

# IORP Directive 2003/41/EC

**Ivo van Es**  
**Insurance and Pensions Unit**

Screening process  
Explanatory meeting with Croatia and Turkey  
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# Institutions for Occupational Retirement Provision Directive

- Proposal: 13.11.2000
- Adopted: 03.06.2003 (2003/41/EC)
- Published: OJ L 235/10 of 23.09.2003
- Implementation deadline: 23.09.2005
  
- NOW: Notifications

# Commission action

- Bilateral meetings since the start
- +
- 22.10.2004: 1<sup>st</sup> Expert meeting
- 19.04.2005: 2<sup>nd</sup> Expert meeting
  - Main conclusions (Markt/2520/05)
  - [http://europa.eu.int/comm/internal\\_market/pensions/docs/legislation/markt-2520-05-conclusions.pdf](http://europa.eu.int/comm/internal_market/pensions/docs/legislation/markt-2520-05-conclusions.pdf)

# Key features (I)

- Internal market Directive
  - Art. 249 EC Treaty: Binding as to the result to be achieved
  - Scope: EEA (EU25 + NO, LI, IS)
- IORP is an institution (not a product):
  - Established for the purpose of providing retirement benefits
  - Operates pension schemes for sponsoring undertakings

# Key features (II)

- Single licence, Home Member State supervision
  - But: Host Member State supervision for social/labour law + some information requirements
- Investments: Prudent person rule
  - But: Host Member State may lay down more detailed rules, provided they are prudentially justified
- Cross-border membership
  - IORPs may accept sponsorship from abroad
  - Undertakings may sponsor IORP abroad

# Key features (III)

- Authorisation
- Legal separation from sponsor
- Activities limited to ORP business or similar activities
- Information to members: IORP, pension scheme and pension rights
- Information to supervisor, e.g. investments

# Key features (IV)

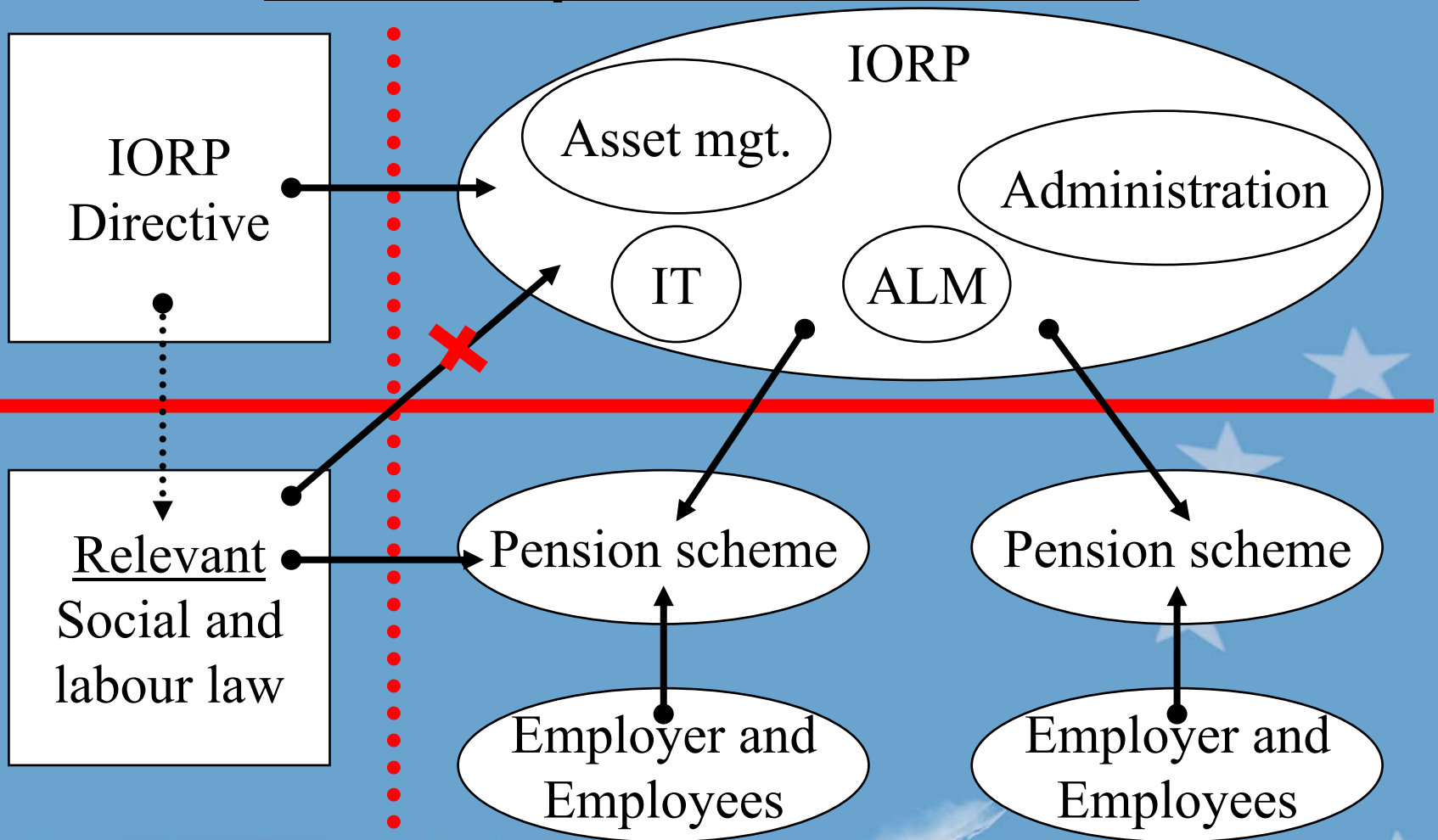
- Ring-fencing: context dependant
  - Art. 3: 1<sup>st</sup> pillar vs. 2<sup>nd</sup> pillar
  - Art. 4: insurance business vs. IORP business
  - Art. 16(3): home vs. host (assets + liabilities)
  - Art. 18(7): home vs. host (assets only)
- Technical provisions: full funding
- Regulatory own funds, if: biometric risks, investment or benefit guarantee

# Key features (V)

- Social and labour law
  - Article 20(5): “Relevant to the field of occupational pensions under which the pension scheme... must be operated”
  - Article 6(j): “Applicable to the relationship between the sponsoring undertaking and members”
  - Examples: Recital 37
    - Definition and payment of retirement benefits
    - Conditions for transferability of pension rights



# A “simplified” model



# Thank you for your attention

- More information at :

[http://europa.eu.int/comm/internal\\_market/insurance](http://europa.eu.int/comm/internal_market/insurance)

- Or contact:
- [ivo.van-es@cec.eu.int](mailto:ivo.van-es@cec.eu.int)
- +32 2 298.45.78