

Comments Template on EIOPA-CP-11/001 Draft response to Call for Advice on the review of Directive 2003/41/EC <i>Scope, cross-border activity, prudential regulation and governance</i>		Deadline 15.08.2011 18:00 CET
Company name:	<p>J.P. Morgan Worldwide Securities Services 60 Victoria Embankment London EC4Y 0JP United Kingdom</p> <p>Contact: Sheenagh Gordon-Hart Client & Industry research Executive Sheenagh.Gordon-Hart@jpmorgan.com</p>	
Disclosure of comments:	<p>EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential.</p> <p>Please indicate if your comments on this CP should be treated as confidential, by deleting the word Public in the column to the left and by inserting the word Confidential.</p>	Public
<p>Please follow the instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not change the numbering in column "Reference". ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a question, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific question numbers below. <ul style="list-style-type: none"> ○ If your comment refers to multiple questions, please insert your comment at the first relevant question and mention in your comment to which other questions this also applies. ○ If your comment refers to parts of a question, please indicate this in the comment itself. 		

Comments Template on EIOPA-CP-11/001 Draft response to Call for Advice on the review of Directive 2003/41/EC Scope, cross-border activity, prudential regulation and governance		Deadline 15.08.2011 18:00 CET
<p>Please send the completed template to firstconsultationiorpcf@eiopa.europa.eu, in MSWord Format, (our IT tool does not allow processing of any other formats).</p> <p>The question numbers below correspond to Consultation Paper No. 01 (EIOPA-CP-11/01).</p>		
Reference	Comment	
General Comment	<p>J.P. Morgan Worldwide Securities Services (J.P. Morgan WSS) is a leading provider of custody and related services to pension funds in Europe, Asia and the Americas. With total pension assets in custody of €1.73 trillion, €439 billion related to European pension funds, including both public and private sector schemes.</p> <p>The case for a new Directive</p> <p>J.P. Morgan WSS understands the Commission’s concern that the number of cross-border IORPs is small. However, the number is growing. It is critical to understand that there is a range of limitations to the potential size of the cross-border IORP market, including but not limited to taxation, and that a re-design of IORPS is unlikely to be capable of addressing and overcoming these, or indeed of altering substantially the uptake of cross-border IORPs.</p> <p>Indeed, is it the nature of IORPs or their regulatory framework that should be in focus at all? The real challenge is that for many in Europe, there is little or no private pension provision at all; hence the Commission’s focus should be on developing a European framework for private pension saving on a defined contribution basis. This could be modelled on the very successful UCITS framework as a blueprint.</p> <p>On questions of the application of a solvency regime to pension funds, it is vital to bear in mind that pensions are very different from insurance. Given the diverse systems and traditions for pension provision across Europe, harmonisation could be disruptive and costly. Security is an important feature of pension arrangements but this is not simply a function of whatever solvency regime might be deemed appropriate; a critical element of security rests in appropriate governance.</p>	

Comments Template on EIOPA-CP-11/001 Draft response to Call for Advice on the review of Directive 2003/41/EC <i>Scope, cross-border activity, prudential regulation and governance</i>		Deadline 15.08.2011 18:00 CET
1.	SCOPE Do stakeholders agree with the analysis of the options (including the positive and negative impacts) as laid out in this advice? Are there any other impacts that should be considered? The pensions market has changed significantly in the past few years, and a key change has been the advent of Defined Contribution arrangements that will in time eclipse Defined Benefit schemes. Our view is that the Commission should consider leaving the current IORP directive unchanged and address a framework for the development of a pan European defined contribution arrangement.	
2.	Are there any other options that should be considered? Please provide details including where possible in respect of impact. See above.	
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.	GOVERNANCE What is the view of stakeholders on the proposed principles of the revised IORP Directive?	

Comments Template on EIOPA-CP-11/001 Draft response to Call for Advice on the review of Directive 2003/41/EC <i>Scope, cross-border activity, prudential regulation and governance</i>		Deadline 15.08.2011 18:00 CET
	<p>How do stakeholders evaluate the positive and negative impacts of the introduction of proposed governance requirements?</p> <p>High standards of governance are critical to the success of pension funds and to maintaining the confidence of contributors and beneficiaries. The governance elements of Solvency II may provide a basis for the establishment of harmonised high level governance standards across Europe.</p> <p>These standards should be high level to ensure the diversity of provision across Member States is not unnecessarily inhibited. In addition more detailed prescriptive governance standards are likely to require significant changes, upheaval and cost.</p>	
14.		
15.		
16.		
17.		
18.		