Introduction - The Multinational Pensions Forum: A year on

Today’s pension environment is one of unprecedented uncertainty, with global pension funding levels challenged on both sides by fluctuating liabilities and volatile asset returns. Whilst low bond yields are beginning to normalize and markets may have rallied of late, this is not enough to make up the pension shortfall. Changes in regulation, accounting standards, reporting requirements and increasing longevity are all forcing corporate sponsors to evaluate new governance models to optimize the management of their pension risk.

Multinational companies create employment for thousands of individuals and facilitate the retirement of hundreds of thousands more. For these multinationals, their pension considerations have the additional dimension of pension plans in multiple regions with a plethora of regional regulations to comply with, which makes good governance even more important. Some solutions may be local or regional and some may be global. Implementing a solution requires commitment from both the pension funds and the corporate sponsor. Having said all this, the benefits of improved global governance and operational efficiencies are clear - they lead to better pension provision.
Whilst the future of corporate pensions is increasingly Defined Contribution (DC) schemes, where the risk is passed to the individual, there remains a paternalistic duty for some companies to ensure that what they are providing for their members will ultimately lead to a good income in retirement. Globally, there is great division on what the best model is and how much of the risk should rest with the individual investor versus the corporate sponsor.

Drawing on insights from J.P. Morgan’s 4th annual Multinational Pensions Forum, which was held in Paris in October 2013, this whitepaper offers a global perspective on some of the key considerations and challenges faced by multinationals in both Defined Benefit (DB) and Defined Contribution (DC) schemes.

A note from our moderator

J.P. Morgan’s Multinational Pensions Forum in Paris brought together corporate sponsors and industry advisors from around the globe to share their experiences, challenges and best practice in managing multiple pension plans.

The current economic and financial environment requires ever increasing levels of competency and for those managing pensions on a global basis the complexity of decision making has increased significantly as a result of the financial crisis. The specific challenges and considerations each multinational faces will be unique, contingent on their funding position and the internal dynamics of their own company. The relationship between the pension funds and the corporate sponsor and the resultant ability and willingness to take risk will also vary as a function of these dynamics. However, there are three enduring elements which shape the management of pensions globally; Risk, Regulation and Structures.

Risks in pensions have probably never been higher than they are today. Although the current dislocation from normal levels of interest rates has resulted in a very low risk environment, it is unlikely that interest rates will return to previous levels soon. This continues to have a significant effect on pension funding levels. The impact on pension provision for the next generation of retirees is still unknown, but what is certain is that how pensions are viewed by future generations will fundamentally change for both DB and DC schemes.

Regulatory change and the impact on pension governance, operational complexity, data requirements and the additional costs are perhaps the most influential factors for both pension fund managers and corporate sponsors.

Structural issues continue to be at the heart of all discussions on how to manage pension funds globally. The dissolved hierarchy of many corporate pension funds and the resultant local autonomy makes a united approach to structural design, such as pooling, very challenging. Whilst each pension solution will be specific to the respective multinational, consistent collection and use of data is required to generate proposals which are embraced by all stakeholders.
These three factors were discussed at this year’s Forum, which was attended by representatives from a number of multinationals, including Shell, ABB, BP, Sanofi, Novartis and ArcelorMittal; large asset managers PGGM and APG (in Admin); industry partners the National Association of Pension Funds (NAPF) and PensionsEurope; and several industry advisors.

In the complex economic and regulatory environment that has emerged since 2008, multinational headquarters are looking to manage information at a consolidated plan level. This is not only to provide an oversight of the health of the funds but to also take a view on exposures in times of market stress. A response from J.P. Morgan over the last 12 months has been to innovate with a client platform that delivers better content and functionality. A year on from our last Multinational Pensions Forum in Paris, we can report back to the group significant advances with the introduction of:

- **A client portal** – JPMorgan Markets
- **Portfolio Insight** – A suite of reports to help understand counterparts’ exposures
- **Regulatory dashboard** – A one click tool that allows headquarters to view the regulatory impact on their investments

J.P. Morgan takes the view that innovation can take several forms. In previous years, multinational headquarters have not had a single voice on pension issues when talking to governments including the European Union. In response to this deficiency, this year we were delighted to facilitate the formation of a Multinational Advisory Group under the leadership of PensionsEurope.

