

Brussels, 10 July 2013

## Joint statement

### EMPLOYER, WORKER AND INDUSTRY REPRESENTATIVES:

#### *Genuine Transparency and Governance Measures for European IORPs*

On May 23<sup>rd</sup> Michel Barnier, European Commissioner for Internal Market and Services, declared that within the ongoing review of the IORP Directive, he has “*decided first of all to present a legislative proposal focussing on governance, transparency and reporting requirements for occupational pension funds. On those aspects there is broad consensus, at least on the principles*”.

We note the decision of Commissioner Barnier to further study any harmonisation of solvency requirements for IORPs.

As already stated in our Press Release of March 1<sup>st</sup> 2012, we reiterate our view that harmonisation plans should be reconsidered as they would have negative effects on the existence and adequacy of occupational pensions and the resources available for company investments in growth and jobs. Moreover, the fundamental differences that exist between insurance companies and IORPs mean that such harmonisation is not justified.

These differences should also be duly reflected in governance and transparency measures. They should be tailor-made and suitable for IORPs and take into account their specificities. They should also respect the role of the social partners in the governance of pension institutions and in determining, where appropriate, the funding and benefits rights for European citizens as well as how deeply embedded pensions are in national social and labour law and practices.

Governance and transparency measures designed specifically to pension funds are only justified if they provide necessary and reasonable improvements of member protection and transparency. If copied from Solvency II directive, which is designed for insurance companies, these measures might prove excessively heavy for IORPs, due to high administrative and cost burden. Consequently, excessive costs will have to be borne by sponsoring undertakings and/or scheme members, which might thus lead to less occupational pension provision in the future.

That is why the proportionality principle needs to be properly taken into account in the IORP II directive, with respect to existing pension rights and collective bargaining arrangements while keeping the right of the members to be informed about their pension rights in a proper and comprehensive way.

Finally, we trust that the forthcoming directive addresses all the necessary measures for improving the governance and transparency of IORPs, avoiding the need to engage in time-consuming and complex level 2 and level 3 implementing measures. We neither consider the own risk and solvency assessment, developed as part of the Solvency II framework, to be a necessary measure as it is based on solvency requirements which will not be part of a legislative proposal.

*Signatories to the joint press statement of 9 July 2013:*

**The European Association of Paritarian Institutions (AEIP), [www.aeip.net](http://www.aeip.net)**

AEIP represents the European Paritarian Institutions of Social Protection in Brussels since 1997. The Association gathers 27 leading large and medium-sized Social Protection Management Organizations which equally represent the employees and the employers through a joint governance scheme; plus 39 affiliates from 22 countries.

AEIP represents its members' values and interests at the level of both European and International Institutions. In particular, AEIP - through its working groups - deal with EU coordinated pension schemes, pension funds, healthcare schemes, unemployment schemes, provident schemes and paid holiday schemes. The final goal of AEIP is to achieve pan-European paritarian schemes of social protection.

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**BUSINESSEUROPE, [www.businessseurope.eu](http://www.businessseurope.eu)**

BUSINESSEUROPE represents small, medium and large companies. Active in European affairs since 1958, BUSINESSEUROPE's members are 41 leading industrial and employers' federations from 35 European countries, working together to achieve growth and competitiveness in Europe.

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**The European Centre of Employers and Enterprises providing Public services (CEEP), [www.ceep.eu](http://www.ceep.eu)**

CEEP gathers enterprises and organisations from across Europe, both public and private, at national, regional and local level, which are public employers or providers of services of general interest. CEEP members contribute to more than 26% of EU GDP and employ 30% of the EU workforce. CEEP is one of the three general cross-industry European Social Partners

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**European Association of Public Sector Pension Institutions (EAPSPI)**

EAPSPI is a group of 26 public sector pension schemes out of 16 European countries. These institutions cover the special basic schemes for civil servants or the supplementary schemes for public employees. They are responsible for more than 33 million pensioners and active members in the public sector.

EAPSPI promotes exchanges of expertise and information and aims to position itself as a pension expert in order to interact with European institutions and other international organisations. Furthermore, EAPSPI intends to take part in the construction of a social Europe and, in this context, to study the consequences of an open Europe, particularly regarding free movement.

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**The European Fund and Asset Management Association (EFAMA), [www.efama.org](http://www.efama.org)**

EFAMA is the representative association for the European investment management industry. EFAMA represents through its 26 member associations and 59 corporate members approximately EUR 15 trillion in assets under management of which EUR 9.4 trillion was managed by approximately 54,000 funds at end March 2013. Just above 35,500 of these funds were UCITS (Undertakings for Collective Investments in Transferable Securities) funds.

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**PensionsEurope, [www.pensionseurope.eu](http://www.pensionseurope.eu)**

PensionsEurope represents the various national associations of pension funds and similar institutions for supplementary/occupational pension provision. Its membership consists of institutions for workplace (2nd pillar) retirement. Some of them are also operating purely individual pension schemes (3rd pillar).

PensionsEurope has 23 member associations in most EU-15 Member States and other European countries with significant workplace pension systems. Together they cover 80 million people who participate in workplace pension plans. Through its membership, the PensionsEurope represents approximately € 3 trillion in assets managed for future pensions.

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**European Trade Union Confederation (ETUC), [www.etuc.org](http://www.etuc.org)**

The ETUC exists to speak with a single voice, on behalf of the common interests of workers, at European level. Founded in 1973, it now represents 85 trade union organisations in 36 European countries, plus 10 industry-based federations.

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**European Private Equity and Venture Capital Association (EVCA), [www.evca.eu](http://www.evca.eu)**

EVCA is the voice of European private equity and venture capital.

We promote and protect the interests of our more than 1,200 members, to ensure they can conduct their business effectively. EVCA engages policymakers and promotes the industry among key stakeholders, including institutional investors, entrepreneurs and employee representatives.

EVCA develops professional standards, research reports and holds professional training and networking events. EVCA covers the whole range of private equity, from early-stage venture capital to the largest buyouts.

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**European Association of Crafts, Small and Medium-Sized Enterprises (UEAPME), [www.ueapme.com](http://www.ueapme.com)**

UEAPME is the employers' organisation representing crafts, trades and SMEs from the EU and wider Europe at European level. UEAPME has around 80 member organisations covering over 12 million enterprises with 55 million employees. UEAPME is a European Social Partner.

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