

## Belgium expects to attract €5bn in Dutch cross-border pension assets

3 March 2016 By [Maarten van Wijk](#)

Dutch pension assets in Belgium-based IORPs are set to increase by several billions of euros over the next year if Dutch companies' current plans are realised, according to the Belgian regulator (FSMA).

Speaking at Amsterdam's Free University, Luk Behets, an adviser on the prudential supervision of pension funds at the FSMA, said the assets of Dutch schemes considering relocation currently represented one-quarter of pension fund assets in Belgium, worth approximately €23bn.

Behets said Belgian IORPs were now implementing seven Dutch pension plans, with combined assets of €550m, adding that this equated with 60% of assets in cross-border arrangements.

While he said the FSMA expected "firm decisions" to be taken this year, he did not provide a figure for the number of schemes considering a cross-border move or the names of their sponsors.

It has recently come to light that multinational companies DuPont, ExxonMobil, BP, General Electric and Aon are planning to place their Dutch pension funds into a Belgium-based IORP.

Also speaking at the congress, Rick Hoogendoorn, a pensions policy expert at the Dutch regulator (DNB), said DNB was satisfied with the security of pension rights in Belgium.

He cited the use of a similar discount rate for Dutch pension rights, the application of Dutch social and labour legislation and "strong, friendly ties" with the FSMA.

Hoogendoorn also noted that, in Belgium, the risk of rights cuts depends largely on the risk of non-payment by the sponsor as a consequence of the usual sponsor's guarantee.

He said the regulator did not consider this a problem from a supervisory point of view.

A couple of years ago, Johnson & Johnson lost a lawsuit against DNB, which rejected the company's request to allocate 60% of its portfolio to equities, with an interest hedge of no more than 10%.

The pharmaceutical's Belgian scheme has now adopted just such a strategy.

Responding to the case, Hoogendoorn pointed out that, in the Netherlands, the regulator is prohibited from taking a sponsor's guarantee into account when assessing the prudence of a scheme's investment policy.

He also observed that no Dutch pension funds, low-cost DC vehicles or insurers were currently carrying out cross-border pension arrangements for foreign schemes.