

PRUDENTIAL SUPERVISION UNDER THE IORp II DIRECTIVE

Grace Guy

Head of Supervision and Enforcement

The Pensions Authority

28 November 2019



An tÚdarás Pinsean
The Pensions Authority

OVERVIEW

- Key requirements for trustees
- Prudential supervision in practice
- Supervisory engagement 2020

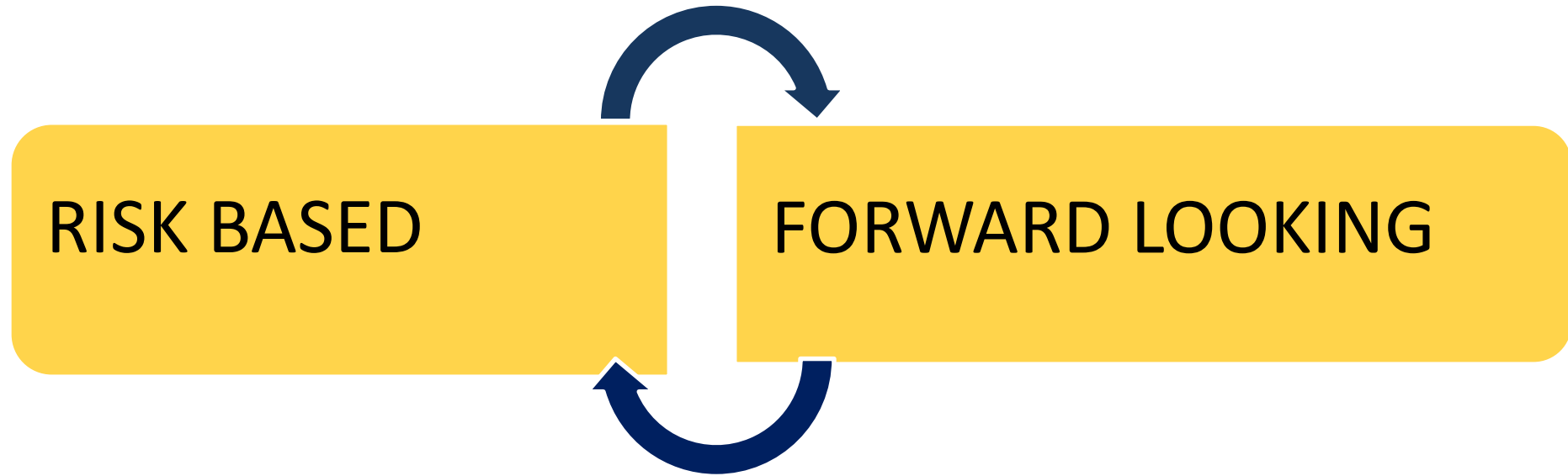
KEY REQUIREMENTS FOR TRUSTEES

- Governance
- Fit and Proper
- Key Function Holders
- Outsourcing
- Risk Management



An tÚdarás Pinsean
The Pensions Authority

PRUDENTIAL SUPERVISION



An tÚdarás Pinsean
The Pensions Authority

RISK BASED

REVISED SUPERVISORY PROGRAM

Focus resources on schemes that pose the greatest risks to members' interests

RANKING OF SCHEMES

Tailored supervisory engagement commensurate with risk

SIZE NATURE SCALE COMPLEXITY

Large MTs, DBs

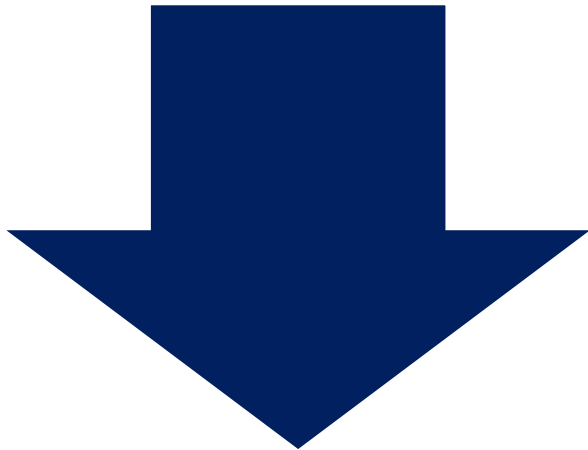


An tÚdarás Pinsean
The Pensions Authority

FORWARD LOOKING



Forward looking
Qualitative assessment
Identify, manage, mitigate risks



Rule based
Backward looking



An tÚdarás Pinsean
The Pensions Authority

ENGAGEMENT WITH SUPERVISED ENTITIES

- ✓ More dialogue
- ✓ More probing of decision making and actions
- ✓ Active and engaged trustees (no *passenger trustees*)
- ✓ Scheme specific policies (no *boilerplate policies*)
- ✓ More qualitative assessments

