

| Question ID | Publication date | Topic | Paragraph / Template | Question | Answer |
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| 1 | 28-Apr-25 | Technical Specifications | 3. (60) | Is there a shock to apply to contributions? Indeed, it is indicated in the Instructions tab in the template that "contributions and transfers-in reassessed considering the effect of the prescribed shocks to the actual flows registered in the baseline scenario". Could you please clarify ? | As rightly referenced, there is no dedicated shock to be applied to contributions. However, if contributions are sensitive to any of the market shocks provided in the scenario, participants are requested to adjust their reported value for contributions under both stressed scenarios. For example, if contributions were sensitive to rising interest rates through lower contributions, that should be considered. In case there are impacts on contributions, participants are also invited to provide information on the calculation made. The same applies for cash flows related to benefits and transfers in or out. |
| 2 | 28-Apr-25 | Technical Specifications | 4.1 (100) | Assumptions on interest rates : No shock is specified for maturities beyond 20 years in the provided assumptions. Should we interpret this as no shock being applied to these maturities, or should we consistently apply the shock defined for the 20-year maturity to all longer maturities? | As highlighted in the Technical Specifications, for values not provided explicitly in the technical information file, the same approach is taken as for prior stress test exercises: - by interpolation (e.g., spline) for maturities that are not explicitly provided and that are not exceeding the last maturity provided with an explicit shock; - by keeping the shock constant for all maturities exceeding the last maturity provided with an explicit shock. |
| 3 | 28-Apr-25 | Technical Specifications | 4.1 (100) | Contrary to the previous stress test, the current guidelines do not specify separate shocks for diversified asset classes such as Private Equity or Infrastructure. Should we therefore understand that a single shock should be uniformly applied across all diversification assets (for example, -31% for Europe) ? | Private equity and investment in infrastructure should be treated in line with the type of underlying asset classes (e.g., stocks: with shocks to equity, debt: with shocks to corporate bonds). Other asset classes shall not be shocked as specified in the Technical Specifications par. 121. Also, if an investment is in another currency, its value should be shocked according to the FX shock provided in the technical information file. |

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| 4 | 28-Apr-25 | Templates | tab "Flows" | <p>For the reporting on Flows, assuming there is no liquidity issue identified, should we:</p> <ul style="list-style-type: none"> o Initially, report the stressed cash flows without specific management actions, thus highlighting any resulting asset/liability gap clearly? o Then, in a subsequent step (stress scenario with management actions), present adjusted cash flows incorporating planned disposal strategies to fully close this gap (bringing it to zero) ? <p>Or should we report, in the two stressed visions (with and without actions), an asset/liability gap which must be covered and therefore zero</p> | <p>The application of Management Actions (MA) depends on the Risk management framework in place at IORP level. In principle, the applied MAs are expected to be linked to liquidity metrics (e.g., gaps) potentially included in the risk management framework of the IORP. As such, the enforcement of the actions depends on specific metrics defined in the IORP Risk Management framework.</p> <p>As highlighted in the Technical Specifications, MA represent actions that would be taken by a participating IORP in direct response to the stress scenario and that are not assumed to be applied in the baseline scenario. These actions typically include but are not limited to (additional) sales of assets and the activation of repo lines or credit facilities. Furthermore, when applied, the applied MA should be in principle compliant with the governance framework adopted by the participating IORP (i.e., risk management plans, investment strategies, recovery plans) or, given the novelty of the liquidity assessment, specifically identified for this exercise. All applied MA shall be identified and referred as such in the reporting templates.</p> <p>In practical terms, while the baseline represents the actual flows observed in Q2025Q1, the stressed values represent only business as usual (see also paragraph 65 of the Technical Specifications) and, ultimately, the stressed values with application of Management Actions should be reported in case actions are taken (see also paragraph 66 of the Technical Specifications).</p> <p>To conclude, should a participant consider that MA are not necessary, the exercise can be limited to providing data on the post stress liquidity positions without the application of MA. MA are expected to be implemented in case of breach of any metric / level specifically defined in the risk management framework of the participant.</p> |
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| 5 | 28-Apr-25 | Templates | | The DB/DC distinction is not available for Assets and Cash flows, can it be made on the basis of the share in Liabilities? | If an allocation of assets is not possible due to national specificities, an allocation on the basis of liabilities is a good approximation. In any case, IORPs should use the same allocation to DB and DC as for reporting to EIOPA. |
| 6 | 28-Apr-25 | Templates | | Could we have confirmation that end-of-career compensation will be considered as DB? | The classification of the commitment is within the responsibility of the NCAs. In any case, IORPs should use the same definition for DB and DC as for reporting to EIOPA. |
| 7 | 28-Apr-25 | Templates | S.12.1 | Under illiquid assets, the first reporting item with reference S.12.1 refers to "Other Government-Related securities (not included in S.2)". The filter for this item is defined as "Government bonds issued by non-EU countries (CQS 4/5)". However, this filtering definition seems to only cover a subset of what is meant by "Other Government-Related securities (not included in S.2)". Specifically, all securities normally eligible for S.2 except if they are used as collateral (which is an exclusion restriction defined for S.1-S.10), are partially excluded filter defined for S.12.1 if they are issued from an EU country. Therefore, they seem to eventually fall under S.12.14 "Any other assets, not elsewhere shown". Was this intended this way? Or should government bonds used as collateral be reported under S.12.1 regardless of the issuer country? It wouldn't make much difference for the liquidity analysis whether S.12.1 or S.12.14 is used, but could be good to have a common understanding. | The filtering definition for S.12.1 "Other Government-Related securities (not included in S.2)" is revised to include securities issued by EU countries that are pledged as collateral. Participants are requested to report under S.12.1 all government-related securities not classified as liquid and therefore excluded from S.2 "Government-Related Securities (Central governments & affiliates)". This includes securities pledged as collateral that do not meet the liquidity criteria of S.2. |

