on their website, management can disclose and elaborate on the value for money and the choices made which have led to the costs, in the context of e.g. the contractual service levels and the risk-reward-sustainability considerations.</p>	Noted.
198	German Association of Actuaries (DAV)	Q13	<p>No</p> <p>No</p>	Supervisors / IORPs should directly communicate with each other to discuss inefficiencies based on the (cost) data	Not agreed.

				available to the supervisor. Corporates / Sponsors looking for an IORP usually use RfPs and consultants to choose a partner. Usually costs are an integral part the analyses of the offerings in a very tight market.	
199	German Association of Insured (BdV)	Q13	Yes Yes	<p>Yes, we fully agree. In an EU member state like Germany IORPs represent only a rather small market share of occupational and private pension plans. Following to the 2019 figures of the Association of German Insurers (GDV) and the Federal Ministry of Labour and Social Affairs (BMAS) the two types of IORPs (“Pensionskassen / Pensionsfonds”) represent only about a quarter of all five existing occupational pension vehicles (about 4,2 million contracts out of 16,25 million contracts). Besides these occupational pension plans there are about 18 million contracts of state subsidized private pension plans (about 16 million “Riester” contracts and 2 million “Rürup” contracts) and more than 20 million private annuities. These figures show that IORPs are in a very strong competition with all providers of pension products or long-term savings, and in consequence from consumers perspective comparability of costs constitutes a fundamental and crucial element for any “informed decision making” by retail customers.</p> <p>Source:</p> <p>https://www.gdv.de/de/themen/news/betriebliche-altersversorgung-weiter-auf-wachstumskurs-60730</p>	Noted.
200	Gesamtverband der Deutschen Versicherungswirtschaft e. V.	Q13	No No	<p>Regarding our skepticism that such comparative analyses and their publication are part of the supervisory tasks and the lack of objectivity and appropriateness of such analyses, we refer to our response to Q12.</p> <p>In principle, we believe the proposal to encourage IORPs to</p>	Not agreed: Full cost transparency is not available as sponsor and transaction costs are not disclosed/reported.

				publish their cost levels is reasonable. However, this cost transparency already exists in Germany. Encouragement to do so is therefore not necessary. Moreover, in view of the effort involved, no level of detail should be prescribed here, nor should IORPs be obliged to do so.	
201	Insurance Europe	Q13			
202	PensionsEurope	Q13	No No	<p>No, we do not agree. IORPs often manage pension schemes that were agreed by social partners in the context of the compensation and benefit packages a sponsor offers to its employees. Often, the organisation of an IORP's activity is fully tailor-made depending on the sponsor's appetite to keep part of the operational activities in-house or not. Given the tailor-made character, by definition, there is no comparability of costs.</p> <p>The publication of cost data by individual IORPs would lead to comparisons and, given the complexity of the topic, probably lead to discussions where the cheapest schemes are considered the best. This runs against the concept of value for money, where cost is put in relation to what is delivered in return. It is not clear to us how data from schemes that offer different services and benefits can be aggregated.</p> <p>Incentivising schemes to be the cheapest is neither in the interest of the sponsoring employers nor in the interest of members and beneficiaries. Finally, the information that a scheme is cheap might even be misleading if cheap is taken to mean beneficial.</p> <p>Therefore, the decision to publish aggregated cost levels and comparative cost analyses should be left at the pure discretion of each supervisor and EIOPA should not</p>	<p>Not agreed: Comparison and publication of aggregated data should be done by clusters of similar IORPs or schemes to ensure comparability.</p> <p>EIOPA aims to foster peer pressure among IORPs as cost information allows to identify inefficiencies in the investment supply chain, for example if the fiduciary manager does not choose the most cost efficient external asset managers, or if asset managers charge high fees.</p> <p>EIOPA provides expectations for CAs. CAs therefore are encouraged to disclose the reported IORP costs and charges to</p>

