

## Press release

**Date:**  
13 November 2018

**Embargo:**  
---

**Contact:**  
Vinzenc Mathys,  
Media Spokesperson  
Phone +41 (0)31 327 19 77  
[vinzenc.mathys@finma.ch](mailto:vinzenc.mathys@finma.ch)

# FINMA publishes “Pricing of occupational pension funds” circular

**The Swiss Financial Market Supervisory Authority FINMA has revised and simplified its supervisory practice in relation to occupational pension fund pricing. As a result, insurance companies will have greater freedom in pricing. At the same time, steps have been taken to guarantee equal treatment for policyholders by ensuring that only discounts and surcharges which can be justified on actuarial grounds are permitted. The new circular will enter into force on 1 December 2018; transitional arrangements apply to some changes.**

FINMA has published a revised circular relating to requirements for the pricing of occupational pension funds. Essentially, FINMA has removed the restrictions between the highest and lowest premiums in experience-based pricing. However, FINMA has specified that discounts and surcharges on premiums will only be permitted if they can be justified in actuarial terms. This takes account of the principle of equal treatment for policyholders while also giving insurance companies overall greater freedom to set prices.

### Two circulars become one

FINMA has merged two existing circulars (2008/12 “Revolving door principle – occupational pension funds” and 2008/13 “Pricing risk insurance – occupational pension funds”) together into the revised circular because they both relate to the same material. The contents have been streamlined and set out in a principle-based and risk-oriented way. The new circular “Pricing of occupational pension funds” enters into force on 1 December 2018 and pertains solely to rates which apply from 1 January 2020 onward. Market participants will be granted appropriate transitional periods for some changes.

### FINMA responds to industry concerns

FINMA conducted a [consultation exercise](#) regarding these changes. Those involved in the consultation process broadly welcomed the new circular. Their criticism focused on three areas: provisions relating to technical interest rates, provisions relating to rate surcharges and discounts, and the fact that the circular covers insurance companies domiciled in the

Principality of Liechtenstein for occupational pension business in Switzerland. FINMA has taken account of the first two matters in the published version of the circular by defining transitional periods for the changes to technical interest rates and discounts.