

# MFSA

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## MALTA FINANCIAL SERVICES AUTHORITY

### Note for Information

#### EIOPA public consultation on the draft technical specifications for the QIS of its Final Advice on the IORP Directive review

In April 2011 the European Commission asked EIOPA to provide advice on the review of the Institutions for Occupational Retirement Provision (“*IORP*”) Directive. The Commission stated in a Call for Advice (“*CfA*”) that it intends to introduce a risk-based prudential regime for IORPs which aims to attain “*a level of harmonisation where EU legislation does not need additional requirements at a national level.*” The review has the purpose of encouraging cross-border activity of IORPs, allowing IORPs to benefit from risk-based supervision while ensuring regulatory consistency between and within sectors, and to modernise the prudential regulation for IORPs that operate DC schemes.

The CfA covered a broad range of areas on scope and definitions, valuation and capital requirements, role of the supervisors, governance and information to members and beneficiaries. The European Commission’s proposal to review the IORP Directive will be followed by an impact assessment which will take into account the fact that supplementary occupational pension schemes are generally proposed by employers to their employees on a voluntary basis and that any new supervisory system for IORPs should not undermine the supply or the cost-efficiency of occupational retirement provision in the EU.

EIOPA was also requested to prepare a Quantitative Impact Study (“*QIS*”) of its advice with a view to informing this impact assessment, with the aim of:

- providing all stakeholders with detailed information on the quantitative impact of EIOPA’s advice on the prudential balance sheets of IORPs; and
- collecting quantitative and qualitative data to support the analysis of different policy options in the impact assessment of the European Commission.

The QIS will only assess the financial impact on IORPs of valuing assets and liabilities on the holistic balance sheet and introducing a solvency capital requirement (“*SCR*”) under the various policy options in EIOPA’s advice. However, the results will feed into the European Commission’s impact assessment of all costs and benefits accompanying its legislative proposal.

The aim of the technical specifications is to provide guidance to IORPs participating in the QIS to perform the necessary calculations. Particular attention has been paid to the valuation and risk-mitigating effect on the SCR of the adjustment and security mechanisms IORPs dispose of, i.e. conditional and discretionary benefits, “last resort” reductions of benefits, sponsor support and pension protection schemes.

The consultation paper is a first step towards the actual QIS exercise. Following the public consultation EIOPA will send a revised version to the European Commission for its

consideration. The QIS exercise is expected to take place from the beginning of October until mid-December 2012.

The consultation paper and templates for comments can be accessed from the EIOPA website under the following link

<https://eiopa.europa.eu/consultations/consultation-papers/index.html>

This consultation is open until Tuesday, 31 July, 2012 at 18.00 hrs CET. Comments should be submitted via email to [CP-12-003@eiopa.europa.eu](mailto:CP-12-003@eiopa.europa.eu). Please note that comments submitted after the deadline or not submitted on the provided templates cannot be processed and taken into account.

It is appreciated if any feedback provided to EIOPA is copied to the Malta Financial Services Authority – Insurance and Pensions Supervision Unit on e-mail [ipsu@mfsa.com.mt](mailto:ipsu@mfsa.com.mt).

**Communications Unit**  
**Malta Financial Services Authority**  
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