



# **PensionsEurope input to the European Commission Roadmap on supervisory data strategy**

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**1. PensionsEurope input to the European Commission Roadmap on supervisory data strategy**

*PensionsEurope supports the EC in its work on improving supervisory data*

PensionsEurope has appreciated the recent EC fitness check of supervisory reporting, and we would like to thank the EC for a good and constructive dialogue over the past years on our concerns and suggestions. We agree with the EC fitness check conclusions that the current way of defining the reporting requirements and collecting data can be complex and lead to inefficiencies in the reporting process.

As a direct follow-up to the fitness check, we also welcome the EC roadmap on supervisory data strategy, and we would be happy to provide our technical expertise to the EC how the strategy could be best implemented regarding pension funds.

*We welcome the alignment of reporting standards for pension funds*

Over the past years, we have closely worked particularly with the ECB and EIOPA (but also with Eurostat and OECD) when they have been aligning their reporting standards for pension funds. We welcome that in many countries EIOPA, ECB, and national reporting requirements have been integrated into one reporting data stream. However, in some Member States, there have been certain challenges in the co-ordination between some of the institutions/authorities.

*Cost of data and the use of XBRL*

Pensions funds must comply data from various sources to fulfil many (new) reporting requirements, and the provision and cost of this data is an important cost issue. Availability and cost of ESG data is a growing concern that needs to be urgently resolved taking into consideration the new disclosure requirements of the SFDR. Another concern is that for instance rating information mostly originates from the US companies, and this information might be biased in the EU context (there is recognition that availability of data is jurisdiction-dependent).

We have welcomed that pension funds by themselves are not required to use the XBRL formats when reporting to the NCAs, but the NCAs are free to choose their required reporting formats. However, now in practice, also many pension funds must report using the XBRL taxonomy, and repeated adjustment thereto, the XBRL has generated significant costs and administrative burdens to them.

*Reporting requirements should stay fit for purpose*

While aiming for stable reporting templates and a stable taxonomy, we believe it is also important to carry out post-implementation reviews of new requirements to keep them 'fit for purpose'. It is right to assess on an on-going basis whether there is room to make reporting requirements and tools more efficient, whether all information requested is necessary and whether potentially overlapping requirements can be streamlined.

Currently pension funds are concerned that their reporting deadlines to EIOPA/NCA's shall be brought forward in 2022 and 2024, and pension funds do not see any further need to shorten the deadlines and/or extend the scope of requirements.

*Upcoming EC communication on supervisory data strategy*

We fully agree with the roadmap that supervisory reporting has grown substantially over the past years. Since reporting always comes at a cost, we welcome the objective to streamline and improve data collection.

The envisaged EC Communication on supervisory data strategy should make it clear that the differences between different financial market participants (for instance, pension funds are often smaller than insurance companies) should be considered when data collection is streamlined and/or modernised. In general, we find proportionality of the utmost importance when introducing any new requirements to pension funds. Particularly the current low/negative yield environment has made small pension funds very sensitive to any additional fixed costs, on top of the already existing investment, administration, governance, and communication costs.

Differences in terms of reporting relationships between ESAs and financial entities (direct supervision being in place in some areas of ESMA, but not between EIOPA and pension funds) should also be taken duly into account. We welcome and find it very important that any changes will be subject to impact assessment.

*We support FinDatEx and ESAP*

We have welcomed the initiative of establishing an ESAP, a platform that should primarily be meant to provide useful information for investors, particularly to comply with the SFDR, the Taxonomy Regulation and the NFRD. We recommend the EC to adopt a phased in approach for the ESAP, firstly focusing on ESG data.

Finally, we find that the EC could also consider how the EU data strategy could reflect on the good work done by FinDatEx. PensionsEurope has also recently joined FinDatEx and its ESG workstream to try to reduce the reporting costs and burden to pension funds e.g. by creating the European ESG Templates.

## **About PensionsEurope**

**PensionsEurope** represents national associations of pension funds and similar institutions for workplace and other funded pensions. Some members operate purely individual pension schemes.

PensionsEurope has **24 member associations** in 17 EU Member States and 4 other European countries<sup>1</sup>.

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 **22 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.

## **Our members 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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<sup>1</sup> EU Member States: Austria, Belgium, Bulgaria, Croatia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Portugal, Romania, Spain, Sweden. Non-EU Member States: Iceland, Norway, Switzerland, UK.