

EIOPA would like to thank EIOPA's Insurance and Reinsurance Stakeholder Group (IRSG), Fachverband der Österreichischen Pensionskassen, ACA, Actuarial Association of Europe (AAE), AEIP, AFG, Allianz SE, AMUNDI, ANASF, APG, Arbeitsgemeinschaft für betriebliche Altersversorgung, Association of British Insurers, Assogestioni, Better Finance, BEUC, The European Consumer Organisation, BIPAR, Bund der Versicherten, Deutsche Aktuarvereinigung e.V. (DAV), Dutch Ministry of Finance, European Fund and Asset Management Association (EFAMA), Fédération Européenne Des Conseils et Intermédiaire, Federation of the Dutch Pension Funds, Financial Services User Group (FSUG), German Insurance Association (GDV), ICI Global, Institute and Faculty of Actuaries, Insurance Europe, Mefop, Assofondipensione and Assoprevidenza, PensionsEurope, Pensionskasse der Mitarbeiter der Hoechst-Gruppe, Prof. Dr. Hans van Meerten & Elmar Schmidt of Utrecht, Society of Actuaries in Ireland, Standard Life plc, The Association of Pensions Lawyers, The Finnish Pension Alliance Tela, The Investment Association, The Pensions Advisory Service, Vanguard Asset Management - Limited, Verbraucherzentrale Bundesverband – vzbv and Willis Towers Watson

The numbering of the paragraphs refers to Consultation Paper No. 16-001 (EIOPA-CP-16-001)

No.	Name	Reference	Comment	Resolution
1.	Insurance and Reinsurance Stakeholder Group (IRSG)	General Comment	<p>The IRSG welcomes the opportunity to comment on EIOPA's advice on the creation of a single market for personal pension products (PPPs).</p> <p>The IRSG questions EIOPA's envisaged approach of harmonising personal pension products. This is likely to duplicate existing requirements and/or add additional requirements for products and providers which are already well regulated at EU and/or national level. That being said, it is worth mentioning that diversity and design of personal pension products vary significantly in Member States. In light thereof, the IRSG believes that harmonization would fail due to</p>	<p>Based upon the impact assessment it carried out EIOPA concludes that introducing a 2nd regime for PEPP provides – as opposed to harmonising rules for existing PPPs -</p>

		<p>unbridgeable obstacles with regard to the individual needs of the customers.</p> <p>A number of initiatives have been recently introduced for the EU insurance sector. Solvency II entered into force in 2016. It contains a large set of sophisticated governance requirements. The IDD introduces new product oversight and governance provisions for all insurance products. The IDD also introduces new provisions on distribution that will enhance the conduct of business rules for the entire sales process for insurance across Europe.</p> <p>These rules ensure a high level of protection of European consumers that purchase personal pension products from insurers. Furthermore, they are currently being implemented in the Member States and their consequences need to be carefully examined.</p> <p>The IRSG believes that EIOPA does not conclusively show the need for further harmonisation. The consultation paper claims that trust in PPPs and its providers need to be restored. However, the studies cited in the consultation say that 30% of consumers highlighted that they did not trust the third pillar mainly because of its many reforms. IRSG recognizes the importance of trust but doubts this can be successfully addressed by yet another reform. Rather, it should be investigated whether consumers have been made uncertain by too many (regulatory) changes.</p> <p>Against this background, the IRSG opposes any harmonisation of PPPs currently sold at national level. It therefore urges EIOPA to drop the policy options envisaging a standardisation and/or harmonisation of PPPs and PPP-providers' rules, which the IRSG considers unrealistic.</p>	<p>the best opportunity to develop a single EU market for PPPs, especially for providers who seek opportunities for economies of scales and efficiencies based on cross-border activities.</p> <p>EIOPA's proposals with regard to PPPs therefore relate to creating greater consistency in case the decision is made to further standardise/harmonise existing, highly divergent regimes for PPPs. In that case it should be ensured that a balanced set of requirements applies to all PPPs.</p> <p>With regard to the PPP related issues consulted upon in questions 1 to 5 of the February 2016 consultation paper</p>
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2.	Fachverband der Österreichischen Pensionskassen	General Comment	<p>First: It is rather difficult to answer the questions posed by EIOPA below because it is often not clear when EIOPA speaks about the PEPP or about the harmonisation of the national PPP's. In fact it is very hard to find out what EIOPA actually suggests.</p> <p>The PEPP is an extremely heterogeneous product. Due to this heterogeneity the treatment regarding tax and social security (both are vital for pensions!) will also be very different. Hence under the label of the PEPP there are totally different products and we deeply doubt whether this will enhance trust in private Pensions.</p> <p>The PEPP is missing any social policy element regarding solidarity, risk bearing or co-determination of the members. It is a pure financial product without any social content.</p> <p>The PEPP is definitely no pension product since it covers only the accumulation phase. Hence it is a pure investment product.</p> <p>As such we deeply think that the PEPP will be part of the problem of the european pensions and not part of the solution. All successful pension models (Denmark, Sweden and Netherlands) have a very strong 2nd pillar (more than 90% coverage) backed by social partners and collective agreements. Occupational pensions are much better suited to address the pension problems in Europe than individual 3rd pillar products, esp. in the kind of the PEPP. Many Member States have already</p>	<p>Noted</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p>

		<p>3rd pillar products with social policy elements. Hence the PEPP would be big step backwards.</p> <p>EIOPA argues for a three pillar approach and clearly aims at a bigger 3rd pillar. We want to point out that the design of the old age security system is a prerogative of the member states. They decide about the role of the pillars and within these pillars about the roles of the different providers (see 153 Section 4 TFEU; Recital 9 Directive 2003/41; ECJ C-343/08 para 53 et sequ).</p> <p>Hence we think that the aim of the EIOPA report is a breach of EU-Law. Clearly the law in itself will not prescribe the take up of 3rd pillar contracts. But it is totally clear that this is the actual intention of EIOPA, which is explicitly expressed by EIOPA. There are very good social policy-arguments against individual 3rd pillar products (esp in the form of the PEPP without any risk sharing) and it is very legitimate that member states adhere to these arguments and stress their prerogative to design pensions as a social product and not as a pure financial product.</p> <p>There is also the danger that "ordinary domestic products" are discriminated due to the use of the "EU-certification" of the PEPP which will be used by the providers in marketing the product. Consider the following: There are already hundreds or thousands of products in the EU which would qualify as a PEPP. In many countries there are also strict information rules, supervisory rules and distribution rules etc in place. Nevertheless these products don't succeed in a way EIOPA thinks is desirable. The only major difference would be the "EU-certification". Hence we think that there is danger that PEPP-Products are considered better just because they are PEPP-Products. The EIOPA-Advice does not contain any information how to avoid this discrimination.</p>	<p>Agreed, EIOPA does not favour one private pension pillar over the other</p> <p>Disagreed – EIOPA does not believe EU harmonisation efforts in the field of private pensions constitute a breach of EU law</p> <p>Noted</p>
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3.	ACA	General Comment	<p>ACA shares EIOPA's statement that current legal national barriers hinder the cross border selling of personal pension products. We consider that the priority should be to suppress these obstacles and not to duplicate the existing regulatory framework and/or to add a new unnecessary layer of requirements for products and providers.</p>	<p>Agreed. Please refer to EIOPA's resolution in row 1.</p>

4.	Actuarial Association of Europe (AAE)	General Comment	<p>The AAE answered the previous PEPP consultation by EIOPA on 5 October 2015. The key points stated there were:</p> <ul style="list-style-type: none"> - we stressed the fact that in a pension product it is important to look at the actual pension, i.e. the decumulation phase. We think accumulation phase should be a function of the desired decumulation. - we think that from the consumer perspective it is valuable to have the same requirements at product level and for the providers of those products in all Member States. - pension products are generally long term products and customers need to be given good understanding of the risks of these products. - guarantees are important but it is important to remember that guarantees come with a cost that should be made clear to the customer. - not all customers are similar and due emphasis should especially be given to the treatment of so-called vulnerable customers. <p>In our previous submission we also noted the self-evident fact that markets are at different stages as regards their maturity. We would expect the PEPP concept to have more importance for less mature markets in giving customers better options and in driving costs down.</p> <p>The overarching problem with PEPPs is that markets are also otherwise different. Their tax codes are different, social security systems are different, contracts are made under different rules based on local legislation, labour laws are different etc. Countries are also different in how their other social security systems are funded and how sustainable these are. This also mean different needs for private savings. The consultation</p>	<p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p> <p>Agreed</p>
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			<p>paper notes (page 10) that Member States could benefit from additional individual savings.</p> <p>Several member associations of the AAE are providing input to this consultation on the development of an EU Single Market for personal pension products. These answers represent the understanding, based on situations in different markets, of our members on the best way forward. We feel that a fragmented European market for pension products would not be good in the future. We hope the input given by our members clarifies the obstacles of the project and give good food for thought.</p> <p>From an actuarial point of view it is practically impossible to give definitive answers to the questions presented. We would however like to contribute to the project when going forward. The AAE can offer a European thinktank to analyse the problems encountered. We could, based on our actuarial expertise and experience, analyse what the practical consequences of some more concrete proposals in this area would be. We would as well be happy to contribute in finding actuarially sound building blocks to achieve the goals of certain more concrete aims.</p> <p>As a particular point we feel it necessary to give customers a good understanding on how to compare different products. An important issue here is how to compare products where the risk for the customer is different.</p>	<p>EIOPA wishes to thank the AAE for its generous offer</p> <p>Agreed</p>
5.	AEIP	General Comment	<p>The European Association of Paritarian Institutions (AEIP) represents the social protection institutions jointly established and run by the Social Partners. Today, AEIP has 27 members (mostly retirement schemes) in 18 European countries, and it covers, through its members, about</p> <p>75 million European citizens and € 1.3 trillion in assets.</p>	

		<p>AEIP welcomes the opportunity to comment on this Consultation Paper on EIOPA's advice on the development of an EU Single Market for personal pension products (PPP).</p> <p>As a general remark, we certainly support the overall goal of delivering sustainable and adequate pensions in Europe. While emphasizing that the first pillar remains the largest part of retirement coverage in most Member States, we support the general aim of having multi pillar pension systems in the EU and the development of a strong EU framework for supplementary pension savings.</p> <p>In our view, however, EIOPA's as well as the European Commission's efforts should rather focus on further promoting and spreading occupational pensions in Europe and supporting the exchange of best practices in this respect. In our view, the first and second pillar should provide the bulk of retirement income, while the third pillar could be a useful instrument to further top up the retirement income, thus contributing to securing the future adequacy and sustainability of pensions. Compared to third pillars products based on a voluntary individual membership and sold on a retail basis, workplace occupational pensions, indeed, have clear advantages with regard to economies of scale and costs .</p> <p>We strongly believe that the overall framework should respect the Member States' competence of organizing their pension systems. Such a framework should clearly differentiate between the three pillars and it should safeguard the smooth functioning of those national pension systems that already ensure adequate, safe and sustainable pensions.</p> <p>We would like to stress that the European Commission (COM) and EIOPA should refrain from any action that might lead to discourage occupational pensions and they should ensure that</p>	<p>Noted, EIOPA does not favour one private pension pillar over the other</p> <p>Agreed</p> <p>Agreed</p>
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		<p>any new rule on PPPs does not represent an obstacle to well-functioning pension systems.</p> <p>We recognize that such a product might improve supplementary retirement savings in those Member States where there is no or not a well developed personal pension system or there is limited workplace pension coverage. Conversely, in countries where the PPPs are already well developed and regulated, the PEPP risks to damage the smooth functioning of the system, finally damaging the interests of consumers.</p> <p>We believe that a highly-standardized PEPP runs the risk of unsettling the balance between the pillars of the 28 different national retirement provision policies. Therefore, we believe that any legislative initiative related to the PEPP requires careful consideration and an in-depth impact assessment. This is particularly true when the policy option suggested implies a 2nd regime legal framework that overrules national regulations within the scope of the 2nd regime.</p> <p>AEIP would have welcomed a more precise advice by EIOPA on the PEPP's final design, which seems now less detailed than in EIOPA PEPP consultation paper.</p> <p>Having in place a clear definition of PEPP and its scope is fundamental. As already emphasized in our answer to EIOPA consultation paper on the creation of a standardized PEPP, it has to be clarified that PEPP are clearly distinguished from 2nd pillar occupational pension schemes. A PEPP is according to AEIP a 3rd pillar product and as such in no way comparable to occupational, work related pensions. EIOPA correctly defines it as a product based on "voluntary individual membership and sold on a retail basis". Moreover, we agree with EIOPA on the exclusion of 1st pillar bis pensions from the scope of the PEPP.</p>	<p>Agreed</p> <p>Noted</p> <p>Noted</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p>
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		<p>In this respect we refer to EIOPA`s preliminary report from 2014 " Towards an EU-Single Market for personal pensions" that defines PPP and excludes it from the 1st and 2nd pillar. We would also like to highlight that the introduction of a harmonized PEPP cannot by any means offer an opting-out nor contracting out opportunity in relation to the national 1st and 2nd pillar pensions.</p> <p>While emphasizing the need to clearly define the PEPP as a 3rd pillar product, we would also like to underline that in some countries there are already well functioning systems that regulates 2nd pillar pensions and PPPs under the same social and labour legislation, particularly with regard to member protection and fiscal incentives. In these Member States, in order to avoid the risk of regulatory arbitrage linked with the introduction of a product (the PEPP) with low pension features, an exemption should be given to implementing an EU passport and a very limited set of rules.</p> <p>An important issue we would like to raise is related to the PEPP providers. Differently from what was stated in the consultation paper on PEPP, EIOPA seems now to limit the provision of PEPP to those providers authorized under a relevant EU Directive (page 67 CP). Even if we welcome such a limitation, we still have concerns. According to us, it would imply that on the one hand there would be providers that already sell PPPs with an authorization procedure based on different national legislations. On the other hand, providers that do not sell PPPs, would now automatically be authorized to sell PEPP, without any further "stand-alone" authorization regime, based on the simple fact that they are financial institutions covered by an EU Directive.</p> <p>We think this could be risky from the point of view of the protection of the consumers, as the proposal might create an unlevel playing field between operators subject to different</p>	
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		<p>regulatory frameworks. We would suggest to limit the “no specific authorization” procedure just to those financial intermediaries falling within the scope of the EU Directives on financial services provision that already provide personal pension products or other forms of supplementary pensions. Otherwise, this would mean that even providers far from the market of supplementary pension provisions and with low skills in this field may be providers of a PEPP.</p> <p>Concerning the possibility of switching providers, we welcome that EIOPA “does not favor periodical cost-free switching periods” and that “some limitations on switching, such as minimum holding periods, should be possible”. AEIP indeed thinks that switching between providers should only be allowed after a specific period of time, for instance, at the end of minimum investment period of some years, or under other specific occasions set by national regulations. Early switching could otherwise lead to costs for consumers, due to the disinvestment in illiquid assets backing long-term liabilities.</p> <p>Decumulation is in many markets an intrinsic aspect of pension products. We think that the PEPP should consider aspects related to decumulation with the aim to guarantee the best outcome for the consumer. National practices should be duly considered. As already underlined in our answer to the consultation paper on PEPP, the PEPP’s pensionable age/age of decumulation should not be lower than the one set by the different national legislative frameworks, so that it would not create a new early exit route.</p> <p>We agree with EIOPA that tax impediments constitutes one of the main barriers for the cross-border provision of PPPs (see page 59). We believe that an extensive collection of information</p>	<p>Noted</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA’s final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p> <p>Agreed, EIOPA advocates that –</p>
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		<p>on taxation should be done before any proposal for a PEPP regulation is proposed. EIOPA should take into account the specific economic and social purposes of tax incentives to supplementary pensions schemes for each country. Allowing a financial product (the PEPP) with a level of pension features lower than the one of national PPPs (as it may be the case in some Member States) to be eligible for tax incentives might prove detrimental for the consumers. More in general, differences in national legislations should be further investigated and properly analyzed before assessing how a second regime could be established and its effects on consumers.</p> <p>All in all, the choice to have a high-level standardization on information provisions and on investment rules while leaving flexibility on guarantees, caps on costs and charges and on rules on switching could lead to regulatory arbitrage in those countries where PPPs are strongly regulated and well functioning. Even if EIOPA recognizes such a risk (see for example page 66 CP), no practical solution is suggested. The levels of protections as assured by PEPP would not be homogeneous in Europe, but differentiated on the basis of the national contexts.</p> <p>Information provision and investment rules are indeed one of the relevant features of a simple, transparent and comparable financial product, but not the only ones. On the basis of EIOPA proposal, many other features would be flexible and based on national regulations.</p> <p>It is easy to understand that all these features widely contribute to the overall evaluation of the quality of a product. Large differences between Members States could once again lead to regulatory arbitrage among Member States and even within the same State. This latter is, for example, the case of</p>	<p>concerning taxation - a non-discriminatory approach would be applied to PEPP vis-à-vis PPPs sold in the individual national markets</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p>
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			<p>Italy, where PPPs share the same regulatory framework with IORPs. The introduction of a PEPP could modify the structure of its internal market in a way in which the level of care towards members is sharply reduced.</p> <p>Summing up, we think that the preference expressed by EIOPA towards a 2nd regime PEPP is not backed by a thorough and comprehensive assessment of the consumer demand and of the possible impacts that such a project could have on the different pension systems. We ask for having in mind that supervising a 2nd regime causes costs for each Member State and maybe creates more confusion to consumers.</p> <p>We believe that the strengthening the multi-pillar approach to promote the increase in supplementary pension schemes may be better achieved by improving the effectiveness of the schemes already in place (1st pillar bis, occupational and personal), rather than enriching the supply-side market with a new type of pension product. The provision of PEPP would risk to confuse potential members thus negatively affecting the rights of consumers, which were supposed to be protected.</p>	<p>Noted</p> <p>Disagreed. Please refer to the Impact Assessment in Annex I of the February 2016 consultation paper on development of a single EU market for PPPs</p>
6.	AFG	General Comment	<p>AFG wants to thank EIOPA for the opportunity to answer the consultation on the development of an EU Single Market for PPP. The Association Française de la Gestion Financière (French Asset Management Association – AFG) represents the French asset management industry for both collective and discretionary portfolio management. The industry manages total assets in excess of €3,400 billion, with €1,700 billion of this amount in French funds and €1,700 billion in discretionary portfolios and foreign funds.</p> <p>AFG supports the idea that more pension savings is needed at a European level and especially in France. Personal pension savings are very usefull to complement public and occupational</p>	<p>Agreed</p>

			<p>pension systems. The PEPP will be a very usefull tool to achieve this objective. AFG is strongly supportive of the PEPP.</p> <p>In the present consultation, EIOPA consults on whether the recommendation made for the PEPP should be applied to personal pensions in general, including existing personal pensions products (PPPs).</p> <p>AFG agrees on most proposals contained in this consultation paper. Nevertheless we have strog concerns with the introduction of various provisions deriving from the draft PRIIPS level 2 regulation which to ou view could be misleading for the customer.</p> <p>About the implementation process, our recommandation is to achieve first the goal of creating the PEPP as a second regime. Indeed, the implementation of harmonized rules for existing products seems very complicated and will probably take several years, introducing national debates that could be confusing for consumers.</p> <p>However, a European set of principles could be implemented in countries where PPPs are managed by providers who are not regulated by European legislation.</p>	<p>Noted. EIOPA believes the PRIIPs KID is a good starting point for PEPP disclosures, although it recognises further work will be needed to assess the application of the KID to PPPs and the adjustments that might be needed.</p> <p>Agreed</p> <p>Noted</p>
7.	Allianz SE	General Comment	Allianz SE welcomes the opportunity to comment on EIOPA's advice on the creation of a single market for personal pension	

		<p>products (PPPs). The advice includes proposals to harmonise rules currently applicable to PPPs and their providers and the final advice regarding the design of a 2nd regime product, i.e. the Pan-European Pension Product (PEPP), which has been consulted in July 2015.</p> <p>We agree with EIOPA that harmonization of (existing) PPPs and the introduction of a 2nd regime PEPP are not necessarily connected with each other. Moreover, we believe that an exclusively development of a PEPP currently is much more realistic:</p> <p>- We doubt the necessity of a comprehensive harmonization of existing PPPs. We do not share the view that there is a general mistrust in PPPs and its providers or even a general market failure. The consultation paper itself states those customers who lack in trust in the third pillar do so mainly because of its many reforms. An EU-wide harmonisation will be yet another reform. More importantly a complete product harmonization does not make sense while the legal framework of supervisory, tax and social law are not harmonized. The products have to fit different national requirements and different customer needs. PPPs are already highly regulated and harmonized where necessary and meaningful by existing European directives/regulations (Solvency II, IDD, POG –included in IDD, MiFID, UCITs) that are yet to be implemented by Member States – to impose further and new regulation at this stage seems to be exaggerated and inconsistent as this means a great risk of duplication of obligations or even of contradictory requirements which infringes the recently published plan of the EC regarding better regulation: “Better regulation is about designing EU policies and laws so that they achieve their objectives at minimum cost.”. http://ec.europa.eu/smart-</p>	<p>Agreed</p> <p>Noted</p> <p>Agreed. Please refer to EIOPA's resolutions in row 1</p>
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		<p>regulation/index_en.htm</p> <ul style="list-style-type: none"> - We also doubt that harmonization of all different existing products within 28 Member States is a suitable way to develop an European Single Market for PPPs: we do not see the base or need for unified rules throughout Europe given the largely differing customer demand and the wide spectrum of existing products specially tailored for local customer needs. Every unification will lead to massive intervention in existing contractual relationships between customer and provider. This infringement of confidence is – from our point of view - not appropriate given the fact that diverse European Regulations already secure a high level of consumer protection. - The development of a special Pan-European Personal Pension product (PEPP) based on a 2nd regime as proposed by EIOPA in 2015 and consulted July to December would be much more realistic. EIOPA’s final advice to the PEPP which is included in the current consultation nevertheless leaves a lot of issues open or tackles them only cursorily. This applies e.g. for decumulation phase, taxes, social and labor law. This to say, we reiterate some prerequisites a PEPP must fulfill from our point of view: <ul style="list-style-type: none"> o We doubt that a singular default “core” investment option could be beneficial to all market participants and their needs. Investment options should be free to competition and allow the customer to choose between the options offered. o A certain level of guarantee is necessary, e.g. a guarantee in terms of percentage of premiums paid at the end of the accumulation phase. o Regardless of offering PEPPs per internet, interested consumers must be offered the opportunity of advice, be it by e-mail, social media, robot advice or call centre et al. 	<p>Agreed</p> <p>Noted. With regard to responses relating to PEPP - Please refer to EIOPA’s final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p>
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			<ul style="list-style-type: none"> o It should be possible to include optional biometric risk riders, e.g. protection against occupational disability. o The PEPP should provide a lifelong retirement income. o Tax incentives should be part of the 2nd regime framework. 	
8.	AMUNDI	General Comment	<p>With assets under management above € 985 billion at the end of 2015, Amundi is a leading asset manager in Europe and ranks in the top 10 of the industry worldwide. Located at the heart of the main investment regions in more than 30 countries, Amundi offers a comprehensive range of products covering all asset classes. Amundi is a listed company with Credit Agricole Group as its majority shareholder.</p> <p>In addition, let us mention that Amundi is the first Company for managing French Employee Saving Schemes and PERCOs (Plan d'Entreprise de Retraite Collective), this last plan having quite a number of similar points with the PEPP.</p> <p>Amundi supports most proposals contained in this consultation paper and we do congratulate EIOPA for the high quality of the achieved work. In particular, the rationale behind the main features of the PEPP as an individual pension product aiming at providing sound retirement complement to the average citizen is especially well framed.</p> <p>Nevertheless, we have some concerns with the introduction of various provisions deriving from the draft PRIIPs level 2 regulation which in our view could alter the project. But as long as these provisions are quite accessory, we are confident that EIOPA will make its own mind and will remove all what is not appropriate.</p>	<p>Noted, EIOPA believes the PRIIPs KID is a good starting point for PEPP disclosures and further assessment is needed in order to</p>

			<p>Tax incentive is key in order to guarantee the success of the PEPP and it would be all the more relevant that investors in PEPPs be granted the best pension fiscal regime of their respective country.</p>	<p>determine whether the document should be adapted if needed.</p> <p>Noted, EIOPA advocates that – concerning taxation – a non-discriminatory approach would be applied to PEPP vis-à-vis PPPs sold in the individual national markets</p>
9.	ANASF	General Comment	<p>ANASF is the national association representing Italian financial advisors/tied agents (consulenti finanziari) registered in the national register. Our Association was established in 1977 and currently numbers about 12,000 members.</p> <p>ANASF actively supports the professional development of financial advisors and investor protection.</p> <p>As a general remark, we welcome the scope of EIOPA's draft advice, in that it considers whether and how its recommendations could be applied to PPPs and which possible adjustments are needed.</p> <p>ANASF also agrees with EIOPA's assessment acknowledging that distributors could be a key interface both in pre-contractual and in post-contractual phases for those buying PPPs.</p>	<p>Noted</p> <p>Agreed</p>
10.	APG	General	<p>First of all we would like to welcome the opportunity to respond</p>	

		<p>Comment</p>	<p>to the present Consultation Paper on the Advice of EIOPA on the development of an EU Single Market for personal pension products (PPP).</p> <p>We share the concerns of EIOPA, taking into account the demographic and labour market changes and the pressure on national budgets, about the sustainability and adequacy of pensions for EU-citizens. We also believe that, in addition to public pay-as-you-go pension schemes (first pillar) and occupational retirement provisions (second pillar), personal and voluntary pension products could help secure adequate replacement rates in the EU in the future, in particular in Member States where there is no or not a well developed personal pension system or where there is limited workplace pension coverage. It can also prove to be useful when there is poor security for existing personal pension products or when existing products are not attractive enough. However, at the same time we would like to observe that we believe that one should not discard, without any analysis, the possibilities for a further development of second pillar pensions in member states where these are presently absent or inefficient, as a means to address the problems of pension inadequacy.</p> <p>We furthermore observe that EIOPA aims at various simultaneous goals with the PEPP:</p> <ol style="list-style-type: none"> 1. Enhance pension savings in the EU 2. Fill pension gaps in Member States without adequate pillar 1 and/or 2 systems 3. Create a new type of long term investment instrument 4. Solve problems for workers with an international career in several Member States 	<p>Noted - EIOPA does not favour one private pension pillar over the other</p>
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		<p>5. Encourage pension providers to provide services across borders</p> <p>In our view these different goals can not be reached by means of only one single instrument such as a PEPP. In this respect we refer to the so-called Tinbergen rule (invented by the former Dutch Nobel Price winner Jan Tinbergen): in order to reach a number of policy goals, you need at least the same number of instruments.</p> <p>Therefore we recommend EIOPA to rank these policy aims in order to define a proper policy instrument or rather a set of instruments.</p> <p>Some problems may be better solved using extra or other policy instruments and/or can be better tackled by a phased approach, as we will explain below.</p> <p>Furthermore we would like to make the following remarks with regard to the different policy goals of EIOPA:</p> <p>Inadequate pension savings and filling up pension gaps (aims 1 and 2)</p> <p>When the main goal would be to enhance pension savings in the EU and to fill the pension gaps in Member States in which adequate pillar 1 and/or pillar 2 systems do not exist, attention should be paid to the circumstance that the large majority of EU workers pursue their careers within one Member State. Taking this circumstance into account we observe that, as also stated by EIOPA, there are huge differences in (the adequacy of) pension savings between Member States. It might therefore be advisable to first investigate the reasons which can explain these differences and these inadequacies at national levels. In this respect we draw attention to the fact that both the Netherlands as the UK have both a strong second pillar and a</p>	<p>Noted. EIOPA believes the PRIIPs KID is a good starting point for PEPP disclosures and further assessment is needed in order to determine whether the document should be adapted if needed.</p> <p>Noted</p>
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		<p>high amount of assets invested in third pillar pension products, as also observed by EIOPA in its Consultation Paper (page 9). An explanation for this fact might perhaps be a source for the explanation of the aforementioned differences between Member States.</p> <p>We think that, when the reasons between these differences and inadequacies would indeed be identified, this will facilitate an adequate (and in our view desirable) investigation of (i) the needs in Member States for a PEPP and (ii) of the question whether a PEPP would be the optimal instrument to solve these issues (e.g. preferable above now already in Member States existing third pillar pension products). In order to summarize this point: we consider it as important to test the demand and also to elaborate further on the reasons why such a system would be useful, in particular in the Member States where the voluntary personal pensions are already well regulated and developed (such as the Netherlands and the UK, as mentioned above).</p> <p>In this respect an important element of "behavioural economics" could be taken into consideration, notably that people in general do not like to think about their pension position and that as a consequence the voluntary uptake of pension products in many cases tends to be suboptimal. This has historically been an important reason for the introduction of more or less compulsory first and second pillar pension provisions in Member States, and/or the introduction of tax incentives.</p> <p>When seeking for solutions for this problem forms of "nudging" can be considered as a modern approach, for example the "auto-enrollment" which has recently been introduced in the UK. More in general serious attention should in our opinion not only be paid to the development of suitable pension products, but</p>	<p>Noted</p>
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		<p>also to the question how to stimulate citizens to a more active attitude vis-à-vis their pension situation. In this respect we would like to refer to our reaction on the recent EIOPA-consultation on Information Tools and Channels: in this reaction we observed that (in parallel with our observation about the lack of uptake of pension products by citizens) that not only the implementation of adequate tools and channels is an important factor, but also the question how to trigger participants to make effective use of the information provided and to undertake action on their pension position when needed.</p> <p>Moreover an adequate solution for the problems of the lack of sufficient pension savings and the existence of pension gaps in specific Member States can be found by strengthening and increasing occupational pensions. In this respect the proposal for a revision of the IORP-Directive (IORP II) can be considered as a good step and the further promotion of good practices of occupational can be recommended. In this respect we i.e. refer to the possible introduction of a High Level Group of experts to enhance occupational retirement provision in the member states, as mentioned in Recital 9a of the IORP II-proposal.</p> <p>In addition we observe that certainly in the Netherlands, and perhaps also in other Member States, a lot of discussions take place about pensions for the increasing amount of self-employed without personnel, flex workers etcetera. This aspect could also be taken into consideration in the further process of investigation and perhaps development of a PEPP.</p> <p>Long term investors (aim 3)</p> <p>We understand the need expressed by EIOPA and the European Commission for more long term investments in the EU. PEPP's or PPP's cannot be the only instrument in this respect, but can</p>	<p>Noted</p> <p>Agreed. EIOPA does not favour one pension pillar over the other</p> <p>Noted</p> <p>Agreed</p>
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		<p>be of help, in particular if these are structured such that they allow for a focus on well diversified long term portfolio's. In this respect the following aspect should be taken into account:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Good risk/return outcomes depend on well diversified portfolio's with a suitable risk budget <input type="checkbox"/> A liability driven approach focused on delivering future income is essential <input type="checkbox"/> Pension savings are given their long horizon suitable for long term investment;; this contributes to long term strategy approach by corporates <p>Institutional pricing is important for achieving better outcomes.</p> <p>In order to be a serious contribution to long term investment, PEPP's / PPP's should represent a large volume of pension savings. We think this implies that one should concentrate in the first instance on filling savings gaps within member states, rather than putting undue focus on smaller groups like workers that are internationally mobile.</p> <p>In our view to enhance long term investment, one should regulate asset managers, insurers and IORP's in such way that they indeed can provide long term investment across the board of their activities, and not just via PEPP's / PPP's. In particular fully funded pension schemes can to a large degree provide long term investment, unless overly regulated on short term solvency norms. In this context we support the initiative taken by the Commission to submit a Call for Evidence and we recommend that action should be taken to take up the reactions and obstacles raised by market parties in their reactions on this call.</p> <p>Cross border activities of providers and migrant workers (aims 4 and 5)</p>	<p>Agreed</p> <p>Noted</p> <p>Agreed</p>
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		<p>In respect of the aim of stimulating cross border activities of providers we in general agree that enhancing competition can be positive, but at the same time we are not convinced that pension providers are indeed much less international than other providers of financial services, nor do we believe lack of competition to be the main problem causing suboptimal saving for pensions. Also in some big member states with many providers of different types of investment possibilities, suboptimal pension saving exists.</p> <p>We furthermore underscribe the observation of EIOPA that migrant workers face real difficulties with their pension situation, but we doubt whether a PEPP would be the only and optimal solution for this problem.</p> <p>More in general the question arises whether this problem does not call for a more gradual and granular approach to find a solution.</p> <p>In this respect an important improvement of the pension situation of migrant workers in the EU could in our opinion as a first step be reached by the introduction of the TTYPE-system (Trace and Track Your Pensions in Europe). The international consortium which was appointed by the Commission in order to realise the first steps of TTYPE will soon (at the occasion of a conference to be held in Brussels on June, 1) present its report on the second phase of this project.</p> <p>With regard to TTYPE we also want to draw attention to the Recitals in the IORP II-proposal in which TTYPE is fully supported.</p> <p>We furthermore foresee that other solutions for the problems of migrant workers will imply more complexities, such as tax issues, duty of care, etcetera. From a tax point of view we for</p>	<p>Agreed</p> <p>Noted</p> <p>Agreed</p>
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		<p>example foresee that Member States with a EET-system will be strongly against the risk of migrant workers acquiring a PPP in their home country making use of tax incentives, as long as real possibilities exist to avoid serious taxation in the decumulation phase by moving to a member state that either does not tax pensions, or allows for redemption at a very much reduced tax rate. Seen from this perspective a decoupling between the accumulation and decumulation phases, and/or other possibilities for decumulation than an annuity may stand in the way of finding a credible cross border solution. (By the way including the decumulation phase in the product in such a way that long term investment can continue beyond retirement age, would also be helpful from a long term investment perspective and may be helpful to maximalize return on investment as well).</p> <p>In addition we subscribe EIOPA's observation that the taxation of pensions is covered by (significantly differing) national laws and bilateral treaties, and that EIOPA and the national supervisory authorities are not the competent authorities for tax treatment. But at the same time we deem that an adequate tax treatment of a PEPP will be a crucial factor for its success in practice. In a tax context we observe on the one hand that tax incentives often contribute to a substantial uptake of financial products, and on the other hand that national tax authorities which have granted a tax stimulus to a product will also want to be able to tax the future incomes from this product, or at least see a serious taxation in another member state. The tax issue can therefore perhaps be better addressed in a phased approach. After the introduction of successful standardized PEPP's / PPP's at the national level, pressure for an adequate crossborder taxation regime would rise, and one could take a bit more time to find the necessary unanimity between member states.</p>	<p>Noted</p> <p>Agreed</p> <p>Agreed</p> <p>Agreed. EIOPA</p>
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			<p>We also deem that a non-discriminatory approach to PEPP visàvis PPPs sold in the individual national markets will be an importantly success factor.</p> <p>In addition we would like to stress that, irrespective of the ranking by EIOPA of its different possible goals and potential obstacles with a PPP or PEPP, more attention should be paid to the decumulation phase of such a product, because this can be considered as a very important phase in the view of the consumer.</p> <p>Last but not least we advocate a clear definition of a personal pension product and a PEPP. This definition should in our view imply a clear distinction between second pillar occupational pensions and personal pensions. In this respect we refer to the current process of revision of the OECD Core Principles of private pension regulation, which provide for such clear definition and sharp distinction.</p>	<p>advocates that – concerning taxation - a non-discriminatory approach would be applied to PEPP vis-à-vis PPPs sold in the individual national markets</p> <p>Noted. With regard to responses relating to the PEPP decumulation phase - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p> <p>Agreed – Please refer to EIOPA's February 2014 Preliminary Report "Towards an EU-single market for PPPs" (Chapter 2.3)</p>
11.	Arbeitsgemeinschaft für	General Comment	<p>Introduction</p> <p>As in our responses to the previous two consultations, we would</p>	

			<p>In our previous consultation responses we have criticised the aggregation of very different products with very different functions under the term PPP. On this backdrop, it could be considered positive that EIOPA has presented a model with some standardised (information provision, default “core” investment option and limited investment choices) and some flexible features (guarantees, cap on costs and charges and the possibility of switching and potentially decumulation, see p. 80).</p> <p>However, from our perspective there are two problems with this approach – and solving one of the problems would aggravate the other. On the one hand, a model with standardised and flexible elements seems too vague to work with. The impact assessment for example is not very thorough, which is partly due to the difficulties of assessing the impacts of a product which is only roughly defined.</p> <p>On the other hand, narrowing down the definition would mean that Member States will have less flexibility to tailor the PEPP according to the needs of their overall retirement systems. The purpose of the PEPP should be to close the gap between the retirement need and what is provided by the 1st, 2nd and 3rd pillar so far. This is highly dependent on national systems. A</p>	<p>2.3)</p> <p>Disagreed. EIOPA believes a standardised PEPP with a defined set of regulated, flexible elements is best placed to accommodate the current economic and labour market environment in Europe and to promote a Single Market for personal pensions.</p> <p>Noted</p>
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		<p>higher standardization of the PEPP will decrease its ability to close such a gap. The standardised features of the PEPP look from the German perspective more like a savings plan than a pension product especially due to the fact that EIOPA is still completely focussing on the accumulation phase.</p> <p>Overall, we therefore think that the PEPP faces severe challenges, if not insurmountable barriers: the definition is too vague to create a truly pan-European Product (or even just to produce a convincing Impact Assessment), but narrowing it down could limit the usefulness of the product in the individual Member States. Since it is not possible to solve both of these problems at the same time, we do not see a sensible way forward for this project.</p> <p>Maybe because of these challenges, the focus in the consultation paper is much more on the problems a PEPP should address and on the benefits hoped for than on clear characteristics. In Section 2 of the Impact Assessment, EIOPA identifies the following advantages and challenges:</p> <ul style="list-style-type: none"> • “addressing principal agent conflicts and information asymmetry, as shortcomings of an inefficient market, by introducing disclosure requirements, improving product comparability and good governance; • efficiency gains through economies of scale and opportunities for risk diversification as well as for competition and innovation; • facilitating cross-border activities and reducing obstacles to further the Single Market; • opportunity for multi-pillar diversification” (p. 78) <p>From our perspective, the challenges can be met and the advantages can be realised by occupational pensions (see</p>	<p>Noted</p>
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		<p>“Section 2 - Problem definition” for our detailed comments on the advantages and challenges identified by EIOPA) – it is not clear to us why EIOPA is seeking to introduce a new product rather than strengthening an existing – and in many Member States successful – strategy. The introduction of such a new product could lead to an increasing fragmentation of the Europe-wide systems of retirement provision.</p> <p>Funded pensions: focus on occupational pensions</p> <p>Demographic developments paired with cuts in state pension provision create the need to supplement state retirement income by private pensions. The first choice in this regard are occupational pensions. Because of the involvement of employers, occupational pensions can be organised on a collective level. Occupational pensions are therefore good value for money, particularly for those on low incomes. They balance security against returns and provide a life-long pension for their beneficiaries, who share the risks around death and invalidity. In contrast to personal pensions, occupational pensions can therefore address these risks without undertaking an individual assessment. In contrast to personal pension products, occupational pensions are mainly governed and protected by social and labour law. Furthermore, occupational pensions also provide for a high level of transparency for employers as well as for the employees especially due to the principle of co-determination.</p> <p>These advantages should be used. Occupational pensions should be strengthened further in all 28 Member States, thus ultimately preventing old age poverty while at the same time relieving public finances. Existing systems should be further developed and enhanced to reach their potential before additional systems are established and supported.</p>	<p>Noted</p> <p>Agreed</p> <p>Noted</p> <p>Noted</p>
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		<p>As also pointed out in response to Question 1, we very much agree with the analysis of occupational DC pensions („in the area of occupational DC pensions, many of the cognitive and behavioural traits outlined above are being addressed by taking some of the complexity in decision-making away from individuals.” p. 14) and would like to emphasise that this is the case for most occupational pensions, for DB even more so than DC. By improving governance standards, EIOPA wants to transfer these benefits to PPP. Crucially, however, occupational pensions do currently not only have different governance standards compared to PPP, they also fall under national social and labour law. This means that the interests of members and beneficiaries are protected to a high and specific level which cannot be met by mere „consumer protection”.</p> <p>Footnote 28 states: „Due to both the voluntary and contract-based nature of third pillar PPPs, PPP holders have to deal with complexity by themselves relative to occupational DC members, unless they have “contracted out” the latter to financial advisors notably at the point of purchase, albeit at a cost.” As recognised, the introduction of a financial advisor adds another cost component – why not stick to occupational pensions where this is not necessary?</p> <p>While we welcome that EIOPA supports the further development of IORPs, it is wrong to focus on cross-border activity, because it in general plays a minor role for IORPs. More than ten years after the implementation of the IORP Directive in the Member States, there are only 76 cross-border operating IORPs. Sponsors and social partners apparently prefer local or national pension providers. As shown above, occupational pensions have many more advantages than their potential to be delivered across borders.</p>	<p>Disagreed, EIOPA believes robust governance standards - in addition to simplifying information and choice - will help address, at least partly, PPP holders' cognitive barriers and behavioural biases</p> <p>Noted</p> <p>Noted</p>
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		<p>Overall, we call on EIOPA to recognise and promote the advantages occupational pensions have in many countries and support their further development so that as many people as possible can benefit from good workplace pensions across the EU. We do not believe that the introduction of a 2nd Regime would solve any problems which could not be addressed by the existing system.</p> <p>The crux of the matter: taxation</p> <p>Even if individuals are not always rational actors (as also shown in EIOPA's analysis), many respond to a straightforward financial incentive such as EET taxation and state contributions/subsidies (Riester incentive). Taxation is therefore the crux of the matter both for occupational and personal pensions – a PEPP will only be truly successful if it is supported by attractive tax rules. We very much welcome that EIOPA recognises the problem in this consultation more than it has in previous ones.</p> <p>However, EIOPA does not propose anything to solve the issues around taxation – and rightly so. They conclude that the “most significant barrier [to cross-border business] is taxation” (p. 62), however, according to EIOPA, a PEPP would be free from “many of the legal obstacles” (p. 62). In addition, EIOPA states that “further research is needed to solve taxation issues” (also p. 62). At the same time, EIOPA recognises that the competence for taxation lies with the Member States.</p> <p>In this context we would also like to make the following points:</p>	<p>Noted – EIOPA supports strengthening both private pension pillars</p> <p>Agreed</p> <p>Noted – EIOPA advocates that – concerning taxation – a non-discriminatory approach would be applied to PEPP vis-à-vis PPPs sold in the individual national markets</p>
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		<p><input type="checkbox"/> “More and more countries are considering to abolish tax incentives related to PPP” (p. 62) - We are not aware of any such discussions – which Member States are currently discussing cutting back on tax incentives for PPPs?</p> <p><input type="checkbox"/> “On the other hand, harmonisation (including taxation) would help to solve tax hurdles currently blocking providers to operate cross-border.” (p. 63) - This sentence assumes that tax incentives are there to stop foreign providers entering the national market. However, the requirements for EET taxation in Germany take insights from behavioural economics into account: the tax incentive is only granted if the pension pot is paid out as a life-long benefit. This prevents individuals from accessing their pension pot before retirement and also from taking it out as a lump sum. They are not intended to discourage foreign providers from offering their products.</p> <p><input type="checkbox"/> An equal tax treatment for products with the same quality requirements in Germany is given. For example, the Riester pension products can be offered in Germany by providers from other EU Member States, too (§ 1(2) AltZertG).</p> <p>Key questions remain unanswered</p> <p>In our response to the previous consultation, we raised a number of questions (bullet points below, in quotations marks). As outlined below (comments following the arrows), from our perspective not all of them have been addressed sufficiently in the current consultation paper:</p> <p><input type="checkbox"/> “Is there really a need for a PEPP? If so, in which Member States? Without a clearly identified need, we see no reason for introducing a new regime! What are the existing</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>EIOPA analysed these issues -</p>
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		<p>problems that should be solved with a PEPP? Where are the problems? The connection with “1st pillar bis” is unclear to us.”</p> <p><input type="checkbox"/> We agree with EIOPA’s analysis that the Member States i.a. face the challenges of an aging economy, keeping public finances sustainable, ensuring an adequate retirement income for those longer working and fostering long-term investment (p. 5). We also recognise the analysis under the heading “Economic rationale for an efficient Single Market for personal pensions”. According to EIOPA, the market for personal pensions is imperfect, there is a lack of equality between demand and supply and asymmetric information issues exist between providers and consumers. EIOPA wants to meet these challenges by pursuing two strategic objectives: transparency, simplicity, accessibility and fairness across the internal market for consumers as well as the development of sound and prudent regulations supporting the internal market (p. 12).</p> <p>Overall, we would like to question whether the introduction of a PEPP would help to achieve the stated objectives. In addition, we partly disagree with the problem analysis: Regarding the “lack of equality of supply and demand”, EIOPA states that this could mean “that the market is unable to adequately provide the supply for all EU consumers that have a demand” (p. 11). We are not aware of any survey showing that individuals did not take out a personal pension because there was a lack of supply. With large financial service providers already offering products in many European countries, this seems a very unlikely scenario to us. If any policy conclusions are drawn from this, it should be substantiated by empirical evidence. Similarly, we would like to question that „wider provider choice” (also p. 11) would encourage more individuals to make provisions for their retirement. As is recognised by EIOPA in the context of investment options, more choice is not always a good thing. We</p>	<p>Please refer to EIOPA’s final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p> <p>Noted</p>
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		<p>wonder why EIOPA is recognising this and limiting investment choices, while at the same time promoting wider provider choice.</p> <p><input type="checkbox"/> According to Annex IV, 1st pillar bis plans are no longer included in the discussions around PPP and PEPP. We welcome the clarification (p. 95).</p> <p><input type="checkbox"/> “What added value does PEPP - a standardized EU product modified at the level of all 28 Member States - have for savers, providers and Member States?”</p> <p><input type="checkbox"/> According to EIOPA, the development of PPPs at the European level could lead to „efficiency gains through economies of scale and opportunities for risk diversification as well as for competition and innovation; high levels of cross-border activities and reduced obstacles to further the Single Market; opportunities for higher replacement rates and for multi-pillar diversification” (p. 5). From our perspective, most of these advantages are or could be achieved in the current system: occupational pensions allow for efficiency gains through economies of scale and opportunities for risk diversification; e.g. German Riester-products can be offered by providers from other EU Member States (see below); individuals already can spread their retirement provision across three pillars, with higher contributions leading to higher replacement rates. Competition is not a goal in itself; and innovation is unlikely to be fostered by introducing new regulation.</p> <p><input type="checkbox"/> “What constitutes “pensions” (in particular, are biometric risks included; so far no EU consensus could be reached; see definition of “retirement benefits” in Article 6 pt. c IORP Directive)? What are the differences between a PEPP and a “normal” financial product? Who can and should define this?”</p>	<p>Noted</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p> <p>Noted</p> <p>With regard to responses relating to PEPP - Please</p>
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			<input type="checkbox"/> See "What is a PPP?" above <input type="checkbox"/> "How should the PEPP be taxed? An equal tax treatment for different quality requirements (3.6.11.) may not appear justifiable by all Member States in the same way. An equal tax treatment for products with the same quality requirements in Germany is given. For example, the Riester pension products can be offered in Germany by providers from other EU Member States, too (§ 1(2) AltZertG)." <input type="checkbox"/> See the "The crux of the matter: taxation" above Data on the biggest PPP market should be included Footnote 83 states that Germany "could be seen as potentially the biggest PPP market in Europe". However, German data is not included in the graphs, and generally the evidence from Germany is rather thin. Why isn't additional data included? See e.g. the figures on Riester pension contracts – over 16.3 million people have pension saving contracts and benefit from "Riester incentives" (BMAS figures). We think that the inclusion of data from Germany would change the picture presented in the evidence Annex III significantly. For example according to the Figure "Assets split by product type), the vast majority of assets of PPPs (79%) is held in pure DC schemes. Adding the German assets (which do have a guarantee) would change the picture significantly.	refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs) Noted. EIOPA advocates that – concerning taxation – a non-discriminatory approach would be applied to PEPP vis-à-vis PPPs sold in the individual national markets Noted – EIOPA has not received these data
12.	Association of British Insurers	General Comment	The Association of British Insurers (ABI) welcomes the opportunity to respond to EIOPA's consultation on a single market for personal pension products (PPPs) as many of our	

		<p>members provide these products in the UK.</p> <p>The UK has the largest insurance and long term savings industry in Europe, and the third largest in the world. The ABI is the leading trade association for insurers and providers of long term savings in the UK. Our 250 members include most household names and specialist providers who contribute £12 billion in taxes and manage investments of £1.9 trillion. Employing around 334,000 people in the UK alone, the insurance industry is also one of this country's major exporters, with 24% of its net premium income coming from the EU.</p> <p>We recognise that the objective of this initiative is to increase pension savings across the EU, in particular encouraging the take-up of personal pensions through cross-border competition. However, we remain cautious about the need to harmonise the existing rules for PPPs given the lack of evidence to support that there is adequate demand from consumers to purchase these products and sufficient provider appetite to provide these products. Furthermore, if there was evidence to demonstrate consumer demand, there is no evidence to support that the rules for PPPs need to be harmonised to increase pension savings rate. It should be noted that each member state can improve their governance, prudential and frameworks following EIOPA and OECD best practice recommendations. It is our view that harmonising rules would not increase pension take up in the UK.</p> <p>The UK has a competitive and well established PPP market, and, in general, insurers are the main providers. ABI data supports this with our members providing for 14,455,000 PPPsin 2014. Similarly, data released by Origo - the eCommerce and standards body for the financial services industry - in November 2015 shows the competitiveness of the UK market with their electronic transfer service seeing a 31%</p>	<p>Noted</p> <p>Agreed – Please refer to EIOPA's resolution in row 1</p> <p>Noted</p>
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		<p>increase of 'pension to pension' transfers over the year. Moreover, their electronic transfer service handles around 95% of the contract transfer market in the UK, which equates to around 40,000 transfers a month.</p> <p>Nevertheless, we recognise the objective of improving personal pensions in order to improve retirement savings and help stimulate cross-border investment, as part of the EU's Capital Markets Union initiative, however, we find a number of challenges with the proposal:</p> <p>1) Existing EU legislation for insurers is sufficient</p> <p>Insurers are already significantly regulated by existing EU legislation, namely the Insurance Distribution Directive (IDD) and Solvency II. Both of these recently enacted Directives detail wide-ranging rules on governance, transparency and the distribution of insurance products.</p> <p>These rules have been developed over several years, with policymakers ensuring that there is a high level of consumer protection embedded. Given that insurers are, generally, the main providers of PPPs across the EU, and in the UK, we would strongly argue that additional rules to harmonise these products are not necessary.</p> <p>We would also highlight that more time is needed to allow Solvency II to bed down, given it has only recently come into force. Similarly, IDD is yet to come into force and the level 2 measures are currently being developed by EIOPA. It would therefore not be advisable to introduce any new rules which may end up duplicating or overlapping with these existing rules.</p> <p>Instead, we would welcome further consideration of measures by EIOPA to facilitate decumulation options cross border, such as for the sale of annuities and transfers within one jurisdiction</p>	<p>Agreed – Please refer to EIOPA's resolution in row 1</p> <p>Noted</p>
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		<p>where the customer lives in another jurisdiction. We believe this could be achieved through amendments to Rome I.</p> <p>2) No clear need in harmonising EU PPP rules</p> <p>The ABI would question the need to harmonise the rules around PPPs. Firstly, the purpose of PPPs (pillar 3) is quite different to the state pension (pillar 1) or occupational pensions (pillar 2). In the UK, PPPs are generally voluntary products purchased by consumers to top up their pensions savings, opposed to being the prime method /vehicle of ensuring a retirement income. Nevertheless, we acknowledge that other EU Member States do not share the UK's experience of PPPs, particularly as the UK PPP market is by comparison competitive and well established.</p> <p>Furthermore, and as mentioned previously, there is no evidence to support that the rules for PPPs need to be harmonised in order to increase pension saving rates. Each member state is able to improve their governance, prudential and frameworks following EIOPA and OECD best practice. We do not believe that harmonising PPP rules would increase pension take up in the UK.</p> <p>Finally, we are concerned about the ability for redress within the proposed framework and the extent to which it would fit with national legislation, and other legal issues within the pre and post-contractual stage. Treatment of trusts is an example of this .</p> <p>3) Lack of a cost/benefit analysis for harmonising EU PPP rules</p> <p>The ABI has strong reservations about the value in harmonising PPPs given the absence of a cost-benefit analysis. This analysis would be particularly important given the European</p>	<p>Agreed</p> <p>Noted</p> <p>Noted</p> <p>Noted. EIOPA's</p>
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		<p>Commission's current Better Regulation agenda. It would therefore be advisable for EIOPA to conduct a study to support their perceived benefit in harmonising the rules for new and existing PPPs, particularly when we believe that current EU legislation already adequately regulates these products.</p> <p>Added to this, harmonising the PPP regime across the EU would not result in a harmonised outcome for all consumers due to the variations in pension taxation systems, which remains a Member State competence. We are concerned that the taxation position has not been considered sufficiently by EIOPA and do not agree with the assumption that payment of benefits would be treated in the same way as the payment of contributions by the Court of Justice of the EU (CJEU). We therefore question whether harmonisation would achieve the desired policy outcomes for consumers.</p> <p>Finally, harmonisation of pension systems across the EU would inevitably incur costs for all pension providers, which is likely to lead to a weak cost-benefit return.</p> <p>In light of this, the ABI is strongly opposed to the introduction of additional rules to harmonise PPPs across the EU. Fundamentally, we have strong concerns about standardisation of PPP rules, particularly as we would want our members to be able to retain flexibility in the wide range of products that they offer. We hope that EIOPA take these challenges into account when considering whether harmonising the rules for PPPs would be a solution to providing adequate retirement provision for all EU citizens.</p>	<p>Impact Analysis (IA) was of a qualitative, not a quantitative nature.</p> <p>Noted</p> <p>Noted</p> <p>Agreed. Please refer to EIOPA's resolution in row 1</p>
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			<p>Instead, it may be a case that EIOPA make recommendations for facilitating the sharing of best practice between Member States, in particular assisting those markets with a less developed pension system. For example, using the current European Commission Working Group on Ageing Population and Sustainability (AWG) who already meet on a regular basis to facilitate the sharing of pensions experience across the EU.</p>	Noted
13.	Assogestioni	General Comment	<p>Assogestioni welcomes the opportunity to comment on EIOPA's Consultation Paper on EIOPA's advice on the development of an EU Single Market for personal pension products (PPP) and strongly supports any initiative undertaken by the European Commission and EIOPA aimed at developing PPPs at European level.</p> <p>We strongly believe private pension savings play a key role in creating adequate pensions for European citizens. Creating an effective and well-functioning multi-pillar pension system in Europe is even more important given the lowering of the replacement rates ascertained also by the European Commission in its White paper on Pensions (2012).</p> <p>In our view, the creation of a single market for PPP requires simple, uniform and sound rules governing both the provider and the product itself. In this perspective, we share the idea that the best mean to achieve this goal is by creating a Pan-European Personal Pension product, standardised, high recognizable and suitable to be sold cross-border through a EU passport.</p> <p>On the provider side, Assogestioni is pleased that in this Consultation paper EIOPA seems to have embraced the idea that only entities authorized under a relevant EU legislation</p>	<p>Agreed</p> <p>Agreed</p> <p>Noted - With regard to responses relating to PEPP - Please refer to EIOPA's final advice</p>

			<p>should be entitled to offer PEPPs, as we suggested in our response to the EIOPA's Consultation Paper on the creation of a standardised Pan-European Personal Pension product.</p> <p>On the product side, we believe that the PEPP should be conceived in such a way that providers are free to determine the structure of the product to be offered, taking into account the target market and its needs in terms of pension coverage. For this purpose, we believe that no specific form should be required to a personal pension to be labelled as PEPP: this may take the form of a product as well as an account or a wrapper.</p> <p>Lastly, the success of the PEPP is tightly tied to the associated tax treatment. We agree with the analysis made by EIOPA recognizing tax impediments to be the main challenge to be tackled to promote the Single Market for PPPs. In this regard, we believe that any advice on taxation should primarily focus on eliminating the risk of double taxation.</p> <p>Moreover, although we recognize that there is no space for the definition of a uniform tax treatment to be applied at European level, we believe that the European framework should nonetheless define general principles for the national Authorities to comply with. For example, it could be stated that a favourable tax treatment should be associated to PEPPs and that this tax treatment should be at least equivalent to the one associated to existing similar products at national level.</p>	<p>on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p> <p>Agreed – EIOPA advocates that – concerning taxation – a non-discriminatory approach would be applied to PEPP vis-à-vis PPPs sold in the individual national markets</p> <p>Noted</p>
14.	Better Finance	General Comment	<p>Better Finance, the European Federation of Investors and Financial Services Users is the dedicated representative of financial services users at European level. It counts about fifty national and international members and sub-member</p>	

		<p>organizations in turn comprising about 4.5 million individual members. Better Finance acts as an independent financial expertise centre to the direct benefit of the European financial services users (shareholders, other investors, savers, pension fund participants, life insurance policy holders, borrowers, etc.) and other stakeholders of the European financial services who are independent from the financial industry.</p> <p>Better Finance is the most involved European end user and civil society organisation in the EU Authorities' financial advisory groups, with experts participating in the Securities & Markets, the Banking, the Occupational Pensions and Insurance and Reinsurance Stakeholder Groups of the European Supervisory Authorities; as well as in in the European Commission's Financial Services User Group. Its national members also participate in national financial regulators and supervisors bodies when allowed. For further details please see our website: www.betterfinance.eu</p> <p>While Better Finance welcomes EIOPA's consultation on PPPs, we wish to make clear that this is only a second best option compared to the much more preferable and effective Pan-European Personal Pension product approach (PEPP). We doubt that any meaningful harmonisation of the myriads of PPP regulatory regimes within the EU could happen any time soon. But the pension issue is a ticking time bomb of tremendous magnitude, so time is of essence, and no further delay should be allowed for the completion of a common market for personal pensions in the EU. Only a PEPP approach can achieve this.</p> <p>As the successful experience of the UCITS funds (the only Pan European retail investment product so far – almost 60 years after the Treaty of Rome which was supposed to provide for a</p>	<p>Agreed – Please refer to EIOPA's resolution in row 1</p>
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			common market in products, services and capital) shows, the only realistic and effective approach is a Pan-European PP Regulation.	Agreed
15.	BIPAR	General Comment	<p>BIPAR is the European Federation of Insurance Intermediaries. It groups 52 national associations in 30 countries. Through its national associations, BIPAR represents the interests of insurance intermediaries (agents and brokers) and financial intermediaries in Europe. More information on BIPAR can be found on: www.bipar.eu</p> <p>Broadly speaking, there are three types of intermediaries.</p> <p>Most intermediaries are small or micro enterprises, established near to the consumer in the High Street of each and every city and village. They render personalised services to mostly local private clients and smaller businesses. They are confronted with growing competition from alternative forms of distribution. Many intermediaries are SME type enterprises servicing SMEs in all sectors of the economy at regional or national level. These intermediaries follow increasingly their clients abroad when they export or import or set up branches or subsidiaries outside their national borders.</p> <p>Some of these intermediaries are large enterprises. They work Europe-wide or even globally serving a wide range of mainly business clients. Some intermediaries also handle reinsurance business.</p> <p>BIPAR welcomes the opportunity provided by EIOPA to comment on its consultation paper on its advice on the development of an EU Single Market for personal pension products (PPP).</p> <p>BIPAR is in favour of an integrated European insurance and pensions Single Market that is diverse and competitive, where</p>	

