

Summary of Comments EIOPA Discussion Paper on a possible EU-single market for personal pension products/ DP-13-001

EIOPA-TFPP-14-001
16 January 2014

EIOPA would like to thank ABI, ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI, APFIPP – Associação Portuguesa de Fundos de Invest, Arbeitsgemeinschaft für betriebliche Altersversorgung, Asset management of Slovenska sporitelna, ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo, Association of the Luxembourg Fund Industry, Assogestioni, Austrian Insurers' Association (VVO), BIPAR, Bulgarian Association of supplementary pension sec, EFAMA, EIOPA Occupational Pensions Stakeholder Groups (OP, Fédération Française des Sociétés d'Assurance, FSUG, German Insurance Association (GDV), Groupe Consultatif, Insurance Europe, Investment Management Association, Ministry of Finance of the Czech Republic, National Association of Pension Funds (NAPF), NL- Ministry of Finance, Nordic Financial Unions, PensionsEurope

PensionsEurope represents national, Pensionskasse der Mitarbeiter der Hoechst-Gruppe V, Slovak Association of Fund Management Companies (S, Slovak Insurance Association, The Finnish Pension Alliance / Työeläkevakuuttajat, and UNI Europa Finance

The numbering of the paragraphs refers to Discussion Paper No. 001 (EIOPA-DP-13/001)

No.	Name	Reference	Comment	Resolution
1.	ABI	General Comment	<p>The ABI welcomes the opportunity to respond to EIOPA's discussion paper on a possible EU-single market for personal pension products (PPPs).</p> <p>Pensions are inextricably linked to social policy and are shaped by national social and labour laws. Pension products are developed in line with national taxation systems, which are unique to Member States, and which lie in the competence of Member States. It is therefore unsurprising that pensions differ greatly across Member States. There are risks to any intervention at an EU level which would remove the ability of Member States to regulate according to the features of their own market and which could impede them from</p>	Noted

			<p>developing solutions in response to a lack of savings, such as the recent introduction of auto-enrolment in the UK. This policy was introduced to help address the savings gap in the UK and to help people save more for their retirement and has the support of all the main political parties, insurers and unions.</p> <p>While we can understand there is some appetite to carry out work on PPPs, we do not believe this should be done at an EU level given the regulatory and structural challenges in doing so. Rather, we see a role for EIOPA or the European Commission in encouraging the exchange of experience and good practice between Member States through utilising the open method of co-ordination. Individual Member States have a lot to offer each other through sharing their experiences with pension reform.</p> <p>There is also no evidence of widespread consumer demand for such products and given the costs involved with a change in regime, it seems perverse that the mass of consumers should therefore suffer the costs of creating a market that so few will ever wish to participate in and where the economics of providing cross border schemes seem to mean that few if any providers would wish to participate in such a market.</p> <p>We strongly urge EIOPA and the European Commission to consider and acknowledge these concerns before any decision is taken on whether to regulate PPPs at an EU level.</p>	<p>Noted. Please see section 1.4 of Report</p> <p>Noted. Please see section 1.4 of Report</p>
2.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	General Comment	ANASF (Associazione nazionale promotori finanziari) is the only category association that represents only tied agents and counts over 12,000 members. The Association has been a member of the FECIF, Federation of Financial Advisors and Financial Intermediaries for over ten years.	Noted.

			ANASF welcomes the opportunity of taking part in the aforementioned consultation answering some of the questions raised by your Authority.	
3.	APFIPP – Associação Portuguesa de Fundos de Invest	General Comment	<p>The sustainability of social security systems and the adequacy of pensions are issues on the top of the agenda of all EU Member States, as demographic constraints and also the financial and economic crisis have put under great pressure national systems/budgets.</p> <p>To address this major challenge, besides the need for the development of a mandatory and strong 2nd Pillar, we consider to be essential the development of 3rd Pillar products. Moreover, this will also contribute to increase the awareness of the European citizens towards their responsibility in the preparation of their retirement, as well as to the need of saving during their working years to ensure an adequate level of pension in the future.</p> <p>Taking this in consideration, we think that the initiative of creating a common framework for setting up a PPP - Personal Pension Product at the EU level is definitely a move forward in the future of pensions.</p> <p>We firmly believe that such a product should be based on substance rules, that is, it should have common characteristics and specific rules (such as type of assets allowed, limits, and so on). For the success of this European project, we consider that the EU PPP should be based on four pillars:</p> <p>I. Long Term – The product should only allow redemptions at a certain age or moment (for example, redemption would only be possible on the following situations: i) At the age of 65; ii) Once the participant retires (either based on age or sickness); iii) Death, in which case the beneficiaries/or successors could redeem.</p> <p>II. Transversal/not exclusive – The product should be universal in the sense that it can be presented either as: a Investment Fund, Pension Fund, or Life Insurance (with the advantage of all having a legal</p>	<p>Noted</p> <p>Noted. Please see sections 7.2 to 7.5 of Report</p>

			<p>framework already established at the EU level).</p> <p>III. Safety - The product should be seen and perceived as a product with some risk limitations. Although safety is of course a very subjective matter, and under particular market conditions one can reach different conclusions about it, we think the product should be based on specific rules in terms of investments allowed, observing principles of diversification and spreading of risk, as well as be consistent with the prudential principle of security, profitability and liquidity of the applications made.</p> <p>IV. Tax Regime – To stimulate long term retirement savings, it is fundamental that the EU PPP have an attractive tax regime. The EU PPP would be ideally totally tax free (both at the vehicle and at the participant level). This would facilitate portability and at the same time it would prevent any tax arbitrage between Member States due to different tax regimes.</p> <p>To limitate the benefit of the tax advantages offered, a limitation of the percentage of benefit or a maximum can be set in terms of the annual amount of subscriptions allowed per investor. This would be a Model eEE (that is, partial exempt) or, alternatively, it can be partially taxed tEE.</p> <p>Note: We have concentrated our responses on the issues which we felt to be more relevant.</p>	
4.	Arbeitsgemeinschaft für betriebliche Altersversorg	General Comment	<p>Summary</p> <p>The aba welcomes the early EIOPA discussion paper on a possible EU-single market for personal pension products. While the aba recognises the role of personal pensions, we would like to emphasise the following general points:</p> <p><input type="checkbox"/> Demographic developments paired with cuts in state pension</p>	Noted. Please see section 1.4 of Report

			<p>provision create the need to supplement 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 those taking out a private pension, members and beneficiaries of occupational pensions are mainly protected through social and labour law.</p> <p><input type="checkbox"/> Before the next consultation is conducted, EIOPA should answer the following question: What are (if any) the existing problems? In which countries are they concentrated? How could they be addressed? Who could address them?</p> <p><input type="checkbox"/> Most providers of personal pension products (PPP) are already regulated, mainly by EU Directives. EIOPA should identify those providers, who currently are not covered under any EU Directive and work to close these gaps. The aba argues against any additional product-regulation on EU level which would include a range of different providers. We therefore do not answer any of the questions in this consultation pertaining to product regulation.</p> <p><input type="checkbox"/> In practice any obstacles are primarily related to the different requirements regarding the tax treatment of contributions to private pensions in the Member States. This is not a question of prudential regulation to which EIOPA could provide a solution. Rather, this is a key question regarding tax law, which is decided in each Member State. State and occupational pension systems are divers across the EU, and with them varies the function of personal pensions. In addition, the Member States also have varying degrees of financial leeway to support personal pensions. An EU-wide definition of the</p>	
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			<p>requirements for tax relief would therefore not be desirable.</p> <p><input type="checkbox"/> It is neither sensible to aggregate the broad range of PPP as discussed in the EIOPA paper, nor to create a common EU framework for those products. The aggregation includes for example in Germany Riesterrenten and Basisrenten, as well as pension and capital life insurance products, on the EU-level it includes the 1st pillar bis products of Central and Eastern Europe. EIOPA should focus its work on those areas, where there is an actual need for further regulation and where it is possible for EIOPA to add something.</p> <p><input type="checkbox"/> The aba argues against a Second Regime and instead calls for the further development of the tried and tested systems of the 2nd pillar.</p> <p>General Points</p> <p>The special role of occupational pensions</p> <p>The European Commission has stated in their White Paper on pensions that the 2nd pillar holds a yet unused potential for further efficiency gains through economies of scale, risk diversification and innovation. 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. It cannot be the primary task of regulatory requirements or financial supervisory authorities to create sustainable retirement provision in the Member States. However, authorities should contribute through an adequate design of the regulatory framework so that citizens can build up funded retirement provision efficiently. Existing systems should be developed to reach their potential before additional systems are built up and supported.</p>	Noted.
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		<p>Prudential regulation</p> <p>Most providers of personal pensions are already being regulated. If necessary, the existing directives should be developed further. Providers of personal pensions, who are currently not being regulated, should be identified. EIOPA should focus any future work in this area.</p> <p>The existing EU Directives which create the prudential framework for providers of personal pensions do not pose any obstacles for a functioning single market. Any existing obstacles are related to the different requirements for tax treatment – however, the competencies for tax law lie with the Member States, EIOPA cannot do anything in this regard.</p> <p>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 on EU level.</p>	Noted. Please see Chapters 6 and 7

			<p>Aggregating Personal Pension Products</p> <p>The aba finds the current aggregation problematic: different PPPs have developed in the individual Member States over years. Depending on the design of pillars 1 and 2, government-supported 3rd pillar savings play a very different role in different countries. A European approach is therefore difficult to achieve, not desirable and impossible to implement without fundamental changes to the basics of national systems of old age provision.</p> <p>Even within single Member States very different PPPs exist. They can have different functions and therefore be follow different requirements. Examples from Germany are the Riesterrente and the Basisrente: They have very different functions and consequently the requirements for tax relief and the government support they receive are very different. The 1st pillar bis systems in Central and Eastern Europe are another example: These cannot be compared to other 3rd pillar systems. In this area the EU-Commission could potentially work together with the relevant stakeholders to develop a set of guidelines as outlined in Initiative 14 of the White Paper for the 2nd pillar.</p> <p>Second Regime</p> <p>We are generally against the introduction of a Second Regime. The requirements for the receipt of tax relief vary according to Member State and the function of the personal pension product and should be determined on a national level.</p> <p>For further information, please contact: Klaus Stiefermann (Secretary General/CEO)</p>	<p>Noted. Please see section 1.4 and Chapter 3.</p> <p>Noted.</p>
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5.	Asset management of Slovenska sporitelna	General Comment	<p>PPPs regulated under UCITS Directive are the most appropriate products in purpose of pension saving, where the topics mentioned in the discussion paper (prudence, information obligation to clients, passporting, protection of customers, ..) has been already implemented in the related laws. EIOPA should support these products to be the main financial instrument within PPP topic – mainly as a core product within 2nd regime.</p> <p>The approach of EIOPA should be rather focused than broad.</p>	Noted
6.	Association of the Luxembourg Fund Industry	General Comment	<p>ALFI, the Association of the Luxembourg Fund Industry is the representative body of the 2.6 trillion Euro Luxembourg fund industry, as at 30 April 2013. It counts among its members not only investment funds but also a large variety of service providers of the financial sector. There are a total of 3,871 undertakings for collective investment in Luxembourg, of which 2,492 are multiple compartment structures containing 12,175 compartments. With the 1,379 single compartment UCIs, there are a total of 13,554 active compartments or sub-funds based in Luxembourg.</p> <p>ALFI welcomes the efforts of the European Institutions to develop an EU-single market for personal pension products ("PPPs"), and wants to contribute to the debate with a constructive proposal, based on the expertise of the asset management industry in developing investment solutions tailored to the needs of the investors, including for pension purposes.</p> <p>Please note that members of the Association Luxembourgeoise des Fonds de Pension (AFLP), the representative body of Luxembourg pension funds, contributed to the answers herein.</p>	Noted.

			Kindly note that ALFI endorses the response provided by EFAMA and adds, where applicable, certain comments/points, which are marked in red.	Noted.
7.	Austrian Insurers' Association (VVO)	General Comment	The general discussion on retirement provision lacks identifying which instruments are duly adequate for this purpose. Beneficiaries that are confronted with a reduction of pay-as-you-go financed pensions should not be exposed to new risks when complementing their retirement provision by funded instruments.	Noted.
9.	BIPAR	General Comment	<p>BIPAR is the European Federation of Insurance Intermediaries. It groups 51 national associations in 32 countries. Through its national associations, BIPAR represents the interests of insurance intermediaries (agents and brokers) and financial intermediaries in Europe.</p> <p>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.</p> <p>Many intermediaries are SME type enterprises servicing SME's 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>Noted.</p> <p>Noted</p>

		<p>BIPAR welcomes the opportunity provided by EIOPA to comment on its discussion paper on a possible EU single market for personal pension products. BIPAR is in favour of an integrated European insurance and pensions Single Market that is diverse and competitive, where 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.</p> <p>In most EU members states insurance and financial intermediaries are active in the area of personal pension products. Thanks to their personal relationship with their clients, insurance intermediaries have good insight in the personal and specific needs of their client when it comes to personal pensions products. In light of the demographic challenges facing Pay-as-you-go (PAYG) pension systems, consumers need to be offered every encouragement to save for their retirement. Product providers and distributors need to operate in a regulatory context that assists them in helping consumers save more for their personal pensions.</p> <p>BIPAR wishes to call for a level playing field between all distribution channels. 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 channel of distribution used. The specificity of the pension product should however be considered.</p> <p>BIPAR supports initiatives tackling the hindering of cross-border activity and cross-border pensions. However there is no unique legislative panacea that will create a genuine single market for PPPs. Today for example, despite existing single passport systems for insurers and intermediaries selling life assurance PPPs, business reality is that this market remains very fragmented. Cross-border competition is limited by a variety of barriers to market entry such as</p>	<p>Noted. Please see sections 1.4 and 4.2.</p>
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10.	EFAMA	General Comment	<p>EFAMA has recently published a report to shed light on essential elements of a regulatory framework for personal pension products. Our responses to this consultation paper are very much inspired by EFAMA's work in this area.</p> <p>EFAMA welcomes the efforts of the European Institutions to develop an EU-single market for personal pension products, and wants to contribute to the debate with a constructive proposal, based on the</p>	<p>Noted. Please see sections 7.3 to 7.5 of Report</p>

			<p>expertise of the asset management industry in developing investment solutions tailored to the needs of the investors, including for pension purposes.</p> <p>The concept proposed in the EFAMA report – called “Officially Certified European Retirement Plan” (OCERP) – is a personal pension product which can be offered by insurance companies, banks, pension funds and asset managers. Unified standards for such product should allow individuals to choose between several investment options, foster well-informed choices, and ensure that providers maintain a robust governance framework and administrative systems. Products that meet these standards could be distributed throughout Europe with an EU passport.</p>	
11.	EIOPA Occupational Pensions Stakeholder Groups (OP	General Comment	<p>From an OPSG perspective we have concentrated our responses on issues which are relevant to the area of our mandate.</p> <p>There is broad agreement that in none of the 28 Member States (MS), pillar 1 will be able to finance satisfactory retirement incomes alone. Without doubt, for all MS, pillar 1 will need to be supplemented through capital based retirement provision. To provide people with such a supplementary component means to protect people against a risk of insufficient retirement incomes and age poverty. This is not like selling cosmetics, entertainment industry products etc. With existential risks of the people it is of vital importance that the best possible results at the lowest appropriate costs are provided, especially for those with low incomes. The future development and relationship between efficient occupational pensions and individualized PPP financial products is of major importance for EU citizens in all MS, from an overall efficiency perspective (see EU Agenda 2020) and in an environment of very scarce and limited future availability of any state subsidies in all MS. The real test of the adequacy of the regulatory regime for both IORP and PPPs is the</p>	Noted

			<p>similarity of the outcomes in terms of adequacy of retirement provision for citizens (see further in Q.6.).</p> <p>COM and EIOPA should refrain from anything where enhancing PPPs might lead to disincentivising Pillar 2 occupational pensions which offers Europe's citizens an efficient form of capital based retirement provision. Every MS should encourage and motivate employers, companies and social partners. The member however is less likely to distinguish or be able to distinguish between the different systems. As part of supporting all forms of pension provision, both occupational and PPP it would be useful if MS were to develop retirement educational plans illustrating the risk differences between occupational pension systems and PPP, and explaining how each works.</p> <p>It is not the task of the COM nor the Authority to support or promote direct or indirect EU-wide future product marketing campaigns of the insurance or finance industry for PPP financial products which might have the effect of undermining the extension of highly efficient occupational pension concepts in the MS. So by way of example were tax incentives to be introduced to facilitate PPP or a 28th regime, the implications for occupational pension systems will need careful consideration. However we recognize that the prudent utilization of individualized PPP concepts is important where the efficient "mainstream" of occupational pensions is not available, for instance because of a missing employment relationship etc.; where people prefer the ability to individually self-invest; for the self-employed; or because of any unwillingness or inability of an employer to offer an occupational pension.</p>	<p>Noted</p> <p>Noted</p>
12.	Fédération Française des Sociétés d'Assurance	General Comment	FFSA welcomes EIOPA's request to create a single market in the field of personal pension products. We very much support the general aim of developing complementary private retirement savings, supported by European institutions, including the European Commission in its White Paper on pensions. The FFSA strongly supports the general aim	Noted

of developing third pillar pensions for European citizens as a significant way to provide them supplementary retirement savings. A multi-pillar system has the advantage of diversifying risks since it allows mitigating demographic and financial factors.

FFSA would like to highlight that among the different actors which can provide third pillar pensions products, insurers are already subject to high levels of regulation, both in terms of prudential requirements and consumer protection. In addition, many discussions are currently taking place at EU level, which may concern personal pensions markets directly or indirectly. It is notably the case for the discussions on the PRIPs regulation, the IMD recast and the MIFID recast. Moreover, FFSA would like to highlight that third pillar pensions can be provided by a number of different actors which are not submitted to the same level of requirements.

Therefore, the FFSA considers it is fundamental to wait for the outcome of these discussions, in order to avoid overlaps and possibly contradiction between the different initiatives. If a new initiative were to take place, it would be essential to start by indentifying existing differences between actors (pillar II/pillar III, insurance sector /non insurance sector, and try to close existing gaps, instead of creating new rules on the top, where existing rules will prove sufficient.

As indicated in the study of the 26th regime (carried out in 2006), the FFSA considers that the 2nd regime is necessarily an optional regime, applicable throughout Europe, which:

☐ should allow the emergence of European services and to expand the supply of services under national law without limiting this offer too specific framework that does not allow to design a wide variety of products;

			<input type="checkbox"/> is available to both domestic and multinational players; <input type="checkbox"/> can be used for both domestic and cross-border distribution. <p>This optional system allows maximum flexibility for the parties who will be free to use or not.</p> <p>In addition, if we want to have this optional instrument right, it is appropriate that it addresses and contains general provisions, i.e. protection of consumer interests and the exclusion of any other national provision redundant or otherwise.</p> <p>As remarks, we wish to stress that FFSA response to EIOPA consultation will not include responses to all the questions raised by EIOPA. Some topics required more time before a final response can be provided.</p>	Noted.
13.	FSUG	General Comment	<p>The FSUG welcomes the EIOPA Discussion Paper on a possible EU-single market for personal pension products and finds the topic of the document extremely important for strengthening competition among PPPs with the ultimate goal of securing adequate retirement income for all EU citizens. FSUG recognizes that the long-term savings financial products, whose aim is to secure adequate income of savers for the future, needs to be adequately promoted all across Europe and more importantly provided by well-managed, cost-effective and transparent providers. Single market for pension savings products has been emerging only particularly and very slowly, which is in contrast with the development in certain Member States. However, significant differences in transparency and information disclosure and consumer protection measures at national level creates need for building unified EU framework for PPPs provision, as it is clear that national frameworks and regulations create divergent approaches towards pension savings products and thus creates different levels of outcomes. On top of this, current findings on poor performance of</p>	Noted.

		<p>private pension products sold to consumers accompanied with above equilibrium fees and charges under the information asymmetry calls for urgent regulatory interventions on EU level. This can be viewed not only in the area of pension set-up frameworks, but also charges (through the whole value-chain), investment strategy regulations (qualitative and quantitative limits), information disclosure and savers (investors) protection standards.</p> <p>At their simplest, PPPs are a form of savings (deferred wages) where a future pensioner saves now in order to pay for his/her consumption in the future with expectation to achieve a certain level of replacement ratio. To achieve this ultimate goal, adequate savings ratio is needed, but even more important is the vehicle the savers use to achieve the goal. Most of the vehicles take place in special structured financial products and are based basically on two principles: insurance vs. investment. However, to persuade individuals to undertake such savings and choose one of the long-term vehicles, most EU countries use either fiscal incentives and/or compulsion to encourage this type of saving, and have created special regulatory and other structures relating specifically to these pension savings. The application of these incentives or requirements means that the resulting pension systems in EU countries are relatively complex in their nature, and their individual set-up varies significantly between individual countries and also within one Member State. This implies relatively complex requirements on savers to understand every aspect of the respective pension set-up and its consequences on its final outcome in a future from the perspective of the consumer. This is in a direct contrast with the known low level of financial literacy of most savers participating in such complex systems.</p> <p>Until the recent development of DC-funded pension schemes in Europe, most traditional pension provisioning involved little need for consumers to make decisions. Most retirement income came from state pension systems (pillar 1) and that from the private sector often</p>	<p>Noted</p> <p>Noted</p>
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		<p>involved company-run DB schemes based simply on years of employment and final salary. However, the growing role of personal DC pension schemes has increased the need for consumers to make decisions with regard to vehicles (personal pension products - PPPs). In many 3rd pillar pension schemes, employers still arrange, administer and contribute towards pension schemes, but consumers now tend to have a greater say in buying pension products and investment decisions since they face the investment risk directly during accumulation phase and longevity risk during the pay-out phase. Latest movements from the financial industry successfully separated these two phases and left the consumers exposed to many risks without relevant (or hidden in highly complex legal terms) information and mechanisms (contractual and legal) to deal with the risks.</p> <p>Are consumers well placed to face these risks and make optimal decisions? For consumers to make good decisions, they need access to the right information at the right time, they need unbiased advice from independent financial advisors (not intermediaries), and they need to have tools and mechanisms allowing them to successfully face the risks, while their needs should be considered as a priority by those controlling the pension system. There is much evidence suggesting that consumers are often not well placed to make good decisions about long-term financial products, and therefore this is an important topic not only for protection standards, but also for a wider pension debate across Europe.</p> <p>There is a considerable quantity of information available to consumers on general pension system set-ups and there are some notable similarities between some countries in terms of the set-up of their private pension systems (especially the 3rd pillar pension schemes). However, the (unbiased) information provided to consumers regarding the suitability, cost-effectiveness, risk taking and resulting expected adequacy (in term of real value) of particular pension</p>	<p>Please see Chapter 8 and following.</p> <p>Noted. More specific, the points raised are dealt with in Chapters 9 and 10 of Report.</p>
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			products is missing and blurred by the financial industry. This gives a lot of space for misselling practices and overall predatory selling techniques experienced in many countries without fully understanding the needs and savings abilities of consumers where the adequacy, internal rate of return and overall cost-effectiveness of private pension products suffer.	
14.	German Insurance Association (GDV)	General Comment	<p>German insurers consider Personal Pension Products (PPPs) and Third-Pillar Pension Products as synonymous terms. All answers and comments are provided on the basis of that definition and do not apply to occupational pensions.</p> <p>The single market for personal pension products is already well developed. Any additional regulatory initiative must be based on clear empirical evidence illustrating that companies face obstacles that prevent them from offering such products in other countries. The European single market is important for the insurance sector, because it promotes competition, product innovation and diversification of risk. The ongoing improvement and review of the market conditions is clearly in the interest of the insurance industry. This is underlined by the European Financial Stability and Integration Report 2011 which states: "An integrated market should enable an insurance company to easily enter other Member States and provide its services by choosing the legal structure that suits it best". The market entry can occur in several forms of which direct cross-border sales are only one. Market integration in the life insurance sector, however, is often realized through national subsidiaries. German insurers believe there is not enough empirical evidence that this situation results in market failure or insufficient integration.</p> <p>Each market entry takes efforts and the market for personal pension products is especially complex. The regulatory framework for such products is contingent on interrelated national developments in social security systems, corresponding tax law and consumer preferences. Therefore, providers of pension products need thorough knowledge of</p>	Noted.

