



**PensionsEurope answer to the public
consultation on EIOPA's regular information
requests towards NCAs regarding provision of
occupational pensions information**

October 2017

www.pensionsEurope.eu

About PensionsEurope

PensionsEurope represents national associations of pension funds and similar institutions for workplace pensions. Some members operate purely individual pension schemes. PensionsEurope Members are large institutional investors representing the **buy-side** on the financial markets.

PensionsEurope has **24 member associations** in 19 EU Member States and 3 other European countries with significant – in size and relevance – workplace pension systems¹.

PensionsEurope member organisations cover different types of workplace pensions for over **110 million people**. Through its Member Associations PensionsEurope represents more than **€ 4 trillion of assets** managed for future pension payments. In addition, many members of PensionsEurope also cover personal pensions, which are connected with an employment relation.

PensionsEurope also has **25 Corporate and Supporter Members** which are various service providers and stakeholders that work with IORPs.

PensionsEurope has established a **Central & Eastern European Countries Forum (CEEC Forum)** to discuss issues common to pension systems in that region.

PensionsEurope has established a **Multinational Advisory Group (MAG)** which delivers advice on pension issues to PensionsEurope. It provides a collective voice and information sharing for the expertise and opinions of multinationals.

What PensionsEurope stands for

- A regulatory environment encouraging workplace pension membership;
- Ensure that more and more Europeans can benefit from an adequate income in retirement;
- Policies which will enable sufficient contributions and good returns;

Workplace pensions offer

- Economies of scale in governance, administration and asset management;
- Risk pooling and often intergenerational risk-sharing;
- Often “not-for-profit” and some/all of the costs are borne by the employer;
- Members of workplace pension schemes often benefit from a contribution paid by the employer;
- Wide-scale coverage due to mandatory participation, sector-wide participation based on collective agreements and soft-compulsion elements such as auto-enrolment;
- Good governance and alignment of interest due to participation of the main stakeholders.

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¹ EU Member States: Austria, Belgium, Bulgaria, Croatia, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Lithuania, Luxembourg, Netherlands, Portugal, Romania, Spain, Sweden, UK. Non-EU Member States: Iceland, Norway, Switzerland.

1. General comments

PensionsEurope welcomes that the ECB, EIOPA, Eurostat, and OECD try to align their reporting standards for pension funds. We encourage them to align all the reporting standards together with the national competent authorities (NCAs) as much as possible. We support the principle to leave a lot of flexibility to the Member States in the process of data collection and distribution. A starting point should remain the so-called 'one-stop-shop'-concept, and considering the amount of information already available, the NCAs should play a central role therein. The burden the data requirements set on IORPs can be minimized by assessing the information that the NCAs already have.

PensionsEurope also shares the aim of EIOPA and the ECB to have better, comparable and relevant information regarding occupational pensions in Europe with respect to macro prudential risks² and the assessment of market developments³ to comply with those two goals of EIOPA within its scope of competences. For fulfilling these tasks, we suggest that the NCAs will be required to use the technical formats and data which IORPs will have to deliver according to the draft ECB regulation on statistical reporting requirements for pension funds⁴.

We agree with EIOPA that the NCAs should provide it with aggregated IORP information at the Member State level. However, we disagree that IORPs should be required to report data according to the templates suggested by EIOPA and get - in addition to the current national reporting requirements and the upcoming ECB reporting requirements - a new reporting requirement with a new format. Furthermore, in some countries pension funds already have two different statistical reporting requirements to NCAs: one for statistical purposes, and the other one for supervisory purposes. As the envisaged reporting requirements by the ECB and EIOPA are very different from the current national requirements, the new requirements would lead to additional reporting requirements and information flows for pension funds. Therefore, we would prefer to have the same definitions and classifications nationally and at the EU level.

We would like to stress that statistical reporting and collecting information always contain costs for pension funds, so it should be very carefully considered which information is really relevant and needed, and how often they should be reported. Any extra costs will be finally paid by the sponsor and/or Members and Beneficiaries. It should be kept in mind that contributions to occupational pensions in some EU Member States are voluntary for employers. Increasing regulation and other requirements make occupational pensions more expensive, making it less likely that pension schemes are being set up and contributions paid.