		<p>consumers could benefit from a wide choice of innovative products at competitive prices and where service providers could operate in an efficient legislative environment that enhances their competitiveness and that continues to offer consumer protection. BIPAR also welcomes any concepts that are designed to improve pension provision coverage and concepts to help achieve more investments in the European economy.</p> <p>BIPAR is worried that EIOPA's envisaged approach of "harmonising" personal pension products be it through harmonisation via a specific Directive or by EIOPA seemingly preferred approach of an optional "PEPP", may create a significant duplication of current requirements and/or add additional requirements for products and providers and distributors which are already well regulated at EU and/or national level. For instance the IDD introduces new product oversight and governance provisions for manufacturers and distributors of all insurance products. The IDD also introduces new provisions on distribution that deal with conflict of interest and conduct of business rules for the entire sales process for insurance. The same applies e.g. for MiFID II which is currently in its implementation stage.</p> <p>As explained in more detail in our responses to the questions of the consultation paper, we are surprised again by the paper's approach to distribution channels of PEPP, in particular to intermediaries and to advice. It is not certain that the emergence of automated advice is always an appropriate answer to consumers' needs when it comes to PEPP. BIPAR is convinced that the human factor will remain an important element in the distribution process, even when distribution is carried out through digital means, and the importance of</p>	<p>Partially agreed. Please refer to EIOPA's resolution in row 1</p> <p>With regard to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p> <p>Agreed.</p>
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			<p>personalised and adapted advice provided by intermediaries should not be underestimated.</p> <p>We are surprised to see that EIOPA seems to favour a model for distribution, in casu a model without advice, sold over the internet. We understand that EIOPA is exploring how the development of new business models and services through technology could help to improve the PPP market. However, this can only be done without creating any distortion of competition, in a “channel neutral way”, without penalising one channel of distribution. Regulation should deliver the same protection regardless of channel.</p> <p>BIPAR believes that the EIOPA paper contains peremptory information, in particular regarding the sale of PEPP via internet that is presented as the ideal distribution channel to bring down prices but also barriers to cross-border activities. This is unjustified and not acceptable. (page 42).</p> <p>Regarding PEPP, even though BIPAR is not against a second regime per se, we are not convinced of the added value that the concept of a second regime for a PEPP could bring.</p> <p>We believe that in any event a distributor neutral approach should be adopted when considering the issues for PEPP.</p>	<p>Disagreed, EIOPA does not favour one distribution channel over the other.</p> <p>Agreed</p> <p>Noted</p> <p>Disagreed – Please refer to EIOPA’s resolution in row 1</p> <p>Agreed</p>
16.	Bund der Versicherten (BdV-German Association of t	General Comment	<p>As Germany’s most important NGO of consumer protection related to private insurances (with about 50.000 members) we would like to thank EIOPA for the opportunity to publish comments on this consultation. By its statutes our association is focussed on insurances, that is the reason why we give comments on the questions in this consultation mainly under the perspective of PPP being an insurance-based investment</p>	

		<p>product.</p> <p>While BdV welcomes EIOPA's consultation on PPPs, we wish to make clear that this is only a second best option compared to the much more preferable and effective Pan-European Personal Pension product approach (PEPP). We doubt that any meaningful harmonisation of the myriads of PPP regulatory regimes within the EU could happen any time soon. But the pension issue is a ticking time bomb of tremendous magnitude, so time is of essence, and no further delay should be allowed for the completion of a common market for personal pensions in the EU. Only a PEPP approach can achieve this.</p> <p>The PEPP project is a one-time opportunity to address the most critical and so far unsolved issue for the standard of living of future European pensioners. And at the same time it may improve the long term financing of growth and jobs, the objective of the EC "Capital Market Union" initiative. Therefore we support EIOPA's proposal for a PEPP with standardized and flexible elements, but we strongly urge EIOPA to "frame" this proposal by the array of EU directives and regulations, of its own Opinions and Reports which are absolutely relevant in this context:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Solvency II Regulation (2015/35/EU), mainly chapter IX on governance, prudential and remuneration; <input type="checkbox"/> Directive MIFID2 (2014/65/EU), mainly article 23 (conflicts of interest), article 24 (information to clients) and article 25 (suitability, appropriateness, reporting to clients); <input type="checkbox"/> Directive IDD (2016/97/EU), mainly articles 26 to 30 on PRIIPs; <input type="checkbox"/> PRIIPs Regulation (1286/2014/EU); 	<p>Agreed</p> <p>Agreed</p> <p>Noted</p>
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		<ul style="list-style-type: none"> <input type="checkbox"/> EIOPA's Fact Finding Report on Decumulation Phase Practices, October 2014; <input type="checkbox"/> EIOPA's Technical Advice on Conflict of Interest in direct and intermediated sales of insurance-based investment products, January 2015; <input type="checkbox"/> EIOPA's Technical Advice on criteria and factors to be taken into account in applying product intervention powers related to KID of PRIIPs, June 2015; <input type="checkbox"/> EIOPA's Opinion on sales via the Internet of insurance and pension products, January 2015; <input type="checkbox"/> EIOPA's Final Report on the proposal for preparatory Guidelines on product oversight and governance arrangements by insurance undertakings and insurance distributors, Consultation Paper in April 2016; <p>This constitutes a non-exhaustive list of essential regulations and research work already done, which we consider as indispensable for any development of an EU single market for personal pension products. Any advice by EIOPA related to a possible future PEPP should clearly be guided by these regulations, opinions and reports, for any "softening" of these criteria may inevitably lead to increased consumer detriment.</p> <p>This danger is only recently been shown by the new study of the European Commission (DG Justice) on "Consumer Vulnerability" across EU key markets, including financial services (January 2016). One of the main results of this study constitutes the assessment of an "informational vulnerability", which implies three predominant consequences in the financial sector services (cf. chapter 9.1.):</p> <ul style="list-style-type: none"> <input type="checkbox"/> difficulties in obtaining or assimilating information, 	<p>Noted</p> <p>Noted</p>
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			<input type="checkbox"/> inability or failure to buy, choose or access suitable products, <input type="checkbox"/> higher susceptibility to marketing practices. Of course, the drivers for this consumer vulnerability are complex, but the study clearly indicates measures how to address this vulnerability (support, protection and awareness-raising measures). With this in mind we again stress the crucial importance of the regulatory “frame work” – as outlined above – of any proposal of the future PEPP.	
17.	Deutsche Aktuarvereinigung e.V. (DAV)	General Comment	<p>The Deutsche Aktuarvereinigung (DAV) is the German association of actuaries and in this capacity appreciates the opportunity to comment on the consultation paper on EIOPA's advice on the development of an EU Single Market for personal pension products (PPP).</p> <p>DAV does not share the view that there is a general mistrust in PPPs and its providers. EIOPA mentions itself that those who lack trust in PPPs do so mainly because of the many reforms they have been subject to in the past. We consider that an EU-wide harmonisation will be yet another reform but not a solution.</p> <p>More importantly, product harmonisation does not make sense while the legal framework of supervisory, tax and social law are not harmonized. The products have to fit different national requirements and different customer needs. In our view, some product-specific harmonisation would create an additional, unnecessary layer of requirements for products and providers that are already well-regulated at EU and/or national level. In particular, insurance companies are already subject to new modern and sophisticated regulation with Solvency II and IDD.</p> <p>In particular, DAV has great concerns regarding EIOPA's</p>	<p>Noted</p> <p>Agreed – Please refer to EIOPA's resolution in row 1</p>

			<p>analysis on the potential benefits of increased standardisation:</p> <p><input type="checkbox"/> Complexity: Consumers indeed find it difficult to assess and make decisions about their future retirement income needs. Pension products are designed to reduce certain risks and uncertainties, while taking account of consumers' specific needs. This objective can rightfully translate into a certain level of sophistication in the design of the product. This is, however, not necessarily detrimental for consumers, but rather can be beneficial, since no standardized product will fit each client's needs and hence diversification of the product landscape is necessary in many situations.</p> <p><input type="checkbox"/> Standardisation: EIOPA claims that increased standardisation will result in lower costs. However, the costs of products are very likely to even be increased by standardised product features and further regulatory requirements due to new features () or establishment of new compliance mechanisms.</p> <p>With respect to PEPP, in our view, the recommendations on introducing a 2nd regime for PEPP seem appropriate if they are to apply to the third pillar only. This should be explicitly stated and, more importantly, demarcations with existing products (considering existing second pillar arrangements as well) carefully scrutinised in advance, since they would be affected by local social and tax laws. DAV welcomes EIOPA's aspiration to develop PEPP products as long-term savings products to provide consumers with a possibility of old-age provision which at product level harmonises the minimum requirements providers have to fulfil in all EU Member States. However, since the main target of PEPP should be an adequate level of secure lifelong income in retirement, the product itself should have a life-long annuity as the default option for the decumulation phase. Therefore, we urge EIOPA to include decumulation</p>	<p>Noted</p> <p>Noted</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p>
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			<p>options as a mandatory feature of a PEPP. Lifelong spending needs lifelong income and hence the PEPP should cover for longevity risk by its default option.</p> <p>Of great interest to us would be why the data for Germany is apparently left out of the analysis in Annex III, if EIOPA itself says this market “could be seen as potentially the biggest PPP market in Europe”. A fundamental restructuring of such a market requires detailed analyses and robust data about the current situation before decisions can be taken.</p>	<p>Noted - The data referred to where not provided to EIOPA</p>
18.	Dutch Ministry of Finance	General Comment	<p>The Netherlands thanks EIOPA for the opportunity to respond on EIOPA’s advice on the development of an EU single market for personal pension products (PPPs). The two key objectives of creating a single (voluntary) regulatory framework are: 1) encouraging more EU citizens to save for their retirement and 2) enhancing cross-border provision and competition.</p> <p>The Netherlands supports these objectives, as it has pointed out in the response to the consultation paper on the creation of a standardized Pan- European Personal Pension Product (PEPPs).</p> <p>In our view it is still not clear in what way a harmonized PPP-regime for third pillar pensions would contribute to these objectives. The vast majority of current PPP-providers already work on the basis of a harmonized European (prudential) framework (CRD/CRR, Solvency II, UCITS, AIFMD etc). Of course there are differences between these frameworks, but that is the case due to the different activities undertaken, and the different products being offered, by these providers.</p> <p>We think that the consumer in the third pillar is best protected by regulating product, distribution and disclosure rules for PPP. We think it is important to take behavioral insights into account: how do consumers make choices and how can</p>	<p>Agreed – Please refer to EIOPA’s resolution in row 1</p> <p>Agreed</p>

			<p>information be made most effective. To know if measures are effective requires empirical analysis and should not be based on assumptions about consumer behaviour.</p> <p>In light of this, we think the introduction of a standard product requires further analysis. In the Netherlands we are currently conducting an experimental study into the effects of introducing a standard product on consumer choice. The report on this study is expected in October this year. We would like to share the results with you. Preparing this experimental study, we have analysed several relevant cases of standardized products, such as the stakeholder pension in the UK, which you also might want to take into account.</p>	Noted
19.	European Fund and Asset Management Association (EFAMA)	General Comment	<p>EFAMA welcomes EIOPA's consultation and the opportunity to share our views on EIOPA's recommendations to develop an EU single market for personal pensions.</p> <p>EFAMA supports the conclusions of EIOPA's impact assessment:</p> <p><input type="checkbox"/> The standardization of key elements of a PEPP - as proposed by EIOPA in its advice - with space to accommodate the specificities of Member States, is the best policy option.</p> <p><input type="checkbox"/> It would be difficult to achieve full standardization via harmonization because this would require bringing all national regulations on PPPs to one level.</p> <p><input type="checkbox"/> We believe harmonization of PPPs would not be feasible, due to different social frameworks and taxation rules between member states. Furthermore, a full harmonization of PPPs would restrict competition between different product types and reduce choice for consumers.</p> <p><input type="checkbox"/> We strongly agree that the development of a successful EU Single Market for Personal Pensions can be achieved by a 2nd regime that creates rules for a standardized PEPP that do</p>	<p>Noted</p> <p>Agreed</p> <p>Agreed – Please refer to EIOPA's resolution in row 1</p> <p>Agreed - With regard to responses</p>

			<p>not replace national rules but are instead an alternative to them.</p> <p><input type="checkbox"/> The PEPP should benefit from an EU passport in order to be offered across Europe, once authorized by a competent authority in one Member State. To benefit from the passport, the PEPP should indeed be seen as a product. This said, the client of a PEPP may need to open an account.</p> <p>Against this background, we recommend giving priority to the creation of the PEPP through the use of a 2nd regime.</p> <p>For this reason, our response to the current consultation will focus on the PEPP and on the elements that should be part of its legislative framework.</p> <p>At a later stage, once the PEPP is introduced and the first experiences on the PEPP and customer response are known, policy-makers could consider discussing potential adaptations to the existing PPPs.</p>	<p>relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p> <p>Noted</p>
20.	Fédération Européenne Des Conseils et Intermédiaire	General Comment	<p>We welcome the initiative of EIOPA for the establishment of PEPP regimes aiming to improve the well-being of European citizens by helping to build income into retirement, we think this is crucial in view of the current economic environment and the running deficit of EU Member States.</p> <p>We generally agree with EIOPA proposals, but we would like to add that taxes are an equally critical part of the asset build-up equation, and one that features very high in the mind of consumers across Europe.</p> <p>Given the difficulty in implementing a full pan-European tax structure for asset build-up, EIOPA should investigate the establishment of a "most-favoured nation" clause, ensuring that PEPP assets are considered as eligible to the relevant local tax-favoured schemes. This would be a big step towards</p>	<p>Agreed</p> <p>Noted – EIOPA advocates that – concerning taxation – a non-discriminatory</p>

		<p>restraints for practitioners.</p> <p>The “time bomb”, which in the very short term is constituted by the pensions problem, reinforces the political need to attack the ensuing problems sooner rather than later, even if national governments are showing reluctance for European harmonisation of legislation, that would take a more pragmatic direction, and be more genuinely concerned with consumer interests. The failure of state pension systems opens unprecedented prospects for European financial advisers and intermediaries to assist anxious consumers with the right choice of options and alternatives for the sound management of their wealth.</p> <p>FECIF is determined in its representation of the fundamental interests of its members by advocating the principle of co-regulation of the profession in an environment that is excessively regulated – to the detriment not only of consumers’ interests, but also of the European economy.</p> <p>Overall, it is important to keep the consumer at the centre of the scheme, and to provide the means for her/him to make a fully informed choice, and to keep in charge of her/his pension over time. And given the complexity of the choices to be made, it is hard to see this happening without the provision of external advice, better suited than purely automated, regulator-sponsored or provider-driven information:</p> <p><input type="checkbox"/> The PEPP needs to be safe, but with investments we know that short-term volatility might be the price to pay for long-term performance - - consumers need to be supported in making their own choices;;</p> <p><input type="checkbox"/> The PEPP needs to be transparent, but we know that too</p>	<p>Noted</p> <p>Noted</p> <p>Agreed</p> <p>Noted - With regard to responses relating to PEPP - Please refer to EIOPA’s final advice on PEPP (February 2016 consultation paper on</p>
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		<p>much focus on short-term price fluctuations drives choices that might be at odds with long-term stability;;</p> <p><input type="checkbox"/> The PEPP needs to be cost-effective, but one has to ensure that cents are not saved modest costs at the expense of significantly lower savings due to making the right decisions over the long run...</p> <p>FECIF thinks that it is pivotal to: (i) strictly maintain a level playing field with other similar financial products (MiFID II, IDD, PRIIPs) and (ii) avoid ""experimenting"" with features proven unsuitable in previous experiences. The regulation should be strictly distribution-neutral and not tailored in favour of any distribution channel. FECIF understands the intent to enable an increased number of consumers to maintain their finances online, but it should be taken into account that in the whole EU area, the vast majority of financial products are distributed via non-digital distribution channels (branches, advice etc) and the share of e-sales is only slowly changing (additionally, personal savings is definitely a ""push product""). Favouring the online channel, and hampering the traditional ones, could therefore severely damage the PEPP itself and undermine the original EC idea.</p> <p>Regarding the very construction of the PEPP framework, it is extremely important to review the experiences of Member States with their own individual pension reforms. For example, in 2013 the Czech Republic experience indicates, among other findings,</p> <ul style="list-style-type: none"> - a guarantee of no loss (""black zero"") inhibits any potential of higher yield, including simply higher than inflation, - default life-cycles can prohibit investors from obtaining personally necessary higher yields, particularly in later years, - a low cap on charges and costs inhibits competition and distribution, leading to very limited penetration within the 	<p>development of single EU market for PPPs)</p> <p>Agreed – EIOPA does not favour one distribution channel over the other</p> <p>Noted</p>
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			<p>population, - even very standardised and simple products (such as the previous Czech pension savings product – penzijní připojištění) is often not contracted efficiently via the internet;; advice is still crucial in many instances.</p> <p>We think that e-sales should be enabled, but they should not be favoured by the proposal. The same rules as with other distribution channels, based on existing frameworks (MiFID II, IDD, PRIIPs), should be applied, only with the exception of those clearly inapplicable.</p> <p>FECIF supports the necessity of the appropriateness test in non-advised distribution. It is important to note that the final PEPP will most likely be a derivative of an investment product, so the MiFID II framework should form the backbone of its regulation.</p> <p>We are in favour of a general level of product standardization, but the detail of regulation/standardization should not by any means prevent innovation within the individual product providers. These providers should not be degraded into “factories” that all manufacture the same product.</p>	<p>Agreed</p> <p>Disagreed - In case investment options of PPPs or PEPPs can be designated as 'non-complex' EIOPA believes the application of appropriateness testing should not be required</p> <p>Agreed</p>
21.	Federation of the Dutch Pension Funds	General Comment	The Federation of the Dutch Pension Funds (Federation) welcomes the opportunity to respond to the present consultation paper on the Advice of EIOPA on the development of an EU Single Market for personal pension products (PPP).	

			<p>As a result of a lacking clear definition, EIOPA considers IORPs as potential providers of PPPs, as shown by the graphics presented in Annex III of the consultation paper. This is in contradiction with an IORP's role as an institution which is active within the 2nd pillar only.</p> <p>For the sake of clarity and transparency in the discussions, and in order to prevent unnecessary confusion, the Federation recommends that EIOPA makes the same distinction as the OECD in its recently published proposal for a new set of Core Principles of private pension regulation. In this proposal a sharp and fundamental distinction is made between occupational and personal pensions.</p> <p>The Federation also reiterates the need to think about the decumulation phase of such a product, since this is the most important phase in the view of the consumer.</p> <p>The Federation would like to remind that its answers as given hereafter only refer to true 3rd pillar products, and do not refer to voluntary elements in occupational pensions. The latter are an integral part of occupational pension arrangements and as such subject to national labour law and the IORP-directive respectively.</p>	<p>some member states allow their IORPs to market PPPs however</p> <p>Noted</p> <p>Agreed</p> <p>Noted</p>
23.	Financial Services User Group (FSUG)	General Comment	<p>While the Financial Services User Group - (FSUG) set up by the European Commission - welcomes EIOPA's consultation on PPPs, we wish to make clear that this is only a second best option compared to the much more preferable and effective Pan-European Personal Pension product approach (PEPP). We doubt that any meaningful harmonisation of the myriads of PPP regulatory regimes within the EU could happen any time soon. But the pension issue is a ticking time bomb of tremendous magnitude, so time is of essence, and no further delay should be allowed for the completion of a common market for personal</p>	<p>Agreed</p> <p>Agreed – Please refer to EIOPA's resolution in row 1</p>

			<p>pensions in the EU. Only a PEPP approach can achieve this.</p> <p>As the successful experience of the UCITS funds (the only Pan European retail investment product so far – almost 60 years after the Treaty of Rome which was supposed to provide for a common market in products, services and capital) shows, the only realistic and effective approach is a Pan-European PP Regulation.</p>	Agreed
24.	German Insurance Association (GDV)	General Comment	<p>For good reasons Member States are responsible for the design of pension systems and the corresponding definition of pension products. They need to provide transparent, consistent and sustainable policy frameworks to promote retirement savings. In particular, people should be enabled to make choices that are appropriate for their individual situation, for instance by improving financial education and by individual projections about future retirement income from all pension pillars. But it is not just the governments' responsibility; all actors are challenged to work together to make it easier for people to engage with old age provision. Providers certainly play a role here and there is room for improvement in many ways. Unfortunately, the low interest rate environment as well as reduction of tax incentives due to fiscal constraints in some Member States both hampered a wider coverage with third pillar pension products.</p> <p>It is, therefore, important to set appropriate incentives to generate more additional old age provisions, e.g. in form of personal and occupational pensions. The German Insurance Association (GDV) supports initiatives aiming at that goal and welcome EIOPA's intention to further develop the single market for personal pensions and to foster cross-border approaches and consumer protection. This, of course, requires an adequate and transparent regulatory framework: Consumers often establish a long-term relationship with their provider through</p>	

		<p>the purchase of personal pension products. These products usually have a term of at least 10 years or even more. Therefore, long-term financial stability and soundness of providers as well as consumers' protection against insolvency of the provider are indispensable. The GDV welcomes that EIOPA's consultation document addresses many important aspects regarding governance, transparency and distribution of personal pension products.</p> <p>However, many objects remain for discussion. Besides, it would have been very helpful if EIOPA had made clearer the purpose of this new consultation in addition to the PEPP consultation in 2015 and their interdependencies. Especially since EIOPA now "considers whether and how these recommendations [regarding a standardised Pan-European Personal Pension product (PEPP)] could be applied to [personal pension products] PPPs in general" – though the debate about a well-defined PEPP is ongoing.</p> <p>The GDV stated in its response to EIOPA's consultation about a PEPP in 2015 that there might be potential for a PEPP in such markets where consumers currently have low levels of choice or lack trust in those institutions offering pension products, and where PEPP would receive tax incentives. Consumers' needs differ not only between Member States but also between individuals. A PEPP could provide additional choice, given that it is a 'true' pension product and that it does not replace existing national pension solutions (PPP).</p> <p>The GDV acknowledges that EIOPA's recommendations for a PEPP in form of a 2nd regime by now go into the right direction. German insurers welcome that the suggested PEPP features try to find a balance between standardisation, flexible elements and national product requirements which are necessary to adapt to consumers' needs and expectations. But German</p>	<p>Agreed</p> <p>Noted – please refer to EIOPA's resolution in row 1</p> <p>Agreed</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of</p>
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		<p>insurers urge to make the provision of decumulation options a mandatory feature of a PEPP. PEPPs should provide a lifelong income in retirement as a default option. Only then the PEPP would provide a true pension product that protects people against the financial risk of longevity.</p> <p>There remain many open questions regarding the interlinkages of a 2nd regime with areas of national competence (taxation, social law structures, contract law, general good rules). Those questions are paramount to providers but were not addressed in EIOPA's advice.</p> <p>With regard to supervision of PEPP, EIOPA did not present any evidence of insufficient supervisory powers for such products. Respective additional powers seem not necessary.</p> <p>Furthermore, the GDV regrets EIOPA's decision to use the PRIIPs KID as a benchmark for PEPP or pension products more generally, given that this document was not designed for pension products, but rather for short and medium-term investment products. The PRIIPs KID is, therefore, not the right starting point for rules on transparency of pension products. The GDV comments in its response to Q7 specifically on EIOPA's advice on PEPP, since this seems to be the only opportunity to comment on the policy options.</p>	<p>single EU market for PPPs)</p> <p>Noted – The areas of national competence do not lie within EIOPA's/the EU's remit</p> <p>Partially agreed – Additional supervisory powers for NCAs should be proportionate. Further research is needed before a final decision with regard to granting additional supervisory powers to NCAs is made</p> <p>Disagreed, EIOPA believes the PRIIPs KID is a good starting point for PEPP disclosures and further assessment is needed in order to determine whether the document</p>
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			<p>Against this background, we would like to provide some general comments on the policy options considered in EIOPA's consultation as follows:</p> <p>Harmonisation of current rules:</p> <p>The GDV would not consider an EU-wide harmonisation of pension products (PPP) as an appropriate solution to alleged problems in third pillar pension provision. In contrast, harmonisation of all PPPs across the EU poses the risks of creating inconsistencies in the respective pension system and of undermining trust of savers. Such harmonisation would neither be practicable nor desirable.</p> <p>EIOPA's consultation also seems to suggest a product-specific harmonisation of the current rules for different providers. The GDV has strong reservations regarding such an approach for the following two reasons:</p> <p><input type="checkbox"/> Since there is no single EU-wide definition of PPP, the scope of such regulation would be unclear and would probably differ between Member States.</p> <p><input type="checkbox"/> Introducing specific rules for PPP would create a new, unnecessary layer of requirements for products and providers which are already well-regulated at EU and/or national level.</p>	<p>should be adapted if needed.</p> <p>Agreed – Please refer to EIOPA's resolution in row 1</p> <p>Partially agreed, but please refer to EIOPA's February 2014 Preliminary Report "Towards an EU-single market for PPPs" (Chapter 2.3)</p> <p>Agreed</p>
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		<p>product features and the regulation are set in an appropriate way. It could promote choice and increase trust in pension products in some Member States. A PEPP could also facilitate cross-border business. However, German insurers urge to make the provision of decumulation options a mandatory feature of a PEPP. A PEPP should offer a lifelong income in retirement as a default option. Only then PEPPs would be true pension products.</p> <p>The GDV has, however, strong reservations regarding EIOPA's analyses of possible benefits of standardisation of pension products:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Market performance: EIOPA states that the personal pension market performance in the European Commission's consumer market scoreboard was ranked in last position. The scoreboard surprisingly included personal pensions in the banking services sector, although pensions are primarily offered by insurers. Furthermore, personal pensions are ranked together with products such as securities, packaged investments, fund management, stockbroking and derivatives. The banking sector already offered EU-standardised products like UCITS for many years. The market for personal insurance products, including endowment policies and annuities, was ranked significantly better. This result does not support EIOPA's hypothesis that standardisation improves market performance from a consumer perspective. <input type="checkbox"/> Complexity: Consumers find it indeed difficult to assess and make decisions about their retirement savings, because of a high level of uncertainty regarding their future (individual circumstances over the short and long-term, economic developments, coverage through e. g. public and occupational pensions and other sources of retirement income). Personal pension products are designed to help individuals to reduce 	<p>final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p> <p>Noted</p>
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			<p>certain risks and uncertainties, while taking account of savers' specific needs and preferences. Such products might be rather sophisticated in their design. For example, they may include guarantees that protect against high market volatility and/or lifelong annuities that protect from the financial risks of longevity. This is beneficial for consumers, not detrimental. The GDV is afraid that at EU level only a limited number of product features will be chosen just for fostering simplicity of pension products, e. g. that decumulation options for pensions are not considered because they need a more careful design.</p> <p><input type="checkbox"/> Transparency: The GDV supports a high degree of transparency on the features of all pension products – personal as well as occupational. EIOPA suggests that a standardised product would help consumers solving their questions on the need to save and on the extent to which additional savings are required. The GDV does not share this opinion.</p> <p>In addition, in the view of the GDV, product information documents are not the appropriate means to address consumers' questions about sufficient retirement savings. Such more general information needs to be provided by different means, by advisors etc.</p>	<p>Noted</p> <p>Disagreed – EIOPA believes product standardisation will help consumers to better make comparisons and improve their comprehension</p> <p>Partially agreed – EIOPA believes non-advised sales, not requiring an appropriateness test, should be allowed with regard to non-complex investment options. EIOPA acknowledges however that distributors/advisor</p>
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			<p><input type="checkbox"/> Cost-efficiency: EIOPAs assumption that standardisation will increase cost-efficiency is not substantiated. Costs are driven by the required standardised product features and regulatory requirements. Standardisation could even increase costs due to new features or establishment of new compliance mechanisms.</p> <p>In sum, the GDV fully supports the intent to create a regulatory framework for PEPP that enables efficient pass-porting and distribution within the EU. Such framework should, however, not be misinterpreted in the sense of prescriptive standardization of terms for PEPP. The variety of national pension products should not be reduced by introducing an additional concept of minimum product standards for EU-pass-portable products in order to maintain choice of products for consumers.</p>	<p>s will continue to play an important role for many consumers</p> <p>Noted</p> <p>Partially agreed - With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p>
25.	ICI Global	General Comment	<p>Introduction</p> <p>ICI Global is pleased to comment on the next step in EIOPA's work on the development of a pan-European personal pension product ("PEPP") – the "Consultation paper on EIOPA's advice on the development of an EU Single Market for personal pension products," published on 1 February 2016 ("February Consultation"). The February Consultation aims to accomplish a number of purposes: (1) it includes final advice on the development of a 2nd regime for PEPPs; and (2) it consults on whether and how these recommendations should apply to national personal pension products ("PPPs") in general. We</p>	

		<p>also understand that the February Consultation will serve as the basis for EIOPA's response to the European Commission's Call for Advice from EIOPA on the Development of an EU Single Market for Personal Pension Products, dated 23 July 2014. Our comments focus on a legal framework for the development of PEPPs through a voluntary 2nd regime. We urge EIOPA and the Commission to make the PEPP work a priority rather than attempting to harmonise PPPs. A pan-European product with a cross-border distribution regime is the only way to ensure that a true single market for personal pensions could be created in a foreseeable future.</p> <p>ICI Global strongly supports the PEPP development, and our responses to the EIOPA's 2015 consultation on the PEPP creation and to the survey on the PEPP's attractiveness are available, respectively, at https://www.iciglobal.org/pdf/15_icig_eiopa_pepp_consultation_itr.pdf and https://www.iciglobal.org/pdf/15_icig_eiopa_pepp_survey.pdf.</p> <p>Summary of ICI Global Comments on the February Consultation</p> <p>With EIOPA's findings that many Member States are concerned with adequacy of retirement provision and the Commission's initiative to deepen and strengthen the capital markets, facilitating the PEPP development is a logical step.</p> <p>We concur that the only workable policy option for creating, within a foreseeable time frame, an EU Single Market for personal pension products is through the introduction of a voluntary 2nd regime rather than through harmonisation of the PPP rules of all Member States.</p> <p>On the product that could be offered within this 2nd regime, EIOPA's recommendation for a semi-standardised PEPP, with a defined set of optional elements, strikes the right balance</p>	<p>Agreed</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p> <p>Agreed</p>
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		<p>between the benefits offered by standardisation (simplicity for the consumer and cost efficiency gains for the provider), with the flexibility needed to accommodate diverse consumer needs and Member States' specificities, as well as product innovation.</p> <p>On the standardisation elements, we agree that a PEPP should have one default "core" investment option, with a few additional investment options. We also support EIOPA's view that standardised disclosures would benefit consumers and providers alike, and that PRIIPs KID is a good starting point, although some adjustments may be required. We concur that guarantees and fee caps should be optional.</p> <p>On harmonisation of regulation between national PPP providers, we urge EIOPA and the Commission to make the PEPP work a priority rather than looking to harmonising national PPP rules, as these are highly divergent, and harmonisation is not realistic in the foreseeable future.</p> <p>On taxation, we concur that mechanisms must be developed for addressing tax hurdles without requiring tax harmonisation. Many tax complexities, we submit, can be addressed by standardised robust tax information reporting to Member States' tax authorities and to retirement savers.</p> <p>This reporting, we submit, would help achieve EIOPA's objective of allowing PEPPs and PPPs to be offered to individual Member States' tax residents on a non-discriminatory basis.</p>	<p>Noted – EIOPA advocates that – concerning taxation – a non-discriminatory approach would be applied to PEPP vis-à-vis PPPs sold in the individual national markets</p> <p>Noted</p>
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			<p>About ICI Global</p> <p>ICI Global is the international arm of the Investment Company Institute and it serves a fund membership that includes regulated funds publicly offered to investors in jurisdictions worldwide, with combined assets of US \$18.4 trillion. As part of our mission, we have been studying retirement systems around the globe and facilitating the exchange of information on key challenges and innovative solutions, including through thought-leadership pension conferences in Paris (jointly with the Organisation for Economic Cooperation and Development (OECD) and the International Organisation of Pension Supervisors (IOPS), Geneva, Tokyo, Hong Kong, and Beijing. ICI Global publishes post-conference reports on its website to ensure the conferences' discussions surrounding retirement security are publicly available. See https://www.iciglobal.org/iciglobal/pubs/retirement.</p>	
26.	Institute and Faculty of Actuaries	General Comment	<p>The IFoA believes that there is one specific challenge to the aim of developing a single market for PPP in the EU. As long as Member States (MS) retain responsibility for tax and social security decisions, it will be very difficult to have a functioning single market for PPPs. With existing differences in tax and social security, it is unlikely that many providers would seek to offer products across borders given the regulatory barriers. Similarly, individuals would take up a PPP that offered them the best outcome in respect of their immediate personal circumstances, including tax. We welcome EIOPA's recognition in this paper of that challenge.</p> <p>However, the IFoA supports the general consumer protections outlined in the paper, noting that many of the proposals are already in force in the UK. Consequently, the comments in our response reflect the experience of our members in providing</p>	<p>Noted</p> <p>Noted</p>

			<p>PPPs in the UK. Given that experience, we cannot comment on the consequences of EIOPA's proposals for less mature PPP markets in other EU MS.</p>	
27.	Insurance Europe	General Comment	<p>Insurance Europe recognises the importance of looking at possible ways of encouraging and supporting European citizens to save for their retirement and welcomes the opportunity to comment on EIOPA's advice on the creation of a single market for personal pension products (PPPs).</p> <p>In this document, Insurance Europe comments specifically on the questions included in EIOPA's consultation on its advice on a single market for personal pensions. However, since the questions are almost exclusively related to the harmonisation of all personal pension products, Insurance Europe has decided to complement its response to EIOPA's consultation with a separate document commenting specifically on EIOPA's advice on a pan-European pension product (PEPP).</p> <p>As a general remark, Insurance Europe has strong reservations about EIOPA's envisaged approach of harmonising personal pension products, as this would duplicate existing requirements and/or add a new, unnecessary layer of requirements for products and providers — almost exclusively insurers — which are already well regulated at EU and/or national level.</p> <p>Furthermore, Insurance Europe believes that an appropriate cost-benefit analysis should be carried out before any further action is taken.</p>	<p>Agreed – Please refer to EIOPA's resolution in row 1</p> <p>Noted - EIOPA's Impact Analysis (IA) was of a qualitative, not a quantitative nature.</p>

			<p>In recent years, many initiatives have been or still are being implemented for the insurance sector. Solvency II entered into force in 2016 and contains a wide set of modern and sophisticated governance, prudential and information requirements. The Insurance Distribution Directive (IDD, Directive 2016/97) introduces new product oversight and governance (POG) provisions for all insurance products. The IDD also introduces new provisions on distribution that will enhance the conduct of business rules for the entire sales process for insurance. These rules ensure a high level of protection for consumers that purchase personal pension products from insurers.</p> <p>These rules are still being implemented in the member states and the consequences thereof need to be thoroughly examined. Therefore, Insurance Europe does not see any need or justification for new regulation in the field of personal pensions for insurers.</p> <p>Furthermore, Insurance Europe has strong reservations on two aspects of EIOPA's analysis, ie:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Complexity: Consumers indeed find it difficult to assess and make decisions about their future retirement income needs. However, simplifying pension products' design — as suggested by EIOPA — would not necessarily deliver more adequate pensions. On the contrary, Insurance Europe believes that a certain level of sophistication in the design of the product is rightfully needed in order to reduce certain risks and uncertainties, while taking account of savers' specific needs and 	Noted
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			<p>preferences.</p> <p><input type="checkbox"/> Standardisation: EIOPA's stance that increased standardisation will result in lower costs is not sufficiently substantiated. Costs of products are primarily driven by product features and regulatory requirements. It should also be kept in mind that standardising pension products may be detrimental to consumers, as this would restrict providers' ability to respond to consumers' specific needs and personal circumstances.</p>	Noted
29.	Mefop, Assofondipensione and Assoprevidenza	General Comment	<p>This document summarises the opinions of Assofondipensione, Assoprevidenza and Mefop on the consultation paper on EIOPA advice on the development of an EU Single Market for Personal Pension Products (PPP).</p> <p>Assofondipensione embody the interests of 32 workplace Italian Pension Funds. Their members represent 1.9 million employees and AUM equal to 40 billion Euros. It is member of AEIP (European Association of Paritarian Institutions)</p> <p>Assoprevidenza embody the interests of more than 170 workplace Italian Pension Funds. Their members represent AUM exceeding 13 billion Euros. It is member of AEIP (European Association of Paritarian Institutions).</p> <p>Mefop is jointly owned by the Italian Ministry of Economics and Finance, which is the main shareholder, and by 90 Italian Pension Funds (both occupational and personal). It is member of AEIP (European Association of Paritarian Institutions) and of PensionsEurope.</p> <p>Assofondipensione, Assoprevidenza and Mefop are in favour of all the initiatives that can encourage the participation of the employees to the supplementary pension schemes, so that they can achieve a pension treatment adequate to their needs and</p>	

		<p>expectations at retirement. This goal is particularly important taking into account the growing need to strengthen the public pensions, whose level of coverage is expected to fall in the coming years as a result of the overhauls of the pension systems adopted in many member states of the European Union.</p> <p>We also share the efforts of EIOPA to promote a simple, transparent and comparable personal pension product in order to develop an informed membership and prevent potential members (consumers) from the negative effects of asymmetric information on the market of personal pensions.</p> <p>Nevertheless, we are very concerned about the EIOPA conclusions of the consultation paper in favour of the creation of a new Pan-European personal pension product as the better way to achieve the EU Single Market for Personal Pension Products.</p> <p>From the consultation documents it seems clear that EIOPA promotes PEPP as a financial product in the framework of a 2nd regime that overrules national regulations and answers more to a "commercial" logic than a pension one. What is favoured is simplicity and standardisation, and the attention dedicated to protection and safety is in the line of "protection of consumers" (in fact the document speaks about "consumers" and not "members").</p> <p>As we suggested in the response to the consultation paper on the creation of a standardized Pan-european personal Pension Product, the introduction of a new personal pension scheme cannot be wieved without an in-depth assessment of its effects on the single national markets. The hypotesis of the 2nd regime could certainly better fit in countries where the national market of personal pension product are not developed yet. Conversely</p>	<p>Noted</p> <p>Noted - With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p>
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		<p>in countries where the PPPs are already well developed and regulated, the new scheme risks to achieve worse off outcomes from those hoped by EIOPA. In the end there is the risk of damaging the interests of consumers instead of to protect them.</p> <p>The framework proposed by EIOPA for the PEPP, which envisages an high level of standardization on information provision, default investment option and limited investment choice while leaving flexibility on guarantees, cap on costs and charges and switching, risks to trigger regulatory arbitrage where PPP are strongly regulated. In Italy PPP share the same regulatory framework of IORP's. They already benefit of a very strong and efficient regulation which ensures members/consumers with a high duty of care. Moreover, in Italy (but also in other Member States) in some cases, based on specific agreements between an employer and his employees, personal pension products act as a IORP. In that cases PPP are a second pillar scheme, both for employees and, to a greater extent, for self-employed workers. With the project of PEPP further strengthen, there is the risk that the current structure of the market could be deeply modified in a way in which the level of care towards members could be sharply reduced. In fact, even though EIOPA is explicitly aware about risk of regulatory arbitrage, it doesn't seem to suggest any real practical solutions.</p> <p>Still continue not to be very clear which financial intermediaries may provide a PEPP. Even if EIOPA has limited the field of possible providers to all financial intermediaries falling under a UE directive on financial intermediaries, it doesn't seem not yet appropriate. Mefop, Assofondipensione and Assoprevidenza still reiterate their concerns on this issue. First of all even providers far from the market of supplementary pensions provision and</p>	
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		<p>with a low skill on this field may be providers of PEPP. Furthermore, in the market there will be two different providers of personal pension products: those already existing, subjected to the authorization process of each Member State and to the national regulatory framework, and those offering the new PEPP on the basis of the EU framework and no more subjectet to a specific authorization. Once again, EIOPA risks to fail to secure the achievement it wants to reach with PEPP.</p> <p>A new concern is linked to the proposal of EIOPA to allow for the provision of a PEPP without a specific authorization by the competent authority. The rationale of the proposal is that as the provider has been already authorized under a EU directive from its specific regulator, it is also valid for the provision of a PEPP. It is important to stress that the provision of a PEPP should be only admitted for financial intermediaries which fulfill the requirements established by the competent authorities and which have a mission comparable with the provision of a pension product. The proposal risks to create an “unlevelled playing field” between operators which refer to different regulatory frameworks. This hypotesis risks to be very dangerous in Italy where currently personal an occupational pension arrangements obey to the same regulator. If the Eiopa proposal should go further on, in the market of personal pensions there will be operators subjected to two different regulators. This condition, when occurring, will only worse off the interests of members/customers of both national PPP and PEPP, further soaring the risk of regulatory arbitrage.</p> <p>The hypotesis of no specific authorization should be only admitted for financial intermediaries falling within the scope of the EU Directives on financial services provision and which already provide personal pension plans or other forms of supplementary pensions. Italian personal pension schemes</p>	
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		<p>(open pension funds and life insurance contracts) should be eligible as PEPP given the high level of care that they already provide to members.</p> <p>EIOPA continues to support the idea that PEPP could be eligible for tax incentives at national level. We agree on the fact that tax distortions have to be tackled to avoid market asymmetries. However EIOPA should take into account the specific (and social) purpose of tax incentives to supplementary pension schemes. They are justified from the special purpose of retirement savings, both occupational and personal. Pension funds are merit goods, based on that assumption they are eligible for public support (i.e. tax incentives). No matter their nature, supplementary pension schemes are not a purely financial investment, they are pension investments, employees and self-employed join the plans to secure an adequate income for old age. Allowing financial vehicles with a low level of pension skill than national existing PPPs being eligible for tax incentives, could benefit product which should not be entitled to. Once again, such a distortion may be further worsened by the presence on the market of two different providers who deal with different and asymmetric regulatory environments. This risk is particularly relevant for Italy as PPP and IORP share the same tax treatment. The regulation of PEPP should allow national authorities to limit tax incentives only to providers of PEPP who:</p> <ul style="list-style-type: none"> - are provided by financial intermediaries with capital requirements, governance, prudential and organizational structure adequate and consistent to carry out the provision of PEPP, - provide to their members a level of protection at least not lower than those provided by the already existing PPP operating in the Member State of reference. 	
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		<p>The regulation of PEPP, based on the coexistence of flexible (national) and standardized (EU) rules could create a lots of organizational problems for PEPP providers, particularly for those committed in the cross-border activity. In addition, there could be negative consequences also for consumers because the levels of protection assured by PEPP would not be homogeneous but differentiated on the basis of the national contexts. In assessing the degree of standardization of the PEPP, EIOPA should consider the effects that would occur on the markets of PPP at national level as well as the consequences on the consumer care.</p> <p>For all these concerns, we don't agree with the preference of EIOPA towards the so-called 2nd regime. The EU Authorities should even consider the other approach suggested in the Call for Advice of the European Commission released on July 2014, which is based on the establishment of a common regulatory framework as much uniform as possible for PPP (or at least the major ones) currently provided and on the release of a "passport" for the cross-border activity. We strongly believe that the strengthening of the multi-pillar approach to promote the growth of supplementary pension schemes, one of the goals of PEPP's, may be better achieved by improving the effectiveness of the schemes already in place (both occupational and personal), rather than enrich the supply-side of the market with a new type of pension product. With the provision of the PEPP there will be only the risk to raise confusion among potential members and, thus, in the end, negatively affect the rights of consumers which, instead, EIOPA would like to protect.</p> <p>For all the other concerns please refer to the response of the consultation Creation of a new Pan-European personal pension product</p>	<p>Disagreed, EIOPA believes the introduction of a 2nd regime for PEPPs is best placed to encourage more people to save and in order to create a single EU market for personal retirement savings products. Please refer to EIOPA's resolution in row 1</p>
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30.	PensionsEurope	General Comment	<p>PensionsEurope believes that while social security and workplace pensions, often supported by a favourable tax treatment, do and should continue to provide the bulk of the retirement income, voluntary personal pensions (including PEPP) can be needed and useful, especially to provide pensions for those who don't have access to adequate workplace pensions and as a further way to improve retirement resources and contribute to securing the future adequacy and sustainability of pensions.</p> <p>It can also prove to be useful when there is poor security for existing personal pension products or when existing products are not attractive enough. PensionsEurope stresses the importance to adequately define the scope of voluntary personal pensions and clearly differentiate them from workplace pensions.</p> <p>PensionsEurope agrees with EIOPA that a standardised PPP, under the form of the PEPP, proposed as a 2nd regime, could contribute to the policy objectives of ensuring a high minimum standard of consumer protection. We also agree with EIOPA that a voluntary 2nd regime, which gives the option to national Member States to implement the PEPP-regime in their legislations, is better than harmonization. We consider that the 2nd regime is the preferred option, our answers below are based on that and hence will mostly refer directly to the PEPP, although we do some comments on the PPP too.</p> <p>It is important to test the demand and also to elaborate further on the reasons why a PEPP as a 2nd regime would be useful especially in the Member States where the voluntary personal pensions are already well regulated and developed. It is also necessary to reflect upon what elements are left to national legislation, what elements are tackled at the EU level and how</p>	<p>Agreed</p> <p>Agreed</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper</p>
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			<p>they could be implemented.</p> <p>In particular, we agree with EIOPA's conclusion that, given the diversity of requirements and the fact that this area is beyond its fields of competence, when developing the PEPP proposal, a non-discriminatory approach vis-à-vis PPPs sold in the individual national markets should be applied in the field of taxation, in order to avoid regulatory arbitrage. Importantly, it is up to the Member States to decide on the tax framework for supplementary pensions – EU institutions or agencies should not stipulate how the PEPP is treated tax-wise compared to other pension products and systems.</p> <p>Finally, we are pleased to see that EIOPA seems to have embraced the idea that only entities authorized under a relevant EU legislation should be entitled to offer PEPPs.</p> <p>Regarding the harmonization of existing PPPs, we are quite skeptical about the feasibility. Where PPPs are nowadays provided by EU-regulated insititutions, relevant Directives or Regulations already deal with the major issues such as governance, conflict of interest or consumer protection. Where PPPs are not provided by EU-regulated institutions, these regulatory gaps should be closed.</p>	<p>on development of single EU market for PPPs)</p> <p>Agreed – Please refer to EIOPA's resolution in row 1</p>
31.	Pensionskasse der Mitarbeiter der Hoechst-Gruppe V	General Comment	<p>Introduction</p> <p>The Pensionskasse der Mitarbeiter der Hoechst-Gruppe VVaG is one of the largest institutions for occupational retirement provision (IORP) in Germany and was founded in 1886. At the moment, the IORP has a balance sheet of more than 7 bn. € and is providing occupational retirement provision for more than 100.000 members and beneficiaries.</p> <p>German IORPs are only offering occupational pensions (of the second pillar) with particular features that are defined in the</p>	

		<p>German Occupational Pension Act (BetrAVG – Betriebsrentengesetz). Therefore, occupational pensions are different from insurance and any other financial products including the new PEPP as far as its structure is perceptible from the description in the consultation paper of 2016. According to the German BetrAVG, IORPs are currently only allowed to offer occupational pensions and hence no other pension-like products, as for instance PEPPs.</p> <p>We are of the opinion that only the operating IORP as an institution, and not their products, should be submitted to any regulatory framework. The current IORP Directive (including the draft IORP-II Directive) as well as the German Supervisory Act for Insurance undertakings and for IORPs (VAG – Versicherungsaufsichtsgesetz) only define the requirements an IORP as an institution has to fulfill. Once the permission is obtained, the IORP is free to offer any products the employer and / or the social partners have conceived, without any further authorization process.</p> <p>Futhermore, we believe that the existing authorization requirements are nowadays largely sufficient. Hence, there is no need for a further stand-alone authorization for PEPP providers or for the PEPP as product. At EU-level, the rules of Solvency II, MiFID, UCITS, CRD IV and the IORP Directive cover all relevant pension providers respectively providers offering pension-like products. These EU-rules have been transposed by the Member States into their national legislative framework, thus taking into consideration the different features of the different pension systems.</p> <p>Furthermore, we are still not clear on what exactly constitutes a PPP or a PEPP because there are still no comprehensive and clear definitions for these terms. While EIOPA has identified some standardised and some flexible product features of the</p>	<p>Noted</p> <p>Noted</p> <p>Agreed</p> <p>Please refer to EIOPA's February</p>
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		<p>latter, the particularities still remain unclear. We therefore ask in the first section: What is a PPP/PEPP?</p> <p>Looking at the problems the PEPP is designed to address, we think that there are other – and better – solutions available like for example the further promotion of funded pension schemes while focussing on occupational pensions.</p> <p>Demographic developments paired with cuts in state pension provision create the need to supplement state retirement income by additional pensions. The first choice in this regard are occupational pensions. Because of the involvement of employers, occupational pensions can be organised on a collective level. Occupational pensions are therefore good value for money, particularly for those on low incomes. They balance security against returns and provide a life-long pension for their beneficiaries, who share the risks around death and invalidity. In contrast to personal pensions, occupational pensions can therefore address these risks without undertaking an individual assessment. In contrast to personal pension products, occupational pensions are mainly governed and protected by social and labour law. Furthermore, occupational pensions also provide for a high level of transparency for employers as well as for the employees especially due to the principle of co-determination.</p> <p>These advantages should be used. Occupational pensions should be strengthened further in all 28 Member States, thus ultimately preventing old age poverty while at the same time relieving public finances. Existing systems should be further developed and enhanced to reach their potential before additional systems are established and supported.</p>	<p>2014 Preliminary Report “Towards an EU-single market for PPPs” (Chapter 2.3</p> <p>Noted</p> <p>Noted - EIOPA does not favour one private pension pillar over the other</p> <p>Agreed</p> <p>Disagreed - EIOPA believes that – in</p>
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			<p>Additionally, for any type of voluntary pension provision, taxation is a key lever when encouraging individuals to take up a pension plan and/or employers to offer a plan to their employees: The crux of the matter – taxation.</p> <p>Even if individuals are not always rational actors (as also shown in EIOPA’s analysis), many respond to a straightforward financial incentive such as EET taxation and state contributions/subsidies (Riester incentive). Taxation is therefore the crux of the matter both for occupational as well as personal pensions – a PEPP will only be truly successful if it is supported by attractive tax rules. We very much welcome that EIOPA recognises the problem in this consultation more than it has in previous ones.</p> <p>However, EIOPA does not propose anything to solve the issues around taxation – and rightly so. They conclude that the “most significant barrier [to cross-border business] is taxation” (p. 62), however, according to EIOPA, a PEPP would be free from</p>	<p>the field of personal pensions - the introduction of a 2nd regime for PEPPs will be beneficial to encourage more people to save and in order to create a single EU market for personal retirement savings products. Please also refer to EIOPA’s resolution in row 1</p> <p>Agreed</p> <p>Noted – EIOPA advocates that – concerning taxation - a non-</p>
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		<p>“many of the legal obstacles” (p. 62). In addition, EIOPA states that “further research is needed to solve taxation issues” (also p. 62). At the same time, EIOPA recognises that the competence for taxation lies with the Member States.</p> <p>In this context we would also like to make the following points:</p> <ul style="list-style-type: none"> <input type="checkbox"/> “More and more countries are considering to abolish tax incentives related to PPP” (p. 62) - We are not aware of any such discussions – which Member States are currently discussing cutting back on tax incentives for PPPs? <input type="checkbox"/> “On the other hand, harmonisation (including taxation) would help to solve tax hurdles currently blocking providers to operate cross-border.” (p. 63) - This sentence assumes that tax incentives are there to stop foreign providers entering the national market. However, the requirements for EET taxation in Germany take insights from behavioural economics into account: the tax incentive is only granted if the pension pot is paid out as a life-long benefit. This prevents individuals from accessing their pension pot before retirement and also from taking it out as a lump sum. They are not intended to discourage foreign providers from offering their products. <input type="checkbox"/> An equal tax treatment for products with the same quality requirements in Germany is given. For example, the Riester pension products can be offered in Germany by providers from other EU Member States, too (§ 1(2) AltZertG). <p>Footnote 83 states that Germany “could be seen as potentially the biggest PPP market in Europe”. However, German data is not included in the graphs, and generally the evidence from Germany is rather thin. Why isn’t additional data included? See e.g. the figures on Riester pension contracts – over 16.3 million</p>	<p>discriminatory approach would be applied to PEPP vis-à-vis PPPs sold in the individual national markets</p> <p>Noted</p> <p>Noted</p> <p>Noted – However, this product is suited for German tax residents only</p> <p>Noted – these data were not provided to EIOPA</p>
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			<p>people have pension saving contracts and benefit from “Riester incentives” (BMAS figures). We think that the inclusion of data from Germany would change the picture presented in the evidence Annex III significantly. For example according to the Figure “Assets split by product type), the vast majority of assets of PPPs (79%) is held in pure DC schemes. Adding the German assets (which do have a guarantee) would change the picture significantly.</p> <p>Overall, we call on EIOPA to recognise and further promote the advantages occupational pensions have in many countries and support their further development so that as many people as possible can benefit from good workplace pensions across the EU. We do not believe that the introduction of a 2nd Regime would solve any problems which could not be addressed by the existing system.</p>	Noted
32.	Prof. Dr. Hans van Meerten & Elmar Schmidt of Utre	General Comment	<p>Prof. Dr. H. van Meerten, (1974) is a professor International Pension Law at Utrecht University and a lawyer (senior advisor) at Clifford Chance Amsterdam. He deals with EU (Pension) Law and national and international pension pooling structures.</p> <p>Hans has extensive knowledge of the various aspects of EU-legislation and processes. One of his special areas of expertise is the EU and Dutch-legislation regarding pensions and the cross-border activities of financial institutions.</p> <p>In 2008- 2010, Hans co-wrote the legislation regarding a new Dutch pension fund, the Premium Pension Institution (PPI). This institution has a European IORP passport and can freely offer its services throughout the EU and non-EU countries. Hans was also involved in the Brussels negotiations on the Services Directive and the Solvency II Directive. He was also closely involved in the EU Treaty negotiations of Nice and the European</p>	

			<p>Constitution.</p> <p>Elmar Schmidt is a PhD candidate in European Pension law at Utrecht University, dealing with the cross-border operation of IORPs.</p>		
33.	Society of Actuaries in Ireland	of in	General Comment	<p>The Society of Actuaries in Ireland (“SAI”) agrees that PPPs would ultimately benefit from harmonisation, particularly across product governance, distribution and disclosure of information. We broadly agree with EIOPA’s proposals in these areas, with an exception noted in the area of product governance. In our view, the product governance proposals (Annex VIII) around the onus on the provider to identify and mitigate the risk of “product related circumstances” giving rise to consumer detriment need clarification. Depending on the interpretation taken, this requirement may prove onerous, if not impossible, for providers to implement.</p> <p>While we largely agree with the sentiments in the proposals around additional supervisory powers for the PEPP, we do not support the preparation of a “commitment memorandum” as envisaged. The “pre commitment” requirements around expected performance and the obligation on providers to explain potential remedial actions in the uncontrollable event of market downsides are likely to prove very difficult / costly to implement, with knock-on implications for pricing and the attractiveness of PPPs.</p> <p>In terms of the proposals around online, non-advised sales, we would caution that due cognisance should be taken (among other things) of the complexity arising from the varying</p>	<p>Partially agreed – Please refer to EIOPA’s resolution in row 1</p> <p>Noted</p> <p>Partially agreed - Additional supervisory powers for NCAs should be proportionate. Further research is needed before a final decision with regard to granting additional supervisory powers to NCAs is made</p> <p>Noted</p>

		<p>taxation, social and labour laws.</p> <p>We agree with the assessment that more detailed analysis will be required as to the most appropriate supervisory tools to enable national supervisors ensure PEPP's investment approach is monitored and value for money assessed. We would point out that in Ireland, for example, "PRSA Actuaries" provide annual certification to the regulator regarding compliance by certain pension providers with regulations in respect of default investment strategies and charges for certain personal pension type vehicles. Pending further analysis, the "PRSA Actuary" model may represent a viable alternative to deliver on at least some of the envisaged independent watchdog tasks outlined in the consultation document.</p> <p>We agree with EIOPA's overall impact assessment which concluded that a standardised 2nd regime sitting beside national PPP regulations would be a better option than attempting to force standardisation on existing national regimes.</p> <p>Notwithstanding comments above, we envisage significant challenges around the potential demand for a PEPP particularly in countries with well-developed occupational pension scheme and personal pension markets. We anticipate that the absence of harmonisation of tax social and labour laws is likely to represent a significant challenge to the development of a standardised, simplified PEPP including the standardisation of a default fund. A default fund incorporating lifecycling or guarantee elements will of necessity vary by jurisdiction even in the accumulation stage (e.g. the last 10 years) where retirement ages and drawdown options differ.</p> <p>We also encourage consideration of the wider environment and its impact on retirement provision. The product/vehicle is a</p>	<p>Agreed</p> <p>Noted</p> <p>Agreed</p> <p>Noted</p>
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			small element of the overall equation and a new 2nd regime product on its own is unlikely to have the effect of materially improving the level of provision for future retirement income.	Noted
34.	Standard Life plc	General Comment	<p>Standard Life is pleased to be given a further opportunity to contribute towards the development of an EU Single Market for savings products.</p> <p>As a major provider of long-term savings and investments with total assets under administration of £307.4bn as at 19 February 2016, Standard Life is well placed to comment on the issues covered in the paper. The Standard Life group includes savings and investments businesses which operate across its UK and European markets; corporate pensions and benefits businesses in the UK; Standard Life Investments, a global investment manager, which manages assets of £253.2bn as of 19 February 2016 globally; and Chinese and Indian Joint Venture businesses.</p> <p>As an investment company Standard Life wishes to develop products and services that help people plan and invest with confidence. We therefore welcome EIOPA's analysis on this topic and the detail of the recommendations, which provide the foundation of a proposition which Standard Life can now consider more fully from a practical perspective.</p> <p>We continue to be supportive of any steps to reduce barriers to trade for insurance pension business because of the powerful benefits this could bring to consumers and to the development of a EU Single Market for retail financial services. We are also encouraged to read that the challenges of taxation and the harmonisation of social and labour laws (the "general good") have been recognised as barriers to this initiative and require further investigation. These barriers must be reconciled in our view before any PPP could be provided on a cross-border basis</p>	Agreed