The regulatory environment continues to evolve for multinational pension funds. The top agenda items remain the Institutions for Occupational Retirement Provision (IORP) Directive, Long Term Investing (LTI) and Financial Transaction Tax (FTT). This year’s Forum discussed the current challenges for multinational pension funds for long-term investors in a difficult environment and PensionsEurope’s progress in championing the cause of workplace pensions across Europe.

Key to PensionsEurope’s approach is to engage with a broad range of social partners, including business and trade unions, to seek areas of common ground and achieve consensus. PensionsEurope issued a joint statement on the proposed revision to the IORP Directive with no fewer than eight other pan-European organizations, including European Fund and Asset Management Association (EFAMA), Business Europe and the European Trade Union Confederation.

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1. PensionsEurope is recognized as the leading voice on workplace pensions. Further information on PensionsEurope is provided on pages 14-15
IORP

Whilst the European Commission is focused on the key themes of security, adequacy and the sustainability of pensions, there continues to be real concern about their remit and what challenges they are trying to solve with their initial IORPs proposals. Indeed Steve Webb (UK Pensions Minister) was previously quoted as questioning whether pillar I (holistic balance sheet) was “an answer without a question”.

Additional solvency requirements on pension funds could have the opposite effect to the Commission’s drive towards greater financial security and could force pension funds into a Solvency Trap, where they are only able to invest in risk-free assets. For underfunded pension plans this could have serious consequences, since they would be unable to invest in return-generating assets and therefore could not close their funding gap. Although the solvency requirements for pension funds have, for the moment, been put on hold there are important concerns around not only the cost but also pension funds’ ability to implement the proposed governance and disclosure requirements under IORPs (pillars II and III) and whether they actually achieve what they set out to do.

Joanne Segars, Chair of PensionsEurope, reiterated the importance of focusing on the adequacy of pension provision in considering reform. She also pointed out that there should be greater emphasis by the European Commission on the 60% of Europe’s workforce that have no workplace pension provision at all.

Long-Term Investing

There has been some excellent work done by the Commission on Long-Term Investing (LTI). Pension funds are ideally placed for long-term investing. The matching profile of infrastructure, for example, and the inflation linked nature of its cash flows make this an attractive investment. Encouraging LTI would seem good practice, however the impact of some prudential regulation could mitigate against LTI if inappropriate quantitative measures are applied, for example imposing insurance-type solvency requirements.
INVESTOR SERVICES
Solutions for multinationals
in an environment of unprecedented complexity and uncertainty

Financial Transaction Tax

It was also noted that the impact of the FTT will be significant\(^2\), not only for investors such as pension funds but also for the European economy as a whole. 11 European Union nations currently plan to adopt FTT, under enhanced cooperation\(^3\). Whilst Italy and France have already adopted a slight variance of FTT, there will be no wider adoption by the other nations until late Q1 2014, at the earliest. Under the current proposed FTT, all stocks, bonds, derivatives and other assets traded in or domiciled in a nation adopting the FTT will be taxed. Although some are proposing that pension funds are exempt from FTT, the way that the proposal is currently drafted would render such an exemption ineffective.

The regulatory landscape will remain a concern for pension funds. PensionsEurope continues to capture the voices of its members and educate the European Commission on the potential impact of proposed changes on pension funds and how their raison d’être is fundamentally different to an insurance company or bank. Gathering input directly from the plans impacted by the changes, speaking with a single voice and supplying a detailed impact assessment provides a powerful and compelling business case for a re-think on some of the broad-brush regulations and their impact on pension funds globally.

The pension conundrum is complex with multiple potential solutions which are dependent on specific company situations. Overlaying this are many different inherent risks including assets, liabilities and sponsor covenant risks. With that in mind, journey planning is a key component of pension strategy, where the end game is either around self sufficiency or some form of de-risking with an insurance company.

Journey Plan Framework

MANAGING & MONITORING

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<th>STAGE 1</th>
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<td>CURRENT STATE: Set goals &amp; objectives</td>
<td>Application of investment strategy</td>
<td>END STATE: Self-sufficiency/Run-off/Buyout</td>
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J.P. Morgan, December 2013

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2. BlackRock deduced that the additional cost for an active European equity portfolio is in excess of 257bps per annum. Blackrock’s response to the House of Lords Call for Evidence (FTT), dated November 7, 2011

3. Under enhanced cooperation if all nations (minimum of 9) agree on the terms, then the legislation can go ahead. The 11 nations who currently plan to adopt FTT are Germany, France, Spain, Italy, Belgium, Austria, Portugal, Greece, Slovenia, Slovakia and Estonia
Pension schemes need to have a clear journey plan. This plan will help inform choices and drive direction for a scheme over a long-term horizon. However, you can’t define a journey without first deciding on your destination. This seems a simplistic point, but it is a crucial consideration. Is a scheme looking for buy-out? Or a self-sufficient run-off profile?