We support EIOPA in complying with its two duties as set out in Articles 18 and 32 of the EIOPA Regulation of macro prudential supervision and the assessment of market developments (as

² Stability of the financial system or markets (Article 18 of EIOPA Regulation)

³ Article 32 of the EIOPA Regulation

⁴ See [PensionsEurope answer to the public consultation on the draft ECB regulation on statistical reporting requirements for pension funds](#).

mentioned by EIOPA in the problem definition of the impact assessment⁵). **The NCAs should provide the same data as the ECB is collecting with respect to financial stability aspects** (see the Recital 2 of the draft ECB regulation). **Streamlining the required reports would adequately reduce the increase of financial and administrative burden for IORPs while delivering both EIOPA and the ECB the relevant data.**

2. The IORP II Directive does not stipulate the introduction of Pillar 3 Solvency II like requirements

We question EIOPA's legal basis to require the proposed reporting from the NCAs and IORPs. The Article 35 of the EIOPA Regulation (Collection of Information) does not stand on its own, as the IORP II Directive is the basis for prudential regulation of IORPs. The European Parliament and the Member States have been clear that the IORP II Directive is a minimum harmonisation Directive. Second pillar pension provision through IORPs is a matter pre-dominantly of social and labour law and consequently fall under Member States' competence (and not the EU competence). Moreover, **the IORP II Directive does not stipulate the introduction of Pillar 3 Solvency II like requirements and EIOPA should refrain from moving to this direction.**

The Solvency II Directive, the outcome of the EU's ordinary legislative procedure, requires insurance companies to report this kind of data. We question EIOPA's intention to apply similar requirements for IORPs, as the IORP II Directive does not stipulate anything in this regard. It seems to us that only the European Commission's proposal for the review of the European system of financial supervision could create the legal basis to require the NCAs to report the data proposed by EIOPA: *"The Authority may also request information to be provided at recurring intervals and in specified formats or by way of comparable templates approved by the Authority. Such requests shall, where possible, be made using common reporting formats."* (Amending Art. 35 (2) of the EIOPA Regulation).⁶ However, even if this change was adopted, the level of harmonisation for IORPs would still be determined by the IORP II Directive.

Under the Solvency II Directive, the reporting requirements include rating on bonds in which insurers invest. As rating agencies consider that their ratings are proprietary information, they request additional fees. We would like to stress that pension funds should not be required to pay high fees to

⁵ See the page 46 (Annex III) of the EIOPA consultation paper.

⁶ Art. 2 (22) Proposal for a Regulation of the European Parliament and of the Council Amending Regulation (EU) No 1093/2010 establishing a European Supervisory Authority (European Banking Authority); Regulation (EU) No 1094/2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority); Regulation (EU) No 1095/2010 establishing a European Supervisory Authority (European Securities and Markets Authority); Regulation (EU) No 345/2013 on European venture capital funds; Regulation (EU) No 346/2013 on European social entrepreneurship funds; Regulation (EU) No 600/2014 on markets in financial instruments; Regulation (EU) 2015/760 on European long-term investment funds; Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds; and Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.

third parties in order to be able to provide the required information to the ECB and EIOPA. The ECB should also take the full advantage of its current statistical reporting requirements on other non-monetary financial corporations, so that pension funds should not have to provide the same data to the ECB that it already has from other sources.

3. NCAs should not be required to report individual data of the largest IORPs to EIOPA

We disagree that the NCAs should be also required to report individually the contents of all reporting templates of the largest IORPs, as it is not the role of EIOPA to supervise individual IORPs. In our view, EIOPA can exercise its aim to monitor and assess market developments in the area of occupational pensions and to undertake economic analyses of markets, by receiving aggregated data from the NCAs.

Currently EIOPA does not have a legal basis to directly approach individual IORPs and EIOPA should not do it in an indirect way by asking the NCAs to pass all reporting templates of individual IORPs. Neither Article 18 nor 32 EIOPA Regulation justify the demand for individual data. The only exemptions in the EIOPA Regulation are actions in emergency situations where a NCA does not comply with the EIOPA decision (the Article 18 (4)).

We would like to stress and remind that the NCAs are responsible for the supervision of individual IORPs. This is appropriate and adequate because the NCAs are well placed to supervise IORPs within the context of national social and labour law. The NCAs are far better placed to fulfil this task than EIOPA, and therefore, we stress that the NCAs should not be required to report individual data of the largest IORPs to EIOPA. So far, we have not heard sound arguments supporting EIOPA's request for data. IORPs would need to increase their resources to carry out this task, and the cost of this increased resource would fall on members and consequently would worsen their retirement outcomes. We consider that EIOPA needs to make a robust case as to the benefit to members of imposing such a requirement. This should include a detailed account of what action EIOPA would propose to take in the event that the data provided raises concerns. We are unclear what those concerns might be, but we presume that EIOPA has already considered this in detail and will, therefore, be able to publish this information before the end of 2017 – together with the full account of the actions it will take in the event of those concerns being realised.

