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To: Working Party on Financial Services and the Banking Union (PEPP)
Financial Services Attachés

Subject: PEPP Regulation Review - WP meeting on 27 February 2026 - Presidency discussion paper on amendments to PEPP Regulation

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Presidency discussion paper on amendments to PEPP Regulation

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Introduction

On 20 November 2025, as part of a package of measures to help citizens secure adequate income in retirement by improving access to better and more effective supplementary pensions, the European Commission proposed the review of Regulation (EU) 2019/1238 on a pan-European Personal Pension Product (PEPP) - the PEPP Regulation with the aim to turn the PEPP into a genuinely European, cost-effective and flexible long-term savings product.

The amending Regulation was presented to Member States (MS) by the Commission on 1 December along with the Staff Working Document that assessed the impact of the proposed amendments. MS were invited to provide the Presidency (PCY) with written comments by the 19th of December in preparation for Council Working Party (CWP) examination of the text from January onwards.

On the 29th of January the Working Party discussed the design framework in general, features of Basic and tailored PEPPs, the treatment of PEPP national personal pension frameworks, interaction with Pillar II.

Topics of discussion on the PEPP proposal

This note serves to structure the debate at the CWP meeting of 27 February which will focus on:

- Value for Money Provisions
- Revised provisions on disclosure, pre-retirement planning and decumulation phase
- Revised provisions on the PEPP Key Information Document (KID)
- Revised provisions on PEPP Benefit Statement
- Pension tracking systems Provision
- Role of EIOPA

1. Value for Money Provisions – Articles 6, 8, 25, 63 and 65 and Recitals 10, 14, 15, 16 and 17

Purpose of the discussion

This item aims to present the amendments introduced by the Commission proposal concerning the introduction of Value for Money (VfM) requirements embedded within a reinforced Product

Oversight and Governance (POG) framework and closely linked to the registration and de-registration of PEPPs and to take note of MS initial reactions and concerns.

1.1 POG arrangements and VfM assessment (Article 25(1)) and Recitals 14, 15 and 16)

Content of the proposal

As clarified by Recitals 14 and 15, the proposal intends to amend Article 25 of the PEPP Regulation with the aim of establishing a VfM framework within the POG requirements applicable to PEPPs.

Article 25(1) establishes VfM as an integral part of PEPP product approval process. PEPP providers are required to establish, maintain, operate and review effective POG arrangements throughout the product life cycle. These arrangements must ensure that PEPPs are designed, monitored and reviewed with a view to meeting the needs, characteristics and objectives of the identified target market, while avoiding foreseeable consumer detriment.

The proposal clarifies that POG requirements apply both at product design stage (based on reasonable assumptions reflecting plausible expectations) and on an ongoing basis, including regular product reviews and corrective action where risks to PEPP savers are identified.

It is the PCY's understanding that the objective of the proposed amendments is to ensure that the costs and charges applied to PEPPs are proportionate to the expected returns and benefits offered. The VfM framework is conceived as an essential safeguard against potential consumer detriment following the removal of the mandatory fee cap for the Basic PEPP and also that both Basic and tailored PEPPs remain cost-efficient and fair-value products.

To ensure consistency with other EU financial services legislation, VfM requirements are embedded within a broader product oversight and governance framework. Accordingly, as part of the product approval and review process, PEPP providers would be required to carry out a VfM assessment.

The proposal strengthens product and oversight governance rules, by aligning them with those set out under the Insurance Distribution Directive (IDD) as proposed in the context of the Retail Investment Strategy (RIS).

Article 25(1) third subparagraph aims to align the PEPP product governance framework with Article 25 of the IDD, as amended under the RIS, applied mutatis mutandis. Recital 16 of the proposal explains that this ensures regulatory coherence across retail investment products, while recognising that PEPPs are distinct long-term pension products.