		<p>the regulatory, tax and social law environment and potential administrative procedures. This could lead to a provider's decision to market personal pension products through national subsidiaries instead of creating a single product for all markets served by the company.</p> <p>It seems not appropriate to engage in a discussion on the benefits of a 2nd regime for pension products before the debate in the European expert group on an optional European insurance contract law mandated by the Commission is concluded. The debate within the expert group is currently open to any outcome and also considers several of the issues addressed by EIOPA's discussion paper. The GDV participates in the expert group and does at this point not wish to anticipate or predetermine any results regarding the advantages of an optional European insurance contract law. Since EIOPA's paper is also concerned with the possible advantages of a 2nd regime, although it does not specifically focus on the area of contract law, parallel and disconnected discussions should be avoided.</p> <p>Without any prejudice to the afore mentioned, German insurers would like to point out the following issues:.</p> <p>Before new concrete measures for personal pension products are discussed, it should be assessed whether there is a need for increased cross-border trade of personal pension products.</p> <p>Personal pension products are highly influenced by the design of the national pension system which depends on national history, culture, political and economic circumstances. For example, if public pensions are lower, contributions to supplementary pensions need to be higher to achieve a certain living standard. If occupational pensions generally play a greater role, personal pensions might be</p>	<p>Noted. Please see section 1.4 of report</p> <p>Noted Please see par. 26</p>
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			<p>more important for people who are able to bear some investment risk. In turn, if people with lower income are encouraged to contribute to personal pensions, the products' outcomes should be less volatile. Such differences are reflected in the social and tax legal framework of pension products which are in the sole responsibility of Member States. Providers may take advantage of proximity to this specific national framework if they develop personal pension products adapted to this market.</p> <p>In Germany, the pension system was reformed in 2001 to release the state pension system from the increasing demographic burden and to promote voluntary retirement savings. In the process of developing the regulatory framework for supplementary pensions, one of the main objectives was to provide security for pension savers by protecting them against the risks of investment loss and longevity. Therefore, pension insurance contracts are particularly relevant for retirement savings in Germany. Since then, the legal framework but also the pension products were constantly adapted to meet the preferences of consumers and to make voluntary retirement savings more attractive, for instance by improving information available to consumers or by changing pay-out rules.</p> <p>Hence, the German personal pension market is a particular example for a high level of regulation to make pension products safer for consumers. Nevertheless, after the pension reforms in 2001 insurance undertakings having their registered office in another EU Member State or in an EEA state frequently entered this market either by establishing subsidiaries or by offering their products cross border. Of course, there are also examples of insurers who withdrew from the market after some years because of strong competition. But competition is a crucial indicator of a functioning market. The development shows that consumers already have the opportunity to benefit from the European single market.</p> <p>Since the year 2000, 30 million new pension (re-)insurance contracts</p>	
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		<p>have been concluded by individuals or by companies. In addition, banks, investment funds and building societies now offer pension products within the new, tax privileged framework for personal pension products (Riester-pensions). While this can be seen as a success in the development of a new retirement savings market, there is still much work to be done with regards to coverage among the population and the amount of pension contributions to avoid a substantial income drop for future retirees. German insurers are sceptical that those challenges could be met by an increase in cross-border trade of personal pension products.</p> <p>Furthermore, there is a lack of empirical evidence that consumers demand a "2nd regime personal pension product". As indicated above, consumers' savings needs differ according to their national pension systems. In addition, pensions are contracts based on trust. Therefore, also the reputation of providers or preferences for specific marketing channels have to be taken into account. Culturally, risk preferences differ between countries which might result in different product choices by customers. Providers' and intermediaries' proximity to consumers is important, because pension savings need to be tailored to the personal situation. Such proximity is not equally relevant for investment products like European harmonized UCITs. The diversity of consumer preferences and their need for individual pension solutions is reflected by the fact that providers have developed a variety of pension products. Therefore, German insurers question how a highly standardized European pension product which might be developed within the framework of a 2nd regime should work when it does not perfectly fit in any national pension landscape. Moreover, a European personal pension framework in addition to the national regime might even increase the risk that consumers misunderstand products sold under this regime. This would be counterproductive with regards to consumer protection.</p>	<p>Noted. Please see par. 26</p>
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			<p>German insurers question the need for establishing an additional cross-sectoral regulation for intermediaries of pension products. The engagement of a variety of providers in marketing of pension products as well as the need for relations and proximity to consumers also contribute to national differences in how pension products are mediated. An established European framework already exists, e.g. directives on mediation of insurance products (IMD 1/2 (2002/92/EC currently under review) and also on other financial products MiFID 1/2 (Directive 2004/39/EC currently under review), on distance marketing of financial services (Directive 2002/65/EC) and finally on E-commerce (Directive 2000/31/EC). Those directives take into account the characteristics of the respective sales processes. A cross-sectoral approach to pension product intermediation could lead to inconsistencies and overregulation of intermediation lacking an increase of consumer protection. Above all, this might result in advice for consumers becoming more expensive.</p> <p>To sum up, German insurers currently see a lack of empirical evidence that an increase in cross-border sales of personal pension products would improve the functioning of the single market which, in consequence, should support pension adequacy. German Insurers are also sceptical that additional Europe wide equal regulatory measures for consumer protection which do not take into account the specific national pension system are required. At this point, it does not seem appropriate to engage into any in depth discussion regarding a "2nd regime" for personal pension products. However, German insurers propose that EIOPA in cooperation with other ESAs should aim at providing a level playing field in prudential regulation, and to avoid contradictions or discrepancies for all providers of personal pension products in the European Union. Insurance products are highly</p>	
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			regulated with regard to prudential standards, information requirements and sales processes. The respective directives have a long tradition and are well implemented in all European countries. Overregulation for the insurance sector has to be avoided. Therefore, we suggest taking the insurance regulation as a benchmark for all those products for which there might be evidence of a lacking European regulatory framework.	
15.	Groupe Consultatif	General Comment	The Groupe Consultatif is pleased to have the opportunity to respond to the Discussion Paper on a Possible EU-single market for personal pension products. In the time available it has not been possible to respond in depth to every aspect of the discussion paper but the Groupe will be happy to contribute to the further development of the ideas in the paper. The Groupe is supportive of the intention of improving coordination of the treatment of personal pension products and facilitating more of a single market for these products, which could grow in importance over time as Member States shift more of the burden of financial provision for retirement from Pillar 1 to other pillars of pension provision.	Noted
17.	Insurance Europe	General Comment	<p>Insurance Europe very much supports the general aim of developing complementary private retirement savings, outlined by European institutions, including the European Commission in its White Paper on pensions. Indeed, individuals in all EU Member States should have the opportunity to build supplementary entitlements through supplementary retirement savings such as third-pillar pensions.</p> <p>Insurance Europe strongly believes that all EU Member States would benefit from having multi-pillar pension systems. These have the advantage of diversifying risks since the factors that affect labour</p>	<p>Noted</p> <p>Noted</p>

			<p>variables — and hence the PAYG first pillar — are not perfectly correlated with factors that affect financial variables, which determine the performance of the first pillar (bis), second- and third-pillar funded retirement systems. For example, funded pension schemes can mitigate the risks of a lower dependency ratio, while unfunded schemes can mitigate the risks of a low interest rate environment but no system can respond to every challenge alone.</p> <p>In Insurance Europe’s opinion, a clear support for multi-pillar systems does however not mean that the same pension systems or products should be promoted all over the EU, as pensions have a strong national component and member states have the prerogative as regards the organisation of their pension systems, including the role of each of the three pension pillars. In particular, pension products are closely linked to national social and labour law, consumer expectations, cultural differences and the supervisory environment. Additionally, the form and structure of a pension is shaped by and dependent on tax legislation, which is a responsibility of Member States. These specific features of pensions have to be acknowledged and duly taken account of when policy recommendations are formulated in specific pension related aspects, including in the consumer protection field.</p> <p>Furthermore, a difficulty often arises in the pension area as many concepts can have different meanings across the EU. This is the case for instance for the definition of the three pillars, the differentiation between the pillars, and the definition of other retirement related terms, such as “plan”, “scheme”, “product” and “institution”. Insurance Europe therefore encourages all parties involved in the different workstreams on pensions to coordinate closely and agree on a common terminology and taxonomy.</p>	<p>Noted. Please see also Chapter 2</p> <p>Noted. Please see also Chapter 2</p>
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			<p>Insurance Europe acknowledges EIOPA's efforts to better understand the different national pension systems and products by developing the database of Pension Plans/Products. However, Insurance Europe does not believe that this tool can be used as a starting point for policy recommendations. This is in fact recognized by EIOPA, which indicated that the Database "should not be interpreted as a fully complete, "official" list of all pension plans and products offered in the European Economic Area (EEA). Similarly, the definitions and classifications used have been established for the purpose of the Database and are not binding in any way. In addition, for some countries the information contained in the Database may not be entirely explicative of the national context." Insurance Europe's welcomes EIOPA's recognition that the database needs to be updated and checked for completeness and consistency on a regular basis. For example, the database incorrectly indicates that there are no third pillar pension products in Sweden. Against this background, Insurance Europe strongly encourages EIOPA to deepen the mapping of the different pension provisions as a first step, before envisaging any policy recommendations on a possible EU approach in this area.</p> <p>In relation to the overarching questions raised by EIOPA's consultation, i.e. whether there is merit in taking a new action at EU level, particularly in the field of personal pensions and if yes, what form such action should take, Insurance Europe would urge EIOPA to operate in stages. The first stage should be to demonstrate the need for action in the area of personal pensions and, should such a need be made apparent, the opportunity of taking action at EU level. Such an assessment should give due consideration to the subsidiarity principle, which matters especially in the field of personal pensions. Only after this important first stage is completed should EIOPA initiate</p>	<p>Noted. Re database, all necessary updates will be made available as they occur at dedicated webpage .</p>
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			<p>a second phase, consisting of assessing the respective merits of the different available options, such as “common rules to enable cross-border activity in the field of PPPs” or “developing a 2nd regime” for pension products.</p> <p>Against this background, in line with the above-suggested step-by-step approach, Insurance Europe is of the opinion that it is premature to discuss the respective merits of the available approaches. Moreover, it seems not appropriate to engage in a discussion on the benefits of a 2nd regime for pension products before the debate in the European expert group on European insurance contract law mandated by the European Commission is concluded. Insurance Europe participates in the expert group and does at this point not wish to anticipate or predetermine any of its results. Since EIOPA’s paper is also concerned with the possible advantages of a 2nd regime - although it does not specifically focus on the area of contract law - parallel and disconnected discussions should be avoided.</p> <p>In all the questions raised by EIOPA in its consultation document, it is important to keep in mind that insurers are already subject to high levels of regulation, both in the prudential area and as regards consumer protection. In addition, many discussions are currently taking place at EU level, which may have an important impact on the markets for personal pensions within the EU. This is notably the case for the discussions on the Packaged Retail Investment Products (PRIps) Regulation, the Insurance Mediation Directive (IMD 2) and the Markets In Financial Instruments Directive (MIFID 2). It is fundamental, before envisaging any action at EU level in the field of personal pensions, to wait for the outcome of these discussions, including discussions on their scope, in order to avoid overlaps and possibly, contradictions between the different initiatives.</p>	<p>Noted. Please see par. 26</p> <p>Noted. Please see relevant background sections in Chapters 9 to 12</p> <p>Noted</p>
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			<p>As remarks, we wish to stress that Insurance Europe's response to EIOPA's consultation will not include responses to all the questions raised by EIOPA. This is due, on the one hand, to the fact that some of the topics are new and will therefore require more time before a final response can be provided; and, on the other hand, to the fact that we consider it premature to comment to some of the points before a number of overarching questions have been addressed. We wish to stress as well that all the responses provided should be read keeping in mind our general view that the case for developing an "EU market for private personal pensions" has not been made yet, and that this should be the priority of the EU institutions involved in these discussions.</p>	
18.	Investment Management Association	General Comment	<p>The IMA 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 £4.5 trillion of assets in the UK on behalf of domestic and overseas investors.</p> <p>We welcome the opportunity to contribute to the debate over the development of a European personal pension product, and are supportive of initiatives aimed at exploring the possibilities in this area, such as the OCERP concept from EFAMA. It is important for Governments, regulators and industry collectively to consider how best to help individuals across the EU save adequately for retirement. Funded arrangements in various forms will be an important component of future pension provision in European states, and must be delivered in a way that inspires confidence both about levels of</p>	Noted

		<p>quality and value for money.</p> <p>We believe that there are three critical issues to consider in the current debate:</p> <p>1. How to achieve product demand and deliver desired benefits?</p> <p>The IMA does not have the evidence to judge the extent to which a European personal pension product would find a market across the EU. We would be interested to see clearer analysis on this point as part of the policy process, and believe it is important to answer the demand side question as a pre-requisite for moving forward.</p> <p>In this context, we would offer a general observation about the desire for “efficiency gains through scale economies, risk diversification and innovation” referenced both in the European Commission White Paper and the EIOPA discussion paper (p.4). We recognise the potential for scale gains and innovation in pension scheme administration. Equally, access to scale, innovation and risk diversification are very clear features of the underlying investment vehicles which sit at the heart of the pension arrangement (defined in the accumulation phase as a combination of account administration and investment overlaid by a tax regime).</p> <p>It should therefore not be assumed that a European pension product is the only way to fulfil efficiency goals. It is perfectly possible to pursue an alternative or additional approach which would see greater use of pan-European investment vehicles accessible within multiple national markets by national pension products or schemes.</p> <p>2. What are the key obstacles to developing such a product?</p> <p>To the extent that national governments widely use specific tax arrangements to influence individual pension saving behaviour, a</p>	<p>Noted. Please see section 1.4.</p> <p>Noted. Please see section 1.4</p> <p>Noted. Please see Chapter 4</p>
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		<p>significant challenge lies in devising a European personal pensions regime that would be acceptable to the fiscal authorities across the EU member states. In our view, the key issues are identified in the EIOPA Discussion paper, but the paper also underlines how difficult it may be to achieve agreement in this area.</p> <p>3. In consumer disclosure and protection terms, what distinguishes a 'personal pension' from other funded pension arrangements offered either as part of compulsory or voluntary national regimes?</p> <p>Clearly, DB and variants such as CDC, often have very specific characteristics. However, the distinction in reality between pure DC funded arrangements (eg. Pillar 1 bis, Pillar 2 occupational and Pillar 3 personal) lies often in governance and distribution arrangements. Fundamentally, the pension arrangements themselves may not look very different from one another.</p> <p>From a disclosure perspective, therefore, individuals will have a number of fundamentally similar needs, notably access to consistent, meaningful and complete information about :</p> <p>(1) the nature of the product (including the investment approach); (2) the charges and costs; (3) the risks; (4) the performance; (5) the range of possible outcomes at the end of the accumulation phase (including the connection between investment outcomes and</p>	<p>Noted.</p> <p>Noted</p>
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			<p>retirement income).</p> <p>In consequence, considering a KID for a personal pension separate from a KID for an IORP or a KID for other pension arrangements would risk a lack of coherence. Equally, given the current PRIPs debate, there also needs to be a read-across to this area of regulatory activity.</p> <p>That said, we fully recognize two points. First, a pension product is different in nature to an investment vehicle, and there is therefore no automatic read-across from the UCITS KIID. Second, the European pensions landscape is highly diverse and a single form of disclosure document could be extremely challenging to develop, and potentially constraining in its application to highly diverse national markets.</p>	Noted.
19.	Ministry of Finance of the Czech Republic	General Comment	<p>Dear colleagues:</p> <p>Below you find general comments regarding some of the issues presented in the discussion paper. The comments are only an indication of the approach the Ministry of Finance of the Czech Republic takes and are not its final and official policy position.</p> <p>It is necessary to bear in mind the powers of MS to organise their pension systems e.g. also set the conditions for retirement products and their providers. It seems that the paper generally works with the idea that the provider develops a product which then sells to consumers, but it has to be reflected that there also exist the whole systems which are set by national law with all the conditions for benefits, investment rules, state motivation aspects etc. which the provider has to follow if he wants to provide such services.</p> <p>As regards taxation we have to point out that the Czech Republic is not in favour of harmonisation of direct taxes. The Czech Republic of</p>	<p>Noted.</p> <p>Noted. Please see analysis in Chapter 4</p>

			course respects the EU primary law and the case law of the CJEU. In the tax law of the Czech Republic there is fully respected the principle of non – discrimination (the tax reliefs are applicable both for national and foreign pension providers and participants).	
20.	National Association of Pension Funds (NAPF)	General Comment	<p>The National Association of Pension Funds (NAPF) supports the European Commission’s efforts to strengthen the single market in personal pensions and welcomes EIOPA’s discussion paper on these issues.</p> <p>The NAPF</p> <p>The NAPF is the leading UK voice for workplace pensions. The NAPF’s members operate almost 1,300 pension schemes, providing pensions for nearly 16 million people and managing over €1 trillion of assets. Our membership also includes a wide range of over 400 providers of essential advice and services to the pensions sector. This includes accounting firms, solicitors, fund managers, consultants and actuaries.</p> <p>The NAPF’s interest in personal pensions relates primarily to Group Personal Pensions (GPPs), which are commonly used for pension provision in the UK workplace.</p> <p>Auto-enrolment in the UK and Group Personal Pensions (GPPs)</p> <p>The UK’s pensions landscape is being transformed by the introduction of auto-enrolment. Auto-enrolment will bring between 5 and 9 million new people into workplace pension saving. The vast majority of these</p>	Noted & please see relevant analysis in Chapter 3.

			<p>new savers will be in defined contribution (DC) schemes. It is vital that these schemes are appropriately and proportionately regulated in order to create the conditions in which the EU single market can be strengthened.</p> <p>Many UK employers will use contract-based defined contribution (DC) pension schemes for automatic enrolment of their staff into workplace pensions. These schemes are established by the employer but take the form of a contract between the individual saver and a pension provider. GPPs are a widely used form of contract-based DC pension scheme in the workplace.</p> <p>The NAPF is concerned that EU intervention in the personal pensions market could inadvertently cause confusion in the UK. The regulation of GPPs is already complicated, with oversight shared between The Pensions Regulator (which regulates workplace pension schemes) and the Financial Conduct Authority (which regulates personal pensions). The creation of a further tier of regulation (for example, through the development of a “28th or “2nd” regime at EU level) could exacerbate the current difficulties.</p> <p>The NAPF’s view is that any pension scheme where the employer has control should be regulated as a workplace or ‘second pillar’ pension scheme, rather than as a personal or ‘third pillar’ pension. This would include the GPPs currently being used for auto-enrolment in the UK. This would mean that:</p> <ul style="list-style-type: none"> - Pillar 2 of the pensions system (ie, workplace-based pensions) should cover all pension schemes used for auto-enrolment and / or where the employer makes contributions to the employee’s fund and / or where employers provide some form of promised benefit. - Pillar 3 (ie, personal pensions) should cover any type of private retirement product for accumulation of savings subscribed to 	
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			<p>by consumers on an individual basis.</p> <p>More broadly, the NAPF encourages EIOPA to ensure its policy-making and advice in this area is well co-ordinated with the work currently being undertaken by DG SANCO on consumer protection in personal pensions.</p> <p>For further information, please contact:</p> <p>James Walsh Policy Lead, EU & International NAPF 138 Cheapside London EC2V 6AE UNITED KINGDOM Email: james.walsh@napf.co.uk</p>	
21.	NL- Ministry of Finance	General Comment	<p>We would like to thank Eiopa for the opportunity to react on the discussion paper 'on a possible EU-single market for personal pension products'. We value the concerns of EIOPA about the adequacy of provisions for old age and in particular the availability and quality of personal pension products, highly. It is of great importance that European citizens know what to expect from their pension provisions in terms of replacement of income and pension risks. This information is essential for them to timely comprehend the adequacy of these provisions and, if necessary and possible, to activate them to realize additional savings.</p>	Noted.

			<p>The answers to the questions in the consultative document mentioned below follow from the specific context of the Dutch pensionsystem. In the Netherlands, the first-pillar state pension provides inhabitants with a basic income. Furthermore 93% of employees receive income after retirement originating from additional occupational pension benefits in the second-pillar. The first-pillar finances about 52% of total pensions in the Netherlands, the second-pillar about 43% and the third-pillar about 5%. On average, the replacement rate realized with first, second and third pillar pension benefits is between 60 and 70% (this percentage is a little higher for the lower wages and a little lower for the higher wages). Second pillar (occupational and generally collective) pension arrangements are strictly separated from third pillar (voluntary individual) pensions. Involvement of employers in terms of financial contributions to the pensions of their employees (by paying premiums) or the establishment of institutions for retirement provision (pension funds) separated from the sponsoring undertaking is restricted to, the second pillar.</p> <p>Pension products in the third pillar are purchased by consumers voluntarily and exclusively from private providers. Contributions are paid to individual accounts. The entities providing the third-pillar pension products are properly funded. The characteristics of a third-pillar pension product could be those of a savings product, an investment product, an insurance product or a combination of these products.</p> <p>There are no rules that oblige providers of third-pillar pension products to guarantee minimal returns nor minimal outcomes. Both in the second and the third pillar pension products can only be provided by financial institutions that have a license based on European legislation and therefore can be used as a passport for rendering cross-border services. Second pillar licenses are based on national legislation implementing the IORP- and Solvency-directives. In the third pillar, licenses are based on national legislation for banks,</p>	Noted.
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			investment funds and insurance companies implementing CRD, UCITS/AIFM and Solvency-legislation.	
22.	Nordic Financial Unions	General Comment	<p>Summary of main points</p> <ul style="list-style-type: none"> <input type="checkbox"/> NFU supports the aim of having multi-pillar pension systems in the EU. It is indeed important to ensure that workers have a sustainable income when they retire. But it must be ensured that well functioning national pension systems, like those in the Nordic countries, are safeguarded. The design and structure of the multi-pillar pension system must be decided by each Member State and/or where relevant the national social partners . <input type="checkbox"/> It must be ensured that employees are given adequate time and resources to be able to provide all relevant information to clients. <input type="checkbox"/> Companies should ensure that employees possess an appropriate level of knowledge and competence in relation to the products offered. It is the responsibility of the company to ensure that employees gets the necessary training ,time and resources to be able to fulfil its task. <input type="checkbox"/> Rules on distribution and selling practices should not increase the administrative burden of individual employees. Adminstration already weighs heavily on the shoulders of many finance employees and new administrative requirements risk decreasing the quality of advice and service to customers. <p>General comments</p> <p>NFU welcomes the possibility to reply to the EIOPA discussion paper for personal pension products. NFU supports the aim of developing an EU multi-pillar pension system which is subject to the same rules of transparency and control, however the design and structure of the</p>	Noted.

		<p>pension systems should remain a national issue. NFU believes that EU Member States would benefit from having multi-pillar pension systems, i.e. public pension (pillar 1), occupational pension (pillar 2) and personal pension products (pillar 3). These have the advantage of spreading the financial risks inherent in the pension systems.</p> <p>However, NFU would strongly like to stress the need for safeguarding national systems. The same pension systems or products should not be promoted all over the EU. Pension systems are very much linked to national tax and labour market systems, which is not an issue for the EU to deal with. For instance, the Danish pension model with occupational pensions, where employers and employees together take responsibility for workers pension by contributing jointly throughout the working life of an employee, is working very well. This autonomy of the social partners has many advantages, which have been proven for decades in the Nordic countries, and it must be ensured that any new rules on private pension products do not become an obstacle to well functioning pension systems rooted in collective bargaining agreements. The three pillars should co-exist, and there should be similar demands to pension providers, such as rules on transparency, but the design and structure should be left to the Member States and/or the national social partners to decide upon.</p> <p>NFU would also like to draw attention to the complexity of the European pension issue. Since there are many different pension system models throughout Europe, there is a need to make a comprehensive mapping of the different national systems as well as a thorough impact assessments. This must be done before any possible legislations on PPPs are proposed and implemented. It is furthermore important that these analyses takes the employee perspective into account.</p>	<p>Noted. Please see section 1.4.</p> <p>Noted. Please also see annexes to Report.</p>
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			<p>After these general comments NFU will limit the consultation reply to the distribution and selling practices and the professional requirements.</p> <p>Relating to distribution and selling practices NFU believes that a sound, trusting and sustainable relationship between employees and consumers in the financial sectors is absolutely vital to the well-functioning of the financial market at all levels. Aggressive sales targets and merit rating systems that are counterproductive to customer protection and qualified advice must be avoided in the financial sectors. If not, the objectivity of employees stands the risk of being questioned, which will lead to a very unsatisfying work situation and have adverse effects on the reliability and image of the sectors.</p> <p>NFU is thus in favour of sound and reliable rules for the distribution and selling of financial products. But any new rules in this area must not increase the administrative burden of individual employees, who in many cases are already under severe strain from administrative task connected to their role as advisors and sellers. In order to ensure that customers get the right products that are suited to their needs, finance employees must have adequate time and resources to provide qualified advice. On an aggregate level this also of course has an impact on systemic financial stability.</p> <p>With regard to professional requirements NFU believes it is of utmost importance that employees have an appropriate level of knowledge and competence in relation to the products offered. NFU would like to stress that this must be ensured by the company by providing continuous training and professional development. It is furthermore</p>	<p>Noted.</p> <p>Noted</p>
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			necessary that staff is given adequate time and resources to be able to provide all relevant information to clients.	
23.	PensionsEurope PensionsEurope represents national	General Comment	<p>PensionsEurope welcomes the opportunity to comment on EIOPA's Discussion Paper on a possible EU-single market for personal pension products. While the first and the second pillar should provide the bulk of the retirement income, personal pensions (third pillar) can be a useful instrument to further top up retirement income and contribute to securing the future adequacy and sustainability of pensions.</p> <p>We appreciate EIOPA's efforts to raise the quality of third pillar retirement products. However, before undertaking any action, EIOPA should carefully consider whether it has sufficient powers to adopt effective policy actions in this field, namely due to its lack of competence in fiscal matters. It should also be considered whether the range of personal pensions and the objective of creating a common EU framework for these products is necessary. These products vary considerably in their function, and are to a large extent already regulated.</p> <p>In the event EIOPA decides to continue working on the development of a single market of personal pension products (PPPs), it is of key importance that EIOPA adequately defines the scope of private personal pensions in order to avoid confusion and legal uncertainty in some Member States. Private individual pension schemes must be clearly differentiated from private workplace schemes. In this regard, EIOPA must ensure that all the existing workplace pension schemes in the different EU Member States are taken into consideration. PensionsEurope view is that any kind of pension scheme linked to a current or previous employment relationship shall be considered part of the second pillar (workplace pensions). The involvement of the employer should be a key factor used to distinguish second and third pillar pension schemes.</p> <p>Moreover, as outlined by EIOPA in its Discussion Paper, both</p>	<p>Noted</p> <p>Noted. Please also see analysis in Chapter 4.</p> <p>Noted. Please also see Chapter 3 & EIOPA's main findings.</p>

			<p>passporting and the so-called 2nd regime have important advantages but also significant drawbacks. Regardless of which approach is finally followed (if any) by EIOPA, it is PensionsEurope's view that it should respect the existing national PPP regimes so as to avoid disrupting systems that currently operate satisfactorily.</p> <p>Finally, we would want to ask EIOPA and the different Directorate Generals of the European Commission dealing with personal and occupational pensions to closely coordinate amongst them in order to ensure consistency across the different on-going initiatives in the EU.</p>	Noted
24.	Pensionskasse der Mitarbeiter der Hoechst-Gruppe V	General Comment	<p>We welcome the opportunity to comment on the discussion paper on a possible EU-Single Market for personal pension products and especially on the idea of developing a 2nd regime for these products.</p> <p>Due to the increasing demographic challenges, one has to recognize that the pressure on financing the national public pension systems of the 1st pillar will raise and the tendency to look at these systems more as a budget cost expenditure item than as a social instrument will increase accordingly. Therefore, as already identified by the European Commission in the White Paper on Pensions, the expansion and in particular the further development of existing supplementary pension plans/schemes is necessary and required to offer the opportunity to acquire additional retirement benefits to the people to avoid old-age poverty.</p> <p>In the area of supplementary pension schemes, the systems of occupational retirement provision already existing have proven to operate in a very efficient and therefore cost-saving way providing for adequate, sustainable and safe retirement pensions for a very long time. In Germany for example, the first German mutual insurance associations (Pensionskassen) of the chemical industry were established in the second half of the 19th century and are still operating today as social institutions in favor of their members and beneficiaries as well as in favor of their sponsoring undertakings.</p>	Noted.