4. Templates should not lead to high burden and costs for IORPs

As regards the templates, we would prefer a basic (data) request as to determine the level of details, so that every data item is requested for only once. Afterwards, the data will be summed up, and the validation should take place on an aggregated level (i.e. total assets, etc.) within the different states and with the balance sheet, in our view. **We support using the same classifications and definitions for all types of pension funds' reporting requirements. However, the content of the reporting**

requirements as now proposed by EIOPA, differs from the reporting requirements as proposed by the ECB. For instance, there is a difference between the breakdown of equity in the proposed ECB regulation (listed shares, unlisted shares, and other equity) and the EIOPA requirements (listed shares and unlisted shares). Also, under the proposed ECB regulation, derivatives should be separated in a debit and credit amount; in the EIOPA report these should be netted as a debit-item.

We would like to stress that with respect to the possible XBRL format of the templates we see a big (financial) burden for IORPs. This technical standard is not required by the IORP II Directive or current national regulatory reporting requirements, and it would be thus only a big “side effect” or “accessory part” of EIOPA’s reporting request. We strongly suggest not requiring IORPs to deliver data according to the XBRL format to the NCAs. Also under the Solvency II regime, XBRL is only “the mandatory technical format to be used for reporting from NCAs to EIOPA (so-called 'second level reporting')” but not the mandatory format from IORPs to the NCAs as stated by EIOPA⁷. According to EIOPA only a number of countries also request Solvency II submissions in XBRL from insurance companies to the relevant NCAs ('first level reporting'). If this is the case within the fully harmonized regulatory regime of Solvency II the principle of not requiring institutions to deliver XBRL format to the NCAs must be even more the case for IORPs. Thus, current national standards for data delivery of IORPs should be sufficient and in case – if at all - the NCAs should be in charge to transform the data to the format required by EIOPA.

In any case, we would like to propose much longer implementation period to allow IORPs and their service providers to prepare for the XBRL format of the templates. In those countries (such as Germany) where insurance companies have to deliver the data in the XBRL format to the NCA, the insurance sector has been given much more time to prepare to the XBRL standard (that was only required by the fully harmonized regulatory regime of Solvency II). Moreover, in case of requiring XBRL directly from IORPs it would at least be appropriate to provide without cost for an XBRL-editor similar to EIOPA’s Solvency II reporting tool T4U for especially smaller IORPs. We suggest this although we know that the tool T4U will not be supported anymore because of budget restrictions according to EIOPA from the second half of 2017 and for the 2.2.0 and all following taxonomies of Solvency II reporting. As the T4U was oriented toward small and medium sized insurance companies to create, edit, correct, complete and validate XBRL documents, we would see an even stronger case for assisting IORPs in coping with XBRL.

5. Swedish pension foundations should be excluded from the reporting requirements

Under the Swedish legislation, larger pension foundations have been defined as IORPs since the IORP Directive was implemented in Sweden in 2006, regardless of the fact that they are prohibited to carry any pension liabilities towards the employees/beneficiaries. As a consequence, only a few of the provisions of the Directive have been considered applicable to pension foundations, for example the

⁷ See more on [EIOPA’s websites](#).

"prudent person rule" and the "fit and proper" criteria for board members. The quantitative requirements of the IORP Directive are not applicable to pension foundations. The reason for this is that the pension foundations do not provide occupational pension benefits. The assets of the pension foundation simply serve as collateral for the employer's obligations towards its employees. Accordingly, the employer is responsible for the calculation of the pension obligation and for the payment of the pension. In the financial reporting of the employer the market value of the assets of the pension foundation is set off against the liabilities of the employer and the net is brought over to the balance sheet.

The legal structure of the Swedish pension foundations is very similar to the German Unterstützungskassen which are excluded from the scope of the IORP Directive. A major part of the requested information, such as changes in technical provisions, is not at all applicable to Swedish pension foundations. Accordingly, they do not report any financial information to the Swedish Financial Supervisory Authority and they should also be exempted from the now proposed reporting requirements.

6. Answers to EIOPA's questions and other specific comments

Q1: Do you agree that the data availability and reporting processes for occupational pensions need to be improved?

PensionsEurope welcomes that the ECB, EIOPA, Eurostat, and OECD try to align their reporting standards for pension funds. We encourage them to align all the reporting standards together with the national competent authorities (NCAs) as much as possible. We support the principle to leave a lot of flexibility to the Member States in the process of data collection and distribution. A starting point should remain the so-called 'one-stop-shop'-concept, and considering the amount of information already available, the NCAs should play a central role therein. The burden the data requirements set on IORPs can be minimized by assessing the information that the NCAs already have.

PensionsEurope also shares the aim of EIOPA and the ECB to have better, comparable and relevant information regarding occupational pensions in Europe with respect to macro prudential risks⁸ and the assessment of market developments⁹ to comply with those two goals of EIOPA within its scope of competences. For fulfilling these tasks, we suggest that the NCAs will be required to use the technical formats and data which IORPs will have to deliver according to the draft ECB regulation on statistical reporting requirements for pension funds¹⁰.