			<p>encourage them.</p> <p>Examples of how national supervisors have tackled the issue for their specific systems are:</p> <ul style="list-style-type: none"> • In the Netherlands, DNB publishes the ratios for administration costs, administration costs and transaction costs with the name of the pension fund. In an explanation near the figures they explain which factors determine the level of the different type of costs. • In Italy, to increase the transparency and to facilitate the comparison of costs applied by different kinds of pension funds, the national competent authority COVIP in 2006 introduced the so called synthetic cost indicator (SCI), which pension funds have to calculate. This indicator allows to easily display all costs paid by a member (in the accumulation phase) as a percentage of the assets of their individual account. The SCI has to be computed according to a methodology defined by COVIP, common for different types of pension funds. The calculation, which has to be done for different schemes/investment options offered by a pension fund and for 4 different time horizons (2, 5, 10 and 35 years), is made referring to a “representative” member who accumulates assets on their account according to certain assumptions. <p>These examples show there are Member States that require the publication of this kind of data because they felt that this was needed in the specific set-up of their pension systems.</p> <p>However, we do not see how a European approach could benefit all Member States. From a legal and political</p>	<p>the sponsor and to the public.</p>
--	--	--	---	---------------------------------------

				perspective, we reject an EIOPA Opinion that is based on an EU minimum harmonisation Directive but aims at EU-wide harmonisation.	
203	PensioPlus	Q13	No No	<p>We agree with cost transparency and comprehensive cost reporting as an objective of the management board of the IORP and/or the negotiating social partners in the setup of a pension scheme as well as its importance for members and beneficiaries as part of their pension benefit communication. Extensive cost communication to the members and beneficiaries should be limited to pure DC schemes with investment options where costs are borne by the members. Clear definitions of cost, a general classification, principles for compilation and templates might be very useful to facilitate this communication and reporting purposes.</p> <p>We do not agree with cost transparency and comprehensive cost reporting as an objective of EIOPA nor of the NCA to make an in-depth cost analysis, a benchmarking exercise and/or a cost evaluation with feedback to the IORP. For EIOPA and NCAs, a high-level cost overview should be sufficient.</p> <p>No. IORPs manage pension schemes which were agreed by social partners in the context of the compensation and benefit packages a sponsor offers to its employees. The organisation of an IORP's activity is fully tailor-made depending on the sponsor's appetite to keep part of the operational activities in house or not. Given the tailor-made character, by definition, there is no comparability of costs.</p> <p>Therefore, we disagree to publish aggregated cost levels and</p>	<p>Noted: Please refer to the resolution to question 1.</p> <p>Not agreed: Comparison and publication of aggregated data should be done by clusters of similar IORPs or schemes to ensure comparability.</p>

				the results of comparative cost analyses by the supervisor as well as the publication of cost levels by the IORPs.	
209	EIOPA OPSG	Q14	Yes	<p>We support EIOPA’s approach of introducing the new concept of “Value for Money” for the supervision of cost reporting:</p> <p>“EIOPA considers that products offer value for money where the costs and charges are proportionate to the benefits (i.e., investment performance, guarantees, coverage and services) to the identified target market and reasonable taking into account the expenses born by providers and in comparison to other comparable retail solutions on the market.” (cf. EIOPA consultation paper on the framework to address value for money risk in the European unit-linked market, 13 April 2021, no. 1.7, p. 18).</p> <p>Therefore the concept of “Value for Money” is ready to be applied to all categories of life-insurances / insurance-based investment products and pension plans (occupational and private ones). The EU-wide harmonized and reliable cost reporting of IORPs constitutes the crucial basis of transparent comparability and understandability of pension data not only for supervisors but for retail investors, policyholders, long-term pension savers and beneficiaries.</p> <p>Nevertheless, some OPSG members stress that any additional reporting requirement for IORPs must be doable for the IORPs without triggering inadequate additional costs and must have a proven advantage for supervisory</p>	<p>Noted.</p> <p>Agreed. Please see costs and benefit analysis.</p>

