

# IORP II from an Investment Perspective



Regulations have been published this week by Minister for Social Protection, Heather Humphreys, to transpose the EU IORP II Directive (IORP II) into Irish legislation.

## **Key Changes relating to Pension Scheme Governance**

The main impact of IORP II for Irish Pension Schemes is the introduction of higher standards for pension scheme governance and these changes will apply to all company pension schemes. While the Regulations will apply more immediately to group schemes, the Pensions Authority have consistently recognised that schemes must be given sufficient time so that they can become compliant in an orderly manner.

For more information on these changes, please refer to:

[https://www.irishlifecorporatebusiness.ie/IORP\\_II\\_transposed\\_into\\_Irish\\_law](https://www.irishlifecorporatebusiness.ie/IORP_II_transposed_into_Irish_law)

## **Implications from an Investment Perspective**

From an investment perspective, IORP II does not materially change the current regime for pension scheme trustees in terms of how or where they invest. However, it does ensure that investment is placed at the centre of the risk management framework for any occupational arrangement. We are supportive of this and believe it is something which can assist in delivering better outcomes for Trustees and their members.

## Responsible Investment

Another positive for Trustees is that the requirements in relation to Responsible Investing (“The system of governance shall include consideration of environmental, social and governance factors related to investment assets in investment decisions.”) will already have been met in complying with the recent Sustainability Regulations, namely:

- EU (Shareholder Rights) Regulations 2020 (SRD II); and
- EU Sustainable Finance Disclosures Regulations (SFDR).

For further detail on these Sustainability Regulations, please refer to:

<https://www.ilim.com/media/1713/understanding-sustainability-regulations-for-pension-schemes.pdf>

If you would like further information on any of these regulatory changes or wish to discuss how we can help incorporate Sustainability into your portfolio, please contact your Relationship Manager

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