⁸ Stability of the financial system or markets (Article 18 of EIOPA Regulation)

⁹ Article 32 of EIOPA Regulation

¹⁰ See [PensionsEurope answer to the public consultation on the draft ECB regulation on statistical reporting requirements for pension funds](#).

We agree with EIOPA that the NCAs should provide it with aggregated IORP information at the Member State level. However, we disagree that IORPs should be required to report data according to the templates suggested by EIOPA and get - in addition to the current national reporting requirements and the upcoming ECB reporting requirements - a new reporting requirement with a new format. Furthermore, in some countries pension funds already have two different statistical reporting requirements to NCAs: one for statistical purposes, and the other one for supervisory purposes. As the envisaged reporting requirements by the ECB and EIOPA are very different from the current national requirements, the new requirements would lead to additional reporting requirements and information flows for pension funds. Therefore, we would prefer to have the same definitions and classifications nationally and at the EU level.

We would like to stress that statistical reporting and collecting information always contain costs for pension funds, so it should be very carefully considered which information is really relevant and needed, and how often they should be reported. Any extra costs will be finally paid by the sponsor and/or Members and Beneficiaries. It should be kept in mind that contributions to occupational pensions in some EU Member States are voluntary for employers. Increasing regulation and other requirements make occupational pensions more expensive, making it less likely that pension schemes are being set up and contributions paid.

We support EIOPA in complying with its two duties as set out in Articles 18 and 32 of the EIOPA Regulation of macro prudential supervision and the assessment of market developments (as mentioned by EIOPA in the problem definition of the impact assessment¹¹). The NCAs should provide the same data as the ECB is collecting with respect to financial stability aspects (see the Recital 2 of the draft ECB regulation). Streamlining the required reports would adequately reduce the increase of financial and administrative burden for IORPs while delivering both EIOPA and the ECB the relevant data.

We wonder how will EIOPA deal with the new privacy regulation (i.e. AVG), more in particular with detailed and sensitive information, for example on mortgages.

We would strongly advocate for the quarterly reporting requirements to align the threshold of IORPs to be obliged to report quarterly with the threshold set by ECB (i.e. 85% of market assets). Having all pension funds require to report on a quarterly basis will have a high cost impact on these funds in relation to their underlying assets.

Q2: Do you agree that EIOPA is proposing to request information relevant and necessary to fulfil its tasks?

No (see also our answer to the question 1).

¹¹ See the page 46 (Annex III) of the EIOPA consultation paper.

In the insurance sector the adherence to a proper European legislative process, culminating in the Solvency II Directive, was generally deemed necessary to require insurers to report this kind of data. As a consequence, it cannot be deemed appropriate or acceptable if an initiative proposed solely by EIOPA leads to similar requirements for the pensions sector. We find that EIOPA's proposal is also against the better regulation agenda of the EU Commission.

We would like to note that certain items are currently not in IORPs' systems, and it would be costly to incorporate this information in their systems. For example:

- Country of custodian: many IORPs have only information on the 'top' custodian. We propose to change this requirement to reporting the country of the top custodian, only.
- LEI: many IORPs use ISINs and their own identifier for alternative investments. We propose to use ISINs.
- NACE code: we prefer to have some flexibility in using certain codes.
- CIC: most of the pension funds do not have this code in their system.

Regarding an 'investment fund with a hedge funds strategy', many IORPs do not have the information on underlying assets in their systems. We suggest to ask no look through for an investment fund with a hedge fund strategy, but report those funds as a separate category 'hedge fund' instead of investment funds.

Q3: Would you propose other information to be covered by EIOPA's regular data requests?

In order to minimize the reporting burden for pension funds we suggest reporting one integrated set of information to NCA, which then includes the specific information required for EIOPA as well. This seems in fact the only way to accomplish full alignment of information streams. IORP data gained by the upcoming ECB regulation and aggregated IORP data available on the national level should be used. In particular, the proposed date for the first reporting (i.a. national implementation of IORP II Directive and EBC reporting requirements) and the timeliness for reporting of liabilities seem to be unrealistic. The deadline for reporting of end-of-year figures should at least be 30 April of the following year, that is 16/17 weeks after year end. The availability of valid data has to be taken into account for the definition of deadlines.

Q4: In particular, is further information than provided in the list of assets necessary to adequately reflect the effectiveness of the risk management with derivatives? Does the pertaining use of international codes, like LEI or ISIN, allow for reducing the necessary information to be reported in the list of assets?

In our view, no further information is needed, in combination with the requested information by the NCAs. We agree that the ISIN is very useful and propose to use this identifier. The LEI is not used and therefore very costly to implement and to maintain. Furthermore, could you please indicate if there

are compulsory and non-compulsory fields within the EIOPA templates? Within this respect, could you please clarify this in your explanation?