			<p>authorities and/or beneficiaries. So, the OPSG recommends before introducing new requirements, that a thorough cost-benefit-analysis and a feasibility study is done by EIOPA. It also should be taken into account, that some IORPs use certain individually negotiated fee schedules for external managers, which are not based on fixed annual fees. One example is a fee schedule, which pays fees which depend on the performance achieved. This aligns the interests of the beneficiaries, the IORP and the respective external manager. Simply comparing fees paid in a given year, where very good performance could be achieved and hence relatively high amounts of performance-based fees have been paid would lead to totally wrong conclusions. So, any cost analysis must allow for such individual fee schedules and take them into account appropriately.</p> <p>Additional comments on EIOPA's introduction to this CP:</p> <p>The Opinion provides a generic classification of all costs to be reported to national supervisors, including templates, both for supervisors to collect cost information from IORPs and to assist IORPs to collect cost information from investment managers. Moreover, principles are provided for the compilation of the cost information. Most notably the look-through principle, meaning that not only direct investment costs have to be included but also indirect costs at the level of investment managers – they should practicably be assessable for the IORP without any undue additional costs.</p> <p>The Opinion also provides guidance on the supervisory use of the cost data. National supervisors are expected to assess the efficiency of IORPs, affordability for sponsors and the</p>	
--	--	--	--	--

				value for money offered to members and beneficiaries, not considering the costs in isolation, but in conjunction with risk and return characteristics and other individual partially qualitative criteria (e.g. possible alignment of interests, if performance dependant fee schedules are successful). The results of such exercises should feed into the supervisory review process and the regular dialogue with the IORPs' management boards.	
210	aba Arbeitsgemeinschaft für betriebliche Altersversorgung	Q14	Yes	<p>Specific points on the cost-benefit analysis (in addition to our response to Q2):</p> <ul style="list-style-type: none"> • First paragraph on p. 1: “Unlike the investment fund sector...” o Within Germany and across the EU there is no “pension market” for occupational pensions. There are other mechanisms to keep the costs of occupational pension low in Germany, such as the role of the employer and social partners, and economies of scale due to a collective approach. o The investment fund sector has international standards because it is internationally oriented. This is not the case for the pension sector. o What is the significance of a report by the Dutch Authority for the Financial Markets from 2011 for German IORPs? At the very least, it should be shown why this report is suitable for an EU-wide analysis of the problem and why it provides the basis for appropriate regulation of German IORPs. • Paragraph 5 on p. 17: “At the European level the IORP II Directive ...” 	Noted.

				<p>This paragraph refers to information for (prospective) members – how is this related to supervisory reporting?</p> <ul style="list-style-type: none"> • Last paragraph on p. 17: “However, for investment firms MiFID II requires to disclose....” <p>This suggests that IORPs only need to ask for the information and assumes an investment structure, which does not exist in many MS (for more information on Germany, see response to Q8).</p>	
211	Actuarial Association of Europe	Q14	Yes	<p>Cost disclosure is not only a matter of getting these numbers from pension providers. Pension providers often have investment managers that they work with. Introducing cost disclosure means that these investment managers have to be able and willing to provide these numbers. It should be noted that in some cases the investment managers are not always based in the EU and therefore have no direct link to EU-regulation. It would also depend on the scale of business. For example in the NL they first had such experience with one of the most powerful in the world - the BlackRock's, that most IORPs found it difficult to get required information. Finally, due to the power of very large IORPs this has changed and will hopefully not be a problem in the future.</p> <p>Investment managers should also be required to provide this information in a standardized (machine readable) format, so that the pension provider can more easily collate and compare returns from different investment managers.</p> <p>A significant amount of the investment and transaction reporting would fall on asset managers to produce. Given</p>	Noted.