Taking into account these considerations and with respect to the published discussion paper, one has to question why EIOPA is promoting the work on the designing and the implementation of a new 2nd or 28th or rather now 29th regime in the area of personal pension products, if there are efficient and proved systems of supplementary pensions like the occupational pension schemes already available and in place. There may be various Member States that have not established a system of occupational retirement provision yet and thus exclusively rely on the third pillar of personal pensions to ease their public pension systems. But, if there is the political and prudential aim/will to implement a new regime/supplementary pension system by creating a Single Market/a 29th regime in this area, then why not strengthen the proved occupational pensions systems by facilitating their implementation in other countries interested in easing their public pension systems. In the area of occupational retirement provision, a European regime (the IORP-Directive), setting up minimum standards, is already in place and is currently reviewed by the European Commission.

However, we also recognize that individualized personal pension concepts are important to deliver supplementary pension benefits in cases when occupational pensions, for whatever reason, are not available. But from our point of view, there should be no implementation of a so called 2nd or 29th regime. We therefore rather consider as reasonable the also discussed "passporting" of existing personal pension products instead of the designing of an entire new regime.

On the one hand, the implementation of a new supplementary "pension framework", which does not fall within the scope of the national regulatory framework(s) and is especially not covered by the scope of the national social and labour law and will be based on a DC-plan design, means, that the financing of these systems will be a "mere" cost expenditure item within the monthly payroll. Such an

			<p>However, we primarily recommend, as also suggested by the European Commission in the White Paper on Pensions, a further strengthening of the existing efficient collective occupational pension schemes instead of individualized personal pension products.</p> <p>If EIOPA and/or the European Commission decide to implement a 2nd/29th regime, there should be a clear distinction between personal pension products and occupational pensions not falling within the scope of such a regime to avoid insecurity and negative effects at least for the current and the future members and beneficiaries as well as for the institutions and sponsoring undertakings in the area of occupational retirement provision.</p> <p>Frankfurt am Main, 02.08.13</p> <p>Sch/CR</p>	
25.	Slovak Association of Fund Management Companies (S	General Comment	<p>PPPs regulated under UCITS Directive are the most appropriate products in purpose of pension saving, where the topics mentioned in the discussion paper (prudence, information obligation to clients, passporting, protection of customers, ..) has been already implemented in the related laws. EIOPA should support these products to be the main financial instrument within PPP topic – mainly as a core product within 2nd regime.</p> <p>The approach of EIOPA should be rather focused than broad.</p>	Noted
26.	Slovak Insurance Association	General Comment	<p>Slovak Insurance Association welcomes the opportunity to present its opinions on personal pension products and its possible regulation as shown in EIOPA Discussion Paper.</p> <p>Our general comments should highlight some issues that make insurance sector so different from other financial sectors. One the principal conditions when creating the single market for PPPs is to make the products more unified and easy to transfer (i.e. to sell and buy again). But this is not so straightforward in insurance products.</p>	Noted. Please see par. 277 onwards.

			<p>Those are typically long-term, and requiring more stability in predictions of future changes to the clients portfolio. On the other hand, the most important thing in insurance is to assess and evaluate the risk covered by the products and to calculate its price as accurately as possible (moreover, Solvency II regulation is based on this crucial requirement). In this case, there should be no discussion of single / unified mortality tables used across EU (leading to the huge adverse selection process between clients), or of single technical interest rates used in calculation of technical provisions (this would prove impossible outside Eurozone area).</p> <p>Despite the above remarks, we would like to welcome the commencement of the discussion on voluntary pension system – so much underrated and not considered as important in some EU countries – mainly due to the persisting illusion that traditional, obligatory public system will cover all needs of future pensioners.</p>	Noted
28.	UNI Europa Finance	General Comment	<p>Summary of main points</p> <ul style="list-style-type: none"> <input type="checkbox"/> UNI Europa Finance supports the aim of having multi-pillar pension systems in the EU. It is indeed important to ensure that workers have a sustainable income when they retire. But it must be ensured that well functioning national pension systems are safeguarded. The design and structure of the multi-pillar pension system must be decided by each member state and/or where relevant the national social partners . <input type="checkbox"/> It must be ensured that employees are given adequate time and resources to be able to provide all relevant information to clients. <input type="checkbox"/> Companies should ensure that employees possess an appropriate level of knowledge and competence in relation to the products offered. It is the responsibility of the company to ensure that 	Please see responses under row 22.

			<p>employees gets the necessary training ,time and resources to be able to fulfil its task.</p> <p><input type="checkbox"/> Rules on distribution and selling practices should not increase the administrative burden of individual employees. Administration already weighs heavily on the shoulders of many finance employees and new administrative requirements risk decreasing the quality of advice and service to customers.</p> <p>General comments</p> <p>UNI Europa Finance welcomes the possibility to reply to the EIOPA discussion paper for personal pension products. We believe that EU member states would benefit from having multi-pillar pension systems, i.e. public pension (pillar 1), occupational pension (pillar 2) and personal pension products (pillar 3). These have the advantage of spreading the financial risks inherent in the pension systems.</p> <p>However, there are difficulties with promoting the same types pension systems or products all over the EU. Pension systems are very much linked to national tax and labour market systems, which is not for the EU to deal with. For instance, the Danish pension model with occupational pensions, where employers and employees together take responsibility for workers pension by contributing jointly throughout the working life of an employee, is working very well. This autonomy of the social partners has many advantages, and it must be ensured that any new rules on private pension products do not become an obstacle to well functioning pension systems rooted in collective bargaining agreements. The three pillars should co-exist, and there should be similar demands to pension providers, such as rules on transparency, but the design and structure should be left to the</p>	
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			<p>member states and/or the national social partners to decide upon.</p> <p>Furthermore, attention needs to be put on the complexity of the European pension issue. Since there are many different pension system models throughout Europe, there is a need to make a comprehensive mapping of the different national systems as well as a thorough impact assessments. This must be done before any possible legislations on PPPs are proposed and implemented. It is furthermore important that these analyses takes the employee perspective into account.</p> <p>Our further specific remarks are limited to the distribution and selling practices and the professional requirements, since these two areas are the most important from an employee perspective.</p> <p>Relating to distribution and selling practices UNI Europa believes that a sound, trusting and sustainable relationship between employees and consumers in the financial sectors is absolutely vital for the well-functioning of the financial market at all levels. Aggressive sales targets and merit rating systems that are counterproductive to customer protection and qualified advice must be avoided. If not, the objectivity of employees stands the risk of being questioned, which will lead to a very unsatisfying work situation and have adverse effects on the reliability and image of the sectors.</p> <p>UNI Europa Finance is thus in favour of sound and reliable rules for the distribution and selling of financial products. But any new rules in this area must not increase the administrative burden of individual employees, who in many cases are already under severe strain from</p>	
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			<p>administrative task connected to their role as advisors and sellers. In order to ensure that customers get the right products that are suited to their needs, finance employees must have adequate time and resources to provide qualified advice. On an aggregate level this also has an impact on systemic financial stability.</p> <p>With regard to professional requirements UNI Europa Finance believes it is of utmost importance that employees have an appropriate level of knowledge and competence in relation to the products offered. UNI Europa Finance would like to stress that this must be ensured by the company by providing continuous training and professional development. It is furthermore necessary that staff is given adequate time and resources to be able to provide all relevant information to clients.</p>	
29.	ABI	Q1	<p>Identifying common features for PPPs is an essential before any decisions are made to develop a policy framework at an EU level. When identifying these features, it is important that the focus is on individual pension arrangements only. Employer facilitated pensions, where employers are legally required to enroll any eligible jobholder into a pension, should not be included in such a list of features. In the UK, this is known as automatic enrolment and was introduced to help people save more for their retirement. This operates in a similar way to private pension provision, but is funded through employee and employer contributions and government tax relief. As automatic enrolment is a legal obligation, the appropriate regulatory regime has been developed by the UK government in response to the uniqueness of this regime and should not be included in any future pension initiative at an EU level.</p>	General remark, included in the document

			While the features in the proposed list are generally common features of private pensions, there are limits to the features that are common, given the diversity of products across the EU given the range in retirement ages. For example there needs to be a reference to retirement ages included in feature 4 to explain why early withdrawals are often limited or penalised. There should also be recognition that two phases for pensions occur in some Member States; an accumulation and a decumulation phase. In the UK there is a distinct market for products in both of these phases; both are subject to their own disclosure requirements, and both merit different regulatory approaches being taken to allow for the types of products made available to consumers.	
30.	APFIPP – Associação Portuguesa de Fundos de Invest	Q1	<p>In terms of the actual landscape of existent PPP, the list of features presented seems to be appropriate.</p> <p>When considering the desirable framework for the EU PPP, we would like to point out that, besides the features identified by EIOPA on paragraph 3.1.3. (that is: individual membership, payment of contributions to an individual account, retirement objective, limited withdrawal or penalized, private entities as providers, funding product), we think it is essential for the success of the initiative that the product be based on the four main pillars described above (see section “General Comment”)</p>	included in the document par 45
31.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q1	<p><input type="checkbox"/> The crucial distinction between occupational and personal pensions is whether the members and beneficiaries are protected by national social and labour law or not. In Germany, the legal obligation for the employer to ensure that the pension promise is met as well as the link to a current employment contract are particularly important.</p>	<p>1. Included in the document - General remark</p> <p>2. Included in the</p>

			<p>The protection through social and labour law requires the employer to make a pension promise to the employee. Based on whether this pension promise is made or not, the payments an employer makes into an employee's pension can be either an occupational or a personal pension.</p> <p><input type="checkbox"/> This concurs with the EIOPA Regulation, which stipulates that EIOPA's provisions cannot touch national social and labour law.</p> <p><input type="checkbox"/> This definition would exclude the 1st pillar bis of Central and Eastern European countries. It is not clear to us if all providers of this type of arrangement are regulated. If this was the case, the EU Commission could potentially work together with the relevant stakeholders to develop a set of guidelines as outlined in Initiative 14 of the White Paper for the 2nd pillar.</p>	<p>document - par 134</p> <p>3. It is not included - definition of PPP exclude only 1 pillar and 2 pillar</p>
32.	Asset management of Slovenska sporitelna	Q1	yes	agreed
33.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q1	<p>The list could be extended to include:</p> <p><input type="checkbox"/> Benefits at retirement normally one of or a combination of a lump sum part or all of which may be used to provide an annuity for life or a fixed term or an accumulated fund which may be drawn down.</p> <p><input type="checkbox"/> Provision for benefits to beneficiaries pre or post retirement.</p>	it is not included
34.	Association of the Luxembourg Fund Industry	Q1	<p>Do you find the list of common features of PPPs identified by EIOPA complete? Would you add any other features (e.g. periodic income)?</p> <p>ALFI agrees with the answer provided by EFAMA, as follows:</p>	<p>Agreed</p> <p>par 45 (exc.7 – 8)</p>

			<p>We consider that the large majority of PPPs possesses the following common features:</p> <ol style="list-style-type: none"> 1. Individual membership 2. Payment of contributions to an individual account 3. PPPs have an explicit retirement objective (in the sense that the goal of PPPs is to build up a 'retirement pot' with a view to supplementing financial resources available during retirement) 4. The early withdrawal of accumulated capital is often limited or penalised 5. Providers are private entities (meaning: others than the social security system) 6. Funding 7. Multiple investment options which would include one default option 8. Tax incentives would be a benefit, although ALFI does not believe this should be a precondition for the product itself. 	
35.	Assogestioni	Q1	Yes, we find the list complete and exhaustive.	agreed
36.	Austrian Insurers' Association (VVO)	Q1	It is key to differentiate general savings from pensions. In contrast to life insurance, general savings do not provide lifelong benefits. A pension product should be characterized by the following four, cumulative features:	It is not included – these are description of DB products

			<ol style="list-style-type: none"> 1. capital guarantees and indexation (preserving the monetary value) 2. coverage of biometric risks (appropriation for the old age, disability, surviving dependants, long term care provision) 3. protection against insolvency and pawning 4. guarantee of lifelong, regular payments (life annuities) 	
37.	Bulgarian Association of supplementary pension sec	Q1	<p>We find the list of schemes included under the proposed PPP roof rather extended and the list of common features incomplete. When we define PPPs as part of the single market, we must add at least two "market" features of this plan: 7. The member is free to choose the main PPP features negotiating freely with the provider; 8. Participation is not mandatory by law.</p> <p>Mandatory pillar 1bis plans should explicitly be excluded from the scope of this discussion because all the individual elements in them are technical rather than constituent features, i.e. individual choice of a pension company and individual tracking of accumulated capital in individual accounts do not make them personal pension products offered to the public as financial or insurance market products. Moreover, in mandatory pillar 1bis no market products are offered. What members obtain from such pension funds (PFs) is strictly mandated by law with imperative legal norms and identical to all the pension companies responsible for PF administration and asset management. Mandatory pillar 1 bis plans represent that part of the social security which is provided on a funded basis in order to counterbalance the drawbacks of its PAYG part, thus ensuring financial sustainability in the first pillar of retirement provision.</p>	<ol style="list-style-type: none"> 1. Partly included in the document – definition didn't exclude mandatory participation 2. It is not included - definition of PPP excluded only 1 pillar and 2 pillar
38.	EFAMA	Q1	Do you find the list of common features of PPPs identified by EIOPA	Agreed

			<p>complete? Would you add any other features (e.g. periodic income)?</p> <p>We consider that the large majority of PPPs possesses the following common features:</p> <ol style="list-style-type: none"> 1. Individual membership 2. Payment of contributions to an individual account 3. PPPs have an explicit retirement objective (in the sense that the goal of PPPs is to build up a 'retirement pot' with a view to supplementing financial resources available during retirement) 4. The early withdrawal of accumulated capital is often limited or penalised 5. Providers are private entities 6. Funding 7. Multiple investment options 8. Tax incentives 	par 45 (exc. 7-8)
39.	EIOPA Occupational Pensions Stakeholder Groups (OP	Q1	<p>Other features which would be relevant for comparative analysis of consumer protection is that for most PPPs there is usually (although not always) an underlying contractual arrangement between the consumer and the commercial provider. Most PPPs provide for a contractual claim against assets, and most consumers enter into the contract for an explicit retirement objective. Normally (though not always) the consumer can choose between commercial arrangements. PPPs are currently governed by consumer law, prudential financial</p>	<p>General remark</p> <p>§ 41</p>

			law, tax legislation. However even where the regime separates them from occupational pensions, we should be very conscious of the fact that members themselves will not always see the difference between a trust based and a contractual based offering, between a product governed by consumer law, or one governed by social and labour law. They are not consciously “opting” for a weaker level of governance, this is an incidental and for the consumer a “cost” of seeking a particular retirement objective. But it is not a cost they are likely to consciously choose or prefer. So any weakness in protection as compared to the occupational regime (e.g. governance) should be avoided.	
40.	FSUG	Q1	<p>The FSUG recognizes the need for a broader definition of private pension products. A general overwhelming definition is needed in order to cover most of the pension products sold (with short-term incentives) and financed (on long-term beliefs) on the individual basis regardless of any additional sources flowing into the product (employer, government contributions and incentives). However, the FSUG think that from the position of savers, several key aspects of private pension products should be recognized even within the definition.</p> <p>FSUG suggests recognizing additional features of PPPs:</p> <ul style="list-style-type: none"> - savings scheme in term of cost-averaging, - investment scheme in term of buying a pot (valued periodically, eg. daily, weekly, monthly), - investment risks transfer to the member (saver), - no longevity risk coverage during accumulation phase, - scheme is explicitly split into 2 parts: accumulation and pay-out phase with different products for both schemes. 	It is not included- elements indicated by FUSG are too specific in order to be accepted into a universal definition
41.	German Insurance	Q1	First of all, German insurers would prefer if the attempts to define	

	Association (GDV)	<p>pension products would be coordinated between DG SANCO's consultation on third pillar pension products and EIOPA's discussion paper on PPPs. The definitions seem not to cover the same products.</p> <p>German insurers consider PPPs and third pillar pension products as synonymous terms. Therefore, a definition of PPPs should help to distinguish such products from funded parts of public pensions (first pillar), from pensions linked to an employment relationship (second pillar) and from general savings products. PPPs are characterized by the fact that individuals can independently select the material aspects of their pension arrangements. This is only provided in case of voluntary systems. Therefore, German insurers do not consider the funded parts of the public pillar ('1st pillar bis-systems') as PPPs.</p> <p>We have the following comments on the list of common features in the discussion paper:</p> <p>Ad 1) EIOPA refers to employers' contributions. In order to distinguish PPPs or third pillar products from occupational pensions it should be made clear that in such cases employers bear no responsibility or obligations as to the benefits.</p> <p>Ad 2) It remains unclear what EIOPA means by 'individual account'. Does this also cover traditional pension insurance policies with collective risk sharing and investments?</p> <p>Ad 3) It should be clarified that the retirement objective of PPPs is to provide life-long, periodic income (protection against risk of</p>	<p>Partly included (par 59) - definition of PPP excluded only 1 pillar and 2 pillar</p> <p>It is not included- elements indicated by GDV are too specific in order to be accepted into a universal definition</p>
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			<p>longevity). This may include products which offer the option for lump-sum payments. In addition, products may offer protection in case of disability or provide income for survivors in case of death.</p> <p>Ad 4-6) We agree that early withdrawal should be limited or panelised, providers are private entities and that PPPs are funded.</p>	
42.	Groupe Consultatif	Q1	<p>In common feature 2) it needs to be clarified that the individual accounts referred to are usually notional or accounting concepts (for example with allocated numbers of units) and that it is not envisaged that there will be a separate or segregated fund for each individual.</p> <p>We think that common feature 3) should refer explicitly to provision of income in retirement rather than to retirement as such.</p> <p>Another common feature could be transferability of the contents of an individual account only being permitted to similar products or products regulated as IORPs.</p> <p>More generally there may be restrictions on the form in which the benefits can be taken, including the conversion of the personal pension fund into income at retirement.</p> <p>Personal pension plans also often benefit from beneficial tax treatment</p> <p>The common features listed in 3.1.3 would appear to include contracts for the payment of additional voluntary contributions to IORPs (at least in UK and Ireland; we are not clear that this was intended and it is at least arguable that such contracts should not be included.</p>	<p>partly included- elements indicated by GC are too specific in order to be accepted into a universal definition</p>
44.	Insurance Europe	Q1	Do you find the list of common features of PPPs identified by EIOPA	

			<p>complete? Would you add any other features (e.g. periodic income)?</p> <p>While the features included in the document are generally common to PPP's, it is important to keep in mind that there exist also many differences between the various types of PPPs. Insurance Europe therefore believes that it is essential to identify and understand all different features of the European pension systems before any policy decisions are taken.</p> <p>This being said, Insurance Europe suggests excluding from the scope of this consultation two types of products: 1st pillar Bis and individual occupational pension schemes, for the following reasons:</p> <p><input type="checkbox"/> 1st Pillar Bis schemes (funded first-pillar pensions) are directly related to national security schemes on which the EU has no competence. In general, pension products which require a contribution by national law should not be addressed at the EU-level.</p> <p><input type="checkbox"/> With regard to individual occupational pension products, we believe that any prudential or consumer protection related issues should be included in the ongoing review of the IORP Directive. Furthermore, employer facilitated pensions should be excluded.</p> <p>Insurance Europe would also like to stress that periodic income may be a characteristic of a PPP, as many PPPs do not oblige an annuity payment (eg they offer the choice between an annuity and a lump sum). Furthermore, while early withdrawal is often penalised or limited, there are PPPs where early withdrawal is possible or where</p>	<p>It is not included - definition of PPP excluded only 1 pillar and 2 pillar</p> <p>It is not included - definition of PPP is not defined rules for the payment of premiums.</p>
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			<p>accumulated capital can be taken up as a loan.</p> <p>Insurance Europe would also like to refer to its submission to the DG SANCO consultation on third pillar retirement products. In its response to the consultation, Insurance Europe has suggested the following definition of third pillar pensions products:</p> <p>“Third-pillar pension products are defined as any type of long-term savings products subscribed to by consumers on a private, voluntary and individual, as opposed to an occupational, basis with the primary goal of providing an income in retirement.”</p> <p>Insurance Europe has used the following argumentation to support its definition:</p> <p><input type="checkbox"/> Insurance Europe strongly suggests defining “pension products” in order to differentiate them from other savings products. Insurance Europe suggests defining a “pension product” as “a type of savings products, the primary goal of which is to provide an income in retirement”.</p> <p>We acknowledge, however, that this is a rather general definition, which may have to be amended.</p>	<p>Partly included in the document – definition didn’t exclude mandatory participation</p>
45.	Investment Management Association	Q1	<p>Agreed, but to the extent that multiple investment options are also an acknowledged feature (footnote 9), this should perhaps be mentioned directly in 3.1.3. This is also one element in the OECD Roadmap for the Good Design of DC Pension Plans, although we appreciate that the question here is more about the current state of the market.</p>	<p>Partly included in the document – general remark</p>

46.	National Association of Pension Funds (NAPF)	Q1	<p>Do you find the list of common features of PPPs identified by EIOPA complete? Would you add any other features (e.g. periodic income)?</p> <p>As discussed in the General Comments above, the NAPF urges EIOPA to take a clear view about the differences between workplace-based pension schemes and personal pensions.</p> <p>Workplace-based schemes include Group Personal Pensions, where the employer plays a major role in establishing the scheme and – generally – pays contributions for the employee’s benefit. These schemes would not exist without the involvement of the employer and should be regulated as such.</p> <p>Subject to clarity on this point, the NAPF agrees that EIOPA’s list of common features is accurate.</p>	Included in the document
47.	NL- Ministry of Finance	Q1	<p>This comment refers to questions 1 to 6</p> <p>We agree that it is essential for PPP (Personal Pension Products) to have an explicit retirement objective. One could choose the approach agreed upon with regard to the dealing with pensions in the PRIPS directive. That means to refer to national legislation (tax or otherwise) for criteria that are considered essential for retirement products by the national authorities of those member states.</p> <p>Also very useful for the definition of PPP is the restriction to payments of contributions to an individual account. PPP cannot be reconciled with collectiveness and solidarity/risk-sharing elements which are</p>	agreed

