

[ESMA publishes MiFID II Supervisory Briefing on Suitability](#)

This supervisory briefing covers the following topics:

- determining situations where the suitability assessment is required;
- information to clients about the purpose of the suitability assessment;
- obtaining information from clients;
- arrangements necessary to understand investment products;
- arrangements necessary to understand the suitability of an investment;
- suitability report;
- qualifications of firm staff; and
- record keeping.

Background

This supervisory briefing is aimed at competent authorities as defined in MiFID II. It is also meant to give market participants indications of compliant implementation of the MiFID II suitability provisions. The purpose of this supervisory briefing is to promote common supervisory approaches and practices in the application of the MiFID II suitability rules.

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EIOPA outlines the principles and guidance for the pension benefit statement

The European Insurance and Occupational Pensions Authority (EIOPA) published today its Report on the “Implementation of IORP II in relation to the Pension Benefit Statement: Guidance and Principles based on Current Practices”.

The Report is part of EIOPA’s work to facilitate the national implementation of IORP II and focusses on the new requirement for Institutions for Occupational Retirement Provision (IORPs) to draw-up a pension benefit statement (PBS). This statement should be concise and made available to each member at least annually.

This Report addresses policymakers and regulators responsible for the implementation of IORP II requirements on information disclosure. The guidance and principles set out in the Report are intended also as an inspiration for pension funds or insurers responsible for issuing Pension Benefit Statements.

The Pension Benefit Statement is an important pillar in the provision of pension information. Its main goal is to provide important information such as the current situation of the pension scheme member regarding the accrual

of his/her pension benefits, projecting future retirement benefits, to enable retirement planning and help the member to take informed decisions.

EIOPA identified the following principles for the design and content of a Pension Benefit Statement:

- The design of the Pension Benefit Statement should be based on a **behavioural approach to facilitate a member's decisions** about his/her retirement **savings**
- **The design** of the Pension Benefit Statement should be **effective, attractive, easy- to read** and the information should be **layered to help the member find key information at a glance** and **navigate easily** through the content to find **answers to his/her questions**
- The Pension Benefit Statement should **present pension projections in real terms** and **in relation to the current income** of the Member in order to better understand her/his purchasing power after retirement
- The Pension Benefit Statement should enable the member to **understand the impact of costs** on his/her pension entitlements and **to compare pension scheme cost levels**
- The Pension Benefit Statement should **integrate and complement** the **communication tools already in place within the Member State** (e.g. on-line pension dashboard, pension calculator) to enable insight into the full retirement situation
- **Information contained in a PBS should be comparable to other PBSs** at national level, to allow for financial planning

This Report builds on EIOPA's Report on "[Good Practices on Information Provision for DC Schemes](#)", better known as "Max Report". Furthermore, EIOPA has duly considered different possible options as well as the potential cost and benefits for relevant stakeholders, including IORPs, members and national competent authorities. It also consulted its Occupational Pensions Stakeholder Group and the feedback received provided valuable input.

EIOPA will continue to promote consistent practices at national level, including the development of examples of standardised designs of the Pension Benefit Statement.

The [Report](#) can be obtained via EIOPA's Website.

Note to the Editors

The IORP II (Directive (EU) 2016/2341) on the activities and supervision of Institutions for Occupational Retirement Provision (IORPs) provides an updated European Union legislative framework for workplace pensions. The Directive will improve the governance of pension funds, make it easier for pension funds to conduct cross-border business and provide clearer

information to pension scheme members and beneficiaries. Member States of the European Union must transpose these new rules into their national law by 13 January 2019.