



4 December 2008

Our ref: ICAEW Rep 139/08

Insurance and pensions
Financial Institutions
Internal Market and Services DG
European Commission

By email: MARKT-H2@ec.europa.eu

Dear Sir

CONSULTATION ON THE HARMONISATION OF SOLVENCY RULES APPLICABLE TO INSTITUTIONS FOR OCCUPATIONAL RETIREMENT PROVISION (IORPS) COVERED BY ARTICLE 17 OF THE IORP DIRECTIVE AND IORPS OPERATING ON A CROSS-BORDER BASIS

The Institute of Chartered Accountants in England and Wales (the Institute) welcomes the opportunity to comment on the consultation paper *Consultation on the Harmonisation Of Solvency Rules Applicable to Institutions for Occupational Retirement Provision (IORPS) Covered By Article 17 of the IORP Directive and IORPs Operating on a Cross-Border Basis* published by the European Commission in September 2008.

The Institute operates under a Royal Charter, working in the public interest. Its regulation of its members, in particular its responsibilities in respect of auditors, is overseen by the Financial Reporting Council. As a world leading professional accountancy body, the Institute provides leadership and practical support to over 130,000 members in more than 140 countries, working with governments, regulators and industry in order to ensure the highest standards are maintained. The Institute is a founding member of the Global Accounting Alliance with over 700,000 members worldwide.

Whilst we note that CEIOPS and the Commission do not believe the principles underlying Solvency II should be applied to all Institutions for Occupational Retirement Provision (IORPS), we are aware that some commentators have called for these principles to be applied to all such pension schemes. The Institute supports the position taken by the Commission, as we do not believe Solvency II should be applicable to IORPs and, in particular, should not be applicable to those, such as United Kingdom occupational pension schemes, where the sponsoring undertaking provides a long-term commitment to the fund.

Please contact me should you wish to discuss any of the points raised in this response.

Yours faithfully

Liz Cole
Manager, Business Law
T +44 (0)20 7920 8746
F +44 (0)20 7638 6009
E liz.cole@icaew.com