			<p>typical for occupational pensions in the second pillar. With PPP only the individual consumer is the party concerned and beneficiary of the PPP. Any involvement of an employer by means of payments or contributions to an individual account on behalf of the consumer would be at odds with the objective of PPP. PPP should be distinguished from collective and individual occupational pension arrangements executed by IORPs in the second pillar. We therefore support a study on possible elements for a similar and new set of common rules to enable cross-border activity (in the field of PPP), instead of looking into the possibilities to improve cross-border activity in the field of individual occupational pension arrangements executed by IORPs. We also consider PPP solely in the context of the third pillar, that is in the context of individual consumers purchasing pension products from private (funded) entities.</p> <p>We also agree that in relation to an explicit retirement objective, the possibilities of an early withdrawal of accumulated capital should generally be limited. From the theoretical perspective of an equivalent function of the first, second and third pillar in financing pension income one could consider restrictions in the forms in which benefits can be paid out at retirement. However, in reality national pension systems differ a great deal as well as the functions of the first, second and third pillar within those systems, both geographically and in time. In a country where the pension income that can be generated from the first and second pillar is quite robust, because it provides individuals with adequate income at retirement, restrictions of the devise of pension products, and especially restrictions on methods of pay-out, do not make any sense. In that perspective lump sum payouts or temporary period payments should not be excluded.</p> <p>In the Netherlands PPP (third pillar pensions) can only be offered by</p>	
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			<p>financial institutions which comply with both national and European sectoral financial markets legislation obligating them to possess a license that can (generally) be used both nationally and as a passport for rendering cross-border services. It concerns savings, investment and insurance products or combinations of these products offered by banks, investment funds and insurance companies under CRD, UCITS/AIFM and Solvency-directives. Therefore, we propose that the research, rather than looking at solutions for a missing cross-border market or for a new supervisory regime, focuses on analyzing why cross-border services are not rendered substantially despite the existence of European legislation for these markets. Essential will be what elements in the European legislation for these financial markets sectors might discourage cross-border trade and the internal market from sparking off or whether there are other causes that could explain limited cross-border activity. One could for instance think of differences in national pension and tax systems that PPP's have to be tailored to in order to be of interest to consumers. Diversity in social and labour law, local consumer needs and preferences as well as cultural differences and language problems might in practise also be a relevant impediment to cross-border trade.</p> <p>We presume the possibilities of sparking of an internal market for PPP are the best for pure DC-products, that is DC-products without any guarantees on returns or outcomes, as these products are the most simple and comparable and as the European legislation relevant for the financial institutions offering these products and the products itself is highly harmonized (CRD, UCITS and AIFM). We think that a discussion on the advantages and disadvantages of a possible further harmonization of prudential requirements would only be useful with regard to PPP that do imply guarantees and in a sector where as to yet there are no European prudential rules applicable or where the level of harmonization of prudential rules is still relatively low. In third</p>	
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			<p>pillar pensions with guarantees one could only think of insurance products, but insurance companies have to comply with prudential rules which are highly harmonized. Therefore we seriously doubt whether it is (primarily) prudential rules that are impeding cross-border PPP. If it would be possible to devise a product that would fit consumers needs in several or all member states, a single market for these PPP could in principle lead to competition that would lower prices if all other practice obstacles could also be overcome and the consumer would feel confident enough to purchase these complex and impactful products on a cross-border basis.</p> <p>We find the OECD definition of PPP less apt, as the OECD also includes occupational (contributions to) pension arrangements. Moreover, we do not see how a differentiation between mandatory and voluntary participation in PPP can be of use for the purpose of trying to spark off the internal market for PPP because elements such as payments of contributions to individual accounts and to private funded entities offering those products are lacking. We favour adding elements mentioned before to the definition of PPP that EIOPA is currently using for its database: payment of contributions to individual accounts and limiting the early withdrawal of accumulated capital as these products have an explicit purpose to provide income at retirement. As already mentioned, we consider individual pension arrangements which involve payments of contributions of employers as occupational pensions and not part of 3rd pillar pensions, but of second pillar pensions where the IORP-directive is relevant.</p>	
48.	PensionsEurope PensionsEurope represents national	Q1	<p>Although the distinction between the three different pillars in the pensions system is widely accepted across Europe, in some Member States their boundaries are blurred and their respective importance differs widely across the European Union. Identifying the list of common features of EU PPPs is therefore a very complex task.</p>	agreed

			<p>The list of features presented by EIOPA in paragraph 3.1.3 seems accurate for a majority of PPPs in Europe. However, we would like to stress the importance of taking into account all existing PPPs in the EU when adopting new rules for the sector. The aim should be to avoid disrupting national systems that currently operate satisfactorily.</p> <p>We would like to highlight two key features of PPPs which we believe should be used to distinguish private personal pensions from private workplace pensions:</p> <p>1) Private personal pensions are not linked to a current or previous employment relationship. We believe that this is certainly a common feature of European PPPs. This characteristic is outlined by the OECD in its revised taxonomy for pension plans, pension funds and pension entities when defining private personal pension schemes. It would also be in line, for instance, with the current situation in some countries such as Belgium: When a Belgian employee ends his employment relationship with an employer where he had a workplace pension scheme, he can choose between different options regarding his accumulated capital. One of these options is to transfer his accrued rights to an insurance company or a specific institution facilitated by the employer which manages the accrued pension rights for employees who left their employer. According to Article 32 of the Belgian Occupational Pensions Act, this option has a clear occupational pension's character although only individuals can transfer money to these vehicles.</p> <p>2) Closely related to the previous point, the involvement of the employer should play a key role when differentiating second and third pillar pension schemes. In the UK, for instance, Group Personal</p>	
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			Pensions (GPPs) take the form of individual contracts between the scheme providers and the beneficiaries. However, the employer plays a key role in the establishment of the scheme and also by paying contributions. Indeed, GPPs would not exist without the mediation of the employer. GPPs have therefore the nature and characteristics of workplace pensions and should be regulated as such.	
49.	Slovak Association of Fund Management Companies (S	Q1	yes	agreed
50.	Slovak Insurance Association	Q1	Do you find the list of common features of PPPs identified by EIOPA complete? Would you add any other features (e.g. periodic income)? Re periodic income: Yes, any pension product should provide a regular source of money to the person covered.	It is not included - definition of PPP is not defined rules for the payment of premiums.
52.	The Finnish Pension Alliance / Työeläkevakuuttajat	Q1	We find the listing to be in part incomplete. Just the large diversity of different pension schemes in EU justify a diligent and precise formulation of the PPP definition. The ownership of funds in PPPs is the key here: only individual participants own the assets in personal accounts. Individual ownership as a PPP feature should be mentioned in the listing. We recognize that the individual choice forms the foundation of the EIOPA's abstraction of the PPP. That being said, a "voluntary participation of individuals" should likewise be added to the list of common features. Furthermore in addition to not participating in establishing a PPP scheme, as mentioned in the listing, employers should not have any role or relation in the definition of personal pension products. It is also of paramount importance, that the information given to EIOPA by national regulators, which were used to list common features of PPPs, is up to date and accurately describes the conditions in the field of personal pension products. It is regrettable, that the way the classifications were formulated in the	It is not included - definition of PPP excluded only 1 pillar and 2 pillar

			statistical summary and how they were used to describe the Finnish occupational pensions (II-pillar), did not reflect the actual circumstances in some cases.	
53.	ABI	Q2	<p>The majority of pensions in the UK are insurance pension contracts and fall within the scope of European legislation governing such contracts, so unless any gaps can be identified in this current framework, irrespective if the broad categories of a PPP are DB or DC, we see no sensible reason to add additional and potentially duplicative requirements.</p> <p>Pensions exist because of tax benefits offered by national governments, without these benefits pensions would not exist. They also have very close links with social and labour law, and the form of these products differ across the EU as a result of these underlying differences in laws. As discussed in question 1, in the UK there are distinct accumulation and decumulation phases for retirement savings. These phases warrant a different approach in terms of information provided and the rules for sales. Other markets do not have such a clear distinction, and offer products that reflect consumer preferences in their market. National regulators have built up rules for many years in response to market developments and national savings objectives to reflect the products required and offered in that market. They are far better suited to regulate their market in an appropriate and proportionate manner.</p>	covered by par 203 (stakeholder views)
54.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q2	We believe that EIOPA should focus mostly on PPPs with a specified performance. The guaranteed capital should be reassessed: this may make the product more reliable and consequently generate more investments.	covered by par 209 (stakeholder views)
55.	APFIPP – Associação	Q2	We are of the opinion that EIOPA should focus only on DC PPPs than on DB ones, since we think that the focus should be the development	covered by par 202

	Portuguesa de Fundos de Invest		<p>of a European capitalization product with retirement purposes (and this idea is already not easy to achieve only with DC solutions and very difficult to conceive with DB solutions).</p> <p>It should also be denoted that the latest developments, in the Pension Funds market, show a movement from DB towards CD plans.</p>	(stakeholder views)
56.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q2	<p>Currently we are only aware that the distinction between DB and DC exists in the occupational pensions space, where the employer makes a promise regarding a DB or a DC pension. For personal pension products the key question is whether the contract between costumer and provider includes a risk limitation for the former.</p> <p>We do not see any role for EIOPA in this area – if there was a role for EIOPA, it is unclear to us what it would look like. In Germany, EIOPA classifies both the Riesterrente (subsidized 3rd pillar pension) and the Basisrente (subsidized pension for the self-employed who are outside the state pension system, explanation for both see below), which are offered by different providers, as PPPs.</p> <p>The requirements for tax relief for the Riester- and the Basisrente are very different. The backdrop for the Basisrente is the German system of old age provision, in which only few self-employed face mandatory membership of the state pension. The tax framework surrounding the Basisrente is therefore very different to the one surrounding the Riesterrente, which is only intended to be an addition to the state pension. The conditions for the Basisrente partly mirror the ones for the state pension: For example it has to be paid out as a</p>	<p>covered by par 203 (stakeholder views)</p> <p>PPP is a not an EIOPA project, but a COM initiative. The Preliminary Report highlights the importance of the tax issue (par 161 ff). Work on this issue must be done by the competent authority.</p>

			<p>pension (rather than a lump sum), the accumulated capital cannot be used as collateral, it cannot be passed on or transferred to someone else. These requirements, which define the receipt of tax relief, are decided on the national level.</p> <p>Life insurers, credit institutes and capital investment companies are all regulated on EU-level and are therefore able to operate across the EU. Is there really a need for further regulation? The cross-border supply is only hindered by the national requirements for the receipt of tax advantages, but these have to be fulfilled by all providers across the EU.</p> <p>If the members states would agree to developing common rules for the treatment of personal pensions, this would very clearly mean entering the area of taxation. We do not see any work for EIOPA in this area.</p> <p>See EIOPA-Paper Point 3.2.22 and 3.2.23.</p>	<p>Agreed: par 217, 222</p> <p>see above</p>
57.	Asset management of Slovenska sporitelna	Q2	EIOPA should focus on DC only.	covered by par 202 (stakeholder views)
58.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q2	<p>EIOPA should focus more on DC schemes DB schemes are less and less available or affordable (as the economic conditions encourage both employers and providers to transfer investment risk to the individual).</p> <p>Elements to be regulated in order to create a single market should</p>	covered in par 202 and 212 (stakeholder views)

			<p>include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Recognition of schemes for both taxation and social reason throughout the EU. <input type="checkbox"/> Focus on retirement. Product duration to coincide with normal retirement age (including options for early and late retirement). <input type="checkbox"/> Pre and post contract disclosures. To include annual reporting of accumulated "pension pot" and scenarios of possible real value as income at retirement to enable adjustment to contribution levels. It would be necessary to regulate the assumptions used to ensure realistic and consistent. <input type="checkbox"/> Acceptability of asset classes and indeed banning of use of assets deemed not suitable for a pension product. <input type="checkbox"/> Portability and transferability between providers and Member States. <input type="checkbox"/> Contribution flexibility (including preservation of benefits) to enable lifestyle changes (such as change of job/redundancy/Ill health and disability). <input type="checkbox"/> Provision of advice both when commencing a plan and ongoing. To include contributions required to achieve desired income at retirement, changes to personal circumstances, changes to investment risk appetite, need to counter changes due to stock market or other financial conditions. <input type="checkbox"/> Ensure the maximum availability of advice to all individuals whether by payment of a fee or commission to the advisor or a combination of both agreed by the parties. <input type="checkbox"/> Protection pension pot in event of failure of the product provider and rules to protect it from creditors of the individual. 	
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59.	Association of the Luxembourg Fund Industry	Q2	<p>Do you think that EIOPA should focus more on DC or DB PPPs?</p> <p>In our view the underlying logic of PPP's points to a focus on DC pension plans. PPP's are by definition designed for individual retirement provision on the basis of the returns available in the financial markets. The provision of defined benefits requires either the creation of groups or cohorts to share, for example, longevity risks or it requires recourse to insurance products. In both cases the cost and complexity of products will increase considerably and their acceptance will be much more difficult. We therefore suggest that PPP's focus on DC.</p> <p>What elements should be regulated for both types of PPPs in order to create a single market for PPPs?</p> <p>In principle ALFI agrees with the answer by EFAMA. In this regard we also make reference to our response to the Commission Consultation on "Consumer protection third pillar retirement products", dated 19 July 2013, as attached, and in particular to our response to question 10 therein.</p> <p>In addition, we would like to highlight the fact that i) any pan-European personal pension product will be faced with structural difficulties in that it needs to fit all jurisdictions, which in turn will have consequences for the cost of providing such a product (among other factors the different tax systems applicable); and ii) the product needs to be interesting enough to a sufficiently large number of</p>	covered by par 202 (stakeholder views)
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			<p>investors to be workable.</p> <p>OCERP providers need to make sure that the cross border product offered is provided at a cost compared with other (national) pension products; the administrative burden for the provider of such product needs to be similar compared to other existing pension products and above all such product needs to be easily understandable for the underlying investor, who in turn needs to benefit from all fiscal advantages available to domestic products.</p> <p>In addition, it should be taken into consideration that the key features of OCERPs may in due course become a model of best practice for the provision of pensions when designing national pension solutions.</p> <p>The work launched by EIOPA on the creation of “a EU-single market for personal pension products” is very much related to the work undertaken by the European Commission in the area of “consumer protection in third-pillar retirement products”. In this context, we believe that an EU certification scheme should be used to provide a EU passport to third-pillar retirement products that would comply with a set of common EU standards for such products. This set of standards should be covered in a EU regulatory framework that regulates the EU labeled PPPs.</p> <p>An EU regulatory framework should not aim at harmonizing all types of existing PPPs. That would be an overly ambitious goal. Instead, the aim should be to create a new type of PPP (which we will call OCERP) that could be offered to EU citizens in addition to the PPPs that are currently available at national level.</p>	<p>OCERP view covered in par 204, 206</p>
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			<p>The OCERP would be allowed to be marketed across Europe, once certified in one member state. They would be certified by the national regulatory body which has the competence to authorize retirement products. To allow this certification process to take place, a specific EU legislative framework would be essential to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> provide a EU passport to the OCERP, by laying down a common framework of rules for qualifying an OCERP; <input type="checkbox"/> facilitate cross-border activity for the provider, by regulating the conditions under which financial institutions could provide OCERPs across Europe. 	
60.	Assogestioni	Q2	We believe EIOPA should primarily focus on DC PPPs. DB schemes could hamper the portability.	covered by par 202 (stakeholder views)
61.	Bulgarian Association of supplementary pension sec	Q2	EIOPA should focus on both DC and DB plans. Otherwise, if focusing on DC only, DC-predominated CEEC will come up with a single market, whereas the DB-burdened Old Europe will still remain patchworked by nationally fenced legislative regimes impeding single market operation. Personal freedom of movement and freedom of choice should be provided for. Segregation of the assets of the sponsoring undertaking, the pension fund and the managing pension company, immediate vesting and free portability of accrued pension rights are the key elements of a secure single market for both DC and DB PPPs.	covered by par 203 (stakeholder views)
62.	EFAMA	Q2	<p>Do you think that EIOPA should focus more on DC or DB PPPs?</p> <p>We believe that EIOPA should focus more on DC PPPs, for two main reasons:</p>	covered by par 202

			<p><input type="checkbox"/> First, the trends towards DC schemes, away from DB schemes, is continuing</p> <p><input type="checkbox"/> Second, the goals of creating a single market for PPPs and ensuring their portability across borders would be easier to achieve by regulating DC PPPs, which are less complex products than DB PPPs.</p> <p>What elements should be regulated for both types of PPPs in order to create a single market for PPPs?</p> <p>The work launched by EIOPA on the creation of “a EU-single market for personal pension products” is very much related to the work undertaken by the European Commission in the area of “consumer protection in third-pillar retirement products”. In this context, we believe that an EU certification scheme should be used to provide a EU passport to third-pillar retirement products that would comply with a set of common EU standards for such products. This set of standards should be covered in a EU regulatory framework that regulates the EU labeled PPPs.</p> <p>An EU regulatory framework should not aim at harmonizing all types of existing PPPs. That would be an overly ambitious goal. Instead, the aim should be to create a new type of PPP (which we will call OCERP) that could be offered to EU citizens in addition to the PPPs that are currently available at national level.</p>	<p>(stakeholder views)</p> <p>OCERP view covered in par 204, 206</p>
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			<p>The OCERP would be allowed to be marketed across Europe, once certified in one member state. They would be certified by the national regulatory body which has the competence to authorize retirement products. To allow this certification process to take place, a specific EU legislative framework would be essential to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> provide a EU passport to the OCERP, by laying down a common framework of rules for qualifying an OCERP; <input type="checkbox"/> facilitate cross-border activity for the provider, by regulating the conditions under which financial institutions could provide OCERPs across Europe. 	
63.	EIOPA Occupational Pensions Stakeholder Groups (OP	Q2	<p>The concepts “Defined Contribution (DC)” and “Defined Benefit (DB)” are not adequate when trying to analyse and classify PPPs. In this regard what should be clearly specified (and clearly understood by the PPP holder) is “who is going to bear what risk?”. There are three main classes of risks: financial risks, mortality/survival risks and expenses/administration risks. PPPs should be classified regarding where risks lie rather than using DB/DC terminology that can mislead. For example a DC occupational scheme with an underpin will be a totally different product from an employer branded group DC PPP – but probably look the same to the consumer.</p> <p>EIOPA should focus more on cases where either financial risk involved in the product is transferred to the PPP provider or where the member takes all the risk. EIOPA should make sure that the PPP provider has the technical capacity and the financial strength to support the risks that it is covering. In relation to PPP provision and there should be prudential regulation around investment options and communication.</p> <p>From a consumer point of view the prudential risks should also be managed by regulation and supervision. The scheme risks will include quality, costs, charges, governance, investment choice and</p>	covered by par 203 (stakeholder views)

			transfer risks. All these should be taken into account.	
64.	Fédération Française des Sociétés d'Assurance	Q2	<p>FFSA considers that there is no obvious evidence to focus on one particular type of scheme first. Indeed both DC and DB schemes are important and have different features that need different attention and treatment.</p> <p>Moreover we believe that it is necessary to standardize assumptions provisions in all countries, for both DB and DC. In particular it is essential to uniform the choice of the rate. It will ease the comparison of products and allow a better consumer protection all over the EU.</p>	covered by par 203 (stakeholder views)
65.	FSUG	Q2	<p>Since there is a trend to phase out DB schemes and as the DC schemes generally shift more risks onto the savers (members) as well as recent development trends toward introducing pure DC schemes, the FSUG recommends focusing in a first stage on the DC schemes.</p> <p>The DB schemes should be analyzed and decomposited from the view of guarantees offered to the members and cost of these guarantees.</p>	covered by par 202, 207 (stakeholder views)
66.	Groupe Consultatif	Q2	<p>The focus should be on DC. Whilst a single market in DB products is theoretically conceivable, extending beyond pure DC (i.e. DC with no guarantees at all) is likely to make it much more difficult to achieve agreement. DB products also present considerably more complex issues in regard to transferability and introduce more difficulties in regard to capital requirements.</p> <p>Elements which might be regulated include charges (type and level)(although not everyone would agree that this is desirable, preferring to rely on ensuring transparency of charging), transferability, options for decumulation at retirement, asset classes in which it is appropriate to invest funds.</p>	covered by par 202 and 211 (stakeholder views)

68.	Insurance Europe	Q2	<p>Do you think that EIOPA should focus more on DC or DB PPPs? What elements should be regulated for both types of PPPs in order to create a single market for PPPs?</p> <p>Insurance Europe would like to highlight that the interpretation of DC and DB schemes differs between member states. In any case, Insurance Europe highlights that both DC and DB schemes, independent from how both types of schemes are defined precisely, are important and have different features that need different attention and treatment. However, as long as there is no evidence that there are regulatory gaps or obstacles for cross border sales of any of those schemes Insurance Europe sees no need to focus on one of those specifically.</p>	Agreed: par 215 to 217, 222
69.	Investment Management Association	Q2	<p>The nature of what EIOPA and the European Commission are trying to achieve partly determines the answer. It would be useful to clarify what is the market here: who is the target client base? If this is a product intended to be sold to those who are mobile, cross-border employees, or the self-employed, then a focus on DC may be more appropriate. DC is both the current direction of travel internationally and easier to port between employers and probably between jurisdictions (subject to a caveat about tax regimes – see answer to Q11).</p>	covered by par 202 (stakeholder views)
70.	National Association of Pension Funds (NAPF)	Q2	<p>Do you think that EIOPA should focus more on DC or DB PPPs? What elements should be regulated for both types of PPPs in order to create a single market for PPPs?</p> <p>At least in the UK, personal pensions are essentially DC schemes. This</p>	covered by par 202 (stakeholder views)

			should be EIOPA's focus.	
71.	PensionsEurope PensionsEurope represents national	Q2	Since life insurers, credit institutions and investment companies are already regulated at EU-level and can therefore operate across the EU, it is arguable whether there is a need for action of EIOPA in this field. However, in the event EIOPA decides to continue its works in this field, we believe that EIOPA should focus its actions on DC PPPs since DB PPPs are more likely to raise cross-border issues. The legislation would also be in line with the tendency in the European pensions market to move from DB to DC schemes.	Partially agreed: cf par 215 to 217 for EIOPA view and 222
72.	Slovak Association of Fund Management Companies (S	Q2	EIOPA should focus on DC only.	covered by par 202 (stakeholder views)
75.	ABI	Q3	The insurance single market was established through the third generation of insurance directives in 1992, which enabled the distribution of life insurance products on a cross-border basis. These Directives have been consolidated and replaced by the Solvency II Framework Directive, which sets down a comprehensive risk management framework for insurers across the EU. Unless there are any gaps identified in this framework that need to be addressed, we see no sensible reason to require additional and potentially duplicative requirements.	Agreed: par 217, 222
76.	ANASF – ASSOCIAZIONE NAZIONALE	Q3	We believe that the return of capital should be included among the requirements.	partially touched in par 210, 211

	PROMOTORI FINANZIAR			
77.	APFIPP – Associação Portuguesa de Fundos de Invest	Q3	<p>In Portugal, personal pension products are provided by different entities, as Investment Funds Management Companies, Pension Funds Management Companies and Life Insurance Companies are allowed to manage 3rd Pillar pension products. These entities are regulated according to national and European regulations and we think that there is no need for further/additional regulation.</p> <p>However, we believe that some adjustments or adaptations may be necessary in certain EU jurisdictions, to take in consideration the specific nature of pension products.</p>	Agreed: par 217, 222
78.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q3	<p>No, we do not see any need for further regulation and no role to play for EIOPA.⁷ In a first step, EIOPA should analyse which providers of personal pensions currently do not fall under any regulation. It should then be EIOPA's main objective to close these gaps, rather than further regulating already regulated providers.</p>	Agreed: par 217, 222
79.	Asset management of Slovenska sporitelna	Q3	Existing requirements are sufficient, no additional prudential requirements are necessary.	Partially agreed: par 217, 222 (no position how to tackle with EU-unregulated providers of PPPs)
80.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q3	Yes. There is currently much regulatory variation particularly with disclosure requirements. The proposed PRIIPS/KIDIP KID would address some of these issues. If PPPs where the individual assumes the investment risk are excluded then it would not assist the	Agreed: par 219

			<p>individual in deciding whether to take a contract as a pension or non-pension product [see Q39]</p> <p>In addition, PPPs may in some Member States be offered not only by insurers but by fund managers and banks so that there could be disparity in prudential regulation.</p>	<p>no conclusion whether or not there is need to do sth</p>
81.	Association of the Luxembourg Fund Industry	Q3	<p>Do you think that future regulation of PPPs should also include additional prudential requirements in cases where the provider of certain PPPs is already subject to European prudential regulation?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>Two approaches could be envisaged to regulate the OCERP providers:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Introduce a specific stand-alone EU prudential regime for the OCERP providers, along the line of the IORP Directive, to ensure providers operate under the same rules. <input type="checkbox"/> Allow insurance companies, asset managers, banks and IORPs to provide OCERPs under the existing EU legislation applicable to these institutions. <p>The first approach would imply that OCERP providers would need to manage OCERPs as a separate entity with a separate governance structure. This would discourage many banks and other financial institutions to become OCERP providers, because of the cost implications.</p>	<p>see discussion in par 238 ff</p>

