

OPSG

# OCCUPATIONAL PENSIONS STAKEHOLDER GROUP

Advice on the revised Decision on EIOPA's  
regular information request towards NCAs  
regarding the provision of occupational  
pensions information

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# OPSG advice on the revised Decision on EIOPA's regular information request towards NCAs regarding the provision of occupational pensions information

## 1. GENERAL REMARKS

The Occupational Pensions Stakeholder Group appreciates the objective of EIOPA to improve its pension statistics. Besides supervisors, IORPs, and policymakers, also Members and Beneficiaries can benefit from analyses of good quality data.

It is also in the interest of Members and Beneficiaries that IORPs' reporting requirements are fit for purpose, as they contain cost to IORPs which are ultimately borne by Members and Beneficiaries. On the other hand, also modifying IORPs' reporting systems and implementing additional reporting requirements lead to extra costs to IORPs. Particularly, the OPSG is concerned about the extra burden and costs to small and medium sized IORPs, and therefore, the OPSG stresses the importance of proportionality also in reporting requirements.

The OPSG wonders if it is currently the best moment, on the one hand, to review the requirements which have been in place such a short time, and on the other hand, to add significant new reporting requirements. So far, EIOPA has published 5 quarterly statistics from 2020Q4 to 2021Q4 (and annual statistics from 2020) and OPSG would have expected that EIOPA would have published at least some thorough analysis of the very comprehensive data that it has received from IORPs so far, before considering a review. It is in the public interest of all the stakeholders, including Members and Beneficiaries, that EIOPA requires IORPs only to report the data that it needs and can analyse. Furthermore, starting from January 2023 IORPs will have to comply with the new burdensome and complex requirements on disclosure on sustainable investments stemming from the delegated regulation of the SFDR and Taxonomy.

In general, the proposed amendments to IORPs' current reporting requirements to EIOPA do not reflect the minimum-harmonization character of the IORP II Directive. Rather than extending the EIOPA reporting package, it could be more appropriate if NCAs decided on the possible need for additional data to improve supervision of risks faced by IORPs.

Therefore, the OPSG would like to propose to postpone this review at least by couple of years, so that NCAs and EIOPA would have appropriate time to gather experience from the current reporting requirements. If the EIOPA Board of Supervisors finally decides to introduce some new reporting requirement for IORPs, the OPSG would find it important that any double reporting should be avoided, and only information needed to supervise the IORP sector should be required, regardless of what information insurance undertakings must provide.

## 2. OPSG ANSWERS TO EIOPA CONSULTATION QUESTIONS

### **Q1. What are your views regarding the proposed implementation timeline?**

The OPSG would like to propose to postpone this review at least by couple of years, so that NCAs and EIOPA would have appropriate time to gather experience from the current reporting requirements.

If the EIOPA Board of Supervisors finally decides to introduce some new reporting requirement for IORPs, the OPSG would like to suggest that they would be applicable from 30 April 2025, which would be helpful to IORPs in practice. The OPSG would like to also encourage EIOPA to align as much as possible with NCAs to make sure that the timeline is the most optimal considering other (reporting) changes.

### **Q2. What are your views on the general costs regarding implementation? How could the relevant amendments be addressed in a most cost effective way?**

The OPSG considers that national and the EU level requirements should be aligned as much as possible on both definitions as on items to be reported.

### **Q3. Do you agree that these changes would reduce complexity and ensure consistency in the reporting of the fields on the asset side of the balance sheet (YES/NO)? Please explain if not.**

Yes

### **Q4. Are there any data points added which you consider unnecessary for IORPs? Do you consider additional data points which have not been included but which would be necessary for IORPs balance sheet?**

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### **Q5. How do you assess the costs resulting from the changes to the balance sheet in the EIOPA BoS Decision, templates and instructions (low-medium-high)? Please explain.**

Medium

The OPSG is particularly concerned about the extra burden and costs of the changes to small and medium sized IORPs.

**Q6. Do you agree that these changes are necessary for EIOPA in order to monitor cross-border developments? Please explain if not.**

Yes

**Q7. Do you agree that the impact of these changes are fairly limited resulting in low costs considering that the information should already be available? Please explain if not.**

Yes

**Q8. Do you agree that adding an additional column specifying the reporting basis should enhance comparability between the reported datasets? Please explain if not.**

Yes

**Q9. Do you agree that the impact of these changes are fairly limited resulting in low costs considering that the additional information is an alternative for the current information? Please explain if not.**

No

The changes would lead to increasing cost to IORPs, and the OPSG considers that two different sets of reporting for the collection of information on IORPs' cost and charges should be avoided.