In general, the list of information on assets is too extensive. Instead for requesting all this information from the IORPs, EIOPA should use the Centralized Securities Database to obtain the requested information. This would be a major cost saving for IORPs and be in line with the reporting request from the ECB.

Q5: Do you agree with the proposed thresholds and limitations in scope of the data requests? Should the requested set of individual IORP data be reduced or broadened to enable relevant analyses at EU/EEA level?

We disagree that the NCAs should be also required to report individually the contents of all reporting templates of the largest IORPs, as it is not the role of EIOPA to supervise individual IORPs. In our view, EIOPA can exercise its aim to monitor and assess market developments in the area of occupational pensions and to undertake economic analyses of markets, by receiving aggregated data from the NCAs.

Currently EIOPA does not have a legal basis to directly approach individual IORPs and EIOPA should not do it in an indirect way by asking the NCAs to pass all reporting templates of individual IORPs. Neither Article 18 nor 32 EIOPA Regulation justify the demand for individual data. The only exemptions in the EIOPA Regulation are actions in emergency situations where a NCA does not comply with the EIOPA decision (the Article 18 (4)).

We would like to stress and remind that the NCAs are responsible for the supervision of individual IORPs. This is appropriate and adequate because the NCAs are well placed to supervise IORPs within the context of national social and labour law. The NCAs are far better placed to fulfil this task than EIOPA, and therefore, we stress that the NCAs should not be required to report individual data of the largest IORPs to EIOPA. So far, we have not heard sound arguments supporting EIOPA's request for data. IORPs would need to increase their resources to carry out this task, and the cost of this increased resource would fall on members and consequently would worsen their retirement outcomes. We consider that EIOPA needs to make a robust case as to the benefit to members of imposing such a requirement. This should include a detailed account of what action EIOPA would propose to take in the event that the data provided raises concerns. We are unclear what those concerns might be, but we presume that EIOPA has already considered this in detail and will, therefore, be able to publish this information before the end of 2017 – together with the full account of the actions it will take in the event of those concerns being realised.

Q6: Do you agree with EIOPA's assessment of the options' impacts?

For all options, IORPs have to adjust their IT-systems to make it possible to report effectively and in an efficient way. This would be very costly, which costs are ultimately to be borne by the pensioners.

Therefore, our strong preference would be to report only to the national supervisory authority and to have the national supervisory authority forward the information to EIOPA (and the ECB). We think the implementation of the requested look through of investment funds would be very expensive, because we do not have the requested information readily available. So we then would have to implement a procedure to get the information from the investment manager, in a structured way and on time. This is especially a problem for the hedge funds in general - and for private equity and real estate investment funds regarding country of issue. We do not think such efforts would weigh up to the purpose that such information would serve. Please see also our previous suggestion to add the category investment fund in hedge funds strategies (answer to Q2).

Q7: Do you welcome the envisaged opportunity to use XBRL for the reporting of pension data?

We would like to stress that with respect to the possible XBRL format of the templates we see a big (financial) burden for IORPs. This technical standard is not required by the IORP II Directive or current national regulatory reporting requirements, and it would be thus only a big “side effect” or “accessory part” of EIOPA’s reporting request. We strongly suggest not requiring IORPs to deliver data according to the XBRL format to the NCAs. Also under the Solvency II regime, XBRL is only “the mandatory technical format to be used for reporting from NCAs to EIOPA (so-called 'second level reporting')” but not the mandatory format from IORPs to the NCAs as stated by EIOPA¹². According to EIOPA only a number of countries also request Solvency II submissions in XBRL from insurance companies to the relevant NCAs ('first level reporting'). If this is the case within the fully harmonized regulatory regime of Solvency II the principle of not requiring institutions to deliver XBRL format to the NCAs must be even more the case for IORPs. Thus, current national standards for data delivery of IORPs should be sufficient and in case – if at all - the NCAs should be in charge to transform the data to the format required by EIOPA.

In any case, we would like to propose much longer implementation period to allow IORPs and their service providers to prepare for the XBRL format of the templates. In those countries (such as Germany) where insurance companies have to deliver the data in the XBRL format to the NCA, the insurance sector has been given much more time to prepare to the XBRL standard (that was only required by the fully harmonized regulatory regime of Solvency II). Moreover, in case of requiring XBRL directly from IORPs it would at least be appropriate to provide without cost for an XBRL-editor similar to EIOPA’s Solvency II reporting tool T4U for especially smaller IORPs. We suggest this although we know that the tool T4U will not be supported anymore because of budget restrictions according to EIOPA from the second half of 2017 and for the 2.2.0 and all following taxonomies of Solvency II reporting. As the T4U was oriented toward small and medium sized insurance companies to create, edit, correct, complete and validate XBRL documents, we would see an even stronger case for assisting IORPs in coping with XBRL.

