

Publications

OECD Focus on Pensions: ESOPs Acknowledged, Social Investing Promoted

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PUBLISHED

06/30/2016

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The Organisation for Economic Cooperation and Development (OECD) Working Party on Private Pensions (WPPP) met again in at the Organisation's Paris headquarters in early June, amidst multiple labor strikes and the worst flooding of the Seine in sixty years. During this most recent meeting, the WPPP finalized its Core Principles of Private Pension Regulation, which had been the subject of many prior meetings. In the final version, the WPPP added, following comments by numerous US and European stakeholders, acknowledgement of US-style ESOPs. The Party also issued a Progress Report on Investment Governance and ESG (Environmental, Social and Governance principles), including for pension investing. In the US, ESG is more typically referred to as social investing, and the US Department of Labor has issued various guidance on the intersection of fiduciary duties under ERISA and social investing in the past.

This report will focus on the new ESOP provisions in the Core Principles, the beginning of apparent advocacy of ESG investing by pension funds, and a few of the other areas that are beginning to attract the attention of the WPPP. Please see the attached memo for further information.

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