		<p>or a PEPP could be designed for and sold to the wider EU market.</p> <p>We are not supportive of standardisation of PPP features in general given that PPPs are inherently tied to individual member states' taxation, national labour and social laws. For these reasons, we also have yet to be convinced that a PEPP will represent a cost-efficient and meaningful product proposition.</p> <p>Standard Life would, however, be particularly supportive of steps to facilitate decumulation options cross-border, for example the sale of annuities, and to facilitate pension transfers within one jurisdiction should the pension saver become habitually resident in another jurisdiction. This would provide greater convenience for customers' living in another EU member state and strengthen the Single Market in general.</p> <p>Further key comments include:</p> <p><input type="checkbox"/> Due to the tax structures inherent in pensions, a cross-border product propositions could come in the form of a cross-border investment-linked insurance contract rather than a personal 'pension'. Such a cross-border long-term savings product sold as an investment-linked insurance contract could still meet many long-term savings needs even though it would not be directly comparable to local 'pension' solutions. We</p>	<p>Agreed – Please refer to EIOPA's resolution in row 1</p> <p>Noted</p> <p>Noted - although EIOPA believes the accumulation phase of the PEPP should be followed by a decumulation phase - due to largely varying decumulation practices EU wide - EIOPA does not believe standardising specific forms of decumulations is appropriate however</p>
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		<p>therefore envisage, due to the social and labour laws within each member state and the taxation barriers for the sale of cross-border pension sales, the development of a Pan-European Long-term Savings product (PELS). We believe this would be more achievable in the short to medium term than a PEPP. The PELS would be structured as an own life insurance contract with a small amount of death benefit and linked to pooled investment funds.</p> <p><input type="checkbox"/> A PELS product could support the development of a capital markets union (CMU) and Standard Life supports the liberalisation of the investment-linked life insurance market as a complement to the CMU.</p> <p><input type="checkbox"/> We agree with EIOPA's statement that defined contribution pension savers are expected to bear the risk of providing for an adequate income in retirement. This responsibility should not sit with providers under the proposed investment suitability rules.</p> <p><input type="checkbox"/> We agree with the recommendation to rely on existing authorisation, disclosure, solvency and prudential regimes rather than creating a new, stand-alone layer of compliance for PPPs and potential future PEPP providers.</p> <p><input type="checkbox"/> Our previous concerns about standardisation are restated in this response.</p> <p><input type="checkbox"/> We welcome greater consideration of PPPs within the occupational market. Many UK pension providers offer personal pensions in the occupational market as 'group personal pensions'. Although the employer sources the pension scheme, each employee has a contract with the pension provider. The UK has also seen the introduction of 'auto-enrolment' where, with certain exceptions, all employees must be automatically enrolled into a pension scheme. Many employers who have not</p>	<p>Noted</p> <p>Noted</p> <p>Partially agreed - a duty of care should apply to providers however</p> <p>Agreed</p>
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			operated an occupational scheme favour a group personal pension scheme. The needs of such pension savers can differ from the needs of other personal pension savers, for example the needs of the self-employed tradesmen compared to the accountant in a medium sized organisation.	Noted
35.	The Association of Pensions Lawyers	General Comment	<p>The Association of Pension Lawyers (“APL”) represents members of the UK legal profession who specialise in pensions law. Accordingly our expertise is primarily related to the regulation of the pension products market and therefore we have focussed on answering Questions 1 to 4 of the Consultation.</p> <p>This response does not constitute legal advice or represent the views of any constituent firms within the APL or their staff or partners on an individual basis.</p> <p>In principle we support measures designed to create a more efficient pensions market and see the introduction of standardised regulatory provisions across the European Union in respect of PPPs as a positive step towards this. However, we are concerned that any introduction of a harmonised PPP regime as well as a new PEPP (with its own regulatory requirements) does not encroach on the UK’s existing regulatory framework for personal pension products.</p> <p>The UK has a mature regulatory regime in place already across its financial services sector and PPPs are an important part of this. Financial services are regulated by the Financial Conduct Authority, which enforces compliance with rules made under the Financial Services and Markets Act 2000 (which, in turn, implements a number of European Directives). These rules apply both to those who establish PPPs and those who “arrange deals” of investments, including PPPs. Accordingly, the UK regulatory framework applies both to providers and to</p>	<p>Noted</p> <p>Noted</p>

			<p>distributors.</p> <p>We would regard the extension of such practices across the EU as a positive development for the market. However, we do have concerns in relation to the creation of excessively onerous obligations (especially as this is already a highly regulated area in the UK), which could potentially harm consumers by raising the prices of pension products. This is a particularly important issue in relation to PEPPs, though it remains a concern regarding the proposed single market in PPPs as a whole.</p> <p>We also wish to highlight that the UK government is taking active steps to encourage consumer engagement with retirement planning, through measures such as “auto-enrolment” into workplace pension schemes and the “Lifetime Individual Savings Accounts.” It will be important for any new developments at the EU level to be capable of being harmonised with the steps already taken at the Member State level to improve retirement planning, particularly through providing tax incentives.</p> <p>We are keen to provide input when the planned further analysis is carried out and draft proposals are put forward.</p>	<p>Agreed – please refer to EIOPA’s resolution in row 1</p> <p>Noted</p> <p>EIOPA wishes to thank APL for its generous offer</p>
36.	The Finnish Pension Alliance Tela	General Comment	<p>The Finnish Pension Alliance Tela represents the statutory I-pillar earnings-related pension providers operating in Finland. In general, the system is based on collective risk sharing.</p> <p>We welcome this opportunity to contribute to the “EIOPA’s advice on the development of an EU Single Market for personal pension products (PPP)”. We want to highlight the good preparatory work EIOPA has done regarding PEPP/PPP initiative. Transparency, communications and inclusion of potential stakeholders have all been commendable. We are also</p>	

		<p>delighted that EIOPA has incorporated behavioural economics perspective to formulation of PEPP, which will no doubt contribute to multidisciplinary nature of the initiative.</p> <p>Finnish authorities did not take part in “EIOPA Personal Pension Products in the EEA survey”. For a more comprehensive view on present national characteristics we recommend a study “Analysis of the standardized Pan European Personal Pension (PEPP) product and its impact in four European countries: the Netherlands, Estonia, Finland and Hungary” (Nijman, Määttänen, Vörk, Piirits and Gal).</p> <p>Overall, we are on the same page with EIOPA on the general goal of strengthening the adequacy of pensions in Europe. While it is true at EU level in general that recent pension reforms have emphasized fiscal sustainability (Aging report 2015, COM) and adequacy of I-pillar pensions has been partly compromised (Adequacy report 2015, COM, SPC), it is also clear that the big picture hides national differences in Member States’ pension policies.</p> <p>We believe that there should be no juxtaposition between different pension pillars (social security, occupational, private/personal) from the point view of specific functions they serve. I-pillar pensions should always form the core and bulk of old age income, because they have the potential to offer widest coverage, statutory security, increased work mobility (EC No 883/2004) and collective risk sharing (longevity, investment). As far as the multipillar model is concerned: II- and III-pillar pensions should always remain complementary in nature.</p> <p>We understand that design of the PEPP needs to be compatible with internal market work mobility. Altogether, pensions should not pose any major obstacles to labour mobility in Europe. It is imperative that EU citizens can exercise their fundamental right</p>	<p>Agreed</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA's</p>
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		<p>to move within the EEA labour market to find job opportunities. Active cross border labour mobility is also an essential building block of the European Monetary Union (EMU). It is good to remember that I-pillar social security pensions under the coordination act EC No 2004/2004 de facto promote work mobility in Europe, thus contributing to the balancing of supply and demand of labour within the EMU.</p> <p>We agree with EIOPA that not only private pensions, but pension systems in general in the EEA are indeed highly diverse. We also partially agree with EIOPA on the notion that pension policy is also a matter of some European concern, especially in the context of economic coordination (EMU) and due to the profound consequences of pension policies on fiscal sustainability, labour supply and mobility of labour. Still, the formulation of national pension policy and relations of different pension pillars are exclusive rights of the Member States. PEPP initiative should not in any way limit or impair this fundamental principle manifested in the EU treaties. Decisions on social policy need to be made at the national level, where ultimate political responsibility is carried.</p> <p>It is crucial that impact assessment of the PEPP initiative should not be based only on the internal consumer/provider point of view, accordingly indirect negative externalities should be examined as well as positive ones. Legislative proposals related to the PEPP require careful consideration and profound impact assessment from EIOPA and Commission, since the 2nd regime legal framework would overrule national regulation within the scope of the 2nd regime. Particularly national practises linked to taxation issues should be thoroughly researched</p> <p>Standardized product features of the PEPP would present a significant challenge in relation to national legal frameworks already in place. Issues raised by EIOPA concerning</p>	<p>final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p> <p>Agreed</p> <p>Agreed</p>
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			<p>demuculation phase and taxation are particularly difficult from Member States' point of view. We fully agree with EIOPA on that the decumulation phase of the PEPP should not be standardized, mainly due to national differences in pensionable age. The possible starting point of decumulation is very important for national policy makers for example in Finland because of its linkage to statutory pension age and tax legislation (reliefs). It is of paramount importance that the PEPP does not in any way create an early exit route to retirement. The PEPP concept must support the important mission of lengthening working careers in Europe.</p> <p>As for the definition of PEPP, we are pleased to see that EIOPA has maintained the approach (EIOPA 2014 preliminary report) where the PEPP is classified as "voluntary individual membership and sold as retail basis". Additionally, we strongly favour the political choice EIOPA has made: 1pillar bis pensions are excluded from scope of the PEPP. It is self-evident (competence) that all mandatory pension systems under national social and labour law cannot be included in "the realm of PEPP". We reiterate our argument in which the distinctions between different pension pillars must be crystal clear and in harmony with current EU legal framework.</p>	<p>Agreed</p> <p>Agreed</p>
37.	The Investment Association	General Comment	<p>The Investment Association represents the asset management industry operating in the UK. Our members include independent fund managers, the investment arms of retail banks, life insurers and investment banks, and the in-house managers of occupational pension schemes. They are responsible for the management of around £5.5 trillion of assets in the UK on behalf of domestic and overseas investors.</p> <p>The UK asset management industry strongly believes in promoting the need for long term savings across Europe in pension and investment products. While we believe that there</p>	

		<p>are some domestic markets that are already well catered for by existing pension provision (notably the UK, Ireland and the Netherlands) there are other countries with less developed markets for retirement savings products whose citizens and economies would benefit from the opportunity to increase retirement savings via personal pension products.</p> <p>For consumers such a market will allow them to invest in assets that have a much better chance of delivering them good outcomes in retirement than cash. At the macroeconomic level the development of a single market in personal pension products can also help European economies grow by contributing to the Capital Markets Union (CMU) agenda through the provision of new long term savings flows that will help to deepen European capital markets. By aiding the flow of capital to productive uses in European economies, it can help strengthen the link between individual outcomes and broader economic growth.</p> <p>At the outset we should say that our views refer only to the Pan European Personal Pension (PEPP) itself rather than PPPs more generally.</p> <p>We see it as neither practical nor desirable to achieve full standardisation of personal pension products across the EU.</p> <p>Instead, the PEPP is the most effective way of creating an EU</p>	<p>Agreed</p> <p>Agreed</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p> <p>Partially agreed – please refer to EIOPA's resolution in row 1</p>
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		<p>single market for personal pensions and we support the concept of a PEPP that has a small number of standardised core features – namely the requirement to have a default strategy, a limit on the number of additional investment options and standardised information provision. Leaving Member States to decide on product regulation (e.g. guarantees, price caps and treatment of switching costs) is a sensible and practical approach that will allow PEPPs to compete with local personal pension products.</p> <p>We therefore agree that the development of a successful EU Single Market for Personal Pensions can best be achieved by a second regime that creates rules for a standardised PEPP that sits alongside national rules but does not replace them.</p> <p>An overarching theme in our response is that we agree with EIOPA that the application of existing sectoral authorisation and regulatory requirements under European legislation in areas such as provider and product governance, prudential and distribution is sufficient to allow firms regulated by this legislation to offer a PEPP, subject to products complying with the PEPP standardisation in the areas mentioned above. Where this may require adjustments to existing sectoral legislation, this should be granted. In fundamental terms the only difference between a PEPP and a UCITS fund or a PRIIP, for example, is the investment time horizon, which will be significantly longer in a PEPP. This difference alone does not merit a different approach to provider authorisation nor to product governance, prudential and oversight and distribution.</p> <p>Where there is a difference between the PEPP and PRIIPs or UCITS is in the fact that the PEPP involves money being locked away for a long period as well as involving tax considerations through its status as a tax-privileged savings wrapper. These distinctions are best dealt with through appropriate disclosure</p>	<p>Agreed</p> <p>Agreed</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p>
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			to and from the UK at or close to retirement so a regime which helps to facilitate cross-border movements would be particularly beneficial for many people.	Noted
39.	Vanguard Asset Management, Limited	General Comment	<p>Vanguard continues to be very supportive of EIOPA's efforts on the creation of a standardised PEPP. Vanguard welcomes the opportunity to provide comments on EIOPA's "Consultation Paper on EIOPA's advice on the development of an EU Single Market for personal pension products (PPP)" published in February (the "February Consultation"). We again commend the European Commission for the thoughtful and diligent work they have undertaken thus far on this extremely important pan-European retirement savings initiative.</p> <p>By way of background, Vanguard is one of the world's leading money managers, managing over US \$3 trillion on behalf of institutional and individual investors located in approximately 170 countries worldwide. We operate under a unique mutual structure that aligns our interests with those of our investors and drives the culture, philosophy and policy views throughout our organisation worldwide. Our unique mutual structure enables us to deliver low-cost and client-focused investment products and services. At the same time, our unique mutual structure enables us to have a somewhat unique investor-focused view on savings issues such the development of a successful EU single market for personal pensions.</p> <p>Vanguard strongly supports the PEPP development, and our comments herein supplement comments that Vanguard has formally provided to EIOPA's November 2015 consultation on the creation of a pan-European Personal Pension Product (PEPP), and comments to the December 2015 EIOPA survey on the PEPP's attractiveness.</p> <p>As a general matter, our comments today reiterate our view</p>	<p>Agreed</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of</p>

		<p>that EIOPA is wise to pursue the legal framework for the development of PEPPs through a voluntary 2nd regime; that is, EIOPA is wise to pursue a system that will initially complement and work with existing member state retirement savings vehicles, rather than attempting full harmonisation among member state systems. At a later stage, after the PEPP has been introduced and savers, providers and policymakers have developed some experience with the system, consideration could be given to discussing the ways to adapt PEPPs to make them even more effective savings vehicles.</p> <p>We believe the PEPP as currently contemplated could be successful without the need for comprehensive harmonization. In particular, with respect to tax harmonization, we urge EIOPA and the Commission to avoid attempting to accomplish the extremely difficult task of tax harmonization as a prerequisite to launching the PEPP initiative. At this stage, we believe it would be sufficient to offer relatively simple annual tax information reporting (e.g., reporting on the amount of contributions, annual account earnings and distributions from a PEPP). PEPP providers could submit this informational reporting to the relevant Member State tax authority and to the individual saver, so that any tax obligations can be satisfied by the individual.</p> <p>Throughout our response, please note that we agree with EIOPA's general position that existing sectoral regulatory requirements (such as in respect of provider, product and distribution governance) should not be replicated in PEPP-specific regulation. This is supported by the fact that at a base level, the only real difference between a PEPP and a UCITS fund, for example, is the potentially increased time horizon of the PEPP investment. We do not consider that this difference by itself justifies a different regulatory approach.</p>	<p>single EU market for PPPs)</p> <p>Noted</p> <p>Noted</p> <p>Agreed</p>
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40.	Verbraucherzentrale Bundesverband – vzbv	General Comment	<p>vzbv supports this initiative to create a level playing field for several saving products used to finance the retirement period (like Riester-Rente). We have been observing for years that consumers are overstrained with choosing the suitable product among a wide range of products, product categories and tax regulations. For this reason we see a need for a default which does not overburden consumers with product criteria while offering an appropriate level of consumer protection. Consumers demand for ONE simple low cost product which would enable them to react to changes in their personal circumstances. Consumers do not need more of the same by creating an additional product category, they rather need a real alternative, that minimises the burden of choosing the right product.</p> <p>We believe that PPP will under certain conditions encourage fair and open competition between all market players, mitigate any potential risk of regulatory arbitrage and enable efficiency gains through economies of scale and lower costs.</p> <p>In Addition we would like to refer to our answer to PEPP Consultation in October 2015.</p>	<p>Agreed</p> <p>Noted</p>
41.	Willis Towers Watson	General Comment	<p>Willis Towers Watson does not share EIOPA's (or the European Commission's) view that there is a significant demand for 2nd (or 29th) regime pensions.</p> <p>For completeness, nor do we consider there to be any particular merit in trying to harmonise the "entire, currently highly divergent, market for personal pensions". We are pleased that</p>	<p>Disagreed - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p> <p>Agreed – Please refer to EIOPA's</p>

		<p>EIOPA has concluded the same in regard to the latter.</p> <p>As acknowledged by EIOPA, issues relating to taxation and social and labour law, present significant obstacles to the viability of any 2nd regime 'product'. However, we do not believe that EIOPA has considered the major obstacle covered by the loose term "taxation".</p> <p>To be clear, we do not consider issues relating to cross-border transfers to be the major problem (although we agree that, in some cases, tax/SLL treatment does present a significant obstacle to cross-border transfers for the few individuals affected).</p> <p>Although Member States may be happy to agree a set of standard product features for a 2nd regime personal pension plan, they are likely to grant beneficial tax treatment only where the operator of the plan complies with the same conditions as apply for granting such beneficial treatment for domestic plans. These are likely to concern matters such as</p> <ul style="list-style-type: none"> • the nature, shape and timing of emerging benefits (e.g. restrictions on how much, if any can be taken as a lump sum and at what age benefits can be taken) • maxima of contributions and/or emerging benefits – possibly with restrictions determined by the member's age • complying with information requirements • authorisation, approval and/or registration requirements <p>Given that, in many cases, these rules will have been fashioned</p>	<p>resolution in row 1</p> <p>Noted, EIOPA advocates that – concerning taxation – a non-discriminatory approach would be applied to PEPP vis-à-vis PPPs sold in the individual national markets</p> <p>Noted</p> <p>Noted</p>
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			<p>over years and possibly enshrined in complex domestic legislation, it seems unlikely that Member States will brush them to one side just to facilitate (a few) individuals who wish to 'shop' across borders. In particular, for those Member States with well-developed pension systems, there appears to an absence of any political incentive to be accommodating.</p> <p>Undoubtedly there are also issues in relation to cross-border transfers, but these would affect very few individuals whereas complying with each Member States' rules for obtaining beneficial tax treatment of 'normal' contributions/benefits seems to undermine the underlying principle of a 2nd regime – i.e. a simple, standardised product that 'providers' can operate across the EU. A 2nd regime product is illusory. Irrespective of a common framework for governance, disclosure and supervisory oversight there would be multiple 'designs' and 'country compartments' that providers would need to accommodate.</p>	<p>Noted</p> <p>Noted</p> <p>Agreed</p>
42.	Insurance and Reinsurance Stakeholder Group (IRSG)	Q1	<p>The IRSG does not see a need to introduce ad-hoc governance requirements for PPPs. This would potentially lead to the a duplication of the governance requirements already applied by insurers under Solvency II.</p> <p>Furthermore, the IRSG sees a risk that additional PPP-specific rules may not be consistent with Solvency II, with the risk of raising an uneven playing field between providers.</p> <p>Finally, the IRSG emphasises that Solvency II entered into force in 2016 and contains an ample set of sophisticated governance requirements. Its governance system already addresses all aspects of a sound risk management – including an ORSA – compliance organisation, internal audit function and a strong actuarial function.</p>	<p>Agreed, EIOPA has concluded that – as existing, sectoral provider governance rules adequately reflect PPP providers' differing business models and do not appear to give rise to regulatory arbitrage – no further convergence in national rules</p>

				relating to existing PPPs is recommended at this moment in time
43.	Fachverband der Österreichischen Pensionskassen	Q1	IORP's are already specialised institutions for retirement provision and are not allowed to make any other business. Hence there should be no new governance standards for IORP's.	Agreed. Please refer to the resolution mentioned in row 42
44.	ACA	Q1	<p>ACA thinks that specific governance requirements for PPP's are not necessary. We believe that the Solvency II governance rules are very strict and appropriate.</p> <p>They should be imposed as general standard in particular because insurers (to whom they apply) are the very main providers of pension products across the EU.</p>	<p>Agreed. Please refer to the resolutions mentioned in row 42.</p> <p>Disagreed. EIOPA advises to maintain existing sectoral provider governance rules and not to apply the provider governance rules of one sector to other sectors.</p>
45.	AEIP	Q1	AEIP believes that a regulation on PPPs should include only a principle-based framework legislation for provider governance standards. We would like to emphasize that Member States should be able to apply additional national rules aimed at	

		<p>increasing the duty of care towards consumers. We believe that the introduction of specific governance requirements for PPP providers could potentially lead to overlaps with the requirements already in place under the applicable EU legislations.</p> <p>The risk consists on a harmonization “towards the bottom”: less strict rules for PEPP in comparison with already existing national PPPs could be detrimental for members. The national markets of PPPs could see a shift of consumers’ choice towards this new harmonized product with less pension-features than the already existing ones.</p> <p>The possibility to obtain a product passport, moreover, could lead consumers to buy a PEPP in an EU country that regulates the “flexible features” of the PEPP in a way less protective of the interests of the consumers (i.e. no guarantees provided to the consumer, no cap on costs and charges, switching rules implemented in a more restrictive way, etc.). We strongly believe that in no cases harmonization should lead to a reduction of customer protection in comparison with the one guaranteed by the actual PPPs frameworks.</p> <p>Once again we call EIOPA and COM to analyze in further details how to prevent asymmetries between providers and how to guarantee that the introduction of the PEPP will lead to an improvement of the protection of the consumers. The approach adopted could easily lead to situations in which providers faces double sets of standards.</p>	<p>Agreed</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA’s final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p>
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			<p>As mentioned in the general comments, we would like to underline that some EU countries already have well functioning systems. Therefore, a country-specific impact assessment should be done before any legislation is proposed.</p> <p>With regard to the harmonization of provider governance standards, we would like to ask EIOPA to avoid double sets of rules for providers already falling under another European legislative framework. Considering the provider governance standards proposed by EIOPA as general principles that should be implemented following national rules currently in place in every country for PPPs, we think that:</p> <ul style="list-style-type: none"> - Fit and proper management: we agree - Functions for risk management, actuarial tasks, internal control audit: we agree - Remuneration policy: we agree, but we think that in order to avoid conflicts of interest, there should be the obligation to publicly disclose the remuneration policy AND the actual remuneration structure. - Risk-self assessment and documentation: we agree - Depositories: there are countries that already regulate this aspect. In Italy, for example, the appointment of a depository is mandatory for all PPPs not issued by life insurances. If the proposal of EIOPA would be implemented, it could cause asymmetries between different providers and a worsening of the protections of consumers. - Outsourcing : we agree with EIOPA 	<p>Agreed. Please refer to the resolutions mentioned in row 42.</p>
46.	AFG	Q1	<p>We recommend that only providers regulated by European legislation should be authorized to offer a PEPP. They already</p>	<p>With regard to responses relating</p>

			<p>apply high standards of governance rules and no additional rule is needed.</p> <p>The only point which does not seem necessary is “actuarial tasks”. In our view, accumulation and decumulation phase can be clearly separated and there can be no need of actuarial task in the accumulation phase.</p> <p>On the depositary issue, AFG thinks that two roles have to be distinguished. When PEPPs are invested in UCITS or AIFs shares, a custodian is necessary for this shares and a depositry is needed for the underlying assets of the UCITS and AIFs.</p> <p>Moreover, for existing PPPs, no additional rule is needed if PPPs are regulated by providers regulated by European legislation. As mentioned in the general comments, a European set of principles could be implemented in countries where PPPs are not managed by providers who are regulated by European legislation.</p>	<p>to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p> <p>Agreed. Please refer to the resolutions mentioned in row 42</p>
47.	Allianz SE	Q1	<p>Allianz does not see a need for further harmonization of governance requirements for PPP providers. Existing rules as e.g. IDD and Solvency II for insurers, AIFMD and UCITs for Assset Managers provide sufficient harmonization – especially while the legal framework of supervisory, tax and social law are not harmonized. See also our General Comment.</p>	<p>Agreed. Please refer to the resolutions mentioned in row 42</p>
48.	AMUNDI	Q1	<p>First of all Amundi is of the opinion that a second regime as mentioned in page 13 of the consultation would be more easy to set in place and would be more appropriate in order to allow for a cross border pension product which will answer to the need of quite a limited portion of European citizens. This second regime would not replace national rules which may be quite specific but both should coexist. We support the analysis and conclusion of EIOPA on this point (pages 73 and 74 of the consultation).</p>	<p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for</p>

		<p>Secondly we would recommend that only providers regulated by European legislation should be authorized to offer a PEPP as far as they are already submitted to high standards of governance rules.</p> <p>As mentioned by EIOPA in the consultation document (page 17), "the backbone of the product is a sophisticated asset management function that is capable of generating growth and income by efficiently investing collective funds in sufficiently diversified investments in keeping with the risk profile being sought." We do agree with this analysis the consequence of which is a provider's governance similar to that of a UCITS management company. The description of governance requirements in page 16 fit with what is required of an asset manager.</p> <p>The only point that seems not necessary is "actuarial tasks". As we will explain further, we consider that for a personal pension scheme, accumulation and decumulation may be dissociated: one of the main advantages of an individual contract will come from the liberty of choice at the retirement date between different solutions i.e. between a retirement income or a lump sum or any other form of retirement resources. In addition, the choice between annuity providers, at the end of the accumulation period, will allow for competition and lower costs.</p> <p>For what is of a standardized model for governance, we believe that there is the risk of a double layer of rules for providers already submitted to sectoral legislation.</p> <p>In terms of depositaries a distinction has to be done for the custody of shares of UCITS or AIFs and safe keeping of underlying assets of funds. A depositary is necessary for funds but a simple custodian is sufficient for the custody of funds' shares.</p>	<p>PPPs)</p> <p>Disagreed. Please refer to the resolutions mentioned in row 42</p> <p>Noted</p> <p>Agreed. Please refer to the resolutions mentioned in row 42</p> <p>Agreed</p>
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			Last but not least, we strongly oppose the proposal of a guarantee scheme as far as this could represent a heavy cost for investors. In addition, due to the variety of insolvency rules throughout Europe, it would be very difficult to establish a set of rule of intervention which could apply fairly in each and every country.	Noted
49.	ANASF	Q1	We particularly agree with the EIOPA's proposal with regard to a requirement for PPP providers to develop a remuneration policy appropriate to their activities, catering for a level playing field for all PPP providers (cf. CRD IV, UCITS and AIFMD), subject to the same principle-based rules.	Disagreed. Please refer to the resolutions mentioned in row 42
50.	APG	Q1	Taking into consideration the proposal of EIOPA (which we support) that only providers which are authorized under existing EU legislation should be able to offer PEPP's and the fact that these regulations already contain governance rules which are tailored to the specific characteristics of the providers involved and their activities, (additional?)provider governance standards specifically for PPP's are not desirable in our view.	Agreed. Please refer to the resolutions mentioned in row 42
51.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q1	<p>First of all, we note that the proposed governance standards are the same criteria as in the Solvency II and proposed IORP II Directives.</p> <p>We doubt that PPPs would benefit from harmonisation of provider governance standards and would like to make the following points:</p> <p><input type="checkbox"/> At EU-level, we consider that the rules of Solvency II,</p>	<p>Agreed. Please refer to the resolutions mentioned in row 42</p> <p>Agreed</p>

		<p>MiFID, UCITS, CRD IV and the IORP Directive already cover all relevant pension providers and providers offering pension-like products. These EU rules have been implemented by the Member States into their national legislative framework. Harmonising governance standards within these different legal documents – which then would have to be transposed into national law – would be a lengthy process.</p> <p><input type="checkbox"/> Efforts should focus on closing the gaps in provider regulation to cover providers who currently are not regulated rather than on harmonising existing legislation.</p> <p><input type="checkbox"/> We agree with the analysis of occupational DC pensions („in the area of occupational DC pensions, many of the cognitive and behavioural traits outlined above are being addressed by taking some of the complexity in decision-making away from individuals.”, p. 14) and would like to emphasise that this is the case for most occupational pensions, for DB even more so than DC. By improving governance standards, EIOPA wants to transfer these benefits to PPP. Crucially, however, occupational pensions do currently not only have different governance structures compared to PPP, they also fall under national social and labour law. This means that the interests of members and beneficiaries are protected to a level which cannot be met by mere „consumer protection”. Copying governance standards might be a way to improve PPP, but the advantages of occupational pensions are rooted in much more than only in good governance.</p> <p><input type="checkbox"/> If we understand the proposals correctly, any new regulation would be on top of existing regulation. If this means that providers on the one hand will have to ring-fence any new PPP business, as well as comply with additional provider governance standards, providers might decide not to offer new PPPs at all in order to avoid the additional regulation. However,</p>	<p>Noted</p> <p>Noted</p> <p>Noted. Please refer to the resolutions mentioned in row 42</p>
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			the providers' decision of course also depends on the attractiveness on the tax framework for these products.	Agreed
52.	Association of British Insurers	Q1	<p>The ABI does not believe there is a need to introduce specific governance requirements for PPPs as it could risk duplicating existing governance rules as set out in the Insurance Distribution Directive (IDD). This is particularly important as existing PPPs are generally provided by insurers in the UK. Furthermore, the introduction of any additional rules for PPP providers, which risk not being fully aligned with Solvency II, could inadvertently create an uneven playing field between providers.</p> <p>Solvency II already contains provisions for ensuring a sound risk management (primarily through an Own Risk Self-Assessment), compliance rules, having a robust internal audit function, and similarly an actuarial function. These extensive provisions have been developed over 15 years to safeguard and protect consumers.</p> <p>If additional governance rules for PPPs were introduced, there is a high risk that insurers would be disincentivised to provide new or additional products, and they may even withdraw existing products, due to potential additional compliance costs. This would be to the detriment of consumer choice and would be counterintuitive to the EU's objectives of encouraging pension savings.</p>	<p>Agreed. Please refer to the resolutions mentioned in row 42</p> <p>Noted. Please refer to the resolutions mentioned in row 42</p>
53.	Assogestioni	Q1	We appreciate the intention of the EIOPA to limit the provision of PEPPs only to providers authorized under a relevant European legislation. In this perspective, we also think that the governance rules defined by the existing European Directives already cover the essential elements of good governance standards listed by EIOPA (fit and proper management;	Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of

			<p>functions for risk management, actuarial tasks, internal control, compliance and audit; remuneration policy; etc.).</p> <p>In light of that, we believe that no additional governance requirements should be created for PEPP providers and that PEPP framework should above all focus on product governance, prudential and standardization rules.</p>	<p>single EU market for PPPs)</p> <p>With regard to PPP: Agreed. Please refer to the resolutions mentioned in row 42</p>
54.	Better Finance	Q1	<p>Notwithstanding our general comment above (EU Authorities should focus on launching the “PEPP” as a top priority, not on harmonizing rules for all existing “PPPs”), we agree with EIOPA’s proposals on the harmonization of provider governance standards as pointed out in CP, pages 15 to 25. Nevertheless related to some particular issues we emphasize that they need to be more precise.</p> <p>The fit and proper requirements should be aligned to the Solvency II Regulation (2015/35/EU, articles 273 and 275). The responsibilities of the providers for the crucial role of the distributors should clearly be aligned to EIOPA’s proposal of preparatory Guidelines on product oversight and governance arrangements by insurance undertakings and insurance distributors (mainly guidelines 3 and 6 for manufacturers) in October 2015.</p> <p>Related to risk management and actuarial tasks we fully support the proposal of a legally protected whistle-blowing requirement for the compliance function to inform the supervisory authority if necessary.</p> <p>We agree with EIOPA’s assessment that “in order to avoid conflicts of interest, a guiding principle should be that the remuneration according to an eligible policy ensures that the</p>	<p>Disagreed. Please refer to the resolutions mentioned in row 42</p> <p>EIOPA advises to maintain existing, sectoral provider governance rules.</p>

			<p>remunerated person always acts in the best interest of the consumer". Additionally we strongly underline that there should be an obligation introduced to publicly disclose not only the actual remuneration structure but also the actual amount of commissions, fees and any other incentives being paid by third parties. We refer to MIFID 2 (article 23) and IDD (article 28) on the disclosure of conflicts of interest as well as to MIFID 2 (article 24) and IDD (article 29) on the "soft disclosure" of commissions and incentives as minimum standards. At least these minimum standards for PRIIPs must not be overruled.</p> <p>We agree with EIOPA's proposal to follow the sector-specific requirements on the use of depositories, as those requirements are not necessarily specific to PPP. This must include in particular the specific model of capital reserves of the German life insurers ("Deckungskapital") due to their guaranteed minimum interest rate for traditional life and annuity insurances. These requirements should be valid not only for life insurers, but for pension funds and pension schemes as well, if they offer PPPs additionally to their occupational pension products.</p> <p>Related to out-sourcing we refer to EIOPA's proposal of preparatory Guidelines on product oversight and governance arrangements (POG Guideline 11 for product manufacturers) in October 2015, which should fix the minimum standard.</p> <p>Other aspects of the overall governance system should include a sanction regime with regard to reporting obligations and production of information before, during and after the contractual relationship between consumer and PPP provider (cf. mainly MIFID2 article 70, IDD articles 31 to 36, PRIIPs Regulation article 24).</p>	
55.	BIPAR	Q1	BIPAR does not believe that there is a need to introduce	Agreed. Please refer

			<p>harmonised governance requirements for PPPs. This could lead to the duplication of existing governance requirements. In most EU Member States there is strong provider governance which has been reinforced by way of the Solvency II Directive, IMD/IDD, MiFID and UCITS.</p> <p>It is important to highlight that intermediaries/advisors play a very important role in the future pension provision of a consumer upon retirement. They can provide advice on a fair market analysis basis. A terms of business, specific disclosure document and breakdown of services are just some of the documentation received by the consumer/client for transparency purposes. A statement of suitability for any product recommended to meet their needs, aligned with regular reviews, advice and adjustments of a PPP over the course of the consumer's product lifecycle takes place. Financial advice can play a major part in also evaluating the suitability of a PEPP for a consumer through fact-finding, risk profiling using the ESME rating, statement of suitability and an annual reviewing of their financial/personal circumstances to ensure they have the correct PPP or PEPP to provide adequate pension provision in retirement.</p> <p>For clarity reasons, and since distributors are referred to regarding governance standards e.g. on p 15 or 17 of the paper, we wish to add that we do not see need for any further arrangements at the level of the distributor either.</p>	<p>to the resolutions mentioned in row 42</p> <p>Agreed</p> <p>Agreed. Please refer to the resolutions referring to distributors mentioned in row 42</p>
56.	Bund der Versicherten (BdV-German Association of t	Q1	Notwithstanding our general comment above (EU Authorities should focus on launching the "PEPP" as a top priority, not on harmonizing rules for all existing "PPPs"), we agree with EIOPA's proposals on the harmonization of provider governance standards as pointed out in CP, pages 15 to 25. Nevertheless	Please refer to resolutions in row 54

		<p>related to some particular issues we emphasize that they need to be more precise.</p> <p>The fit and proper requirements should clearly be aligned to the Solvency II Regulation (2015/35/EU, articles 273 and 275). The responsibilities of the providers for the crucial role of the distributors should clearly be aligned to EIOPA's Final Report on the proposal of preparatory Guidelines on product oversight and governance arrangements by insurance undertakings and insurance distributors (mainly guidelines 3 and 6 for manufacturers) in April 2016.</p> <p>Related to risk management and actuarial tasks we fully support the proposal of a legally protected whistle-blowing requirement for the compliance function to inform the supervisory authority if necessary.</p> <p>We agree with EIOPA's assessment that "in order to avoid conflicts of interest, a guiding principle should be that the remuneration according to an eligible policy ensures that the remunerated person always acts in the best interest of the consumer". Additionally we strongly underline that there should be an obligation introduced to publicly disclose not only the actual remuneration structure but the actual amount of commissions, fees and any other incentives being payed by third parties. We refer to MIFID2 (article 23) and IDD (article 28) on the disclosure of conflicts of interest as well as to MIFID 2 (article 24) and IDD (article 29) on the "soft disclosure" of commissions and incentives as minimum standards. At least these minimum standards for PRIIPs must not be overruled.</p> <p>We agree with EIOPA's proposal to follow the sector-specific requirements on the use of depositories, as those requirements are not necessarily specific to PPP. This must include the specific model of capital reserves of the German life insurers</p>	
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			<p>("Deckungskapital") due to their guaranteed minimum interest rate for traditional life and annuity insurances.</p> <p>These requirements should be valid not only for life insurers, but for Pensionsfonds and Pensionskassen as well, if they offer PEPPs additionally to their occupational pension products.</p> <p>Related to out-sourcing we refer to EIOPA's proposal of preparatory Guidelines on product oversight and governance arrangements (POG Guideline 11 for product manufacturers) in April 2016, which should fix the minimum standard.</p> <p>Other aspects of the overall governance system should include a sanction regime with regard to reporting obligations and production information before, during and after the contractual relationship between consumer and PPP provider (cf. mainly MIFID2 article 70, IDD articles 31 to 36, PRIIPs Regulation article 24).</p>	
57.	Deutsche Aktuarvereinigung e.V. (DAV)	Q1	<p>DAV believes PPP providers already have good governance standards. For insurers, Solvency II entered into force in 2016. Therefore, there is no need to create another level of governance requirements for pension products offered by insurers. The already established Solvency II governance requirements are modern and sophisticated and hence are sufficient for PPPs. We see no need for further harmonisation adding to the already existing Solvency II requirements.</p>	<p>Agreed. Please refer to the resolutions mentioned in row 42</p>
58.	European Fund and Asset Management Association (EFAMA)	Q1	<p>We believe a standardised model for governance would run the risk of creating a double layer of rules for providers that already have to apply protection mechanism for consumers under sectoral legislation.</p> <p>EFAMA considers that all PEPP providers should operate under an EU sectoral legislation. No additional regulatory burden -</p>	<p>Agreed. Please refer to the resolutions mentioned in row 42</p> <p>With regard to responses relating to PEPP - Please</p>

			<p>including in the area of governance standards – should be created for PEPP providers.</p> <p>We agree with EIOPA that asset managers’ business model “provide[s] an adequate level of protection in the measures under both UCITS and AIFMD, central to the operation of funds in the EU, whereby all assets are held in the name of the individual investors, in segregated accounts that separate them from those of the asset manager and other clients.”</p> <p>We also agree with EIOPA that the actuarial support would only become a key function for PEPPs comprising life insurance elements. To the extent that providers will sell products with different features, they will not be subject to similar risks; hence, the governance requirements must be commensurate with the specific features of the PEPPs offered.</p>	<p>refer to EIOPA’s final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p>
59.	Fédération Européenne Des Conseils et Intermédiaire	Q1	<p>Retirement provision is a long-term endeavour and the PEPP will be facilitated by building consumer confidence, which depends on enabling consumer choice, supported by proper advice and information at key moments rather than a pre-set formula decided by regulators or too much leeway given to product providers.</p> <p>Governance is an important feature of PEPP schemes, but as EIOPA rightly points out there is a lot already in the existing regulations applying to the various schemes so adding another layer of regulation does not seem useful. It might make sense to consider making product providers responsible for reviewing the value and relevance of their offering and adapting them – perhaps helped by a legal possibility to transfer participants to</p>	<p>With regard to responses relating to PEPP - Please refer to EIOPA’s final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p> <p>Agreed, but please refer to the resolutions mentioned in row 42</p>

			a more favourable scheme. Providing for external boards including experts, representatives of members and distributors as well as the providers, where they do not already exist, could be highly beneficial provided they are not tied down in formalism to the extent that they cost more than they are worth.	
60.	Federation of the Dutch Pension Funds	Q1	The Federation is of the opinion that a harmonization of provider governance standards can easily lead to situations in which providers are confronted with double sets of standards, given the fact that most providers are already subject to EU-directives aiming at the protection of consumer interests.	Agreed, please refer to the resolutions mentioned in row 42
62.	Financial Services User Group (FSUG)	Q1	<p>FSUG fully support the EIOPA's proposals on the harmonization of providers' governance standards as pointed out in CP, pages 15 to 25 and following Annexes VI and VII. PPPs are often sold on individual basis as a product to a client, who in reality does not understand the governance processes behind the product. Governance processes should be therefore materialized in a way, that a NCAs have full understanding of provider operations and client is able to see the results of high-quality management through transparency and disclosure requirements. This approach should be harmonized fully to bring the necessary trust into long-term savings products like PPPs.</p> <p>Looking closer on particular governance aspects, it should be noted, that the product should be in the centre of interest, both for provider as well as for NCA. It is the product, which is bought by consumer and the consumer-product centric governance standards should be preferred. When considering various governance processes (especially risk management, safeguarding, actuary services, asset management services, internal as well as external audit, depositary services, distribution services), there should be a person delegated on the side of a provider, who is deemed responsible for each</p>	<p>Disagreed. Please refer to the resolutions mentioned in row 42</p> <p>EIOPA advises to maintain existing, sectoral provider governance rules.</p>

		<p>particular aspect. The names of persons responsible for particular governance areas should be disclosed to the public and tied to the product. This is the way, how the product is not anonymous on the side of a provider and this approach could lead to a closer relationship between the client and provider, notwithstanding the ability of such approach to increase the trust in such products.</p> <p>On the side of outsourcing services, it is obvious from the experience of many countries, that outsourcing is not only the way how to decrease the costs of PPPs, but on the other side, it is the way how to shift responsibility for the outcomes to a third party. Therefore, any outsourcing services should not lead to the diminishing of the responsibility of a main provider for the outcome of outsourced services and a PPP as such.</p> <p>International standards for governance of pension products as presented in annex VII could be a good starting point for further clarification of rules. However, FSUG thinks, that their application should not create uneven conditions for different providers as the clients consider and buy the product and not the providers.</p> <p>PPPs should be viewed as an ongoing contract and not one-off sale. Governance standards should acknowledge this long-term relationship between client and provider in the area of strong disclosure and information requirements based on EIOPA´s layering approach. Inclusion of PBS requirements as suggested by international standards and many research studies should positively contribute to the wider development of high-standard trustworthy products and providers as well. Therefore, FSUG thinks that in order to develop a truly “good governance” standards, sanctions regime, as well as unified (or at least understandable) reporting requirements and obligations with regard to product information before, during and after the</p>	
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			<p>contractual relationship between consumer and PPP provider allowing for comparison of products should be implemented.</p> <p>Additionally, it should be mentioned that one of the new governance standards that accept the role of a client in the whole process is the recognition of the switching. As the PPP is long-term contract, client should have the right to switch to another PPP if the performance or the governance level is weak. This would allow not only NCAs but directly clients to put indirect pressure on non-complying or poorly performing providers to improve their operations.</p>	
63.	German Insurance Association (GDV)	Q1	<p>General remarks</p> <p>The GDV welcomes a high level of general governance requirements for all PPP providers. For insurers, Solvency II entered into force in 2016. The new system established a European-wide new governance standard for insurers that equally well apply to pensions and other insurance products. Therefore, there is no need to create another level of governance requirements for pension products offered by insurers. The already established Solvency II governance requirements are modern and sophisticated.</p> <p>New governance requirements would lead to high additional costs for development and implementation. These costs will inevitably be passed on to consumers. An additional regulation level would limit the already narrow flexibility of companies even more. Such overregulation may prevent insurers from offering PPPs which are subject to new additional governance requirements. Moreover, new, duplicative layers of regulation bear a high risk of inconsistencies or even contradictions.</p> <p>Finally, for PPP providers offering guarantees, Solvency II governance requirements and risk-based capital requirements should apply.</p>	<p>Agreed. Please refer to the resolutions mentioned in row 42</p> <p>Disagreed. EIOPA advises to maintain existing sectoral provider governance rules</p>

			<p>Detailed remarks</p> <p>Fit and proper management: The GDV considers that no further provisions related to fit & proper are necessary for insurance companies as providers of PPPs. Under Solvency II there already exists a sophisticated and effective prudential regime to ensure the standards for fitness and properness of relevant staff. These standards are relevant for members of the administrative, management and supervisory bodies, for holders of key functions and partially also for shareholders with qualified holdings. Finally, Solvency II defines the scope and the substance of the fit and proper requirements.</p> <p>Function for risk management, actuarial task, internal control, compliance and audit: The GDV welcomes EIOPA's view that a sound risk management function, an internal control function and an actuarial function (if biometric risk are covered by the contracts issued) as well as an effective internal control system and a regular compliance assessment (by a compliance function) are essential for a good governance. Solvency II already includes all these aspects and could, therefore, be used as a reference for other prudential regimes.</p> <p>Regarding EIOPA's proposal on whistle-blowing, the GDV agrees that it could contribute to improving an undertaking's governance, if employees have the possibility to whistle-blowing. However, the GDV objects the proposal of a</p>	<p>and not to apply the provider governance rules of one sector to other sectors.</p> <p>EIOPA advises to maintain existing, sectoral provider governance rules.</p>
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			<p>additional regulation for insurance companies as providers of PPPs is not necessary.</p> <p>Risk self-assessment and documentation: The GDV welcomes the fact that EIOPA believes that a risk self-assessment should be part of the governance requirements for any PPP provider. It is logical and appropriate that this risk self-assessment comprises all types of risks that could affect the provider.</p> <p>Solvency II requires a so-called Own Risk and Solvency Assessment (ORSA) which encompasses all mentioned aspects of EIOPA's proposal. Therefore, Solvency II ORSA requirements should be used as a reference point for regulations regarding risk self-assessments for PPP providers which are not insurers.</p> <p>Outsourcing: The GDV welcomes that EIOPA emphasised the basic principle that in case of outsourcing the ultimate responsibility for the outsourced activity must remain with the outsourcing provider of PPP. For insurance companies Solvency II sets a detailed and effective regime for outsourcing activities (especially Art. 274 Delegated Act 2015/35). All standards that EIOPA demands in the consultation paper for outsourcing activities of PPP providers are taken into account by those sector specific rules for insurance companies. Equal standards should apply to all providers of PPPs.</p>	
64.	ICI Global	Q1	<p>To ensure that an EU Single Market for personal pensions could be created in the foreseeable future, we urge EIOPA and the Commission to make the PEPP work a priority rather than attempting to harmonise PPPs. See Question 7.</p> <p>In respect of PEPPs, we believe that provider governance standards are adequately covered by existing sectoral rules. It would be counterproductive to layer an additional level of rules</p>	<p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of</p>

			specifically for PEPPs provision.	single EU market for PPPs)
65.	Institute and Faculty of Actuaries	Q1	<p>There is a significant amount of governance in respect of PPPs , as noted in the consultation paper (p16). The IFoA would suggest that these existing governance requirements should form the basis of any minimum standards. It is likely that consumers would benefit from the application of these minimum standards.</p> <p>Although the consultation recognises existing governance requirements (p23-25), there does appear to be some appetite for additional rules. The IFoA would question whether introducing these additional requirements would provide much benefit to consumers. Any requirements could also be disproportionate for providers.</p> <p>Harmonisation would provide minimum standards, but individual MS may have certain standards that exceed the minimum. We would draw EIOPA's attention to the operation of the Financial Services Compensation Scheme (FSCS) in the UK, which provides significant consumer protections. Not all providers in the UK fall within the remit of the FSCS. If there were a minimum standard for all providers, but it did not include provision for a scheme such as the FSCS, the new minimum standard would not meet existing consumer protections.</p> <p>For mature markets, minimum standards may not match existing protections; however, we recognize this could have a benefit for less developed markets.</p>	Partially agreed. Please refer to the resolutions mentioned in row 42
66.	Insurance Europe	Q1	Insurance Europe strongly believes that there is no need to introduce specific governance requirements for PPPs offered by insurers and disagrees with EIOPA's proposals. The harmonisation of provider governance standards referred to by	Agreed. Please refer to the resolutions mentioned in row 42

			<p>EIOPA would potentially lead to overlaps with — or even contradictions to — the governance requirements already applied by insurers, who are the main providers of personal pension products across the EU.</p> <p>Rather, Insurance Europe believes that the Solvency II governance rules, with which European insurers have to comply, are appropriate and should not be extended. The Solvency II governance system addresses all aspects of sound risk management, including an internal risk assessment (ORSA), a compliance function, an internal audit function and a strong actuarial function.</p> <p>In this respect, Insurance Europe suggests that whistle-blowing measures outlined in EIOPA's advice should be in line with Solvency II, which provides that the administrative, management or supervisory body (AMSB) is the single point of contact for supervisory authorities and ensures that authorities receive the information required through periodical reporting standards.</p>	
68.	Mefop, Assofondipensione and Assoprevidenza	Q1	<p>As mentioned in general comments, harmonization/standardisation risks to be made "towards the bottom", so we agree with on the starting prepositions of EIOPA that governance standars are needed, but, Member States must have right to apply national additional rules especially when PPP are already developed and very well regulated. In no case harmonization should lead to a reduction of members protection in respct of actual situation</p> <p>Moreover in order to achieve the success of PPP and that the issue should be further addressed as preliminary analysis carried out in the consultation document is not sufficient.</p> <p>We think that in order to achieve the better outcome and to to avoid regulatory arbitrage some common rules are needed, and</p>	

		<p>the solution proposed by EIOPA to refer to the specific EU directive of the provider is unsatisfactory as it could trigger asymmetries between providers, decreasing the duty of care towards consumers (members).</p> <p>Concerning governance requirements, we believe that the priority is to provide for an high level of PPP security, even if that means increase of costs for providers. The exchange cost /security is not efficient.</p> <p>More in detail, referring to governance standards proposed, if we consider that as a general principles that should be implemented following national rules currently in place in every country for current PPP:</p> <ul style="list-style-type: none"> - existing rules to apply: we underline necessity to make reference more to pension rules than financial products ones; - fit and proper principles: we agree; - risk-management principles: we agree; - internal control system: we agree; - remuneration policy: we agree with Eiopa statements on page 20, even if we believe that the obligation to disclose remuneration policy and (not or) actual remuneration structure. - depositary: we are very concerned on this issue. In Italy the appointment of a depositary is mandatory for PPPs not established by life insurances. If the proposition of EIOPA should be adopted it could cause an asymmetric regime that could lead the consumers to be worse off. - outsourcing: we agree with oecd/iops good practices - conflict of interest: we agree; 	<p>Disagreed. Please refer to the resolutions mentioned in row 42</p>
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			<p>- redress mechanism: again we stress the need to make more reference to pension rules than financial products ones. We agree with the idea that all PPP's providers, irrespective of their sectoral nature, establish effective redress mechanism, complaint arrangements, and guarantees in the case of bankruptcy or fraud.</p>	
69.	PensionsEurope	Q1	<p>As mentioned in the general remarks we appreciate that EIOPA intends to limit the provision of PEPPs only to providers authorized under relevant European legislation. As these European Directives set rules on the governance of the providers, we deem it unnecessary to develop additional governance requirements.</p> <p>For existing PPPs, as long as the provider is regulated by European legislation, there is no need to add specific governance requirements.</p>	<p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p> <p>Agreed. Please refer to the resolutions mentioned in row 42</p>
70.	Pensionskasse der Mitarbeiter der Hoechst-Gruppe V	Q1	<p>First of all, we note that the proposed governance standards are the same criteria as in the Solvency II and in the proposed IORP II Directive.</p> <p>We doubt that PPPs would benefit from any harmonisation of provider governance standards and would like to make the following points:</p> <p><input type="checkbox"/> At EU-level, we consider that the rules of Solvency II, MiFID, UCITS, CRD IV and the IORP Directive already cover all relevant pension providers and thus also all providers offering</p>	<p>Agreed. Please refer to the resolutions mentioned in row 42</p>

			<p>pension-like products. These EU rules have in general already been implemented by the Member States into their national legislative framework. Harmonising governance standards within these different legal documents – which then would have to be transposed into national law – would be a lengthy and complex process.</p> <p><input type="checkbox"/> Efforts may focus on closing the gaps in provider regulation to cover providers who currently are not regulated at the European level rather than on the further harmonising of existing legislation.</p> <p><input type="checkbox"/> According to the plans of EIOPA, upcoming regulation would be on top of existing regulation. If this means that providers on the one hand will have to ring-fence any new PPP business, as well as comply with additional provider governance standards, providers might decide not to offer new PPPs at all in order to avoid the additional regulation. However, the providers' decision of course also depends on the attractiveness on the tax framework for these products.</p>	<p>Noted</p> <p>Noted. Please refer to the resolutions mentioned in row 42</p> <p>Agreed</p>
71.	Prof. Dr. Hans van Meerten & Elmar Schmidt of Utre	Q1	<p>Harmonization of governance standards are important, on the one hand, for the creation of a level playing field, in which all PPP providers in the European Union must adhere to the same standards. On the other hand, such provider governance standards serve consumer interests by holding providers and distributors to sufficiently high standards in terms of knowledge and experience of providers, adequate risk management, sound remuneration policy etc.</p> <p>Although extensively addressed in the Consultation Paper, it could be useful to add the requirement of sound communication policies (i.e., the provision of accessible and understandable information) to the good governance requirements, given the importance of such information to consumers.</p>	<p>Partially agreed. Please refer to the resolutions mentioned in row 42</p> <p>Noted</p>

			<p>Using existing rules as a source for governance standards adds to the efficiency of setting up these governance requirements for PEPPs and PPPs, and also ensures consistency by utilizing existing definitions. This means that PPP and PEPP providers will be familiar with the rules and that the implementation will not become too great a burden. In addition, setting the same standards to all PEPP and PPP providers will ensure easier and fairer cross-border competition.</p> <p>We suggest looking also at national good governance practices as defined by, for example, the Pensions Regulator in the UK or the Federation of the Dutch Pension Funds.</p>	<p>Agreed</p> <p>Noted</p>
72.	Society of Actuaries in Ireland	Q1	<p>Although PPPs provided by Life Assurance Companies cover the majority of PPPs (by assets under management) available in the EU market, there is a variety of other providers of PPP products operating in the European personal pensions market. A variety of different types of providers will be conducive to the development of a well functioning single market for personal pensions. The features of existing governance regimes vary significantly in some aspects across the various industry sectors. It is our view that many providers (and in particular entities which are not Life Assurance Companies) would face significant difficulties if required to meet harmonised governance rules in certain areas e.g. own solvency and risk self assessment and capital requirements. Harmonisation may therefore act as a barrier to entry.</p> <p>However, harmonisation of other aspects of provider governance e.g. fit & proper persons, risk management, remuneration policy and outsourcing, is likely to be of benefit in creating consistency of governance across providers.</p>	<p>Agreed.</p> <p>Disagreed. Please refer to the resolutions mentioned in row 42</p>

			<p>We agree with EIOPA's suggestions to (i) follow the sector specific requirements on the use of depositaries to reflect the provider's characteristics and (ii) that those PPP holders that are not protected by a depositary should be able to rely on the provider being subject to the relevant rules under Solvency II or CRD IV/CRR. In terms of a basis for provider governance standards for PPPs, we agree with EIOPA's proposal to use existing governance requirements across the spectrum of providers as a start point.</p>	
73.	Standard Life plc	Q1	<p>Standard Life's view is that the existing governance standards under the Solvency II, CRD IV, IORP and MiFID regimes create sufficient harmonisation amongst PPP providers who have the appropriate permissions under a EU Directive.</p> <p>On the basis that a future Pan European standardised product, such as the proposed PELS, would be investment-linked, without guarantees, and managed according to customer's own individual risk preferences with the customer taking the investment risk in order to have an affordable product, much of the Solvency II governance will not be appropriate or needed. Such products will need to be liquid and so investing in illiquid-type assets would not be appropriate. Allocation of funds held within a PPP on a long-term illiquid basis is not desirable on a solvency requirements basis.</p> <p>Solvency II regulation, to the extent that it applies to investment-linked insurance products, would remain appropriate although it should be recognised that much of it would not be necessary due to the treatment of investment-linked insurance contracts within Solvency II.</p>	<p>Agreed. Please refer to the resolutions mentioned in row 42</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p> <p>Agreed</p>