¹² See more on [EIOPA’s websites](#).

Section 1,6

Although we support an alignment (in presentation and definition) between the EIOPA requirements and the ECB requirements, we would prefer a clear separation in terms of secrecy when reporting to both organizations.

Section 1,7

We support alignment of reporting deadlines of EIOPA with national deadlines of prudential reports. If EIOPA will apply different reporting deadlines than the ones as maintained by the national supervisory authorities, there will be differences in reported figures between reports, mainly caused by subsequent information on the valuation of illiquid investments. This will reduce the comparability of (supervisory) reports. To avoid these differences, we propose to align the EIOPA deadlines with the deadlines of national prudential reports.

Section 1,9

PensionsEurope supports an integrated reporting to the national supervisory authority which includes the specific information of EIOPA, instead of two separate reports to two separate organizations.

Furthermore, currently EIOPA does not have a legal basis to directly approach individual IORPs and EIOPA should not do it in an indirect way by asking the NCAs to pass all reporting templates of individual IORPs. The NCAs are responsible for the supervision of individual IORPs. This is appropriate and adequate because the national authorities are well placed to supervise the IORPs within the context of national social and labour law. NCAs are far better placed to fulfil this task than EIOPA.

Section 1,10

OECD definitions on DB, DC and hybrid schemes and mixed IORPs are not clear. They are also not in line with ESA definitions used by the ECB. We would expect that if EIOPA and ECB take the objective of streamlining the reporting, a clear and unique definition of this basic feature could be provided.

Section 1,12

For the monetary items, we would propose to align with the reporting requirements of the national supervisory authority:

- amounts in thousands, no decimals;
- percentages expressed with one decimal.

The proposed formatting of EIOPA could lead to more discussions about rounding and this detailed information will not have an additional value for this kind of report. Furthermore, we would prefer to have accepted margins for rounding differences (as for insurers).

The data reported will be in Euro. For position the closing rate will be used. For flows, the average rate over the relevant would not be preferable in our view, as many IORPs' accounting guidelines and accounting system are based on actual rates on transaction date. The reporting on actual rates would be more accurate.

Many IORPs practically cannot use the ECB FX rates, as their accounting system is based on another source. All reports are based on these rates (e.g. financial statements and yearly prudential reports to national supervisory authority which are audited by external auditors).

Section 1,13

We support the presentation (and definition) of a more broad and internationally accepted classification of assets; e.g. IAS classifications for level 1, 2 and 3. Valuation of assets should be fully aligned with the reporting to the ECB.

Section 1,14

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Section 1,15

Valuation of assets and liabilities should be fully aligned with the reporting to the ECB.

Section 1,16

Quarterly data can be presented in a different way than the financial statements as a result of reclassifications or adjustments based on national accounting standards. The quarterly data are not audited by an auditor. The value will be in line with national accounting and valuation standards or national prudential requirements. The valuation of liabilities should be fully aligned with the reporting to the ECB.

Section 1,17

We understand this clause allows the NSAs to use estimates not only on liabilities but also on assets. We would strongly advocate to do so for the quarterly reporting requirements and to align the threshold of IORPs to be obliged to report quarterly with the threshold set by ECB (i.e. 85% of market assets).

Section 2,1

It seems that the 'cross-border activities 04.03.024 individual' can be composed of data used for other templates in order to avoid double requests.

Section 2,3

To ensure an effective, efficient and consistent reporting, we support a clear alignment of the balance sheet items, the breakdown of the assets and the classification and link of individual investments to assets, between EIOPA, the ECB and the national supervisory reports.

We also support clear definitions of individual classifications of all other balance sheet and expenses items. For example:

- netting assets on balance sheet, for example derivative positions (national prudential reporting: yes, ECB reporting: no);
- clear definition of the requested look-through (for pension funds).

The list of assets is a new schedule which is not yet in place for other (prudential) reports. The implementation and detailed reporting will take additional effort and costs. In some cases, IORPs need to agree a process with external parties upon the delivery of this specific data points (in the specific formatting). This is time costly and could in some cases be not possible due to contractual agreements.

Furthermore, currently EIOPA does not have a legal basis to directly approach individual IORPs and EIOPA should not do it in an indirect way by asking the NCAs to pass all reporting templates of individual IORPs. The NCAs are responsible for the supervision of individual IORPs. This is appropriate and adequate because the national authorities are well placed to supervise the IORPs within the context of national social and labour law.

Section 2,4

As there will be a list of assets reported on a quarterly frequency, we think it is unnecessary to report a list of assets in the yearly report.