			The second approach would allow insurance companies, asset managers, banks and IORPs to operate as OCERP providers under the existing rules without forcing them to create a separate entity solely dedicated to OCERP provision. This would be the most cost-efficient solution.	
82.	Assogestioni	Q3	It is important to avoid any overlapping between the regulation applicable to the product and the one applicable to the product provider.	aspect covered in par 235
83.	Austrian Insurers' Association (VVO)	Q3	Redundant regulation has to be avoided. Life insurance products are already regulated under Directive 2009/138/EC (Solvency II).	aspect covered in par 235
85.	Bulgarian Association of supplementary pension sec	Q3	Existing European prudential regulation should be harmonized rather than additional prudential requirements being imposed in cases where the provider of certain PPPs is already subject to European prudential regulation.	Partially agreed: par 217, 222
86.	EFAMA	Q3	<p>Do you think that future regulation of PPPs should also include additional prudential requirements in cases where the provider of certain PPPs is already subject to European prudential regulation?</p> <p>Two approaches could be envisaged to regulate the OCERP providers:</p> <p><input type="checkbox"/> Introduce a specific stand-alone EU prudential regime for the OCERP providers, along the lines of the IORP Directive, to ensure providers operate under the same rules.</p>	see discussion in par 238 ff

			<p><input type="checkbox"/> Allow insurance companies, asset managers, banks and IORPs to provide OCERPs under the existing EU legislation applicable to these institutions.⁷</p> <p>The first approach would imply that OCERP providers would need to manage OCERPs as a separate entity with a separate governance structure. This would discourage many banks and other financial institutions to become OCERP providers, because of the cost implications.</p> <p>The second approach would allow insurance companies, asset managers, banks and IORPs to operate as OCERP providers under the existing rules without forcing them to create a separate entity solely dedicated to OCERP provision. This would be the most cost-efficient solution.</p>	
87.	EIOPA Occupational Pensions Stakeholder Groups (OP	Q3	<p>Yes, to reflect the “retirement objective” of pension provision as compared to other consumer products. For example where a provider is offering a group personal pension contract to an employer which is deemed “suitable” for the workforce population, that suitability test needs to be reviewed over time to maintain suitability for retirement. There may be lessons to be considered here from the US 401(K) regime.</p>	<p>This does not seem to be an issue of prudential regulation but a PPP holder protection measure as mentioned in par 219, 223</p>
88.	Fédération Française des Sociétés d’Assurance	Q3	<p>As for insurance products, the FFSA considers that European prudential regulation is sufficient.</p> <p>There is no need to add additional prudential requirements on the top for PPPs.</p>	<p>Agreed (in principal): par 217, 222</p>

			FFSA considers that a new initiative, if any, should start identifying existing differences between actors and country, in order to fill the existing gaps and to standardize, rather than adding new rules on the top of existing regulation.	
89.	FSUG	Q3	In order to create a more efficient and competitive single EU market for PPPs, future regulation of PPPs should seek to bring better coherence in prudential requirements across schemes and across Member States (not only those introduced by IORP).	this idea is covered by par 207, for example
90.	German Insurance Association (GDV)	Q3	PPPs shall always be characterized by security (capital requirements for the commitments made and protection against insolvency of the provider). German insurers propose that EIOPA in cooperation with other ESAs should aim at providing a level playing field in prudential regulation, and to avoid contradictions or discrepancies for all providers of PPPs in the European Union. To avoid excessive regulation we suggest taking the insurance regulation as a benchmark which includes PPPs provided by insurers and sufficiently reflects the true risk profiles of the providers.	singular view to take insurance regulation as a benchmark for (prudential) regulation
91.	Groupe Consultatif	Q3	No. Existing prudential regulation should be translated into the regulation of PPPs where proportionate and appropriate.	in line with par 217, 222
93.	Insurance Europe	Q3	Do you think that future regulation of PPPs should also include additional prudential requirements in cases where the provider of certain PPPs is already subject to European prudential regulation? The insurance market is currently regulated at EU level through a	Agreed: par 217, 222

			series of insurance directives. These directives have been consolidated and have been replaced by Solvency II. This sets down a comprehensive risk management framework for insurers across the EU. Therefore, according to Insurance Europe it should first be investigated if there are certain gaps which need to be addressed and possibly closed by future regulation, before requiring additional and potentially duplicative requirements.	
94.	Investment Management Association	Q3	There needs to be consistency between existing requirements for pension arrangements and future requirements affecting a specifically European product.	This response is in line with the outcome of par 213 to 223.
95.	National Association of Pension Funds (NAPF)	Q3	<p>Do you think that future regulation of PPPs should also include additional prudential requirements in cases where the provider of certain PPPs is already subject to European prudential regulation?</p> <p>The NAPF would not support additional prudential requirements. The insurance companies that provide personal pensions are already subject to Solvency II.</p>	This response is in line with the outcome of par 213 to 223.
96.	PensionsEurope PensionsEurope represents national	Q3	Most of the entities providing PPPs in the EU are already adequately regulated by European and national legislations. Hence, any potential regulation applicable to PPPs must not include additional prudential requirements for PPP providers.	This response is in line with the outcome of par 213 to 223.
97.	Slovak Association of Fund Management	Q3	Existing requirements are sufficient, no additional prudential requirements are necessary.	This response is in line with the outcome of par 213 to 223.

	Companies (S)			
98.	Slovak Insurance Association	Q3	<p>Do you think that future regulation of PPPs should also include additional prudential requirements in cases where the provider of certain PPPs is already subject to European prudential regulation?</p> <p>Most important is to ensure Level playing field for all providers of PPPs. if this means to increase regulation then yes. Questionable is the case where current regulation is going above „possible future regulation of PPPs“.</p>	singular view (increase of regulation)
101.	The Finnish Pension Alliance / Työeläkevakuuttajat	Q3	<p>Considering the regulation of IORP directive and the on-coming IORP II directive and other directives regulating insurance services along with national rules, it's difficult to perceive significant advantages in any further prudential requirements. It goes without saying that any additional prudential regulation to those already under regulation, would prove to be administratively too burdensome. This would ultimately result in costly and counterproductive effects in practice.</p>	Agreed: par 117, 122
102.	ABI	Q4	<p>As per our response to question 2, pensions have developed due to tax benefits offered by governments and in response to the savings characteristics of consumers in those Member States. National regulators have then built up rules for many years to reflect the products offered in that market. Therefore, we do not believe it is feasible to create a fully single market for PPPs given the market diversity and number of different products offered . If there is any desire to sell or buy a pension cross border, providers can passport using the freedom of services framework. This regime requires that all providers must be regulated to at least a minimum standard at an EU level, inform the host Member State of the decision to provide pensions in that State and comply with local general good rules. This is an ability we support, and we do not believe the status quo should</p>	covered by par 26 (stakeholder views)

			be changed	
103.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q4	The creation of a single market for PPPs may allow the products’ transferability in the UE countries, increase transparency, facilitate the prevision of a univocal and uniform taxation and, as a consequence, a greater harmonisation	covered by par 24 (stakeholder views)
104.	APFIPP – Associação Portuguesa de Fundos de Invest	Q4	Creating or improving a single market for PPP will contribute to the development of pensions provisions and to ensure more adequate pensions in the future. It will also be a way to call the attention of the European citizens to the importance and need to save for retirement and to the active role they should perform in the preparation of that stage of life.	covered by par 24 (stakeholder views)
105.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q4	<p>We would like to emphasise again that occupational pensions should under no circumstances be included in this questionable project. The members and beneficiaries of occupational pensions are mainly protected by national social and labour law (in Germany, the legal obligation for the employer to ensure that the pension promise is met as well as the link to a current employment contract are particularly important). An inclusion of occupational pensions in a single market for PPPs would not be sensible and could cause serious damage, in particular because of the different national systems (different social, labour and tax law). In addition, occupational pensions which are linked to an employment contract and often financed jointly by employers and employees do not need competition to prosper.</p> <p>There is currently already a host of regulation for the different providers of personal pensions. Within this framework, providers can offer their products across the EU. From this perspective, there</p>	<p>Agreed: par 59</p> <p>Noted: par 26</p>

			<p>already is a single market for PPPs.</p> <p>The creation of a single market for personal pensions understood as an EU-wide definition of the requirements for tax relief would mean a further loss of sovereignty of the Member States. As long as the responsibility for pensions is with the Member States and the diversity of the 1st and 2nd pillar remains as it is now, such a harmonisation in the area of personal pensions is not sensible.</p> <p>Member States should be in a position to support different PPPs according to their function and the government budget, e.g. replacing state pension income in the case of the Basisrente, or partly replacing / topping up state pension income as the Riesterrente does. This includes different requirements as well as different levels of tax relief.</p> <p>Aggregating PPPs as both EIOPA and the OECD are doing is therefore not sensible. For example according to the OECD Working Paper „Coverage of Private Pension Systems“ from June 2012, 40,5% of the labour force in Germany held a personal pensions (page 14, chart 3). Disregarding the fact that a substantial part of the 15.5m Riesterrenten₁ is likely to be held by individuals not in employment, it does not make sense to add this figure to the 1.6m Basisrenten₁ . It neither makes sense to aggregate nor to create a common framework for both Riesterrenten and the 1st pillar bis systems of Central and Eastern Europe.</p> <p>Only big financial service providers operating across the EU are likely to have an interest in the creation of a single market for personal pensions understood as a common definition of requirements to</p>	<p>(stakeholder views)</p> <p>Not agreed.</p> <p>COM and European Court of Justice have addressed tax equality and unlawful discriminatory national practices.</p> <p>covered by par 26 (stakeholder views)</p> <p>Not noted because there is no conclusion</p>
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			receive tax relief.	
106.	Asset management of Slovenska sporitelna	Q4	Creating regulation on European level for the best pension product.	covered by par 24 and par 238 ff, for example
107.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q4	<p>Opportunity for providers to achieve economies of scale (the more so with a 2nd regime). For the consumer this can mean more innovation in products, more choice and better value for their contributions. In addition, enabling portability would assist with freedom of movement.</p> <p>Opportunity would also be available to increase consumer protection for PPPs throughout the EU.</p>	covered by par 24
108.	Association of the Luxembourg Fund Industry	Q4	<p>What advantages do you see in creating/improving a single market for PPPs?</p> <p>ALFI fully supports the position set-out by EFAMA.</p> <p>The creation of a single market for PPPs would bring significant benefits to the European economy, its citizens and the pension industry.</p> <p>Benefits for the European economy</p> <p>Financing long-term investments patient capital</p> <p>In an economic and regulatory environment that hinders governments' capacity and institutional investors' incentives to invest</p>	covered by par 24 and 204, 239 ff (OCERP)

			<p>in long-term assets, the OCERP would contribute to reduce the long-term financing gap by channeling retail investors' retirement savings towards long-term investments.</p> <p>Taking into account that retirement savings are usually associated to long lock-up periods (usually until the individual reaches the normal retirement age), it would make sense to incentivize a shift of retirement savings towards long-term investments, in particular, in the areas of transportation, energy, health, education and real estate. Additionally, the OCERP would also help financing small and medium enterprises (SMEs), social enterprises and startups. This would provide an additional source of financing to Europe's long-term investment needs, thereby contributing to higher growth and job creation.</p> <p>Benefits for EU citizens</p> <p>Achieving cost-effectiveness</p> <p>OCERPs cross-border selling activity would have positive implications at national level. It would increase competition among purely national personal pension savings providers and OCERP providers, which would make existing domestic pension schemes more attractive and less costly.</p> <p>Securing quality and transparency</p> <p>The OCERP could be associated with high standards of transparency, consumer protection, cost-efficiency and ideally portability.</p>	
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			<p>Facilitating portability</p> <p>Even if an OCERP is faced with some existing barriers such as taxation that would hinder its portability and transferability for mobile citizens, it would still represent a strong benefit for all EU citizens buying pension products in their own countries. Furthermore, the transferability of OCERP assets between providers within the same member state and the portability of OCERPs between different member states using the same provider shall be encouraged to the fullest extent possible.</p> <p>Reconnecting Europe with its citizens</p> <p>The creation of the OCERP should be considered as a positive response of European leaders to overcome the current fragmentation of the European pensions market and thus facilitate job mobility and enhance cost-efficiency and product choice in this market.</p> <p>Benefits for the pension industry</p> <p>Cross border activity</p> <p>The creation of an OCERP would allow providers to sell the same product across Europe targeting both mobile and non-mobile citizens. Considerable economies of scale could be achieved if one provider could manage from one country one product being sold in several Member States.</p> <p>Achieving standardization</p> <p>OCERPs would allow providers to add to their product range a highly</p>	
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			<p>standardized pension scheme, allowing for reduced costs for every provider interested in distributing a personal retirement savings solution across Europe.</p> <p>Empowering business</p> <p>The scenario of lack of harmonization of tax rules relating to OCERPs does not hinder the possibility that would be given to a provider to sell the same OCERP in different countries. It should indeed encourage many banks, insurers and asset managers to expand their product offering, building on their respective business models and taking advantage of the EU-wide passport of their OCERP and its potential scale across Europe. Also, identical rules across the EU for the OCERP and its provider will help creating a level playing field for all pension market participants thus fostering competition, innovation and cost-effectiveness.</p>	
109.	Assogestioni	Q4	It would make possible to take advantage from economies of scale and it would improve the market competition.	covered by par 24 (stakeholder views)
111.	Bulgarian Association of supplementary pension sec	Q4	Free movement of labour and capital. Greater work efficiency – having those freedoms in the contemporary electronic era employees will follow their professional “passion”, not their occupational “pension” when they move from one employer to another in the EU, thus allocating their labour force to the workplace best suited to their professional qualification and experience rather than best adapted to the terms and conditions of the type of occupational scheme mainly offered so far.	covered by par 24

112.	EFAMA	Q4	<p>What advantages do you see in creating/improving a single market for PPPs?</p> <p>The creation of a single market for PPPs would bring significant benefits to the European economy, its citizens and the pension industry.</p> <p>Benefits for the European economy</p> <p>Financing long-term investments patient capital</p> <p>In an economic and regulatory environment that hinders governments' capacity and institutional investors' incentives to invest in long-term assets, the OCERP would contribute to reduce the long-term financing gap by channeling retail investors' retirement savings towards long-term investments.</p> <p>Taking into account that retirement savings are usually associated to long lock-up periods (usually until the individual reaches the normal retirement age), it would make sense to incentivize a shift of retirement savings towards long-term investments, in particular, in the areas of transportation, energy, health, education and real estate. Additionally, the OCERP would also help finance small and medium enterprises (SMEs), social enterprises and startups. This would provide an additional source of financing to Europe's long-term investment needs, thereby contributing to higher growth and job creation.</p>	covered by par 24 and 204, 239 ff (OCERP)
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			<p>Benefits for EU citizens</p> <p>Achieving cost-effectiveness</p> <p>OCERPs cross-border selling activity would have positive implications at national level. It would increase competition among purely national personal pension savings providers and OCERP providers, which would make existing domestic pension schemes more attractive and less costly.</p> <p>Securing quality and transparency</p> <p>The OCERP could be associated with high standards of transparency, consumer protection, cost-efficiency and ideally portability.</p> <p>Facilitating portability</p> <p>Even if an OCERP is faced with some existing barriers such as taxation that would hinder its portability and transferability for mobile citizens, it would still represent a strong benefit for all EU citizens buying pension products in their own countries. Furthermore, the transferability of OCERP assets between providers within the same member state and the portability of OCERPs between different member states using the same provider shall be encouraged to the fullest extent possible.</p> <p>Reconnecting Europe with its citizens</p> <p>The creation of the OCERP should be considered as a positive response of European leaders to overcome the current fragmentation of the European pensions market and thus facilitate job mobility and</p>	
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			<p>enhance cost-efficiency and product choice in this market.</p> <p>Benefits for the pension industry</p> <p>Cross border activity</p> <p>The creation of an OCERP would allow providers to sell the same product across Europe targeting both mobile and non-mobile citizens. Considerable economies of scale could be achieved if one provider could manage from one country one product being sold in several Member States.</p> <p>Achieving standardization</p> <p>OCERPs would allow providers to add to their product range a highly standardized pension scheme, allowing for reduced costs for every provider interested in distributing a personal retirement savings solution across Europe.</p> <p>Empowering business</p> <p>The scenario of lack of harmonization of tax rules relating to OCERPs does not hinder the possibility that would be given to a provider to sell the same OCERP in different countries. It should indeed encourage many banks, insurers and asset managers to expand their product offering, building on their respective business models and taking advantage of the EU-wide passport of their OCERP and its potential scale across Europe. Also, identical rules across the EU for the OCERP and its provider will help creating a level playing field for all pension market participants thus fostering competition, innovation and cost-effectiveness.</p>	
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113.	EIOPA Occupational Pensions Stakeholder Groups (OP	Q4	<p>See General remarks. While we would not object to creating or improving a single market for PPPs, we are not aware there is a pent-up demand for these products. We would be concerned however, that in a climate where there are already hurdles and barriers in terms of understanding and obtaining sufficient clear and transparent information, the additional burdens for example of explaining tax implications and/or the value of capital transfers in relation to a single market, might be a hurdle too far. However if the tax and transparency/information issues can be got around, it would seem a reasonable aim.</p> <p>If it led to an improvement and ratcheting up of consumer protection and transparency across the whole pensions industry, it could be an attractive option.</p>	main concerns covered by par 186
114.	Fédération Française des Sociétés d'Assurance	Q4	<p>European business is expanding which causes an increase in the mobility of workers in Europe. This makes necessary the ability to use a uniform and flexible framework throughout the EU. Therefore, the ability to use a consistent framework across Europe is needed. Creating a single market for PPPs will ease the provision of new solutions for a better protection all over the EU. Finally it will promote mobility of citizens.</p>	covered by par 27 (stakeholder views)
115.	FSUG	Q4	<p>We expect several key advantages from the creation of a well-functioning single market for PPPs:</p> <ol style="list-style-type: none"> 1. increased competition that will benefit the savers, 2. diversification of investment strategies that will better fit the diversity of needs of savers, 	covered by par 24 (stakeholder views)

			<p>3. increased value for savers resulting from the various fee strategies introduced by the providers,</p> <p>4. enhanced mobility of capital (savings) which not only follows the carrier path of the members, but members (savers) can participate in different schemes (or new EU regime) across EU based on their preferences and needs,</p> <p>5. support to cross-border mobility of workers through a harmonized single market for PPPs.</p>	
116.	German Insurance Association (GDV)	Q4	<p>The single market for personal pension products is already well developed. As indicated in the general remarks, market entry of providers of PPPs can occur in several forms of which direct cross-border sales are only one. However, market integration in the life insurance sector is often realized through national subsidiaries. German insurers consider there is not enough empirical evidence that this situation results in insufficient integration or even market failure that have to be overcome.</p>	covered by par 25 and 26 (stakeholder views)
117.	Groupe Consultatif	Q4	<p>Some Member State markets are small and individuals would benefit from having access to a wider range of PPPs on a pan-European basis.</p> <p>Easy access to a wide range of products should also increase competition and drive down costs.</p> <p>A single market subject to high standards of governance and transparency could also benefit citizens in all countries and contribute towards the development of higher levels of saving for retirement.</p> <p>The growth of DC products will mean more citizens can access PPPs across jurisdictions in the EU. Freedom of movement across borders could be affected where the provision of pension benefits is restricted.</p>	covered by par 24 and 202 (stakeholder views)

119.	Insurance Europe	Q4	<p>What advantages do you see in creating/improving a single market for PPPs?</p> <p>Insurance Europe believes that if there is a desire to sell or purchase pensions cross-border, this can currently be facilitated via the passporting of pensions under the Freedom of Services framework and the Freedom of Establishment for insurers.</p> <p>Additionally, Insurance Europe believes that indicating particular advantages of creating/improving a single market for PPPs is premature at this stage. As included in its general remarks, Insurance Europe believes that appropriate mapping and understanding of the different markets is crucial before analysing possible gaps, deciding whether there is a need for a single market for PPPs and finding possible advantages. Currently, a European expert group, mandated by the European Commission, is considering whether differences in insurance contract law pose obstacles to cross-border trade in insurance products and, if so, in which specific insurance areas, including certain life insurance products which could serve as private pensions, this is the case. Insurance Europe participates in the expert group and does at this point not wish to anticipate or predetermine any of its results, which will be issued in a report based on its findings.</p>	covered by par 26 (stakeholder views)
120.	Investment Management Association	Q4	<p>As we point out in our general comments, there is clearly scope for economies of scale in certain areas, while recognising that economies of scale in investment can also be achieved at the level of the underlying investment vehicle(s) via national product regimes. For a cross-border labour force, there are obvious advantages relating to improved portability.</p>	covered by par 24 (stakeholder view), regarding investment vehicles, cf also par 26

121.	National Association of Pension Funds (NAPF)	Q4	<p>What advantages do you see in creating/improving a single market for PPPs?</p> <p>The NAPF supports the strengthening of the Single Market, although we recognise that the existence of different tax regimes at national level can present a significant obstacle to running pension schemes across national borders.</p> <p>A Single Market for PPPs would enhance labour mobility in the EU, but this should not be achieved at the expense of extra regulatory costs that could undermine pension provision for the many EU workers who do not move across borders.</p>	covered by par 24, concerns on costs mentionend in par 25
122.	PensionsEurope PensionsEurope represents national	Q4	<p>One could argue that there is already a single market for PPPs since various providers of private personal pensions are already regulated by EU laws and can provide their services throughout Europe. However, any improvement / enlargement of this single market (which would possibly require fiscal harmonisation measures) would help the development of the pensions market and therefore improve the citizen's overall retirement benefits. PPP providers would be able to benefit from more economies of scale linked to the possibility of reaching a pan-European market. Competition in the market will increase and result in lower prices for PPPs consumers. The mobility of citizens across the EU would also benefit from the transferability of PPPs.</p>	covered by par 24 (stakeholder views)

			However, it is crucial that occupational pensions are not included in this project. Members and beneficiaries of occupational pensions are primarily protected by social and labour law. The different national approaches in this area mean that a single markets would be difficult to create and quite unlikely to be foster occupational pensions.	Agreed: par 59
	Slovak Association of Fund Management Companies (S	Q4	Creating regulation on European level for the best pension product.	covered by par 24 and par 238 ff, for example
124.	Slovak Insurance Association	Q4	What advantages do you see in creating/improving a single market for PPPs? Rising awareness of third pillar and its important role in providing sustainable financial cover for future pensioners.	covered by par 24 (stakeholder views)
126.	ABI	Q5	The OECD definition does not work when comparing it to the products available on the UK pensions market and the EIOPA definition is very wide and could lead to uncertainty as to what products would not be in scope. Irrespective of this, any proposed definition of a pension needs to clearly exclude mandatory employer facilitated pensions, such as those required under automatic enrolment in the UK, and focus solely on individual pension arrangements. With automatic enrolment, the employer is a crucial player and must enrol their employees into a pension scheme and pay contributions to their employee's pension. These requirements are mandated by national law. Once in the scheme, the employee can then decide whether or not to opt out of that scheme. As in our response to question 1, the appropriate regulatory regime has been developed by the UK government in response to the needs of UK citizens and we would be very concerned if this type of arrangement was included in a future pension initiative at an EU level.	Partly included in the document – definition didn't exclude mandatory participation par 40

127.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q5	We share the definition, nevertheless, it doesn't apply to all the Member States. For example, in Italy, tied agents are subject to two mandatory welfare programs, both based on the allocation of contributions. Tied agents must make their contributions to the personal pension fund Enasarco (not chosen by the tied agents themselves) and at the same time to the INPS (National Institute of Social Security). A uniform European legislation would be beneficial, allowing the elimination of these paradoxical situations.	Included in par 54
128.	APFIPP – Associação Portuguesa de Fundos de Invest	Q5	<p>EIOPA's definition is simple and broad enough to include a large range of situations; however the concept should be more clarified.</p> <p>On the other hand, the OECD's definition is more detailed and seems to be more complete, by trying to clarify that the establishment of the product does not have any intervention of the employer (making clear that it is not a 2^o Pillar product) although allowing that the employer can also make contributions to these plans.</p> <p>A combination of both definitions might be more appropriate.</p>	Partly included in the document par 39
129.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q5	<p>A classification of PPP is difficult. Comparing the different approaches the OECD and the EU use exemplifies this difficulty: EIOPA classifies Riester- and Basisrenten, as well as life insurance and any other personal pensions as a PPP. In contrast, the OECD only considers Riester- and Basisrenten to be PPP.</p> <p>Even on the national level, the classification of personal pensions is difficult. In Germany, we had a long discussion around the Riesterrente, as well as around cash value life insurance (are those</p>	It is not included- they do not see necessity of a uniform definition par 54