			<p>EIOPA states on page 14 of its consultation that “mandatory and semi-mandatory second pillar pensions tend to entrust the choice of pension product to the sponsor or collective”. Whilst default options would typically be available in UK workplace pension propositions, the members bear the investment risk and are placed in the default fund only if they do not make an active choice. This is not quite a case of ‘entrusting’ their investment choice with the sponsor.</p>	Noted
74.	The Association of Pensions Lawyers	Q1	<p>Overall our view is that PPPs would benefit from harmonisation of provider governance standards across the EU. The governance standards focussed on in the consultation paper are, to a large extent, already present in the UK. The regulations enforced by the FCA (and contained within the FCA Handbook) requiring Fit and Proper management (FIT 1.1), general risk management (SYSC 7.1), transparency of remuneration (COBS 6.1) and avoidance of conflicts of interest (SYSC 10) apply to firms providing or distributing PPPs. There are regulatory requirements in place to ensure the competency of actuaries appointed by firms engaging in the PPP business. Once further details are provided by EIOPA as to what the actuarial requirements will be, we will be able to consider whether the regulations in force in the UK are sufficient to meet those requirements. The FCA’s regulatory framework also covers requirements in relation to outsourcing (SYSC 8.1). We do not currently see the addition of a written outsourcing policy for PPP providers and distributors as representing an overly onerous additional obligation.</p> <p>Accordingly, based on the general framework provided in EIOPA’s proposals it appears that many of prospective requirements for harmonised governance standards are already in place in the UK. We agree that the extension of this framework across the EU would be desirable. However, our</p>	Disagreed. Please refer to the resolutions mentioned in row 42

			support will depend upon further review of the detailed proposals in due course. Any such framework should, in our view, be clear, straightforward and at a sufficiently high-level to allow Member States with highly developed governance standards to fall within its requirements with a minimum of interruption.	
75.	The Investment Association	Q1	<p>While EIOPA considers that the relevant provider sectoral EU legislation should be the starting point for provider governance standards, we would go further and argue that the relevant sectoral legislation is already sufficient to cover provision of the PEPP.</p> <p>Provider governance should, as the name suggests, be taking place at the level of the provider and not the product. Therefore we do not believe that additional provider governance standards specific to the PEPP are warranted.</p> <p>A PEPP is by design an investment product; in investment terms it differs only from a PRIIP or a UCITS fund in the time horizon of the investment, which will be much longer in the case of the PEPP. We do not consider this sole distinction as meriting a different set of provider governance requirements from those needed for providers of PRIIPs or UCITS funds, for example. Indeed, the layering on of a PEPP-specific set of provider governance standards would run the risk of creating overlapping rules that would not provide any additional protection but would simply increase regulatory costs that would ultimately be passed on to consumers.</p> <p>We agree with EIOPA that in the specific case of asset managers choosing to provide PEPPs, there is already “an adequate level of protection in the measures under both UCITS and AIFMD, central to the operation of funds in the EU, whereby all assets are held in the name of the individual</p>	<p>Agreed. Please refer to the resolutions mentioned in row 42</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p> <p>Agreed</p>

			investors, in segregated accounts that separate them from those of the asset manager and other clients." This is an important protection for clients.	
76.	The Pensions Advisory Service	Q1	<p>Whilst much should be left to national regulatory bodies and markets, there is some room for harmonisation in this area.</p> <p>Fit and Proper rules are of varying standards across the EEA. In relation to PPP providers, and are of a high standard in the United Kingdom for instance. There is a concern about regulatory arbitrage in this area and ensuring that as more PPPs become available on a cross border basis that the Fit and Proper rules are strong.</p> <p>We agree that segregation of functions and managing conflicts of interest is important. We are particularly concerned about people holding roles in both the PPP provider and either the distribution firm or the investment management firm.</p> <p>Whistleblowing needs to be facilitated through provider governance standards and also override market abuse regulation where it protects the interests of the consumers.</p> <p>We concur that the internal auditing function should be deterring and investigating fraud. We would also like to see providers and national regulators given more powers to combat PPP fraud. Providers should have the ultimate power to stop transfers out where fraud is suspected and there are strong grounds for believing that a transfer is a scam. Regulators should have more powers to suspend trading activities and ultimately close down suspected fraudulent firms and in particular introducers to fraudulent firms.</p> <p>The Pension Industry Liberation Group in the UK has a Code of Practice on Pension Liberation that is used by providers within the UK. The Code is currently being updated but we</p>	Disagreed. Please refer to the resolutions mentioned in row 42

			recommend it as a basis for a similar European Code of Practice.	
77.	Vanguard Asset Management, Limited	Q1	<p>Vanguard strongly agrees with EIOPA that it is essential to building investor trust to ensure that sufficiently high standards always apply to PPP providers. Vanguard has long been an advocate for establishing high standards of conduct for all investment managers and providers. We would be very supportive of EIOPA making it clear that providers in this space would be held to very high governance standards and would be expected to always act in the best interests of investors when acting as a PPP provider.</p> <p>As EIOPA points out in its advice, providers already apply very high governance standards through existing EU rules and we would encourage EIOPA to confirm the application of these high standards to providers, without adding potentially duplicative (i.e., more costly) standards. Moreover, provider governance requirements should apply at the level of (and under the regulatory regime applicable to) the provider, and not the product. As a result, we would suggest that it would not be appropriate to impose additional provider governance requirements on firms under proposed PEPP measures.</p> <p>Lastly, we agree with EIOPA that generally for asset managers that may provide personal pensions, there is an adequate level of protection in the measures under both UCITS and AIFMD whereby all assets are held in the name of the individual investors, in segregated accounts that separate them from those of the asset manager and other clients.</p>	<p>Agreed. Please refer to the resolutions mentioned in row 42</p> <p>Agreed</p>
78.	Verbraucherzentrale Bundesverband – vzbv	Q1	We agree with the approach of of harmonised provider governance standards.	Disagreed. Please refer to the resolutions mentioned in row

		<p>Related to risk management and actuarial tasks we would like to point out, that vzbv advocate an open market option for the deculmulation period. This enables providers not running the business on risk coverage during the culmulation period, that is a security based investment. Without any guarantees during the culmulation period,there is no need for actuarial tasks. Only for providers offering a product for the deculmulation period a guarantee function or actuarial tasks is mandatory.</p> <p>Regarding remuneration policy PPP offer the chance to create a commission free pan-europeen saving product. vzbv will only support a commission free PPPs. vzbv asks to avoid a repetition of the mistakes of "1st regime" where commission based products lead to bad and false advice und therefor to inefficient pension savings. As in several Member States commission based products are not allowed anymore it would be counterproductive to introduce commission based pan-europeen products in the 2nd regime</p> <p>We agree with EIOPA's proposal to follow the sector-specific requirements on the use of depositories. But using depositories influences the requirement relating to risk management and fit and proper management. The provider must calculate the risk of using depositories (e.g. insolvency of that provider) and must be able to check, what the provider is doing.</p> <p>Related to draft advice on governance on PPP: When consumers are risk bearers of the PPP-investment the provider of the PPP needs not to give any guarantees. So the self-disciplination by the guarantee is missing. But the provider is the "trustee" of consumer´s money. In that function PPP providers need clear rules and regulations regarding the investments. These rules and regulations must rely on academic principles e.g. regarding</p>	<p>42</p> <p>EIOPA advises to maintain existing, sectoral provider governance rules.</p>
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			<p>diversification. The PPP has to be strictly supervised.</p> <p>Further more we need a harmonised capital requirement regime beginning from the decumulations periode for all product categories and substitutes at an European and national level. This includes a harmonisation of rules regarding guarantee schemes. If consumers are supposed to trust a PPP, they must know that their money is safe. However promoting a PPP without answering the question what will happen when a provider goes bankrupt would mean that consumers' expectations are being deceived.</p> <p>Regarding to redress mechanism it is very important to have efficient ADR mechanism. Therefore we need a further harmonisation of existing legal framework. ADR must be mandatory for all PPP provider. The decisions must be binding for the provider and must be made by a real independent body.</p>	
79.	Willis Towers Watson	Q1	<p>In principle yes.</p> <p>However, the potential for benefitting from harmonising provider governance standards is limited. As the individual member state requirements that need to be met to obtain beneficial tax treatment (in particular, tax relief on contributions and disapplication of normal benefit in kind rules) cannot be harmonised, a 2nd regime product is illusory.</p>	<p>Disagreed. Please refer to the resolutions mentioned in row 42</p> <p>Noted</p>
80.	Insurance and Reinsurance Stakeholder Group (IRSG)	Q2	<p>The IRSG does not see a need to harmonise product governance rules for PPPs.</p>	<p>Agreed. EIOPA believes that – throughout the product design</p>

			<p>New product oversight and governance (POG) provisions for all insurance products have recently been introduced by the Insurance Distribution Directive (IDD) (Directive 2016/97). These ensure that insurance products meet the needs of an identified target market and that products on the market are regularly reviewed to ensure that they remain consistent with the needs of that market.</p> <p>Furthermore, regulatory work in the context of IDD is still ongoing, as the European Commission has very recently requested EIOPA to provide technical advice on Level 2 measures on POG.</p> <p>Given these recent activities in the field of insurance distribution, and in light of the on-going work on both Level 2 and 3 measures, the IRSG does not see a need for EIOPA to consider additional, PPP-specific, POG rules.</p>	<p>phase and entire life cycle of PPPs – all PPP providers should adopt a consumer-centric approach. The Joint Committee’s Joint Position on Manufacturers’ Product Oversight & Governance Process was published in 2013 and these principles will be reflected in relevant European legislative initiatives. Taking into account the latter, EIOPA believes the POG principles are fully applicable to PPPs.</p>
81.	Fachverband der Österreichischen Pensionskassen	Q2	<p>In occupational pension market there is much more discussion and bargaining between the IORP and the employer and workers representatives. Furthermore there is not so much room for product design since many parameters are determined in the agreement between the employer and the employee. So if EIOPA thinks about product governance it should keep in mind that these rules should be different between the different providers resp. markets.</p>	<p>Noted.</p> <p>Agreed. Please see EIOPA's resolution in row 80.</p>
82.	ACA	Q2	<p>ACA supports effective product oversight and governance rules.</p>	

			<p>The Insurance Distribution Directive (2016/97) introduces such requirements and should be considered as standard also for PPP's. An additional framework seems therefore unnecessary to us.</p>	<p>Agreed. EIOPA advises no further convergence in national product governance rules - relating to existing PPPs - should be required at this moment in time. Please see EIOPA's resolution in row 80.</p>
83.	AEIP	Q2	<p>For the risks related to the "harmonization towards the bottom" please refer to Q1. Here as well, we would like to draw the attention to the need to avoid double sets of rules for already standardized product governance rules under different European legislation.</p> <p>As for the previous question, we are concerned about the EIOPA reference to the specific EU Directives of the providers as a starting point as this could trigger asymmetries between providers and could decrease the duty of care towards consumers .</p> <p>In any case, the rules should not be less protective than the ones currently in place for PPPs in each country.</p>	<p>Agreed.</p> <p>Disagreed. Please see EIOPA's resolution in row 80.</p> <p>Agreed.</p>
84.	AFG	Q2	<p>For providers under European legislation, product governance rules already exist.</p> <p>In our view, biometric risk coverage and minimum guaranteed return should be optional for consumers considering the cost of</p>	<p>Agreed. Please see EIOPA's resolution in row 80 however.</p> <p>Noted.</p>

			<p>such features and the overall landscape of the national pension system.</p> <p>We support EIOPA's view of granting choice to consumers between a range of options at decumulation phase.</p>	Agreed.
85.	Allianz SE	Q2	<p>We would refer to question 1: As for providers, there are sufficient rules for products on an European level. The IDD introduces POG provisions for all insurance products, the same applies for MiFID regarding Asset Managers and their products. These ensure that relevant products meet the needs of an identified target market and that products on the market are regularly reviewed to ensure that they remain consistent with the needs of that market. There is no need for further harmonization.</p> <p>See also our General Comment.</p>	Agreed. Please see EIOPA's resolution in row 80.
86.	AMUNDI	Q2	<p>Amundi shares two main original proposals of EIOPA for PEPP i.e. default option and life cycle mechanism. We consider that these points are key in order to create an efficient PEPP, first because default option is often the solution preferred by customers as explained in the consultation, and second because life cycle provides for appropriate ongoing financial service to savers in a way which is cost efficient. We therefore fully agree with the high level investment principles stated in page 51:</p> <ul style="list-style-type: none"> - A limited number of investment options, - A default or "core" investment option to simplify decision-making for the majority, - A de-risking strategy for at least the default option. <p>As mentioned above, we also consider that the accumulation and decumulation phases require much different skills and have</p>	With regard to responses relating to PEPP – please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)

		<p>to be separated to the benefit of flexibility and efficiency in so far they relate to two different métiers, reason why it is better if they may be provided by different actors. In addition, it is very important to allow for a total lump sum payment at the moment of retirement. In fact, such an option may be very useful, for example when allowing the redemption of some mortgage or other loan contracted by savers.</p> <p>For these reasons and in order to provide the maximum flexibility to customers – and flexibility is a crucial advantage for individual pension funds versus collective ones– we do support the view of EIOPA with regards to the benefit of a separated accumulation phase and the correlative possibility of granting choice between various decumulation options provided either by other companies or by the same one, without introducing any constraint in that field.</p> <p>We are somewhat skeptical with what refers to target market and solutions. This MiFID concept is about to introduce real confusion in the distribution of financial products... In itself, default option and life cycle mechanism are solutions. It is up to the staff involved in the distribution of the PEPP to assess its suitability to each client. If the appropriate formation is provided to this staff, it is not necessary to add anything; it may rather be confusing. In this respect we have serious concerns with POG requirements specified in annex VIII. We currently experience strong problems with draft provisions of MiFID level 2 and level 3 draft criteria of ESMA in relation to 'product governance' which would be unworkable both for manufacturers and distributors of financial products. These texts do not foresee a structural difference between manufacturer's and distributor's obligations, when manufacturers are not directly in contact with clients. The only meaningful requirement to manufacturers is to have them</p>	<p>Agreed - Please see EIOPA's resolution in row 80.</p>
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			<p>providing good product disclosure with appropriate detail of products' characteristics.</p> <p>In addition, if a default option is in place, with life cycle and reduction of risk when getting near the retirement, the consideration of risk appetency levels would make it complex and could lead to very low levels of return for investors who are reluctant to assuming risk. In a long term investment perspective, this POG approach is even more irrelevant. A PEPP would rather address quite young and autonomous people through online distribution. A single default option framed in order to fit with needs of investors with a current risk tolerance would provide the best solution.</p> <p>Conversely, we agree with EIOPA proposal listed in page 50, except for what is of biometric risk cover and minimum return guarantee which in our view should only be optional. In fact the current level of interest rate will make it all the more difficult to provide good returns to customers and any additional cost linked to these benefits could have crippling effects.</p> <p>For what is of switching providers and transfer of funds we agree with EIOPA when considering that fair transparent costs for switching are preferable to mandatory free-of-charge switching.</p>	
87.	ANASF	Q2	<p>Yes, we believe in the role of harmonisation of product governance rules, specifically to cater for a level playing field among different providers and distributors (banks, insurance undertakings, management companies, investment firms ...). We also acknowledge the possibility of building on existing product oversight and governance measures under MiFID II.</p> <p>Specifically, we agree with the requirements relating to providers (CP, p. 48/110 and Annex VIII) and distributors (Annex VIII). The requirements for providers to select</p>	Disagreed. Please see EIOPA's resolution in row 80.

			appropriate distribution channels and assess the level of information available to the target market and its degree of financial capability and literacy are of utmost importance. In this sense, we reinstate the need to require the appropriateness test also for non-advised sales and we emphasise the role of financial advice as a powerful vector for financial education in its leading to the development of the ability to select relevant information, so that customers may meet their needs and make well-informed decisions.	Agreed Please see EIOPA's resolutions with regard harmonising (or not) distribution rules (question 3)
88.	APG	Q2	Taking into consideration the proposal of EIOPA (which we support) that only providers which are authorized under existing EU legislation should be able to offer PEPP's and the fact that these regulations already contain governance rules which are tailored to the specific characteristics of the providers involved and their activities, (additional?) provider governance standards specifically for PPP's are not desirable in our view.	With regard to the issue of harmonising provider governance rules – please refer to resolutions provided in question 1.
89.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q2	Overall, the aba calls for a system in which providers of personal pensions are regulated (as is currently the case) and argues against additional product regulation at EU level. As EIOPA correctly points out, "Different governance requirements for different types of providers could also be considered as appropriate in view of the different risks faced by these providers. Firms such as a bank or an insurance company as PPP providers can usually be expected to have more developed processes and greater own resources than, e.g., single fund managers, but the variety of their other activities may also raise challenges that need addressing to avoid contagion impacts for PPP holders." (p. 17) EIOPA presents five benefits of product regulation in the	Agreed. Please see EIOPA's resolution in row 80.

			<p>context of personal pensions (p. 49). The majority of the problems additional product regulation is intended to address (asymmetric information, behavioural factors, economies of scale, comparison of products) does not exist or are not important in German occupational pensions. The structure of German occupational pensions – with the relationship between the beneficiary, the employer and the IORP at its heart – addresses and solves these issues. We therefore argue to rely on tried and tested ways of providing an old age pension, rather than introducing a new product and new regulation.</p> <p>We would like to question the impact EIOPA believes an increase of governance standards would have: “A higher governance level (...) should provide for a higher level of product security and thereby greater consumer trust in their retirement savings product, which in turn fosters demand” (p. 16-17). We doubt that the causalities are that direct – trust is built up very slowly, and because of the behavioural factors EIOPA also recognises it is unlikely to directly turn into increased demand.</p>	<p>Noted</p> <p>Noted</p>
90.	Association of British Insurers	Q2	<p>The ABI questions the need to harmonise product governance rules given the recent adoption of the IDD. The IDD has already undergone in-depth political and technical scrutiny, and already contains detailed rules for product oversight and governance (POG), which the ABI generally supportive.</p> <p>While the IDD does not specifically make reference to including personal pension products in its scope, its rules impact life insurance products and set a clear expectation of standards for insurer providers of PRIIPs.</p> <p>The rules as set out in the IDD aim to ensure that insurance products meet the needs of an identified target market and that products on the market are regularly reviewed to ensure that</p>	Agreed. Please see EIOPA's resolution in row 80.

			<p>they remain consistent with the needs of that market.</p> <p>Given that this new regulatory framework for the distribution of all insurance products has very recently been adopted, and work is on-going both on level 2 and 3, we would argue that it is entirely unnecessary to consider harmonising POG rules for all PPPs.</p>	<p>Agreed, EIOPA understands the POG principles, adopted by the three ESA's in 2013, are or will be reflected in the relevant, sectoral European regulations. This in turn means that seeking further convergence at national level in this particular area is not required at this moment in time.</p>
91.	Assogestioni	Q2	<p>We agree with the proposed approach on product governance rules.</p> <p>Nonetheless, we would like to point out the need to preserve maximum flexibility with regard to the definition of the decumulation options. It is particularly important to avoid the introduction of lifetime annuities or programmed withdrawals as a mandatory feature of the PEPP.</p>	<p>Disagreed. Please see EIOPA's resolution in row 80.</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016)</p>

				consultation paper on development of single EU market for PPPs)
92.	Better Finance	Q2	<p>Notwithstanding our general comment above (EU Authorities should focus on launching the “PEPP” as a top priority, not harmonizing rules for all existing “PPPs”), we fully agree with the new Consumer-Centric Approach pointed out in EIOPA’s CP on page 48. It constitutes a useful and necessary clarification of EIOPA’s preparatory POG Guidelines on product oversight and governance arrangements by insurance undertakings and insurance distributors in October 2015.</p> <p>We emphasize the necessity that there must not be any setbacks related to the level of consumer protection. Product testings must not only identify possible target markets, but as well those consumer groups for which a PPP is not appropriate. Once the product is distributed, the manufacturer must monitor on an on-going basis that the product continues to be aligned with the needs, interests and objectives of the target market (cf. IDD recitals 55 to 57).</p> <p>Only by this way a clearly defined consumer-centric approach will be able to guarantee that the guiding principles of PPPs (simplicity, duty of care, value for money, fairness and adaptability; cf. CP, page 57/58) actually lead to PPPs that are simple, transparent and trustworthy.</p>	Agreed. Please see EIOPA’s resolution in row 80.
93.	BIPAR	Q2	BIPAR does not believe that there is a need to harmonise product governance rules for PPPs. New product oversight and governance (POG) provisions for manufacturers and distributors of all insurance products have for example recently been introduced by the Insurance Distribution Directive (IDD). MiFID II also includes product governance requirements. These	Agreed. Please see EIOPA’s resolution in row 80.

			<p>ensure that products meet the needs of an identified target market and that products on the market are regularly reviewed to ensure that they remain consistent with the needs of that market.</p> <p>Furthermore, regulatory work e.g. in the context of IDD is still ongoing, as the European Commission requested EIOPA to provide technical advice on Level 2 measures on POG.</p> <p>In most EU Member States, intermediaries/advisors already take a consumer centric approach by researching the PPP that is best adapted for the needs of their client regardless of the complexity of the PPP and explain the PPP to consumers. They also manage risk for clients/consumers on an on-going basis and manage consumer behaviour over time. Providers already have this distribution channel in place. EIOPA proposals advocate the simplification of PPP to enable consumers to understand enough to deal direct with providers, but this will not fit as there are a lot of factors, income, age, family growth, risk profile, attitude, because for example even if a consumer's risk profile sets them as if risk inclined, their financial circumstances may not allow them to have a more riskier investment component to their PPP. So the clarification and suitability of PPPs is an important element of what an intermediary/advisor do in aiding product design.</p>	Noted
94.	Bund der Versicherten (BdV-German Association of t	Q2	Notwithstanding our general comment above (EU Authorities should focus on launching the "PEPP" as a top priority, not on harmonizing rules for all existing "PPPs"), we fully agree with the new Consumer-Centric Approach pointed out in EIOPA's CP on page 48. It constitutes a useful and necessary clarification of EIOPA's Final Report on the preparatory POG Guidelines on product oversight and governance arrangements by insurance undertakings and insurance distributors in April 2016.	Please refer to EIOPA's resolution in row 92

			<p>We emphasize the necessity that there must not be any setbacks related to the level of consumer protection. Product testings must not only identify possible target markets, but as well those consumer groups for which a PPP or PEPP is not appropriate. Once the product is distributed, the manufacturer must monitor on an on-going basis that the product continues to be aligned with the needs, interests and objectives of the target market (cf. IDD recitals 55 to 57).</p> <p>Only by this way a clearly defined consumer-centric approach will be able to guarantee that the guiding principles of PEPP (simplicity, duty of care, value for money, fairness and adaptability; cf. CP, page 57/58) actually lead to PEPPs which are simple, transparent and trustworthy.</p>	
95.	Deutsche Aktuarvereinigung e.V. (DAV)	Q2	<p>EIOPA should instead concentrate on an effective design of the respective rules in IDD (delegated acts in the Insurance Distribution Directive). We see no need for additional harmonisation beyond the IDD directive. Additional rules would lead to unnecessary bureaucracy and costs.</p>	<p>Partially agreed. Please see EIOPA's resolution in row 80.</p>
96.	European Fund and Asset Management Association (EFAMA)	Q2	<p>EFAMA supports EIOPA's proposal regarding the essential mandatory characteristics to standardise the PEPP. We also agree that the benefits of standardization will largely be achieved in the accumulation phase. And we strongly believe that the decumulation elements of the PEPP, such as the possibility of adding a biometric risk cover, should be optional and flexible.</p> <p>Concerning the decumulation options, we recommend that the EU framework for the PEPP allows Member States to decide the type of decumulation solutions that should be offered to PEPP holders. We strongly believe, though, that the options offered</p>	<p>With regard to responses relating to PEPP. Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p>

			<p>to people should include lump sums and/or phased drawdown plans for two reasons: first, people will need to be offered a sufficient degree of choice if policymakers want to convince them to increase their personal saving on a voluntary basis; second, the current level of interest rates makes it difficult to offer attractive annuities.</p> <p>We generally endorse the ESAs high-level principles on POG rules.</p> <p>Regarding the 'target market' concept, the rules are still being developed. So, at this stage, it is difficult to have a position on the potential application of this concept to the PEPP.</p>	<p>Agreed</p> <p>Noted. Please see EIOPA's resolution in row 80.</p>
97.	Fédération Européenne Des Conseils Inter-médiaire et	Q2	<p>A PEPP can be tentatively analysed in three different blocks, taking place over the life of the participant:</p> <ol style="list-style-type: none"> 1. Asset build-up where contributions are made over time and invested on a long-term horizon;; 2. Transition, where assets are gradually transformed to be best structured to provide income;; 3. Revenue generation, where assets are used to provide income in retirement, best fitted to the needs of the participant. <p>The asset build-up aims to generate the maximum possible pot for the member. It can be very crudely described as follows:</p> <p><input type="checkbox"/> Assets == Contribution x time x (performance – costs – taxes)</p> <p>Performance in the long run can be best obtained by planning for the time horizon of the investment, as short-term optimization or risk-mitigation is very likely to take place at the expense of long-term performance. However, there is no "silver bullet" in such matters, and PEPP investments need to be regularly reviewed by the provider but also to be communicated</p>	<p>With regard to responses relating to PEPP. Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p>

			<p>/ discussed with the participant to ensure confidence – taking into account the relevant time horizon, as again short term fluctuation is not necessarily a guide to long term performance.</p> <p>Lifecycle investing is a sound principle to ensure assets are best balanced in the build-up phase and in the transition phase, but here again there is no obvious answer and the best outcome is likely to be delivered through market competition and robust advice to participants.</p> <p>Likewise, long-term investments are certainly expected to benefit European economies, but attempts to force PEPPs to direct investments into such investments (e.g. infrastructure, etc.) are likely to create inefficiencies rather than smooth the market.</p> <p>The timing of the transition is often mandated by local social regulation, but within these constraints consumers should be able to make an informed decision, based on advice and simulations.</p> <p>The revenue-generating phase of the PEPP itself should be a matter of consumer choice, once again with advice and simulations and within the local legal framework. Competition and advice (rather than externally-imposed constraints) would help consumers make an informed choice between the various exit routes possible, e.g. cash, asset draw-down, life annuity or continued investment – as well as the various risk coverage available around these options.</p> <p>Investments need to be regularly reviewed by the provider but also need to be relevant to the personal time horizon, as short-term fluctuations are not necessarily a guide to long-term performance, as previously stated.</p>	
98.	Federation of the	Q2	The Federation is of the opinion that harmonisation of product	Agreed. Please see

	Dutch Pension Funds		governance rules can easily lead to situations in which providers are confronted with double sets of standards, given the fact that most providers are already subject to EU-directives aiming at the protection of consumer interests.	EIOPA's resolution in row 80.
100	Financial Services User Group (FSUG)	Q2	<p>EIOPA's proposal is well balanced and provides a solid ground that encompasses existing and more importantly functional rules. FSUG welcomes proposed strong Consumer-Centric Approach pointed out in EIOPA's CP on page 48. Accompanying consumer-centric approach with strong product oversight and governance rules could lead to an overall higher standard for PPPs. It constitutes a useful and necessary clarification of EIOPA's preparatory POG Guidelines on product oversight and governance arrangements by insurance undertakings and insurance distributors in October 2015 and POG requirement outlined in annex VIII of the CP (page 108).</p> <p>FSUG emphasises a strong pre-sale testing of the product oriented on increasing the consumer protection. Having in mind the long-term commitment of a client, only PPPs that have a clear positive value-for-money should be recommended by NCAs. At the same time, the rules for pre-sale testing could serve as a benchmarking procedure not only for providers, but for consumer organizations as well. This could strengthen the self-managing processes on the market with clear support from NCAs and EIOPA as well.</p> <p>Recognition of existence of behavioural biases within financial products decision-making process on the side of consumers is a positive step forward. FSUG thanks EIOPA for including this highly relevant area into the consideration described in the CP on pages 28 and following. Creating rules that accept layering of information designed specifically for each of all three phases the client undergoes during the contract duration could really contribute to the "good product design" process. In this</p>	<p>Partially agreed. Please see EIOPA's resolution in row 80.</p> <p>With regard to providing information to PPP holders – please refer to EIOPA's resolutions in question 4</p>

			<p>respect, EIOPA has identified many important information rules for each phase (pre-contractual, on-going, pre-retirement) we fully support. In general, using KID PRIIPs for PPPs could become a good starting point, if few additional rules on PBS are added.</p> <p>Specific rules oriented on the saving process that increase the awareness and understanding of the product materialized in the PBS will be also positively viewed by consumers. FSUG thinks that having a rule requiring providers to regularly provide information on the status of client´s savings with a looking-forward feature could increase the trust in PPPs and might bring the necessary recognition of long-term and pension savings.</p> <p>Taking into account that consumers have many short and long-term savings and insurance products, it would be worth paying more attention to the additional on-line services tied to the product that increase the information and understanding of the product. Having an on-line access to the individual pension account could rapidly decrease the costs of disclosure and information requirements. On-line accounts should have at least passive access where the client is able to see and download layered information including the PBS. Several countries (including Netherlands, Slovakia, Romania, Bulgaria, Croatia, Sweden) have adopted provisions to support digitalized and on-line features of PPPs (notwithstanding the 1bis pillar pension products of individualized retirement accounts that fall under the SLL).</p>	Noted
101	German Insurance Association (GDV)	Q2	The GDV supports effective product governance, prudential and oversight arrangements, but sees no benefit in a further harmonisation of product governance rules. German insurers suggest to concentrate on an effective design of the pending rules (delegated acts in the Insurance Distribution Directive) to avoid unnecessary bureaucracy and costs. The IDD sets out	Agreed. Please see EIOPA's resolution in row 80.

		<p>product oversight and governance requirements for all insurance products. These provisions will become applicable from February 2018. The directive explicitly clarifies that the processes shall be proportionate and appropriate to the nature of the insurance product.</p> <p>The European Commission is empowered to specify the POG principles set out in the delegated acts taking into account in a proportionate way the nature of the insurance products sold. Discussions on how to specify these principles are ongoing. The GDV has just recently responded to the EIOPA online survey in preparation for the Call for Advice from the European Commission on the delegated acts under the IDD and commented on the EIOPA Consultation Papers CP-15-008 on preparatory guidelines.</p> <p>With regard to these ongoing discussions we would like to reiterate our position regarding some of the aspects which are also touched upon in Annex VII (p. 108 f.) of the consultation document and in the Joint Position of the ESAs.</p> <p>Objectives and clear limits of external control: It is sensible that product manufacturers shall take due account of the needs of the policyholder and of the risks these customers might be exposed to. Annex VII of the current consultation and the Joint Position of the ESAs on POG additionally set out the 'objective to prevent and minimise consumer detriment'. German insurers consider this term to be too vague for POG regulation. It has correctly not been introduced by the IDD in this context. Regarding the objective and limits of POG, it needs to be clear in any case that a detailed product design is not the task of the supervisory authority and POG requirements should not stipulate such provisions.</p> <p>Proportionality and practicability of requirements: Undertakings should have sufficient leeway in designing their internal</p>	<p>Noted</p>
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			<p>processes. This includes the definition of the target market. The target market is closely related to the need for insurance cover and the financial capabilities of the respective customers.</p> <p>The identification of a negative target market on the other hand is not feasible in general. Even though some obvious examples for a negative target market can be found, for many products it will be difficult to make a clear distinction, i.e. to clearly define the negative group or to specify it in an exhaustive way.</p> <p>Accordingly it is important to allow flexibility in POG processes with regard to the possibility to sell products outside of the intended target market. A rigid determination of the target market at the level of product design would lead to the exclusion of numerous customers from suitable insurance products, if – for different reasons – they do not form part of the target group, despite the fact that the product still meets their individual needs.</p> <p>Adequate provisions on remedial action should be in line with contract law: Regarding considerations on remedial action it needs to be clear that the framework for making any amendments to existing contracts or informing any individual customers about any new products is provided by contract law. It cannot be the role of POG to counterbalance retrospectively characteristics and risks which are inherent to the product and on which adequate information has been provided.</p>	<p>Agreed</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>
102	ICI Global	Q2	<p>To ensure that an EU Single Market for personal pensions could be created in the foreseeable future, we urge EIOPA and the Commission to make the PEPP work a priority rather than attempting to harmonise PPPs. See Question 7.</p> <p>In respect of PEPPs, similar to provider governance above, we believe that existing and developing product governance rules, primarily via MiFID II, are sufficient. These rules adequately</p>	<p>Agreed</p> <p>With regard to responses relating to PEPP - Please</p>

			cover the responsibilities of both product manufacturers and distributors.	refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)
103	Institute and Faculty of Actuaries	Q2	<p>If all PPPs provided information in a standard format, there would be an obvious benefit for consumers identifying which PPP would be most suitable for them. As we highlighted in our response to question 1, existing governance standards can form the basis for minimum standards. Providing standardised information within those existing rules should be simple to achieve.</p> <p>However, recent changes to pensions legislation in the UK mean that there is greater competition in the long-term savings market. Pensions products are competing for new business against a range of other products. If the application of harmonised product governance rules were only to be for PPPs, there may be competing products offering similar benefits that would be exempt from the rules. Consequently, the operation of harmonized rules could distort the long-term savings market.</p>	<p>Partially agreed, please see EIOPA's resolution in row 80.</p> <p>Noted</p>
104	Insurance Europe	Q2	<p>Insurance Europe supports effective product oversight and governance rules. The Insurance Distribution Directive (IDD (Directive 2016/97) introduces new product oversight and governance (POG) provisions for all insurance products. These rules aim to ensure that insurance products meet the needs of an identified target market and that products on the market are regularly reviewed to ensure that they remain consistent with the needs of that market.</p> <p>Moreover, EIOPA has already twice consulted on POG</p>	

			<p>guidelines, including a recently concluded consultation on 'preparatory guidelines', which are intended as a bridging mechanism for supervisory authorities ahead of the national implementation of the IDD provisions on POG. On top of this, the European Commission has recently provided EIOPA with a mandate for technical advice on Level 2 measures on POG, as set out under Article 25(2) of the IDD.</p> <p>Given that this new regulatory framework for all insurance products has very recently been adopted, and work is ongoing on Level 2 measures, Insurance Europe considers it unnecessary for EIOPA to be considering additional POG rules for PPPs, as it would expect and want the same standards to apply.</p>	<p>Agreed. Please see EIOPA's resolution in row 80.</p>
106	Mefop, Assofondipensione and Assoprevidenza	Q2	<p>About harmonization/standardisation, see Question 1, first paragraph.</p> <p>We totally disagree with the idea that 2nd regime is sitting besides national regulation at least as far as the same tax treatment apply and/or PEPP could be considered part of "pension framework" of a Member State. In this case national social and labour law and national prudential law have the priority, if more strictly.</p> <p>We agree with POG requirements. Concerning product features, we:</p> <ul style="list-style-type: none"> - agree with EIOPA proposal about cap on costs (particularly about developing a common EU standard TER, ti 	<p>Noted. Please see EIOPA's resolution in row 80.</p> <p>Noted. With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p>

			<p>improve comparability), decumulation and switching;</p> <p>- as regard the provision of the default investment option, as in some national states some rules are already in place, we deem that PEPP framework should provide for a duty of care at least not worse off of those provided by national regulation.</p> <p>As for the previous point, we are concerned on the view of EIOPA to refer to the specific EU directive of the providers as a starting point as it could trigger asymmetries between providers, decreasing the duty of care towards consumers (members).</p> <p>Moreover, we deem that for a product governance rules to sound good, the rules should be not worse off than those currently in place in every country for current PPP.</p>	Agreed. Please see EIOPA's resolution in row 80.
107	PensionsEurope	Q2	Overall, PensionsEurope calls for a system in which providers of personal pensions are regulated (as is currently the case) and argues against additional product regulation at EU level.	Agreed. Please see EIOPA's resolution in row 80.
108	Pensionskasse der Mitarbeiter der Hoechst-Gruppe V	Q2	<p>The current approach of provider regulation at the European level should be maintained. There is no need for additional product regulation at EU level. As EIOPA correctly points out, "Different governance requirements for different types of providers could also be considered as appropriate in view of the different risks faced by these providers. Firms such as a bank or an insurance company as PPP providers can usually be expected to have more developed processes and greater own resources than, e.g., single fund managers, but the variety of their other activities may also raise challenges that need addressing to avoid contagion impacts for PPP holders." (p. 17)</p> <p>EIOPA presents five benefits of product regulation in the context of personal pensions (p. 49). The majority of the problems additional product regulation is intended to address</p>	Agreed. Please see EIOPA's resolution in row 80.

			<p>(asymmetric information, behavioural factors, economies of scale, comparison of products) does not exist or are not important in German occupational pensions. The structure of German occupational pensions – with the relationship between the beneficiary, the employer and the IORP at its heart – addresses and solves these issues. We therefore argue to rely on tried and tested ways of providing an old age pension, rather than introducing a new product and new regulation.</p> <p>We would like to question the impact EIOPA believes an increase of governance standards would have: “A higher governance level (...) should provide for a higher level of product security and thereby greater consumer trust in their retirement savings product, which in turn fosters demand” (p. 16-17). We doubt that the causalities are that direct – trust is built up very slowly, and because of the behavioural factors EIOPA also recognises it is unlikely to directly turn into increased demand.</p>	<p>Noted</p> <p>Noted</p>
109	Prof. Dr. Hans van Meerten & Elmar Schmidt of Utre	Q2	<p>The product governance standards proposed by EIOPA will help PPPs remain competitive and consumer-focused. The application of the product governance standards throughout the lifecycle of the product ensures constant monitoring and ‘maintenance’ of PPPs and will therefore help to keep the product fresh. However, PPP providers will be incentivized to develop products that meet markets’ and consumers’ needs by themselves. So, in order to help identify the needs and interests of target markets and to avoid consumers suffering from poor product design, perhaps more concrete rules that give more guidance than the ones contained in the Joint position paper are necessary.</p> <p>The rules on stress-testing and the constant re-evaluation of existing products are, however, good principles and should be kept. In that respect, using the joint position paper by the ESAs</p>	<p>Agreed. Please see EIOPA's resolution in row 80.</p> <p>Noted</p> <p>Agreed</p>

			is a solid basis. The position paper and its product governance standards provides clear guidelines on how to attain some of the formulated goals		
110	Society of Actuaries Ireland	of in	Q2	<p>We agree that PPPs would benefit from harmonisation of product governance rules, reflecting the high-level principles specified in the ESA Joint Paper on Manufacturers' Product Oversight & Governance Processes. We also believe that PPPs (at both provider and distributor levels) would benefit from harmonisation broadly in line with the more detailed Provider and Oversight Governance ("POG") requirements proposed in Annex VIII, albeit with one exception noted below.</p> <p>We broadly agree with EIOPA's proposals, but note that the proposed POG requirements state (in Annex VIII) that "should the provider identify product-related circumstances that give rise to the risk of consumer detriment during the lifetime of a product, the provider should take appropriate action to mitigate the situation and prevent the re-occurrence of such detriment". It is not clear which "product-related circumstances" potentially giving rise to consumer detriment are envisaged here. We note that, by their very nature, PPPs will expose consumers to financial risks resulting from market fluctuations in the underlying asset holdings. Hence, this requirement to mitigate and prevent the re-occurrence of consumer detriment could prove onerous, if not impossible for providers in certain circumstances, such as in the event of a stock market crash.</p>	<p>Agreed. Please see EIOPA's resolution in row 80.</p> <p>Noted</p>
111	Standard Life plc		Q2	<p>Our view is that PPPs generally will not benefit from further EU harmonisation of product governance rules, since recently introduced rules at EU level in relation to product governance are yet to be applied and tested. Also, the provision of pensions is so inherently tied to individual member states' national labour and social laws that further harmonisation of rules at EU level is not required.</p>	<p>Agreed. Please see EIOPA's resolution in row 80.</p>

		<p>In the context of a pan-European savings product, standardisation would undoubtedly assist in the product's brand awareness. However, our feedback below records again our main apprehensions with the proposed product rules.</p> <p>In addition, without clear guidelines for resolving the taxation and general good barriers, our view is that the cost effective arguments for a standardised PEPP model are irrelevant since the compliance costs would continue to outweigh any commercial incentive.</p> <p>EIOPA's 2014 preliminary report to the Commission (EIOPA-BoS-14/029, Towards an EU-single market for personal pensions) recognises that as far as the benefits are concerned the problem of discrimination may well pertain (para 145), however, it suggests that it can be assumed that the CJEU would hold that discrimination against foreign providers in the context of payment of benefits would violate EU law in line with the CJEU case 9C-150/04 Commission v Denmark). EIOPA argues that the payment of benefits is the reverse of the payment of contributions and therefore the CJEU would come to the same conclusion on the payment of benefits as it did on the payment of contributions. However, whilst the payment of contributions applies to a firm receiving contributions in the country in which it operates and is required to apply the same treatment in that country to all customers, i.e. the same treatment and taxation to all contributions, the 'reverse' is not the same: payment of benefits on a cross-border basis requires a firm to pay benefits to many different countries governed by many different tax regimes. EIOPA also states (para 146) that PPPs may suffer source taxation on their foreign investment income. It should be noted that even if this is recoverable on the basis of non-discrimination, it is a slow and expensive process to do so. We cannot agree with EIOPA's point view that</p>	<p>Noted. With regard to responses relating to PEPP. Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p>
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			<p>this and other tax obstacles are eliminated. Instead, they need to be considered in much greater detail.</p> <p>Not only the structure of the product and its product literature are designed to reflect the tax benefits of the relevant member state but also the systems and controls underpinning these features. For example, a PPP in the UK will have complex systems, including IT systems, in order to deduct the correct amount of tax for each contribution, to pay appropriate sums to the UK tax authorities and to ensure that the customer facing representatives follow appropriate call scripts to ensure legal and regulatory compliance in the UK. Whilst it is theoretically feasible for this to be adjusted to cater for other member states, the costs involved mean that it is unlikely, practically, to be a realistic business proposition, particularly where standardised and cheaper personal pension products are desired. Social and labour laws change the taxation systems regularly, this is certainly the case in the UK. Adjustment of such systems to accommodate changes in taxation in multiple jurisdictions would be difficult in practical terms to overcome and it is for this reason that Standard Life believes that the development of a Pan-European Long-term Savings product, i.e. a PELS, would be more achievable than a PEPP.</p> <p>Standard Life agrees that the transferability of accumulated capital for passported PPPs requires greater consideration and believes that barriers should and can be removed for a member to transfer their PPP within the same member state where they are resident in another member state. This could for example be addressed through greater freedoms of contract law offered through the Rome I Regulation.</p> <p>Standardisation</p> <p>Standard Life wishes to reiterate our previous position on</p>	
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		<p>standardised PEPP products. In the context of product design, our preference would be a savings product governed by a set of principles, leaving complete discretion on the design of the product to providers and Member States. We would, however, like to see the standardisation of pre-contractual requirements, suitable for a long-term savings product. We are particularly concerned to have certainty as to when a customer, on a cross-border basis, has received all the necessary pre-contractual requirements in order for the cooling-off period to begin. Such risks are currently significant barriers to the sale of cross-border insurance contracts.</p> <p>A highly prescriptive product may be unable to meet the needs of consumers and in particular vulnerable consumers. A pension is designed as a long term savings product and adjustments in relation to investment options, for example, should be possible, particularly to accommodate changing decumulation options which may evolve according to a member state's social and labour law. Typically lower risk products would not be expected to deliver as high a return as higher risk products.</p> <p>Standard Life strongly believes that any pan-European savings product can only operate on a self-directed basis where it is clear that the saver takes the investment risk. If this is not the model then the pension industry will be unable to provide the affordable product which EIOPA proposes.</p> <p>We have concerns over there being an assumption that a 'standard choice' in the context of the PEPP should be promoted as this suggests a degree of consideration of suitability and customer needs on the part of the pension provider.</p> <p>Through the pre- and post-contractual communications, savers must be encouraged to take responsibility for their investments, reviewing their needs regularly and checking that</p>	
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		<p>their retirement needs will be met. There is much that the pension industry can do to encourage engagement with savings but this must sit alongside the appropriate policy objectives.</p> <p>We agree with EIOPA's suggestion that to promote active management of the PEPP by providers could create a culture of passivity and disengagement amongst consumers. Standard Life believes that pension providers should maintain their existing conduct duties to act fairly and to make sure that products and services marketed and sold are designed to meet the needs of identified consumer groups and are targeted accordingly.</p> <p>We have witnessed the contractual and administrative difficulties associated with ensuring that default investment options remain suitable. Changing these options for existing customers can be challenging, and we could encourage EIOPA to consider a 'safe harbour' override for providers that would allow them to switch default members into new, more appropriate default options on an opt-out basis.</p> <p>We are also of the view that the investment solutions offered must account for relevant forms of decumulation in order for savers to have a fair chance at securing a stable retirement income that meets their needs.</p> <p>Proposed flexible elements for PEPPs</p> <p>Standard Life is of the opinion that there are many other services or features which can demonstrate value for money and which may be overlooked by the publication of the flexible list. The provision of lifestyle profiling, alternative investment options and decumulation options are equally important.</p> <p>Our view is that the inclusion of the three listed flexible elements could undermine provider competition. The</p>	
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			<p>publication of these three elements may artificially segregate providers into two categories: those whose products feature the listed flexible elements and those who don't. Our concern is that by listing the flexible elements, this may encourage the view by consumers, distributors and/or providers that a PEPP product featuring the endorsed elements is more attractive.</p> <p>Aside from the taxation challenges and applicable general good/social and labour laws, the needs of customers in one country will differ from the needs of customers in another and providers will have to accommodate these needs in order to remain competitive if they choose to offer a PPP or a PEPP on a cross-border basis.</p> <p>Other product issues which have not been fully addressed in the proposed product governance rules are:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The language requirements for pre and post-contractual information including how these may be serviced on a cross-border basis; <input type="checkbox"/> Currency exchange challenges where funds are transferred between Member States using different currency; <input type="checkbox"/> Cross-border marketing; <input type="checkbox"/> A minimum retirement age to avoid early pensions liberation; <input type="checkbox"/> Jurisdiction/choice of law for the product contract; <input type="checkbox"/> Dispute resolution; <input type="checkbox"/> Compensation in the event of default; and <input type="checkbox"/> Contributions by third parties such as employers. 	Noted
112	The Association of Pensions Lawyers	Q2	The harmonisation of governance rules envisaged by EIOPA's advice appears to be considered alongside the governance	Agreed. Please see EIOPA's resolution

			<p>standards. Since the UK rules and structures in place for upholding the governance standards for PPPs (as part of investments more generally) are already largely in line with those envisaged by EIOPA we do not see (from a UK perspective) significant problems with these being used as the basis of a harmonised regime across Europe. We have no specific comments on the POG requirements themselves.</p> <p>Once again this support carries the caveat that it will depend upon further review of the detailed proposals as and when these are provided by EIOPA.</p>	in row 80.
113	The Investment Association	Q2	<p>Good product governance, prudential and oversight should be at the heart of any new product, including the PEPP. We have previously highlighted the need to identify the target market for PEPP and the distribution channels through which it is likely to be purchased and embedding this in the product governance process for PEPP is sensible.</p> <p>We agree with EIOPA that there should be standards for distributors as well as manufacturers, given that it is generally the former that will have the relationship with the end investor. The product governance, prudential and oversight requirements in MiFID II cover manufacturers and distributors and these should be sufficient as far as asset managers choosing to provide PEPPs are concerned.</p>	<p>Agreed</p> <p>Partially agreed. Please see EIOPA's resolution in row 80.</p>
114	The Pensions Advisory Service	Q2	<p>It is important to address the issue of provider charges. Market competition in itself may not be enough to drive down charges if there is no transparency. Transparency of charges and fees and a benchmark indicating value for money for the consumer could be one approach rather than a pure cap.</p> <p>TPAS has data from our users in relation to high charges that</p>	Noted

			we could be shared. There is a concern about products that have long lock-in periods with penalties for the consumer on transfer for instance.	
115	Vanguard Asset Management, Limited	Q2	<p>Vanguard agrees with EIOPA's assessment that the EU personal pensions market remains highly fragmented and that EU savers, who are becoming increasingly mobile, would clearly benefit from broader provider choice. On the product that could be offered within this 2nd regime, we support EIOPA's proposal regarding having the essential characteristics of a PEPP to be standardised and mandatory, particularly during the accumulation phase. We also agree that the recommendation for a PEPP with a defined set of optional elements would help balance between the advantages of having a simple, cost effective approach for consumers, while maintaining flexibility to accommodate different rules in underlying Member States and to accommodate product innovation.</p> <p>In addition, we agree that a PEPP should have one default or "core" investment option such as a low-fee option featuring a lifecycle strategy with derisking (i.e., a so-called target date approach, which would serve the needs of the overwhelming majority of potential PEPP savers), with a few additional investment options for those investors seeking greater investment choice and flexibility.</p> <p>Also with respect to product guarantees, we agree with EIOPA that guaranteed investment options could be suitable as optional investments, but should not be required. Guarantees often come with a significant cost, tend to invest in relatively short-term investments (such as bank certificates of deposit, commercial paper, etc.), and could hamper a saver's mobility should they wish to switch investments away from the guarantee provider. For these reasons, we continue to take the view that the product should not be required to offer a</p>	With regard to responses relating to PEPP. Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs).

			<p>guarantee.</p> <p>We are of the view that good product governance, prudential and oversight should be at the heart of any new product and, therefore, we support the inclusion in the PEPP initiative of governance requirements directed specifically at the product. As per previous comments, we would urge EIOPA to take account of existing sectoral regulatory requirements in this regard (such as the product oversight and governance measures in MiFID II), rather than attempting to establish new standards in this regard.</p> <p>We also support EIOPA's recognition of fostering healthy competition and applying market disclosure through cost transparency. We believe that throughout the PEPP initiative, it is important that EIOPA retains a focus on simple cost+ transparency that ensures investors will understand the importance of costs. In this regard, Vanguard has established a long, successful track record of helping our clients understand the important impact of fees and costs on overall investment success. Common sense dictates that, all things being equal, an investment with lower total costs will outperform an investment with higher total costs. As such, we are strong advocates for regimes that require fee disclosure that is clear and accurate, and can that be used to make informed investment comparisons and decisions.</p>	<p>Agreed. Please see EIOPA's resolution in row 80.</p>
116	Willis Towers Watson	Q2	<p>In principle yes.</p> <p>However, the potential for benefitting from harmonizing product governance rules is limited. As the individual member state requirements that need to be met to obtain beneficial tax</p>	<p>Partially agreed. Please see EIOPA's resolution in row 80.</p> <p>Noted</p>

			treatment (in particular, tax relief on contributions and disapplication of normal benefit in kind rules) cannot be harmonised, a 2nd regime product is illusory.	
117	Insurance and Reinsurance Stakeholder Group (IRSG)	Q3	<p>The IDD introduces new provisions on distribution that will enhance the conduct of business rules for the entire sales process for insurance products and further strengthen the level of consumer protection across Europe. These rules cover all of the areas identified by EIOPA in its consultation paper, eg the role of advice, duty of care, conflicts of interest, remuneration policies, etc. and apply to the sale of all insurance products.</p> <p>As stated in previous responses, this new regulatory framework for distribution rules has very recently entered into force and work is on-going on both Level 2 and 3 measures. In light thereof, the IRSG considers that no further rules are necessary.</p>	Partially agreed. As – at this moment in time – most PPPs are sold through intermediaries and the conduct of business rules of the latter are already or will be regulated in the MiFID and IMD/IDD Directives, EIOPA believes it would not be efficient to develop stand-alone cross-sectoral distribution policies for PPPs.
118	Fachverband der Österreichischen Pensionskassen	Q3	EIOPA strongly favors online distribution. This is a big danger and will damage trust in pension markets. It is clear that pensions are a very important and complex thing in the life of people. The demand depends on your family situation, the 1st and 2nd pillar pensions, property, any other savings etc. So people should deeply think about it and talk with their family etc. The internet raises the opportunity for very quick decisions and often without the possibility to ask specific questions.	Disagreed. EIOPA does not favour one distribution channel over the other

119	ACA	Q3	ACA believes that no limitation should be introduced on who may or may not distribute PPP's. We consider that the new provisions on distribution introduced by the IDD will enhance the conduct of business rules for the entire sales process for insurance products as well as strengthen the level of consumer protection and should become the standard also for PPP's.	Agreed. Please see EIOPA's resolutions in row 117
120	AEIP	Q3	<p>As mentioned in general comments, harmonization/standardisation risks to be made "towards the bottom", so we agree with on the starting prepositions of EIOPA that a harmonization of distribution rules is needed, but we think Member States should have right to apply national additional rules especially when PPP are already developed and very well regulated. In no case harmonization should lead to a reduction of members protection in comparison to the actual situation.</p> <p>Generally, we agree with the EIOPA proposal to apply the MIFID II appropriateness test also to PPPs. This already happens in some EU countries, such as Italy. Anyway, we would like to underline that the proposal of EIOPA tends to be too abstract for being effective against the background of the great variety of products and providers. The wide variety of distribution providers among different countries, clearly showed in the graphic of page 89 of the Annex III of the CP, needs to be duly taken into consideration in the EIOPA and European Commission assessment.</p> <p>We agree also with EIOPA assessment on advice and on conflicts of interests.</p>	<p>Noted.</p> <p>Disagreed. Please see EIOPA's resolutions in row 117</p> <p>Noted</p>
121	AFG	Q3	AFG agrees that both the IDD and MiFID II measures cover the conflicts of interest that might arise in relation to distribution arrangements and provision of advice, although the rules aren't exactly the same in IDD and MIFID II. For example, in IDD,	Agreed. Please see EIOPA's resolutions in row 117

			<p>inducements are allowed both for independent and non-independent advice, while in MIFID II, independent advice is not allowed to inducements. Mifid rules should be aligned on IDD.</p>	Noted
122	Allianz SE	Q3	<p>Also regarding distribution rules, i.a. IDD and MiFID, include comprehensive rules that are partly not finally implemented – each new requirement could currently cause confusion and/or contradict existing rules or rules being currently developed as part of the level 2 work. At the time being, further rules are neither proportionate nor necessary from our point of view.</p> <p>See also our General Comment.</p>	Disagreed. Please see EIOPA's resolutions in row 117
123	AMUNDI	Q3	<p>As explained in the previous question, in order to provide a wide access of the PEPP at reasonable cost for the average customer, with the possibility of cross border distribution, we do believe that on line distribution of a default option without advice would make sense. Of course, on-going monitoring of the product will have to be provided through whole of the accumulation phase. This monitoring will be mainly provided via digital tools but we have the feeling that human intervention will remain opportune for some specific questions.</p> <p>We also agree with the proposal that default option should be based on simple underlying products without the necessity of achieving an appropriateness test, as long as it is a lifecycle product,.</p> <p>For what is of the information on the types of remuneration and incentives that the seller will receive for sale, we believe that a confusion is made by EIOPA between two subjects: i) retrocession (or inducements) which may be paid by providers</p>	<p>With regard to responses relating to PEPP – Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development single EU market for PPPs)</p> <p>Noted</p>

			<p>to distributors as sharing of management fees, and ii) individual incentives paid to its commercial staff by the distributor. The first category will have to be disclosed similarly to what is required by MiFID 2 or by draft IDD. The second is no longer current practice.</p> <p>The provision of advice and services as part of distributor's on going role, in particular when the saver is nearing retirement, will have also to be required as a justification of retrocessions received from the PEPP's manager. A part of it will be achieved by PEPP's managers in case a life cycle mechanism is in place. Nevertheless, human intervention should probably be available at this stage of nearing retirement when the customer may have specific and practical questions or need help for remembering all features of his(her) contract.</p>	Agreed
124	ANASF	Q3	<p>ANASF welcomes the acknowledgement, as outlined in the Consultation Paper, that distributors can take many different forms and that advice should not be limited only to independent, whole of market advisors (CP, p. 43/110): the real key to consumer protection is compliance with relevant requirements provided by existing sectoral legislation (MiFID and IDD), especially knowledge and ability requirements. Italian financial advisors/tied agents already comply with relevant legislation, as their admission to the national public register is subject to the specific requirements of good repute and professionalism which encompass an evaluation test of a theoretical and practical nature (Regulation on intermediaries - Consob Resolution no. 16190/2007).</p> <p>Conversely, we do not agree with EIOPA's analysis on automation and the default "core" investment option (i.e. non-advised online sales of the default option):</p>	<p>Agreed. Please see EIOPA's resolutions in row 117</p> <p>Noted</p>

		<p>- financial advice should not be seen as a mere cost driver. The real focus should be on the link between cost efficiency and quality enhancement, which is possible by means of the provision of financial advice;</p> <p>- the effectiveness of automated financial tools should not be overestimated. Automated financial advice is the result of a set of predetermined parameters, based on mathematical models whose underpinning assumptions may lead to statistical errors and model risks (i.e. the automated setting of investor profile is not immune to errors). Conversely, automated tools may be helpful as supporting tools for the advisory process (e.g. delivery of pre-contractual information, reporting obligations, enhancement of customer engagement), but they shall be complemented with a real personalised service and the interaction of a human advisor.</p> <p>We do not agree with any proposal aimed at avoiding the requirement for the appropriateness test in the case of non-advised sales of PEPPs: a minimum level of consumer protection is always necessary as decisions concerning pension products are numbered among the most important financial decisions that each customer is expected to make in her/his life.</p> <p>Non-advised sales are to be supported by the appropriateness test, in light of the long term nature of PEPPs and PPPs and the need to provide consumers with adequate retirement income. Specifically, we believe that the appropriateness for non-</p>	<p>Agreed</p> <p>Noted</p> <p>With regard to responses relating to PEPP – Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development single EU market for PPPs)</p> <p>Partially agreed. In case investment options of PPPs can be designated as 'non-complex'</p>
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			<p>advised PEPP and PPP distribution should be designed along MiFID lines, complemented with an evaluation of personal expectations for retirement income and socio-demographic elements (e.g. the age of the customer at present and the expected retirement age).</p> <p>Conversely, we espouse the idea (CP, p. 43/110) that, for investment options classified as complex products, limitations on access in an online context or clear statements used to encourage the investor to seek advice may be necessary.</p> <p>We also support EIOPA's proposal in that distributors should provide their staff with appropriate education and training to adequately assess the needs of a potential client and tailor the features of a PPP according to those needs. With this regard, it is important to acknowledge the role of professional certifications as a means to enhance the skills, knowledge and expertise of staff members.</p> <p>ANASF also agrees with the idea (CP, p. 46/110) that distributors should offer advice services to clients after the sales process and update the existing information about the consumer so that advice is based on current information: in this sense, the provision of continuing advice may be seen as a means to strengthen trust and confidence among customers and their personal financial advisors.</p>	<p>EIOPA believes the application of appropriateness testing should not be required</p> <p>Noted</p> <p>agreed</p> <p>Agreed</p>
125	APG	Q3	<p>We agree with EIOPA that distribution and distributors could be a "key interface" in respect of a PPP or a PEPP.</p> <p>The nowadays already existing rules for distributors on the basis of the various sectoral EU-directives could in our view be a starting point.</p>	<p>Partially agreed. Please see EIOPA's resolutions in row 117</p>