The PCY notes that the PEPP Regulation applies to a wide range of providers, including insurance undertakings, investment firms, credit institutions, UCITS management companies and AIFMs, many of which are already subject to sector-specific POG and VfM regimes under Union law. In light of this, the third subparagraph of Article 25 raises questions as to:

- the relationship between the IDD-based POG/VfM framework and sectoral regimes
- the scope and legal effect of the mutatis mutandis reference.

However, it is the PCY's understanding that the mutatis mutandis reference to Article 25 IDD reflects the fact that, at the time of adoption of the PEPP proposal, negotiations on the IDD under RIS were still ongoing. The provision should be considered as a placeholder. The Commission intention would be to replace the mutatis mutandis reference and instead to replicate, with appropriate adjustments, the relevant IDD provisions directly into Article 25 of the PEPP Regulation.

1.2 VfM and Registration of a PEPP (Article 6, recitals 10 and 15)

Content of the proposal

An important element in the efforts to achieve an uptake of the PEPP, is to make it attractive and competitive, and ensure that it provides VfM to savers. The product approval process should identify the target market, objectives and needs of savers, and demonstrate, before the product is approved for distribution, that the total costs and charges are justified and proportionate in view of the expected benefits and performance. To build consumers' trust in the product, a PEPP that does not meet these criteria should not be manufactured, approved, or distributed. To ensure that potential PEPP providers design and deliver products in line with the above objectives, a new provision has been inserted in Article 6, paragraph 2, point (fa), stating that PEPP providers must demonstrate at the registration process their capacity to comply with product oversight governance requirements and illustrate their ability to provide VfM to savers.

It is the PCY's understanding that this requirement aims to ensure that PEPPs are, by design and before being placed on the market, aligned with the objectives and needs of their identified target market, and their costs are justified and commensurate with their characteristics and expected performance. The overarching objective is to ensure that only competitive products that are appropriately targeted and that deliver fair outcomes to PEPP savers are offered in the market.

The other changes in Article 6 tackle procedural issues regarding the registration process. More specifically a change in paragraph 3 of Article 6, provides that, in cases where the application for registration is not complete, the competent authorities shall set a time limit, not exceeding 15 working days, by which the applicant must provide the additional information. The intention is to improve procedural certainty and avoid a lengthy or uneven registration process across MS. In paragraph 5 of Article 6 a minor amendment is included to ensure that the new documents under point (fa) in paragraph 2 are also disclosed to EIOPA.

Member States' views on item 1.1 and 1.2

MS expressed broad conceptual reservations regarding both the timing and the design of the POG/VfM framework for PEPPs. Many MS underlined that the VfM concept is still under negotiation under the RIS and has not yet been tested in practice, making it premature to transpose it into the PEPP Regulation. Some also questioned the requirement to demonstrate at registration time compliance with the VfM concept based on projections. Several MS therefore called for awaiting the outcome of the RIS trilogues before fixing PEPP-specific VfM obligations. Some MS supported the introduction of VfM in principle, but raised concerns about administrative burden, particularly the combination of mandatory registration and ex ante VfM assessment based on projections. Other MS fundamentally questioned the appropriateness of VfM as a binding legal concept for long-term pension products, suggesting it should either remain a supervisory principle applied flexibly by NCAs or be deleted altogether.

Many MS also raised legal certainty concerns linked to the *mutatis mutandis* reference to IDD Article 25. Several MS considered it legally unclear who determines what “*mutatis mutandis*” means in practice, and how conflicts between different sectoral regimes should be resolved. In particular, MS questioned the appropriateness of extending an insurance-distribution directive to PEPP providers that are subject to MiFID II, UCITS or AIFMD, noting the risk of:

- overlapping or conflicting VfM regimes,
- unequal treatment of PEPP providers depending on their regulatory status,
- risks of benchmarks differing by provider type, product structure or distribution channel,
- increased compliance complexity, contrary to the simplification objective.

Several questioned why IDD is singled out, rather than MiFID II, or why a neutral PEPP-specific POG framework is not envisaged instead.

