

Supervisory Statement on the sound practices within the registration or authorisation process of IORPs

Including suitability for cross-border activity

DOCUMENT

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The European Insurance and Occupational Pensions Authority (EIOPA) provides this Supervisory Statement on the basis of Article 29(2) of Regulation (EU) No 1094/2010 to promote common supervisory approaches and practices.

This Supervisory Statement is based on Directive (EU) 2016/2341 ('the IORP II Directive') and addressed to the competent authorities, as defined in point (i) of Article 4(2) of Regulation (EU) No 1094/2010.

The IORP II Directive provides the procedures which must be transposed into Member States' national law in order to facilitate the cross-border activity of IORPs and the cross-border transfer of pensions schemes. The IORP II Directive lays down minimum prudential requirements for the protection of members and beneficiaries. It also clarifies the scope of prudential rules to reduce legal uncertainty and the associated transaction costs for the cross-border activities of IORPs.

National requirements for the initial registration or authorisation of IORPs permitting IORPs to operate differ across Member States. Although competent authorities of home Member States ('home competent authorities') have been reviewing their registration and authorisation procedures with regard to the new requirements of the IORP II Directive, supervisory approaches to assess if IORPs are prudentially sound to operate domestically and across borders remain divergent.

EIOPA is of the view that in the context of operating across borders such divergent approaches could lead to supervisory arbitrage. Achieving supervisory

convergence of the practices in relation to assessing IORPs' suitability for possible cross-border operations seeks to avoid supervisory arbitrage and build a level-playing field across the EU conducive to an internal market for IORPs, as well as to ensure adequate protection of the members and beneficiaries.