			<p>We furthermore agree with EIOPA that internet could be a good (but not the only possible) distribution channel.</p> <p>In general we feel that the issue of an effective and low cost distribution has not yet received sufficient attention. This is an aspect in which 2nd pillar pensions have been more successful than 3d pillar individual pensions. Efficient, mandatory or auto enrollment type of mechanisms will help particularly for those countries or groups of participants that currently do not take part in collective pension schemes.</p>	<p>Agreed</p> <p>Noted</p>
126	Arbeitsgemeinschaft für betriebliche Altersversorg	Q3	<p>Overall, the aba calls for a system in which providers of personal pensions are regulated (as is currently the case) and argues against harmonising distribution rules at EU level.</p> <p>EIOPA considers the role of distributors crucial in the success of future PPP products and calls on distributors to “adequately assess the needs of a potential client and tailor the features of a PPP according to those needs” (p. 17). The direct conflict of interest between the distributor and the client is recognized and addressed in Section 2.3.1. “Distribution of PPP – Conduct of business.” However, these problems do not arise for the beneficiary at all if pensions are linked to the employment relationship and the employer makes a pension promise.</p> <p>If EIOPA and the European Commission want to reduce the costs of distribution (or avoid them altogether), they need to follow a different approach and strengthen the second rather than the third pillar.</p>	<p>Agreed. Please see EIOPA's resolutions in row 117</p> <p>Noted</p> <p>Noted</p>
127	Association of	Q3	The IDD introduces new provisions on the distribution of	Agreed. Please see

.	British Insurers		<p>insurance products, which will enhance the conduct of business rules for the entire sales process for insurance products, and further strengthen the level of consumer protection. These rules, which have been recently adopted as part of the IDD, already address all of the distribution rules that EIOPA suggests should be harmonised, such as the rules on conflicts of interest, remuneration policies and duty of care.</p> <p>Given that this new regulatory framework for distribution rules has only recently been adopted, and will be effective from 23 February 2018, it is not necessary to have any further rules for insurers.</p>	EIOPA's resolutions in row 117
128	Assogestioni	Q3	<p>We agree that to promote the cross-border selling of PPPs it is essential to harmonise the distribution rules.</p> <p>Nonetheless, as correctly stated by EIOPA, the appropriate distribution channels should be selected during the product development process and the target market definition, taking into account the consumers' best interests and needs. It is therefore essential to highlight that the online selling of PEPPs should only be interpreted as one of the possible distribution channels to be selected.</p> <p>In this regard, we strongly believe that the use of the existing distribution channels will be crucial as well as the provision of advice.</p> <p>On the other hand, we also understand that for the success of the PEPPs it is crucial to lower the costs associated with the</p>	<p>Disagreed. Please see EIOPA's resolutions in row 117</p> <p>Agreed</p> <p>Agreed</p> <p>Agreed</p>

			distribution process: this could be achieved by limiting the provision of a financial advice to the distribution of more complex investment options, therefore excluding advice for the distribution of the default option.	
129	Better Finance	Q3	<p>Notwithstanding our general comment above (EU Authorities should focus on launching the PEPP as a top priority, not on harmonizing rules for all existing PPPs), we agree with EIOPA's proposals of the harmonization of distribution (on conduct of business rules as well as on the ongoing role of distributors; cf. CP, pages 26 to 28). But again we emphasize the necessity that there must not be any setbacks related to the level of consumer protection which is already reached by MiFID II (which is generally more protective of consumers), or at least by IDD article 25 (product oversight and governance requirements) and by EIOPA's preparatory POG Guidelines for insurance undertakings and insurance distributors in October 2015.</p> <p>To give an example: at the point of sale it must be guaranteed that, due to the fact that a PPP is long-term saving product followed by a long-term decumulation phase, consumers get appropriate advice on special contract clauses (like "cooling-off period") and on options at the retirement (for the decumulation or pay-out phase; cf. our comment on Q7 for additional product features).</p> <p>These requirements are particularly important for non-advised sales, which could become an important distribution channel for PPPs. In this case EIOPA's analysis on overcoming consumer's cognitive biases and bridging information asymmetries are particularly relevant. Online sale on a non-advice basis must</p>	<p>Agreed. Please see EIOPA's resolutions in row 117</p> <p>Agreed</p>

			<p>clearly indicate - for example - the identified target market for a selected PPP and of course all those consumer groups for which it is not appropriate. If a consumer decides not to follow the default investment options, automatically there have to "pop up" comprehensive explanations where and how to get additional advice.</p> <p>Last but not least: There must be the clear provision that non-advised sales are only permitted for distributors who are independent or not commission-based. Rules should be the same, whether the distributors are traditional ones or coming from the "FinTech".</p> <p>In January 2015 EIOPA published its Opinion on sales via the Internet of insurance and pension products, in which the main "types of consumer protection issues" were depicted. It was clearly emphasized that consumers wishing to research premiums via the Internet may not be fully aware that they may inadvertently enter into unsolicited contracts. This can be particularly the case given the various options and fields to 'tick-off', also taking into account that sometimes such fields are ticked-off as default options by the distributor. Such inadvertent and unsolicited contracts may be caused by a lack of comprehension of the online purchasing process. That is why online distributors must have a "duty of advice" in order to provide consumers with appropriate information and "with a view to avoiding unsolicited, or mistakenly concluded contracts". Only by this "proactive approach" consumer detriment will be reduced.</p>	<p>Noted – EIOPA does not envisage to restrict non-advised sales to independent/not-commission based distributors</p> <p>Noted</p>
130	BIPAR	Q3	BIPAR believes that no further rules are necessary as far as distribution is concerned. The basis for distribution rules is	Agreed. Please see EIOPA's resolutions

		<p>already set down by way of several EU Directives, such as MiFID II as amended, and the IMD (IDD) to require intermediaries and insurance undertakings to act honestly, fairly and professionally in the best interests of the consumer when selling/distributing products.</p> <p>The IDD has just introduced new provisions on distribution that will enhance conduct of business rules for the entire sales process for insurance products and further strengthen the level of consumer protection across Europe. These rules cover all of the areas identified by EIOPA in its consultation paper, that is to say the role of advice, duty of care, conflicts of interest, remuneration policies, etc. and apply to the sale of all insurance products. Level 2 and 3 measures are currently being prepared by EIOPA.</p> <p>In EIOPA's recent survey, see annex III, it is clear that currently most consumers access a PPP through the services of an intermediary, with protections provided for the most part via the IMD or MiFID (depending on the nature of the PPP). The IDD will offer even more protection to the consumer.</p> <p>We do not support EIOPA's views that the standardisation of a PEPP allows for online distribution and non-advised sales.</p>	<p>in row 117</p> <p>Noted</p> <p>With regard to responses relating to PEPP – Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development single EU market for PPPs)</p>
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			<p>Online distribution of information could indeed help to alleviate the information asymmetry in tandem with advice between PEPP providers and PEPP holders. We do not support the distribution of internet based sales for PPPs or PEPP without the role of advice from intermediaries/advisors who research the suitability of the PEPP or PPP for a consumer.</p> <p>EIOPA states on p 42 of the consultation paper that online distribution could lead to cost savings, and on p 43 it explains that for providers automation can reduce costs and that: "Finally, automated financial tools aimed at advising consumers could remove behavioural biases and limit poor judgment". BIPAR does not support such wording. We believe digitalisation is merely a useful tool and the level playing field between distribution channels has to be guaranteed. Automated financial advisor tools/ robo-advisor technology cannot be portrayed as some sort of silver bullet that will draw the masses to financial advice and the cost saving benefits will allow everyone to have a pension. Digital distribution is not per definition cheaper than other forms of distribution. It is widely known that digitalisation will have effects on employment in the sector while this form of distribution is not proven to be more efficient or less costly. The choice between marketing, distribution or business models and sales techniques in the pensions market should be left to the market.</p>	<p>Disagreed. In case investment options of PPPs can be designated as 'non-complex' EIOPA believes the application of appropriateness testing should not be required</p> <p>Noted</p>
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			<p>Internet-based sales of PPP or PEPP could be extremely counterproductive especially with the long term nature of PPP and PEPP where EIOPA states that ongoing advice would be necessary to achieve sufficient pension provision upon retirement. Further research we feel is required by EIOPA on the online distribution and non-advised sale of PPP and PEPP regardless of the simplification of the PEPP and limited nature of the investment components.</p> <p>A recent study carried out by Standard Life and the two main Broker representative bodies in Ireland showed that consumers who have used a Financial Broker are twice (71%) as likely to have a pension compared to those who have not used a Financial Broker (33%). Those who had received advice are also likely to have more in their pension pot with the average being €132,650 compared to €111,190 for those who don't consult an adviser.</p> <p>With regard to the basis and scope of advice, BIPAR agrees with EIOPA on p 44 that no additional steps should be proposed since the concepts are already found in existing instruments like IDD and MiFID.</p> <p>Lastly on p 45 of the EIOPA paper (paragraph in the middle of the page), EIOPA states the following: "Distributors of PPPs should ensure that their remuneration policies, including incentive schemes, and sales targets are aligned with the best interests of their potential and existing customers. Potential PPP holders should be informed in advance in a clear way about the</p>	<p>Noted</p> <p>Noted</p> <p>Agreed</p>
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			<p>types of remuneration and incentives that the seller will receive for the sale. For direct sales by providers the potential PPP holders should receive information about the nature of remuneration and incentives that applies to provider staff involved in the sales process. Any remuneration or benefits received from third parties related to the sale should also be disclosed. "</p> <p>Does this mean that intermediaries would have to disclose the amount of their commissions and direct sellers the nature of their remuneration? In this case BIPAR totally opposes this proposal that could lead to a distortion of competition and that does not ensure a level playing field.</p> <p>Also regarding distributors, on p 46 on "distributor's ongoing role", EIOPA says that "Where advice has been given at the point of sale, it would be important to examine ways of encouraging distributors to clearly continue to offer advice services to clients after a sales process has been completed, i.e. where adhoc or continuing advice on existing products is given to consumers, including as possible the provision of ongoing advice services."</p> <p>It should be made clear that this is an optional service, to be decided upon by the parties.</p>	<p>Disagreed. Please see EIOPA's resolutions in row 117</p>
131	Bund der Versicherten (BdV-German Association of t	Q3	<p>Notwithstanding our general comment above (EU Authorities should focus on launching the "PEPP" as a top priority, not on harmonizing rules for all existing "PPPs"), we agree with EIOPA's proposals of the harmonization of distribution (on conduct of business rules as well as on the ongoing role of distributors; cf. CP, pages 26 to 28). But again we emphasize the necessity that there must not be any setbacks related to the level of consumer protection which is already reached by MiFID II (which is generally more protective of consumers), or</p>	<p>Agreed. Please see EIOPA's resolutions in row 117</p>

		<p>at least by IDD article 25 (product oversight and governance requirements) and EIOPA's Final Report on the preparatory POG Guidelines for insurance undertakings and insurance distributors in April 2016.</p> <p>To give an example: at the point of sale it must be guaranteed that, due to the fact that PEPP is long-term saving product followed by a long-term decumulation phase, consumers get appropriate advice on special contract clauses (like "cooling-off period") and on options at the retirement (for the decumulation or pay-out phase; cf. our comment on Q7 for additional product features).</p> <p>These requirements are particularly important for the non-advised sale, which shall become an important distribution channel for PEPPs. In this case EIOPA's analysis on overcoming consumer's cognitive biases and bridging information asymmetries are particularly relevant. Online sale on a non-advice basis must clearly indicate - for example - the identified target market for a selected PEPP and of course all those consumer groups for which it is not appropriate. If a consumer decides not to follow the default investment options, automatically there have to "pop up" comprehensive explanations where and how to get additional advice.</p> <p>Last but not least: There must be the clear provision that non-advised sales are only permitted for distributors who are independent or not commission-based. Rules should be the same whether the distributors are traditional ones or coming from the "FinTech".</p>	<p>Agreed</p> <p>Noted – EIOPA does not envisage to restrict non-advised sales to independent/not-commission based distributors</p>
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			<p>In January 2015 EIOPA published its Opinion on sales via the Internet of insurance and pension products, in which the main “types of consumer protection issues” were depicted. It was clearly emphasized that consumers wishing to research premiums via the Internet may not be fully aware that they may inadvertently enter into unsolicited contracts. This can be particularly the case given the various options and fields to ‘tick-off’, also taking into account that sometimes such fields are ticked-off as default options by the distributor. Such inadvertent and unsolicited contracts may be caused by a lack of comprehension of the online purchasing process. That is why online distributors must have a “duty of advice” in order to provide consumers with appropriate information and “with a view to avoiding unsolicited, or mistakenly concluded contracts”. Only by this “proactive approach” consumer detriment will be reduced.</p>	Noted
132	Deutsche Aktuarvereinigung e.V. (DAV)	Q3	---	
133	European Fund and Asset Management Association (EFAMA)	Q3	<p>EFAMA agrees that it would be beneficial to facilitate non-advised online distribution of the PEPP. We certainly believe that the default investment option of the PEPP should always be designated as “non-complex” to avoid the application of appropriateness requirements.</p> <p>We agree with EIOPA that an advice regime for the PEPP should not be mandatory to the extent that the PEPP will be a simple, transparent and highly standardized product. This being said, we agree that access to advice is likely to be important for</p>	With regard to responses relating to PEPP – Please refer to EIOPA’s final advice on PEPP (February 2016 consultation paper on development single EU market for PPPs)

			<p>many consumers. It is therefore important to keep in mind that online selling will only be one of the possible distribution channels of the PEPP. The existing distribution channels are likely to continue to play an important role, notably because they are suitable for providing advice or guidance, taking into account the consumers' best interests and needs.</p> <p>EFAMA also agrees that both the IDD and MiFID II measures cover the conflicts of interest that might arise in relation to distribution arrangements and provision of advice.</p> <p>We believe current EU legislation on distribution should be sufficient for PEPP distributors to apply. As EIOPA shows in its annex VI, MiFID has explicit conduct of business rules.</p> <p>EFAMA believes that there is no need to establish further regulation for PEPP providers to ensure that distributors act in the best interest of consumers.</p>	<p>Agreed. Please see EIOPA's resolutions in row 117</p>
134	Fédération Européenne Des Conseils et Intermédiaire	Q3	<p>In the absence of mandatory contributions or employer-driven contributions, the voluntary contributions made by individuals are likely to be sub-optimal unless they benefit from proper financial advice, as demonstrated by the findings of behavioural finance.</p> <p>Financial advice is vital for consumers to embark on the road to income provision into retirement, and to regularly check that their roadmap is still adequate given changing circumstances in their personal situation as well as in the market: at set-up, in establishing and reviewing plans, ensuring asset allocation</p>	<p>Noted</p> <p>With regard to responses relating to PEPP – Please refer to EIOPA's final advice on PEPP</p>

			<p>remains appropriate, preparing for transition and ensuring the best revenue generation is obtained for the individual.</p> <p>The transition of a PEPP participant to the revenue generation phase of her/his participation in the scheme will also benefit from sound advice, provided both at the original set-up, at regular review points along the line and as a specific review at the time of transition.</p>	(February 2016 consultation paper on development single EU market for PPPs)
135	Federation of the Dutch Pension Funds	Q3	<p>The Federation doubts whether an EU-wide harmonisation of distribution rules will result in an increase of (cross border) PPP-contracts, since distribution practices highly depend on the character of products offered by the providers involved. Although the soundness of EIOPA's proposals can not be denied, they tend to be too abstract to be effective against the background of the great variety of products and providers. Furthermore issues such as financial advise to consumers should not only comprise the character of the product alone, but also other aspects, such as the financial position of the consumer and the way in which these products are taxed or tax-exempt.</p> <p>As far as certain standards should be imposed on financial providers, this should be done by means of concrete specific rules that take into account the specific activities of those providers, instead of setting standards of a highly abstract character.</p>	<p>Agreed. Please see EIOPA's resolutions in row 117</p> <p>Noted</p> <p>Noted</p>
137	Financial Services User Group (FSUG)	Q3	<p>Harmonisation of distribution rules for PPPs should be based on a recognition of consumer-centric approach and acknowledgment of cognitive biases. Negative experience in many central and eastern European countries with unit-linked insurance products provides explicit examples of wrong approach towards regulation of distribution processes. Mis-selling of such products where no consumer appropriateness</p>	

		<p>tests have been performed give a warning sign for NCAs and EIOPA and put a lot of expectations on implementing a high-standard harmonized approach for distribution rules.</p> <p>EIOPA´s POG requirements presented in Annex VIII of this CP (pages 108 – 110) present a very valid introduction into the debate and technical details on distribution rules. Combining the ideas with provision set in MiFID II and IDD could serve also for harmonized rules for distribution processes of PPPs. It is necessary to set the obligation of PPP providers to monitor on an on-going basis that the product continues to be aligned with the interests, objectives and characteristics of the target market. Responsibility of a PPP provider should be assured by the requirement to present appropriateness test of a target consumers as well as distribution channel and intermediaries when selecting distributors. It should be the PPP provider who sets the target market for PPPs. At the same time, the PPP designer (provider) should explicitly set the group of consumers for whom the product is considered unlikely to meet their interests, objectives and characteristics and thus is not suitable. This would give the NCAs the ability to easily identify the potential mis-selling attempts from distributors.</p> <p>Distribution rules should implement the “cooling-off” period, where the client has the possibility to return the product and cancel the contract free of charge. Additionally, the distribution rules should recognize the right to switch, even for insurance based contracts. The distribution rules should limit the “frequent-flyer” incentive that often arises on the side of financial intermediaries, who try to switch the consumer from one product to another only to get sales commission. Distribution rules should establish the provisions requiring to compare features of existing and newly offered PPP.</p>	<p>Partially agreed. Please see EIOPA's resolutions in row 117</p> <p>Noted</p> <p>Agreed</p>
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			<p>Additionally, distributors should be obliged to use NCA´s or EIOPA´s approved comparison procedure of product features, where not only key features are compared, but comparable products that have the same objective are presented and compared.</p> <p>Key consumer-centric approach for distribution rules should be based on pre-contractual transparency and comparability of PPPs. Both aspects, transparency and comparability, are closely linked to the ability of consumers to make an informed decision on financial products. However, comparability is determined by the ability to obtain necessary information on financial products and particular features. New trend in the area of comparison web-sites that collect, sort, evaluate and disclose information on product features should be recognized in the distribution process. Each PPP that is to be distributed should have a dedicated web-site. The web-page should be maintained during the PPP life-cycle and should contain publically available information on key features of the product including valuation of units (in case of saving PPPs or unit-linked insurance based PPPs). A consumer has to have access to layered information that are easily accessible through the web-page dedicated to the product. Such an approach should be also envisaged by a regulator overseeing the provider. In many cases, detailed information on product features is available only to official (exclusive) distributor and consumers do not have access to such information. This creates an information asymmetry and thus potential mis-selling incentives. Information on distributed (sold) PPP´s feature should not be available only to the distributor selected by a provider, but should be publically available in order to maintain higher transparency and comparability of products.</p>	<p>Noted</p> <p>Agreed, however, EIOPA does not favour one distribution channel over the other.</p>
138	German	Q3	The Insurance Distribution Directive (IDD – Directive 2016/97)	

	Insurance Association (GDV)		<p>introduces new provisions on distribution that will enhance the conduct of business rules for the entire sales process for insurance products and further strengthen the level of consumer protection across Europe. These rules cover all of the areas identified by EIOPA in its consultation paper, e.g. the role of advice, duty of care, conflicts of interest, remuneration policies, etc. and apply to the sale of all insurance products. To enable transparent, understandable and trustworthy distribution processes from a consumer's perspective, distributors need one single set of clear rules. The application of different, duplicative and in the worst case contradicting rules would rather undermine trust.</p> <p>This new regulatory framework for distribution rules has only recently been discussed and agreed by the co-legislators, just entered into force and has not even been transposed in national law yet. Therefore, the GDV considers that it would be premature to assess the need for further consideration of separate distribution rules in the case of PPPs. Currently, no further rules are necessary.</p>	Agreed. Please see EIOPA's resolutions in row 117
139	ICI Global	Q3	To ensure that an EU Single Market for personal pensions could be created in the foreseeable future, we urge EIOPA and the Commission to make the PEPP work a priority rather than attempting to harmonise PPPs. See Question 7.	Noted
140	Institute and Faculty of Actuaries	Q3	<p>The comments made in our response to question 2 (repeated in the following two paragraphs) are also appropriate for distribution models.</p> <p>If all PPPs provided information in a standard format, there would be an obvious benefit for consumers identifying which</p>	Disagreed. Please see EIOPA's

			<p>PPP would be most suitable for them. As we highlighted in our response to question 1, existing governance standards can form the basis for minimum standards. Providing standardised information within those existing rules should be simple to achieve.</p> <p>However, recent changes to pensions legislation in the UK mean that there is greater competition in the long-term savings market. Pensions products are competing for new business against a range of other products. If the application of harmonised product governance rules were only to be for PPPs, there may be competing products, exempt from the rules, that would have a competitive advantage in the long-term savings market.</p> <p>Different products will be distributed in different ways and will be subject to differences in rules. Harmonisation would have to apply in all circumstances to all products in order to ensure consistency across all products.</p>	<p>resolutions in row 117</p> <p>Noted</p> <p>Noted</p>
141	Insurance Europe	Q3	<p>The Insurance Distribution Directive (IDD, Directive 2016/97) introduces new provisions on distribution that will enhance the conduct of business rules for the entire sales process for insurance products and further strengthen the level of consumer protection across Europe. These rules cover all of the areas identified by EIOPA in its consultation paper, eg the role of advice, duty of care, conflicts of interest, remuneration policies, etc., and apply to the sale of all insurance products.</p> <p>Given that this new regulatory framework for distribution rules has very recently entered into force, Insurance Europe considers no further rules are necessary for insurers.</p> <p>Finally, Insurance Europe welcomes EIOPA's acknowledgment</p>	<p>Agreed. Please see EIOPA's resolutions in row 117</p> <p>Agreed</p>

			that advice can be important in aiding consumers to make the best decisions when purchasing financial products or services. Insurance Europe maintains that consumers should be aware of the risks they bear and have the possibility, should they so choose, to access some form of advice.	
143	Mefop, Assofondipensione and Assoprevidenza	Q3	<p>About harmonization/standardisation, see Question 1, , first paragraph.</p> <p>We agree and support the base idea to apply the MIFID appropriateness test also to membership of PEPPs. This is a proposition in line with the Italian legislation on membership of personal pension fund.</p> <p>When a potential member joins a personal pension fund he has to respond to MIFID questionnaire (IDD questionnaire in case of PPPs provided by an insurance company) to access the correspondence between the risk profile of the member and those of the plan. That rules apply no matter the degree of risk of the proposed investment option. The appropriateness questionnaire has to be carried out also in case of membership of a guaranteed line. The provision also apply for on-line subscriptions.</p> <p>Based on that we fully disagree on the idea supported by EIOPA to classify the default investment option of PEPP as a non-complex investment product so to avoid the appropriateness</p>	<p>Noted. Please see EIOPA's resolutions in row 117</p> <p>With regard to responses relating to PEPP – Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development single EU market for PPPs)</p> <p>Disagreed. In case investment options of PPPs can be designated as 'non-complex' EIOPA believes the application of appropriateness testing should not be required</p>

			<p>questionnaire to apply. High level risky asset could be underlying also in the default option of the PEPP. MIFID an insurance regulation provide a safeguard for members of personal pension funds. The proposal of EIOPA risks to soar the risk for the member and to decrease the security of the plan. In the end EIOPA proposition risk to damage consumers instead of to improve their care.</p> <p>We agree also with EIOPA assessment about advice and conflict of interest between sales staff and holders. We agree on the need to strenghten standards of professionalism and knowledge of distributors.</p> <p>We deem that for a harmonization of distribution rules to sound good, the rules should not be worse off than those currently in place in every country for current PPP.</p>	<p>Agreed</p> <p>Agreed</p>
144	PensionsEurope	Q3	<p>We agree that distribution organisation will be key for the success of a PEPP. Distribution should not be too complicated, and we agree that internet seems to be a good channel for the PEPP, but in our view it is not the only possible distribution channel. As stated by EIOPA, the appropriate distribution channel should be selected during the product development process. It should take into account the consumers' best interests and needs, but also the existing variety of providers and products.</p> <p>Distribution rules applying to PPPs will depend on the provider. If PPPs are not regulated by European legislation, national distribution rules should be as protective as European rules for customers.</p>	<p>With regard to responses relating to PEPP – Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development single EU market for PPPs)</p> <p>Agreed. Please see EIOPA's resolutions in row 117</p>
145	Pensionskasse der	Q3	Overall, we call for a system in which providers of personal	Agreed. Please see

	Mitarbeiter der Hoechst-Gruppe V		<p>pensions are regulated (as is currently the case) and argue against harmonising distribution rules at EU level.</p> <p>EIOPA considers the role of distributors crucial in the success of future PPP products and calls on distributors to “adequately assess the needs of a potential client and tailor the features of a PPP according to those needs” (p. 17). The direct conflict of interest between the distributor and the client is recognized and addressed in Section 2.3.1. “Distribution of PPP – Conduct of business.” However, these problems do not arise for the beneficiary at all if pensions are linked to the employment relationship and the employer makes a pension promise.</p> <p>If EIOPA and the European Commission want to reduce the costs of distribution (or avoid them altogether), they need to follow a different approach and strengthen the second rather than the third pillar.</p>	<p>EIOPA's resolutions in row 117</p> <p>Noted</p> <p>Noted</p>
146	Prof. Dr. Hans van Meerten & Elmar Schmidt of Utre	Q3	<p>Given the great importance of distributors/intermediaries in personal pension products, distribution rules should be of a high standard in all Member States. Additionally, it is sensible to differentiate between more complex PPPs and the standardized PEPP, so as to allow online sales without advice for the default option of PEPPs.</p> <p>Applying the rules contained in the IDD and MiFID to PPPs will benefit PPPs by ensuring that distribution is done along the lines of high standards and a consumer-oriented approach.</p>	Agreed
147	Society of Actuaries in Ireland	Q3	We agree that sectoral rules under MIFID and the IDD should be applied to PPPs and PEPPs. These rules provide for a strong level of consumer protection and information provision.	Agreed. Please see EIOPA's resolutions in row 117

			<p>The existing regulations should be examined to ensure they are fit for purpose for personal pension vehicles. In particular:</p> <ul style="list-style-type: none"> <input type="checkbox"/> pensions markets require a greater level of regime knowledge than normal retail investment sales, primarily because they involve <ul style="list-style-type: none"> - both accumulation and decumulation phases, and - detailed taxation and social welfare system interactions. The level of qualification, experience and knowledge required to engage in advised PPP/PEPP sales should reflect the greater level of complexity in the regime. <input type="checkbox"/> ongoing support and information is crucial for many consumers, particularly in the accumulation phase, but also in the decumulation phase. <p>In relation to online, non-advised sales, which are proposed and favoured in the consultation (particularly in the context of the envisaged highly standardised PEPP, where the default option can be classified as “non-complex”), we caution that the following elements should be fully considered and reflected in the regime</p> <ul style="list-style-type: none"> <input type="checkbox"/> Pensions regimes and their interaction with taxation and social welfare provision can be complex, particularly in terms of decumulation options. Non-advised transactions run the risk of incomplete information around these aspects and failure to identify pitfalls and opportunities. It will be important to address the complexity of the regimes in requirements for non-advised transactions. <input type="checkbox"/> The paper proposes restricting non-advised sales to non-complex investment instruments. While certain instruments may be regarded as “non complex”, these may nonetheless be 	<p>Noted</p> <p>EIOPA does not favour one distribution channel over the other</p> <p>Noted</p> <p>Noted</p>
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			<p>unsuitable for the target market e.g. investment in a straightforward cash fund will not achieve the aim of protecting the purchasing power of pension savings over time. In this example, it will be important for the consumer to consider the potential erosion of purchasing power.</p> <p>More generally, default options which are low risk or risk free may lead to negative real returns which are not in the interests of the consumer and will erode the purchasing power of assets in retirement.</p> <p>A “non-complex”, default investment strategy for a standardised PEPP may provide difficult to achieve in itself due to a number of factors that cannot be standardised at European level. Examples include the permitted entry age into decumulation (due to its connection with national, social and labour law) and draw down options such as the proportion of the retirement fund which can be taken as tax free lump sum and pensionable income (due to interaction with taxation law). The implications are that effective default investment strategies incorporating lifecycling or guarantee elements may prove difficult to standardise to any significant degree due in particular to the varying target mix of retirement benefits and associated “matching” assets. A default fund incorporating lifecycling or guarantee elements will of necessity vary by jurisdiction even in the accumulation stage (e.g. the last 10 years) where retirement ages and drawdown options differ.</p>	<p>Agreed</p> <p>Noted</p>
148	Standard Life plc	Q3	<p>As a consequence of the Life Directives a PPP with an insurance wrapper is already capable of being sold on a cross-border basis through use of the EU ‘passport’ but there are many obstacles including taxation as identified by the Report of the Commission Expert Group in Insurance Contract Law (Expert Group) published on 24 January 2014.</p>	<p>Agreed</p>

		<p>We would welcome the removal of barriers to improve the existing PPP framework in relation to cross-border distribution through the revision of Rome I to:</p> <p>(1) Allow members who have a personal pension with savings in one member state to be able to obtain an annuity from that country when s/he is habitually resident in another member state,</p> <p>(2) Enable the transfer of pension savings to another pension provider within the same member state even though that pension saver is no longer habitually resident in that country, and</p> <p>(3) Allow pension savers/policy holders to elect the law of the member state of which they are a national in accordance with the Consolidated Life Directive and Rome I to apply to pre-contractual requirements as well as the law of the insurance contract (should providers agree to offer a contract on this basis).</p> <p>In the context of a pan-European savings product, we agree with EIOPA's suggestion that advice may be required or necessary in many cases and it should be up to the consumer to decide if they would benefit from financial advice. Advice is likely to be very valuable for vulnerable consumers in particular.</p> <p>It is also critical that customers receive appropriate advice on decumulation options and it should be remembered that legal and regulatory requirements will always differ between member</p>	<p>Noted</p> <p>Agreed. With regard to responses relating to PEPP – Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development single EU market for PPPs)</p> <p>Agreed</p>
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		<p>states due to areas of national competence. Issues concerning customer understanding are critical at this stage, as is the need for and access to good advice; consumer vulnerability is particularly relevant. As with the accumulation phase, providers cannot be responsible for assessing suitability and cannot be responsible for ensuring that each customer understands the implications of their instructions to the provider. If such responsibility and risk is placed on providers it would render the products unaffordable.</p> <p>Standard Life's view is that the ability to purchase a retirement savings product without the additional cost of advice may seem appealing but even with a 'simple' pension contract there are many things to consider and we believe that customers should be encouraged to take advice.</p> <p>Another concern is that the cost associated with a digital distribution platform and digital disclosure is, in our experience, widely underestimated. Consumers expect online services to be free of charge, however, the cost associated with designing and testing engaging digital tools and service platforms are significant.</p> <p>In terms of the proposed PEPP, a charge cap – whether presented as mandatory or flexible - could limit providers' innovative opportunities in the digital space.</p> <p>The UK's retail distribution review resulted in financial advisers no longer being able to accept commission for their advice and instead, advisers must agree with their clients on how they will be remunerated for their advice, for instance, up-front fees. This can exclude those on low earnings from advice as commission is often suited those who could not afford the up-front cost for advice. Other EU member states, however, allow financial advisers to charge commission for their services and</p>	<p>Disagreed. EIOPA advises that a duty of care should apply to providers</p> <p>Noted. EIOPA does not advise that advice should be mandatory</p> <p>Noted</p> <p>Noted</p>
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			<p>this is reflected in the terms and conditions of the contracts. Such inconsistency in charging structures could be a barrier to the cross-border provision of a PEPP or any type of PPP.</p> <p>How advice would be regulated and what the charging structure should be for that advice in the case of the PEPP still needs to be explored and clarified by EIOPA.</p>	Noted
149	The Association of Pensions Lawyers	Q3	<p>Distributors of PPPs fall within the regulatory regime in place under the FCA in the UK. Both advising on “investments” and arranging deals in “investments” qualify as “regulated activities” and accordingly are subject to a detailed set of obligations covering conflicts of interest, remuneration and the requisite qualifications and skills for engaging in these activities. In relation to a distributor’s duty of care, the FCA currently achieves this by operating a “client’s best interests” rule (COBS 2.1), which applies across the board, including to distributors of PPPs.</p> <p>At present our understanding is that this does not include an ongoing duty to monitor the client to ensure that the products that they hold are appropriate to their needs. The APL has significant concerns in relation to the introduction of such a duty. These concerns derive principally from the long-term nature of the obligations where the distributors are dependent upon consumer engagement and co-operation. The requirement to constantly assess suitability of products will require regular updates as to how the consumer’s financial situations change (as well as accommodating changes in the investment market more generally). This is a major undertaking that would be unfeasible without the highest level of consumer responsiveness in providing the necessary data.</p> <p>In any event, if such a duty is introduced, careful consideration will be needed to ensure that it is harmonised effectively with</p>	<p>Noted</p> <p>Noted. Please see EIOPA's resolutions in row 117</p> <p>Agreed</p>

			<p>the existing UK regulatory regime, without creating too onerous a burden on distributors. The UK adopts a holistic approach, covering a broad range of investments (including PPPs) under one set of regulations. The implementation of an ongoing duty will also need to be conducted carefully so that its effect is limited to PPPs.</p> <p>Additional regulation may be required in the UK to meet the requirements proposed in relation to information flows between providers and distributors. Currently this is covered by guidance issued by the FCA, but this does not have the same legal force as a set of regulations.</p> <p>As with the above proposals many of the proposals put forward by EIOPA in relation to distribution rules are already in place in the UK and we would welcome their extension to other member states. As above, we would wish to review and provide further input on the detail of these proposals.</p>	
150	The Investment Association	Q3	<p>We agree with EIOPA's general approach in recognising that existing sectoral rules on distribution applying to asset managers under MiFID II should be sufficient to be applicable to a PEPP; and that consequently no new PEPP-specific rules are required.</p> <p>On the issue of whether distribution should be on an advised or non-advised basis, we agree with EIOPA that a mandatory advice regime is not necessary for PEPP but question why this needs to be restricted to the default strategy. The PEPP will come with a very limited number of investment options alongside the default and it seems challenging to offer consumers a product where the default requires no advice but any active choice of investment outside the default will. When thinking about whether the product is right for them,</p>	With regard to responses relating to PEPP – Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development single EU market for PPPs)

		<p>consumers are likely to look at the product as a whole and not the funds within them. They might assume that if they can buy the product and hold the default strategy within it without advice then the same must be true of other investment options in the PEPP.</p> <p>For ease of consumer experience it seems more tractable to make the decision on whether the PEPP can be bought on a non-advised basis at the product level rather than on the investment options that can be chosen within it. If the concern is one of potential consumer detriment then one possible solution would be to require all the investment options within the PEPP – and not just the default – to be ‘non-complex’ products and therefore not subject to the application of appropriateness requirements under MiFID II.</p> <p>Furthermore we would note that UCITS funds can already be sold on a non-advised basis; as we have noted several times above, the PEPP is at heart a long term investment vehicle with the only fundamental difference between a UCITS fund and a PEPP being the investment horizon of the PEPP. This difference alone does not, in our view, require PEPP investment options outside the default to be sold with advice.</p> <p>It is necessary here to stress the importance of financial education as a complement to financial consumer protection. It is widely recognised that many people lack the level of financial education required to decide how much they should save to prepare for retirement and how they should manage their savings and investments. If the general direction of travel is to</p>	<p>Agreed</p>
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			distribute on the internet, individuals will only benefit if they feel they have the confidence to engage. This will require governments and the financial services industry to work together to boost the financial sophistication of their citizens and consumers. EIOPA could also play an important role in this area to increase awareness of the importance of financial literacy and promote initiatives to develop the capacity of individuals to save for the long term and invest to improve their future financial well-being.	
151	The Pensions Advisory Service	Q3	<p>Yes and to reiterate Fit and Proper standards should be at the highest levels. We echo EIOPA on the need for educational attainment and continuous professional development and these standards need to be upheld throughout the EEA. There is a concern that some firms are using regulatory arbitrage through “passporting” in to regulatory regimes with the highest standards from regimes that have a very low-touch, self-certifying approach to Fit and Proper.</p> <p>We would like to see more information and knowledge sharing between regulators to enable a better cross-border regime and harmonisation.</p> <p>It is also important to ensure that Recognised Overseas Pensions based within the EEA are distributed only by agents of the highest repute with appropriate levels of knowledge and continuous professional development.</p>	<p>Agreed</p> <p>Noted</p> <p>Agreed</p> <p>Agreed</p>
152	Vanguard Asset Management, Limited	Q3	As we have noted in prior comments to EIOPA, a key feature of an attractive PEPP approach would be the establishment of a workable passport regime to reduce the costs of establishing and distributing a cross-border PEPP business. In this regard, it is important that EIOPA look to learn from the experience of existing cross-border passport regimes, such as those that exist	With regard to responses relating to PEPP – Please refer to EIOPA's final advice on PEPP (February 2016

			<p>under MiFID and the UCITS Directives. In this regard, we would highlight as an important consideration that there exist coordinated requirements applicable to key information documents (such as in the case of the PRIIPs Regulation).</p> <p>As EIOPA may be aware, Vanguard has also been a vocal proponent of European initiatives (e.g., the UK Retail Distribution Review, Dutch Decree and MiFID II) to prohibit the payment and receipt of commission, remuneration or benefits of any kind in respect of advised sales of investment products, particularly to retail clients, on the grounds that this: (a) reduces the risk of intermediary conflicts of interest affecting the products that are purchased by/for end investors; (b) increases product competition, meaning a wider variety of products are available for investors to purchase; and (c) increases cost transparency. As such, we support EIOPA's consideration of these conduct-of-business issues in order that distribution opportunities are maximised, whether on an advised or non-advised basis.</p>	<p>consultation paper on development single EU market for PPPs)</p> <p>Noted although EIOPA does not favour one distribution channel over the other</p>
153	Verbraucherzentrale Bundesverband – vzbv	Q3	<p>We believe that the standardisation of a PPP allows for additional possibilities, particularly in the context of online distribution and non-advised sales. This assumes a default investment option.</p> <p>Indeed, for investment options outside the default option the scope for internet sales without stronger consumer protection measures will need to be carefully considered. Apart from the application of an Appropriateness Test to investment options that fall to be classified as complex products, limitations on access in an online context, or clear statements used to encourage the investor to seek advice may be warranted.</p>	<p>Noted - Please see EIOPA's resolutions in row 117</p> <p>Agreed</p> <p>Noted</p>

			<p>We advocates the approach of distributor’s ongoing role. For known trigger events such as when the saver is nearing retirement the provider or distributor as appropriate will need to prompt the saver about the upcoming event and ensure that the consumer has all the required relevant information to deal with these trigger events and that such information has been provided in a clear and understandable form.</p> <p>Furthermore PPP must be created as a commission free saving product.</p>	<p>Agreed</p> <p>Noted – EIOPA does not favour one distribution channel over the other</p>
154	Willis Towers Watson	Q3	<p>In principle yes.</p> <p>However, the potential for benefitting from harmonising distribution rules is limited. As the individual member state requirements that need to be met to obtain beneficial tax treatment (in particular, tax relief on contributions and disapplication of normal benefit in kind rules) cannot be harmonised, a 2nd regime product is illusory.</p>	<p>Agreed. Please see EIOPA's resolutions in row 117</p> <p>Noted</p>
155	Insurance and Reinsurance Stakeholder Group (IRSG)	Q4	<p>The IRSG does not favour an harmonisation of disclosure rules for PPPs and has strong reservations on endorsing the PRIIPs KID as the benchmark for the PPP pre-contractual information, given that it is specifically designed for investment products.</p> <p>Pension products differ substantially from investment products, eg in their purpose to secure an income in retirement and/or a cover against longevity risk. Furthermore, pension products</p>	<p>Partially agreed, EIOPA believes that the PRIIPs KID should be used as a starting point for providing pre-contractual information to PPP holders, while recognising that work on the PRIIPs KID is ongoing. Its</p>

			<p>are long-term products, designed to offer limited or no access to the savings during the accumulation phase.</p> <p>Finally, the IRSG finds it difficult to understand that EIOPA endorses the PRIIPs KID as a model for PPP disclosure, given that EU co-legislators explicitly excluded PPPs from the scope of PRIIPs.</p>	appropriateness for PPPs will need to be assessed further
156	Fachverband der Österreichischen Pensionskassen	Q4	<p>On the one hand EIOPA stresses that the information should be short, easy to understand etc. On the other hand there are disclosure requirements suggested by EIOPA throughout the whole document and there is no compilation of these. So it is very difficult to get an overview of the proposals. Taken the separate proposals together we think that there are many different information requirements and currently there is no clear concept.</p>	Noted
157	ACA	Q4	<p>ACA shares EIOPA's opinion that financial products and services are complex and difficult for ordinary consumers to understand and compare. We are also convinced of the importance of keeping information "short and simple" and focused on key messages. We consider that information related to PPP's should be based on PRIIP's regulation. A further and different regulatory framework for disclosure rules seems unnecessary.</p>	Agreed. Please see EIOPA's resolution in row 155
158	AEIP	Q4	<p>About harmonization/standardization, see Q1.</p> <p>We agree with EIOPA on the importance of disclosure and on the pivotal role that could be played by a layered approach.</p> <p>We wonder how the proposed approach would work in countries where an effective and meaningful level of disclosure is already ensured by the current legislation in place for PPPs. With this</p>	

			<p>regard, EIOPA should take into account that the proposed approach could lead to a lower level of information in some countries.</p> <p>We agree with EIOPA on its endorsement of the PRIIPs KID as a starting point for PPPs disclosure during the pre-contractual phase. At the same time we underline the need for further work to assess the application of the KID to PPPs and the adjustments that might be needed.</p> <p>With regard to the disclosure of costs, we support the idea, based on the PRIIPs regulation, to develop an indicator based on all implicit and explicit charges. However, the calculations used to develop the indicator should not be based on less restrictive rules than those the national legislations already provide for.</p> <p>We also share the position of EIOPA to leave it to the national legislation to determine the degree of disclosure on critical decision making points and decumulation.</p>	<p>Agreed. Please see EIOPA's resolution in row 155</p>
159	AFG	Q4	<p>We agree with the general principles mentioned by EIOPA on risks, performance and costs for the PEPP as they are mentioned in the level 1 of PRIIPS.</p> <p>But the technical standards published in level 2 on April 7th 2016 give raise to some concerns about the client comprehension. For instance, the ban on past performances or the artificial transactions costs that will need to be disclosed are not helping the final retail investor to make an informed investment decision.</p> <p>Recital 15 of PRIIPS: Retail investors should be provided with the information necessary for them to make an informed</p>	<p>Partially agreed. Please see EIOPA's resolution in row 155</p> <p>Noted</p>

			<p>investment decision and compare different PRIIPs, but unless the information is short and concise there is a risk that they will not use it. The key information document should therefore only contain key information, in particular as regards the nature and features of the product, including whether it is possible to lose capital, the costs and risk profile of the product, as well as relevant performance information, and certain other specific information which may be necessary for understanding the features of individual types of product.</p> <p>In our view, for instance, past performances are the most appropriate way for making comparisons between various investment products of the same asset class and we strongly contest the ESAs' proposal to replace the past performances by future performance scenarios in the PRIIPs' KID. We think that online calculators could be more useful to consumers to get projections on how pension resources can vary depending on the amount of contributions made and the financial performances of their savings.</p> <p>Moreover the information document should take into account the long term investment horizon of consumers. Risky assets on the short term as stocks deliver better performance on the long term. Illiquid assets as private equity or infrastructures that are also risky for a short period of investment are a good diversification option for a long period of investment.</p>	<p>Noted</p> <p>Noted</p>
160	Allianz SE	Q4	<p>Allianz is convinced that customers should be advised and have to be informed appropriately and comprehensively about products suitable for their needs with regard to their income in retirement.</p> <p>This being said, disclosure rules should by definition be fit for the product concerned. As such we do not believe that PPPs</p>	<p>Partially agreed. Please see EIOPA's</p>

			<p>benefit from full harmonization of disclosure rules. Furthermore long term products as pensions are substantially different regarding information, explanation and disclosure of opportunities and risks than e.g. short term savings products for which the PRIIPs KID has been developed. Therefore harmonization of long term-product disclosure rules with short term-product disclosure rules seems to be contraproductive - also the EU-legislator excludes PPPs from the sope of PRIIPs.</p> <p>Moreover, the PRIIPs regulation gives no guidance for disclosures concerning the decumulation phase. Also the market risk indicator methodology is not well suited for the risk profiles of products with guarantees. Due to the very long term nature of pension products costs disclosures should always be annualized.</p> <p>However - it may be imaginable that the PRIIPs KID is a starting point for disclosure rules regarding PPPs. The aim of the PRIIPs regulation to deliver transparent, comprehensible and comparable information is universal. But the methodology and in some cases also the presentation have to be significantly adapted to achieve these goals as the information needs of consumers looking at private pensions are different from those who are looking for short term investments.</p>	<p>resolution in row 155</p> <p>Noted</p>
161	AMUNDI	Q4	<p>Though we agree with its initial purpose we have strong prevention against PRIIPs regulation as it stands today and we consider that the PBS' requirements would be much more relevant for the PEPP; in addition some specific features of PBS are needed and a mix of PRIIPs with PBS would create complexity without any benefit for investors.</p> <p>We do appreciate EIOPA mentioning "research found that consumers perceive past performance information as helpful in</p>	<p>Disagreed. Please see EIOPA's resolution in row 155</p> <p>Noted</p>

		<p>making investment decisions". It is also what we experience in our day to day business: past performances are the most appropriate way for making comparisons between various investment funds of the same asset class, and we strongly contest the ESAs' intent to replace past performances by future performance scenarios in the PRIIPs' KID. We are very skeptical about the "general relevance of the findings from the PRIIPs testing work", in particular on this point: of course any investor would like to know what return he will get when placing money in a financial product, but except in case of products with (very low) guaranteed return, it is impossible to provide serious performance scenarios. Let us mention that ESMA's Stakeholder Group also considers that ESAs proposal in PRIIPs for past performances and future performance scenarios are not appropriate at all.</p> <p>Therefore we insist on the fact that the information requirement for certain life insurance contracts according to Art. 185(5), § 2 of Directive 2009/138/EC is very different from the future performance required in PRIIPs. In fact it reads as follows:</p> <p>"Where, in connection with an offer for or conclusion of a life insurance contract, the insurer provides figures relating to the amount of potential payments above and beyond the contractually agreed payments, the insurer shall provide the policy holder with a specimen calculation whereby the potential maturity payment is set out applying the basis for the premium calculation using three different rates of interest. This shall not apply to term insurances and contracts. The insurer shall inform the policy holder in a clear and comprehensible manner that the specimen calculation is only a model of computation based on notional assumptions, and that the policy holder shall not derive any contractual claims from the specimen calculation."</p> <p>This simulation with three different rates of interest should not</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p>
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			<p>be confused with what is required in PRIIPs. We do agree with this requirement of Solvency II and strongly oppose to the PRIIPs' level 2 requirement in this field and with what is written in page 35 of EIOPA's consultation, except the idea of "online calculators for each PEPP, capable of showing how incomes in retirement vary for different assumed returns, inflation amounts and savings rates" which is workable and may be very useful to customers.</p> <p>Let us mention that an error has been introduced in the PBS element about past performance (Art. 52) ; past performance reporting is not in line with the corresponding, envisaged information in PRIIPs KID.</p> <p>We agree with EIOPA on the fact that a focus on short term risk should be avoided and we do not see as appropriate to take on board the largely criticized risk indicator of PRIIPs.</p>	<p>Agreed</p> <p>Noted</p>
162	ANASF	Q4	<p>Yes, they would.</p> <p>In respect of pre-contractual disclosure, the work of the ESAs on developing Key Information Documents (KID) for Packaged Retail and Insurance-based Investment Products (PRIIPs) may provide a starting point for PPP disclosure. The PPP KID, using the same format and following the same principles as the KID for other investment products, would be desirable to ensure better understanding, comparability and a level playing field among different products and sectors.</p> <p>We also acknowledge the need for proper adjustments for the PPP KID:</p> <ul style="list-style-type: none"> - pre-contractual disclosure should include information about each investment option, when the consumer needs to choose between investments (in this case, we agree that information could be split between a general document about 	<p>Agreed. Please see EIOPA's resolution in row 155</p> <p>Agreed</p> <p>Noted</p>

		<p>the PPP as a whole and more specific information about each option – so-called layering approach). We also agree with the proposal to limit the number of investment options so as to avoid information overload for investors and foster cost efficiency by means of scale economies;</p> <ul style="list-style-type: none"> - providing for new specific sections: “What happens if I die?”, “What happens if I stop paying?”, What choices will I need to make in the future?” (specifically, the need to assess the performance of the PPP and choose the form of retirement income, e.g. a lump sum or an annuity). We also consider it important to provide information on: i) biometric risk cover, where relevant; ii) projections to retirement under different scenarios, and information on the possible income in retirement; iii) limitations and features of the PPP guarantee, where relevant. Finally, we acknowledge the need for further analysis on the advantages and disadvantages of various decumulation options, as the benefit of standardisation should not be overlooked for this phase; - a summary risk indicator (1 to 7 classifications), cf. the PRIIPs KID; - performance scenarios, whose definition and presentation should be aligned with the work of the ESAs on the PRIIPs KID. <p>Conversely, we do not agree with EIOPA’s proposals relating to cost disclosure. Specifically:</p> <ul style="list-style-type: none"> - we do not agree with the use of monetary values and we propose to use percentage figures: otherwise there is the risk that customers are biased inasmuch as they perceive monetary values as fixed amounts, i.e. customers may not realise that the amount they will actually pay may be different from the one shown, because real costs depend on contractual terms and the 	
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			<p>accumulated amount in the PPP;</p> <ul style="list-style-type: none"> - the RIY (reduction in yield) approach is not desirable as, in light of current market features, manufacturers would find it extremely difficult to calculate meaningful rates for each product and retail investors may find it difficult to understand the meaning of RIY figures. We propose to express costs as a percentage of the accumulated amount in the PPP, as this approach is easier to implement by manufacturers and easier to understand by retail investors (i.e. investors are more likely to be familiar with the notion of accumulated amount in the PPP). <p>It is also important to consider that providers may not know the exact amount of distribution costs: accordingly, we consider it appropriate to refer to the solution envisaged by EU Regulation no. 1286/2014 (KID-PRIIPs), i.e. pre-contractual documentation should include a clear indication that advisors and distributors will provide information detailing any cost of distribution that is not already included in the pre-contractual documentation. The same reasoning applies to transaction costs as, by definition, transaction costs can be exactly known only an ex-post basis: this is particularly true for long-term investment products such as PPPs and their portfolio turnover.</p>	
163	APG	Q4	<p>Information should be adequate and could go along the elements of the PRIIPs KIDs requirements, but should be adapted to the characteristics of an individual pension product. More specific many elements of the PRIIPs regulation could be considered, and other elements (in particular those which are specific for an individual pension product, such as information on the decumulation phase, the default option, possible guarantee, (biometrical) risks and risk options) could be added. We also agree that the principles introduced in EIOPA's paper on good practices on information provision for DC schemes could serve as a guidance.</p>	<p>Agreed. Please see EIOPA's resolution in row 155</p>

164	Arbeitsgemeinschaft für betriebliche Altersversorgung	Q4	<p>Overall, the aba calls for a system in which providers of personal pensions are regulated (as is currently the case) and argues against harmonising disclosure rules at EU level. We note that EIOPA sees the PRIIPS KID as the starting point for the discussion. From our perspective this section refers to “information requirements” rather than “disclosure requirements”.</p> <p>As EIOPA also points out, information requirements are an important part of the review of the IORP Directive. The proposals for a review of the Directive published by the European Commission in March 2014 included a section on information requirements based on the PRIIPs KID, as EIOPA also points out. However, both the Council and the Parliament have amended the proposal, moving away from the structure and terms of the PRIIPs KID towards a specific approach for IORPs.</p> <p>The discussions around the Pension Benefit Statement have shown the difficulties in designing uniform information requirements for occupational pensions which are sensible across the EU. Across and even within Member States, occupational pensions take many different forms (different promises, varying involvement of the member etc.), which makes it hard to define one set of information requirements sensible for each and every one.</p> <p>This issue is compounded when personal pensions are added to the mix, not even considering “other financial products”. It seems impossible, illogical and insensible to directly compare an occupational pension based on a benefit promise e.g. to a savings plan such as a building loan agreement. On this backdrop, we would also like to point out that the PRIIPS KID is not a suitable starting point for discussing information</p>	<p>Disagreed. Please see EIOPA's resolution in row 155</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>
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			<p>requirements for occupational pensions – which has been recognised by the Parliament and the Council.</p> <p>We would also like to point out that the following sentence is contradictory: “Having said this, occupational pensions exhibit different characteristics compared to personal pensions, as members’ choices, if available at all, are often limited in comparison to consumers considering to save into personal pension products – or to invest in other financial products, which makes a strong case for comparable information across different investments in the precontractual phase.” (p. 37/38). If there are differences between occupational and personal pensions, how does this make a strong case for a comparison?</p>	Noted
165	Association of British Insurers	Q4	<p>The ABI would not support applying the PRIIPs Regulation’s Key Information Document (KID) for the disclosure requirements of PPPs. Any disclosure requirements for PPPs should have the objective of both engaging and informing consumers with their retirement savings.</p> <p>We have strong objections about basing PPP disclosure rules on a document which is still in the process of being developed. It should be highlighted that the PRIIPs KID has been developed in an extremely tight timeframe and so we would caution whether it would be a suitable model for PPP disclosure.</p> <p>It is worth reiterating that the PRIIPs Regulation has been designed for retail investment products, and that as a result, pension products have been (deliberately) left out of scope. It is important that the disclosure requirements for PPPs is meaningful and useful for consumers, but this cannot be achieved by the KID.</p> <p>As we have highlighted previously, PRIIPs and pension products cannot be substituted for one another. Pension products, in general:</p>	<p>Disagreed. Please see EIOPA’s resolution in row 155</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>

			<input type="checkbox"/> Their purpose is to secure an income in retirement and/or a cover against longevity risk <input type="checkbox"/> They are long-term products <input type="checkbox"/> They are designed to offer limited or no access to the savings during the accumulation phase <input type="checkbox"/> They are inextricably linked to national social policies <input type="checkbox"/> They are usually less risky <p>Therefore, pension products require specific and different information than that included in the PRIIPs KID. In particular, any information requirements for PPPs should be designed to enable consumers to make informed decisions and to plan their income in retirement.</p> <p>EIOPA rightly points out that PPPs differ significantly across the EU. Member States are responsible for the design of pension products. Therefore, the information requirements must be sufficiently flexible in order to cater for different national systems. Information requirements for PPPs should consequently be non-exhaustive and principles-based. In many Member States information is already provided through a variety of means and metrics. Member State, who are best placed to understand the needs and expectations of the customers, aid the interaction with all measures. Endorsing the PRIIPs KID as the starting point could undermine national practices.</p>	<p>Partially agreed. Please see EIOPA's resolution in row 155</p> <p>Disagreed. Please see EIOPA's resolution in row 155</p>
166	Assogestioni	Q4	Assogestioni agrees that the PRIIPS KID could be a good starting point for the design of disclosure obligations and that the KID disclosure elements should be complemented with information on personal pension's peculiar elements such as the	Agreed. Please see EIOPA's resolution in row 155

			decumulation phase, the investment options and the possible guarantees.	
167	Better Finance	Q4	<p>1. Better Finance believes that PPP would benefit from harmonisation of disclosure rules.</p> <p>Actually, this is the most important area of EU savings and it is the least harmonised despite the identification of pension savings as a critical area already in 2007 by the European Commission in its first "Green Paper on retail financial services". Since then, personal pensions have however been excluded as such from all the post 2008 crisis reforms on investor protection. However, some "individual pension products" (PRIIPS Regulation terminology) are covered by recent investor disclosure rules. For example:</p> <ul style="list-style-type: none"> - life cycle UCITS funds (which are investment funds solely designed for retirement purposes) are covered by the UCITS IV Directive and the Regulation on "KIID" (Key Investor Information Document) that standardize and simplify pre-contractual disclosures for UCITS investment funds; - insurance-regulated PPPs that include a surrender value are covered by the recent PRIIPs Regulation and will have to produce a standardized (i.e. comparable) "KID" (key information document) from 1st January 2017. - More generally, following article 2(2g) of the PRIIPs Regulation - all types of "individual pension products" that do not require by law a mandatory contribution from the employer and where the employee has a choice on the product or the provider fall under the PRIIPs scope. <p>Therefore, it is not correct to pretend that PPPs are not retail investment products, as quite a few "individual pension</p>	<p>Agreed. Please see EIOPA's resolution in row 155</p> <p>Agreed</p>