			<p>contracts a personal pensions product?).</p> <p>In addition, the distinction from the 2nd pillar needs to be considered – most importantly the protection the members and beneficiaries have in the 2nd pillar.</p> <p>We would like to stress that we do not see the necessity of a uniform definition or the sense of the current aggregation (see Question 4).</p>	
130.	Asset management of Slovenska sporitelna	Q5	Yes, it reflects all meaningful products.	agreed
131.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q5	AILO considers the second definition to be better. However, we would be concerned to ensure there should not remain doubt in respect of some current and possible future innovations. For example, would products such as QROPS and SIPs (as defined in UK tax legislation) be considered to be PPPs? Perhaps adding words at the end of the definition such as "... and including transfers from any pension plan or scheme". See also answer to Q14 below.	Partly included in the document par 39
132.	Association of the Luxembourg Fund Industry	Q5	<p>Do you think that these definitions fully reflect the EU personal pension landscape? If the answer is negative, what changes would you suggest in the wording of the definitions? Which of the definitions is better?</p> <p>ALFI in principle agrees with EFAMA's position. If pension funds were to administer PPP, the IORP directive should be amended to allow such administration.</p>	Partly included in the document par 39

			<p>It should be borne in mind that the current text of Directive 2003/41/EC on IORPs gives a restrictive definition of “institutions for occupational retirement provision” in that it only covers institutions dealing with retirement benefits in the context of an occupational activity on the basis of arrangements agreed either</p> <ul style="list-style-type: none"> - individually or collectively between the employer(s) and the employee(s) or their respective representatives; or - with self-employed persons. <p>We can agree with the proposed definitions. From the two definitions suggested, we believe the OECD touches on important points: 1/ individuals independently purchase and select material aspects of the arrangements; 2/ the employer may nonetheless make contributions to personal pension plans; 3/ PPPs can be mandatory or voluntary.</p> <p>We believe it would be useful to clarify if a “personal pension product” can also be referred to as a “third-pillar retirement product”, which is the terminology used by the Commission on its consultation on consumer protection in third pillar pensions. If that is the case, it would be useful to reach an agreement on the best common designation for these products. Otherwise, the difference between the two types of products should be clarified.</p>	
133.	Assogestioni	Q5	<p>The proposed definitions are exhaustive, at least with reference to the Italian situation. Nonetheless we believe that the OECD PPP definition is more appropriate as more complete.</p>	Partly included in the document

				par 39
135.	Bulgarian Association of supplementary pension sec	Q5	<p>Hosting members only on an individual basis is not the conclusive criterion for the plan being personal. This definition is too general and may well include pillar 1 social security scheme where individual tracking of contribution payment is also made. For a pension plan to be personal there should be individual initiative in contacting a pension provider, negotiation on the products offered, and free personal choice of products. Pillar 1 bis plans are to be explicitly excluded from the definition as they imply a legal obligation rather than personal initiative and as there is no pension product choice (actually there are no market products in the pillar 1 bis because all the features of the plan which might be product constituent are laid down as legal mandatory obligations). Imperative legal norms determine all material aspects of the plan: rate and collection of the contributions ; minimal return guarantees ; types, rates and terms of benefits ; rights of participants and successors. Collection and taxation of contributions for pillar 1 bis is identical to contributions for pillar 1 contributions. First pillar bis schemes may not be treated as financial and/or insurance-type of products sold on the market. They represent that portion of social security administered on a funded basis which supplements the traditional 1st pillar – typically financed on a PAYG basis. Neither of the definitions is correct as it is not possible for the diverse EU pension landscape to be reflected in one definition based on the simple personal indication. Moreover, the definitions quoted put together pension plans with entirely different philosophy and purpose of establishment into one and the same artificial category of “personal”. The wording of the definition should combine technical and constituent features. The technical mechanism of individual functioning of pension schemes should not override the constituent features of their country-specific philosophy and purpose of establishment. The OECD definition however contains important</p>	<p>Partly included in the document</p> <p>par 39</p> <p>definition didn't exclude mandatory participation</p> <p>- 1 st pillar bis</p> <p>par 40</p>

			characteristics of the plans as it states: "Individuals... purchase and select material aspects of the arrangement." We therefore propose the following definition: "PPP – a pension plan, the main features of which are chosen by the individual member."	
136.	EFAMA	Q5	<p>Do you think that these definitions fully reflect the EU personal pension landscape? If the answer is negative, what changes would you suggest in the wording of the definitions? Which of the definitions is better?</p> <p>We can agree with the proposed definitions. From the two definitions suggested, we believe the OECD touches on important points: 1/ individuals independently purchase and select material aspects of the arrangements; 2/ the employer may nonetheless make contributions to personal pension plans; 3/ PPPs can be mandatory or voluntary.</p> <p>We believe it would be useful to clarify if a "personal pension product" can also be referred to as a "third-pillar retirement product", which is the terminology used by the Commission on its consultation on consumer protection in third pillar pensions. If that is the case, it would be useful to reach an agreement on the best common designation for these products. Otherwise, the difference between the two types of products should be clarified.</p>	Partly included in the document par 39
137.	EIOPA Occupational Pensions Stakeholder Groups (OP	Q5	The OECD definition is comprehensive, and is useful insofar as it does not exclude but rather recognises, the concept of employer involvement or sponsorship. However, it could be expanded to reflect the fact that a PPP can be established with wider involvement of employers, for example where employers facilitate, contribute to, and in some cases (e.g. UK) also, brand a collection of individual contracts with a specific occupational branding. In addition to group PPP	Partly included in the document par 41

			arrangements, the definition of mandatory PPS could be widened to account for 'quasi – mandatory' systems where for example the mandatory arrangement is in place unless the individual then opts out for an alternative arrangement.	
138.	Fédération Française des Sociétés d'Assurance	Q5	<p>Pensions have certain characteristics that distinguish them from other savings products. Therefore, FFSA strongly suggests also defining 'retirement products' to differentiate from other savings products: they must have an explicit retirement objective and provide an income in retirement.</p> <p>The definition should clarify that retirement products which can be subscribed by self employed individuals (TNS) on a voluntary basis in occupational basis belong to pillar II.</p> <p>FFSA suggest the following definition of third pillar pension's products: "Third-pillar pension products are defined as long-term savings products subscribed by consumers on a private voluntary and non occupational basis with primary goal of providing an income in retirement."</p> <p>Moreover ALM (Assets Liabilities Management) for the pension must be provided without any interruption (between accumulation phase and payout phase).</p>	Partly included in the document - definition didn't exclude mandatory participation par 40
139.	FSUG	Q5	<p>FSUG suggest modifying the definition for PPPs to recognize that a PPP is a "financial product sold to a consumer in a form of a pension plan that hosts members only on an individual basis".</p> <p>Any definition of PPPs should include both a legal and a socio-economic view. The legal part of the definition needs to include the commitments of contracting parties to contribute to the product (consumer) and to manage the savings towards achieving the socio-economic goal of adequacy of the retirement income, i.e. to ensure the best possible outcome for the saver (financial provider). The</p>	Included – par 42

			<p>definition of these specific financial products should take into consideration these three dominant aspects:</p> <ol style="list-style-type: none"> 1. it is a product (any definition should clearly recognize, that the subject of any relation between the saver and provider is based on a product basis - vehicle); 2. it is a contract (any definition should impose that the legal relation between saver and provider is on a contractual basis whose subject is a pension product SOLD to the end-users) defining clearly the obligations of both parties; 3. it has a clear primary objective or purpose (any definition should recognize, that the main socio-economic objective or purpose of buying, holding and financing such product by a consumer and managing the savings by financial provider is to contribute to secure adequate stream of income during the retirement). <p>These three main features should appear in any definition of such complex structured financial products. Therefore, the FSUG suggest the following definition of private pension products (PPPs):</p> <p>"PPPs are defined as any type of financial products sold to a consumer on an individual basis whose primary objective is to contribute to secure adequate income during the retirement."</p> <p>Any additional aspects of a PPPs definition should fit under above mentioned definition features and in addition should stress out the inner structure of the products and clarification of economic obligation of contracting parties. These additional features should take into consideration the risks shifted on to consumers.</p>	
140.	German Insurance Association (GDV)	Q5	<p>EIOPA's definition does not clearly exclude occupational pensions (i.e. employers play no role in the establishment and administration of the PPP, employers do not bear any obligation as to the benefits). Therefore the OECD's definition of voluntary PPPs is preferable.</p>	Included in par 39

141.	Groupe Consultatif	Q5	<p>The EIOPA definition is too vague. The OECD definition is appropriate but should make clearer that PPPs must have an explicit objective of providing income in retirement in order to distinguish them from a more general class of savings products.</p> <p>A definition which the Groupe has proposed (in its response to the consultation from DGSanco on personal pensions) is as follows :</p> <p>“Personal pension retirement products are defined as any type of retirement product subscribed to by consumers on an individual basis with a view to providing income after retirement (whether separate from, or supplementary to, any pension arrangement implemented by or financed by the employer).</p> <p>These products include those to which individuals are required to contribute under national legislation, where the individual makes the choice of provider rather than the individual’s employer, as well as those which are entirely voluntary in nature. [However, they do not include voluntary additional contributions made to employer-sponsored occupational pension plans as an adjunct to the occupational plan administered by or on behalf of the employer on a collective basis.]”</p>	Partly included in the document - definition didn’t exclude mandatory participation par 40
143.	Insurance Europe	Q5	<p>Do you think that these definitions fully reflect the EU personal pension landscape? If the answer is negative, what changes would you suggest in the wording of the definitions? Which of the definitions is better?</p> <p>Insurance Europe prefers the OECD definition as a starting point. However, as stated in our response to Q1, Insurance Europe stresses that the scope should not cover all PPPs.</p>	Partly included in the document - definition didn’t exclude mandatory participation par 40

			<p>Furthermore, Insurance Europe would like to stress that the OECD definition is not appropriate for all markets (eg the UK and the Netherlands). However, the EIOPA definition is too wide and could possibly create uncertainty with regards its scope. For example, it doesn't differentiate between voluntary or mandatory products.</p> <p>Insurance Europe would also like to reiterate that any definition of a PPP needs to clearly exclude employer facilitated pensions, such as those required under automatic enrolment in the UK, and focus solely on individual pension arrangements.</p>	
144.	Investment Management Association	Q5	<p>Referencing mandatory as well as voluntary pension plans, and employer as well as individual contributions, the OECD definition reflects a frequent similarity between funded arrangements in the first, second and third pillars. This reinforces the need to avoid 'silo thinking' about the regulation of different areas of the pensions market, particularly in consumer disclosure. For its part, the EIOPA definition also includes arrangements in all three pillars, which underlines the same point. We do not have a strong preference between a minimalist and maximalist definition.</p>	It is not included – they do not have a strong preference between a minimalist and maximalist definition
145.	National Association of Pension Funds (NAPF)	Q5	<p>Do you think that these definitions fully reflect the EU personal pension landscape? If the answer is negative, what changes would you suggest in the wording of the definitions? Which of the definitions is better?</p> <p>As discussed in answer to question 1 above, it is important that</p>	Included in par 39

			<p>workplace-based schemes (including Group Personal Pensions) are regulated as such.</p> <p>Although both definitions are perfectly accurate, there is a risk that the simpler EIOPA definition does not capture the nuances of some markets – such as the market in the UK where the distinctions between second and third pillar pensions may not be clear-cut.</p> <p>For these reasons, the more comprehensive OECD definition is probably the better choice.</p>	
146.	PensionsEurope PensionsEurope represents national	Q5	<p>EIOPA's definition is simple and comprehensive. However, it might be over simplistic and lead to confusion and legal uncertainty in some Member States where the boundaries between the second and third pillar pension schemes are not so clear. This could be the case, for instance, of the Belgian and UK examples described in question 1. It is important that EIOPA ensures that all the existing workplace pension schemes in the different EU Member States continue to be considered as such.</p> <p>In this regard, the OECD definition seems more comprehensive. It makes explicit reference to the fact that the access to these plans must not have to be linked to an employment relationship and without any intervention of employers. As stated on our answer to question 1, we believe that these two features are key when differentiating private personal pension schemes and private workplace pensions. On the other hand, a too detailed definition risks leaving out of the scope certain existing workplace pension schemes</p>	Included in par 39

			<p>in the EU. One should bear in mind that there are over 140.000 IORPs in the EU.</p> <p>Hence, a combination of the two definitions provided in the Discussion Paper would probably be the most appropriate.</p> <p>EIOPA could also consider using as a basis for its work the following definition: "Third pillar retirement products are defined as private retirement products subscribed to by consumers on an individual basis, as opposed to occupational pension schemes linked to an (former) employment relationship, either voluntary or mandatory".</p> <p>Last but not least, EIOPA should also carefully consider whether there is a need for a unified definition of PPPs across the EU. The products captured include voluntary arrangements under the third pillar, savings products for the self-employed that for example in Germany are partly not captured by the state pension system as well as the 1st pillar bis products in Central and Eastern Europe. Due to this wide range of products with different functions and characteristics, only if there are strong arguments in favour, EIOPA should proceed with its work.</p>	
147.	Slovak Association of Fund Management Companies (S	Q5	Yes, it reflects all meaningful products.	agreed
148.	Slovak Insurance Association	Q5	Do you think that these definitions fully reflect the EU personal pension landscape? If the answer is negative, what changes would you suggest in the wording of the definitions? Which of the definitions is better?	Included in par 39

			OECD definition seems to be more appropriate.	
151.	The Finnish Pension Alliance / Työeläkevakuuttajat	Q5	Definitions do not describe the landscape of PPPs as well they should. For the sake of theoretical clarity and the self-evident nature of the PPPs: the definition of personal pension products should be limited to third pillar personal savings products only. Choice and voluntary participation, which lead to individual membership should be at the core of the PPP concept. EIOPA should consider whether to add under the heading 3.1.3 a more detailed definition of the PPP funding. While it's clear that PPPs are funded schemes, it would make sense to specify, what type of funding we are talking about. All personal pension products should be considered to be - not only funded - but also privately funded pension schemes separate from collective funding. Furthermore the definition of PPP should not include employer participation in any form. It can be argued, that the recognition of employer participation in some form, would create too complicated basis for future regulation. The conceptual idea of personal pension products, which is now being constructed, should not be extended to other pensions, where appropriate regulatory instruments already exists.	It is not included - definition of PPP excluded only 1 pillar and 2 pillar
152.	ABI	Q6	As in our response to question 5, the focus should be on individual pension arrangements only and should not include mandatory, employer facilitated pensions, such as those required under automatic enrolment in the UK. This requirement has been mandated by national law and the appropriate regulatory regime has been developed by the UK government in response.	Noted. It is our view that where there is regulatory framework supporting the relationship between Personal Pension's Products (PPPs) and Group Pensions (GPPs), Member States should decide the regulatory

				<p>aspects of these products or schemes. Where there is no legislation or regulatory framework to support GPs with the main characteristics of PPPs, they (or at least some aspects of them) should be included in a future European initiative.</p>
153.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q6	In consideration of what stated in answer 5, we ask for a unique legislation that could lead even tied agents to consider the pension Enasarco as a personal pension in the sphere of competence of workplace pensions.	<p>Noted. It is our view that where there is regulatory framework supporting the relationship between Personal Pension's Products (PPPs) and Group Pensions (GPPs), Member States should decide the regulatory aspects of these products or schemes. Where there is no legislation or regulatory framework to support GPs with the main characteristics of PPPs, they (or at least some aspects of them) should be included in a future European initiative.</p>

154.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q6	<p>The crucial distinction between occupational and personal pensions is whether the employer has given the employee an occupational pension promise or not. The members and beneficiaries are only protected by social and labour law (in Germany the legal obligation for the employer to ensure that the pension promise is met as well as the link to a current employment contract are particularly important) if an occupational pension promise is given (see response to Question 1). In Germany, this is for example the case when a Direktversicherung (explanation in the next paragraph) is used, where providers are regulated on an EU-level by the Life Assurance / Solvency II Directive.</p> <p>In Germany, employers can choose one of five vehicles when offering an occupational pension. One of these vehicles is the Direktversicherung, a life insurance which the employer sets up for the employee, acting as the policy holder taking out the insurance. The employee or any surviving dependents have the legal right to receive the benefits paid out by the insurance company.</p> <p>As the policy holder the employer has all rights and responsibilities resulting from the contract. He has to ensure through regular payments that the insurer can pay the agreed benefit to the beneficiary. In addition, he needs to comply with regulation around insurance contracts and general insurance requirements. The employee can contribute to the insurance using his own money or salary sacrifice. An annual contribution of 4% of the state pension's contribution ceiling (2013: € 2,784) can be made exempt from tax and social security contributions, an additional €1,800 can be paid into the insurance exempt from tax.</p>	<p>Noted. It is our view that where there is regulatory framework supporting the relationship between Personal Pension's Products (PPPs) and Group Pensions (GPPs), Member States should decide the regulatory aspects of these products or schemes.</p> <p>Where there is no legislation or regulatory framework to support GPs with the main characteristics of PPPs, they (or at least some aspects of them) should be included in a future European initiative.</p>
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155.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q6	Yes, we see no reason to treat these differently from other PPPs.	<p>Noted. It is our view that where there is regulatory framework supporting the relationship between Personal Pension's Products (PPPs) and Group Pensions (GPPs), Member States should decide the regulatory aspects of these products or schemes.</p> <p>Where there is no legislation or regulatory framework to support GPs with the main characteristics of PPPs, they (or at least some aspects of them) should be included in a future European initiative.</p>
156.	Association of the Luxembourg Fund Industry	Q6	<p>In some countries when a Personal Pension contract is chosen by an employer, the pension remains under the regulatory regime for consumer financial services rather than falling wholly under the regime for workplace pensions. Do respondents believe that such pensions are personal pensions?</p> <p>ALFI believes these pension contracts should be considered as PPP.</p>	<p>Noted. It is our view that where there is regulatory framework supporting the relationship between Personal Pension's Products (PPPs) and Group Pensions (GPPs), Member States should decide the regulatory</p>

				<p>aspects of these products or schemes. Where there is no legislation or regulatory framework to support GPs with the main characteristics of PPPs, they (or at least some aspects of them) should be included in a future European initiative.</p>
157.	Assogestioni	Q6	No.	<p>Noted. It is our view that where there is regulatory framework supporting the relationship between Personal Pension's Products (PPPs) and Group Pensions (GPPs), Member States should decide the regulatory aspects of these products or schemes. Where there is no legislation or regulatory framework to support GPs with the main characteristics of PPPs, they (or at least some aspects of them) should be included in a future European initiative.</p>

159.	Bulgarian Association of supplementary pension sec	Q6	<p>If a pension product is chosen by an employer it is not personal. The employer involvement in the process is due to certain benefits (purely financial and/or not directly financial) which they expect to obtain, i.e. – certain tax reliefs and/or conducting a personnel policy aimed at fostering greater employee involvement, loyalty, work performance and finally – greater corporate profits. In pursuit of certain gains the employer uses the pension product chosen as an employer instrument, thus it is not a personal product. In brief, claiming that a product chosen by an employer for the employees is a personal product is analogous to claiming that personal computers in an office (again chosen and paid for by an employer) are personal items. They are just technical instruments for facilitating and tracking the individual employee work much like the individually accumulated capital in employees' pension accounts with a provider chosen by an employer. Nevertheless, the fact that pension products chosen by an employer are not personal does not automatically make them occupational. The latter requires greater involvement on behalf of the sponsoring underaking in stipulating the terms and conditions of retirement provision together with the employees concerned. In the lack of collective agreement between employers and employees, employer-chosen pension plans cannot be treated as identical to the occupational ones.</p>	<p>Noted. It is our view that where there is regulatory framework supporting the relationship between Personal Pension's Products (PPPs) and Group Pensions (GPPs), Member States should decide the regulatory aspects of these products or schemes. Where there is no legislation or regulatory framework to support GPs with the main characteristics of PPPs, they (or at least some aspects of them) should be included in a future European initiative.</p>
160.	EFAMA	Q6	<p>In some countries when a Personal Pension contract is chosen by an employer, the pension remains under the regulatory regime for consumer financial services rather than falling wholly under the regime for workplace pensions. Do respondents believe that such pensions are personal pensions?</p> <p>We don't have a firm view on the question.</p>	Noted.

161.	EIOPA Occupational Pensions Stakeholder Groups (OP	Q6	<p>The test for the appropriate regulatory regime, may best be defined by “outcomes”. The outcome needs to be a quality pension product which is sufficiently good to meet the needs of the individual. So the appropriate regulatory regime should be able to adequately address issues of e.g. quality, governance and possibly also of coverage. Again the US models for 401(K) may be useful here. Many of the actions to operate a 401(K) Plan involve fiduciary decisions and fiduciary status applies to the performance of those functions. These fiduciary responsibilities cover the process (rather than the end result) and include acting solely in the interests of members and beneficiaries; carrying out duties with due care, skill, prudence and diligence.</p> <p>A personal pension contract which is selected by the employer may technically satisfy the regime for personal pensions within the definitions but insofar as they are arrangements where the member is the ultimate beneficiary but customer selection element is missing, the ultimate beneficiaries should be able to benefit from the same degree of protection as IORP members do. In arrangements such as the UK Group Personal Pensions (“UK GPPs”), the employer is the customer although not the ultimate consumer. The requirements for the provider to ensure that the product meets the need of its target market, the transparency and information issues, the investment and cost issues, would all seem very similar. But the regulatory regime for consumer financial services fails to provide the same level of good governance present in the IORP regulatory regime.</p> <p>If consumer services regulation is to remain for these products, many areas need clarifying including for example: ensuring that the correct and accurate information is passes in a timely way between the employer and the provider; that there is full disclosure of all costs at point of sale; that there is sufficient indication to members as to the</p>	<p>Noted. It is our view that where there is regulatory framework supporting the relationship between Personal Pension’s Products (PPPs) and Group Pensions (GPPs), Member States should decide the regulatory aspects of these products or schemes.</p> <p>Where there is no legislation or regulatory framework to support GPs with the main characteristics of PPPs, they (or at least some aspects of them) should be included in a future European initiative.</p>

			<p>adequacy of the level of contributions for any particular level of retirement income.</p> <p>Where an employer chooses the contract as the customer (e.g. UK GPPs) there are further questions as to whether employers are able to exercise proper demand side pressures in the market. For example: whether they have the appropriate skills to choose in an informed way; or whether there are conflicts of interest. Applying IORP-style governance requirements would alleviate this. In the absence of governance requirements along these lines it may be that there needs to be defined quality standards and customer panels to represent member interests satisfactorily.</p>	
162.	Fédération Française des Sociétés d'Assurance	Q6	In France, it remains under the insurance contract law.	Noted.
163.	FSUG	Q6	Certainly YES. Features of PPPs mentioned above (Q5) define the personal aspect of PPPs. Regulatory regimes applied for the PPPs are not the appropriate feature and should not be used for recognizing the features of PPPs.	<p>Noted. It is our view that where there is regulatory framework supporting the relationship between Personal Pension's Products (PPPs) and Group Pensions (GPPs), Member States should decide the regulatory aspects of these products or schemes.</p> <p>Where there is no legislation or regulatory framework to support GPs with the main characteristics of PPPs,</p>

				they (or at least some aspects of them) should be included in a future European initiative.
164.	German Insurance Association (GDV)	Q6	PPPs are pension products where employers bear no responsibility or obligations as to the benefits. In such cases, such pensions could also be considered PPPs.	Noted. It is our view that where there is regulatory framework supporting the relationship between Personal Pension's Products (PPPs) and Group Pensions (GPPs), Member States should decide the regulatory aspects of these products or schemes. Where there is no legislation or regulatory framework to support GPs with the main characteristics of PPPs, they (or at least some aspects of them) should be included in a future European initiative.
165.	Groupe Consultatif	Q6	We do not consider that an arrangement chosen by the employer can be classified as a personal pension for the non-IORP regime. The fact that it would fall under the regulatory regime for consumer financial services does not make it a personal pension. It should still be considered a group or occupational arrangement (regulated either as a financial contract or as an IORP) if the decision to use a particular product is taken by the employer. Although such arrangements might	Noted. It is our view that where there is regulatory framework supporting the relationship between Personal Pension's Products (PPPs) and

			most reasonably be described as vehicles of 'occupational retirement provision', they are not IORPs (as they are not, in themselves, institutions)	Group Pensions (GPPs), Member States should decide the regulatory aspects of these products or schemes. Where there is no legislation or regulatory framework to support GPs with the main characteristics of PPPs, they (or at least some aspects of them) should be included in a future European initiative.
167.	Insurance Europe	Q6	<p>In some countries when a Personal Pension contract is chosen by an employer, the pension remains under the regulatory regime for consumer financial services rather than falling wholly under the regime for workplace pensions. Do respondents believe that such pensions are personal pensions?</p> <p>No, Insurance Europe does not believe that these schemes such as the UK auto-enrolment scheme should be considered as personal pensions. Insurance Europe believes that EIOPA should solely focus on individual pensions arrangements and should exclude employer facilitated pensions from the scope of PPPs.</p>	<p>Noted. It is our view that where there is regulatory framework supporting the relationship between Personal Pension's Products (PPPs) and Group Pensions (GPPs), Member States should decide the regulatory aspects of these products or schemes. Where there is no legislation or regulatory framework to support GPs with the main characteristics of PPPs,</p>

				they (or at least some aspects of them) should be included in a future European initiative.
168.	Investment Management Association	Q6	Yes, based on UK experience. However, the governance and distribution arrangements are different and this does have implications: for example, where there is an investment adviser working with an individual who has been advised both to buy a pension product and make a specific investment choice, what requirement for a default option (if any) should there be?	Noted. It is our view that where there is regulatory framework supporting the relationship between Personal Pension's Products (PPPs) and Group Pensions (GPPs), Member States should decide the regulatory aspects of these products or schemes. Where there is no legislation or regulatory framework to support GPs with the main characteristics of PPPs, they (or at least some aspects of them) should be included in a future European initiative.
169.	National Association of Pension Funds (NAPF)	Q6	In some countries when a Personal Pension contract is chosen by an employer, the pension remains under the regulatory regime for consumer financial services rather than falling wholly under the regime for workplace pensions. Do respondents believe that such pensions are personal pensions?	Noted. It is our view that where there is regulatory framework supporting the relationship between Personal Pension's Products (PPPs) and

