

Press Release

London, Nice, Singapore, October 9, 2012

EDHEC-Risk Institute Considers that the European Commission White Paper on Pensions could be Improved

EDHEC-Risk Institute has released a comprehensive new study in response to the European Commission White Paper entitled “An Agenda for Adequate, Safe and Sustainable Pensions,” published on February 16th, 2012, which proposed a series of measures related to information and monitoring, European harmonisation and portability, and pension design.

In a letter addressed to Mr László Andor, European Commissioner for Employment, Social Affairs and Inclusion, on October 4, 2012, EDHEC-Risk Institute considers that **the European Commission White Paper constitutes a first step but that the Commission should go further in terms of harmonisation and better take into account the specifics of the financial management of pension funds.**

As such, EDHEC-Risk has highlighted three key messages from its study:

1. The current pension debate should be used by the Commission to foster increased coordination in pensions reform. When discussing the sustainability of public finance, **one medium-term objective could be to recognise unfunded implicit pension commitments.**
2. The prudential framework for pensions is bound to have far-reaching consequences, and it needs to respect **the particularities of pension providers, which are not those of insurers.**
3. New regulation should **encourage the generalisation of asset-liability management practices**, both for pension funds and individual retirement products, using the best available knowledge and techniques and evaluating micro as well as macroeconomic impacts. **A move towards hybrid pensions could, with this objective in mind, provide a more adequate conceptual framework** for European countries to converge towards.

A copy of EDHEC-Risk Institute’s letter to Mr László Andor, European Commissioner for Employment, Social Affairs and Inclusion, can be downloaded here:

[EDHEC-Risk Institute letter to László Andor, European Commissioner for Employment, Social Affairs and Inclusion](#)

A copy of the EDHEC-Risk study can be downloaded here:

[EDHEC-Risk Publication Response to the European Commission White Paper "An Agenda for Adequate, Safe and Sustainable Pensions"](#)



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About EDHEC Risk Institute

Since 2001, EDHEC has been pursuing an ambitious policy in terms of international research. This policy, known as “Research for Business”, aims to make EDHEC an academic institution of reference for the industry in a small number of areas in which the school has reached critical mass in terms of expertise and research results. Among these areas, asset and risk management have occupied privileged positions, leading to the creation in 2001 of a major research facility: EDHEC-Risk Institute. This institute now boasts a team of 85 permanent professors, engineers and support staff, as well as 45 research associates from the financial industry and affiliate professors.

EDHEC-Risk Institute is located at campuses in Singapore, which was established at the invitation of the Monetary Authority of Singapore (MAS), the City of London in the United Kingdom, and Nice, France. In addition, it has a research team located in the United States. The philosophy of the institute is to validate its work by publication in prestigious academic journals, but also to make it available to professionals and to participate in industry debate through its Position Papers, published studies and conferences. From 2013, EDHEC-Risk will be organising major conferences for professionals on three continents in order to present the results of its research, one in London (EDHEC-Risk Days Europe), one in Singapore (EDHEC-Risk Days Asia), and one in New York (EDHEC-Risk Days North America).

To ensure the distribution of its research to the industry, EDHEC-Risk also provides professionals with access to its website, www.edhec-risk.com, which is entirely devoted to international risk and asset management research. The website, which has more than 55,000 regular visitors, is aimed at professionals who wish to benefit from EDHEC-Risk’s analysis and expertise in the area of applied portfolio management research. Its monthly newsletter is distributed to more than 1,400,000 readers.

EDHEC-Risk Institute also has highly significant executive education activities for professionals. In partnership with CFA Institute, it has developed advanced seminars based on its research which are available to CFA charterholders and have been taking place since 2008 in New York, Singapore and London. EDHEC-Risk Institute has an original PhD in Finance programme which, in addition to its highly selective residential track for young talents worldwide, has an executive track for high level professionals who already have master’s degrees from prestigious universities and significant industry experience. Complementing the core faculty, this unique PhD in Finance programme has highly prestigious affiliate faculty from universities such as Princeton, Wharton, Oxford, Chicago and CalTech.

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