

Directive (EU) 2016/2341 of the European Parliament and of the Council
of 14 December 2016 on the activities and supervision of institutions for
occupational retirement provision (IORPs) (recast) (Text with EEA relevance)

TITLE III

CONDITIONS GOVERNING ACTIVITIES

CHAPTER 2

Outsourcing and investment management

Article 31

Outsourcing

- 1 Member States may permit or require IORPs registered or authorised in their territories to entrust any activities including key functions and the management of those IORPs, in whole or in part, to service providers operating on behalf of those IORPs.
- 2 Member States shall ensure that IORPs remain fully responsible for compliance with their obligations under this Directive when they outsource key functions or any other activities.
- 3 Outsourcing of key functions or any other activities shall not be undertaken in such a way as to lead to any of the following:
 - a impairing the quality of the system of governance of the IORP concerned;
 - b unduly increasing the operational risk;
 - c impairing the ability of the competent authorities to monitor the compliance of the IORP with its obligations;
 - d undermining continuous and satisfactory service to members and beneficiaries.
- 4 IORPs shall ensure the proper functioning of the outsourced activities through the process of selecting a service provider and the ongoing monitoring of the activities of that service provider.
- 5 Member States shall ensure that IORPs outsourcing key functions, the management of those IORPs, or other activities covered by this Directive enter into a written agreement with the service provider. Such agreement shall be legally enforceable and shall clearly define the rights and obligations of the IORP and the service provider.
- 6 Member States shall ensure that IORPs notify competent authorities in a timely manner of any outsourcing of the activities covered by this Directive. Where the outsourcing relates to the key functions or management of IORPs, this shall be notified to competent authorities before the agreement in respect of any such outsourcing enters into force. Member States shall also ensure that IORPs notify competent authorities of any subsequent important developments with respect to any outsourced activities.

***Status:** EU Directives are being published on this site to aid cross referencing from UK legislation. After IP completion day (31 December 2020 11pm) no further amendments will be applied to this version.*

7 Member States shall ensure that competent authorities have the power to request information from IORPs and from service providers about outsourced key functions or any other activities at any time.