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European Central Bank

Division Monetary & Economic Statistics

Consultation on draft regulation on statistical reporting requirements by pension funds

Taunustor 2

60311 Frankfurt am Main

Germany

Subject ECB Consultation on the Regulation on statistical reporting requirements for pension funds

Dear Sir/Madam,

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

Registered Administrators are licenced by the Pensions Authority (of Ireland). There are currently 136 Registered Administrators. Registered Administrators carry out core administration activities such as record-keeping, annual benefit information for members and preparing trustee annual reports. This includes the submission of pension scheme data to the Pensions Authority on an annual basis as part of the existing statistical reporting requirements.

Often, the Trustees of pension schemes outsource the duties of Registered Administrators to specialist third party pension administrators. Our working group consists mainly of the largest third party Registered Administrators.

We have been involved in the earlier discussions concerning the drafting of the Regulations both directly through PensionsEurope and via discussions with the Central Bank of Ireland. We would like to acknowledge that the current version of the Regulations have been amended to reflect many of the concerns that we have raised. We enclose our letter to the Central Bank of Ireland outlining our original concerns, dated 16 May 2016.

We have reviewed the current draft of the Regulations and we attach our comments and suggestions for improving the final version of the Regulations.

We would still be convinced that the Regulations offer little benefits compared to the cost of implementation for the Members and Trustees of pension schemes. We would like to stress that most Irish schemes are relatively small and the governance responsibilities rest with Trustees who largely operate on a voluntary basis. Practically all activities are outsourced and schemes do not directly have any internal resource or staff.

Chairperson: Peter Fahy

It is likely that Irish pension schemes which fall into the category for quarterly reporting will be obliged to appoint a Custodian. Most Irish pension schemes would not currently have a custodian appointed due to the scale of their assets. This will be in addition to the fees paid to their Investment Manager(s). This will increase overall costs for pension schemes and have minimal tangible benefit to the Members. Indeed, in many cases the costs will fall on the members.

Our original submission looked for a cost-benefit analysis to be carried out. We would welcome the publication of any such analysis carried out by the ECB.

The entire Irish Pension fund asset base is valued at €100bn by the Irish Pensions Authority (PA Annual Report for 2016). This covers assets held directly with Insurers and Occupation Pension Schemes. This compares to the largest 5 Dutch schemes, who have assets of €741bn at 30 June 2017. We have suggested that only schemes with over €1bn in assets should be obliged to report on a quarterly basis. All other schemes can continue to report on an annual basis.

Please see our detailed comments attached. We would be delighted to engage in further dialogue with the ECB, Central Bank of Ireland and the Pensions Authority.

We look forward to hearing from you in due course.

Yours Sincerely

Tom Gilligan

Tom Gilligan

Chair – IAPF RA Working Group

Copy:

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