		<p>products” are already included in the scope of the PRIIPs Regulation. But, there is still no harmonisation for all PPPs, making it almost impossible for EU pension savers to compare one PPP offering to another, except if it is two life cycle funds (then the current KIID is a good tool for that purpose).</p> <p>2. Better Finance believes the basis for these PPP rules should be inspired (but not copied) from the UCITS funds KIID and from the PRIIPS KID, but should also take into account the diversity of PPPs and therefore not try to be too specific and normative. The OPSG agrees with the common basic structure for PPP pre-contractual disclosures as a starting point, except for performance and risks (see below paras. 3 and 4), and as listed on pages 32-33 of the EIOPA consultation. In particular EIOPA’s approach on cost disclosure would bring a very important improvement to pension savers’ protection: “Include all costs – in a manner that is consistent with the approach used for the PRIIPs KID – covering both PPP costs and those at the level of the underlying investments (‘look through’). It should include both monetary and % figures, and include ‘cumulative’ figures to the retirement date used for the projection information. »</p> <p>3. Better Finance is concerned about the approach taken by EIOPA regarding performance disclosure: “include projections to retirement under different scenarios, and information on the possible income in retirement ». EIOPA mentions that this is inspired from the ESAs approach to performance disclosure in the PRIIPs « KID ». EIOPA does not make any reference to past performance disclosure. Besides Better Finance, a number of consultative bodies have however already formally alerted the ESAs and the Level I EU Authorities about the disastrous consequences of eliminating all disclosure of past performance</p>	<p>Agreed</p> <p>Noted</p> <p>Noted</p>
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		<p>in key information documents and its replacement by “future performance scenarios”.</p> <p>In a nutshell, eliminating past performance disclosure (together with that of the benchmarks chosen by the asset manager as currently applicable for UCITS funds) will prevent savers from:</p> <ul style="list-style-type: none"> - knowing whether any PPP has made money or not in the past; - knowing if any PPP has met its investment objectives or not; - knowing if any PPP has performed below or above its benchmark; - comparing the performance of similar PPPs (for example two different life cycle funds). <p>It will also make it very difficult for the ESAs and any other regulator to perform their legal duty to collect analyse and report on the performance of long term and pension savings products as they were reminded by the EU Commission in its 30/09/2015 Capital Markets union Action Plan .</p> <p>Worse, the replacement of past performance disclosure by “future performance scenarios” will be even more misleading. One reason is that the three scenarios considered by the ESAs: “an unfavourable one, a neutral one and a favourable one” (page 35) – which are not at all probability- weighted will most likely make individual pension savers believe the “neutral” scenario is the most probable which it is certainly not.</p> <p>Another reason is that these scenarios will always prove wrong contrary to past performance, which is an historical fact.</p> <p>This would constitute a major step back in EU pension saver protection.</p>	<p>Noted</p>
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			<p>4. Better Finance is concerned about EIOPA's approach to risk disclosure: "a risk indicator similar to that with the PRIIPs KID could be designed to indicate risk in the short term, while performance scenarios could be more useful for communicating risk in the long term ». This approach seems too complex for savers and does not reflect a key specificity of pension savings and PPPs : the long term nature of these savings, and the fact that the risk and volatility of asset classes is different over the long term then over the short term. For instance a portfolio of diversified equity is less volatile over 20 years or more than a bond portfolio. This is very critical for the performance and the protection of the real value of pension savings over the long term. It is also critical for the financing of the EU economy, for growth and jobs as outlined in the Capital Markets Action Plan.</p> <p>Better Finance therefore favours more a specific approach to pension savings and PPP risks that takes into account not only the underlying asset classes in which the PPP intends to invest but also the different time horizons involved. The risk indicator could therefore take the format of a table crossing time horizons and asset classes, contrary to the ESAs approach for PRIIPs where the risk indicator table is for one time horizon only (the recommended holding period for the PRIIPs product).</p>	<p>Noted</p> <p>Noted</p>
168	BIPAR	Q4	<p>BIPAR supports (always on the condition of a level playing field) a high level of information disclosure and transparency to consumers.</p> <p>If a "KID" is developed, it should reflect the specificity of the pension product and therefore it should be developed specifically for that purpose.</p>	<p>Agreed. Please see EIOPA's resolution in row 155</p>

			<p>BIPAR wonders whether the PRIIPs KID could be used as the benchmark for the PPP pre-contractual information, given that it was specifically designed for investment products. Pension products differ substantially from investment products, e.g. in their purpose to secure an income in retirement and/or a cover against longevity risk. Furthermore, pension products are long-term products, designed to offer limited or no access to the savings during the accumulation phase.</p> <p>The PPP disclosure should in all cases offer a fair and clear representation of the PPP, which is balanced and objective. Requirements on the PPP disclosures should – as far as possible – be open as to the medium of delivery, and should not necessarily require that the information is always to be provided in the form of paper. Opportunities for easy and dynamic layering of information and cross-linking for provision of more detail, as are made possible through online delivery, might be facilitated. This could include linking to calculator functions, allowing the consumer to explore the PPP under different retirement scenarios or provided through an intermediary.</p>	<p>Noted</p> <p>Agreed</p> <p>Agreed</p> <p>Noted</p>
169	Bund der Versicherten (BdV-German Association of t	Q4	<p>Effective, meaningful disclosure during the pre-contractual stage is an unconditional prerequisite for overcoming consumer's cognitive biases and bridging information asymmetries. We agree with the common basic structure for PPP pre-contractual disclosures as a starting point (CP, pages 32-33) and with the forthcoming KID for PRIIPs as main reference. The comparability with PRIIPs must be guaranteed, otherwise the consequence would only be more consumer confusion and information overload.</p> <p>We stress that cost disclosures should include both monetary and percentage figures as well as cumulative figures to the</p>	<p>Agreed. Please see EIOPA's resolution in row 155</p> <p>Noted</p>

			<p>retirement date used for the projection information. If performance scenarios for future developments are used, than they should obligatorily be probability-weighted. We clearly advocate past performance disclosures which are easily understandable and cannot be manipulated, because they are historical facts.</p> <p>As PPPs/PEPP are only special cases of PRIIPs (like annuities insurances), the formal structure of their KID should exactly be same like the KID for PRIIPs. Only the differences related to the long-term asset allocation and to the decumulation options must be disclosed by the answers. But again, this should be the same as for any annuity insurance, which is a PRIIP and therefore is submitted to the clear product oversight and governance requirements following to IDD, article 25 (product testings and monitoring, target markets, distribution strategy etc.).</p>	<p>Noted</p> <p>Agreed</p> <p>Agreed</p>
170	Deutsche Aktuarvereinigung e.V. (DAV)	Q4	<p>Meaningful, transparent, comprehensible and comparable information is essential for consumers. They should be able to understand the relevant product features and be able to compare different pension products. However, disclosure requirements for PPPs should not be harmonised on an EU-level: Information on PPPs should allow for the pension product diversity across Member States. Thus, Member States should decide on the appropriate information requirements for PPP based on the subsidiarity principle. Therefore, the information requirements for PPPs should rather be principles-based and flexible in order to ensure that each market's specifics can be allowed for in a meaningful manner.</p> <p>Hence, the PRIIPs KID should not be used as the benchmark for information requirements for pension products in general, since the PRIIPs KID was originally developed to compare investment and not pension products. Pension products have a very</p>	<p>Disagreed. Please see EIOPA's resolution in row 155</p> <p>Noted</p> <p>Noted</p>

		<p>different scope as compared to PRIIPs and shall therefore not be subject to the same underlying disclosure rules. Compared to pure investment products, pension products are very different since:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Their purpose is to provide an income in retirement and a cover against longevity risk. <input type="checkbox"/> They will be inextricably linked to national social and tax policies. <input type="checkbox"/> They are typically longer term than investment products. <input type="checkbox"/> They are designed to offer limited or no access to the savings during the accumulation phase. <input type="checkbox"/> Due to their rather long-term horizon and their protection of retirement income, they have a significantly different risk-return profile than ordinary PRIIPs. Therefore, a different risk scaling and methodology for risk measurement should be applied. <p>However, some work undertaken for PRIIPs can be used to develop a pre-contractual information document for PEPP, since PEPP is a standardised product that should be distributed across borders. However, PRIIPs KID, which is designed for – amongst others – speculative short-term and medium-term products, should not just only be copied, but rather serve as a first discussion basis, e.g:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Risk/reward indicator should be based on a long-term forward-looking stochastic measure, should be able to sufficiently discern between products with low risk, and be based on a measure suitable for skewed distributions and not on volatility. Further, the risk-neutral setting (i.e. non-existence of risk premia for risky asset classes) should be replaced by analyses under real-world assumptions. 	<p>Agreed</p> <p>Noted</p> <p>Noted</p> <p>Agreed</p>
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			<input type="checkbox"/> Performance scenarios should be deterministic and prescribed. They should be used to indicate the uncertainty of the returns and not be mistaken for exact performance. <input type="checkbox"/> Due to the very long term of most PEPPs, only annualised costs together with a suitable cost indicator such as reduction in yield (RIY) can be meaningfully compared. The biometric risk premium is not considered to be part of the costs and is not included in the cost section of the KID. Premiums for protection against biometric risks are not part of the costs, since consumers receive insurance benefits for these payments and should, therefore, be deemed as a 'price'.	Agreed
171	European Fund and Asset Management Association (EFMA)	Q4	<p>EFAMA agrees with the general principles mentioned by EIOPA on risks, performance and costs for the PEPP. Still, we would add a number of comments:</p> <ul style="list-style-type: none"> - On risk disclosure: we agree with EIOPA that the information disclosed should take into account the impact that inflation might have on performance. We believe that focusing only on investment risk in a pre-sale disclosure could be misleading. Indeed, a bond or cash fund would score low in investment risk but high on inflation or shortfall risk. - On performance disclosure: we strongly believe that past performance would be the most reliable indicator to make comparisons between various PEPPs with a similar investment strategy. The experience with the UCITS KIID shows that investors wish to see the product's history of returns (where there is one). This approach has the benefit of being based on facts, and giving an objective indication of the way in which a fund is run. - On future performance scenarios: we fully agree with the position taken by the ESMA Securities and Markets Stakeholder 	<p>Noted. Please see EIOPA's resolution in row 155</p> <p>Noted</p> <p>Noted</p>

		<p>Group which “considers that the risks for future performance scenarios proving to be misleading and further also not comparable between different products are very high” and warns “the European regulators about the extreme danger of forcing EU individual investors to rely only shaky, hardly comparable future performance scenarios, while depriving them for the only performance information that is objective and that is least subject to mislead them: the standardised and comparable historical performance of the product and of its objective benchmark (currently required for all UCITS funds)” . The long-term nature of the PEPP makes these concerns even more relevant.</p> <p>The fact that the consumer needs to stay invested in principle until retirement age is the fundamental distinguishing feature from a UCITS KIID or PRIIP KID. This feature should be mentioned at the very start of a PEPP disclosure document.</p> <p>Any disclosure rules that may be developed for the PEPP should avoid duplication of documentation to the consumer (eg. A PRIIPs KID and a PEPP KID). Therefore, the PEPP should be supported by one specific PEPP KID and not by two disclosure documents, i.e., a PRIIP KID and a PEPP KID.</p> <p>We have a concern related to EIOPA’s reference to “personalised” disclosure during the pre-contractual stage. In our view, the pre-contractual documentation should not be personalised. Taking into account that on-line distribution is an explicit objective of EIOPA, it is important to note that personalised disclosure rules in the pre-enrolment phase would hinder the PEPP distribution on-line.</p> <p>We agree with EIOPA’s reference to supplementary tools that may be put at the disposal of the PEPP (potential) holder to help decision making: online calculators for PEPPs, capable of</p>	<p>Agreed</p> <p>Agreed</p> <p>Noted</p> <p>Agreed</p>
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			showing how incomes in retirement vary for different assumed returns, inflation amounts and savings rates. In such cases, the consumer could introduce his own data. We also agree with EIOPA on the need to standardise certain assumptions so that any projections can be comparable among PEPPs.	
172	Fédération Européenne Des Conseils et Intermédiaire	Q4	Costs are an important part of the asset build-up equation, and should be visible to participants with their full impact, both immediately and over the asset build-up phase in its entirety. Simulations will be as important as full disclosure. However, given the well-documented reluctance of consumers to take action, there should be the possibility to offer products incorporating advice priced into the scheme, next to the possibility to obtain product-independent fee-based advice and to buy products directly from providers.	Agreed Noted
173	Federation of the Dutch Pension Funds	Q4	The Federation doubts whether an EU-wide harmonisation of disclosure rules will result in an increase of (cross border) PPP-contracts, since disclosure practices highly depend on the character of products offered by the providers involved. Although the soundness of EIOPA's proposals can not be denied, they tend to be too abstract to be effective against the background of the great variety of products and providers. Furthermore issues such as financial advise to consumers should not only comprise the character of the product alone, but also other aspects, such as the financial position of the consumer and the way in which these products are taxed or tax-exempt. As far as certain standards should be imposed on financial providers, this should be done by means of concrete specific rules that take into account the specific activities of those providers, instead of setting standards of a highly abstract character.	Noted. Please see EIOPA's resolution in row 155

175	Financial Services User Group (FSUG)	Q4	<p>1. FSUG believes that PPP would benefit from harmonisation of disclosure rules.</p> <p>Actually, this is the most important area of EU savings and it is the least harmonised despite the identification of pension savings as a critical area already in 2007 by the European Commission in its first "Green Paper on retail financial services". Since then, personal pensions have however been excluded as such from all the post 2008 crisis reforms on investor protection. However, some "individual pension products" (PRIIPS Regulation terminology) are covered by recent investor disclosure rules. For example:</p> <ul style="list-style-type: none"> - life cycle UCITS funds (which are investment funds solely designed for retirement purposes) are covered by the UCITS IV Directive and the Regulation on "KIID" (Key Investor Information Document) that standardize and simplify pre-contractual disclosures for UCITS investment funds; - insurance-regulated PPPs that include a surrender value are covered by the recent PRIIPs Regulation and will have to produce a standardized (i.e. comparable) "KID" (key information document) from 1st January 2017. - More generally, following article 2(2g) of the PRIIPs Regulation- all "individual pension products" that do not require by law a mandatory contribution from the employer and where the employee has a choice on the product or the provider fall under the PRIIPs scope. <p>Therefore, it is not correct to pretend that PPPs are not retail investment products, as quite a few "individual pension products" are already included in the scope of the PRIIPs Regulation. But, there is still no harmonisation for all PPPs, making it almost impossible for EU pension savers to compare</p>	Please see EIOPA's resolutions in row 167
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		<p>one PPP offering to another, except if it is two life cycle funds (then the current KIID is a good tool for that purpose).</p> <p>2. FSUG believes the basis for these PPP rules should be inspired (but not copied) from the UCITS funds KIID and from the PRIIPS KID, but should also take into account the diversity of PPPs and therefore not try to be too specific and normative. The OPSG agrees with the common basic structure for PPP pre-contractual disclosures as a starting point, except for performance and risks (see below paras. 3 and 4), and as listed on pages 32-33 of the EIOPA consultation. In particular EIOPA's approach on cost disclosure would bring a very important improvement to pension savers' protection: "Include all costs – in a manner that is consistent with the approach used for the PRIIPs KID – covering both PPP costs and those at the level of the underlying investments ('look through'). It should include both monetary and % figures, and include 'cumulative' figures to the retirement date used for the projection information. »</p> <p>3. FSUG is concerned about the approach taken by EIOPA regarding performance disclosure: "include projections to retirement under different scenarios, and information on the possible income in retirement ». EIOPA mentions that this is inspired from the ESAs approach to performance disclosure in the PRIIPs « KID ». EIOPA does not make any reference to past performance disclosure. A number of consultative bodies have however already formally alerted the ESAs and the Level I EU Authorities about the disastrous consequences of eliminating all disclosure of past performance in key information documents and its replacement by "future performance scenarios".</p> <p>In a nutshell, eliminating past performance disclosure (together with that of the benchmarks chosen by the asset manager as currently applicable for UCITS funds) will prevent savers from:</p>	
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		<ul style="list-style-type: none"> - knowing whether any PPP has made money or not in the past; - knowing if any PPP has met its investment objectives or not; - knowing if any PPP has performed below or above its benchmark; - comparing the performance of similar PPPs (for example two different life cycle funds). <p>It will also make it very difficult for the ESAs and any other regulator to perform their legal duty to collect analyse and report on the performance of long term and pension savings products as they were reminded by the EU Commission in its 30/09/2015 Capital Markets union Action Plan.</p> <p>Worse, the replacement of past performance disclosure by “future performance scenarios” will be even more misleading. One reason is that the three scenarios considered by the ESAs: “an unfavourable one, a neutral one and a favourable one” (page 35) – which are not at all probability- weighted will most likely make individual pension savers believe the “neutral” scenario is the most probable which it is certainly not.</p> <p>Another reason is that these scenarios will always prove wrong contrary to past performance, which is an historical fact. Of course past performance is usually not a good predictor of future performance, especially when formatted for marketing purposes. But, if its disclosure is standardised and supervised and accompanied by that of its benchmark (as it is currently the case for the UCIRTS funds’ KIID), it helps understanding the benefits of the product for pension savers. In particular, it tells if the pension product has ever made money or not for the pension saver, something “future performance scenarios” alone</p>	
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			<p>will never tell you.</p> <p>This would constitute a major step back in EU pension saver protection.</p> <p>4. FSUG is concerned about EIOPA's approach to risk disclosure: "a risk indicator similar to that with the PRIIPs KID could be designed to indicate risk in the short term, while performance scenarios could be more useful for communicating risk in the long term ». This approach seems too complex for savers and does not reflect a key specificity of pension savings and PPPs : the long term nature of these savings, and the fact that the risk and volatility of asset classes is different over the long term then over the short term. For instance a portfolio of diversified equity is less volatile over 20 years or more than a bond portfolio. This is very critical for the performance and the protection of the real value of pension savings over the long term. It is also critical for the financing of the EU economy, for growth and jobs as outlined in the Capital Markets Action Plan.</p> <p>FSUG therefore favours more a specific approach to pension savings and PPP risks that takes into account not only the underlying asset classes in which the PPP intends to invest but also the different time horizons involved. The risk indicator could therefore take the format of a table crossing time horizons and asset classes, contrary to the ESAs approach for PRIIPs where the risk indicator table is for one time horizon only (the recommended holding period for the PRIIPs product).</p>	
176	German Insurance Association (GDV)	Q4	<p>General comments</p> <p>The GDV considers that the provision of appropriate information is essential to enable consumers to compare pension products and to select those that are most suitable for their needs. But the GDV does not support harmonisation of disclosure requirements for PPPs. The GDV believes that EIOPA should</p>	<p>Agreed</p> <p>Disagreed. Please see EIOPA's</p>

		<p>differentiate between proposals for information on PPPs, which should be able to encompass the pension product diversity across Member States and information requirements for PEPP as a product with common features across the EU which is used for cross-border business.</p> <p>The PRIIPs KID should not be used as the benchmark for information requirements for pension products in general, although some work undertaken for PRIIPs can be used to develop a pre-contractual information document for PEPP. The GDV wishes to highlight that the PRIIPs Regulation was designed for retail investment products, some of them being speculative products with a term of several months. As a result, pension products were explicitly left outside the scope of the PRIIPs Regulation (Article 2(2) of Regulation (EU) No 1286/2014). The European Commission also states in its FAQ to the PRIIPs KID that private pension products already have specifically tailored disclosure regimes and therefore it would not be appropriate to require them to have a PRIIPs-KID as well. PRIIPs and pension products are not substitutes. Pension products are very different from investment products, since:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Their purpose is to secure an income in retirement and a cover against longevity risk. <input type="checkbox"/> They will be inextricably linked to national social policies and taxation rules. <input type="checkbox"/> They are long-term products. <input type="checkbox"/> They are designed to offer limited or no access to the savings during the accumulation phase. <input type="checkbox"/> They in general have a low risk, thus a different risk scale is necessary. 	<p>resolution in row 155</p> <p>Partially agreed. Please see EIOPA's resolution in row 155</p> <p>Noted</p>
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		<p>Therefore, pension products require specific and different information than that included in the PRIIPs KID.</p> <p>Principle-based approach for information on PPP is needed</p> <p>With regard to PPPs, EIOPA rightly points out that those products differ significantly across Europe. Member States are responsible for the design of pension systems and the corresponding definition of pension products. In many Member States information is already provided through key information documents. Therefore, Member States should decide about the appropriate information requirements for PPP. At EU-level only non-exhaustive and principle-based information requirements should be considered which are sufficiently flexible to cater for different national systems. Postulating the PRIIPs KID as the starting point would undermine national practices.</p> <p>Comments on information requirements for a PEPP</p> <p>With specific regard to PEPP, the GDV agrees that a standardised pension information document for PEPP could be useful, since PEPP products will share common features and they should be distributed across borders. This document should focus on key information and indicators relevant for people saving for their retirement. Although the questions proposed for the structure of the KID at p32-33 could be a good starting point for a basic structure of a PEPP KID, the technical standards for the indicators should not be copy pasted from PRIIPs KID. The latter is designed for speculative short-term and medium-term products. In particular we would like to comment on the following details:</p> <p>Risk indicator: The specificities of PEPPs should be duly taken</p>	<p>Disagreed. Please see EIOPA's resolution in row 155</p> <p>Agreed</p>
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		<p>into account:</p> <ul style="list-style-type: none"> <input type="checkbox"/> PEPPs are long-term products and, therefore, long-term risk/reward measures should apply. <input type="checkbox"/> The risk range of PEPPs will be in general narrower than the risk range of PRIIPs. Therefore, a measure is needed which can differentiate products with low risk. <input type="checkbox"/> For pension products, consumers are interested in the probability of loss at maturity. A volatility-based, or in general, UCITS-based measure is not suitable, in particular if a PEPP has a guarantee. <p>Therefore, forward-looking probabilistic modelling should be considered for determining the risk/reward indicator of a PEPP. The parameters should be prescribed, be based on appropriate long-term average values and not on current market prices.</p> <p>Performance scenarios: German insurers believe that the what-if prescribed approach with defined scenarios is valid and meaningful for PEPPs. It is of utmost importance that consumers understand the performance scenarios. However, we would like to mention that it would be impossible but also irresponsible by the PEPP provider to give the impression to predict the exact performance in the very long term. In our view, a main goal of the performance scenarios is the indication, that the exact performance of the product is not certain.</p> <p>Costs: We agree that the costs should be disclosed in a transparent, comparable and understandable way. Due to the very long term of most PEPPs, only annualised costs together with a suitable cost indicator such as reduction in yield can be meaningfully compared.</p> <p>It is of utmost importance that the biometric risk premium is</p>	Noted
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			<p>not considered to be part of the costs and is not included in the cost section of the KID. Premiums for protection against biometric risks are not part of the costs, since consumers receive insurance benefits for these payments and should, therefore, be deemed as a 'price' for the insurance cover and therefore be shown separately.</p> <p>An integrated representation of costs and performance is indispensable.</p>	
177	ICI Global	Q4	<p>To ensure that an EU Single Market for personal pensions could be created in the foreseeable future, we urge EIOPA and the Commission to make the PEPP work a priority rather than attempting to harmonise PPPs. See Question 7.</p> <p>PRIIPs offers a harmonised regime for client disclosure. Notwithstanding deficiencies in parts of the PRIIPs proposal, we do not believe that an additional harmonised regime would be helpful to providers or consumers. Further consideration would need to be given to how the PEPPs disclosures could be sufficiently tailored to the PRIIPs KID format.</p>	Partially agreed. Please see EIOPA's resolution in row 155
178	Institute and Faculty of Actuaries	Q4	<p>We would highlight again our response to question 2 (repeated in the following two paragraphs).</p> <p>If all PPPs provided information in a standard format, there would be an obvious benefit for consumers identifying which PPP would be most suitable for them. As we highlighted in our response to question 1, existing governance standards can form the basis for minimum standards. Providing standardised information within those existing rules should be simple to achieve.</p> <p>However, recent changes to pensions legislation in the UK mean that there is greater competition in the long-term savings market. Pensions products are competing for new business</p>	<p>Agreed. Please see EIOPA's resolution in row 155</p> <p>Noted</p>

			<p>against a range of other products. If the application of harmonised product governance rules were only to be for PPPs, there may be competing products, exempt from the rules, that would have a competitive advantage in the long-term savings market.</p> <p>Common disclosure will be most effective when it captures all products that are competing for the same funds.</p>	
179	Insurance Europe	Q4	<p>Insurance Europe considers that the provision of appropriate information is essential to enable consumers to compare pension products and to select those that are most suitable for their needs.</p> <p>Therefore, Insurance Europe would not support applying PRIIPs to pensions on a pan-EU scale. Insurance Europe has strong concerns about using a document that is still to be formally adopted as a starting point for PPPs' pre-contractual disclosures, especially when this document currently establishes approaches and methods of calculation of the main KID indicators (ie risk indicator, performance scenarios and cost indicator), which are not fit for purpose for insurance products. Consequently, it is inappropriate to seek to analyse, at this stage, whether any aspects of the PRIIPs KID is suitable for PPPs.</p> <p>Insurance Europe also wishes to highlight that the PRIIPs Regulation was designed for retail investment products, some of them being speculative products with a short-term horizon, and that as a result pension products were explicitly left outside its scope (Article 2(2) of Regulation (EU) No 1286/2014). In further support of our argument, in its FAQ on the PRIIPs KID the European Commission justifies the decision to exclude pension products because they are subject to specifically</p>	<p>Disagreed. Please see EIOPA's resolution in row 155</p>

			<p>could undermine national practices.</p> <p>Notwithstanding our concerns above, we note that there is a review clause in the PRIIPs Regulation, under which the EC should assess whether pension products should be brought within the scope of the PRIIPs Regulation by the end of 2018. It is in our view too early to initiate a review of the PRIIP Regulation and to try to assess whether it should be in any way applied to PPPs.</p>	
181	Mefop, Assofondipensione and Assoprevidenza	Q4	<p>About harmonization/standardisation, see Question 1, first paragraph.</p> <p>Disclosure is a key issue for the PEPPs to be successful. As regard pre-contractual information, at first sight the rules on Key Information Document for PRIIPs could represent a good starting point as well a layering approach.</p> <p>However, also in this case we are concerned on what could happen in countries where the current framework on disclosure on personal pensions works well. In Italy, where there is a common level playing field between occupational and personal pension schemes, PPP have to provide potential members with the same informatins of IORP. Potential members are provided with a full set of information on the main aspects of the plan (sponsor, minimum contribution, feed and charges, asset management, annuities, other providers, etc.). EIOPA should take into account that the proposed approach could ensure a lower level of information, at least in some countries.</p> <p>As regard the representation of the costs, we support the idea, based on PRIIPs regulation, of the summary indicator of the plan based on all implicit and explicit charges. However, we deem that the computation of this summary index should not be based on less restrictive rules than those of national legislations where similar summary index are already currently</p>	<p>Agreed. Please see EIOPA's resolution in row 155</p> <p>Noted</p> <p>Noted</p>

			<p>in phase.</p> <p>As regard regular information to members, we support the proposal of EIOPA to use as a starting point the Pension Benefit Statement set out by the EU Commission when starting the review of IORP Directive in 2013.</p> <p>We also share the position of EIOPA to leave at national level to fix the degree of disclosure on critical decision making point and decumulation.</p>	<p>Disagreed. Please see EIOPA's resolution in row 155</p> <p>Noted</p>
182	PensionsEurope	Q4	<p>It is not possible to discuss whether PRIIPs KIDs requirements can be seen as a model when the rules on the PRIIPs KIDs requirements are not yet finalised by the ESAs.</p> <p>However, PensionsEurope considers that in principle information should be adequate and digestible and could go along some of the elements of the PRIIPs KIDs requirements, but should be adapted to an individual pension product and take into account the variety of products and providers and considerations on the suitability will be only possible once PRIIPs rules are finalised. Some aspects mentioned in the PRIIPs regulation are suitable. Information on the decumulation phase, the default option, possible guarantee, (biometrical) risks and risk options could be added. The principles set out in EIOPA's paper on good practices on information provision for DC schemes could serve as a guidance.</p> <p>Issues such as financial advice to consumers should not only comprise the character of the product alone, but also other aspects, such as the financial position of the consumer and the way in which these products are taxed or tax-exempt.</p> <p>As far as certain standards should be imposed on financial providers, this should be done by means of concrete specific rules that take into account the specific activities of those</p>	<p>Noted</p> <p>Agreed. Please see EIOPA's resolution in row 155</p> <p>Noted</p> <p>Noted</p>

			providers, instead of setting standards of a highly abstract character.	
183	Pensionskasse der Mitarbeiter der Hoechst-Gruppe V	Q4	<p>Overall, we call for a system in which providers of personal pensions are regulated (as is currently the case) and argue against harmonising disclosure rules at EU level. We note that EIOPA sees the PRIIPS KID as the starting point for the discussion. From our perspective this section refers to “information requirements” rather than “disclosure requirements”.</p> <p>As EIOPA also points out, information requirements are an important part of the review of the IORP Directive. The proposals for a review of the Directive published by the European Commission in March 2014 included a section on information requirements based on the PRIIPs KID, as EIOPA also points out. However, both the Council and the Parliament have amended the proposal, moving away from the structure and terms of the PRIIPs KID towards a specific and more adequate approach for IORPs.</p> <p>The discussions around the Pension Benefit Statement have shown the difficulties in designing uniform information requirements for occupational pensions which are sensible across the EU. Across and even within Member States, occupational pensions take many different forms (different promises, varying involvement of the member etc.), which makes it hard to define one set of information requirements sensible for each and every one.</p> <p>This issue is compounded when personal pensions are added to the mix, not even considering “other financial products”. It seems impossible, illogical and insensible to directly compare an occupational pension based on a benefit promise e.g. to a savings plan such as a building loan agreement. On this</p>	<p>Disagreed. Please see EIOPA's resolution in row 155</p> <p>Noted</p> <p>Noted</p>

			backdrop, we would also like to point out that the PRIIPS KID is not a suitable starting point for discussing information requirements for occupational pensions – which has been recognised by the Parliament and the Council.	
184	Prof. Dr. Hans van Meerten & Elmar Schmidt of Utre	Q4	<p>We agree with EIOPA's view that the provision of information must be tailored to a layman's needs and that information must be presented in such a way that it is easily understood to bridge the existing information gap. A standardization of information documents surrounding PPPs featuring proven ways to convey such information can help to achieve this.</p> <p>PPPs could benefit from harmonization of disclosure rules by an increase in competition that is spurred by increased comparability, also between products from different Member States. In addition, their quality can be improved through the provision of understandable information on an ongoing basis helps to overcome information asymmetries and principal-agent problems.</p> <p>The provision of excessive amounts of information that may not be of direct interest or consequence to the consumer – much less be understood by them – should be avoided so as not to overwhelm the plan participant.</p> <p>The possibility to use the PRIIPs KIDs as a standardized basis for information documents for PPPs in general should be explored further.</p>	<p>Agreed. Please see EIOPA's resolution in row 155</p> <p>Agreed</p>
185	Society of Actuaries in Ireland	Q4	<p>We agree that PPPs and PEPPs would ultimately benefit from harmonisation in disclosure rules. Standardisation of disclosure would appear to be more straightforward for PEPPs given the proposed standardisation of the PEPP product itself. We agree that disclosure should be based on the PRIIPS KID as a starting point, but adapted to consider specific aspects of the PPP regime, e.g. decumulation, investment options.</p>	<p>Agreed. Please see EIOPA's resolution in row 155</p>

186	Standard Life plc	Q4	<p>Standard Life fully supports principles of simplicity and transparency. Pension savings need to embrace appropriate simplicity from the consumer's perspective and this should be reflected across any regulatory requirements on communications.</p> <p>We note that it is the European Commission's intention to review the scope of the PRIIPs Regulation by December 2018. We would recommend that this review date is aligned with MiFID II and the IDD.</p>	Agreed. Please see EIOPA's resolution in row 155
187	The Association of Pensions Lawyers	Q4	<p>The current system of regulation on disclosure for UK "retail investment products" applies to PPPs and achieves many of the same goals as those set out in EIOPA's advice (COBS 13, COBS 14). It requires that providers produce a "key features document" and a "key features illustration" for clients, which set out the detail of the investment in plain language. The key features document sets out (amongst other things): the complaints procedure, compensation if the provider cannot pay out, the consequences of ceasing to pay contributions and the right to cancel or withdraw (and how to exercise the right if applicable) (COBS 13.3). The key features illustration includes the charges and provides a projection of the growth rates and assumptions (COBS 13.4).</p> <p>A key issue in relation to the disclosure requirements set out in EIOPA's proposals is how the link with PRIIPs KID will function. PRIIPs KID was the subject of considerable controversy in the UK as it covered very similar ground to the existing UK regulation of "retail investment products" and conflicted with it in some places. A notable example of this was requiring that charges for advice be disclosed alongside any charges for the product itself. The UK regulatory regime, although it regulates providers, arrangers and advisers through the same over-</p>	<p>Noted</p> <p>Noted</p>

			<p>arching system, at present treats these as separate activities with separate disclosure requirements.</p> <p>The FCA will be updating the UK regulatory regime to reflect PRIIPs KID requirements when they come into force. Once this has been done it will be easier to see how PRIIPs KID can be used as a basis to provide a disclosure regime for PPPs within the UK system. In theory we would support a PPP disclosure regime that is harmonised with the PRIIPs KID (with suitable amendments specific to pensions), since the UK PPP market is already currently regulated alongside PRIIPs under the current system. However, we will only be able to take a firm position on this upon review of any detailed proposals from EIOPA in light of the FCA's responses to PRIIPs KID.</p>	<p>Noted. Please see EIOPA's resolution in row 155</p>
188	The Investment Association	Q4	<p>We agree that there should be harmonisation in disclosure rules across PEPP products and that the starting point for pre-enrolment disclosure should be the PRIIPs regulation. In that context we would refer EIOPA to our recent response to the ESAs most recent Discussion Paper on the PRIIPs KID for our specific views on the future shape of the PRIIP KID, particularly in relation to the presentation of charges and transaction costs. These are as relevant for PEPPs as they are for PRIIPs.</p> <p>In addition to this there are a number of key messages that we would like to stress in the specific context of the PEPP:</p> <p><input type="checkbox"/> While the PEPP is, by design, an asset accumulation vehicle, its ultimate goal from an individual perspective is to provide a retirement income. Therefore, information around risk and projections of outcomes would be beneficial to the investor if they were framed in terms of income and thought should be given to how this could be achieved.</p> <p><input type="checkbox"/> The risk indicator should be expanded to cover other types of risk that are relevant specifically to PEPPs and that</p>	<p>Agreed. With regard to EIOPA proposals with regard to disclosure rules for PPPs - Please see EIOPA's resolution in row 155.</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p>

		<p>may arise as a result of investment choices by the PEPP holder. The main ones here are inflation risk and shortfall/adequacy risk. For example, a PEPP where the individual chooses to invest fully in cash or bonds might score as low risk on grounds of investment risk, but would score as high risk in relation to inflation and shortfall risks.</p> <p>As far as investment risk is concerned the risk indicator should be appropriate for the holding period of the product. Given the long-run nature of the PEPP, a risk indicator that focuses on short-term volatility is clearly inappropriate. It would be better to develop a risk indicator that focuses on the risk to income at retirement.</p> <p><input type="checkbox"/> Where pre-enrolment communication aggregates the charges of a PEPP into a single figure, consideration should be given to whether the consumer should be able to get access to the charge on each of the constituent elements of the PEPP. There is clearly, however, a trade-off between simplicity and the ability to secure greater transparency. The important principle is that any disclosure must be designed to aid the consumer in choosing between PEPP products.</p> <p><input type="checkbox"/> Calculation and presentation of the cost of the PEPPs should take into account the specific benefits that they could offer, for example a minimum return guarantee or a biometric risk coverage. While these features provide additional benefits to investors that will be reflected in generally lower risk indicators, they also entail costs that need to be disclosed to consumers using some form of common methodology. Without disclosure of these costs it is not possible for the consumer to evaluate the value of these benefits.</p> <p><input type="checkbox"/> Performance scenarios should be based on some measure of anticipated returns. In addition, given that the</p>	
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			<p>purpose of the PEPP is to provide a retirement income, thought should be given to how consumers can be aided to understand the impact of these different scenarios on their income in retirement.</p> <p><input type="checkbox"/> Tax considerations should be highlighted, given the tax-privileged nature of the PEPP as a savings wrapper.</p> <p>In addition to these points, in order to deal with our comments in the previous question about the PEPP being sold on a non-advised basis, it may be helpful to put at the very start of a PEPP pre-sale disclosure document that the money is not accessible for [x] years. This is the fundamental distinguishing feature from a UCITS KIID or PRIIP KID. Otherwise the PEPP is simply an investment-linked fund.</p> <p>Finally, we note that EIOPA states that personalised disclosure would be helpful at the pre-contractual stage. As a practical point, if it is expected that the main distribution channel for a PEPP would be an on-line execution-only route, then meaningful personalisation of pre-sale disclosure might be difficult to achieve in any case.</p>	
189	The Pensions Advisory Service	Q4	<p>We share EIOPA's concern about the asymmetry of information in this area and are worried about hidden charges that benefit providers and distributors to the detriment of consumers.</p> <p>Many of the ideas presented for the KID in PRIIPs were very good at addressing these issues but we were under the understanding that they would not be looked at in relation to pensions for four years, as quoted by the Financial Conduct Authority's consultation paper CP15/30. If the KID is to be introduced sooner for PPP than expected we would welcome a fuller consultation on a PPP version of the KID in the near future.</p>	<p>Agreed. Please see EIOPA's resolution in row 155</p> <p>Noted</p> <p>Noted</p>

			The model described where fund management fees represent the largest costs for the consumer in a PPP does not fit neatly with our understanding of both the UK and cross-border market in PPP. Distribution and provider costs also represent a significant proportion of the cost borne by the consumer and as such we feel that this means that the issue of a KID for PPP should be addressed at some point.	
190	Vanguard Asset Management, Limited	Q4	We agree with the general principles that EIOPA mentions in the February Consultation that there would be significant benefits to using the packaged retail and insurance-based investment product key information document as the starting point for clear and candid disclosure in the pre-contractual phase. As we stated above, there exist coordinated requirements applicable to key information documents (such as in the case of the PRIIPs Regulation) and we encourage EIOPA to leverage these rules.	Agreed. Please see EIOPA's resolution in row 155
191	Verbraucherzentrale Bundesverband – vzbv	Q4	PPP must be created as a commission free saving product.	Noted
192	Willis Towers Watson	Q4	In principle yes. However, the potential for benefitting from harmonising disclosure rules is limited. As the individual member state requirements that need to be met to obtain beneficial tax treatment (in particular, tax relief on contributions and disapplication of normal benefit in kind rules) cannot be harmonised, a 2nd regime product is illusory.	Agreed Noted
193	Insurance and Reinsurance Stakeholder	Q5	Today, PPPs can be offered by providers subject to different prudential requirements. This can lead to an uneven playing field. The IRSG therefore believes that all providers of PPPs with	Disagreed, EIOPA believes the already existing, sectoral

	Group (IRSG)		<p>the same characteristics (eg. return guarantees or biometric risk coverage) should be subject to the same prudential standards.</p> <p>That being said, introducing a specific solvency regime for PPPs would not be a viable solution, as this would require amending several EU directives at once.</p>	<p>solvency regimes are sufficient for the purposes they were designed for. More research has to be undertaken to understand if and where existing solvency requirements have to be touched to achieve the goals of improving PPPs</p>
194	Fachverband der Österreichischen Pensionskassen	Q5	<p>Yes. But the different regimes regarding valuation, profit distribution and profit attribution, guarantees, costs etc will render the PEPP's incomparable. Experience shows that it is extremely difficult even for NCA to compare insurance and IORP-products in the domestic market. Providers of course often themselves argue that products are different and hence serve different segments of the market. And that is sometimes in fact true. Hence we can't see how to make a big single market with such a diverse product!</p>	<p>Partially agreed. Please see EIOPA's resolution in row 193</p>
195	ACA	Q5	<p>ACA insists on the importance of the respect of a level playing field ("same risks same rules"). For PPP's with return guarantees and/or biometric risk coverage, the applicable framework should be Solvency II.</p>	<p>Disagreed. Please see EIOPA's resolution in row 193</p>
196	AEIP	Q5	<p>We believe that differences in prudential regimes should be seen in respect of the role of PPP within global pension national systems. In countries like Italy where PPPs are part of the second pillar, a special prudential regime could be appropriate. A further assessment on this issue is needed.</p>	<p>Partially agreed. Please see EIOPA's resolution in row 193</p>

197	AFG	Q5	<p>AFG agrees that it does not seem feasible to design one solvency regime that fits all possible PEPP or PPP providers.</p> <p>When there is a financial or biometric risk coverage, solvency rules should ensure that the PEPP provided will fulfil its promise. Each provider should operate under its own solvency regime.</p>	Agreed. Please see EIOPA's resolution in row 193
198	Allianz SE	Q5	<p>PPPs can be offered by different providers (Insurers, Asset Managers, Banks) throughout the EU. Each of these provider categories is subject to different prudential regime. As EIOPA aptly states, providers buy typical insurance guarantees (e.g. regarding lifetime payment and longevity risk) from insurers. So far a special prudential regime for PPPs is not necessary. But: If EIOPA considers to empower all providers to offer PPPs on a stand alone basis, i.e. incl. guarantees and/or risk coverage, then they should mandatory be subject to the same prudential standards and capital requirements, i.e. Solvency II.</p>	Agreed. Please see EIOPA's resolution in row 193
199	AMUNDI	Q5	<p>Yes, Amundi agrees with general stakeholders' position mentioned in page 63 and 64: the prudential regime has to fit with the product and when a guarantee is provided, either by an insurer or by a bank, the relevant prudential regime should apply, i.e. Solvency or CRR.</p> <p>Indeed consumers will expect an equal level of protection against adverse developments and provider's robustness in the long term is to be considered. In this respect, perhaps would it be an opportune requirement for providers to mention their date of foundation. This last point could be introduced in the second regime, or 29th regime, for PEPP recommended by EIOPA in page 74, which we fully support.</p>	<p>Agreed. Please see EIOPA's resolution in row 193</p> <p>Noted</p>
200	APG	Q5	Taking into consideration the proposal of EIOPA (which we	Agreed. Please see

			support) that only providers which are authorized under existing EU legislation should be able to offer PEPP's and the fact that these regulations already contain solvency rules which are tailored to the specific characteristics of the providers involved and their activities, we agree with EIOPA's view not to add specific capital requirements for PEPP's.	EIOPA's resolution in row 193
201	Arbeitsgemeinschaft für betriebliche Altersversorg	Q5	<p>Any provider regulation should acknowledge the particularities of the providers regulated. Even if this leads to differences in prudential regimes, this does not necessarily constitute an unlevel playing field if the providers are fundamentally different in nature.</p> <p>We note the arguments in favour of Solvency II, but would like to reiterate that we do not share them. Particularly, we would like to emphasise that neither German IORPs nor German employers are amongst "some participants" mentioned by EIOPA who call for the introduction of Solvency II requirements for all PEPP providers.</p> <p>We note that EIOPA envisages that the PPP helps to finance long-term illiquid investments such as infrastructure, real estate and unlisted SME equities (p. 52).</p>	Agreed. Please see EIOPA's resolution in row 193
202	Association of British Insurers	Q5	<p>In general, insurers are the main providers of PPPs in the UK. Insurers are already regulated by Solvency II (a harmonising Directive) to hold specific amounts of capital according to the corresponding risk, and so it is not necessary to introduce additional requirements under any potential EU PPP regime.</p> <p>We believe that introducing a single solvency regime for PPPs, which could be subject to differing prudential regimes depending on the provider, is unrealistic. However, we do acknowledge that having differing prudential regimes based on the provider, despite them offering similar products, would result in an uneven playing field, and could risk regulatory</p>	Agreed. Please see EIOPA's resolution in row 193

			arbitrage.	
203	Assogestioni	Q5	We agree with EIOPA that no harmonised solvency regime for PEPP providers should be defined: assuming that all providers are regulated under an existing European sectoral legislation, where a financial or biometric risk coverage is offered, the applicable solvency rules should be the ones applicable to the provider.	Agreed. Please see EIOPA's resolution in row 193
204	Better Finance	Q5	<p>Yes, we agree with EIOPA's view not to add specific capital requirements for PPPs. Solvency II may be considered as the most sophisticated regime when PPPs include such features as minimum return guarantees and/or biometric risk coverage.</p> <p>We agree, too, with the Prudent Person principle aligning all investment decisions "in best interest of the beneficiary of the contract", except we would rather use the term "holder" than "beneficiary" as the pension saver is certain to contribute to the PPP, but not always certain to "benefit" from them. The asset liability management (ALM) has to take into account riskiness, quality, liquidity (availability) and profitability, and its rules should clearly refer to maturity, duration and currency.</p>	Agreed. Please see EIOPA's resolution in row 193
205	BIPAR	Q5	We believe there is no need for additional regulation required.	Agreed. Please see EIOPA's resolution in row 193
206	Bund der Versicherten (BdV-German Association of t	Q5	<p>Yes, we agree with EIOPA's view not to add specific capital requirements for PPP. Solvency II may be considered as the most sophisticated regime, when PPPs include such features as minimum return guarantees and/or biometric risk coverage. This goes along with the request for a level playing field respectively "same risk, same rules".</p> <p>We agree, too, with the Prudent Person principle aligning all investment decisions "in best interest of the beneficiary of the</p>	Agreed. Please see EIOPA's resolution in row 193

			contract”, except we would rather use the term “holder” than “beneficiary” as the pension saver is certain to contribute to the PPP, but not always certain to “benefit” from them. The asset liability management (ALM) has to take into account riskiness, quality, liquidity (availability) and profitability, and its rules should clearly refer to maturity, duration and currency (cf. our comment on Q9 in PEPP consultation, October 2015).	
207	Deutsche Aktuarvereinigung e.V. (DAV)	Q5	DAV believes that the comprehensive structures of the existing European framework allow covering all possible designs of pension products. One of the existing regimes harmonised at EU level, such as Solvency II, UCITS and CRD IV, that suits the activity of a particular PPP provider best, should be applied.	Agreed. Please see EIOPA's resolution in row 193
208	European Fund and Asset Management Association (EFAMA)	Q5	<p>EFAMA agrees with EIOPA that there should be no harmonised solvency regime for PEPP providers.</p> <p>In sum, we believe that consumer protection rules should be embedded in the product (PEPP) while the providers should operate under their EU sectoral legislation. This would facilitate the creation of a standardised and high-quality Pan-European pension product and minimise the cost of creating a new business line for providers.</p> <p>We agree with EIOPA that the provision of guarantees should be allowed, but not required, in order to ensure that the PEPP regulation is sufficiently flexible to accommodate investor needs and risk preferences.</p> <p>We also believe that if the PEPP provider chooses to embed a financial or biometric risk coverage in its PEPP, there should be solvency rules to ensure that PEPP provider will fulfil its promise.</p>	Agreed. Please see EIOPA's resolution in row 193
209	Fédération Européenne Des	Q5	As mentioned in the EIOPA paper, existing rules for capital requirements adequately cover the products that are used for	Agreed. Please see EIOPA's resolution

	Conseils et Intermédiaire		PEPP provision across Europe;; such rules should be maintained into the PEPP with no need for an additional layer.	in row 193
210	Federation of the Dutch Pension Funds	Q5	We fully agree with EIOPA's view on this point.	Agreed. Please see EIOPA's resolution in row 193
212	German Insurance Association (GDV)	Q5	<p>It is important that consumers' trust in safe, steady and predictable retirement income is substantiated by high prudential standards. Having prudential regimes with different quality applicable to different types of providers offering similar products would undoubtedly result in an uneven playing field between the different types of providers. Therefore, the "same risks, same rules" principle should apply to ensure a level-playing field between all PPP providers as well as an adequate level of protection for future pensioners.</p> <p>This being said, the GDV believes that the comprehensive structures of the existing European frameworks allow covering all possible designs of pension products. One of the existing regimes harmonised at EU level, such as Solvency II, UCITS and CRD IV, that suits the activity of a particular PPP provider best, should be applied.</p> <p>For insurers, Solvency II is a highly sophisticated prudential framework. If life-long annuities or cover against biometric risk are provided, it is of utmost importance that Solvency II rules apply.</p> <p>In general, if some adjustments for products with long-term nature and long-term guarantees are foreseen, these adjustments should be, however, made within existing frameworks, such as Solvency II, and not in an additional regulatory framework. In such a case the aim must be to</p>	Disagreed. Please see EIOPA's resolution in row 193

			maintain established regulations and not to change the main regulatory principles just for one new product type.	
213	ICI Global	Q5	<p>To ensure that an EU Single Market for personal pensions could be created in the foreseeable future, we urge EIOPA and the Commission to make the PEPP work a priority rather than attempting to harmonise PPPs. See Question 7.</p> <p>Additional prudential requirements for PEPP providers are not necessary and could act as a barrier to PEPP provision. Prudential requirements are designed to mitigate balance sheet risk for the specific types of financial entities. Sectoral prudential requirements are the proper means for doing this and not an overlaid PEPP prudential regime.</p>	Agreed. Please see EIOPA's resolution in row 193
214	Institute and Faculty of Actuaries	Q5	We are not aware of any prudential or regulatory issues raised by the consultation. We support EIOPA's proposal not to add any further capital requirements.	Agreed. Please see EIOPA's resolution in row 193
215	Insurance Europe	Q5	<p>The insurance industry believes that introducing an ad-hoc solvency regime for personal pension products in the prudential regimes applicable to different types of financial institutions is unrealistic.</p> <p>This being said, having different prudential regimes applicable to different types of providers offering similar products would undoubtedly result in an uneven playing field between the different types of providers and possibly in regulatory arbitrage.</p>	Partially agreed. Please see EIOPA's resolution in row 193
216	Mefop, Assofondipensione and Assoprevidenza	Q5	<p>We disagree with the idea not to add specific capital requirements for PPP's: as we said before, PPP's are pension product non financial, so adequate capital requirements should be helpful in order to protect members (not consumers) rights</p> <p>We also stress the concept that differences in prudential</p>	Disagreed. Please see EIOPA's resolution in row 193

			regimes should be seen in respect with the role of PPP within global pension national system. If, for exemple like in Italy, they are part of second pillar, a special prudential regimes should be appropriate.	
217	PensionsEurope	Q5	<p>We agree with EIOPA that no harmonised solvency regime specific to PEPP should be defined. Each provider, if regulated under EU legislation, already has a solvency regime. To apply a different solvency process for the small section of their business relating to PEPP is impractical creating both cost and administrative burden for little added consumer protection.</p> <p>We would also like to point out that any provider regulation should acknowledge the particularities of the providers regulated. Even if this leads to differences in prudential regimes, this does not necessarily constitute an unlevel playing field if the providers are fundamentally different in nature.</p>	Agreed. Please see EIOPA's resolution in row 193
218	Pensionskasse der Mitarbeiter der Hoechst-Gruppe V	Q5	<p>Any provider regulation should acknowledge the particularities of the providers regulated. Even if this leads to differences in prudential regimes, this does not necessarily constitute an unlevel playing field if the providers are fundamentally different in nature.</p> <p>We note the arguments in favour of Solvency II, but would like to reiterate that we do not share them. Particularly, we would like to emphasise that neither German IORPs nor German employers are amongst "some participants" mentioned by EIOPA who call for the introduction of Solvency II requirements for all PEPP providers.</p>	Agreed. Please see EIOPA's resolution in row 193
219	Prof. Dr. Hans van Meerten & Elmar Schmidt of Utre	Q5	EIOPA has already noted in 2014 – in its preliminary report to the Commission – that most PPP providers already fall under some kind of comprehensive EU prudential regulation regime, and that PPPs fall into four groups: those provided by institutions regulated by the Life Assurance Directive	Agreed. Please see EIOPA's resolution in row 193

			(LAD)/Solvency II, those that are provided by institutions regulated by CRD (now CRD IV), and those that fall under UCITS, as well as the 'borderline cases.' As such, there should be no need for further capital requirements in those directives. However, if PPPs provide a guarantee and the 2nd and 3rd pillar come closer together, and PPPs are operated by an IORP, this question might arise.	Noted
220	Society of Actuaries in Ireland	Q5	<p>There are material differences in regulatory regimes with the key differences arising between (i) banks, (ii) insurers, and (iii) fund/asset managers. These requirements could lead to an unlevel playing field, e.g. requiring a depositary for a UCITS or Solvency II capital requirements for a unit-linked fund.</p> <p>We agree with EIOPA's view not to impose additional capital requirements for PPPs. Where guarantees and/or biometric options are included, though, appropriate capital should be held by the providing institution as is required under existing regimes</p>	Agreed. Please see EIOPA's resolution in row 193
221	Standard Life plc	Q5	Standard Life agrees with EIOPA's view that additional regulation is not required for PPPs in general. In terms of the PEPP, the current authorisation regimes should be used and the provision of a PEPP should be limited to those providers authorised under a relevant existing EU Directive.	Agreed. Please see EIOPA's resolution in row 193
222	The Investment Association	Q5	We agree with EIOPA that there should be no harmonised solvency regime for all PEPP providers. Prudential regulation should be appropriate to ensure that the provider has sufficient capital to cover the business risks it runs. Doing this through the relevant sectoral legislation is preferable to creating a new solvency standard simply for PEPP providers, particularly given that different PEPP providers will take different approaches to offering guarantees and other features in PEPP products.	Agreed. Please see EIOPA's resolution in row 193

			As far as prudential regulation for asset managers as providers of a PEPP is concerned, security of assets and segregation from those of the provider are the most salient points. Existing sectoral legislation for asset managers covers these points.	
223	The Pensions Advisory Service	Q5	<p>We agree with EIOPA's view not to add capital requirements for PPPs.</p> <p>Standards should be raised to offer the best outcomes for consumers. We are moving away from an era when people were just recipients of pensions to one when they are consumers of pensions and they will often not be aware if the choices they have made were good or bad until later life when they come to the decumulation stage.</p>	<p>Agreed. Please see EIOPA's resolution in row 193</p> <p>Noted</p>
224	Vanguard Asset Management, Limited	Q5	<p>Vanguard agrees with EIOPA's view that while retirement savings accounts and products should be subject to an appropriately high level of prudential treatment, EIOPA should not add specific capital requirements for PPPs. In short, we agree with the viewpoint that already existing regimes at the EU level are sufficient for these purposes. Indeed, as recognised by EIOPA in the February Consultation, there is already an adequate level of protection in the measures applicable to European investment funds as a result of the fact that all fund assets are segregated and held separately from those of the asset manager.</p> <p>That said, we would note that if a PEPP provider chooses to embed certain guaranteed risk coverage into a specific product, it would be appropriate for adequate solvency rules to be in place to ensure the PEPP provider is able to fulfil its offered guarantee.</p>	<p>Agreed. Please see EIOPA's resolution in row 193</p>

225	Willis Towers Watson	Q5	No and yes respectively.	Agreed. Please see EIOPA's resolution in row 193
226	Insurance and Reinsurance Stakeholder Group (IRSG)	Q6	<p>The IRSG believes that the existing legal framework is sufficient and that no PEPP-specific supervisory powers are necessary; i.e. existing authorization rules cover or can be extended to cover the running of PEPPs as well. Similarly, providers not covered by existing authorization who want to offer PEPPs within the EU28 will need to comply with the same rules and conditions, i.e. mainly Solvency II, thus assuring a level playing field among all types of providers. A further layer of oversight would risk creating unnecessary and duplicative costs.</p> <p>The IRSG wishes to comment on some of EIOPA's proposal in this field. The IRSG does not believe that NSAs should cover the role of guardian claimholders, empowering them with roles that are normally held by the provider, eg checking on the compliance against „investment rules, Prudent Person Principle [...] ongoing suitability of PEPP's investment approach, its execution, implementation of risk management procedures'".</p> <p>The IRSG suggests that checking on PEPP's mandatory elements should remain a provider's duty and not be delegated to national supervisory authorities. The instruments considered in EIOPA's advice (eg standardised disclosure documents, benchmarks to compare PEPP's performance, setting up an independent watchdog committee) would require significant resources and may have unforeseen consequences. It should be noted that eventually the costs of introducing these instruments will be borne by consumers.</p> <p>Finally, the IRSG questions the need to move a 'caveat</p>	<p>Partially agreed. EIOPA believes further research is needed in order to determine whether additional supervisory powers – proportionate to the objectives and regulation of the PEPP- should be granted to NCA supervising PEPP providers.</p> <p>EIOPA furthermore believes that current authorisation regimes should be used and that the provision of PEPP should be limited to those providers authorised under a relevant European Directive.</p> <p>Consequently, the</p>

			<p>venditor' principle for PEPP. This principle fits in the UK auto-enrolment system where consumers are not required to make any active choice, but cannot be applied in a third pillar context at EU level. In fact, consumers wishing to purchase a PEPP will always have to choose between different providers, as well as different PEPP offerings.</p>	<p>authorisation received may limit the range of PEPPs that can be offered according to the authorisation.</p>
227	Fachverband der Österreichischen Pensionskassen	Q6	<p>No. It is not possible for NCA to make such an intensive product monitoring. If the Member States implement the suggested monitoring they would also have to implement it for "ordinary domestic products" (equal treatment). This would be out of reach due to the restricted resources of the NCA and the diversity of the product landscape. The same is valid for the proposed watchdog-committee.</p>	<p>Partially agreed. Please see EIOPA's resolution in row 226</p>
228	ACA	Q6	<p>ACA agrees that PPP's should be subject to an appropriate regulatory framework. We believe that the existing legal framework is sufficient and that no further supervisory powers are requested. We consider that a further layer of oversight would risk incurring unnecessary and duplicative costs.</p>	<p>Partially agreed. Please see EIOPA's resolution in row 226</p>
229	AEIP	Q6	<p>AEIP agrees with EIOPA that PEPPs should be subject to an appropriate supervisory framework.</p> <p>We believe that any new instrument considered by EIOPA (i.e. standardized disclosure documents, development of benchmarks, etc.) should be subject to a strict cost-benefit analysis and to an assessment of any unintended consequences.</p> <p>EIOPA's proposal to allow the provision of a PEPP without a specific authorization by the competent authority might create an unlevel playing field between providers which have to comply with different regulatory frameworks. We would like to</p>	<p>Agreed. Please see EIOPA's resolution in row 226</p> <p>Agreed.</p> <p>Noted</p> <p>Agreed</p>

			underline the need to link the PEPP to the 3rd pillar. We believe that only those financial intermediaries which fall under the scope of the EU Directives on financial services and that already provide PPPs or other forms of supplementary pensions may be allowed to provide PEPP without any further specific authorization.	
230	AFG	Q6	<p>AFG agrees with EIOPA that there is no need for a stand alone authorisation for PEPPs. Only regulated providers under European legislation should be authorized to offer PEPPs.</p> <p>AFG disagrees with the idea that further supervisory powers are needed for the PEPP and we have strong reservation concerning te additional supervisory and disclosure requirements suggested by EIOPA.</p>	<p>Agreed.</p> <p>Partially agreed. Please see EIOPA's resolution in row 226</p>
231	Allianz SE	Q6	<p>We believe that existing authorization rules can be extended to cover the running of PEPPs as well. Similarly, providers not covered by existing authorization who want to offer PEPPs will need to comply with the same rules and conditions thus assuring a level playing field among all types of providers. Insofar special authorisation rules may be necessary.</p> <p>We clearly reject EIOPA's proposal that (i) national supervisors must act as "guardian claimholders" monitoring i.a. "the ongoing suitability of PEPP's investment approach" and (ii) providers should be "required to set up an independent watchdog committee" as a "supplementary layer of consumer protection". (i) It is the provider who is at last responsible to fulfill the pension contract with respect to the customer – therefore it is and has to remain the providers role to set up and continuously check the appropriateness of an agreed contractual investment (strategy). (ii) Caution should be exerted regarding the demand for a watchdog as a</p>	<p>Partially agreed. Please see EIOPA's resolution in row 226</p>