Irrespective of a plan’s specific details, some of the components of the journey are common to all plans - identifying where you are and where you want to get to and then implementing the right management to ensure you get there. The investment strategies required to achieve your goals will vary according to your risk budget and advice from the plan’s investment consultant.

Once a journey plan is agreed, there will be many other considerations so the ability to react to roadblocks is key. It is worth remembering that pension liabilities are extremely long dated and so it’s important not to get too distracted with transitory issues. Hedging triggers and pre-planned asset-mix switches may provide direction, allowing schemes to focus on other issues as they arise without losing sight of the journey.

Given the constantly evolving regulatory landscape, the end goal and the journey are likely to change, and may do so quite quickly, so schemes need to be aware of this regulatory risk. The end game for many schemes may be a route to buyout as whilst many see the enduring merits of a DB plan, some corporate sponsors do not want to shoulder the risks (particularly those which are difficult to hedge) or the operational responsibilities of managing an ongoing pension scheme. That said, one of the biggest hurdles to buyout is the funding level and the associated cost of selling off an underfunded scheme. However, as funding levels improve and the sponsor’s focus shifts from contributions to the potential of trapped cash, buyout may become a more attractive option.

Risk management within pension funds sits across a number of spectra. From a DB perspective the focus is on balance sheet risk, stability of contributions and resilience/mitigation against tail risk events. At the centre of risk management is the sponsor covenant. The extent to which the sponsor is engaged in the management process will be partly dependent on the sponsor’s sophistication and what they understand by risk, which may not just be about financial risk. Recent regulations in Australia have made it mandatory to have an additional funding plan in place for DB plans falling below the 100% funding level. This example of an intrinsic link between a pension plan and its sponsor is central to working with the sponsor and defining their risk appetite.
As pension funds become risk managers in their own right it’s important to adopt an integrated approach, which is defined and also agreed at the sponsor level. BP presented how they define risk with the pension trustees using the Group Risk Framework which applies the same standardized form of risk management report as all other segments across the business. The framework encourages comprehensive and consistent reporting of the risks the business faces for management consideration, resource allocation and intervention. The most significant risks are organized into common categories – strategic risks, safety and operational risks, and compliance and control risks.

- **Strategic risk** – An inability to balance cash flows; which can be impacted by the sponsor, asset value and income impairment. This also includes the risk of not having clearly articulated the strategy.

- **Safety and operational risk** – Ensuring the right capabilities to execute the strategy and where appropriate outsourcing certain functions.

- **Compliance and controls** – Evaluate the impact and the likelihood of risks, including reputational, operational and political risks. This encompasses mitigating high probability risks and establishing contingencies to cater for tail risk events.

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BP Group Risk Framework
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This risk framework allows sponsors to focus on and prioritize the key risks. However sponsors also need to look beyond the models and into the practicalities of what those risks mean to the overall journey plan and what an appropriate reaction would be. Once this has been analyzed the sponsor and pension fund can determine which rewarded risks should be taken and when.
Risk budget - Ability to take risk

Having the flexibility to change the risk budget and adopting a dynamic approach are fundamental to being able to adjust the investment strategy to counter changes in the funding ratio which can arise due to external factors, such as interest rates increasing. This can happen quite quickly and the ability to take risk or de-risk to respond to these developments is very important.

This active approach also allows changes in investment strategy at certain pre-defined triggers. For example, at the 110% funding level de-risking into less risky assets to lock in some of the additional savings to protect the volatility for the company long term.

Whilst there is a perception that de-risking will result in increased sponsor contributions, the non-linear relationship between risk and return means that it is possible to achieve improvements in funding by actively managing your investment strategy. This misconception means it’s even more important to ensure clear communication when articulating investment strategy to boards and plan members.

Willingness to take risk

Achieving consensus and making decisions around risk remains challenging due to corporate cultures and significant variations in stakeholders’ understanding of risk. In some markets, such as Australia, increased professionalism of trustees and directors to ensure they have the adequate skill set to manage the risk profile of the plan will go some way to alleviating this factor. However, in all markets, setting clear terms as to where a pension fund wants to get to and when, can serve as a focal point and help deliver a unified approach. Additionally, a documented investment philosophy can also serve as a framework against which one can measure and benchmark decisions.