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| 8 | 28-Apr-25 | Templates | Geographical Breakdown | While the bonds issued by supranational bodies are included in the stocks separately for liquid assets (S.3.1), they are grouped in S.12.14 together with all other government bonds not qualifying as liquid. Looking at the geographical breakdown, we only have an overview for country level government bonds but not for supranational bodies. This may cause a small inconsistency for validation if supranational bonds are included in S.12.14 (low rating or used as collateral). Is that the right interpretation to have this gap or should a line be added to the geographical breakdown? Or do we have to include them in OaE/EM? | The Geographical breakdown are revised to include a specific breakdown on supranational bonds. Participants are requested to report for the supranational bonds the same information reported for the other type of government bonds. Technical specifications (Par 105) specify how to calculate the value of supranational bonds under adverse scenario. Specifically, no spread shock is prescribed for the asset class and only the shock to interest rate (Swaps) should be considered for the calculation of the post stress value of supranational bonds. |
| 9 | 28-Apr-25 | Templates | Geographical Breakdown – Government bonds | Is our assumption correct that the table "Government bonds - direct investments" in template "Geographical Breakdown" is restricted to assets reported in balance sheet item S.2 (of template "Stocks") or should supranational bonds (S.3) be included? | Please refer to Q&A Number 8 |
| 10 | 13-May-25 | Templates | Tab "Stocks" | CIC18 instruments (Bonds not denominated in domestic currencies) are not explicitly considered in the filters defined in the tab [Instructions]. They are hence likely to appear in the residual category S.12.14 ("Any other assets, not elsewhere show"). Is it on purpose? | Government-Related Securities (Central governments & affiliates) shall be reported including "Government bonds not denominated in the domestic currency" (CIC 18). Accordingly, the filter scope in the definitions of S.2.1 (Government bonds issued/guaranteed by EU member states with all CQSs and by highly rated non-EU countries with CQS 0/1), S.2.2 (Government bonds issued or guaranteed by highly rated non-EU countries with CQS 2/3), and S.12.1 (Other Government-Related securities not included in S.2) has been revised to incorporate CIC 18 in the [C0230] filter. |
| 11 | 13-May-25 | Templates | Tab "Stocks" | CIC23 (commercial paper) and CIC24 (money market instrument) instruments NOT issued by financial institutions are not explicitly considered in the filters defined in the tab [Instructions] hence likely to appear in the residual category S.12.14 ("Any other assets, not elsewhere show"). Is it on purpose? | In line with international standards, such as the IAIS (2022) Liquidity metrics as an ancillary indicator – Level 2 document, CIC23 (commercial paper) and CIC24 (money market instrument) instruments are considered short-term and highly liquid only when issued by a financial institution. For the purpose of the stress test, such instruments shall be reported under "Cash & Bank Deposits & Bank Commercial Paper/Certificates of Deposits." Conversely, CIC23 and CIC24 when issued by a non-financial institution |