On the amendments relating to the procedural issues regarding the registration, concerns were expressed on the short deadline time limits of 15 and 5 working days respectively, for

submitting additional requested information and notifying EIOPA of the decision of registration.

Questions:

Q1: Do Member States agree that reinforcing POG requirements at Level 1 and introducing a binding VfM requirement for PEPPs is necessary to support the increased flexibility introduced by the revised PEPP framework? If not, what alternatives would MS suggest?

Q2: Do MS agree with deleting the “mutatis mutandis” reference and replicating, with appropriate adjustments, the relevant IDD provisions directly into Article 25 of the PEPP Regulation? Please elaborate/justify your position and provide your suggestions specifically on which adjustments to the relevant IDD provisions you consider appropriate.

Q3: Do MS agree with the proposed use of the VfM concept in the registration process of a PEPP? If not, outline the main issues of concern and provide suggestions for addressing them.

Q4: Do MS agree with the proposed time limit of 15 and 5 working days respectively for the provision of additional information when necessary and for notifying EIOPA of the registration decision? If not, please explain and suggest alternatives.

1.3 Supervisory benchmarks for the VfM assessment and ongoing supervision – Article 25(2) and (3) and Recitals 16 and 17

Content of the proposal

Article 25(2) introduces supervisory benchmarks to be used by competent authorities when assessing whether PEPPs deliver VfM, both at registration and on an ongoing basis, and empowers competent authorities to require corrective action where necessary. The proposal requires competent authorities to monitor PEPPs made available on the market and to assess them against applicable VfM benchmarks. Under the new framework, competent authorities are required to request PEPP providers to provide appropriate evidence that costs and charges are justified and proportionate when measured against the benchmark, and that the PEPP meets the objectives and needs of the identified target market. The proposal envisages a comparative and supervisory-based approach, allowing benchmarks to reflect market conditions, product types (Basic vs tailored PEPPs) and national specificities.

Where such evidence is not provided, or where the competent authority concludes that costs and charges are not proportionate or that the PEPP fails to meet the objectives of the target market, the competent authority must require the provider to take remedial measures. In the

absence of such measures, the proposal refers to the use of actions such as de-registration (Article 8), prohibition or restriction of the distribution or marketing of the PEPP within or from the MS concerned (Article 63), or the exercise of any other supervisory or investigatory powers available under national law (Article 62). The introduction of specific supervisory duties in relation to VfM assessments is intended to ensure consistency with the IDD framework.

It is the PCY's understanding that the objective is to move away from rigid ex ante price controls towards a more dynamic, evidence-based assessment of consumer outcomes. Also, the supervisory benchmarks referred to in Article 25 are not set in the Regulation. The proposed Article 25(3) empowers the Commission to adopt delegated acts specifying further elements of the POG and VfM framework, including criteria, adjustments to the insurance-based investment products (IBIPs) methodology relevant for VfM assessments, which shall ensure that PEPPs are compared with groups of comparable personal pension products manufactured and distributed. The Commission in Recital 16, justifies this empowerment by the need to ensure supervisory convergence and adaptability over time, particularly given evolving market practices and the interaction with Art 25 IDD.

However, as pointed out in section 1,1, it is the PCY's understanding that the proposal is linked to Article 25 IDD and is meant to be amended following the development of the RIS negotiations.

The compromise text of Article 25 IDD, as agreed by the co-legislators, explicitly envisages a mandate for EIOPA to develop Union-wide supervisory benchmarks against which competent authorities will have to assess the relevant products. EIOPA will also be required to publish the methodology used for the development of such supervisory benchmarks. Additionally, the compromise text of the agreement contains specific indications for the development of the benchmarks, such as the need to base the benchmarks on specific product clusters containing a significant number of insurance-based investment products that present similar characteristics. Comparable obligations would need to be introduced in the PEPP Regulation taking into account the specificities of personal pension products (with the appropriate distinctions made between the Basic and the tailored PEPP). This will mean that the current wording of Article 25(3) will also need to be amended to delete the Commission empowerment for a delegated act and to introduce comparable obligations as per Article 25 IDD adjusted to cater for the PEPP specific obligations.