				<p>this additional reporting burden for them, if this charge is passed on it could lead to increased costs for pension schemes, which is the opposite intention of the consultation. It may also act to deter overseas asset manager from entering the European market and making funds available to local institutional investors, and thus reducing competition in this sector and again being counter-productive to the aim of the consultation.</p> <p>The European Actuarial Association considers as important initiative to gather cost information because “only what is measured can be managed”. In some cases, if a full and detailed costs report is not feasible, it is worth at least to do an audit on costs. This will generate useful management information on the basis of which the management of the IORP will get either comfort or a trigger to start discussions with their providers.</p> <p>Of course we need to apply proportionality in situation where it is obvious that the costs will be (much) higher than the potential gain.</p>	
212	European Association of Paritarian Institutions (AEIP)	Q14	Yes	<p>The suggested approach should more appreciate the social dimension of many pension schemes. In many member states, a pension scheme is not a “product” that is sold by a financial institution. Often the pension scheme is the result of negotiations with social partners. Once the pension scheme is defined these social partners either opt for an insurance solution or they set up a proper fully tailor made IORP. Given the tailor-made character, by definition, costs are incomparable. The IORP only executes the pension scheme. The pensions fund’s only and main goal is to manage the pension scheme in the best interest of the members and beneficiaries. Social and labour regulation is in</p>	<p>Noted. The legal basis of this Opinion is the IORP II Directive, which recognises the features of IORPs. Please note that not all IORPs are non-commercial.</p>

				place to protect members and beneficiaries. That is in clear contradiction to commercial insurance products like those of insurance companies for example. The members of AEIP are not profit-oriented and not supposed to paying any bonuses to their managers. Their primary goal is providing good and safe pensions for our beneficiaries.	
213	Federation of the Dutch Pension Funds	Q14	Yes	We endorse the goal of making IORPs more transparent because of the value for money for member and beneficiaries. In the Netherlands we already have a high level of transparency for pension funds. What we have missed in the Draft Opinion is how insurers for collective pension schemes are subject to supervisory reporting of costs and charges.	Not agreed: Insurance undertakings are outside the scope of the Opinion.
214	German Association of Actuaries (DAV)	Q14	No		
215	German Association of Insured (BdV)	Q14	Yes	<p>We fully support EIOPA’s approach of introducing the new concept of “Value for Money” for the supervision of cost reporting:</p> <p>“EIOPA considers that products offer value for money where the costs and charges are proportionate to the benefits (i.e., investment performance, guarantees, coverage and services) to the identified target market and reasonable taking into account the expenses born by providers and in comparison to other comparable retail solutions on the market.” (cf. EIOPA consultation paper on the framework to address value for money risk in the European unit-linked market, 13 April 2021, no. 1.7, p. 18).</p> <p>Therefore concept of “Value for Money” is ready to be applied to all categories of life-insurances / insurance-based investment products and pension plans (occupational and private ones). The EU-wide harmonized and reliable cost</p>	Noted.

				reporting of IORPs constitutes the crucial basis of transparent comparability and understandability of pension data not only for supervisors but for the retail investors, policyholders and long-term pension savers as well.	
216	Gesamtverband der Deutschen Versicherungswirtschaft e. V.	Q14	Yes	<p>Overall, the objective of comprehensive cost reporting and its standardization is understandable. However, we already described in the responses to Q1 to Q4 that the proposed approach does not fit the already existing comprehensive cost reporting in Germany. It should be absolutely avoided that a further cost reporting is established in addition to the existing cost reporting and that proposals are imposed on IORPs which are generally not applicable to them. In particular, member states with already well-developed cost reporting should not be penalised by not taking into account their existing cost reporting. Moreover, the disclosure of a large number of cost variables does not provide more clarity; it should be limited to relevant, meaningful, existing values. For the reasons stated above, we believe it is necessary to exclude DB IORPs from the scope of the Opinion.</p> <p>In our opinion, EIOPA should first conduct a more comprehensive survey of what information is already available on costs in general nationally and in particular on the level of costs. Only after such a survey on existing cost reporting, in our view, a proper proposal can be developed on how this reporting can be harmonised across Europe, if necessary. Obviously, a key objective of EIOPA is to bring about a reduction in costs. Should the one-time investigation show that there are no or hardly any grievances – especially with regard to the cost level – such detailed and thus costly reporting is completely pointless. If gaps are identified in certain countries, targeted solutions could be implemented</p>	<p>Noted.</p> <p>Agreed. The generic cost classification is compatible with existing, transparent cost reporting at the national level.</p> <p>Not agreed. EIOPA conducted a survey with CAs to identify the gaps in the cost reporting. EIOPA believes a pilot exercise conducted prior to the adoption of the Opinion by EIOPA is not necessary. However, a fact-finding exercise before implementing the Opinion can be conducted by the CA</p>