			<p>In the UK, the regulation of such schemes is shared between The Pensions Regulator (which regulates workplace pension schemes) and the Financial Conduct Authority (which provides consumer protection in the personal pension market). A memorandum of Understanding sets out the roles of the two authorities.</p> <p>The NAPF has long argued that there should be a single regulator (The Pensions Regulator) for all workplace-based schemes, and this ties in with our view that GPPs should be treated and regulated as workplace pensions, due to the central involvement of the employer.</p>	<p>Group Pensions (GPPs), Member States should decide the regulatory aspects of these products or schemes.</p> <p>Where there is no legislation or regulatory framework to support GPs with the main characteristics of PPPs, they (or at least some aspects of them) should be included in a future European initiative.</p>
170.	PensionsEurope PensionsEurope represents national	Q6	<p>We believe that such pension schemes should be considered as workplace pensions since there is an employment relationship link and the employer plays and active role in the establishment of the pension plan.</p>	<p>Noted. It is our view that where there is regulatory framework supporting the relationship between Personal Pension's Products (PPPs) and Group Pensions (GPPs), Member States should decide the regulatory aspects of these products or schemes.</p> <p>Where there is no legislation or regulatory framework to support GPs with the main characteristics of PPPs, they (or at least some</p>

				aspects of them) should be included in a future European initiative.
173.	The Finnish Pension Alliance / Työeläkevakuuttajat	Q6	They should not be considered as PPPs. Choice and voluntary participation, which lead to individual membership should be at the core of the PPP concept. The definition of PPP should not include employer participation in any form. It can be argued, that the recognition of employer participation in some form, would create too complicated basis for future regulation. The idea of personal pension products, which is now being constructed, should not be extended to other pensions, where appropriate regulatory instruments already exists.	Noted. It is our view that where there is regulatory framework supporting the relationship between Personal Pension's Products (PPPs) and Group Pensions (GPPs), Member States should decide the regulatory aspects of these products or schemes. Where there is no legislation or regulatory framework to support GPs with the main characteristics of PPPs, they (or at least some aspects of them) should be included in a future European initiative.
174.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q7	All classifications may report to European standards with common and verified features. The reference environment is mainly the Directive Ucits, whose rules are also applicable to this field, when possible.	See par 216, 217 See in general, in the field of the document "develop 2regime"

175.	APFIPP – Associação Portuguesa de Fundos de Invest	Q7	We think that the first focus should be the creation of an EU PPP relying on the frameworks that already exist in terms of the single market, which are already in practice, coordinated and harmonized (that is EU framework for UCITS, IORP and Life Insurance). As these environments are already operating, it would be very helpful and would make the creation of the EU PPP easier, being only necessary to work on the product characteristics and to perform the adjustments needed to take in consideration its specific nature. Aspects concerning the cross border activity may also need adjustments or at least to be more coordinated and analysed, to diminish or eliminate any existing obstacles (as stated on paragraph 3.2.3. of the consultation paper). However one of the key aspects for the success of the single market for PPPs is undoubtedly the tax regime adopted.	See par 216, 217
176.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q7	EIOPA should identify which providers of personal pensions are currently not subject to any regulation. It should then limit its further work to this area. The EBA is not aware of any PPP providers in Germany which are not subject to prudential law.	n/a see annex to the document
177.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q7	We do not believe that to be possible in the absence of agreement on a definition of a PPP and common principles of taxation (for example EET). [see Q14/15 below]	See the part of the document about the Taxation hurdle
178.	Association of the Luxembourg Fund Industry	Q7	How could a single market be developed for PPPs unregulated at EU level (e.g. cases where IORP Directive is voluntarily applied to PPPs)?	

			<p>ALFI agrees with the answer provided by EFAMA.</p> <p>We don't understand how a single market for PPPs could be developed without agreeing on a set of common rules for the type of PPPs that would be "passportable". The conditions under which financial institutions could provide OCERPs across Europe should also be regulated.</p> <p>Overall, EFAMA believes that the single market for PPP should not aim at harmonizing national legislations, given that pension design remain an exclusive competence of Member States. We believe that the best way to ensure a quality framework for PPPs and facilitate cross border business is to develop a EU labeled PPP.</p>	See par 26, 156, 282
179.	Assogestioni	Q7	In our opinion an EU-single market should only include regulated PPPs.	See par 273
C 180.	Aviva plc	Q7		
181.	BIPAR	Q7	Although there is no general framework for PPP at European level, we wish to point out that current EU initiatives such as PRIIPs, IMD II and MiFID II will have an impact on the distribution of PPPs.	n/a
182.	Bulgarian Association of supplementary pension sec	Q7	We do not accept the statement that 1st pillar bis plans are not covered by EU law. Being part of the social security, they come under Regulation 884/2003. Should further legislative amendments are considered necessary, it is Regulation 884/2003 which is to be reviewed rather than classifying those plans as currently unregulated. The IORP Directive applies to the occupational pension plans, i.e. those which are not personal. Provided the national law has	See the part of the document about the border cases

			<p>established the appropriate legal framework, i.e. separate legal entities for personal pension funds and occupational pension funds, the managing pension company (which is also a separate legal entity) does not feel any burden to apply the different set of rules to occupational and PPP products. As long as legal segregation of the entities is observed, the provision of both occupational and personal pension plans by the same pension company through separate legal vehicles brings economies of scale and better value to members.</p> <p>The wording of this question wrongly presumes that 1st pillar bis plans and certain PPPs closely linked to occupational plans are unregulated. It demonstrates penetration into the national labour and social laws by reorganizing them in the way that best suits an already formed opinion that there are arrangements in CEEC which are to be sanctioned. This question should be preceded by another one asking if there are unregulated plans and which they are.</p>	
183.	EFAMA	Q7	<p>How could a single market be developed for PPPs unregulated at EU level (e.g. cases where IORP Directive is voluntarily applied to PPPs)?</p> <p>We don't understand how a single market for PPPs could be developed without agreeing on a set of common rules for the type of PPPs that would be "passportable". The conditions under which financial institutions could provide OCERPs across Europe should also be regulated.</p> <p>Overall, EFAMA believes that the single market for PPP should not aim at harmonizing national legislations, given that pension design remain an exclusive competence of Member States. We believe that the best way to ensure a quality framework for PPPs and facilitate cross border business is to develop an EU labeled PPP.</p>	See par 26, 156, 282

184.	EIOPA Occupational Pensions Stakeholder Groups (OP	Q7	See General remarks. COM and EIOPA should first of all concentrate energies and capacities on efficient institutions and occupational schemes under the IORP Directive. Passporting and transferability of capital for collectives and individuals - this field is yet unsolved but worth moving forward.	See par 26, 156, 282
185.	Fédération Française des Sociétés d'Assurance	Q7	<p>FFSA would like to highlight that additional rules, which may have an impact on PPPs, are currently being discussed at EU level, ie Packaged Retail Investment Products (PRIIPs), Insurance Mediation Directive recast (IMD2), MIFID 2...</p> <p>Therefore, FFSA urges to wait for the outcome of these initiatives, including their discussions on scope to avoid possible inconsistencies or overlaps between the different initiatives.</p> <p>On the other hand, it is fair to say that pensions can be provided by a number of different actors in Europe which are not submitted to the same level of prudential requirements.</p> <p>FFSA considers that a new initiative, if any, should start identifying existing differences between actors in order to fill the existing gaps rather than adding new rules on the top of existing regulation.</p>	n/a
186.	FSUG	Q7	In FSUG view an efficient single market for PPPs cannot be developed without specific EU regulation on PPPs.	See in general, in the field of the document "develop 2regime"
187.	Groupe Consultatif	Q7	Whilst individual Member States may rightly determine whether their national pension system permits third pillar provision through products that are unregulated at the EU level, it is not appropriate for the single market. Any product that carries out cross-border activity should be subject to a recognised EU-wide regulatory regime – whether LAD, UCITS or IORP.	See in general, the part of the document about the border cases See par 26, 156, 282

189.	Insurance Europe	Q7	<p>How could a single market be developed for PPPs unregulated at EU level (e.g. cases where the IORP Directive is voluntarily applied to PPPs)?</p> <p>Insurance Europe believes that in these cases, the aim should be to develop a regime that avoids regulatory arbitrage based on the type of provider. This would ensure that suitable levels of policyholder protection are provided.</p>	See in general, in the field of the document "develop 2regime"
190.	Investment Management Association	Q7	It is not clear how this would work.	n/a
191.	National Association of Pension Funds (NAPF)	Q7	<p>How could a single market be developed for PPPs unregulated at EU level (e.g. cases where IORP Directive is voluntarily applied to PPPs)?</p> <p>Rather than creating a new tier of regulation, the EU should focus on ensuring that pension schemes are subject to the appropriate elements of the existing regulatory system.</p> <p>As we explain above, this means that schemes where the employer is closely involved should be treated and regulated as workplace pensions, whereas schemes where the relationship is directly between the consumer and the provider should be regulated as personal pensions.</p>	See par 26, 156, 282

192.	NL- Ministry of Finance	Q7	<p>This comment refers to questions 7 to 10 and 19</p> <p>We think that the internal market for PPP would benefit most when the scope of the responsibilities of the state, of employers and of individuals in the first, second and third pillar would be distinguished clearly and when PPP would be offered by properly funded private financial institutions only. From that perspective it would be very helpful to use the term “PPP” only for reference to individual pension products in the third pillar. Moreover, it would be a logical conclusion to bring PPP that to this date are out of scope of European legislation for the financial markets within the boundaries of existing sectoral legislation for financial institutions. For instance it could be studied how PPP that are currently regulated nationally, but resemble UCITS, could be integrated under the UCITS-regime.</p> <p>We expect less difficulty in defining the market value and cross-border transfer of capital accumulated in PPP, relative to capital accumulated in IORP’s, as PPP will only involve payments of contributions to individual accounts administrated by private fully funded entities.</p> <p>Examples of differences in the implementation of prudential rules for financial institutions in member states can only be relevant for PPP which imply guarantees on returns or outcome. Therefore only prudential rules for insurance companies is of interest in this context. We expect the national differences in discount rates for liabilities to disappear when the Solvency II directive and related legislation will enter into force. The same goes for the parameters which are used to define the amount of technical provisions.</p> <p>We think it is possible to realize an internal market for PPP with return or outcome guarantees, but we expect that it will be even harder to</p>	<p>See in general, in the field of the document "develop 2regime"</p> <p>See par 24</p> <p>See in general, in the field of the document about (Insurance) contract law hurdle</p> <p>See in general, in the</p>
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			reach this goal relative to an internal market for (DC)-PPP. There is more diversity in PPP with guarantees and therefore discussions on the valuation of the differing guarantees under risk-based prudential rules will arise, even in the situation of a relatively high level of harmonisation of prudential rules. Moreover, the conditions of these guarantees could be interrelated with local social and labour law. In that case a discussion on compliance of both prudential rules and social and labour law will be needed in both the home and the host country of a PPP.	field of the document about Social Law hurdle
193.	PensionsEurope PensionsEurope represents national	Q7	<p>We believe that the EU single market should include only regulated PPPs. As these PPPs already count with defined legal frameworks which provide for cross-border operations, the potential new legislation could focus on the development of the product characteristics.</p> <p>Moreover, it is fundamental that each pension schemes is subject to the regulations that are more appropriate to its nature and characteristics. In this sense, and as previously stated, pension schemes linked to a current or previous employment relationship and which count with an active enrolment of the employer should be regulated as workplace pensions (pillar II).</p>	See par 273
195.	ABI	Q8	We do not believe it is feasible for EIOPA to develop a product framework for the transferability of accumulated capital, when tax, the major obstacle to this, differs greatly between Member States. Further, even if transferability was improved, the practical obstacles facing the consumer – as in whether they should transfer, and a potential need for advice, would remain. Until and unless all pensions operate on near identical bases with near identical tax treatment,	Noted

			consumers will find it extremely difficult to understand whether a transfer is in their interest or not.	
196.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q8	Yes, absolutely: the greatest harmonisation the better. An important obstacle is represented by the tool's different taxations. It's therefore essential to harmonize the taxation of these tools.	Noted
197.	APFIPP – Associação Portuguesa de Fundos de Invest	Q8	Portability and transferability is essential, namely since the working labour market is increasingly more flexible and one should have in mind the principle of free movement of people across the EU. The transference of the capital accumulated in one PPP should be allowed, at any time upon request from the client, independently of its form (that is Mutual Fund, Pension Fund or Life Insurance, as described in the Section "General Comments"), as long as it is from an PPP to another PPP. Portability and transferability will also allow participants to adjust their investment, according to their preferences and life stage. The transference of PPP will, in practice, function as a double act: redemption and subscription. But for all purposes the investment in the new PPP will maintain the same features and it will keep record of the participant's history.	Noted Noted. Noted Noted
198.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q8	It has to be considered that large and frequent capital transfers make it difficult or even impossible for long term oriented providers managing and taking pension risks to plan their cash management in the long run. This would be detrimental to those members and beneficiaries remaining in the system (e.g. lower returns because of excessive liquidity requirements) – a situation which should be avoided in any case.	Noted

199.	Asset management of Slovenska sporitelna	Q8	Yes transferability of accumulated capital should be enabled.	Noted. Please also see par. 277 onwards.
200.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q8	Aside from taxation issues, there could be merit in developing a framework. Key obstacles would be differences in prudential treatment of guarantees and interest rates across Member States. A further obstacle could be differences in regulatory treatment and capital requirements by transfer to a product regulated by a different authority.	Noted
201.	Association of the Luxembourg Fund Industry	Q8	<p>Do you think that EIOPA should consider developing a framework for transferability of accumulated capital for passported PPPs? What obstacles to transferability can you identify and how can they be overcome? Can you identify the benefits of a transferability framework in the context of PPPs?</p> <p>In our view, two levels of transferability can be considered:</p> <p><input type="checkbox"/> Level 1: transferability from one provider to another at a country level - ALFI agrees with the answer provided by EFAMA.</p> <p>Providers should commit to accept the right of an OCERP holder to change provider at the national level. In principle, this would require liquidating the original OCERP and transferring the proceeds of sale of the assets towards the new one.</p> <p>Whilst there could be some administrative costs associated with</p>	<p>Noted.</p> <p>Please also see analysis under section 7.4.</p>

			<p>transfers, the administrative costs should be regulated to stop providers from introducing prohibitively excessive charges.</p> <p><input type="checkbox"/> Level 2: transferability from one country to another</p> <p>ALFI agrees with the suggestion by EFAMA that pension savings should ideally be transferable between countries to avoid their dispersion. However, tax systems between the different members states are very different and are in constant evolution. In our view it is important that products are designed to be as tax-neutral as possible to ensure broad acceptance. This will include, but not be limited to, provisions for transferability, but should include options to continue or discontinue contributions, to maintain or to transfer savings from one country to another, to provide several investment and payout options. It should include the prohibition of rules, to the extent that this is possible, which determine tax deductibility by reference to the number of years contributions have been paid, where the savings are located, how that have been invested or paid out.</p> <p>Ideally, holders should be able to carry their OCERPs from one country to another. This would help to avoid the dispersion of retirement savings assets across several countries, thereby reducing administrative burden and costs.</p>	<p>Noted.</p> <p>Please also see section 4.3.</p>
202.	Assogestioni	Q8	<p>We think that EIOPA should develop a framework for transferability of accumulated capital for passported PPPs. The main obstacles to transferability are of fiscal nature and they are due to the different nature and structure of the products.</p>	Noted

203.	Austrian Insurers' Association (VVO)	Q8	In Austria the payout of traditional life insurance products considers lifelong benefits. Furthermore the policyholder is provided with guaranteed surrender values throughout the whole contractual period. Therefore any disruption during the accumulation phase has to be avoided.	Noted
205.	Bulgarian Association of supplementary pension sec	Q8	EIOPA should definitely consider developing a framework for transferability of accumulated capital for passported PPPs. Passporting is the first step to a single PPP market, transferability is the next one. The main obstacles – various transfer forms, lack of general common rules and procedure, lack of a EU transfer coordination and information centre helping members with their transfer inquiries. The introduction of a common set of transfer rules, as well as common transfer application forms will save time and effort for transferring clients to understand their rights, options and transfer procedure. The benefits of a transferability framework may be identified as follows: free movement of labour and capital; greater work efficiency – having those freedoms employees will follow their professional “passion”, not their occupational “pension” when they move from one employer to another in the EU, thus allocating their labour force to the workplace best suited to their professional qualification and experience. The establishment of a EU PPP transfer information and coordination centre will help in strengthening the single market operation.	Noted. Please see par. 277-300
206.	EFAMA	Q8	Do you think that EIOPA should consider developing a framework for transferability of accumulated capital for passported PPPs? What obstacles to transferability can you identify and how can they be overcome? Can you identify the benefits of a transferability framework in the context of PPPs? In our view, two levels of transferability can be considered:	

	Sociétés d'Assurance		<p>Transferability of pension products will lead to shorter product duration, resulting in more expensive products and lower benefits for policyholders and less long term investment opportunities for the financial institutions.</p> <p>If such a system should take place, in return information on existing rights should be equivalent to the global information system of all pension products (pillar 1/2/3).</p>	
208.	FSUG	Q8	<p>Certainly YES.</p> <p>The key obstacle is the complexity of PPPs and diversity in taxation regime across MS. Additional obstacle is tied to the uncertainty about valuing the accumulated savings (valuation date and method) at the transfer (at time of exiting one PPP as well as at moment of buying in into second PPP).</p>	<p>Noted.</p> <p>Please also see analysis in section 4.3</p>
209.	German Insurance Association (GDV)	Q8	<p>As indicated in our general comments, PPPs are highly influenced by the design of the national pension system which is dependent on national history, culture, political and economic circumstances. This is reflected in the social and tax legal framework of pension products which are in the sole responsibility of Member States. One element of national PPP frameworks is often, as the discussion paper rightly indicates, that withdrawal of capital is limited or penalised. Capital transfer to a new provider might therefore be permitted or un-penalised only if the product includes the same specific features which contribute to achieving specific national retirement objectives. This might create obstacles to transferability for products without the required features, but this could be rectified by social objectives.</p> <p>In addition, there are fundamental difficulties which are caused by the insurance principle itself. An insurance contract promises or even guarantees benefits in the future. Therefore, in case of a contract-</p>	<p>Noted</p> <p>Noted</p>

			transfer, an assessment of the “value” of said future benefits is necessary. This value depends on many factors (at least: interest rate, mortality tables, cost- and surplus-structure) that differ, normally, between providers.	Please also see par. 277 to 284.
210.	Groupe Consultatif	Q8	<p>Yes. It would be appropriate for the broad principles of a framework to be developed. However, there are general issues which will make this a difficult task; not least different charging structures in different Member States and potential issues with currency exchange rates creating a barrier to any transferral of the accumulated capital in PPPs.</p> <p>In practice the main obstacle to transferability is likely to be different tax treatment in different Member States. Labour or social security law may also be an obstacle – for example a requirement that benefits on death must be made in accordance with domestic social security provisions. Prudential regulation could also be an obstacle but this is more within the remit of EIOPA to resolve, with a suitably simple regime for the single market in PPPs put in place.</p> <p>The benefits of full transferability would be</p> <ul style="list-style-type: none"> <input type="checkbox"/> to make the single market in PPPs more of a reality <input type="checkbox"/> to assist the accrual of pension rights by citizens working at different times in different Member States <input type="checkbox"/> to facilitate individuals collecting all of their pension rights in one place <input type="checkbox"/> to encourage a common format for PPP products across the EU 	<p>Noted.</p> <p>Noted.</p> <p>Please also see analysis in section 4.3.</p> <p>Noted</p>
212.	Insurance Europe	Q8	Do you think that EIOPA should consider developing a framework for transferability of accumulated capital for passported PPPs? What	

			<p>obstacles to transferability can you identify and how can they be overcome? Can you identify the benefits of a transferability framework in the context of PPPs?</p> <p>No, Insurance Europe believes that transferability of accumulated pension capital should not be included within the scope of this call for advice. -</p> <p>In cross-border situations, such a requirement would be unworkable given that each Member State has different, and often conflicting, legal and social requirements and because actuarial and interest rate constraints are, prudentially, specific to each country. In the case of domestic transfers, this measure may have an impact on the financial stability of the institutions involved.</p> <p>Similar ideas were discussed in the context of the Portability Directive. In this initiative, transferability of occupational pension reserves was taken out of the final Council proposal following the encountered obstacles.</p>	<p>Noted</p> <p>Noted. Please see analysis in section 4.3.</p> <p>Noted</p>
213.	Investment Management Association	Q8	Transferability raises different issues if it is happening within a national jurisdiction or between national jurisdictions. Assuming the point of an EU single market for personal pensions is to facilitate transferability between jurisdictions, the most significant questions to consider are the tax implications.	Noted. Please also see above resolutions on comment line 206
214.	Ministry of Finance of the Czech	Q8	Transferability of accumulated capital would be the most convenient solution for the participant. As the MS systems require to meet	Noted

	Republic		certain conditions before obtaining the benefits from the private pension systems there would have to exist common EU rules for benefits/termination etc. which seem not be feasible at this moment. In any case, transferability is technically very difficult, especially when the products in MS considerably differ. At the moment, it is unlikely, that MS would come to an agreement as to the conditions of transferability.	
215.	National Association of Pension Funds (NAPF)	Q8	<p>Do you think that EIOPA should consider developing a framework for transferability of accumulated capital for passported PPPs? What obstacles to transferability can you identify and how can they be overcome? Can you identify the benefits of a transferability framework in the context of PPPs?</p> <p>The NAPF would support moves to make it easier to transfer pension pots between Member States. However, we also recognise that previous initiatives in this area, such as the proposal for a Portability Directive, have encountered insuperable difficulties, not least due to the different tax systems in each Member State.</p> <p>EIOPA may find it more fruitful to focus on other initiatives where the chances of success are greater.</p>	Noted
216.	PensionsEurope PensionsEurope represents national	Q8	PensionsEurope supports the development of a transferability framework of the capital accumulated in a PPP to another PPP, regardless of the institution that provides the PPP. Such measure would increase labour mobility across the EU and would give EU citizens more choices when making their investment decisions. However, the adoption of a transferability framework entails complex fiscal issues due to the different nature and structure that PPPs currently have across the EU.	Noted
217.	Slovak Association of Fund	Q8	Yes transferability of accumulated capital should be enabled.	Noted.