Member States' views

Member States expressed substantial reservations regarding the operability and proportionality of supervisory benchmarks. Several MS questioned whether VfM benchmarks are suitable for long-term pension products, noting that:

- outcomes can only be meaningfully assessed over decades,
- benchmarks risk favouring short-term performance,
- smaller or new providers may be disproportionately affected.

Several MS strongly opposed the empowerment for a delegated act, arguing that core elements of the VfM framework must be defined at Level 1, particularly given their potential impact on providers' business models and supervisory enforcement. Some MS proposed replacing delegated acts with regulatory technical standards, in line with the IDD framework. Others stressed that, if delegated powers are retained, the Commission should be subject to clear timelines to avoid prolonged legal uncertainty. Several MS requested clarifications on how PEPP delegated acts would interact with:

- RIS Level 2 measures, Art 25(8) IDD
- existing EIOPA benchmarks for IBIPs.

Questions

Q5: Do MS agree with the introduction of supervisory benchmarks as the main tool for assessing VfM for PEPPs? If not, please elaborate/justify your position and provide your alternative solutions to measure performance of PEPPs.

Q6: Do MS agree with deleting COM delegated acts empowerment and introducing comparable obligations as per Article 25 IDD adjusted to cater for the PEPP specific obligations? If not, what would the MS propose instead?

1.4 Corrective measures, de-registration and supervisory powers (Article 8, 63 (1) and 65 (3), Article 56a, recital 24)

Content of the proposal

Where a competent authority concludes that a PEPP fails to offer value for money, does not meet the objectives of the target market, or where sufficient evidence has not been provided, it must require the PEPP provider to take corrective measures to ensure compliance with product oversight and governance requirements.

If such measures are not taken or prove ineffective, competent authorities may make use of their powers under Articles 8 and 63(1), including intervention measures and, where appropriate, the withdrawal or suspension of registration in cases of consistent failure to offer VfM.

Article 65(3) extends EIOPA's product intervention powers to cases of consistent failure to offer VfM. Any product intervention by EIOPA on this basis remains subject to the cumulative conditions set out in Article 65(3), including that applicable Union regulatory requirements do not adequately address the concern and that competent authorities have not taken, or have not sufficiently taken, action to address it.

This power mirrors existing intervention regimes under other EU financial services legislation.

The Commission considers EIOPA intervention as an exceptional measure, intended to complement national supervision and ensure consistent responses to systemic or cross-border risks.

Also, in the event of de-registration, Article 8 specifies the obligations of the PEPP provider towards PEPP savers. Providers must inform savers in a clear, accurate and comprehensive manner of the de-registration decision, its effective date, and the options available to them, including the right to request, without delay and free of charge, a switch to another PEPP provider or a transfer to another personal pension product, as well as any other information necessary for savers to exercise their rights effectively.

These provisions are complemented by the introduction of specific switching and transfer rights in cases of de-registration, ensuring a high level of protection for PEPP savers and beneficiaries and preventing discriminatory obstacles to transfers.

Member States' views

Regarding Article 63(1a) a number of MS raised concerns about supervisory capacity and burden, stressing that:

- the obligation to "monitor" VfM is insufficiently defined;
- supervision should be explicitly risk-based and proportionate.

Some MS questioned the added value of this provision, noting that Article 25 IDD already provides supervisory powers in this area. Others proposed deleting the provision entirely, considering it redundant or disproportionate in light of national supervisory frameworks.

Regarding Article 65(3) several MS questioned the necessity of this extension, in some instances arguing that systemic VfM failures are already covered by existing EIOPA product intervention powers relating to investor protection.

Questions

Q7: Do MS agree that NCAs should be explicitly empowered to intervene where a PEPP fails to deliver VfM? Are the proposed intervention powers proportionate and sufficiently framed? Please elaborate/justify your position

Q8: Do MS agree with extending EIOPA's product intervention powers to PEPPs as proposed in Article 65(3)? Please elaborate/justify your position.