				<p>in compliance with existing national regulations.</p> <p>In our opinion, a separate approach is required for presentation to customers, since customers generally have a different level of knowledge than the CA. In our view, this requires a separate transparent consultation process. For the customer, we believe the reduction-in-yield is the simplest and most comprehensive cost information.</p> <p>In our opinion, the questions in the questionnaire leave too little room for maneuver; in many cases, the answers are difficult or impossible to reduce to a simple "yes or no".</p>	<p>at the national level to determine the appropriate level of supervisory reporting.</p> <p>Noted.</p>
217	Insurance Europe	Q14	Yes	<p>Insurance Europe wishes to share general comments on EIOPA's draft opinion on the supervisory reporting of costs and charges of institutions for occupational retirement provision (IORPs). Requirements applicable to IORPs can have an impact on insurers (either directly or indirectly), although this varies greatly across Europe. More details and national views will be shared separately in the responses submitted by Insurance Europe's member national associations.</p> <p>The recent transposition of the IORP II Directive into national law, as well as the introduction of new European Central Bank and EIOPA reporting requirements, often resulted in countries updating the various rules applicable at national level. IORP II is a minimum harmonisation directive, therefore member states have been transposing the requirements into national law in different ways, often going beyond the minimum requirements laid down in the text to fit into the national regulatory and supervisory landscape. Considering how recent these changes are, it may have been too soon for EIOPA's survey of national competent</p>	Noted.

			<p>authorities (NCAs) to get a correct and complete picture of the current situation.</p> <p>This is why Insurance Europe recommends that EIOPA conducts a more comprehensive survey of the current state of play at national level before developing new proposals and only to improve cost reporting where needed. Should such a survey show that there are no or hardly any complaints, then the proposed reporting requirements would appear to be excessive, with the costs outweighing any benefits. On the other hand, if gaps are identified in certain countries, then EIOPA, in collaboration with the NCAs, should develop targeted solutions to be implemented in compliance with IORP II requirements and — above all — with existing national regulations.</p> <p>In addition, the repeated regulatory and supervisory changes of recent years are not only difficult for providers to deal with but are also detrimental to the development of pension savings across Europe. Repeated changes increase compliance costs and the risk of non-compliance and can damage savers' trust in pension systems.</p> <p>Overall, Insurance Europe believes that the elements introduced by EIOPA's draft opinion could — depending on the reaction of NCAs — significantly increase the reporting burden placed on IORPs. Collecting the data would require enormous effort. Yet efficiency, affordability and good value for money are objectives clearly identified in the draft opinion. Both approaches, if not carefully balanced, could contradict each other.</p> <p>The insurance industry strongly believes that quality over</p>	<p>EIOPA conducted an elaborate survey on supervisory cost reporting by IORPs in the EEA. See the summary of the survey results in the annex of the impact assessment document.</p> <p>EIOPA believes a transparent view of costs is essential for IORPs, social partners and supervisors.</p> <p>IORPs already having a transparent view can easily share the generic cost categories with their supervisor. IORPs that do not may potentially experience substantial benefits by obtaining the transparent costs data. Moreover, the opinion</p>
--	--	--	---	--