			<p>"supplementary layer of consumer protection": A lot of extensive regulations were recently adopted by the European Legislator – in addition to existing national consumer protection laws. Any further add-ons even before experience with the new rules could be made, means significant costs and administrative expenses without tangible benefit.</p>	
232	AMUNDI	Q6	<p>Yes, Amundi agrees with EIOPA's proposal in terms of authorization granted through existing regimes; in fact there is no need for a standalone authorisation for PEPPs. Only regulated providers under European legislation should be authorized to offer PEPPs.</p> <p>For what is of the accumulation phase, UCITS and AIFMD provide for sufficient rules. Amundi would see merits in allowing special long term AIFs fitted for the retail to be eligible to PEPP. In fact, UCITS rules aim at providing a high level of liquidity. Such liquidity would not be useful in the context of the PEPP – except when nearing retirement – and would deprive investors from the benefit of long term investments. This point is especially important in the current state of interest rates which may be lasting. Diversification would be the main tool in order to reduce the risk of these long term AIFs for retail investors without altering their return.</p> <p>Conversely, Amundi disagrees with the proposal of independent watchdog committees which would result in a double supervision to what will be required from NCAs. We consider that the supervision role has to be assumed by NCAs, under the control of ESAs, and that any additional superstructure would be costly with the risk of introducing some bias. Perhaps would it be appropriate to create a special joint committee between EIOPA and ESMA as far as asset managers would operate PEPPs.</p>	<p>Agreed</p> <p>Noted</p> <p>Partially agreed. Please see EIOPA's resolution in row 226</p>

233	APG	Q6	We agree with EIOPA's view that a stand-alone regime for PEPP-providers is not desirable. In this respect we refer to our earlier statement (in our answers on questions 1 and 2) that the provision of PEPP's should only be allowed to those providers which are already authorized under relevant EU-directives. In our opinion these current authorization regimes for the various potential providers of PEPP's are appropriate, so we consider further supervisory powers not necessary.	Agreed.
234	Arbeitsgemeinschaft für betriebliche Altersversorg	Q6	EIOPA proposes that national competent authorities should "quality assure and sense check on the appropriateness of the PEPP" (p. 69). We would like to point out that currently the German competent Authority (BaFin) does not sense check Riester products. Currently the Federal Central Tax Office has a unit certifying Riester products. It is checked whether products comply with the legal requirements (legal basis), but no product control is carried out. Requiring the BaFin or an existing or new unit to sense-check products would represent a major shift in regulatory policy. We wonder whether a sense-check by the national authorities is the best way to ensure high quality of the PEPP.	Noted Partially agreed. Please see EIOPA's resolution in row 226
235	Association of British Insurers	Q6	While we would agree in principle that the pan-European Personal Pension Product (PEPP) should be subject to an appropriate supervisory framework, we feel that current legal framework is sufficient and no further supervisory powers are necessary. With regards to the specific points that EIOPA propose : (1) Guardian claimholders – we are not convinced that national supervisory authorities should function as 'guardian claimholders'. EIOPA asserts that national supervisors could be	Partially agreed. Please see EIOPA's resolution in row 226

		<p>entrusted with the responsibility to ‘check on the compliance against investment rules, Prudent Person Principle [...] ongoing suitability of PEPP’s investment approach, its execution, [and] implementation of risk management procedures’. These functions are generally held, as appropriate, by the product provider and the product-members’ trustees. A further layer of oversight would thus risk incurring unnecessary and duplicative costs.</p> <p>(2) Checking of mandatory features of the PEPP –the responsibility to check on the mandatory elements of the PEPP should fall on the PEPP provider. Delegation to national supervisory authorities of responsibility to check the mandatory elements of the PEPP must be carefully considered in light of the additional administrative burden and costs this would result in. Instruments currently considered by EIOPA include a set of standardised disclosure documents, developing adequate benchmarks to compare the PEPP performance and setting up an independent watchdog committee. All of these instruments would require significant resources and may have unforeseen consequences. As EIOPA rightly acknowledges, the cost of these instruments will, ultimately, fall on the PEPP holders. The impact must not be underestimated.</p> <p>(3) Establishment of a watchdog committee - any consideration of the composition and exact function of any such committee is premature. The priority is to ensure that the benefits of such a committee would outweigh the (likely) significant costs and other resource allocations necessary.</p> <p>(4) Pensions Institute Paper – the ABI would question EIOPA’s analysis of a paper by the UK Pensions Institute, Caveat Venditor. The Policy Institute states that auto enrolled workers are not required to make an active choice when their employer enrolls them into an occupational pension scheme</p>	
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			with default options. In the case of PEPP, which features default investment options, customers would still have to make a decision by choosing between providers and products. Therefore, it would not be necessary to require providers to design the PEPP in a way that customers make no active choices. More importantly, it risks leading supervisory authorities to select all the relevant product features.	
236	Assogestioni	Q6	Assogestioni strongly supports the idea that only providers falling under a relevant EU sectoral legislation should be eligible as PEPP providers, thus discarding the need for a stand-alone authorization regime.	Agreed.
237	Better Finance	Q6	<p>If even the majority of stakeholders disagreed with the proposal of a stand-alone regime for PEPP by EIOPA, a fact, which we would strongly regret, we still think that this is the appropriate authorization regime for PEPP. It is not the product passport in itself, but only the particular authorisation by the European Supervisory Authority which makes the difference between PEPP and any PPPs already existing on the national level. A centralised EU register of PEPPs only is not sufficient, because it would only constitute a formal notification, but not a materially controlled certification.</p> <p>We clearly reject any development of distinct EU benchmark measures for PEPP. It would not enable the comparison of the performance of PEPP providers; quite on the contrary the risk of misleading information for consumers would even become bigger. Why not using the already existing benchmarks for EU, European or World markets of shares, bonds, investment funds, etc.? These benchmarks are already known by many customers of financial services. Additionally the comparison of performances of other funds or bonds which are not integrated</p>	Partially agreed. Please see EIOPA's resolution with regard to authorisation regime for PEPP providers in row 226

			<p>into a PEPP would be made possible. Specialized benchmarks for PEPPs may create a competition amongst providers of PEPPs, but they would exclude the comparison and therefore the competition with all the other providers of “substitutable “ pension and investment products.</p> <p>We clearly support the proposal of creating an « independent watchdog committee » for the additional governance of any provider, i.e. « an external and independent body with relevant pension knowledge and expertise ». As pointed out, “such committees would be responsible and accountable for assessing the on-going Value for Money, especially with respect to the default investment option, and act as a challenging function to the PEPP provider to make appropriate changes as and when needed e.g. risk of unsuitable investment strategy”. “Independent” body must mean that at least a majority of its members are economically independent from the financial industry and from its providers.</p>	
238	BIPAR	Q6	<p>We believe that the existing legal framework is sufficient and that no PEPP-specific supervisory powers are necessary.</p> <p>We note that in the part of the paper dedicated to the product passport (p 67-68), no mention is made of distribution nor of the IDD. We believe that the interaction of a product passport and the IDD passport should be assessed as well.</p>	Partially agreed. Please see EIOPA's resolution in row 226
239	Bund der Versicherten (BdV-German Association of t	Q6	<p>If even the majority of stakeholders disagreed with the proposal of a stand-alone regime for PEPP by EIOPA, a fact which we strongly regret, we still think that this is the appropriate authorization regime for PEPP. It is not the product passport in itself, but only the particular autorisation by the European Supervisory Authority which makes the difference of PEPP to any PPPs already existing on the national level and which underlines its foundation by the 2nd Regime. A</p>	Partially agreed. Please see EIOPA's resolution with regard to authorisation regime for PEPP providers in row 226

		<p>centralised EU register of PEPPs only is not sufficient, because it would only constitute a formal notification, but not a materially controlled certification.</p> <p>We clearly reject any development of distinct EU benchmark measures for PEPP. It would not enable the comparison of the performance of PEPP providers; quite on the contrary the risk of mis-leading information for consumers would even become bigger. Why not using the already existing benchmarks for EU, European or World markets of shares, bonds etc.? These benchmarks are already known by many customers of financial services. Additionally the comparison of performances of other funds or bonds which are not integrated into a PEPP would be made possible. Specialized benchmarks for PEPPs may create a competition amongst providers of PEPPs, but they would exclude the comparison and therefore the competition with all the other providers of “substitutable” pension and investment products.</p> <p>We clearly support the proposal of creating an « independent watchdog committee » for the additional governance of any provider, i.e. « an external and independent body with relevant pension knowledge and expertise ». As pointed out, “such committees would be responsible and accountable for assessing the ongoing Value for Money, especially with respect to the default investment option, and act as a challenging function to the PEPP provider to make appropriate changes as and when needed e.g. risk of unsuitable investment strategy”. “Independent” body must mean that at least a majority of its members are economically independent from the financial industry and from its providers.</p> <p>In Germany on the federal level, a similar institution has recently been created (“Finanzmarktwächter”), which makes a research work on financial product innovations and</p>	<p>Noted</p>
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			performances, supported by the Verbraucherzentralen (VZBV – Federal Association of Consumers), and which has to deliver regular reports to the BaFin (NCA). Therefore it would be very useful to foster an intensive exchange of information and knowledge between these new institutions.	
240	Deutsche Aktuarvereinigung e.V. (DAV)	Q6	In markets with free and fair competition consumers decide on whether a product is adequately priced based on the (transparent) information they receive. Therefore, costs and charges of a PEPP should be disclosed to customers to enable them to evaluate and compare different products. However, vague obligations with regard to the pricing of products would result in a general price control. Therefore, the DAV disapproves undefined concepts such as “value for money”.	Partially agreed. Please see EIOPA's resolution in row 226
241	European Fund and Asset Management Association (EFAMA)	Q6	<p>EFAMA agrees with EIOPA that there is no need for a stand-alone authorisation regime for PEPP providers. The simplification of the authorisation procedure should minimise the cost of creating a new business line for providers and thus increase the market attractiveness of the PEPP.</p> <p>We also agree with EIOPA on the scope of eligible PEPP providers: only those falling under EU sectoral legislation should be eligible to become PEPP providers.</p> <p>We have reservations about EIOPA's proposals concerning EU benchmark measures, independent watchdog committees, and commitment memorandums.</p> <p><input type="checkbox"/> On EU benchmarks, we believe that it should not be necessary to develop EU benchmark measures. Market forces and transparency on past performance should help consumers to compare PEPPs' performances.</p> <p><input type="checkbox"/> On the creation of watchdog committees, we think that market forces and competitive discipline will act: PEPPs without</p>	<p>Agreed</p> <p>Agreed</p> <p>Partially agreed. Please see EIOPA's resolution in row 226</p>

			<p>this governance standard may be seen as being at a competitive disadvantage in the market place. National or EU consumer protection agencies will certainly play an active role comparing PEPPs. Therefore, watchdog committees should not be mandatory for PEPP providers.</p> <p><input type="checkbox"/> On the commitment memorandum, we question how useful and understandable it would be to the consumer and his/her decision-taking. The expected performance for one product will vary according to the market conditions and the periodicity, level and time-length of contributions. This suggests a customer-specific 'commitment memorandum' but it would be unduly burdensome. We also think that market forces alone will best support the aim of fulfilling the caveat venditor principle.</p> <p>We advise EIOPA to consider the high costs of setting up a new business line and avoid discouraging providers of doing so with overly prescriptive reporting requirements.</p>	
242	Federation of the Dutch Pension Funds	Q6	<p>We refer to our earlier comments on EIOPA's vision on PEPP (PPPs), given at the occasion of the EIOPA's preliminary report of 2015. In that reaction, we subscribed to EIOPA's opinion that providers should be authorised to sell PEPPs (PPPs) only if the competent authorities are satisfied that they meet all necessary requirements. We are not convinced that a stand-alone regime for the authorisation of PEPP (PPP) providers is desirable. We fear that a regulatory gap in favour of providers not yet authorised under other EU financial service legislation might be created. This might result in an unlevel playing field vis-à-vis EU regulated providers and IORPs providing occupational pension schemes.</p> <p>Moreover, we question the perspectives on adequate</p>	<p>Agreed</p> <p>Noted</p>

			<p>supervision in practice on providers which are not yet authorised under other EU financial service legislation.</p> <p>In addition we would recommend that, before a stand-alone regime for PEPP-providers would be considered, first of all an analysis should be made in order to investigate whether existing Union law could be sufficient to cover all PEPP (PPP) providers.</p>	<p>Noted. Please see EIOPA's resolution with regard to authorisation regime for PEPP providers in row 226</p>
244	Financial Services User Group (FSUG)	Q6	<p>The proposals from EIOPA should be beneficial.</p> <p>But further measures needed.</p> <p>If the PEPP is to be successful from the perspective of consumers then two conditions must be met:</p> <ul style="list-style-type: none"> - PEPPs must comply with meaningful standards relating to terms and costs (both level and structure of charges); and - Consumers must be able to access to these better value products. <p>Competition and choice is not effective at driving up standards in markets such as pensions – especially on a EU wide basis. Product intervention is a much more effective form of regulation and has been shown to introduce real competitive pressures into markets – if the product standards and conditions for distribution are right. The standards relating to product governance, prudential and product regulation must be meaningful and robust if they are to represent an improvement on existing products. We set out elsewhere in this response the key elements of product governance, prudential and regulation,</p>	<p>Partially agreed. Please see EIOPA's resolution in row 226</p> <p>Noted</p> <p>Noted</p> <p>Agreed</p>

		<p>This may be stating the obvious but the benefits of having a good product is undermined if consumers cannot get access to the product – in other words, if the product ‘sits on the shelf’. We cannot rely on demand pressures from consumers to pull these products off the shelf. Moreover, as we explained in our submissions to retail market integration and regulatory call for evidence initiatives, one of the main barriers to effective market integration are the behaviours of dominant intermediaries and distribution practices in local markets. Even if a good value PEPP is created, these dominant intermediaries are unlikely to distribute PEPPs unless compelled to do so by some form of regulatory intervention.</p> <p>There are two forms of effective intervention which could be deployed here.</p> <p>The first relates to the behaviours of intermediaries when advising on and recommending a pension product. One of the most successful interventions in the UK was the combination of stakeholder pensions (SHPs) and the RU64 rule. Stakeholder pensions were a huge improvement on existing personal pensions. But it was recognised that the pensions industry and intermediaries would not recommend SHPs as they would not receive as much commission. Therefore, additional measures were needed. RU64 required advisers to justify in writing why they were recommending a high charging personal pension when a similar SHP was available. This transformed the pensions market almost overnight as charges on personal pensions fell to the level of SHP. A similar intervention will be needed to make PEPP market work. Indeed, this would have two benefits. Not only would it ensure consumers who needed a pan EU pension could get one, it would also have a positive impact on the quality of personal pension products in local markets.</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p>
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			<p>The second relates to comparative information tables. Providers of comparative information tables in local markets should be compelled to include information on PEPPs to ensure that consumers in the local market are aware of the availability of PEPPs. This would allow those consumers who are confident enough to buy PEPPs direct from a provider to do so. But consumers who still want the protection that comes with regulated advice would have the opportunity to seek advice.</p>	
245	German Insurance Association (GDV)	Q6	<p>The GDV welcomes EIOPA's efforts for an appropriate supervisory framework for all PEPP providers. For insurance companies such a framework already exists under Solvency II. This existing legal framework is sufficient and no further supervisory powers are necessary related to the supervision of insurance companies as providers of PEPP.</p> <p>The reasoning of EIOPA for the introduction of new measures is not substantiated. Many of EIOPA's proposals seem to be inspired by national rules dealing with auto-enrolment in workplace pensions. Such specific legislation takes into account that employees who are auto-enrolled into default investment options do not actively purchase a product. Under these circumstances, in order to ensure that products match customer needs, limitation of consumer choice is compensated by additional provider governance mechanisms and supervisory tools. German insurers would like to stress that this is not required in the case of PEPP. The customer of a PEPP voluntarily saves for retirement and actively selects a provider and product for this purpose, notwithstanding that the products could include default investment options. Regulation on product design which pretends that customers are not actively choosing a product risks leading to the determination of all relevant product characteristics by the supervisory authorities. In the case of the PEPP, this would neither be proportionate nor</p>	<p>Partially agreed. Please see EIOPA's resolution in row 226</p>

		<p>acceptable. And again, new governance requirements and extended supervision would lead to additional costs which will inevitably be passed on to consumers.</p> <p>Moreover, German insurers would caution against the measures proposed by EIOPA:</p> <ul style="list-style-type: none"><input type="checkbox"/> Caveat venditor: The German insurance industry takes a critical view to EIOPA's considerations in relation to "caveat venditor". Insofar as EIOPA recurs to the 2012 paper of the UK Pensions Institute, the reasoning misses the point. The paper of the Pensions Institute deals with the very specific situation of employees being auto-enrolled in workplace pensions with default investment options. As shown above, basing the PEPP on rules developed for auto-enrolment situations would not be proportionate.<input type="checkbox"/> Commitment memorandum: Here, similar concerns apply. A commitment memorandum is a non-legal tool for individual investors to avoid irrational trading in the form of excessive buying and selling. It is not clear what benefit could be drawn from this concept for institutional PEPP providers and their customers. <p>Monitoring of value for money by national authorities: It is our strong belief that in a well-regulated, competitive market, the decision on whether a product is adequately priced is to be made by the customer. For this purpose, customers need to be provided with transparent information for assessing the value for money. In this regard we agree with EIOPA that disclosure of costs, charges and benefits of a PEPP should enable customers to evaluate and compare different products. However, we disapprove of establishing vague obligations with regard to the pricing of products, which would result in a general price control by supervisory authorities or courts. The</p>	
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			existing legal framework, which would also apply to the PEPP, sets out adequate standards (Directive on Unfair Terms, cf. Article 4(2), recital 19 of Directive 93/13/EEC; national contract law, e. g. specific rules for the calculation of the surrender value; general legal principles, e. g. laesio enormis/usury).	
246	ICI Global	Q6	The current, effective, and long-established sectoral rules are sufficient.	Partially agreed. Please see EIOPA's resolution in row 226
247	Institute and Faculty of Actuaries	Q6	The IFoA considers that the powers discussed (p 69) are already available to regulators in the UK.	Noted. Please see EIOPA's resolution in row 226
248	Insurance Europe	Q6	<p>Insurance Europe agrees that PEPPs should be subject to an appropriate supervisory framework. How this is achieved is, however, crucial in terms of costs incurred by both PEPP holders and PEPP providers and will have an impact on the availability of PEPP products.</p> <p>In general, Insurance Europe is of the opinion that the existing legal framework is sufficient and that no further supervisory powers are necessary. A further layer of oversight would risk incurring unnecessary and duplicative costs.</p> <p>Regarding some of EIOPA's specific proposals, Insurance Europe is not persuaded that national supervisory authorities should function as 'guardian claimholders'. EIOPA asserts that national supervisors could be entrusted with the responsibility to 'check on the compliance against investment rules, Prudent Person Principle [...] ongoing suitability of PEPP's investment approach, its execution, [and] implementation of risk management procedures'. These functions are generally held, as appropriate, by the product provider and the product-members' trustees.</p>	<p>Noted</p> <p>Partially agreed. Please see EIOPA's resolution in row 226</p>

		<p>Insurance Europe is also concerned about EIOPA's proposal to empower national authorities to check on "value for money" for voluntary products, such as PEPP. In a well-regulated, competitive market, consumers must be provided with transparent and relevant information to assess whether a product is adequately priced. This is why Insurance Europe agrees with EIOPA that costs and charges must be clearly disclosed. However, the vague obligation for national authorities to check on "value for money" – as suggested by EIOPA – would essentially mean general price control, either by national authorities or courts. This unnecessary requirement would go against the very concept of a competitive market. Furthermore, the existing legal framework, which would also apply to the PEPP, already sets out adequate standards, eg Rec. 19 and Art. 4(2) of the Directive on Unfair Terms (93/13/EEC), national contract law and general legal principles such as laesio enormis or usury. It should also be noted that the "value for money" concept is understood differently across member states, eg it could include transparency.</p> <p>The responsibility to check on the mandatory elements of the PEPP should fall on the PEPP provider. Delegation to national supervisory authorities of responsibility to check the mandatory elements of the PEPP must be carefully considered in light of the additional administrative burden and costs that would result. Instruments currently considered by EIOPA include a set of standardised disclosure documents, developing adequate benchmarks to compare the PEPP performance and setting up an independent watchdog committee. All of these instruments would require significant resources and may have unforeseen consequences. As EIOPA rightly acknowledges, the cost of these instruments will, ultimately, fall on consumers. The impact must not be underestimated.</p>	
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		<p>Insurance Europe stresses that any eventual EU benchmark measures must be of indicative and persuasive value only. This would safeguard against the results being used for supervisory intervention without proper care and attention to the consequences that may follow.</p> <p>With regards to the proposal for a watchdog committee, Insurance Europe is of the view that any consideration of the composition and exact function of such a committee is premature. The priority is to ensure that the benefits of such a committee would outweigh the (likely) significant costs and other resource allocations necessary.</p> <p>Insurance Europe questions EIOPA's analysis of a paper by the UK Pensions Institute called "Caveat Venditor". The Institute states that auto-enrolled workers are not required to make an active choice, and therefore do not purchase a product. This holds true for the UK, where employees can be auto-enrolled into occupational pension schemes with default investment options. In the case of PEPP, which might feature default investment options, customers still have to make a decision by choosing between providers and products. Therefore, the reasoning behind the auto enrolment scheme in the UK cannot be used as a basis for PEPP, which would always require an active choice by the consumer. More importantly, it risks leading supervisory authorities to select all the relevant product features. Against this background, Insurance Europe wishes to caution against the introduction of a "caveat venditor" principle for PEPP, as suggested by EIOPA in its advice.</p> <p>Insurance Europe likewise questions EIOPA's suggestion to require commitment memoranda, which are non-legal tools for individual investors to avoid irrational trading due to excessive buying and selling. EIOPA fails to clarify the benefits of such a</p>	
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			requirement for PEPP providers and customers.	
249	Mefop, Assofondipensione and Assoprevidenza	Q6	<p>The supervision of the PEPP is a very sensitive issue. EIOPA proposal to allow for the provision of a PEPP without a specific authorization by the competent authority appear to to be too risky for members (not consumers). The rationale of the proposal is that as the provider has been already authorized under a EU directive from its specific regulator, that authorization should be also valid for the provision of a PEPP. It is important to stress that the provision of a PEPP should be only admitted for financial intermediaries which fulfill the requirements established by the competent authorities and which have a mission comparable with the provision of a pension product. The proposal risks to create an “unlevelled playing field” between operators which refer to different regulatory frameworks. This condition, when occurring, will only worse off the interests of members/customers of both PPP and PEPP, further soaring the risk of regulatory arbitrage. The hypothesis of no specific authorization should be only admitted for financial intermediaries falling within the scope of the EU Directives on financial services provision and which already provide personal pension plans or other forms of supplementary pensions.</p> <p>Another concern is linked to the fact that in the project of EIOPA each provider should be supervised by its competent authority. This provision could cause concerns for those countries where the supervision of pension funds is centered in single authority, no matter the nature of pension scheme: personal or collective. This could trigger possible regulatory arbitrage with pension fund which obey to different supervision frameworks.</p> <p>We wonder whether the stranghten of supervisory powers tailord to PEPPs may be sufficient to prevent the risk of</p>	Partially agreed. Please see EIOPA's resolution in row 226

			regulatory arbitrage between different supervisory regimes.	
250	PensionsEurope	Q6	<p>We consider that further supervisory powers are not necessary. As mentioned, we are in favor of EIOPA's opinion that only providers falling under relevant EU legislation are eligible to provide PEPPs. In our view the authorization requirements for providers as laid down in existing EU legislation are largely sufficient.</p> <p>We are not convinced that a stand-alone regime for the authorisation of PEPP providers is desirable. We fear that a regulatory gap in favour of providers not yet authorised under other EU financial service legislation might be created. This might result in an unlevel playing field vis-à-vis EU regulated providers and IORPs providing occupational pension schemes. Moreover, we question the perspectives on adequate supervision in practice on providers which are not yet authorised under other EU financial service legislation.</p> <p>In addition we would recommend that, before a stand-alone regime for PEPP-providers would be considered, first of all an analysis should be made in order to investigate whether existing Union law could be sufficient to cover all PEPP providers.</p>	Partially agreed. Please see EIOPA's resolution in row 226
251	Pensionskasse der Mitarbeiter der Hoechst-Gruppe V	Q6	<p>EIOPA proposes that national competent authorities should "quality assure and sense check on the appropriateness of the PEPP" (p. 69). We would like to point out that currently the German competent Authority (BaFin) does not sense check Riester products. Currently the Federal Central Tax Office has a unit certifying Riester products. It is checked whether products comply with the legal requirements (legal basis), but no product control is carried out. Requiring the BaFin or an existing or new unit to sense-check products would represent a major shift in regulatory policy. We wonder whether a sense-</p>	Noted

			check by the national authorities is the best way to ensure high quality of the PEPP.	
252	Prof. Dr. Hans van Meerten & Elmar Schmidt of Utre	Q6	<p>EIOPA proposes that national supervisors become 'guardian claimholders', supervising the investment performance of PEPPs. It proposes that this could be done by assessing the investment behavior of PEPPs against its investment strategy (by, for example, the Statement of Investment Policy Principles (SIPP)) and against a European benchmark to be developed in order to compare the performance of the PEPP against that of other PEPPs.</p> <p>Additionally, providers could be required to set up an independent watchdog committee acting in the interest of PEPP holders to assess whether these holders are getting value for money.</p> <p>Ensuring commonality in the supervisory framework for PEPP providers – a product designed for division throughout Europa with some standardization – makes for a more level playing field.</p> <p>We suggest – in order to maintain the uniformity of EU law – that EIOPA has the final say in supervisory issues.</p>	Partially agreed. Please see EIOPA's resolution in row 226
253	Society of Actuaries in Ireland	Q6	<p>We consider that further supervisory powers, reflecting the nature of the PPP product, are necessary, particularly for product disclosure, both at product commencement and on an ongoing basis.</p> <p>We consider that the current provider authorisation and supervisory regime should be used, with cross-border marketing available to those who provide services under EU harmonised rules.</p> <p>We agree that more detailed analysis will be required on the</p>	Agreed. Please see EIOPA's resolution in row 226

			<p>most appropriate supervisory and disclosure tools to enable national supervisors ensure PEPP's investment approaches are monitored and value for money assessed.</p> <p>In this regard, the "PRSA Actuary" model, which operates in the Irish market, could be a useful model to consider. These actuaries are required to provide annual certification to the regulator regarding compliance by certain pension providers with regulations in respect of default investment strategies and charges for certain personal pension type vehicles. The role has been a successful element of the pensions regime in Ireland and has been relied upon by the local competent authority. We propose that national supervisory authorities, using a "PRSA Actuary" type of regime to fulfil some of their requirements, could take on the role of monitoring PEPPs/PPPs. We do not support the preparation of a "commitment memorandum" with all the associated commitments as described in the consultation document. The disclosure regime should be consistent with and build on the PRIIPS KID. This should be supplemented by annual updates which include disclosure of actual past performance and revised expectations.</p> <p>PRSA: Personal Retirement Savings Account, first introduced in Ireland through the Pensions (Amendment) Act 2002. A PRSA is a form of PPP, designed to be portable between employers.</p>	Noted
254	Standard Life plc	Q6	<p>Standard Life supports EIOPA's view that the current authorisation regime should be used and that the provision of a PEPP should be limited to those providers authorised under a relevant EU Directive. A further stand-alone supervisory regime would add another layer of regulation which we would not wish to see.</p> <p>Product regulation with passporting would be the preferred supervisory option but only if the taxation and general good</p>	Agreed

			<p>critical barriers are resolved.</p> <p>The further supervisory powers proposed by EIOPA – a suitable supervisory framework which empowers national authorities to check on mandatory elements of the PEPP – require further more detailed analysis. Details which we would welcome clarification on are how the national authority would collect information from providers, what measures would this information be checked against and what powers would national authorities have to supervise.</p> <p>Other supervisory factors which have not been fully addressed are:</p> <p><input type="checkbox"/> A compensation scheme of last resort for consumers; and</p> <p><input type="checkbox"/> Dispute resolution or the creation of a PEPP Ombudsman.</p>	<p>Agreed. Please see EIOPA's resolution in row 226</p>
255	The Investment Association	Q6	<p>We agree with EIOPA both that there is no need for a standalone authorisation regime for PEPP providers as well as on the scope of eligible PEPP providers - only those falling under existing EU sectoral legislation should be eligible to become PEPP providers. The simplicity of the authorisation procedure should minimise the cost of creating a new business line for providers and thus increase the attractiveness of the PEPP as a product they might choose to develop.</p> <p>Our main comments on potential new supervisory powers relate to EIOPA's proposal for PEPP providers to set up independent watchdog committees acting in the sole and best interest of PEPP holders, and whose remit is to monitor the PEPP's investment approach and assess 'value for money'. These committees have already been set up for insurance-delivered workplace pensions in the UK, though this is not mandatory for PPPs. The early evidence from the UK on these Committees</p>	<p>Agreed</p> <p>Partially agreed. Please see EIOPA's resolution in row 226</p>

		<p>suggests that they can influence product providers to adjust product features and charges for the benefit of members.</p> <p>We would argue that these are a sensible innovation – and we have supported their creation in the UK – because they have the potential to embed good investment governance into the running of the PEPP. Any default strategy should have a member-focused, outcome-based objective which can then be achieved using a given asset allocation. Independent watchdog committees can set governance standards that the provider must adhere to e.g. setting member objectives, performance measurement against the member objective, assessing suitability over time (particularly important over a 30-40 year investment period) and value for money.</p> <p>However, in a nascent market, there is a balance to be struck between the costs imposed by consumer protection and the attractiveness of a product to providers. Rather than mandating the creation of these committees from the very start, the PEPP regulation might take a more nuanced approach along the following lines:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Either require providers to comply with setting up such a body or explain why they are not doing so ('comply or explain'); or <input type="checkbox"/> Recommend that providers set up these bodies but do not require it. Market forces and competitive discipline can then be left to act – PEPPs without this governance arrangement may be seen as being at a competitive disadvantage in the market place. <p>More generally when considering new supervisory requirements, EIOPA should consider the trade off between the high costs of setting up a new business line and the need to avoid discouraging providers from entering a market.</p>	
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256	The Pensions Advisory Service	Q6	<p>The proposals to give national regulatory bodies more supervisory powers in this are reasonable</p> <p>There is merit in having default options as long as they are flexible enough to adapt to developments in decumulation options and other developments in PPP. Legacy investment strategies may also lead to suboptimal outcomes for consumers. There should also offer flexibility for the consumer to be able to easily and cheaply move out of default options as they only represent the ideal investment strategy for a proportion of consumers.</p> <p>Fit and Proper standards should be of the highest standards. It is important that the PEPP does not become a vehicle for pension fraud to the detriment of consumers. Reputational risk could affect the whole sector and undermine the PEPP if standards in this area are low-touch.</p>	Partially agreed. Please see EIOPA's resolution in row 226
257	Vanguard Asset Management, Limited	Q6	Vanguard agrees with EIOPA that there is no need for a stand-alone additional authorisation process for PEPP providers. The establishment of simple authorisation procedures and the leveraging of existing procedures should help to keep down the cost of entering the PEPP provider business line and should, therefore, increase the pool of qualified providers of the PEPP.	Agreed. Please see EIOPA's resolution with regard to authorisation regime for PEPP providers in row 226
258	Verbraucherzentrale Bundesverband – vzbv	Q6		
259	Willis Towers Watson	Q6	No	Partially agreed. Please see EIOPA's resolution in row 226

260	Insurance and Reinsurance Stakeholder Group (IRSG)	Q7	<p>The IRSG opposes any further harmonisation of PPPs currently sold at national level. It therefore urges EIOPA to drop the policy options envisaging a standardisation and/or harmonisation of PPPs and PPP-providers' rules, which the IRSG considers unrealistic.</p> <p>With specific regard to PEPP - as presented in the paragraph 4.2.2. of EIOPA's advice - the IRSG reiterates the position expressed in response to the 2015 PEPP consultation, ie the PEPP should be a long-term savings product with the aim to provide income in retirement. Its design should allow for the recognition of existing national practices.</p> <p>The IRSG maintains that the following key design features should be incorporated into the PEPP:</p>	<p>Partially agreed. EIOPA believes introducing a 2nd regime for PEPPs is better placed to reap the benefits associated with the standardisation of personal retirement savings products than harmonising existing sectoral for PPP providers.</p> <p>EIOPA therefore advises to prioritise work on the introduction of a 2nd regime for PEPPs over the harmonisation of existing sectoral regulations</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of</p>
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		<p><input type="checkbox"/> Minimum investment periods are fundamental to PEPP product design, as they will enable good returns to be generated over the long-term, in addition to allowing funding for long-term illiquid investments as intended by the creation of a Capital Markets Union.</p> <p><input type="checkbox"/> We believe the PEPP product should have a 10 to 12 year minimum investment period with a possibility to surrender/switch at that point or to continue with a minimum further investment period of 5 to 10 years. Furthermore early switching or surrender maybe possible, although this will lead to cancellation costs being passed onto consumers, due to the disinvestment in the illiquid assets or the need to recoup costs. The cancellation periods can therefore depend on the investment strategy of the provider. Additionally, minimum investment periods would allow for amortisation of distribution and advice costs over several years.</p> <p><input type="checkbox"/> PEPP providers should be free to offer PEPPs with default options based on the following investment strategies:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Guarantees <input type="checkbox"/> Long-term collective investments with a smoothing of returns <input type="checkbox"/> Life cycling with de-risking <p><input type="checkbox"/> The decision about permitted default options should take into account that products with guarantees offer a higher level of protection than life-cycling strategies or balanced funds. In the latter, consumers are exposed to the risk of losing their capital and therefore having a lower retirement income than expected.</p> <p><input type="checkbox"/> The IRSG is highly sceptical about equivalence assessments of prudential regimes applicable to different types</p>	<p>single EU market for PPPs)</p>
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			<p>of financial institutions. The Solvency II framework should be applicable to all PEPP providers offering products with minimum return guarantees and/or biometric risk coverage. However, we note that Solvency II will need to be amended to better reflect insurers' ability to manage market volatility in the long-term, so that these products become viable.</p> <p><input type="checkbox"/> The PEPP should come with the option for the consumer to ask for additional biometric risk coverage during the accumulation phase, regardless of the type of PEPP provider. It should be noted that in some markets this is a mandatory feature for personal pension products and insurance products.</p> <p><input type="checkbox"/> Public pensions are always paid as annuities. Given that pension products aim to provide an income during retirement, the protection against longevity risk should be promoted among these options.</p> <p><input type="checkbox"/> Costs and charges should not be capped at European level. Competition should be allowed between providers. Consumers can be provided with clear and concise information in pre-contractual and on-going information, regarding the number and length of a particular PEPP's minimum investment periods, as well as the associated costs for switching early.</p>	
261	Fachverband der Österreichischen Pensionskassen	Q7	<p>Yes, in principle.</p> <p>But individual online-PPP without any risk-protection and solidarity can't be the solution for pensions in Europe. Furthermore: Once such wrong policies are set in place they are hard to rectify.</p>	<p>Noted. Please see EIOPA's resolution in row 260</p> <p>Noted</p>
262	ACA	Q7	<p>ACA strongly opposes to the introduction of a supplementary regulatory framework dedicated to PPP's. We believe that the Solvency II regime and the new provisions on distribution</p>	<p>Partially agreed. Please see EIOPA's resolution in row</p>

			<p>constitute a highly performant and consumer protective regulatory framework fitting also to PPP's.</p> <p>We want to underline that national hurdles (taxation, social and labour law, general good rules ...) constitute significant challenges to the development of PPP's. Without harmonization of these rules, it would be difficult for PPP's to operate on an EU wide basis.</p>	260
263	AEIP	Q7	<p>As underlined in the general comments, we share the goal of supporting the coverage of supplementary pensions. However, we think that a further development of the 2nd pillar or workplace pensions may be a better choice (see also our answer to the consultation paper on PEPP).</p> <p>We support the idea of an in-depth assessment of this issue, but in principle we support policy option 3 consisting on providing only a set of principles leaving Member State discretion on their implementation.</p>	<p>Noted</p> <p>Disagreed. Please see EIOPA's resolution in row 260</p>
264	AFG	Q7	<p>AFG supports EIOPA choice to establish a voluntary 2nd regime for the PEPP. This second regime would have standardised rules with a set of flexible elements on a national level.</p>	<p>Agreed. Please see EIOPA's resolution in row 260</p>
265	Allianz SE	Q7	<p>We agree with EIOPA in so far as a full standardization of all PPPs is entirely disproportionate and prevents flexibility to accommodate specific needs of consumers in specific Member States. For the same reasons Allianz opposes fundamentally the proposed "standardization with defined set of flexible elements": PPPs are highly regulated/harmonized by existing directives/regulations (Solvency II, IDD, POG –included in IDD, MiFID, UCITs) that are partly in implementation – to impose further regulation named "standardization" is at risk to overrule</p>	<p>Agreed. Please see EIOPA's resolution in row 260</p>

			<p>recently adopted laws and to contradict individual consumer needs; see also General Comment.</p> <p>Allianz also does not see the necessity of further harmonization of PPPs, i.e. beyond existing EU-regulations, actually available throughout Member States. We think establishing a 2nd regime (PEPP) would be much more purposeful and realistic. We refer in so far to our comments to EIOPAs CP-15/006 dated 03 07 2016 and to the General Comment above.</p>	
266	AMUNDI	Q7	<p>Yes we do agree with EIOPA's assessment of the policy options' impacts explained in the impact assessment, and especially with the conclusion in section 6, page 82.</p> <p>Amundi also supports EIOPA choice to establish a voluntary 2nd regime for the PEPP. This second regime could have standardised rules with a set of flexible elements on a national level.</p> <p>Once more, we congratulate EIOPA for the high quality of the work achieved with this consultation.</p>	Agreed. Please see EIOPA's resolution in row 260
267	ANASF	Q7	<p>The Consultation Paper considers the possibility to set caps on costs and charges "at least for the default investment option". We do not agree with this proposal, as legal caps would: i) hinder harmonisation and competition; ii) entail the risk of regulatory arbitrage among Member States; iii) inhibit the distribution of PEPPs, leading to very limited penetration in the EU population; iv) possibly prevent product personalisation.</p> <p>With regard to the costs for switching, we agree with EIOPA's assessment (CP, p. 54/110): switching costs should be transparent and not mutualised among all PPP holders, to the detriment of those who are not switching. There should be no</p>	Disagreed. EIOPA believes that, in principle, the level of costs should be regulated. It is up to individual Member States to introduce such requirements in their jurisdiction.

			<p>punitive charges; indeed, switching costs should reflect the costs of the actual transfer.</p> <p>Moreover, ANASF considers that sectoral legislation already provides for requirements relating to remuneration policies (cf. MiFID and CRD), no new requirements are needed. Pursuant to MiFID provisions, we agree with EIOPA's proposal (p. 45/110) that distributors of PPPs should ensure that their remuneration policies, including incentive schemes, and sales targets are aligned with the best interests of potential and existing customers. For the sake of an effective level playing field across different distribution models, we believe that these same requirements should also apply to direct sales by provider staff.</p> <p>Finally, as the current legal framework varies across Member States, an internal market for PPPs cannot be achieved without an effective standardisation of tax treatments. EU institutions and authorities should consider regulatory measures to achieve effective harmonisation of tax treatments: these measures should not be limited to PEPPs, but they should also encompass all 2nd and 3rd pillars pension products.</p>	Noted.
268	APG	Q7	<p>In general we agree with EIOPA's assessment of the policy option impacts.</p> <p>In respect of the Comparison of options (Section 6), Policy issue 1 Standardisation, we support the policy choice by EIOPA for a standardized PPP (providing for solutions for currently inefficient markets) with a defined set of flexible elements (with the capability of meeting national needs and circumstances).</p> <p>On standardisation we agree that when defining the PEPP framework, it is important to find a balance between flexibility and standardisation. We agree with EIOPA that a standardized PEPP with a defined set of flexible elements is the best approach.</p>	Agreed. Please see EIOPA's resolution in row 260

			In respect of the Comparison of options (Section 6), Policy issue 2 Harmonisation or 2nd regime, we support the policy option (as preferred by EIOPA) to establish a voluntary 2nd regime. In this respect we assume that voluntary means that this regime “can be chosen by those Member States that perceive the need for a PEPP on their national markets” (Paragraph 5.1, page 74).	
269	Arbeitsgemeinschaft für betriebliche Altersversorg	Q7	<p>First of all, we would like to address the relationship between Policy Issue 1 and Policy Issue 2. We understand that Policy Issue 1 – Standardisation refers to the objective of the policy: which level of harmonisation is desirable? Once that is decided, the question is how to reach this objective, with Policy Option 2 offering either harmonisation or a 2nd regime as different means to reach the desired objective. If this understanding is correct, we think that EIOPA could have presented this more clearly, e.g. by referring to “objective” and “means to reach the objective” rather than “Policy Issue 1” and “Policy Issue 2”.</p> <p>Turning to the assessment of the policy options’ impacts, we would like to point out that from our perspective an important part of the impact assessment is missing: it currently does not take into account any repercussions on ongoing retirement savings. Individuals might already make contributions to an occupational pension plan or have purchased a personal pension product, to which they regularly contribute. If the PEPP was introduced, individuals might just switch their contributions, rather than saving additionally. This is particularly likely if Member States decided to support the PEPP with tax-incentives. From our perspective, this effect is key in assessing the benefits of the policy proposals, but it is currently missing from the analysis.</p>	Noted. Please see EIOPA's resolution in row 260
270	Association of	Q7	Without a robust a comprehensive cost-benefit analysis of all	

.	British Insurers	<p>five policy options presented by EIOPA to demonstrate that either a PEPP or harmonisation of PPPs would address the lack of pension savings across the EU, we find it difficult to be supportive of any of the options.</p> <p>After considering the options, it would appear that they would all result in an additional burden for providers, and consequently would have a detrimental impact on retirement provision for future pensioners. Furthermore, the options set out could severely undermine competition and innovation.</p> <p>All policy options envisaging a standardisation of PPPs and rules applicable to PPP providers should be dropped (i.e. policy options outlined in paragraphs 4.1.1, 4.1.2, 4.1.3 and 4.2.1). This is a possibility which EIOPA acknowledges in 5.2.1.</p> <p>As mentioned in our responses (industry survey and consultation) to EIOPA's previous consultations on the creation of a standardised pan-European personal pension product (PEPP), we acknowledge that the PEPP (i.e. the policy option outlined in paragraph 4.2.2) could increase the volume of personal pension products sold in certain EU member states and also impact the allocation of funds towards long-term illiquid investments.</p> <p>Nevertheless, the establishment of the PEPP faces significant challenges, particularly in light of close links to areas of national competence (taxation, social and labour law structures, general good rules). Without harmonisation of these rules, which are fundamentally linked to how pensions have developed nationally, we do not see how the PEPP could operate on an EU-wide basis as an initiative that would meet consumer needs.</p> <p>We also note that EIOPA has not fully addressed these particular challenges in the advice but states that the PEPP could 'lead to an evolution of national taxation approaches'.</p>	<p>Agreed. Please see EIOPA's resolution in row 260</p>
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			<p>We find this statement to be premature given that taxation is a member state competence.</p> <p>We would therefore also call for an in-depth legal analysis of the relation between a 2nd regime and national rules. Until this fundamental aspect of the project is clarified and an appropriate cost-benefit analysis is carried out, our final opinion on a PEPP's feasibility cannot be given.</p>	
271	Assogestioni	Q7	<p>As already stated in our response to the EIOPA consultation on the creation of a standardised Pan-European Personal Pension product we agree that the issuance of a 2nd regime would be the best way to achieve the specific goals specified in the Consultation Paper.</p> <p>Nonetheless we believe that the PEPP should be regulated through the issuance of a European Regulation, defining rules exclusively for the product, its manufacturing and distribution process, not introducing any additional requirement on the provider.</p> <p>The European Regulation has been largely and successfully used in recent years as an instrument to harmonize specific pieces of legislation among EU Member States; it is a well-known tool among intermediaries operating in the different Member States and it would undoubtedly facilitate the success of the PEPP initiative. This would also avoid any confusion or misunderstanding on how PEPPs will interact with national social security and labour law as well as with existing national personal pension products' regulations.</p> <p>On the standardization issue, we agree that when defining the PEPP legislative framework, it is important to find a balance between flexibility and standardization: on the one hand, since the PEPP is a pension product, it has to be flexible enough to adapt to the national social security and labour law specificities,</p>	<p>Agreed. Please see EIOPA's resolution in row 260</p> <p>Noted.</p>

			on the other hand if the PEPP has to be sold cross-border it has to be standardized and comparable. The flexible elements should be defined by the PEPP provider in order to respond to the specific needs of consumers.	
272	Better Finance	Q7	<p>We agree with EIOPA's proposals for an appropriate legal and regulatory framework aiming at developing safe, cost-effective and transparent PPPs and PEPP (cf. product features, information provision and conduct of business rules: CP, pages 72/73). Therefore we agree, too, with EIOPA's fundamental choice of a standardized PEPP with flexible elements implemented under a second regime (although we believe EIOPA should eliminate any reference to a «2d Regime ». This wording is not intelligible for EU citizens, as it is not clear if a « 1st regime » already exists in all 28 Member States; cf. our comment on Q2 in PEPP consultation, October 2015).</p> <p>But we consider these fundamental policy options only as minimum standards that have to be clarified and complemented in order to prevent any consumer detriment. In order to achieve a simple, transparent and trustworthy PEPP, additional product features should necessarily be integrated.</p> <p>In our answer to the first PEPP consultation in October 2015 we had already outlined that PEPPs should include these four basic principles (Question 2):</p> <ul style="list-style-type: none"> • The higher the accumulated capital by payments/contributions is, the higher the payouts have to be. • Any PEPPs must guarantee a life-long annuity as one of the decumulation / pay out options (cf. EIOPA's Fact Finding Report on decumulation Phase Practices, October 2014). • At the end of the payment / contribution phase there has to be an open market decision for the consumer for choosing a 	<p>Agreed. Please see EIOPA's resolution in row 260</p> <p>Noted</p>

			<p>provider for the payout phase (possibly free of charge).</p> <ul style="list-style-type: none"> • There has to be a mandatory and fair participation to risk benefits (related to longevity / death risk). <p>Only by adopting these four basic principles, consumers will develop the necessary trust that PEPP is not just another investment saving plan, but it will definitively offer a safe income at retirement. That is the reason why we believe that the EU Authorities should also establish EU-wide transparent, competitive and standardised retail annuities markets; and grant more freedom to pension savers to choose between annuities and withdrawals (but after enforcing a threshold for guaranteed life time retirement income) (cf. Better Finance Briefing Paper on CMU, 6 May 2015, p. 28).</p> <p>A PEPP contract should be a contract with transparent contract clauses related to cooling-off period, early withdrawal, exemption from payment of premiums; participation to benefits; and with several pay-out options (annuities or lump sum) (cf. Better Finance Response to the EC CMU consultation, 13 May 2015, p. 18).</p> <p>In order to ensure a high minimum standard of consumer protection, the terms and conditions of the calculation of the annuity ought to be disclosed and fixed in a mandatory way at the time of the contract subscription (mortality table, participation at risk benefits, fees for any changes of the contract etc.). Regulation of PEPP must include these parameters.</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p>
273	BEUC, The European Consumer Organisation	Q7	BEUC agrees with EIOPA's assessment of the impact of policy options. A standardised Pan-European Pension Product (PEPP) would indeed deliver better outcomes than harmonised regimes for tackling the different problems consumers face in the area of personal pensions across the EU.	Agreed. Please see EIOPA's resolution in row 260

		<p>Consumers need an upgrade in saving for their retirement</p> <p>European consumers increasingly struggle to meet their retirement needs. In the context of a weakening economy and state budget restraints, consumers need to rely more on personal pension products. However, this growing reliance is not matched by an adequate and safe supply of value-for-money products.</p> <p>Personal pension products across the EU, in all their diversity, tend to be overly complex making it difficult for consumers to understand the different risks and returns as well as the costs of these products. Consequently, consumers are faced with:</p> <ul style="list-style-type: none"> - a multitude of fees and charges which have a huge impact on capital accumulation over the life of a pension product and on its profitability, as confirmed by recent research - a reliance on often biased, sales-driven financial advice steering them towards overly expensive products <p>Unsurprisingly, our members identify the personal pensions market as a key concern in retail finance. As laid out in our earlier response to the Green Paper on a Capital Markets Union, we believe there is a strong need for consumers to have an easy access to a cost-effective, transparent and standardised pension product across Europe.</p> <p>The potential of a default personal pension product</p> <p>BEUC fully shares EIOPA's take on consumer behaviour in the personal pensions market as laid out in both this consultation paper and the previous one on the creation of a standardised PEPP. There is mounting evidence, drawing from behavioural economics studies, that cognitive biases fundamentally distort most consumers' ability to make active choices when being</p>	<p>Agreed</p>
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		<p>exposed to overly complex information and extensive choice in the pensions market.</p> <p>Consequently, EIOPA's suggestion to propose a default option for consumers in a standardised PEPP is an important step in the right direction. Evidence from workplace pension schemes in the UK, which include a default option, shows its tremendous policy potential: 99% of pension holders are in the default fund.</p> <p>Offering a well-designed default option would represent a welcome shift in regulatory thinking in the broader retail investment area. As we have stated earlier, using only traditional tools of investor protection such as disclosure and conduct rules is not sufficient for addressing failure in inefficient markets. Therefore, a more interventionist approach including a default investment option is an important building block in restoring investor trust, which should be a prime policy objective in the Commission's plan for establishing a Capital Markets Union.</p> <p>Features of a well-designed PEPP</p> <p>BEUC broadly agrees with the main features of a PEPP as proposed by EIOPA. The key components of a consumer-friendly PEPP are:</p> <ul style="list-style-type: none"> - One default core investment option: having a simple, transparent and cost-effective default investment option with a high level of consumer protection is the most important aspect of a standardised PEPP. The default option should include a life-cycle strategy with de-risking during the accumulation phase. <p>More engaged consumers should in turn have access to a limited number of additional investment options to match their specific profile. However, it must be clear that these additional options should entail high consumer protection standards and</p>	<p>Noted</p>
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		<p>should not be prone to regulatory arbitrage.</p> <ul style="list-style-type: none"> - No mandatory guarantees in the default investment option: no guarantees should be mandatory in the default investment option. Integrating guarantees in a personal pension product tends to raise product complexity and the associated costs with it for consumers. A 0% minimum return guarantee mostly does not benefit consumers, taking into account the long duration of personal pension products and the related inflationary pressure. This said, guarantees should remain an option for some specific categories (e.g. for consumers buying a PEPP when approaching retirement age). - Possibility of non-advised sales: the default investment option should be easily accessible for consumers, without necessarily requiring investment advice. A highly-standardised PEPP, with an inherent high-level of built-in consumer protection caters well for non-advised distribution, herewith avoiding the costs and pitfalls inherent to many forms of investment advice. In order to accommodate non-advised sales, the default investment option should be regarded as non-complex under MiFID and IDD. - Switching: consumers need to have the possibility to switch providers and/or products, at a low cost. Especially in light of the long-term duration of a PEPP, locking in consumers would be detrimental to healthy competition. Consumers need to be able to adapt to changing life circumstances or have access to better offerings on the market. - Cap on costs: as laid out before, charges have a huge impact on the return of long-term personal pension products. Therefore we advocate strongly for including a standardised cap on costs in the standardised PEPP, at least in the default option, which is an essential part of this framework. 	
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		<p>In its initial consultation paper, EIOPA proposed to include such a cap in the PEPP framework and we are really concerned that EIOPA now proposes this cap to be a “flexible element”, on the basis of stakeholders’ reaction to the initial consultation paper. In this perspective EIOPA did acknowledge that very few end-users took part in the consultation.</p> <ul style="list-style-type: none"> - Independent watchdog committee: we support EIOPA’s suggestion of setting up independent watchdog committees acting in the sole interest of PEPP holders to monitor PEPP’s investment approach and assess its value for money. <p>Why an optional regime is preferable in this particular market</p> <p>In general, we believe that a 29th regime or optional regime should be handled with serious caution in the realm of consumer protection. Providing intermediaries an optional framework to operate could potentially undermine existing (national) consumer protection provisions. Therefore we would like to point out that any step towards a standardised PEPP should not automatically lead to the creation of a 29th regime in other consumer policy fields (e.g. CESL, Insurance contract law).</p> <p>However, in this particular market of personal pensions, we back a 29th regime in light of:</p> <ul style="list-style-type: none"> - the difficulty in taking a harmonising approach: as current national markets for personal pensions are so different, the adjustment costs and time needed would be huge. - the lack of enthusiasm for a harmonising approach: current national personal pension markets reflect national specificities in terms of welfare provision. - the poor market outcomes for consumers across the EU in the personal pensions area, which could be mitigated by a 	<p>Agreed</p> <p>Agreed</p> <p>Noted</p> <p>Noted</p> <p>Partially agreed. Please see EIOPA’s resolution in row 260</p> <p>Noted</p>
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			<p>29th regime, especially in those Member States which see the need for a standardised PEPP on their national markets.</p> <p>In this perspective we will need to make sure that a standardised PEPP entails very high consumer protection standards, which cannot undermine any national standards. To this end, the following steps should be undertaken and conditions met:</p> <ul style="list-style-type: none"> - An analysis of how the PEPP relates to EU legislation (and their national implementation) such as the Directive on Distance Selling of Financial Services, the Directive on Unfair Commercial Practices and the Directive on Unfair Contract Terms etc.; - A regulatory impact assessment on how the PEPP relates to other national consumer protection standards for financial products, including private international law. 	Noted
274	BIPAR	Q7	<p>With regard to PEPP in the form of a second regime and as already explained in our response to EIOPA consultation on PEPP, BIPAR is not convinced of the added value that the concept of a second regime for a PEPP could offer.</p> <p>We believe that the benefits for consumers as presented in the consultation papers do not seem to be very convincing. The impact of differences in national legislation, e.g. tax regulations, social insurance regulations, even if they are mentioned in the papers, seem underestimated. We wonder how a second regime can be created or how EU citizens will be able to see the added value of a PEPP over a national PPP without those fields of regulation being discussed in detail. Tax and social security factors will continue to impact the system and potentially remain a main barrier.</p> <p>We also wonder whether the costs will not exceed the benefits.</p>	<p>Noted</p> <p>Disagreed. Please see EIOPA's resolution in row 260</p> <p>Noted</p>

		<p>A cost-benefits analysis will definitely be necessary. We believe that before concluding that a second regime is the best option, it would be necessary to study the other options in detail, establish a clear list of obstacles and identify those that would remain if a second regime is not established.</p> <p>The move into a world of more individual choice, control and responsibility with regard to pension planning, points to a greater need for individual guidance with pension planning. Pensions are arguably the most complex and important financial products that a person will purchase. But the guidance aspect is not only important because of the fact that a product is complex or simple but because the situation of the investor is complex and never standardized. Especially in this field it is necessary to have a close look to the interdependence of a pension product and the personal situation of a PPP holder, also with view to the legal and tax environment. A PEPP will need to fit into the mix of the existing family situation, investment portfolio, patrimonium, etc. Therefore we believe that there will be a need for personalized guidance, and this in the different stages of the life of a PEPP/PPP.</p> <p>We also wish to stress the importance of the need of a level playing field between all distribution channels and providers. This is also important for consumers, who need a level regulatory playing field to ensure that all their pensions are adequately protected, irrespective of the provider or channel of distribution used.</p> <p>We would feel that harmonisation cannot facilitate more efficient cross border activities and cannot achieve a true Single Market for personal pensions if it hinders intermediaries providing advice on PEPP. It should be the choice of the consumer to choose for any type of distribution channel and technique. We believe it is necessary to consider that - however</p>	<p>Noted</p> <p>Agreed.</p> <p>Agreed. EIOPA does not favour one distribution channel over the other</p> <p>Noted</p>
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			standardised a product may be - it will always require some level of service, not only towards the consumer but also towards the manufacturer / provider.	Agreed
275	Bund der Versicherten (BdV-German Association of t	Q7	<p>We agree with EIOPA's proposals for an appropriate legal and regulatory framework aiming at developing safe, cost-effective and transparent PPPs and PEPP (cf. product features, information provision and conduct of business rules: CP, pages 72/73). Therefore we agree, too, with EIOPA's fundamental choice of a standardized PEPP with flexible elements implemented under a second regime (although we believe EIOPA should eliminate any reference to a «2d Regime ». This wording is not intelligible for EU citizens, as it is not clear if a « 1st regime » already exists in all 28 Member States; cf. our comment on Q2 in PEPP consultation, October 2015).</p> <p>But we consider these fundamental policy options only as minimum standards that have to be clarified and complemented in order to prevent from any consumer detriment. In order to achieve a simple, transparent and trustworthy PEPP, additional product features should necessarily be integrated.</p> <p>In our answer to the first PEPP consultation in october 2015 we had already outlined that PEPPs should include these four basic principles (Question 2):</p> <p><input type="checkbox"/> The higher the accumulated capital by payments/contributions is, the higher the pay-outs have to be.</p> <p><input type="checkbox"/> Any PEPPs must guarantee a life-long annuity as one of the decumulation / pay out options (cf. EIOPA's Fact Finding Report on Decumulation Phase Practices, October 2014).</p> <p><input type="checkbox"/> At the end of the payment / contribution phase there has to be an open market decision for the consumer for choosing a provider for the pay-out phase (possibly free of charge).</p>	<p>Agreed. Please see EIOPA's resolution in row 260</p> <p>Noted</p>

			<p><input type="checkbox"/> There has to be an obligatory participation at risk benefits (related to longevity / death risk).</p> <p>Only by adopting these four basic principles, consumers will develop the necessary thrust that PEPP is not just another investment saving plan, but it will definitively offer an safe income at retirement. That is the reason why we believe that the EU Authorities should also establish EU-wide transparent, competitive and standardised retail annuities markets; and grant more freedom to pension savers to choose between annuities and withdrawals (but after enforcing a threshold for guaranteed life time retirement income) (cf. Better Finance Briefing Paper on CMU, 6 May 2015, p. 28).</p> <p>A PEPP contract should be a contract with transparent contract clauses related to cooling-off period, early withdrawal, exemption from payment of premiums; participation to benefits; and with several pay-out options (annuities or lump sum) (cf. Better Finance Response to the EC CMU consultation, 13 May 2015, p. 18).</p> <p>In order to ensure a high minimum standard of consumer protection, the terms and conditions of the calculation of the annuity ought to be disclosed and fixed in an obligatory way at the moment of the contract subscription (mortality table, participation at risk benefits, fees for any changes of the contract etc.). Product regulation of PEPP must include this parameters (cf. our answer on Q3 for PEPP consultation in October 2015).</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p>
276	Deutsche Aktuarvereinigung e.V. (DAV)	Q7	DAV suggests that all policy options envisaging a standardisation of PPPs and rules applicable to PPP providers should be dropped (i.e. policy options outlined in paragraphs 4.1.1, 4.1.2, 4.1.3 and 4.2.1). This is a possibility EIOPA also acknowledges in 5.2.1.	Partially agreed. Please see EIOPA's resolution in row 260