PROACTIVE SUPERVISION ACTIVITIES 2020

FOCUS

- Large MTs, large DB and DC schemes
- Develop a thorough understanding of these arrangements

SUPERVISORY ENGAGEMENT

- Questionnaire: info about schemes and how they are managed
- Review and assess
- Findings Report

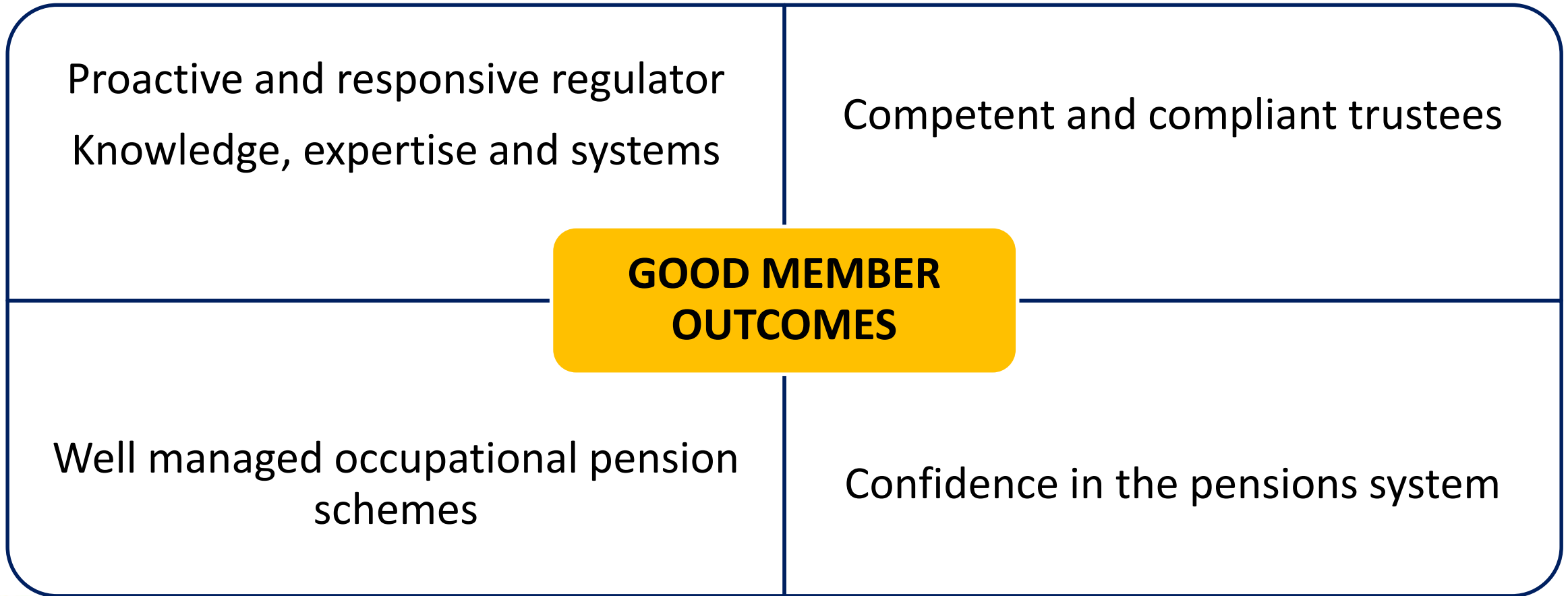
OTHER SCHEMES

- Thematic reviews and inspections
- Communicate high level findings



An tÚdarás Pinsean
The Pensions Authority

WHAT IS THIS ALL ABOUT



Thank you

Questions ?