2. Revised provisions on disclosure, pre-retirement planning and decumulation phase information (Articles 38, 60, 18 and recital 13)

Purpose of the discussion

This item aims to present the amendments introduced in the proposal concerning enhanced disclosure to PEPP savers, the extension of pre-retirement planning and guidance, the information to be provided at the start of the decumulation phase, and the revised approach to portability and takes note of MS initial reactions and concerns.

Content of the proposal

The Commission's proposal aims to enhance the information provided to PEPP savers throughout the lifecycle of the product, in particular as regards the upcoming start of the decumulation phase, the possible forms of out-payments, the costs and charges associated with each form, the applicable tax treatment, and the availability of portability across MS while reducing unnecessary operational constraints for PEPP providers.

To that end, the proposal amends Article 38 by introducing a requirement for PEPP providers to supply each PEPP saver, prior to the start of the decumulation phase, with an explanatory guide accompanying the relevant pre-retirement information. That guide should cover the possible forms of out-payments, the related costs and charges, the applicable tax treatment, and the possibility for the PEPP saver to modify the chosen form of out-payment in accordance with Article 59(1), and should include projections illustrating potential variations in the amount of out-payments over time where a variable annuity is offered.

In addition, while Article 60 currently requires PEPP providers to offer PEPP savers investing in a Basic PEPP personal retirement planning on the sustainable use of the accumulated capital, the proposal seeks to ensure that all PEPP savers have a clear understanding of their financial situation and of the options available as they approach retirement and therefore, the provision of pre-retirement planning and advice is extended to apply to all PEPP savers and not only to those investing in the Basic PEPP.

With regard to portability, Article 18(3) currently requires each PEPP provider to offer national sub-accounts for at least two MS, a requirement that according to Recital 13 adds operational complexity, hinders the development and manufacturing of PEPPs, and risks limiting PEPPs to a niche product targeting only a limited share of the Union's working-age population, thereby constraining economies of scale. The proposal therefore removes the obligation to offer national sub-accounts for at least two MS, while strengthening transparency by requiring the PEPP provider or, where applicable, the PEPP distributor to provide clear information on the portability service and to indicate which national sub-accounts, if any, are immediately available.

Member States' views

On the basis of the views expressed so far, only a limited number of MS have raised concerns regarding the proposed amendment to Article 38, while several delegations have put forward drafting suggestions with a MS indicating information and advisory obligations should remain proportionate to the size of the amounts involved, noting that for smaller amounts the cost of advice may outweigh the potential benefits and could thereby undermine the objective of value for money. Another MS suggested introducing the notion of "due time" to ensure the timely provision of the required information, while a further delegation proposed including, within the retirement planning description, a clearer presentation of savers' contractual rights. In addition, some MS requested clarification of the term "variable annuity", and another MS sought clarification regarding the specific information expected to be provided by PEPP providers.

As regards Article 60 of the PEPP Regulation, MS generally supported extending the requirement to provide personal retirement planning at the start of the decumulation phase to all types of PEPP. Only one MS reiterated that information and advisory obligations should remain proportionate to the amounts involved and expressed concern that extending this obligation to all PEPPs may not be fully consistent with the objective of burden reduction.

Concerning portability, MS have largely expressed support for the proposed amendments.

Questions

Disclosure at the start of the decumulation phase (Article 38)

Q9: Do MS support the proposed enhanced information requirements, including the provision of an explanatory guide and projections where a variable annuity is offered? If not, which information do you consider to be an appropriate minimum for PEPP savers and why? Please elaborate/justify your position.

Pre-retirement planning and advice for all PEPP savers (Article 60)

Q10: Do MS agree with extending the requirement to provide personal retirement planning at the start of the decumulation phase to all PEPP savers? If not, what are the MS' main concerns? Please elaborate/justify your position.

