

Strictly Private and Confidential

Mr Brendan Kennedy
The Pensions Regulator
The Pensions Authority
Verschoyle House
28-30 Lower Mount Street
Dublin 2
D02 KX27

19th March 2019

Subject: EIOPA's regular information requests towards NCAs regarding provision of occupational pensions information

Dear Mr Kennedy,

I am writing to you as the chairperson of the Irish Association of Pension Funds (IAPF) Regulation & Administration Working Group. This is a sub-committee of the Benefits Committee of the IAPF, representing the views of Registered Administrators in Ireland.

The new EIOPA reporting requirements are now in place with the first reporting due in 2019. There is also a new regulation from the European Central Bank on statistical reporting.

We have a number of concerns that we wish to raise with the Pensions Authority:

1. **Trustee Awareness** – our group has undertaken a number of initiatives to raise awareness of the new reporting requirements with Trustees. Trustees are primarily responsible for ensuring compliance with the new requirements. We have published two articles in the quarterly IAPF Magazine (Winter 2017 and Winter 2018). We recommended to Trustees to have the new requirements on their meeting agendas.

We also invited the Central Bank to make a presentation at our Benefits Conference in October 2018 and you referred to the requirements during your presentation at the same event. The Pensions Authority has issued a news update on your website.

The feedback from these initiatives is that Trustees have low levels of recognition that the new requirements will impose first reporting from Q4 2019. Trustees have an even lower appreciation of the amount of data that is required to be collected and where the data must be sourced. The amount of data is in no way comparable to existing reporting requirements, either in type or quantity. We would ask what plans the Pensions Authority has to communicate further with Trustees to raise awareness prior to the introduction of the reporting requirements? Our group is willing to work with you to ensure that the level of awareness is where it should be.

2. **Investment Managers** – It is unfortunate that neither reporting requirements imposed any obligation on Investment Managers to provide the required data to Trustees. We believe that, ultimately, Trustees will have to revise existing investment manager mandates and service level agreements in order to obtain the large dataset required from each investment manager. This will require a lot of effort from Trustees and why we believe that the Pensions Authority need to do more to engage with Trustees, as per point 1 above. We have reached out to a number of investment managers to understand how they are preparing to provide the required data to Trustees. The feedback that we have received is that the new reporting requirements are not on the radar of investment managers. We are extremely concerned that, without the support of the Investment Managers, it will make compliance with the reporting requirements impossible for the Trustees, certainly for the first few returns. We would urge the Pensions Authority to communicate directly with Investment Managers, asking them to provide the required data within a reasonable timeframe. For the IAPF’s part, we are writing to the Investment Managers that we can identify, informing them about the reporting requirements and asking them to confirm that they will be able to provide the Q3 2019 data by the end of October 2019 to the Trustees. If the data is forthcoming then there is some chance of Trustees meeting the deadlines, however we are not optimistic.

3. **Responsibility for reporting** – Both the ECB regulations and EIOPA reporting requirements make the Trustees primarily responsible for ensuring compliance. It will be for the Trustees to determine who should gather and report the required data. The Trustees may choose between their custodian, accountant, investment consultant, investment manager, administrator (registered or other), third-party specialist provider or provide the information themselves. We are strongly opposed to any extension of the reporting requirement that would automatically involve the use of the Scheme’s Registered Administrator. Trustees must be free to choose the best option for providing the data. We have expressed previously to the ECB, EIOPA, Central Bank of Ireland and yourselves that the cost of collection of this information is excessive and will ultimately be paid by members. Registered Administrators hold only a small part of the required data and have no existing systems to gather the required data. Some Registered Administrators may determine that they cannot gather the data economically.

We believe that the greatly increased scope and range of the data required to be returned does not match with the current role of Registered Administrators. This is because most of the new information required relates to the assets being managed by the Scheme’s investment managers. There may be better solutions for the collection and reporting of this new data than using the existing resources of Registered Administrators. Trustees have a number of options open to them. We think that Trustees should be free to decide who should be responsible for the compilation and return of the data. We would be happy to meet with you to further explain why it is important that Trustees be free to choose how reporting is carried out.

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We would be delighted to engage in further dialogue with the Pensions Authority. We look forward to hearing from you in due course.

Yours Sincerely

Tom Gilligan

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Chair – IAPF Regulation and Administration Working Group

Copy:

Mr Kenneth Devine, Economist, Money & Banking Team, Statistics Division, Central Bank of Ireland

IAPF RA Working Group – Mr Jerry Moriarty (IAPF), Mr Frank Keating (Aon), Ms Samantha McConnell (Willis Towers Watson), Mr Joe Fitzpatrick (Invesco), and Mr James Fitzpatrick (Mercer).