The continuing low-yield environment and recent changes in accounting standards, which have removed the potential for smoothing mark-to-mark volatility, have both further highlighted the impact of pension liabilities on the corporate sponsor. This can be cause for considerable concern for many companies who are in a position where their pension liabilities are starting to approach their market capitalization and in some cases even exceed it. A reporting framework to help the corporate treasury manage the pension risks is now no longer a nice-to-have but rather an essential agenda item for all corporate finance departments. The practicality of achieving a global solution is always unique to each company, in some companies the headquarters takes an interest in the local plans and they work together towards a common goal. In other cases the relationship between the head office and the pension plans is more devolved and local plans have considerably more autonomy. Whatever the situation, setting out the strategy clearly with all the pension plans is fundamental to building consensus and ensuring that the local plans believe this is designed to help rather than hinder them.

A move towards a global solution
Measure and manage

In simple terms a global framework for managing pensions and their risks can be broken down into two parts: measurement and management.

Measurement

Consolidating all assets onto a single global custody platform allows the sponsor to know what assets they have across all plans from a headquarter’s perspective and also at the individual plan level. This then enables the sponsor to drill down into the assets and identify both their local and global exposure risk to such things as issuer, counterparty, country, currency or asset type.

Consolidated measurement of the liabilities is more difficult to achieve as different geographical regulators demand specific but differing discount rates to be applied to their jurisdiction’s assets. This means that the value of liabilities has to be calculated separately and then consolidated. The same cannot be undertaken with risk, since risks need to be considered at a local and consolidated level as risk is non-additive. Consolidating the present value of liabilities and comparing it to the present value of scheme assets may mean that the results incorporate the effect of a well-funded scheme cross subsidising a less well-off scheme in terms of risk and so skewing the final picture.

The next stage is to move to a common risk platform across all plans to ensure all plans are using the same assumptions and methodologies, both on local and corporate views. It was noted that the risk platform should use consistent scenarios developed with a stochastic and scientific methodology but importantly these scenarios must be economically validated. This helps to show forward looking risk in addition to current Value-at-Risk (VaR). The ability to demonstrate how risks will develop in plans, on an individual and consolidated basis, allows an assessment to be made on the impact to the company’s balance sheet, rating or cash flows.

The methodology used for conducting Asset and Liability Management (ALM) will define what the perceived risks are and inform the action plan that arises as a result. Ensuring that all stakeholders have a good grasp of the impact of any assumptions used will engender a collaborative approach to management. For example, where a strong sponsor covenant exists, and the regulations permit, the sponsor and the pension fund could jointly decide to increase the risk budget at a time when risk taking is rewarded.

4. Asset and Liability Management (ALM) is the practice of managing risks that arise due to mismatches between the assets and liabilities.
Additionally, the use of some forward projections in interest rates (e.g. interest rates are likely to increase in the next 10 years) would seem sensible and will have a major impact on the funding ratio. Another approach would be to try to capitalize the sponsor covenant, whereby a contingent asset (e.g. office block) is counted as part of the plan assets, thus improving the funding ratio.

**Management**

In defining a strategy and risk budget it is important to understand the operational or business risk which will impact corporate profitability and ultimately the security of the sponsor covenant. Understanding the cyclical nature of this risk capacity on the corporate side and aligning it with the cyclicality of the risk funding requirement on the pension side is paramount in order to find a common path.

**Some of the key considerations raised were:**

- Understanding the risks and effective communication of them is vital. Scenario-based modelling is complex and ever evolving which changes the overall risk measures making it a constant challenge to achieve consensus.

- Defining a journey plan, based on the current scenario makes sense but it is only a guide; the plan needs to be flexible and adaptive. This journey plan then forms the basis to allow the sponsor and the pension plans to work together in defining the risk budget.

- Trigger points should be defined for de-risking and re-risking strategies.

- Consolidation of data sets is an integral component of managing risk.

- For closed plans, being overfunded is as much of a risk as being underfunded as trapped cash is a significant concern for the corporate sponsor.

**Whatever happened to pooling?**

For some pension plans pooling assets remains an option. However, the tax challenges and cost of setting this up without significant scale makes it prohibitive for many multinationals. Local or in-country pooling may still have a place in countries where several plans exist and it is simpler to combine them together to generate efficiencies.