Portability and removal of the two-sub-account requirement (Recital 13 and Article 18)

Q11: Do MS support the removal of the obligation for PEPP providers to offer national sub-accounts for at least two Member States? Please elaborate/justify your position.

Q12: Do MS agree with the proposed transparency requirements concerning the availability of portability and national sub-accounts? Please elaborate/justify your position.

3. Revised provisions on the PEPP Key Information Document (KID) -Article 28 and Article 34(2)

Purpose of the discussion

This item aims to present the amendments introduced the amendments (excluding those related to a workplace arrangement for this discussion) introduced in the proposal concerning the PEPP Key Information Document (KID) and to take note of MS initial reactions and concerns.

Content of the proposal

The proposal introduces limited amendments to the pre-contractual information provided to potential savers through the PEPP KID. In the Commission's proposal, the content of the PEPP KID is updated to reflect the revised features of the Basic PEPP and tailored PEPP with the requirements among others to indicate that the PEPP can be Basic or tailored and their main differences, that for the Basic PEPP a lifecycle investment strategy is applied and for the tailored PEPP a risk-mitigation technique which must be described and a description of the range of investment options offered by that provider.

To enhance comparability, transparency and consumer protection, the proposal requires the disclosure of total aggregate costs expressed both in monetary and percentage terms, including:

- the compound effect of the total costs on the investment over the previous 12 months;
- an estimation of the impact of those costs on the final capital accumulated;
- where applicable, costs charged for a capital guarantee must be disclosed explicitly and separately.

In addition, a new provision is introduced in Article 34(2) requiring the PEPP provider or, where applicable, the PEPP distributor to clearly inform prospective PEPP savers that comparative information on the costs and performance of all PEPPs is publicly available through the EIOPA central public register referred to in Article 13(1), and to indicate, in a clear and prominent manner, the internet link to that register.

Member States' views

MS generally supported the objective of enhanced transparency and consumer protection and the provision of comprehensive information to PEPP savers through the PEPP KID, while underlining that the document should remain concise and preserve its readability. However, delegations expressed diverging views regarding the necessity and added value of certain information elements. Some MS questioned the relevance and practicality of specific disclosures and suggested deleting or refocusing certain items.

Several MS requested clarification on the description of the life-cycle investment strategy of the Basic PEPP in the KID, noting that different glidepaths could apply depending on the saver's risk profile. One MS requested a concrete comparative example illustrating cost disclosure under the current and proposed regimes, as well as clarification of certain terminology, including "direct" and "indirect" costs. Another MS expressed concerns regarding the presentation of the life-cycle investment strategy without also allowing for a guarantee-based approach.

Suggestions were also made to examine possible synergies with relevant provisions of the RIS, and to consider the use of web-based references in the KID for more detailed or granular information.

Questions

Q13: Do MS agree with the proposed expansion and updating of the PEPP KID content, for the revised Basic and tailored PEPP features? Please elaborate/justify your position.

Q14: Do MS agree with the proposed disclosure of total aggregate costs in both monetary and percentage terms, including their compound effect over the previous 12 months and their estimated impact on the final capital accumulated? Please elaborate/justify your position.

Q15: Do MS support the explicit and separate disclosure, where applicable, of costs related to the capital guarantee? Please elaborate/justify your position.

Q16: Do MS agree with the inclusion in the KID of information on the central public register of PEPPs, together with a direct internet link? Please elaborate/justify your position.

4. Revised provisions on the PEPP Benefit Statement – Article 36

Purpose of the discussion

This item aims to present the amendments introduced to the content of the PEPP Benefit Statement (PBS) and to take note of MS initial reactions and concerns.

Content of the proposal

In the Commission's proposal, the content of the PBS is enhanced to include pension benefit projections based on economic scenarios comprising also a favourable scenario, apart from a best estimate scenario and an unfavourable scenario.

The proposal also expands cost disclosure by requiring the inclusion of:

- all costs incurred, directly and indirectly, over the previous 12 months;
- cumulative costs on a compounded basis since the start of the contract term;
- expressed both in monetary terms and as percentages of contributions over the previous 12 months and since the beginning of the contract;
- the proposal maintains the breakdown of costs into administration, safekeeping, portfolio transactions, and other costs.

