

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 V

PRUDENTIAL SUPERVISION

CHAPTER 1

General rules on prudential supervision

Article 49

Supervisory review process

1 Member States shall ensure that competent authorities have the necessary powers to review the strategies, processes and reporting procedures which are established by IORPs to comply with the laws, regulations and administrative provisions adopted pursuant to this Directive, taking into account the size, nature, scale and complexity of the activities of the IORP.

That review shall take into account the circumstances in which the IORPs are operating, and, where relevant, the parties carrying out outsourced key functions or any other activities for them. The review shall comprise the following elements:

- a an assessment of the qualitative requirements relating to the system of governance;
- b an assessment of the risks the IORP faces;
- c an assessment of the ability of the IORP to assess and manage those risks.

2 Member States shall ensure that competent authorities have monitoring tools, including stress-tests, that enable them to identify deteriorating financial conditions in an IORP and to monitor how a deterioration is remedied.

3 The competent authorities shall have the necessary powers to require IORPs to remedy weaknesses or deficiencies identified in the supervisory review process.

4 The competent authorities shall establish the minimum frequency and the scope of the review laid down in paragraph 1 having regard to the size, nature, scale and complexity of the activities of the IORP concerned.