There are alternative top-down cost saving approaches which can be implemented to drive efficiencies across multiple service agreements such as centralized procurement and centrally-negotiated service provider contracts.
Market price changes and volatility have an obvious effect on a pension fund’s ability to close a deficit or even grow a surplus. However, perhaps more significant is the impact of interest rates on liabilities. Changes in interest rates can cause large changes in the funding status. For this reason, pension funds traditionally hold a significant portion of their portfolio in fixed income. The dynamics surrounding fixed income yields are therefore of real significance to pension funds, in relation both to assets and liabilities.

**Review of 2013**

Cyclical factors significantly improved in 2013; economic recovery in the developed economies was visible and gained some momentum, particularly in the US and the UK. This led to higher global yields, largely reflecting the anticipated Federal Reserve “tapering” and lower global liquidity. The absence of inflation however did contain the rise in interest rates and hardly supports the pursuit of rising yield trends beyond 3-3.50% for the next six to nine months for a 10-year yield. Credit spreads have resumed their tightening in the second part of the year.

**Looking ahead**

Opportunities in fixed income are still very visible in high yield bonds with default risk remaining very contained and record supply being comfortably absorbed. High yield bonds also benefit from a shorter duration than other asset classes. Significant outflows in 2013 from both USD and local debt instruments have dramatically modified the valorisation of this asset class which is offering an interesting entry point. Flexibility in asset allocation will be of paramount importance in 2014 as the exit of global recession will leave some volatility in fixed income asset classes.
There is no doubt that the global trend continues to be a move from Defined Benefit (DB) to Defined Contribution (DC) schemes. In response, this year’s Multinational Pensions Forum held a DC workshop which outlined the major trends and considered the key themes for providing a good DC scheme in both accumulation and decumulation.

DB pensions are becoming more expensive. Increased longevity combined with historically low bond yields means that the cost of providing benefits is driving many sponsors to offer DC schemes. This is obviously attractive for companies seeking to reduce the risk of pension liabilities which impact their balance sheet. In countries such as the UK, this shift towards DC means individuals are forced to buy annuities. Whilst this guarantees a level of retirement income, the financial pressures that are closing DB schemes also result in poor annuity rates. In many other countries, individuals are left to work out for themselves how much money they can take each year. Neither approach is optimal.

**Decumulation**

Drawdown – the process of taking income from a DC fund – does have attractions. In particular, it allows greater investment risk to be taken, and therefore gives the opportunity for a higher income to be obtained. But whilst a huge amount of work has been done on the accumulation phase, work on decumulation is still in its infancy.

One of the issues with decumulation strategies is that they tend to either gravitate to a fixed amount or a fixed proportion of the fund. Whilst it is clear that taking a fixed amount might result in the fund being exhausted, the challenges with taking a fixed proportion of the fund are more subtle. The issue here is that it could result in excessive volatility in the amount being taken. This is because market values are often far more volatile than the underlying cash flows. Corporate bond markets provide a good example of this as credit spreads can be very volatile, resulting in significant volatility in bond values. Whilst credit spreads, and hence corporate bond values, can experience considerable short-term volatility, the income from bonds can remain relatively unaffected.

This suggests that it makes sense to design a drawdown strategy that involves taking the income as it is produced, and then running down the capital in a controlled way.

However, longevity still poses a challenge. In particular, it becomes increasingly difficult to plan a drawdown strategy the older an individual gets. This is because in the early years of retirement, only a small portion of the assets are taken each year. As an individual ages, this proportion increases and the sustainability of the fund becomes more dependent on a year-to-year decision about the percentage of the fund to take.

There is therefore merit in dealing with this tail longevity risk. One approach is to use Advance Life Deferred Annuities (ALDAs). These can be purchased at retirement, however they only start paying out in 10, 15 or 20 years time. This means ALDAs are relatively inexpensive to buy and can provide security in the latter part of retirement. It also means that the drawdown problem can be re-framed - assets need to last for a fixed period, bringing increased predictability to the period of decumulation.
The 2013 Multinational Pensions Forum stimulated a lively debate focusing on risk, regulation and structure and how best to manage a multinational pension portfolio. Whether it is due to the increased pressure on governance controls imposed by changing regulations or to the globalization of mark-to-market accountancy rules and the ensuing impact on the balance sheet, there was a general acknowledgment that all multinationals now need to manage their pensions at a local and global level.

Key takeaways for the corporate sponsor:

- Data is key in being able to first measure and then manage pension funds. The data needs to be consistent across all plans. This then allows for global oversight and the management of pension risks and exposure.