				<p>quantity is crucial when it comes to regulation and supervision. When collecting additional data, duplication and the overlap of data collection should be avoided at all costs by supervisory authorities. Therefore, the exchange of information between institutions and agencies both at national and European level should be improved. Access to information already collected at national level or the improved exchange of information between authorities would reduce the reporting burden on IORPs, while making the data more easily available.</p> <p>Last but not least, Insurance Europe has noted the increased use of supervisory tools (Level 3) in relation to IORPs since the adoption of the IORP II Directive. During the negotiations on the Directive, policymakers willingly agreed not to introduce any Level 2 measures, leaving it up to member states to implement and supplement as they see fit the minimum harmonisation requirements it introduced. As a result, Insurance Europe feels that such detailed Level 3 provisions somewhat contradict the political agreement. It is important that the “soft” powers granted to EIOPA by its establishing regulation do not replace ordinary regulatory and legislative procedures. The impact of the use of these tools is significant and interferes with the existing regulatory framework. Therefore, the insurance industry strongly encourages EIOPA to only use them when there is a sufficiently clear and defined legal mandate stemming from EU legislation</p>	<p>expects CAs to apply a proportionate and risk-based approach in collecting the data.</p> <p>Noted.</p>
218	PensionsEurope	Q14	Yes	<p>First, we would like to stress again the importance of determining the problem before working on the solution: before establishing regular reporting requirements, EIOPA, together with the national competent authorities, should take stock to analyse and determine whether there are any</p>	<p>Noted: EIOPA conducted a survey with CAs to identify the gaps in the cost reporting. EIOPA believes a pilot exercise conducted</p>

			<p>problems and, if so, for which reasons. This stock taking exercise could e.g. take the form of a one-off reporting of (a number of) IORPs in relevant MS. Based on this sample, any further action could be determined.</p> <p>Second, the approach suggested in this draft opinion ignores the social dimension of many pension schemes. In many Member States a pension scheme is not a “product” that is sold by a financial institution. Often the pension scheme is the result of negotiations between the social partners. Once the pension scheme is defined, these social partners either opt for an insurance solution or they set up a proper fully tailor-made IORP. Given the tailormade character, by definition, costs are incomparable. The IORP only executes the pension scheme. Its only and main goal is to manage the pension scheme in the best interest of the members and beneficiaries. Social and labour regulation is in place to protect members and beneficiaries.</p> <p>If EU initiatives take a one-size-fits all approach, there are often many IORPs for which they do not fit, making it hard for them to provide cost-efficient occupational pensions. The heterogeneity of IORPs should be adequately taken into account when defining requirements as well as when considering what is addressed at EU and what at national level. This includes adequate leeway for NCAs and an appropriate consideration of the principle of proportionality. In particular, uniform EU requirements often generate disproportionately high fixed costs for IORPs, which hits medium and small IORPs hardest.</p> <p>Additional specific comments on the text:</p>	<p>prior to the adoption of the Opinion by EIOPA is not necessary, but a fact-finding exercise before implementing the Opinion can be conducted by the CA at the national level to determine the appropriate level of supervisory reporting.</p> <p>Noted. See proportionality measures.</p> <p>Agreed:</p>
--	--	--	--	---

			<ul style="list-style-type: none"> • Does par. 2.1 define “value for money” as “considering costs in conjunction with risks and returns”? This seems to be quite a narrow definition, as it does not seem to include differences e.g. in terms of the decumulation phase (lump sum vs. life-long annuities) or coverage of death or disability, or is that captured under “return”? Generally, it seems that the definition only applies to the investment process (see 4.1 c). • Annex I, first par.: “Unlike the investment fund sector, where international market standards on the calculation of costs have been developed, the pension market has faced lower market incentives to develop national and international standards on costs that follow a look-through approach.” <p>∅ We highlight that there is no “pension market” for occupational pensions. There are other mechanisms to keep the costs of occupational pension low, such as the role of the employer and social partners, and economies of scale due to a collective approach.</p> <p>∅ The investment fund sector has international standards because it is internationally oriented. This is not the case for the pension sector.</p> <p>∅ The report of the Dutch Authority for the Financial Markets from 2011 is old and its relevance in other countries is questionable. At the very least, annex 1 should explain why this report is suitable for an EU-wide analysis of the problem and why it provides the basis for appropriate regulation in other countries.</p>	<p>EIOPA acknowledges that decumulation has to be included when comparing IORPs to ensure comparability of results. Revised text reads as follows: Comparability of results: Costs should be reported in supervisory templates according to a comparable approach. CAs should compare “equals to equals”, taking into account differences between schemes (investment strategy) or IORPs (DB and DC, hybrids), decumulation options and the role of the sponsor, if relevant. In particular, costs need to be assessed taking into account the investment strategy, the risk profile of the IORP and the financial return achieved.</p> <p>Noted. Supervisors can use disclosures as a source of supervision.</p>
--	--	--	---	---