As mentioned before, we support a clear alignment of the balance sheet items, the breakdown of the assets and the classification of individual investments to assets between the EIOPA, ECB and the national supervisory reports.

Furthermore, currently EIOPA does not have a legal basis to directly approach individual IORPs and EIOPA should not do it in an indirect way by asking the NCAs to pass all reporting templates of individual IORPs. The NCAs are responsible for the supervision of individual IORPs. This is appropriate and adequate because the national authorities are well placed to supervise the IORPs within the context of national social and labour law.

Section 3,4

We understand that 3.3.4 refers to the sponsor obligation towards the IORP (e.g. in case of a recovery plan). IORPs cannot and should not give information on the sponsor's balance sheet and we ask to amend the text accordingly. Does EIOPA have a mandate to supervise the sponsoring companies?

Section 3,7

Firstly, the look-through of a number of illiquid products (mortgages, hedge funds, real estate, private equity) will be insufficiently available in Q1 2019. Furthermore, investment firms themselves can also invest in undertakings. Clarity is important in this regard. Secondly, the CIU ID code is not always available (bank loans, mortgages / VG). Will the attributed code be flexible when it comes to format, provided that it will be used consistently?

Section 3,8

As regards 5.3.24: is it meaningful to add to the definition if investment income is meant gross or net (before or after deduction of investment costs)? The investment costs have to be indicated at 5.3.24.

Annex I – General information

General point of attention: reporting deadlines for EIOPA purposes interfere with deadlines for existing deadlines for (national) regulatory reports. Furthermore, it would be preferable to have a clear definition of the categories 'Hybrid' and 'Mixed'.

Annex I – General information - individual reporting only

Is an industry wide pension fund organized by a sector (so with one sponsor) a multi-employer IORP? Under what category fall IORPs providing benefits for self-employed? Currently EIOPA does not have a legal basis to directly approach individual IORPs and EIOPA should not do it in an indirect way by asking the NCAs to pass all reporting templates of individual IORPs. The NCAs are responsible for the supervision of individual IORPs. This is appropriate and adequate because the national authorities are well placed to supervise the IORPs within the context of national social and labour law.

Annex I – Security Mechanisms and sponsor’s financials

IORPs cannot and should not give information on the sponsor's balance sheet and we ask to amend the text accordingly. Does EIOPA has a mandate to supervise the sponsoring companies? Currently EIOPA does not have a legal basis to directly approach individual IORPs and EIOPA should not do it in an indirect way by asking the NCAs to pass all reporting templates of individual IORPs. The NCAs are responsible for the supervision of individual IORPs. This is appropriate and adequate because the national authorities are well placed to supervise the IORPs within the context of national social and labour law.

Annex I – General information – aggregate reporting only

Is an industry wide pension fund organized by a sector (so with one sponsor) a multi-employer IORP? Under what category fall IORPs providing benefits for self-employed?

Annex I – Balance sheet information

Do IORPs covering both DB and DC plans (but with no split in assets) only report totals?

Relations with other templates as regards validation requirements: are these requirements fixed? I.e. which R/C-combinations have to match with the balance sheet rules, for example as regards Undertakings (06.03.24)? External ratings: ratings of rating agencies are not available per se. Has EIOPA taken this into account? Furthermore, the rating does not seem to be obliged on the basis of description C0270 (page 36): "... reported when...". Clarity about this would be preferable.

Annex I – List of assets

The list of information on assets is too extensive. In stead for requesting all this information from the IORPs, EIOPA should use the Centralized Securities Database to obtain the requested information. This would be a major cost saving for IORPs and be in line with the reporting request from the ECB. Some of the elements request by EIOPA (such as external ratings) imply a major cost, certainly for small

pension funds. Has EIOPA made a cost assessment before requesting this type of information to IORPs. Has EIOPA measured the impact as a reduction in pension benefit of the participants?

Reporting of different Custodians (C0050) is a technical challenge, assuming that this is possible. Our proposal is to delete this request.

It is the question whether ratings (External rating C0250 & Nominated ECAI C0260) can be reported according the rating agencies and whether this is technically possible (at the moment a so called 'waterfall method' is used). We propose to report the rating which is reported to the national regulator.

Annex I – Investment funds - look through approach

Reporting of fund to fund look through (Underlying asset category C0030) is technically possible, but is dependent on delivery of the fund of fund look through from the relevant fund. Our proposal would be to report fund to fund value if the fund is not able to report fund to fund look through.

General point of attention: it is the question whether, in accordance with the currently signed NDAs with fund managers, if look through data can be shared with EIOPA.