- Acknowledging where pension schemes are now and defining where you want to get to is critical in being able to define your journey plan. This journey plan should be flexible and adaptive and be actively managed.

- Defining the journey plan allows the adoption of trigger points on where to take risk or de-risk and facilitates a two-way conversation about the risk budget.

- Whilst pooling of multiple pensions has its proponents, it is hugely complex and most effectively applied in instances where there are multiple plans in the same country. A top-down approach to centralized procurement, of asset servicers for example, can produce significant efficiencies.

- There is continued focus on the evolution of DC and some of the potential risk sharing approaches. An income-based approach to decumulation may be a beneficial way to look at retirement provision and requires as much consideration as the accumulation phase of pension planning.

J.P. Morgan would like to thank all the speakers and participants at the 2013 Multinational Pensions Forum. We look forward to welcoming everyone again at the next Forum which will be held in Paris between September 18th and 19th, 2014.

For further information please contact:

**BENJIE FRASER**
Global Pensions Executive, Investor Services,
benjie.h.fraser@jpmorgan.com

**BENJAMIN BOBROFF**
Global Pensions, Investor Services,
benjamin.m.bobroff@jpmorgan.com
Appendix - PensionsEurope

About PensionsEurope
Multinational Advisory Group

Established in 1981 as the European Federation for Retirement Provision (EFRP), PensionsEurope has developed from a friendly circle of pension fund managers into a professional organization. The Federation is consulted by the European institutions on initiatives in the field of supplementary pension provision. Today, PensionsEurope is recognized as the leading voice on workplace pensions in Brussels.

PensionsEurope represents national associations of pension funds and similar institutions for workplace pensions. PensionsEurope has 23 member associations in EU Member States and other European countries with significant, in size and relevance, workplace pension systems. PensionsEurope member organizations cover the workplace pensions of about 80 million European citizens. Through its Member Associations PensionsEurope represents approximately €3.4 trillion of assets (2011) managed for future pension payments. PensionsEurope Members are large institutional investors representing the buy-side on the financial markets.

Within PensionsEurope, the Central & Eastern European Countries Forum (CEEC Forum) has been established to discuss issues common to pension systems in that region. The CEEC Forum brings together 9 CEE countries. Furthermore, PensionsEurope has 18 corporate and supporters members such as law firms, consultancies and asset managers. Corporate members are taking part in relevant PensionsEurope Working Groups on very specific topics relative to EU Financial Market Regulation, long-term investment, accounting issues and the IORP Directive review.

While acknowledging the diversity of European pension systems, PensionsEurope promotes the development of occupational pensions, meaning workplace-based supplementary and privately managed plans or schemes. PensionsEurope’s main goal is to develop a good EU framework for workplace pensions and achieving good pension scheme member outcomes by:

- Protecting IORPs from prescriptive EU solvency rules and resisting attempts to unnecessarily harmonize European pension systems
- Working for improved rules on qualitative and supervisory requirements for IORPs
- Contributing positively to pensions in Europe, in the development of DB, DC as well as hybrid schemes
• Actively engaging in the implementation of the white paper on pensions
• Influencing the outcome of the IORP Directive of acquiring and preserving pension rights
• Helping pension funds respond to the financial crisis

PensionsEurope also advocates for the protection and improvement of pension investments and funding by:

• Protecting and promoting the role of pension funding
• Ensuring that financial market regulation will not result in excessive costs for IORPs
• Advocating the role of IORPs as long-term investors
• Working to improve the transparency of IORP investment activities in order to show their value for money
• Defending the role of social partners and members in IORP governance in both DB and DC schemes
• Advocating the role of IORPs as asset owners

On October 4 2013, PensionsEurope launched the Multinational Advisory Group (MAG) at the end of the J.P. Morgan Pension Forum in Paris. By engaging with multinationals, PensionsEurope can bring issues with a single voice to European regulators and legislators. The MAG will act as a voice for multinationals to provide their views and contribute on topical matters such as pension funds solvency requirements, accounting standards, governance, transparency, financial market regulations as well as education and member engagement. Within the MAG, multinationals will exchange views and share best practices on specific pension issues.

Two annual meetings are planned to take place every year: one will be arranged in connection with the autumn J.P. Morgan’s Pension Forum in Paris, whilst the other will be organized by PensionsEurope during the spring. Ad-hoc meetings may also be scheduled in order to discuss specific topics.

For more information about PensionsEurope and the Multinational Advisory Group, please contact PensionsEurope at info@pensionseurope.eu