				<p>Annex 1, p. 17, par. 5: “At the European level the IORP II Directive introduced structural cost disclosure requirements for IORPs, both towards prospective and actual scheme members. Nonetheless, the directive does not further specify which costs should be covered, according to which criteria and how detailed the breakdown should be or how the costs should be presented.”</p> <p>∅ This paragraph refers to information for (prospective) members – how is this related to supervisory reporting?</p> <p>Annex 1, p. 17, last par.: “However, for investment firms MiFID II requires to disclose to clients all costs and charges in connection with the investment service and costs and charges associated with the financial instruments. Third party payments received by investment firms in connection with the investment service provided to a client should be itemised separately. ESMA guidelines and Q&A provide more specific details on how to report specific costs. As institutional clients, IORPs should be able to request to service providers the itemised cost disclosure under MiFID II to collect detailed data on investment and transaction costs and report it accordingly to the CA.”</p> <p>∅ This suggests that IORPs only need to ask for the information and assumes an investment structure, which does not exist in many MS (for more information on Germany, see the response to Question 8).</p>	Noted.
219	PensioPlus	Q14	Yes	We agree with cost transparency and comprehensive cost reporting as an objective of the management board of the IORP and/or the negotiating social partners in the setup of a pension scheme as well as its importance for members and beneficiaries as part of their pension benefit	Noted: Please refer to the resolution to question 1.

			<p>communication. Extensive cost communication to the members and beneficiaries should be limited to pure DC schemes with investment options where costs are borne by the members. Clear definitions of cost, a general classification, principles for compilation and templates might be very useful to facilitate this communication and reporting purposes.</p> <p>We do not agree with cost transparency and comprehensive cost reporting as an objective of EIOPA nor of the NCA to make an in-depth cost analysis, a benchmarking exercise and/or a cost evaluation with feedback to the IORP. For EIOPA and NCAs, a high-level cost overview should be sufficient.</p> <p>Yes. The suggested approach ignores the social dimension of many pension schemes. In many member states a pension scheme is not a “product” that is sold by a financial institution. Often the pension scheme is the result of negotiations with social partners. Once the pension scheme is defined these social partners either opt for an insurance solution or they set up a proper fully tailor made IORP. Given the tailormade character, by definition, costs are incomparable. The IORP only executes the pension scheme. Its only and main goal is to manage the pension scheme in the best interest of the members and beneficiaries. Social and labour regulation is in place to protect members and beneficiaries.</p> <p>Many EU initiatives, although with well-intentioned objectives, make life hard for this type of institutions. As many of these parties are small or medium sized, they can no longer cope with the many regulative requirements often</p>	<p>Noted. The IORP II Directive, which is the legal basis of this Opinion, recognises the features of IORPs.</p>
--	--	--	--	--

				<p>introduced by horizontal oriented regulation which is not fit for this type of institutions, and which are generating a lot of inappropriate fixed costs.</p> <p>An increase of fixed costs hits especially the small and medium sized IORPs. Due to the increase of regulatory requirements, we notice a consolidation is taking place on the market. Not-for-profit organisations with a triangular relation putting sponsor, member and IORP close together and making use of a fully tailor-made service approach are - due to cost efficiency reasons- switched for more commercial solutions with a product approach, generating higher costs resulting in lower benefits. The first group is ruled by IORP II, the second by SII, where the latter only focus on solvency at the level of the institution without looking at the efficiency at the level of the pension scheme nor the risk from the perspective of the member and beneficiaries. To avoid a further distortion of the market we propose that national social and labour regulation defines the equal cost transparency requirements for all occupational pensions as well to the members as to the control authorities, in order to ensure that each member with an occupational pension has the same level of protection and cost efficiency and to avoid further market distortions.</p>	<p>Noted. See proportionality measures.</p>
--	--	--	--	---	---