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| | | | | | they are not deemed liquid. To ensure a consistent approach, CIC23 and CIC24 shall be reported under S.12.14 ("Any other assets, not elsewhere shown"), rather than under S.12.3 and S.12.4, which refer to the CQS 4/5/6 categories ("Other Corporate Debt Securities (CQS 4/5/6) not issued by a financial institution or its affiliate" and "Other Corporate Debt Securities (CQS 4/5/6) issued by a financial institution or its affiliate"). |
| 12 | 13-May-25 | Technical Specifications | 3.2 (83) | Section 3.2 describes Management Actions (MA) for the purpose of the IORP ST in a broad way. We are seeking clarification on the exact scope/application of MAs. | According to par. 84 of the Technical Specifications, MA represent actions that would be taken by a participating IORP in direct response to the stress scenario and that are not assumed to be applied in the baseline scenario. For example, on investments, participants are supposed to sell and purchase asset according to their day-to-day investment strategy (i.e., automatic/predefined processes of investment/disinvestment operations). Any other action (e.g., actions aimed at changing the investment strategy or, actions aimed at postponing/delaying payments against the market conditions prescribed in the scenario, or actions aimed at raising cash or using other liquidity sources like loans, credit lines, etc.) should be included in the "stressed with management actions". Therefore, some limitations are explained in the paragraphs following par. 84, f.i., in par. 90. A requirement to involve the "management" of the IORP is not among those limitations. This means that, even though the term "Management Actions" is used, MA don't necessarily need to involve the "management" or "board" of the IORP. |
| 13 | 13-May-25 | Templates | Tab "Questionnaire" | Is our assumption correct that the questions regarding derivative exposure [in the questionnaire worksheet] are related to an IORP's direct investment in derivatives? As opposed to CIU's that have small derivative exposures and margin calls/collateral is self-contained within the CIU? | The stress test examines the liquidity position of IORPs, not of vehicles for indirect investments of an IORP (like Collective Investment Undertakings) - please see para 53. In this sense, only direct investments in derivatives should be considered. Please note however that the questions in row 130 of the Questionnaire require IORPs that invest in LDI funds through CIUs with derivative exposures to quantify the derivative exposures and to describe any spillover effects (e.g. financial impacts) on the IORP. |

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| 14 | 13-May-25 | Templates | Tab "Breakdown by rating" | In the 'breakdown by rating' the split by countries for covered bonds in the EIOPA template (V0.2) does not match the split used by the ESRB for the shocks. Is this intentional? | The "Breakdown by Rating" tab in the data collection template has been revised to align with the split defined in the ESRB technical information, ensuring the accurate application of shocks. This change is reflected in the updated version of the template. |
| 15 | 19-May-25 | Technical Specifications | Swap rates | Is our assumption correct that the shocks to swap rates are applied to spot rates? (A shock could be applied to forward rates rather than to spot rates.) | The assumption is correct. For further details, please refer to paragraph 102 of the Technical Specifications. |
| 16 | 19-May-25 | Technical Specifications | 121 | Should convertible bonds be shocked like corporate bonds or not shocked at all (par 121)? | Convertible bonds correspond to CIC22 securities and hence belong to the 'corporate bonds' category. They can be seen as the combination of a pure bond component and an equity-option component. As a result, they are exposed to interest rate, spread and equity risks, which are risks drivers covered by Paragraph 100 of the Technical Specification. Convertible bonds should therefore be shocked by applying Paragraphs 101-113. |
| 17 | 19-May-25 | Technical Specifications | 65 | My cash flows in Q1 2025 include capital calls from unlisted private equity funds resulting from pre-agreed commitments done before 31/12/2024. None of the lines in the Investments table exactly match this. The most approaching would be "C.4.4. Purchase of assets". However the amounts called are independent from market movements in Q1. This implies that the value in the "Baseline" and in the "stressed" scenarios are identical wich is contradictory with paragraph 65. | The subscription of called-up capital should be considered as a purchase of assets, under C.4.4. If the purchase price was agreed in advance, before 31/12/2024, both amounts reported under the "baseline" and the "stressed" scenarios should be identical. |
| 18 | 19-May-25 | Technical Specifications | 65 | At the end of each quarter we invest the net quarterly contribution received from the employer. The amount invested is independent of market movements. This implies that the value in the "Baseline" and in the "stressed" scenarios are identical wich is contradictory with paragraph 65. | As the amount invested is not impacted by any scenario, the value to be reported should indeed be identical under all scenarios because the reporting does not require any breakdown between the unit price (subject the shocks according to Paragraph 65) and the quantity (compensating for any fluctuation in the unit price). |
| 19 | 19-May-25 | Templates | C4.2- Flows Tab | In the context of a DC Scheme, does this relate only to investment fees paid directly by the pension scheme e.g. investment consultancy fees, and does not relate to fund charges which are charged internally within | As outlined in the "Instructions" tab, Investment related expenses [C.4.2] ("Flows" tab) should include the potentially paid service fees for the management of the assets. IORPs should report in |

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| | | | | collective investment pooled funds in which the underlying pension scheme members own units? | Item [C.4.2] the investment related expenses as in the regular reporting PF.05.03. |
| 20 | 19-May-25 | Templates | C4.2- Flows Tab | In the context of the purchase and sale of units in various collective investment pooled funds by the underlying pension scheme members in a DC Scheme, should this be captured only in section C.16 and not in C 4.4 and C4.5? | Sections C.4.4 and C.4.5 from the "Flows" tab are automatically populated via formulas linked to Table Flows.2: Purchases and Sales of Assets. Therefore, all relevant information regarding asset purchases and sales should be entered directly into that table. |