**Q10. Do you agree that these changes would help EIOPA to better analyse the asset data received including on ESG (YES/NO)? Please explain if not.**

The EU sustainable finance taxonomy regulation will give an indication of exposure to the various NACE sectors. To have a better picture of these exposures, using more granular NACE sub codes would provide better insights, but this information is not necessarily available for many IORPs, and therefore, it would increase the reporting burden and costs.

**Q11. Are there any fields added which you consider unnecessary for IORPs?**

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**Q12. Do you consider the changes also useful for IORPs' own reporting or risks assessments? Are (some of) the additional fields already available at IORPs? Please explain.**

The OPSG considers the changes less useful for IORPs own reporting and risk assessments.

**Q13. Which additional data, not included in the suggested amendments do you use or do you consider necessary for IORPs' risk assessment concerning emerging risks, ESG requirements or other tasks (e.g. would participations be useful)?**

IORPs' use large variety of different kinds of data in their risk assessment. To explore ESG risks, many IORPs use more granular and sophisticated data than the data based on NACE codes.

**Q14. Currently, EIOPA came across data quality issues related to the reporting of the external rating which are often left blank. Could you please explain what the difficulties are to report this field or what could potentially trigger them?**

To be able to have decent rating and data quality on this matter a more mature set of data, definitions and providers is needed.

**Q15. How do you assess the costs resulting from the changes to the List of Assets in the EIOPA BoS Decision, templates and instructions (low-medium-high)? Please explain.**

Medium

**Q16. Do you agree that a complete overview of the exposures is needed, including UCITs to conduct proper analysis on the potential market risks (YES/NO)? Please explain if not.**

Yes

**Q17. Do you consider it necessary that IORPs understand their exposures for their own reporting or risks assessments? Please explain.**

Yes, the OPSG considers it necessary that IORPs understand their exposures for their own reporting or risks assessments. IORPs' thorough own risk management is important to good pension outcomes.

**Q18. How do you assess the costs resulting from the removal of the transitional on UCITs in the EIOPA BoS Decision, templates and instructions (low-medium-high)? Please explain.**

Medium

It is more costly to use different sources to collect data that IORPs are required to report.

**Q19. Do you agree that additional data on derivatives is needed, in order to properly assess the risks stemming from derivatives investments (YES/NO)? Please explain if not.**

Yes

**Q20. Do you agree that the reporting of derivatives is proportionate as IORPs should understand their exposures to derivatives for their own reporting or risks assessments?**

Yes, however the current approach does not seem sufficiently proportionate. The use of derivatives varies across different IORPs (DB vs. DC) and Member States; it depends on the investment policies carried out and on legal constraints to the use of derivatives (if required). To make the reporting fit for purpose and avoid unnecessary costs, it could be beneficial if EIOPA would use the same constraints envisaged for the look through of the collective investment undertakings (PF. 06.03.24). Such a choice would have the advantage to concentrate the analysis on member states and IORPs for which the use of derivatives may really represents a challenge for their stability and for the income at retirement of their members and beneficiaries.

**Q21. How do you assess the costs resulting from the potential inclusion of mandatory derivatives reporting in the EIOPA BoS Decision, templates and instructions (low-medium-high)? Please explain.**

Medium

**Q22. Do you agree that there is a need for a comparable basis if EIOPA wants to assess risks at EEA level? Please explain if not.**

Yes

**Q23. Do you agree that cash-flows should also be collected by IORPs for their asset liability management and to check on liquidity risks?**

Yes

**Q24. Which of those options would you consider most fit for purpose? Please explain. Are there other options not included in the above that would serve EIOPA's objectives and should be considered?**

The OPSG would prefer the option 2, or alternatively the option 1.

**Q25a. How do you assess the costs resulting from Option 1 – Cash flow reporting?**

Medium

**Q25b. How do you assess the costs resulting from Option 2 – Cash flow reporting (aggregated)?**

Medium

**Q25c. How do you assess the costs resulting from Option 3 – Sensitivity analysis?**

Medium