Furthermore, the PBS should indicate the existence of the EIOPA central public register enabling comparison of PEPP costs and performance.

Member States' views

MS generally welcomed the objective of enhanced transparency and consumer protection, as well as the provision of more comprehensive information to PEPP savers through the PBS. However, MS expressed diverging views regarding the necessity and added value of certain additional information requirements. Several MS suggested simplifying the presentation of cost information. A MS proposed that the analysis should focus on total costs incurred rather than a detailed breakdown of individual cost categories, considering such granularity insufficiently

pragmatic, and suggested deleting the detailed “cost list” (including administration, safekeeping, portfolio transaction, guarantee-related and other costs). Another MS proposed deleting the specific reference to guarantee-related and other costs, noting that separate disclosure of guarantee-costs would no longer be required following the removal of the cost cap and in light of the VfM framework, which does not rely on guarantee-cost metrics. Some MS also raised concerns that estimating the impact of costs on final PEPP benefits could be difficult for savers to understand and may involve a degree of subjectivity in provider calculations and the PBS should include information on savers’ switching rights in the event of deregistration.

Question

Q17: Do MS agree with the Commission’s approach of updating the content of the PBS? If not, what are MS’ main concerns regarding updating of the content of PBS? Please elaborate/justify your position.

5. Pension Tracking Systems (PTS) – Article 51a

Purpose of the discussion

This item aims to present the new article introduced regarding the Pension Tracking Systems (PTS) and to take note of MS initial reactions and concerns.

Content of the proposal

A new Article 51a is introduced specifically for the MS where PTS systems are in place. The aim is to provide savers with a comprehensive, reliable and up-to-date overview of their entitlements. The provision does not address the design and operation of PTS, which remains MS prerogatives. Ensuring a degree of consistency between the structure and format of transmitted data and the PBS is intended to support comparable information disclosure practices. It also seeks to limit the risk of providers being subject to divergent national requirements, thereby reducing administrative burden by aligning with existing disclosure obligations under Article 37.

For MS operating a PTS, the proposal provides that:

- PEPP providers and, where applicable, PEPP distributors shall transmit to the PTS all information necessary to enable accurate aggregation of accumulated value, accrued rights and projected benefits, using a standardised and interoperable format;

- PEPP providers shall remain fully responsible for the completeness and accuracy of the transmitted data and for compliance with the related communication obligations laid down in Article 51a;
- competent authorities shall be responsible for monitoring and enforcing compliance, including taking corrective measures where providers fail to comply and
- the format and structure of the information transmitted to the PTS shall be consistent with the provisions on supplementary information set out in Article 37 of this proposal.

Member States' views

There was strong opposition to any binding EU requirement on PTS, based on subsidiarity and lack of EU competence. Several MS pointed out that references to PTS must be strictly conditional (“where such systems exist”) and MS should not be encouraged or obliged to establish them. MS with existing PTS stressed the need to respect well-functioning national models, particularly where systems are voluntary, privately organised, or not supervised by competent authorities. Concerns were raised about technical feasibility, including standardisation, interoperability, costs, and the risk of interfering with established national infrastructures. Some MS asked for clarification of responsibilities between providers and distributors, explanatory recitals and guidance on how PEPP data should be treated when no PTS exists. Broad resistance to EU-imposed data formats or structures was also expressed, with strong emphasis on national competence in designing and operating PTS.

Question

Q18: Do MS agree with the proposed approach? If not, what are the main issues of concern? Do MS have any alternative suggestions?

6. EIOPA ROLE – item 5 from the previous PCY paper

Given that the relevant section was not presented at the previous meeting, MS were invited to submit written comments, which have been duly considered and noted in the section on MS views.

MS are kindly invited to raise any further comments or outstanding issues they may still wish to address. The Commission will also be invited to provide any necessary clarifications.