			<p>With respect to the standardised PEPP product (i.e. the policy option outlined in paragraph 4.2.2), the recommendations on a 2nd regime for PEPP could be appropriate. DAV welcomes EIOPA's aspiration to develop PEPP products as long-term savings products to provide consumers with a possibility of old-age provision which at product level harmonises the minimum requirements providers have to fulfil in all EU Member States.</p> <p>In brief, our main recommendations regarding PEPP are:</p> <ul style="list-style-type: none"> • instead of developing a stand-alone authorisation requirement, PEPP providers should be subject to one of the existing authorisation regimes • the main target of PEPP should be to provide an adequate level of lifelong income during retirement. • as a consequence, a focus on long-term investments appears reasonable • further, a life-long annuity should be the default option for the decumulation phase • a minimum guarantee will contribute to limit investment risk • an additional biometric risk cover should be possible, e.g. protection against occupational disability. • EIOPA should clearly articulate whether PEPPs to apply to the occupational pillar. Further, more importantly, demarcations to existing products (considering existing second pillar arrangements as well) should be carefully scrutinised in advance – since they would impinge on local social and tax laws. 	<p>Noted</p> <p>EIOPA confirms that PEPPs do not apply to the occupational pensions pillar</p>
277	European Fund	Q7	EFAMA agrees with the outcomes outlined by EIOPA in its	Agreed. Please see

	and Asset Management Association (EF)		<p>impact assessment:</p> <ul style="list-style-type: none"> o Full harmonisation of PPPs is not desirable. <p>Full harmonisation would interfere with national pension solutions. It goes beyond the European Union remit of competences.</p> <ul style="list-style-type: none"> o A standardised PPP with some flexible elements (PEPP) is the best option. <p>Standardisation facilitates cross-border activity for the provider and enhances simplicity for the consumer.</p> <p>The advantage of this solution is the combination of the desired advantages of standardisation in a currently inefficient market with the flexibility and adaptability that is needed on a currently highly divergent market in Europe.</p> <ul style="list-style-type: none"> o A 2nd regime can establish the PEPP. <p>A 2nd regime can create a PEPP without harmonising national PPPs. The advantages of the standardised PPP with flexible elements can only be fully reaped through the use of a 2nd regime. Such regime can overcome more obstacles to cross-border activities than a harmonisation option.</p>	EIOPA's resolution in row 260
278	Federation of the Dutch Pension Funds	Q7	Given the answers above the PF abstains from answering this question.	Noted
280	Financial Services User Group (FSUG)	Q7	We agree with EIOPA's proposals for an appropriate legal and regulatory framework aiming at developing safe, cost-effective and transparent PPPs and PEPP (cf. product features, information provision and conduct of business rules: CP, pages 72/73). Therefore we agree, too, with EIOPA's fundamental choice of a standardized PEPP with flexible elements	Agreed. Please see

		<p>implemented under a second regime (although we believe EIOPA should eliminate any reference to a «2d Regime ». This wording is not intelligible for EU citizens, as it is not clear if a « 1st regime » already exists in all 28 Member States.</p> <p>But we consider these fundamental policy options only as minimum standards that have to be clarified and complemented in order to prevent any consumer detriment. In order to achieve a simple, transparent and trustworthy PEPP, additional product features should necessarily be integrated.</p> <p>PEPPs should include these four basic principles:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The higher the accumulated capital by payments/contributions is, the higher the payouts have to be. <input type="checkbox"/> Any PEPPs must guarantee a life-long annuity as one of the decumulation / pay out options (cf. EIOPA's Fact Finding Report on decumulation Phase Practices, October 2014). <input type="checkbox"/> At the end of the payment / contribution phase there has to be an open market decision for the consumer for choosing a provider for the payout phase (possibly free of charge). <input type="checkbox"/> There has to be a mandatory and fair participation to risk benefits (related to longevity / death risk). <p>Only by adopting these four basic principles, consumers will develop the necessary trust that PEPP is not just another investment saving plan, but it will definitively offer a safe income at retirement. That is the reason why we believe that the EU Authorities should also establish EU-wide transparent, competitive and standardised retail annuities markets; and grant more freedom to pension savers to choose between annuities and withdrawals (but after enforcing a threshold for guaranteed life time retirement income).</p> <p>A PEPP contract should be a contract with transparent contract</p>	<p>EIOPA's resolution in row 260</p> <p>Noted</p> <p>Noted</p>
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			<p>clauses related to cooling-off period, early withdrawal, exemption from payment of premiums; participation to benefits; and with several pay-out options (annuities or lump sum). A simple and cost effective Default option' must be included. In addition some key features should be included in particular cap on charges and advice free delivery, at least for the default option.</p> <p>In order to ensure a high minimum standard of consumer protection, the terms and conditions of the calculation of the annuity ought to be disclosed and fixed in a mandatory way at the time of the contract subscription (mortality table, participation at risk benefits, fees for any changes of the contract etc.). Regulation of PEPP must include these parameters.</p>	<p>Noted</p> <p>Noted</p>
281	German Insurance Association (GDV)	Q7	<p>Policy options</p> <p>Standardisation</p> <p>Policy options 4.1.1, 4.1.2, 4.1.3: Standardisation of all personal pension products across the EU is neither practicable nor desirable, independently of the level of standardisation. Member States are responsible for the design of pension systems and the corresponding definition of pension products. In light thereof, the GDV questions whether any of the policy options considered would bring improvements to personal pension markets in Europe.</p> <p>Harmonisation or 2nd regime</p> <p>Policy option 4.2.1: Additional or duplicative regulation could result in providers refraining from offering products as personal pension products and, thus, decreasing consumers' choice by reducing the number and range of products offered to</p>	

		<p>consumers. It also entails the risk of regulatory arbitrage between Member States and between products labelled as personal pensions and non-pension products. Furthermore, they could severely undermine competition and financial innovation. This is detrimental to the objectives of increasing personal pension uptake and promoting a single market for personal pensions.</p> <p>Policy option 4.2.2: The GDV believes that a framework for a voluntary, additional European pension product in form of a 2nd regime (PEPP) would be beneficial for consumers, if the product features and regulation are set in an appropriate way. It could promote choice and increase trust in pension products in some Member States. A PEPP could also facilitate cross-border business. Such framework should, however, not be misinterpreted in the sense of prescriptive standardization of terms for PEPP. The variety of national pension products should not be reduced by introducing an additional concept of minimum product standards for EU-pass-portable products in order to maintain choice of products for consumers. Therefore, German insurers welcome that the suggested PEPP features try to find a balance between standardisation, flexible elements and national product requirements which are necessary to adapt to consumers' needs and expectations.</p> <p>However, there remain many open questions regarding, for instance, the interlinkages of a 2nd regime with areas of national competence (taxation, social law structures, contract law, general good rules). Those questions are paramount to providers but were not addressed in EIOPA's advice. In addition, it remains unclear how a level playing field between different providers could be achieved. EIOPA's proposals to use existent authorisation regimes for providers on the one hand, and imposing capital requirements with focus on the product</p>	<p>Agreed. Please see EIOPA's resolution in row 260</p> <p>Noted</p>
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		<p>and not on the provider, on the other hand, appear inconsistent. German insurers believe, that the “same risks, same rules” principle should apply to ensure a level-playing field between all providers and adequate level of consumer protection. Until a more detailed analysis is provided, the GDV finds it too early to assess the impact of a 2nd regime.</p> <p>Comments on the recommended product features for a PEPP</p> <p>Decumulation: German insurers urge to make the provision of decumulation options a mandatory feature of a PEPP. PEPPs should provide a lifelong income in retirement as a default option, while additional options may include other pay-out structures. Only then the PEPP would provide a true pension product. The GDV is afraid that at EU level only a limited number of product features is chosen just for fostering simplicity of products and difficulties of properly regulating them.</p> <p>The provision of decumulation options ensures that consumers benefit from steady income in retirement and that they do not risk running out of money when they get older than expected. There are different types of annuities on the market, for instance with collective investment strategies and collective risk sharing that mitigate risks within the pool of PEPP holders and also over time.</p> <p>Including the decumulation phase into the regulation would also enable PEPP providers to invest in long-term assets and benefit from illiquidity premiums.</p> <p>Switching: The GDV welcomes EIOPA’s proposal that market values should be transferred, particularly if providers, fully or partially, bear some investment risks. German insurers welcome that EIOPA acknowledges that consumers can gain higher returns through illiquidity premiums if they invest in</p>	<p>With regard to responses relating to PEPP - Please refer to EIOPA’s final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p>
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		<p>long-term saving products. Each switching leads to inevitable cancellation outlays due to divesting the illiquid assets. In addition, it should be noted that additional charges arise if the product provides for biometric risk cover. Where investments and/or risks are pooled, the interests of the leaving and remaining members of the collective need to be balanced. In these cases, premium price adjustments are needed which are justified in accordance with actuarial principles. Therefore, such early redemption fees should not be treated as costs but rather as price adjustments.</p> <p>Investment options: A product with a limited risk of capital loss through a protection against high market volatility by means of guarantees on accumulated capital at maturity or guaranteed minimum annuity is particularly suitable as a default option. The decision about permitted default options should take into account that products with guarantees offer a higher level of protection than life-cycling strategies or balanced funds. In the latter, consumers are exposed to the risk of losing their capital and therefore having a lower retirement income than expected. Furthermore, long-term collective investments where premiums paid are pooled into a life fund should be also considered as a default option, since they offer at least a comparable level of protection to consumers as life cycling strategies with de-risking.</p> <p>Cap on Costs and Charges: A pre-defined cost structure and cost cap would artificially narrow down and limit the supply and diversity of PEPPs. Of course, German insurers welcome transparency of costs (see below). The costs disclosure and corresponding performance scenarios are more significant indicators for the assessment of a product. A product with lower costs is not necessarily the more suitable one, since the more expensive product might outperform this cheaper one.</p>	
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		<p>Therefore, not costs alone but the cost-benefit-ratio should be considered.</p> <p>Information requirements (see also Q4): A PEPP KID should focus on key information and indicators relevant for people saving for their retirement. Although the questions proposed for the structure of the KID at p32-33 could be a good starting point for a basic structure of a PEPP KID, the technical standards for the indicators should not be copy pasted from PRIIPs KID, because the latter is designed for speculative short-term and medium-term investment products.</p> <p><input type="checkbox"/> Risk indicator: The specificities of PEPPs should be duly taken into account:</p> <ul style="list-style-type: none"> o PEPPs are long-term products and, therefore, long-term risk/reward measures should apply. o The risk range of PEPPs will be in general narrower than the risk range of PRIIPs. Therefore, a measure is needed which can discriminate products with low risk. o For pension products, consumers are interested in the probability of loss at maturity. A volatility-based, or in general, UCITS-based measure is not suitable, in particular if a PEPP has a guarantee. o Therefore, forward-looking probabilistic modelling should be considered for determining the risk/reward indicator of a PEPP. The parameters should be prescribed, be based on appropriate long-term average values and not on current market prices. <p><input type="checkbox"/> Performance scenarios: A what-if prescribed approach with defined scenarios is valid and meaningful for PEPPs. It is of utmost importance that consumers understand the performance</p>	
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			<p>scenarios. However, we would like to mention that it would be impossible but also irresponsible by the PEPP provider to state the exact performance in the very long term. In our view, a main goal of the performance scenarios is the indication, that the exact performance of the product is not certain.</p> <p><input type="checkbox"/> Costs: Costs should be disclosed in a transparent, comparable and understandable way. Due to the very long term of most PEPPs, only annualised costs together with a suitable cost indicator such as reduction in yield can be meaningfully compared. It should be also embedded in a cost-benefit consideration.</p> <p>It is of utmost importance that the biometric risk premium is not considered to be part of the costs and is not included in the cost section of the KID. Premiums for protection against biometric risks are not part of the costs, since consumers receive insurance benefits for these payments and should, therefore, be deemed as a 'price' for the insurance cover and shown separately.</p> <p>An integrated representation of costs and performance is indispensable.</p>	
282	Institute and Faculty of Actuaries	Q7	<p>The IFoA supports EIOPA's view that a standardised PPP with flexible elements is preferable to all other policy options in respect of standardisation (policy option 1). This reflects the different levels of market conditions in MS.</p> <p>The IFoA also supports EIOPA's conclusion for policy issue 2 in respect of a voluntary second regime. A voluntary second regime would have no impact on those providers who did not wish to offer a PEPP. This would be of particular benefit to mature markets, such as the UK, where providers may not have much incentive to offer a PEPP.</p>	Agreed. Please see EIOPA's resolution in row 260
283	Insurance Europe	Q7	Insurance Europe questions whether any of the policy options	Disagreed. Please

		<p>considered in EIOPA's impact assessment would bring improvements to personal pension markets in Europe, and ultimately to consumers. In addition, we find that most of the policy options would result in an additional burden and could have a significantly detrimental impact on retirement provision for future European pensioners. Furthermore, they could severely undermine competition and financial innovation.</p> <p>In light thereof, the insurance industry suggests that all policy options envisaging a standardisation of PPPs and rules applicable to PPP providers should be dropped (ie policy options outlined in paragraphs 4.1.1, 4.1.2, 4.1.3 and 4.2.1). This is a possibility EIOPA acknowledges in 5.2.1.</p> <p>As mentioned in our response to EIOPA's previous consultation on the creation of a standardised pan-European personal pension product (PEPP), we acknowledge that the PEPP (ie the policy option outlined in paragraph 4.2.2) may potentially increase the volume of personal pension products sold in certain EU member states and also impact the allocation of funds to long-term illiquid investments. Nevertheless, the establishment of the PEPP faces significant challenges, particularly in light of close links to areas of national competence (taxation, social and labour law structures and general good rules). Without harmonisation of these rules, which are fundamentally linked to how pensions have developed nationally, we do not see how the PEPP could operate on an EU-wide basis. We note that EIOPA has not fully addressed these particular challenges in the advice.</p> <p>Insurance Europe would therefore favour an in-depth legal analysis of the relation between a 2nd regime and national rules. Until this fundamental aspect of the project is clarified and an appropriate cost-benefit analysis is carried out, a final opinion on a PEPP's feasibility cannot be given.</p>	<p>see EIOPA's resolution in row 260</p> <p>With regard to responses relating to PEPP - Please refer to EIOPA's final advice on PEPP (February 2016 consultation paper on development of single EU market for PPPs)</p>
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			<p>Insurance Europe believes that it is of utmost importance to ensure that EU policymakers carefully and thoroughly assess the potential benefits for consumers of this initiative. Overregulation may hamper product innovation and diversity, which results in less choice for consumers. Furthermore, it can reduce available funding to finance the economy and growth.</p> <p>Moreover, in order for the PEPP to be potentially beneficial to the retirement prospects of consumers and to the EU economy, European insurers strongly believe that:</p> <ul style="list-style-type: none"> <input type="checkbox"/> In the spirit of creating a Capital Markets Union, and so to generate funding for long-term investments, the PEPP would need to allow providers to generate long-term liabilities. This means that consumers should be incentivised to keep saving for a long period, ideally until retirement. Insurance Europe asserts that minimum investment periods should be included in the PEPP framework. <input type="checkbox"/> PEPP providers should be subject to an appropriate prudential treatment that takes into account PEPP's long-term horizon and specific features. Insurance Europe maintains that the "same risks, same rules" principle should apply to ensure a level-playing field between all providers. For PEPPs with minimum return guarantees and/or biometric risk coverage, the applicable framework should be Solvency II. However, it should be ensured that insurers' ability to manage market volatility in the long-term is duly taken into account. <input type="checkbox"/> The PEPP would need to come with the option for the consumer to ask for additional biometric risk coverage, either during the accumulation phase or decumulation phase (taking into account national practices). <input type="checkbox"/> Since pension products are generally defined by their 	
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			<p>objective to provide an income in retirement, the protection of longevity risk should be considered among the options offered to consumers, in line with national rules.</p> <p><input type="checkbox"/> From a consumer protection perspective, the PEPP should entail an appropriate level of security for policyholders.</p>	
284	Mefop, Assofondipensione and Assoprevidenza	Q7	<p>We share the goal of EU institutions to support the coverage of supplementary pensions. However it has to be made without trigger members (effective and potential) to be worse off. That expectation is particularly relevant in countries where the provision of PPPs is already well developed and regulated. We are afraid that the 2nd regime as though by Eiopa will, in the end, only represents a threaten for the welfare of members (effective and potential), at least in those countries.</p> <p>In light of the aforementioned concerns we support the idea to further in-depth assess the issue in order to provide a «one size fit all» PEPP regime really able to provide an adequate care for members/consumers (effective and potential), but in principle we are in favour of policy option 3 of provide only a set of principles leaving MS complete discretion.</p>	Disagreed. Please see EIOPA's resolution in row 260
285	PensionsEurope	Q7	<p>Yes. On standardization, we agree that when defining the PEPP framework, it is important to find a balance between flexibility and standardisation. We agree with EIOPA that a standardized PEPP with a defined set of flexible elements is the best approach.</p> <p>Yes, we also agree with EIOPA that a voluntary 2nd regime, which gives the option to national Member States to implement the PEPP-regime in their legislations, is better than harmonization.</p> <p>However, we would like to point out that from our perspective</p>	<p>Agreed. Please see EIOPA's resolution in row 260</p> <p>Noted</p>

			<p>an important part of the impact assessment is missing: it currently does not take into account any repercussions on ongoing retirement savings. Individuals might already make contributions to an occupational pension plan or have purchased a personal pension product, to which they regularly contribute. If the PEPP was introduced, individuals might just switch their contributions, rather than saving additionally. This is particularly likely if Member States decided to support the PEPP with tax-incentives. From our perspective, this effect is key in assessing the benefits of the policy proposals, but it is currently missing from the analysis.</p>	
286	Pensionskasse der Mitarbeiter der Hoechst-Gruppe V	Q7	<p>First of all, we would like to clarify the relationship between Policy Issue 1 and Policy Issue 2. We understand that Policy Issue 1 – Standardisation refers to the objective of the policy: which level of harmonisation is desirable? Once that is decided, the question is how to reach this objective, with Policy Option 2 offering either harmonisation or a 2nd regime as different means to reach the desired objective. If this understanding is correct, we think that EIOPA could have presented this more clearly, e.g. by referring to “objective” and “means to reach the objective” rather than “Policy Issue 1” and “Policy Issue 2”.</p> <p>Turning to the assessment of the policy options’ impacts, we would like to point out that from our perspective an important part of the impact assessment is missing: it currently does not take into account any repercussions on ongoing retirement savings. One might already make contributions to an occupational pension plan or have purchased a personal pension product on an individual basis to which he or she regularly contributes. If the PEPP was introduced, individuals might just switch their contributions, rather than saving additionally. This is particularly likely if Member States decided to support the PEPP with tax-incentives. From our perspective,</p>	<p>Noted. Please see EIOPA's resolution in row 260</p>

			this effect is key in assessing the benefits of the policy proposals, but it is currently missing from the analysis.	
287	Prof. Dr. Hans van Meerten & Elmar Schmidt of Utre	Q7	Yes. The presented assessment of the options, along with its conclusion, represents a good tradeoff between the pursued goal and the options available. A standardized PPP with flexible elements accommodated in a 2nd regime alongside the diverse landscape of current national PPP options yields seems to be the best outcome as compared to the other options.	Agreed
288	Society of Actuaries in Ireland	Q7	We agree with the impact assessment set out in Annex I.	Agreed
289	Standard Life plc	Q7	<p>In order for providers to be able to consider designing a PEPP product or consider distribution across the EU within a second regime, EIOPA must first reconcile the taxation and general good barriers. Any second regime would have to work on a voluntary basis, providers in member states could not be forced to offer contracts on the second regime.</p> <p>For Standard Life, taxation and compliance with the general good will continue to be prohibitive factors in our participation in a PEPP market, for reasons of cost and regulatory risk. These factors will continue to outweigh the commercial motivations for launching a PEPP until they are resolved.</p> <p>As explained in our previous submissions, we are supportive of improving the existing Rome I framework for the sale of a Pan-European Long-term Savings product (PELS). We would particularly encourage the standardisation of all pre-contractual requirements throughout the EU or allowing 'home state' laws to be applied, in particular to ensure certainty as to when the cooling-off period should begin.</p>	<p>Noted</p> <p>Agreed</p> <p>Noted</p> <p>Noted</p>

			<p>For these reasons, Standard Life's view is that focusing on improving the Rome I framework to facilitate a PEELS product would be a more achievable solution for improving retirement savings in the EU than designing a second regime for a PEPP which we anticipate will not develop successfully until the identified critical barriers are harmonised. Given this depends on the harmonisation of social and labour laws, we do not see this as a realistic short or medium term goal. We cannot agree therefore with EIOPA's assertion on page 62 that "A 2nd regime regulation instead of harmonizing current Directive to define European standards can be regarded as the optimal solution to keep the costs low, by avoiding legal uncertainty and gold-plating by Member States." Further, EIOPA's assertions relating to taxation on page 76 in the context of the attractiveness of the PEPP in the form of a second regime ignore the issues highlighted in their 2014 preliminary report (EIOPA-BoS-14/029) and as highlighted above in response to question 2.</p>	<p>Disagreed. Please see EIOPA's resolution in row 260</p> <p>Noted</p> <p>Noted</p>
290	The Investment Association	Q7	<p>As stated in our general comments at the start of this response, the Investment Association agrees with the broad outcomes outlined by EIOPA in its impact assessment:</p> <p><input type="checkbox"/> A standardised PPP with some flexible elements – otherwise known as the PEPP. Standardisation facilitates cross-border activity for the provider and should enhance simplicity and lower costs for the consumer.</p> <p><input type="checkbox"/> A second regime to regulate the PEPP, at the product level. This will allow for the definition of a PEPP with a core degree of standardisation – the need for a default strategy, a limited number of investment options, and standardised disclosure. A product level regulation can create a PEPP without the need to harmonise national PPPs, which we believe is neither desirable nor feasible.</p>	<p>Agreed. Please see EIOPA's resolution in row 260</p>

291	The Pensions Advisory Service	Q7	<p>We broadly accept the assessment of the impact on policy options. We accept that taxation represents a significant hurdle and feel more work could be done on making reciprocal tax treaties understandable to consumers. Many tax treaties are binary in their outcome over pensions, either all pension income is taxed by the country of tax residence (for example as in UK-France reciprocal tax treaty) or the pensions are taxed by the country they originate in (for example as in the UK-Belgium reciprocal tax treaty). An understanding of cross-border taxation forms a vital part of the customer journey and is where most explanation is often needed for people who contact TPAS.</p> <p>We have also noted that consumers retiring outside of the UK with UK pensions are experiencing significant difficulty obtaining regulated advice and suitable decumulation options. TPAS has extensive experience in dealing with consumers faced with such issues.</p> <p>Public Financial Guidance is strong in the UK and TPAS and Pension Wise could offer free impartial guidance to members of the public on PEPPs and continue to do so on UK PPPs. Guidance often fills the advice gap that exists in many markets in the EEA, for those that cannot afford regulated advice or are considered low value to the advice firms. Where people can afford to take regulated advice, they may not trust the advice, so they value guidance for these reasons. In other scenarios it may be that guidance simply informs and educates people before they seek out recommendations from a regulated adviser. Where Public Financial Guidance is promoted by government and regulators and signposted to by providers and distributors it can mitigate some of the asymmetrical informational risk effects of a cross-border PPP market and PEPPs.</p>	<p>Agreed. Please see EIOPA's resolution in row 260</p> <p>Agreed</p> <p>Noted</p> <p>Noted</p>
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292	Vanguard Asset Management, Limited	Q7	<p>Overall, Vanguard agrees with EIOPA's assessment of the policy options' impacts, particularly in the following important areas:</p> <p><input type="checkbox"/> Full harmonisation is not necessary to continue these important PEPP efforts. As explained in our general comments above, we would urge EIOPA and the Commission to continue work toward establishing the legal framework for the development of PEPPs through a voluntary 2nd regime. We believe that a 2nd regime can be created without a first step of harmonising national PPPs and that such a regime can overcome obstacles to cross-border activities.</p> <p><input type="checkbox"/> A PEPP regime with a relatively standard target date core option is fundamental to the success of a PEPP. In our view, a PEPP regime with the standardised element of a default or "core" investment option that adopts a life-cycle approach with derisking (also known as a target date approach) would serve the needs of the overwhelming majority of potential PEPP savers.</p>	<p>Agreed. Please see EIOPA's resolution in row 260</p> <p>Noted</p>
293	Verbraucherzentrale Bundesverband – vzbv	Q7	<p>We agree with Eiopa's assessment of the policy options impact. A standardised Pan-European Pension Product would indeed promise better outcomes than harmonised regimes for tackling the divergent problems consumers face in the area of personal pensions across the EU.</p> <p>The potential of a default personal pension product</p> <p>We fully shares Eiopa's take on consumer behaviour in the personal pensions market as laid out in both this consultation paper and the previous one on the creation of a standardised PPP. Indeed, there is mounting evidence, drawing from behavioural economics studies, that cognitive biases fundamentally distort the majority of consumer's ability to</p>	<p>Agreed. Please refer to EIOPA's resolutions in row 260</p> <p>Agreed</p>

		<p>make active choices when being exposed to overly complex information and extensive choice in the pensions market.</p> <p>Consequently, Eiopa's suggestion to propose a default option for consumers in a standardised PPP is a fundamental step in the right direction. Evidence from workplace pension schemes in the UK, which include a default option, shows its tremendous policy potential: 99% of pension holders are in the default fund.</p> <p>Offering a well-designed default option would represent a welcome shift in regulatory thinking in the broader retail investment area. As we have stated earlier, using only traditional tools of investor protection such as disclosure and conduct rules is not sufficient for addressing failings in an inefficient markets. Therefore, a more interventionist approach including a default investment option is an important building block in restoring investor trust, which should be a prime policy objective in the Commission's plan for establishing a Capital Markets Union.</p> <p>Features of a well-designed PPP</p> <p>BEUC broadly agrees with the main features of a PPP as proposed by Eiopa. In this section we will briefly highlight which key components of a PPP are crucial in terms of better serving consumers.</p> <ul style="list-style-type: none"> - One default core investment option: as laid before, having a simple, transparent and cost-effective default investment option, with an appropriate level of consumer protection is the most important aspect of a standardised PPP. The default option should include a life-cycling strategy with de-risking during the accumulation phase. <p>More engaged consumers should in turn have access to a limited number of additional investment options to match their</p>	<p>Agreed</p> <p>Agreed</p> <p>Agreed</p>
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		<p>specific profile. However, it must be clear that these additional options should equally entail high consumer protection standards and not should be prone to regulatory arbitrage.</p> <ul style="list-style-type: none"> - No mandatory guarantees in the default investment option: we would like to point out that no guarantees should be mandatory in the default investment option during the accumulation period. Integrating guarantees in a personal pension products tends to raise product complexity and the associated costs with it for consumers. A 0% minimum return guarantee mostly does not benefit consumers, taking into account the long duration of personal pension products and the related inflationary pressure. This said, guarantees should remain an option for some specific categories (e.g. for consumers buying a PPP when approaching retirement age). - Possibility of non-advised sales: the default investment option should be easily accessible for consumers, not necessarily requiring investment advice. A highly-standardised PPP, with an inherent high-level of built-in consumer protection caters well for non-advised distribution, herewith avoiding the costs and pitfalls inherent to many forms of investment advice. In order to accommodate non-advised sales, the default investment option should be regarded as non-complex under Mifid and IDD. - Switching: consumers need to have the possibility of switching between providers and/or products, at a fair cost. Especially in the light of the long-term duration of a PPP, locking in consumers will be detrimental for healthy competition. Consumers need to be able to adapt to changing life circumstances or have access to better offerings on the market. Further more by offering an open market option for the decumulation period strict rules for the switching costs are needed. In Germany we had a strong discussion on switching 	<p>Agreed</p> <p>Agreed</p> <p>Agreed</p> <p>Noted</p>
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			<p>cost charged by the old provider (“Good bye costs”) and charged by the new provider (“Hello costs”). From our point of view these charges must be reasonable and adequate. For Riester-Rente a cap for “Good bye costs” of 150 Euro is introduced (Art. 1 (I) 3 AltZertG). We see a strong need to limit the Hello costs as well. Consumers should not be charged twice when transferring their capital to a new provider. Therefore “Good bye costs” and “Hello costs” has to be limited by 150 Euro at most.</p> <p>- cap on costs: as laid out before, charges have a huge impact on the return of long-term personal pension products. Therefore we advocate strongly for including a standardised cap on costs in the standardised PPP, at least in the default option, which is an essential part of this framework.</p> <p>In its initial consultation paper, Eiopa proposed to include such a cap in the PPP framework and we are really concerned that Eiopa now proposed this cap to be a “flexible element”, on the basis of stakeholders’ reaction to the initial consultation paper. In this perspective it is worth pointing out that Eiopa acknowledges that end-user’s input was very limited in this earlier occasion.</p> <p>- Independent watchdog committee: we would like to support the Eiopa’s suggestion of setting up independent watchdog committees acting in the sole and best interest of PPP holders to monitor the PPP’s investment approach and assess its value for money</p>	<p>Partially agreed, EIOPA advises that – at Member State level – a cap on costs can be introduced</p> <p>Noted</p> <p>Noted</p>
294	Willis Towers Watson	Q7	<p>EIOPA should undertake research to assess what conditions would apply in relation to obtaining beneficial tax treatment in each Member State and compliance with each country’s social and labour law before assessing whether there is any merit in trying to develop a 2nd regime product. Our concern is that a</p>	<p>Noted. Please see EIOPA’s resolution in row 260</p>

			lot of time and effort will be spent developing a common framework for governance, disclosure and conduct of business rules only to find that 28 separate country requirements still need to be met.	
295	Fachverband der Österreichischen Pensionskassen	Annex I : Impact Assessment	See above	
296	Arbeitsgemeinschaft für betriebliche Altersversorg	Annex I : Impact Assessment	The impact assessment is short, lacks an evidence base as well as detail and coherent arguments. We understand that currently there is no clear definition of what constitutes a PPP or even a PEPP (see our criticism above), which makes it difficult to assess the impact of the regulation. This makes a strong case to first define what constitutes a PPP and a PEPP, and only then work on a thorough impact assessment. However, as shown in the General Comment, this would create new problems because the Member States would not be able to tailor the PPPs / the PEPP according to the needs of their overall retirement system.	Noted Please refer to EIOPA's February 2014 Preliminary Report "Towards an EU-single market for PPPs" (Chapter 2.3)
297	Association of British Insurers	Annex I : Impact Assessment	We would reiterate the points we made in relation to question 7 that without a robust and comprehensive cost-benefit analysis of all five policy options presented by EIOPA to demonstrate that either a PEPP or harmonisation of PPPs would address the lack of pension savings across the EU, we find it difficult to be supportive of any of the options. We find EIOPA's impact assessment, at present, insufficient in supporting either harmonisation of PPPs or the introduction of the PEPP.	Noted Noted
298	European Fund and Asset Management	Annex I : Impact Assessment	Please refer to our 'General Comments' and our answer with regard to the feedback provided 7.	Noted

	Association (EF	nt		
299	ICI Global	Annex I : Impact Assessme nt	We agree with EIOPA's assessment, as we discuss in more detail below.	Agreed
300	Mefop, Assofondipension e and Assoprevidenza	Annex I : Impact Assessme nt		
301	Pensionskasse der Mitarbeiter der Hoechst-Gruppe V	Annex I : Impact Assessme nt	We recognize that currently there is no clear definition of what constitutes a PPP or even a PEPP (see our criticism above), which makes it difficult to assess the impact of the regulation. This makes a strong case to first define what constitutes a PPP and a PEPP, and only then work on a thorough impact assessment. However, as shown in the General Comment, this would create new problems because the Member States would not be able to tailor the PPPs / the PEPP according to the needs of their overall retirement system.	Please refer to EIOPA's February 2014 Preliminary Report "Towards an EU-single market for PPPs" (Chapter 2.3)
302	Fachverband der Österreichischen Pensionskassen	Section 1. Procedural issues and consultatio n of i	See above	Noted
303	Arbeitsgemeinsch aft für betriebliche Altersversorg	Section 1. Procedural issues and consultatio n of i	EIOPA states that the impact assessment is "undertaken according to an Impact Assessment methodology" (p. 77). Which methodology is that? The impact assessment does not seem methodologically sound to us. Regarding the previous consultation which closed in October 2015, EIOPA states « Most responses came from the insurance and asset management industry, whereas consumer	Noted Noted - please see footnote 8 that gives an overview

			<p>representatives' input was fairly limited." (p. 77) This seems to be an important issue when considering whether the introduction of the PEPP is in the best interest of individuals. We therefore wonder which measures have been taken to ensure that the interests of individuals have been taken into account.</p> <p>The quote above also shows who has a strong interest in the introduction of a PEPP: the insurance and asset management industry. With this in mind, we wonder why EIOPA places such an importance on already mature markets – in other words, markets with plenty of supply: "However, EIOPA would add that taxation hurdles should be tackled, to give providers significant incentives to provide products cross-border. Especially in mature markets with well-recognised PPPs by providers and consumers, opening up possibilities for wider participation amongst potential PEPP providers will be important " (p. 75). Put differently, why is it particularly important that providers can offer the PEPP in mature markets where a lot of individuals already hold PPPs? The argument that there is a lack of supply seems not to apply to those cases;</p> <p>other factors such as a lack of money are much more likely to prevent individuals from taking out a PPP. To us this suggests that there is a focus on the providers rather than on the individual consumer and beneficiary.</p> <p>In our submission to the last consultation we emphasised that the main issue for cross-border activities – taxation – cannot be addressed at European level. We welcome that this view was shared by the other stakeholders (p. 77).</p>	<p>of Stakeholders. Consumer organisations were well represented in the February – April public consultation</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>
304	Better Finance	Section 1. Procedural issues and	Taking in consideration EIOPA's assessment related to the first PEPP consultation until October 2015 that « consumer representatives' input was fairly limited », we would like to	Agreed

		consultation of i	stress that at least Better Finance and der Bund der Versicherten– as consumer representatives - had provided detailed and comprehensive comments.	
305	Bund der Versicherten (BdV-German Association of t	Section 1. Procedural issues and consultation of i	Taking in consideration EIOPA's assessment related to the first PEPP consultation until October 2015 that « consumer representatives' input was fairly limited », we would like to stress that at least Better Finance and our association – as consumer representatives - had published detailed and comprehensive comments.	Agreed
306	European Fund and Asset Management Association (EF	Section 1. Procedural issues and consultation of i	Ibid.	Noted
307	ICI Global	Section 1. Procedural issues and consultation of i	We agree that EIOPA has engaged in a thorough consultation process with stakeholders.	Agreed
308	Fachverband der Österreichischen Pensionskassen	Section 2. Problem definition	See above	
309	Arbeitsgemeinschaft für betriebliche Altersversorgung	Section 2. Problem definition	EIOPA uses “the current situation in relation to personal pensions in Europe” as the baseline scenario for comparing policy options. We would like to emphasise that from our perspective an important part of the baseline is missing in EIOPA's analysis: it currently does not take into account any repercussions on ongoing retirement savings. Individuals might already make contributions to an occupational pension plan or	Noted

		<p>have purchased a personal pension product, to which they regularly contribute. In Germany for example, about 60 percent of employees in the private and public sector are active members of an occupational pension scheme. Over 16.3 million people have pension saving contracts and benefit from “Riester incentives” (BMAS figures). If the PEPP was introduced, individuals might just switch their contributions, rather than saving additionally. This is particularly likely if Member States decided to support the PEPP with tax-incentives. From our perspective, this effect is key in assessing the benefits of the policy proposals, but it is currently missing from the analysis.</p> <p>Linked to this point, EIOPA seems to assume that individuals have enough income left to save. This is not the case for all Member States, and even in Member States with relatively high average incomes, there are likely to be significant groups of individuals (those earning the minimum wage; holding temporary contracts; working part-time etc.) who are not in a position to set extra money aside. The impact assessment does not seem to take into account these issues.</p> <p>EIOPA identified the following advantages and challenges, we have inserted our comments following the arrows in blue:</p> <ul style="list-style-type: none"> <input type="checkbox"/> “addressing principal agent conflicts and information asymmetry, as shortcomings of an inefficient market, by introducing disclosure requirements, improving product comparability and good governance;” <input type="checkbox"/> A more efficient way of reducing or even avoiding principal agent conflicts altogether would be to foster occupational pensions. In general employers or where applicable social partners have more know-how and clout when negotiating the conditions of a pension plan than if it is just an individual taking out a pension plan. 	<p>Noted</p> <p>Noted</p> <p>Noted</p>
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			<input type="checkbox"/> “efficiency gains through economies of scale and opportunities for risk diversification as well as for competition and innovation;” <input type="checkbox"/> Does it really make sense to set up completely new EU regulation in order to reap economies of scale – wouldn’t it be much more obvious to foster existing solutions and helping them grow? To the contrary, such a new regime could lead to a fragmentation of retirement schemes and thus weaken the existing Europe-wide systems of retirement provision. <input type="checkbox"/> “facilitating cross-border activities and reducing obstacles to further the Single Market;” <input type="checkbox"/> Since their inception, German Riester-products can also be offered by providers from other EU Member States (see above). In addition, this is unlikely to be achieved by supervisory law alone, as we have laid out in the General Comment, taxation is the crux of the matter. <input type="checkbox"/> “opportunity for multi-pillar diversification.” (all quotes from p. 78) <input type="checkbox"/> In some Member States, these opportunities exist already; in others, there is a lack of an occupational pillar. However, that is not addressed by this project. Overall, we therefore think that the focus on a PEPP is wrong, and that EIOPA should rather strengthen the existing form of funded retirement provision: occupational pensions.	EIOPA believes both private retirement savings pillars should be - where necessary - strengthened Noted Noted
310	Better Finance	Section 2. Problem definition	Cf. our General Comments for this consultation and for the first PEPP consultation in October 2015.	Noted

311	Bund der Versicherten (BdV-German Association of t	Section 2. Problem definition	Cf. our General Comments for this consultation and for the first PEPP consultation in October 2015.	Noted
312	European Fund and Asset Management Association (EF	Section 2. Problem definition	Ibid.	Noted
313	ICI Global	Section 2. Problem definition	<p>In evaluating the impact of its proposed solutions, EIOPA has defined the problem as PPPs being governed by a wide range of European Directives (e.g., Solvency II, CRD IV and CRR, IOPR Directive and UCITS) and by the national legal frameworks. EIOPA's powers are only within the scope of two of these Directives, and the design of pension systems in Member States and the role of PPPs within those diverge greatly in the EU and the EEA (February Consultation at 78).</p> <p>We agree that this definition describes a problem that impedes the development of an EU single market for PPPs.</p>	Partially agreed. Please see EIOPA's resolution in row 260
314	PensionsEurope	Section 2. Problem definition	EIOPA uses "the current situation in relation to personal pensions in Europe" as the baseline scenario for comparing policy options. We would like to emphasise that from our perspective an important part of the baseline is missing in EIOPA's analysis: it currently does not take into account any repercussions on ongoing retirement savings. Individuals might already make contributions to an occupational pension plan or have purchased a personal pension product, to which they regularly contribute. If the PEPP was introduced, individuals might just switch their contributions, rather than saving additionally. This is particularly likely if Member States decided to support the PEPP with tax-incentives. From our perspective,	

			<p>this effect is key in assessing the benefits of the policy proposals, but it is currently missing from the analysis.</p> <p>Linked to this point, EIOPA seems to assume that individuals have enough income left to save. This is not the case for all Member States, and even in Member States with relatively high average incomes, there are likely to be significant groups of individuals (those earning the minimum wage; holding temporary contracts; working part-time etc.) who are not in a position to set extra money aside. The impact assessment does not seem to take into account these issues.</p>	<p>Noted</p> <p>Noted</p>
315	Fachverband der Österreichischen Pensionskassen	Section 3. Objective pursued	See above	Noted
316	Arbeitsgemeinschaft für betriebliche Altersversorg	Section 3. Objective pursued	<p>The PPP envisaged by EIOPA should be safe, transparent and cost-effective (see bullet points on p. 78). Obviously it should deliver the desired outcomes for consumers, and providers need to be able to make a profit in order to offer the product in the first place. In addition, EIOPA envisages that PPPs play a role in fostering an efficient and functioning Capital Markets Union. Is it realistic that PPPs can achieve all this?</p> <p>Regarding the product characteristics which EIOPA deems desirable, we would like to point out that occupational pensions in many Member States (2015 Market development report on occupational pensions and cross-border IORPs) already consist of safe and cost-effective provision.</p>	Noted
317	Better Finance	Section 3. Objective pursued	Cf. our comments on Q2 above (« consumer centric approach ») and on Q2 (« 2nd regime ») of the first PEPP consultation in October 2015.	

318	Bund der Versicherten (BdV-German Association of t	Section 3. Objective pursued	Cf. our comments on Q2 above (« consumer centric approach ») and on Q2 (« 2nd regime ») of the first PEPP consultation in October 2015.	
319	European Fund and Asset Management Association (EF	Section 3. Objective pursued	Ibid.	
320	German Insurance Association (GDV)	Section 3. Objective pursued	<p>Regarding the objective pursued (section 3), the GDV shares the objectives in principle, but has strong reservations regarding the explanations for the objectives “transparent products” and “cost-effective products”:</p> <p><input type="checkbox"/> Transparent products: The GDV supports a high degree of transparency on the features of all pension products – personal as well as occupational. Consumers find it difficult to assess and make decisions about their retirement savings, because of a high level of uncertainty regarding their future (individual circumstances over the short and long-term, economic developments, coverage through e. g. public and occupational pensions and other sources of retirement income). Although simpler products might look more transparent, they would not necessarily deliver adequate pensions. Personal pension products are designed to reduce certain risks and uncertainties, according to consumers’ needs and preferences. Such products might be rather sophisticated in their design, but this is beneficial for consumers, rather than detrimental. EIOPA suggests that a standard product would help consumers solving their questions on the need to save and on the extent to which additional savings are required. The GDV does not share this opinion. In addition, in the view of the GDV, product information documents are not the appropriate means to</p>	<p>Noted</p> <p>Please refer to EIOPA’s resolutions to the same</p>

			<p>address consumers' questions about sufficient retirement savings. Such more general information needs to be provided by different means, by advisors etc.</p> <p><input type="checkbox"/> Cost-efficient products: The assessment did not show how the proposed features for standardisation would increase cost-efficiency. Costs depend on the product features and regulatory requirements. Standardisation could even increase costs, due to new features or new compliance mechanisms that need to be established. A product-specific regulatory framework on top of provider specific regulation or duplicative requirements also increases costs.</p>	<p>comment made in row 24</p> <p>Noted</p>
321	ICI Global	Section 3. Objective pursued	EIOPA's recommendations are consistent with its objective to formulate technically sound ideas that would facilitate creation of a functioning single market for personal pensions.	Agreed
322	Fachverband der Österreichischen Pensionskassen	Section 4. Policy options	See above	
323	AEIP	Section 4. Policy options	We think that EIOPA's statements are contradictory. After having concluded that the policy option of creating a 2nd regime is the best solution, EIOPA notes that this might create confusion for the consumers, costs for supervising two regimes and a risk of regulatory arbitrage.	Noted, EIOPA does not believe referring to potential risks and issues when discussing a favoured policy option necessarily constitutes a contradiction
324	Arbeitsgemeinschaft für	Section 4. Policy	First of all, we would like to address the relationship between Policy Issue 1 and Policy Issue 2. We understand that Policy	

	betriebliche Altersversorg	options	<p>Issue 1 – Standardisation refers to the objective of the policy: which level of harmonisation is desirable? Once that is decided, the question is how to reach this objective, with Policy Option 2 offering either harmonisation or a 2nd regime as different means to reach the desired objective. If this understanding is correct, we think that EIOPA could have presented this more clearly, e.g. by referring to “objective” and “means to reach the objective” rather than “Policy Issue 1” and “Policy Issue 2”.</p> <p>We generally do not support neither harmonisation nor the introduction of a 2nd regime. The requirements for products to fall under attractive tax rules, which vary by Member State and function of the personal pension, should be determined at the national level. The tax framework mainly depends on the financial means available as well as on the level and structure of state and occupational pensions in each Member State.</p> <p>EIOPA states that « none of the proposals and concepts proposed are expected to have any negative impact aggravating the challenges of the current baseline. » (p. 79). This only refers to personal pensions, however, EIOPA should also consider the impact on wider retirement provision, in particular on the second pillar (see our comments above on the baseline scenario).</p>	<p>Noted</p> <p>Noted</p>
325	Association of British Insurers	Section 4. Policy options	We would reiterate the points we made in relation to question 7 that without a robust and comprehensive cost-benefit analysis of all five policy options presented by EIOPA to demonstrate that either a PEPP or harmonisation of PPPs would address the lack of pension savings across the EU, we find it difficult to be supportive of any of the options.	Noted - EIOPA's Impact Analysis (IA) was of a qualitative, not a quantitative nature.
326	Better Finance	Section 4. Policy options	Cf. our comments on Q7 above and on Q3 (challenges of consumer protection) of the first PEPP consultation in October 2015.	

327	Bund der Versicherten (BdV-German Association of t	Section 4. Policy options	Cf. our comments on Q7 above and on Q3 (challenges of consumer protection) of the first PEPP consultation in October 2015.	
328	European Fund and Asset Management Association (EF	Section 4. Policy options	Ibid.	
329	German Insurance Association (GDV)	Section 4. Policy options	<p>All policy options regarding standardisation (4.1.1, 4.1.2, 4.1.3): Standardisation of all personal pension products across the EU is neither practicable nor desirable, independently of the level of standardisation. Member States are responsible for the design of pension systems and the corresponding definition of pension products. In light thereof, the GDV questions whether any of the policy options considered would bring improvements to personal pension markets in Europe.</p> <p>Policy option 4.2.1: Additional or duplicative regulation could result in providers refraining from offering products as personal pension products and, thus, decreasing consumers' choice by reducing the number and range of products offered to consumers. It also entails the risk of regulatory arbitrage between Member States and between products labelled as personal pensions and non-pension products. Furthermore, they could severely undermine competition and financial innovation. This is detrimental to the objectives of increasing personal pension uptake and promoting a single market for personal pensions.</p> <p>Policy option 4.2.2: The GDV believes that a framework for a voluntary, additional European pension product in form of a 2nd regime (PEPP) would be beneficial for consumers, if the product features and regulation are set in an appropriate way. It could</p>	<p>Agreed – please refer to EIOPA's resolution in row 1</p> <p>Noted</p>

			<p>promote choice and increase trust in pension products in some Member States. A PEPP could also facilitate cross-border business. Such framework should, however, not be misinterpreted in the sense of prescriptive standardization of terms for PEPP. The variety of national pension products should not be reduced by introducing an additional concept of minimum product standards for EU-pass-portable products in order to maintain choice of products for consumers. Therefore, German insurers welcome that the suggested PEPP features try to find a balance between standardisation, flexible elements and national product requirements which are necessary to adapt to consumers' needs and expectations.</p> <p>However, there remain many open questions regarding, for instance, the interlinkages of a 2nd regime with areas of national competence (taxation, social law structures, contract law, general good rules). Those questions are paramount to providers but were not addressed in EIOPA's advice. In addition, it remains unclear how a level playing field between different providers could be achieved. EIOPA's proposals to use existent authorisation regimes for providers on the one hand, and imposing capital requirements with focus on the product and not on the provider, on the other hand, appear inconsistent. German insurers believe, that the "same risks, same rules" principle should apply to ensure a level-playing field between all providers and adequate level of consumer protection. Until a more detailed analysis is provided, the GDV finds it too early to assess the impact of a 2nd regime.</p>	<p>Agreed</p> <p>The areas of national competence do not lie within EIOPA's/the EU's remit</p> <p>Noted. EIOPA does not propose to impose capital requirements with focus on the product.</p>
330	ICI Global	Section 4. Policy options	<p>EIOPA has considered two policy issues: (1) product standardisation, and (2) harmonisation or 2nd regime. (February Consultation at 79). On the product standardisation, EIOPA has considered a fully standardised PPP, a partially standardised PPP with a defined set of flexible elements, and a</p>	

		<p>principle-governed PPP that leaves complete discretion on the PPP design to providers and Member States.</p> <p>EIOPA's recommendation that a PEPP should have a combination of standardised and flexible features strikes the right balance between facilitating the need to adapt to consumers' needs and accommodate specificities of Member States (e.g., guarantee and fee cap requirements), whilst still enabling providers to benefit from economies of scale and cost-efficiencies.</p> <p>On the standardisation elements, we agree that a PEPP should have one default "core" investment option (e.g., a life-cycle strategy), with a few additional investment options. See our response to the EIOPA's 2015 consultation on the PEPP creation at https://www.iciglobal.org/pdf/15_icig_eiopa_pepp_consultation_itr.pdf.</p> <p>We also support EIOPA's view that standardised disclosures would benefit consumers and providers alike, and that PRIIPs KID is a good starting point for developing standard disclosures, although some adjustments may be required. Standardised disclosures would help consumers compare products, including on a cross-border basis, and the comparability could increase competition. Standardised disclosures also would help the mobile workforce, as consumers would see the same information, regardless of the Member State they are in. Standardised disclosures would help providers minimise preparation and compliance costs.</p> <p>We concur that guarantees and fee caps should be optional.</p> <p>On harmonisation, EIOPA considered full harmonisation of PPP rules, or a voluntary 2nd regime (PEPP) that sits beside national PPP regulation. We agree that the 2nd regime is the</p>	<p>Agreed</p> <p>Agreed</p> <p>Agreed</p> <p>Agreed</p>
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			<p>best fit for implementing a partially-standardised PPP approach, as it avoids the need to harmonise pension rules in all Member States and it is likely to be more effective at overcoming issues (such as taxation) that currently impede cross-border activities.</p> <p>To illustrate, we envisage that many tax issues arising from Member States' different requirements for retirement savings tax incentives can be addressed through standardised PEPP tax information reporting. Specifically, we envisage annual reporting to retirement savers' residence tax authorities, and to the retirement savers themselves, of contributions to, investment return on, and withdrawals from PEPPs. To the extent that a Member State provides tax incentives for PPPs, and the PEPP satisfies the applicable requirements, standardised reporting would ensure tax compliance and a level playing field. An annual statement showing contribution amounts, for example, would allow tax authorities to confirm that a retirement saver did not claim an excess contribution deduction without requiring that all Member States provide the same limit (or even permit tax-deductible PEPP contributions).</p>	Noted
331	Mefop, Assofondipensione and Assoprevidenza	Section 4. Policy options	<p>We underline that EIOPA statements about impact on stakeholder of a 2nd regime seems to be a little bit contradictory.</p> <p>In fact EIOPA asserts that it is very difficult to harmonize PPP's national rules because they are very different and, as solutions it suggests to create a 2nd regime that overrules this rules, because a 2nd regime would not impose any costs for consumers or disadvantages in term of consumer protection. But EIOPA itself in the same paragraph « notes » that it could be a possibility of risk confusion for consumers and costs to supervising two regimes as well as risk of regulatory arbitrage.</p>	Noted, EIOPA does not believe referring to potential risks and issues when discussing a favoured policy option necessarily constitutes a contradiction

			Nevertheless, no answers are given about that and it seems that providers reasons, especially about costs are the driving ones	
332	PensionsEurope	Section 4. Policy options	EIOPA states that « none of the proposals and concepts proposed are expected to have any negative impact aggravating the challenges of the current baseline. » (p. 79). This only refers to personal pensions, however, EIOPA should also consider the impact on wider retirement provision, in particular on the second pillar (see our comments above on the baseline scenario).	Noted
333	Standard Life plc	Section 4. Policy options	<p>Two policies issues have been identified in this section: 1) standardisation and 2) harmonisation or 2nd regime.</p> <p>With regards to the first policy issue and for the reasons more fully explained at Q2, Standard Life supports policy option 3 – a savings product governed by a set of principles, leaving complete discretion on the design of the product to providers and member states.</p> <p>Standardisation of PPP features in general represents an inappropriate policy option given that PPPs are inherently tied to individual member states' taxation, national labour and social laws. Cross-border provision of PPPs will not occur as different tax and general good rules continue to exist across the EU. Standardisation of PPP would increase the regulatory burden and would lead to the development of less cost-effective products. This would have negative effects on customers' ability to save for their retirement.</p> <p>As mentioned above, we are supportive of improving the existing Rome I framework for the sale of a Pan-European Long-term Savings product (PELS). We would particularly encourage the standardisation of all pre-contractual</p>	<p>Noted</p> <p>Agreed – please refer to EIOPA's resolution in row 1</p> <p>Noted</p>

			<p>requirements throughout the EU or allowing 'home state' laws to be applied, in particular to ensure certainty as to when the cooling-off period begins.</p> <p>With regards to the second policy issue whereby EIOPA's preferred policy option 2 - i.e. establishing a 2nd (or 29th) regime for personal pensions - Standard Life believes that such a regime will not function until the critical issues of taxation and national competence which result in differing mandatory requirements across the EU and different social and labour laws are resolved.</p>	Noted
334	Fachverband der Österreichischen Pensionskassen	Section 5. Analysis of impacts	See above	
335	Arbeitsgemeinschaft für betriebliche Altersversorg	Section 5. Analysis of impacts	<p>Overall, we would like to reiterate our criticism of the baseline scenario: the analysis of impacts should take into account how the changes would affect current behaviour, both in relation to occupational and personal pensions. Another question which is not addressed is whether the impacts would vary across Member States.</p> <p>This section is already very short, and within this short section, the sentence "EIOPA's analysis covered the effects on both consumers and providers." is repeated five times. It is not followed up with any significant statements or evidence on what the effect of the policy option in question would actually be for consumers and providers.</p> <p>As we have stated in our previous responses, pension systems vary hugely across the EU. Personal pension products therefore vary across the EU as well. They differ in terms of tax treatment, coverage, regulation and many other factors</p>	<p>Noted</p> <p>Noted</p> <p>Agreed</p>

			<p>according to the function they have in the overall pension system. From our perspective it is of paramount importance that the Member States have the possibility to define the requirements for state financed incentives for personal pension products as they see fit for their pension system, rather than following EU-level rules.</p> <p>EIOPA states that „Positive impacts of improving the regulation of personal pensions would be positive for consumers“ (p. 81). We do not consider this to be a sound analysis – a positive impact after improving is always positive.</p>	<p>Noted</p> <p>Noted</p>
336	Association of British Insurers	Section 5. Analysis of impacts	<p>We find EIOPA's impact assessment, as present, insufficient in supporting either harmonisation of PPPs or the introduction of the PEPP. We would urge that further detailed analysis is conducted to demonstrate that there is sufficient EU-wide consumer demand in any of these policy options.</p> <p>Similarly, we remain unconvinced that there is sufficient provider interest in providing the PEPP across the EU.</p>	<p>Noted</p> <p>Noted</p>
337	Better Finance	Section 5. Analysis of impacts	<p>Cf. our comments on Q3 (distribution rules) and on Q4 (disclosure rules) above as well as on Q5 (number of investment options), on Q14 (disclosure elements), on Q15 (internet sale), on Q16 (appropriateness test), on Q18 (biometric risk coverage), on Q19 (cap on costs and charges) of the first PEPP consultation in October 2015.</p>	
338	Bund der Versicherten (BdV-German Association of t	Section 5. Analysis of impacts	<p>Cf. our comments on Q3 (distribution rules) and on Q4 (disclosure rules) above as well as on Q5 (number of investment options), on Q14 (disclosure elements), on Q15 (internet sale), on Q16 (appropriateness test), on Q18 (biometric risk coverage), on Q19 (cap on costs and charges) of the first PEPP consultation in October 2015.</p>	
339	European Fund	Section 5.	Ibid.	

.	and Asset Management Association (EF)	Analysis of impacts		
340	German Insurance Association (GDV)	Section 5. Analysis of impacts	Until a more detailed analysis on the many remaining objects is provided, the GDV finds it too early to assess the impact of a 2nd regime.	Noted
341	ICI Global	Section 5. Analysis of impacts	In summary, while full harmonisation and standardisation at a Member State level have theoretical benefits, they are hard to achieve, given the existing laws and practices.	Agreed
342	PensionsEurope	Section 5. Analysis of impacts	<p>Overall, we would like to reiterate that analysis of impacts in the baseline scenario should take into account how the changes would affect current behaviour, both in relation to occupational and personal pensions. Another question which is not addressed is whether the impacts would vary across Member States.</p> <p>This section is already very short, and within this short section, the sentence "EIOPA's analysis covered the effects on both consumers and providers." is repeated five times. It is not followed up with any significant statements or evidence on what the effect of the policy option in question would actually be for consumers and providers.</p> <p>EIOPA states that „Positive impacts of improving the regulation of personal pensions would be positive for consumers" (p. 81). We do not consider this to be a sound analysis – a positive impact after improving is always positive.</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p>
343	Fachverband der Österreichischen Pensionskassen	Section 6: Comparison of options	See above	

344	Arbeitsgemeinschaft für betriebliche Altersversorgung	Section 6: Comparison of options	From our perspective it is impossible to seriously compare the policy options relating to a market as complex as the one for personal pensions on half a page. The missing points identified above should be included in the comparison of options.	Noted
345	Better Finance	Section 6: Comparison of options	Cf. our comments on Q7 above as well as on Q2 (« 2nd regime ») and on Q17 (level of standardization) of the first PEPP consultation in October 2015.	
346	Bund der Versicherten (BdV-German Association of t	Section 6: Comparison of options	Cf. our comments on Q7 above as well as on Q2 (« 2nd regime ») and on Q17 (level of standardization) of the first PEPP consultation in October 2015.	
347	European Fund and Asset Management Association (EF	Section 6: Comparison of options	Ibid.	
348	ICI Global	Section 6: Comparison of options	See Answers to 4 and 5, above.	
349	PensionsEurope	Section 6: Comparison of options	From our perspective it is impossible to seriously compare the policy options relating to a market as complex as the one for personal pensions on half a page. The missing points identified above should be included in the comparison of options.	Noted