Annex II – Balance sheet information

There are different definitions and presentations of the balance sheet items and assets in the proposed EIOPA requirements, the proposed ECB requirements and our national supervisory reporting requirements. We only see added value of the proposed further reporting requirements when the definitions and classifications are aligned. Not only would this reduce the reporting burden for pension funds, but also would it procure that the information as reported, for various means, can easily be compared. It could also reduce the time needed for the implementation of the new/additional reporting requirements. Particularly, there should be an alignment between:

- 1) The balance sheet classification of assets;
- 2) The breakdown of the assets on the balance sheet;
- 3) A waterfall for the classification of individual assets to the breakdown of assets (link of individual investments to the breakdown).

The waterfall for the classification of individual assets to asset classes should be aligned with prudential NCA reporting (e.g. listed real estate, is this a real estate investment of a equity investment? In the prudential NCA reporting listed real-estate investments (e.g. REITs) are not classified as 'Equity' but as 'Real Estate funds').

Some additional issues to be covered based on currently proposed presentation by EIOPA:

- 1) What is the definition of R0010 'Investments'? We assume this is the total of equity, bonds and property.
- 2) How should collateral and deposits be classified in the balance sheet (assets)? R0200 'Other investments' or R0260 'Any other assets, not elsewhere shown' or R0250 'Cash and cash equivalents'?
- 3) R0260 'Any other assets, not elsewhere shown': are these assets which are not related to investments, or other receivables?

Furthermore, we support to align the list of 'Investment funds/shares UCITs' and 'Investment funds/shares other than UCITs' with the categories of the national prudential reports. At least the categories 'Hedge Funds', 'Commodities' and 'Real Estate' should be presented to avoid a significant amount 'Other investments'.

Annex II – List of assets

The list of information on assets is too extensive. Instead for requesting all this information from the IORPs, EIOPA should use the Centralized Securities Database to obtain the requested information. This would be a major cost saving for IORPs and be in line with the reporting request from the ECB.

Currently the prudential report for the NCA or any other report does not contain this kind of detail. It will take an extra effort and additional time to implement and to frequently report in this kind of detail.

What is the scope for this list? Does it contain only listed investments or all investments of the IORP?

There are several columns which IORPs are not able to fill with current information available:

- Overall: the LEI code. We propose to include internal reference numbers for the identification of non-listed assets.
- C0040: Country of custodian (many IORPs have only the top custodian). We propose to use the country of the top custodian.
- C0170: Sector code based on NACE. We support the use of the statistical sector codes as prescribed by the ECB (Regulation (EC) No 24/2009) instead of the NACE codes. This proposal is in line with our support to alignment of the EIOPA data with the data used in the ECB report.
- C0230: the CIC code.
- C0250: External rating not always available. We propose to use the rating used in the audited financial statements of a pension fund.

Annex II – Investment funds - look through approach

Currently the prudential report for the national supervisory authority or any other report does not contain this kind of detail. It will take an extra effort and additional time to implement and to frequently report in this kind of detail.

The categories in C0030 should be added to IORPs' data warehouse, as they do not have this kind of classification in their systems yet. We propose to align these categories with the prudential report of the NCA. There should also be a detailed definition of the mentioned categories to be able to perform a proper classification and comparison (also between pension funds).

In case of hedge funds, many IORPs invest in multiple investment funds which classify as a 'fund-of-funds'. In this case they report a material amount on line item '4-Investment funds'. They do not have any detailed information on underlying investments of these fund-of-funds in their database available; therefore, IORPs are not able to spread these investments over the mentioned other categories. Additionally, many IORPs do not have information regarding country of issue (C0040) currency (C0050) available for underlying investments in the fund-of-funds.

To avoid the issues stated above we propose to separate category in C0030 for 'hedge funds' in addition to category '4-Investment funds'.

Annex II – Investment income

It should be clearly stated that information required relates to the income of the IORP, without any kind of look-through.

Annex II – Member data

In order to provide a clear reporting framework, there should be a clear definition for active, deferred and beneficiaries for determining the number of members per category to avoid duplication. For example, members which are partly active and partly not (e.g. in case of survivor's pension).

Annex II – Expenses

We support a clear definition of the separate expense categories. For example, the classification of management fees, auditor's fees, legal costs, etc. Are these administrative, investment or other expenses? We support an alignment with the national prudential report and accounting standards.

Impact Assessment – Section 4

We would strongly advocate for the quarterly reporting requirements to align the threshold of IORPs to be obliged to report quarterly with the threshold set by ECB (i.e. 85% of market assets). Having all pension funds require to report on a quarterly basis will have a high cost impact on these funds in relation to their underlying assets.

Impact Assessment – Section 5

We would strongly advocate for the quarterly reporting requirements to align the threshold of IORPs to be obliged to report quarterly with the threshold set by ECB (i.e. 85% of market assets). Having all pension funds require to report on a quarterly basis will have a high cost impact on these funds in relation to their underlying assets.