6.1. CENTRAL PUBLIC REGISTER – recital 13 and Art. 13(1)

Content of the proposal

Article 1(6) of the proposal amends Article 13(1) on the central public register, extending the information to be included in it. More specifically, the additional requested elements are the following: an indication as to whether the PEPP is a Basic or a tailored one, the total annual cost for each registered PEPP, the average past performance over the previous one, three, five and ten years and a summary of the risk indicators. It is pointed out that all above information must be disclosed the same way as in the KID, referred to in Article 26.

Recital 11 explains and elaborates on the reasoning and the objective behind the amendment, i.e., to ensure that the most cost-efficient products attract a growing share of savings and thereby contributes to the consolidation and development of the personal pension sector. This objective will be achieved if prospective savers have more information on past costs, performance and risk indicators, in order to make informed decisions. Based on this, the Commission proposes expansion of the central public register maintained by EIOPA to include the above information on past costs, performance and risk indicators. It is pointed out by the Commission that the extension is not expected to create undue reporting burdens for PEPP providers, because the relevant information will be available in the Key Information Document. The information in the register should be updated at least annually, in order to ensure accuracy and comparability.

Member States' views

The vast majority of MS expressed support to the extension of the scope and content of EIOPA's in central public register. Some of them, though, expressed concerns raising potential duplication with ESAP, the need to align with RIS and the little added value the extension would bring. Several MS Stressed that the increase transparency should lead to added value for the customer and should not bring to more red tape or administrative burden. Few MS has suggestions regarding the scope and content (i.e. to provide costs and performance of one-year intervals or about the presentation of past performance).

On the proposed areas of extensions in the central public register, namely specification on the type of PEPP (Basic or tailored), inclusion of costs, performance and risk indicators, even though the majority of MS supporting them, several MS stressed that this should not lead to more administrative burden, with some highlighting areas where this could be reduced, and should bring added value to consumers. Several MS highlighted that the information is already available in the KID and since this fall under the scope of ESAP they questioned the added value of the extensions.

Regarding the clarifications to the functioning of the central public register in order to avoid overlapping disclosures while preserving its usefulness for prospective PEPP savers MS

highlighted that Information should be meaningful and should not repeat info that is already available through other tools (i.e. KID). Several stressed that focus should be on the information which is needed to make comparisons. Some MS pointed to some areas for improvement (national sub-accounts, data related to returns and costs)

Question:

Q19: Do MS have any remaining comments or concerns on this section?

EIOPA POWERS AND COLLABORATION PLATFORMS - recital 14, 16 and art. 16, 65a)

Content of the proposal

Article 1(29) introduces a new Article 65a, on the set up and coordination of collaboration platforms by EIOPA. Recital 26, explains the rationale behind this new establishment, by pointing out the need for effective supervision of PEPP providers and distributors in cases where a PEPP is distributed across borders. In order to strengthen supervisory coordination and protect PEPP savers and beneficiaries from possible risks, EIOPA is empowered to step in, by setting up and coordinating collaboration platforms, in order to bring together relevant competent authorities, to exchange information, and assist in solving disagreements between relevant authorities. Under this article EIOPA is empowered to step in, either at its own initiative or at the request of one or more of the PEPP competent authorities. Based on the above, it can therefore be pointed out that the Commission's target on the introduction of this new article is to enhance protection of PEPP savers and beneficiaries from possible risks, in cases of across borders activities.

Member States' views

Views were split, but a majority of MS did not agree with the extra powers granted to EIOPA. Several MS expressed concerns with the participation of EIOPA in onsite inspections. One MS highlighted that EIOPA has no competence over PEPP according to EIOPA's founding Regulation. Many MS supported the establishment of collaboration platforms but several expressed reservations on the involvement of EIOPA. Few MS highlighted the need to ensure coherence with RIS and Solvency II framework and a few others pointed out that the conditions for setting up collaboration platforms are too vague.

Question:

Q20: Do MS have any remaining comments or concerns on this section?