	Management Companies (S)			
218.	Slovak Insurance Association	Q8	<p>Do you think that EIOPA should consider developing a framework for transferability of accumulated capital for passported PPPs? What obstacles to transferability can you identify and how can they be overcome? Can you identify the benefits of a transferability framework in the context of PPPs?</p> <p>We do not believe that transferability of PPPs is any benefit for the client, considering relatively high „transfer” costs (sell-out fees, entry fees, possible decrease in value / profit lost during transfer period, etc.). Especially, in insurance area, such transfers in large scale are potentially detrimental for all insured involved (even those not transferring their product) – the overall risk covered is much more difficult to predict and calculate. Eventually, it leads to product price increases in general.</p>	Noted
220.	ABI	Q9	Prudential obstacles are not the main obstacles in providing PPPs cross-border, there are other (non-prudential) obstacles that present challenges to providers. These include different tax regimes and social and labour laws. Firms also make decisions based on business appetite to provide cross-border services, access to appropriate market information, the ability to service consumers in other Member States and the type of products demanded by those consumers.	<p>Noted</p> <p>The parts referred to obstacles deriving from tax regimes and social and labour law included in the preliminary report to the Commission.</p>
221.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q9	The obstacle described in the example 1 is objective and, presently, difficult to solve.	Agreed
222.	APFIPP – Associação	Q9	We do not foresee specific prudential obstacles for creating a cross-border market, from the fact of PPP being provided by different type	Noted

	Portuguesa de Fundos de Invest		of entities. In fact, in Portugal, we already have that experience and so we believe that it is possible to expand this kind of model to the EU level, as we have stated in the General Comments Section and on Q3.	
223.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q9	See answers to Questions 2 and 4. If there are obstacles which are related to the prudential framework, they should be addressed through EU provider regulation (Solvency II, OGAW (UCITS) etc.). An additional regulation of PPPs does not seem to add any value.	Noted
224.	Asset management of Slovenska sporitelna	Q9	Does not exists for UCITS	Agreed
225.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q9	We are unable to comment on banks and UCITS. EIOPA has already identified obstacles for insurers. It could be that the possibility to include death benefits in an insured PPP may also create obstacles to transfer to or from a non-insurer. "General good" represents a further significant obstacle when Member Sates use it for protectionist or disproportionate reasons. A classic example of the latter is where Member State A insists that contract charges for a unit linked insurance are taken by cancellation of units, while Member State B insists these cannot be taken by cancellation of units.	Noted
226.	Association of the Luxembourg Fund Industry	Q9	<p>What are the prudential obstacles for creating a cross-border market for PPPs for different types of providers (banks, insurers, UCITS)?</p> <p>ALFI generally agrees with EFAMA's position. We would like to add however, that subject to insurance law as applicable today, the law of</p>	<p>Noted</p> <p>the parts referred to:</p> <ul style="list-style-type: none"> - constrains deriving from applicable law; - OCERP

			<p>the insurance holder applies which, in case of a PPP holder moving to another country, creates legal uncertainty for the providers which usually accept to serve only certain countries. Similar rules currently apply, for example, to pension funds under the IORPS directive.</p> <p>In addition, pursuant to Directive 2002/83/EC concerning life assurance, the law applicable to the contract is (with some exceptions) that of the member state of residence of the policyholder. Needless to say that the law applicable to such contracts will not merely be limited to insurance law, but civil law, commercial law, etc. of that members state.</p> <p>It is therefore expected that, unwilling to have to master all the technical aspects within all member states, insurers may not seek to offer personal pension products in a systematic manner throughout the European Union.</p> <p>Therefore there is a need to consider barriers and risks to the EU-wide workability of such a product.</p> <p>To the extent that member states apply different prudential requirements to PPP products/providers, no single market exists. To overcome this barrier, common EU rules for an OCERP would help create an effective single market for personal pension products.</p> <p>In our view, the analysis of the database EIOPA published in April 2013 confirms that it should be possible to agree on a set of common features that would very much resemble those applicable to most member states' PPPs. We have noted, in particular, that:</p> <p>1/ DC pension products increasingly allow individual members some degree of choice about how to invest their plan contributions and a</p>	<p>included in the preliminary report to the Commission</p>
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			<p>fair degree of responsibility for ensuring the optimal asset allocation;</p> <p>2/ on average there are two to five investment options holders can choose from. Only very few Member States, the number of options to choose from is significantly higher.</p> <p>3/ many DC plans have a default option. Default option is mostly provided voluntarily and only in few cases this is done on legal basis. Life-cycling is still not used in many Member States;</p> <p>4/ the type of asset allocation strategy seems to be a popular instrument for differentiating between investment options where asset types and related risks are distinguished.</p> <p>5/ key principles such as the prudent person rule and asset diversification rules are used in most cases.</p> <p>6/ personal pensions with multiple investment options can be provided by insurance companies in ten Member States, investment management companies in five Member States, and pension funds also in five Member States, while IORPs can act as providers in three Member States.</p> <p>The evidence collected by EIOPA highlight the merits of creating an EU wide personal pension product. It also shows that the work would not start from a blank page given the degree of convergence between existing PPPs.</p> <p>The creation of an OCERP should also be seen in a dynamic perspective. Applying common EU rules that would give a "European brand" to a PPP that would fulfill a number of standards, would contribute to greater convergence as some member states might wish to strengthen their national schemes by adopting some of the standards set for the OCERP. This was the case for UCITS, which</p>	
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			<p>brought greater harmonization to the retail investment fund industry.</p> <p>In conclusion, EFAMA believes that an EU single market for PPPs could be more easily attained by developing an OCERP and allowing insurance companies, asset managers, banks and IORPs to provide OCERPs.</p>	
227.	Assogestioni	Q9	In our opinion, there should be a more consistent harmonization in the prudential regulation among Member States. In this regard it is important to constantly monitor the transposition processes.	<p>Noted</p> <p>and included in the preliminary report to the Commission</p>
228.	Austrian Insurers' Association (VVO)	Q9	The Insurance Single Market, established through the third generation of insurance directives in 1992, already enables the distribution of life insurance products on a cross-border basis.	<p>Agreed</p> <p>and included in the preliminary report to the Commission</p>
230.	BIPAR	Q9	See answer to Q7.	
231.	Bulgarian Association of supplementary pension sec	Q9	<p>The prudential obstacles for creating a cross-border market for PPPs are related to the minimum yiled guarantee levels, the different technical provision requirements, the actuarial tables used. However, once the single market is open, all the prudential obstacles mentioned will gradually be overcome due to the market competition forces which will make member states change their national prudential rules in order to remain competitive.</p> <p>We consider the establishment of separate institutions specifically designated for the management of pension funds as a great achievement of the PPP single market institutional infrastructure.</p>	<p>Noted</p> <p>Comments on prudential obstacles included in the preliminary report to the Commission</p>

232.	EFAMA	Q9	<p>What are the prudential obstacles for creating a cross-border market for PPPs for different types of providers (banks, insurers, UCITS)?</p> <p>To the extent that member states apply different prudential requirements to PPP products/providers, no single market exists. To overcome this barrier, common EU rules for an OCERP would help create an effective single market for personal pension products.</p> <p>In our view, the analysis of the database EIOPA published in April 2013 confirms that it should be possible to agree on a set of common features that would very much resemble those applicable to most member states' PPPs. We have noted, in particular, that:</p> <p>1/ DC pension products increasingly allow individual members some degree of choice about how to invest their plan contributions and a fair degree of responsibility for ensuring the optimal asset allocation;</p> <p>2/ on average there are two to five investment options holders can choose from. Only very few Member States, the number of options to choose from is significantly higher.</p> <p>3/ many DC plans have a default option. Default option is mostly provided voluntarily and only in few cases this is done on legal basis. Life-cycling is still not used in many Member States;</p> <p>4/ the type of asset allocation strategy seems to be a popular instrument for differentiating between investment options where asset types and related risks are distinguished.</p> <p>5/ key principles such as the prudent person rule and asset diversification rules are used in most cases.</p>	<p>Noted</p> <p>the parts referred to OCERP</p> <p>included in the preliminary report to the Commission</p>
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			<p>6/ personal pensions with multiple investment options can be provided by insurance companies in ten Member States, investment management companies in five Member States, and pension funds also in five Member States, while IORPs can act as providers in three Member States.</p> <p>The evidence collected by EIOPA highlight the merits of creating an EU wide personal pension product. It also shows that the work would not start from a blank page given the degree of convergence between existing PPPs.</p> <p>The creation of an OCERP should also be seen in a dynamic perspective. Applying common EU rules that would give a “European brand” to a PPP that would fulfill a number of standards, would contribute to greater convergence as some member states might wish to strengthen their national schemes by adopting some of the standards set for the OCERP. This was the case for UCITS, which brought greater harmonization to the retail investment fund industry.</p> <p>In conclusion, EFAMA believes that an EU single market for PPPs could be more easily attained by developing an OCERP and allowing insurance companies, asset managers, banks and IORPs to provide OCERPs.</p>	
233.	Fédération Française des Sociétés d'Assurance	Q9	Please refer to question 7	

234.	German Insurance Association (GDV)	Q9	<p>The answer applies to Q9 and Q10:</p> <p>First it should be assessed whether there is a need for increased cross-border trade of PPPs. As indicated in the general remarks, market entry of providers of PPPs can occur in several forms of which direct cross-border sales are only one. However, market integration in the life insurance sector is often realized through national subsidiaries. German insurers believe there is not enough empirical evidence that this situation results in insufficient integration or even market failure that have to be overcome.</p>	<p>Noted</p> <p>and briefly recalled in the preliminary report to the Commission</p>
235.	Groupe Consultatif	Q9	<p>There should be no insuperable obstacles from a prudential point of view to creating a cross-border market for PPPs. However, in order to make this work the PPP product needs to be kept really simple, with no guarantees or complex aspects requiring significant capital.</p>	<p>Noted</p> <p>and included in the preliminary report to the Commission</p>
237.	Insurance Europe	Q9	<p>What are the prudential obstacles for creating a cross-border market for PPPs for different types of providers (banks, insurers, UCITS)?</p> <p>As indicated in its response to question 4, Insurance Europe believes that if there is a desire to sell or purchase pensions cross-border, this can currently be facilitated via the passporting of pensions under the Freedom of Services framework and the Freedom of Establishment for insurers.</p> <p>Additionally, Insurance Europe would like to highlight that it would</p>	<p>Noted</p>

			require more time to analyse prudential obstacles for cross border pension provision. However, Insurance Europe believes that there exists other more important factors which affect insurers' decision to offer (or not to offer) insurance policies cross border. Please refer to question 19 for a non-restrictive list of such other factors.	
238.	Investment Management Association	Q9	Depending on the nature of national pension requirements, and the product on offer, prudential requirements will vary; an obvious example being that a UCITS does not require capital backing in the same way as an annuity product.	Noted
239.	National Association of Pension Funds (NAPF)	Q9	<p>What are the prudential obstacles for creating a cross-border market for PPPs for different types of providers (banks, insurers, UCITS)?</p> <p>The NAPF does not envisage major prudential obstacles in the development of a single market in personal pensions.</p> <p>In any case, the providers of personal pensions are already subject to EU-wide prudential rules under Solvency II.</p>	Noted and included in the preliminary report to the Commission
240.	PensionsEurope PensionsEurope represents national	Q9	We do not anticipate major prudential obstacles when creating a single market for different PPP providers. In several EU countries PPPs are already provided by different institutions and this has not led to specific problems. Nevertheless, it is important to closely monitor the transposition of the EU legislation into the national laws in order to ensure a level playing field across the EU Member States.	Noted and included in the preliminary report to the Commission

241.	Slovak Association of Fund Management Companies (S	Q9	Does not exists for UCITS	Agreed
242.	Slovak Insurance Association	Q9	<p>What are the prudential obstacles for creating a cross-border market for PPPs for different types of providers (banks, insurers, UCITS)?</p> <p>The principal problem lies elsewhere: the main reason of non-existence of cross-border market is lack of demand: the people do tend to chose between domestic pension products, rather than purchasing them abroad (in many cases, a problem of different regulation). Pensions are generally considered „domestic issue” and / or are felt very emotionally. Another thing is hat there are too many discrepancies and inconsistencies in local pension systems in various EU member states (different cultural, historical and economic background).</p>	<p>Noted</p> <p>and included in the preliminary report to the Commission</p>
244.	ABI	Q10	Irrespective if PPPs have guarantees or not (although most of the UK market does not operate with guarantees), as per our response to question 9, the feasibility of a cross border framework is not just linked to the product, but many other obstacles that need to be taken into account.	see resolution for response no 102
245.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q10	We believe that it would be useful to develop standard defined at European level with univocal guarantees of approach and protection.	covered by par 209 (stakeholder view), minority view
246.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q10	See responses to Questions 2 and 4.	cf resolution for responses no 56 and no 105

247.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q10	No, unless Member State could reach a compromise agreement on, for example, asset rules and interest rates to be used in the case of insurers. It would be critical to ensure similar provisions applied to other sectors, otherwise arbitrage would be likely.	in line with par 207, EIOPA favours a future PPP initiative to cover all products (par 215)
248.	Association of the Luxembourg Fund Industry	Q10	<p>Do you think it is feasible to develop a cross-border framework for PPPs with guarantees (DB PPPs and DC PPPs with guarantees)?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>EFAMA believes that capital or investment guarantees could be offered on a voluntary basis by some OCERP providers as an element of some investment options. OCERPs with guarantees should not be made mandatory. This is because whilst any minimum capital/return guarantees limit the shortfall risk that may result from financial market volatility, they also limit individuals' upside potential returns. The cost in terms of foregone returns and, hence, lower retirement wealth accumulation, can be particularly significant if the guarantee is used throughout the entire or most of the pension accumulation phase. So there is an important trade-off that the individual should take into account between loss mitigation and its cost, when considering the choice of a guaranteed OCERP.</p>	cf discussion of OCERPs in par 238 ff
249.	Assogestioni	Q10	We deem it feasible with reference to DC schemes.	minority view (par 209)
250.	Austrian Insurers' Association (VVO)	Q10	The Insurance Single Market is already heavily regulated and does not require any further regulation which would lead to redundancies or inconsistencies.	covered by par 208 (stakeholder views)

252.	Bulgarian Association of supplementary pension sec	Q10	It is feasible to develop a cross-border framework for PPPs with guarantees. Guarantees in PPPs are part of the competitive features of national products. Thus, the introduction of a single market in PPFs is not only the aim but also the means for fostering competition and achieving an evolutionary harmonisation.	covered in par 208, EIOPA favours a future PPP initiative to cover all products (par 215)
253.	EFAMA	Q10	<p>Do you think it is feasible to develop a cross-border framework for PPPs with guarantees (DB PPPs and DC PPPs with guarantees)?</p> <p>EFAMA believes that capital or investment guarantees could be offered on a voluntary basis by some OCERP providers as an element of some investment options. OCERPs with guarantees should not be made mandatory. This is because whilst any minimum capital/return guarantees limit the shortfall risk that may result from financial market volatility, they also limit individuals' upside potential returns. The cost in terms of foregone returns and, hence, lower retirement wealth accumulation, can be particularly significant if the guarantee is used throughout the entire or most of the pension accumulation phase. So there is an important trade-off that the individual should take into account between loss mitigation and its cost, when considering the choice of a guaranteed OCERP.</p>	cf discussion of OCERPs in par 238 ff
254.	Fédération Française des Sociétés d'Assurance	Q10	To answer the question, we need to know what guarantees you are talking about.	n/a
255.	Groupe Consultatif	Q10	No. It would be better to focus on a PPP framework which does not contain guarantees, as the inclusion of guarantees will make it significantly more complex and less likely to be successful.	singular view

257.	Insurance Europe	Q10	Do you think it is feasible to develop a cross-border framework for PPPs with guarantees (DB PPPs and DC PPPs with guarantees)? Please refer to question 9.	see resolution for response no 237
258.	Investment Management Association	Q10	To the extent that it is possible to develop a prudential regime for cross-border products, there is no fundamental reason why this could not extend to guarantees.	in line with EIOPA view (par 215)
259.	Ministry of Finance of the Czech Republic	Q10	No, we do not think it is feasible. At least as regards insurance products, the maximum interest rate, i.e. guarantee, must be left to be set by the national regulator, so as to correspond to actual conditions of a national market (moreover later the Solvency II Directive will apply)	this view covered by par 207, EIOPA favours a future PPP initiative to cover all products (par 215)
260.	National Association of Pension Funds (NAPF)	Q10	Do you think it is feasible to develop a cross-border framework for PPPs with guarantees (DB PPPs and DC PPPs with guarantees)?	n/a
261.	PensionsEurope PensionsEurope represents national	Q10	Please refer to question 2	see resolution for response no 71
264.	ABI	Q11	No we do believe these obstacles can be eliminated, as direct taxation	stakeholders view

			is a competency of Member States.	(§142) and obstacles mentioned in §§ 144 to 160
265.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q11	A further obstacle is represented by the differences related to the deductibility concerning the employee and/or the employer. The obstacle can be removed defining rates and amounts at a European level. Anyhow, your summary is thorough.	stakeholders view (§142) and obstacles mentioned in §§ 144 to 160
266.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q11	No, the main obstacles are the requirements for tax relief, which differ by Member State and the function of the subsidized old age provision. For Germany the requirements are laid out in Income Tax Law and in a Law regarding the Certification of pension provision and contracts for Basisrenten. See EIOPA Point 3.2.2.2.2	stakeholders view (§142) and obstacles mentioned in §§ 144 to 160
267.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q11	None identified.	
268.	Association of the Luxembourg Fund Industry	Q11	Have you identified any other tax obstacles in addition to the four identified by EIOPA? Can these obstacles be eliminated in practice? We find EIOPA analysis very useful and we agree with the four cross border tax issues identified.	stakeholders view (§142) and obstacles mentioned in §§ 144 to 160 and resolution in §§ 162, 164 - 168

			<p>These obstacles could be eliminated if member states would indeed agree to harmonize the taxation of PPPs. It may not be realistic to expect all EU member states to agree to this goal. However, given the issues at stake, it is possible that a core group of member states would agree to adjust their domestic tax rules and existing tax treaties to facilitate the emergence of a single market for PPPs.</p> <p>This being said, EFAMA strongly supports the ambition of the European Commission to eliminate the tax obstacles in the pensions area. The Commission acknowledged, in its white paper on pensions, the important role taxation plays in stimulating complementary retirement savings. In this context, the Commission has launched two initiatives on which it is currently working¹ :</p> <ul style="list-style-type: none"> • First, it will assess and optimize the efficiency and cost-effectiveness of tax and other incentives for private pension saving, by cooperating with member states following a best practice approach; this will include better targeting of incentives on individuals who would otherwise not build up adequate pensions. • Second, it will investigate whether certain tax rules in the area of pensions present discriminatory tax obstacles to cross-border mobility and cross-border investments, and initiate infringement procedures, where necessary. <p>Finally, as we previously mentioned, the lack of tax harmonization shouldn't hold back the European authorities from proposing the creation of a single market for OCERPs, for two main reasons:</p>	
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			<input type="checkbox"/> First, providers should be able to handle the taxation issues and offer people the possibility to continue saving into their OCERPs when they move between certain countries. <input type="checkbox"/> Second, the creation of an OCERP would benefit non-mobile EU citizens as it would introduce an additional PPP to choose from, thereby fostering competition in national markets and reducing costs.	
269.	Assogestioni	Q11	The list of tax obstacles identified by EIOPA is complete. Such obstacles are not likely to be removed in practice.	stakeholders view (§142) and obstacles mentioned in §§ 144 to 160
271.	Bulgarian Association of supplementary pension sec	Q11	No other tax obstacles are identified. It is possible for these obstacles to be eliminated in practice.	stakeholders view (§142) and obstacles mentioned in §§ 144 to 160
272.	EFAMA	Q11	<p>Have you identified any other tax obstacles in addition to the four identified by EIOPA? Can these obstacles be eliminated in practice?</p> <p>We find EIOPA analysis very useful and we agree with the four cross border tax issues identified.</p> <p>These obstacles could be eliminated if member states would indeed</p>	<p>stakeholders view (§142) and obstacles mentioned in §§ 144 to 160</p> <p>and resolution in §§ 162, 164 - 168</p>

			<p>agree to harmonize the taxation of PPPs. It may not be realistic to expect all EU member states to agree to this goal. However, given the issues at stake, it is possible that a core group of member states would agree to adjust their domestic tax rules and existing tax treaties to facilitate the emergence of a single market for PPPs.</p> <p>This being said, EFAMA strongly supports the ambition of the European Commission to eliminate the tax obstacles in the pensions area. The Commission acknowledged, in its white paper on pensions, the important role taxation plays in stimulating complementary retirement savings. In this context, the Commission has launched two initiatives on which it is currently working¹ :</p> <ul style="list-style-type: none"> • First, it will assess and optimize the efficiency and cost-effectiveness of tax and other incentives for private pension saving, by cooperating with member states following a best practice approach; this will include better targeting of incentives on individuals who would otherwise not build up adequate pensions. • Second, it will investigate whether certain tax rules in the area of pensions present discriminatory tax obstacles to cross-border mobility and cross-border investments, and initiate infringement procedures, where necessary. <p>Finally, as we previously mentioned, the lack of tax harmonization shouldn't hold back the European authorities from proposing the creation of a single market for OCERPs, for two main reasons:</p> <ul style="list-style-type: none"> • First, providers should be able to handle the taxation issues and offer people the possibility to continue saving into their OCERPs 	
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			<p>when they move between certain countries.</p> <p><input type="checkbox"/> Second, the creation of an OCERP would benefit non-mobile EU citizens as it would introduce an additional PPP to choose from, thereby fostering competition in national markets and reducing costs.</p>	
273.	Fédération Française des Sociétés d'Assurance	Q11	<p>Considering that the listed tax obstacles take into account not only the differences between the systems in place across Member states, but also the differences between the thresholds of deductible contributions, the FFSA has not identified at this stage other tax obstacles.</p>	stakeholders view (§142)
274.	German Insurance Association (GDV)	Q11	<p>This comment applies to Q11 to Q15:</p> <p>Each Member State has a special regulatory framework for supplementary pensions. In Germany the framework is in particular intended to provide security for pension savers by protecting them against the risks of investment loss and longevity. Furthermore, it has to be taken into account that savings needs of consumers differ according to their national pension systems. Such a specific framework for pensions could only exist with corresponding rules for taxation. This complex correlation could not easily be changed by EU-law. Detailed regulation on taxation of PPP can only be prescribed at national level because of Member State's responsibility for tax legislation.</p> <p>There might be only few tax obstacles in a cross-border situation, but in general such obstacles are not new and could be overcome. On the</p>	noted

			<p>one hand, for example, there are effective solutions to solve double taxation problems by double taxation agreements. On the other hand the „taxation problem” is already defused by the fact that over the last 20 years Member States increasingly introduced deferred taxation and this trend is still going on.</p> <p>In this context a new European PPP tax framework and especially a 2nd regime would not be a solution for better PPP transferability. The best way to develop a secure, workable, targeted, proportionate, effective, efficient and standardized process might be to leverage existing tax information reporting that is currently in place in most jurisdictions. Any other new development will place an unnecessary and disproportionate burden on financial institutions and their customers.</p>	
275.	Groupe Consultatif	Q11	<p>Different treatment of lump sums payable at retirement, with a number of Member States (but not all) allowing a part of the lump sum to be taken free of tax. Some Member States permit part of the benefits to be taken in the form of a lump sum, whereas others require the accumulated fund to provide a regular income stream only.</p> <p>Another potential area of difficulty arises from some Member States limiting the annual accrual of pension rights on a tax-friendly basis or placing an overall upper limit on pension accumulation for an individual over all pension vehicles.</p> <p>These differences (and other tax differences) could be avoided by specifying a well-defined group of PPP products for the single market, which, for example, did not permit a lump sum to be taken at retirement, or which provided for it to be taxable in the same way as retirement income taken in pension form.</p>	<p>stakeholders view (§142) and obstacles mentioned in §§ 144 to 160</p>

277.	Insurance Europe	Q11	<p>Have you identified any other tax obstacles in addition to the four identified by EIOPA? Can these obstacles be eliminated in practice?</p> <p>Due to time constraint Insurance Europe could not answer to this question. However, Insurance Europe understands that direct taxation is the sole competence of member states.</p>	
278.	Investment Management Association	Q11	<p>We do not have specific expertise in the area of tax and cross-border pension provision, but it is clear that there are a range of major potential obstacles and inconsistencies. The EIOPA paper well outlines the key issues in this area, including unanimity requirements for harmonisation.</p>	stakeholders view (§142)
279.	National Association of Pension Funds (NAPF)	Q11	<p>Have you identified any other tax obstacles in addition to the four identified by EIOPA? Can these obstacles be eliminated in practice?</p> <p>The NAPF has not identified any further tax obstacles, but it should be recognised that these are, in themselves, very significant barriers.</p> <p>Given the difficulties involved, the NAPF recommends that EIOPA and the EC focus their attentions on areas where progress could more easily be achieved.</p>	stakeholders view (§142) and obstacles mentioned in §§ 144 to 160
280.	PensionsEurope	Q11	<p>We do not see major tax obstacles other than the ones identified by</p>	stakeholders view

	PensionsEurope represents national		EIOPA. Given that fiscal legislation needs to be adopted by unanimity vote in the Council, we believe that removing these obstacles will be particularly difficult. Time-table constraints should also be taken into consideration: fiscal legislative proposals usually require several years of negotiations amongst Member States in the Council before they are adopted.	(§142) and obstacles mentioned in §§ 144 to 160
281.	Slovak Insurance Association	Q11	Have you identified any other tax obstacles in addition to the four identified by EIOPA? Can these obstacles be eliminated in practice? Certainly not by promoting any form of tax harmonisation across EU. This agenda (PPP) should not serve as a cover up / start up for any EU-wide regulation of national / local taxes and tax systems.	stakeholders view (§142)
283.	ABI	Q12	HMRC have imposed differing monitoring requirements on monies transferred to a QROPS to those transferred to another registered pension scheme.	noted, not explicitly covered in the preliminary report
284.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q12	We believe that it could be useful to separate such subjects from the general subject, creating an European directive regarding the taxation of these products, or even better a regulations that can directly apply to the Member States. A pension funds mapping (in order to facilitate harmonisation) it's recommended.	noted, not explicitly covered in the preliminary report
285.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q12	We are not aware of any discrimination of foreign providers in Germany. The Law regarding the Certification of pension provision and contracts for Basisrenten includes in §1 (2) and §2 (2) providers of Riester- or Basisrenten "home in a different Member State of the European Economic Area."	noted, not explicitly covered in the preliminary report
286.	ASSOCIATION OF INTERNATIONAL	Q12	To our knowledge, foreign PPP providers' products have to adhere to local rules to obtain host State tax treatment. In the case of a	noted, not explicitly covered in the

	LIFE OFFICES, Luxembo		<p>Freedom of Services provider this can mean agreement to provide directly (or through a fiscal representative) information on PPP holders. Those holders would then obtain any tax allowance and pay any tax due to the tax authority.</p> <p>In the case of an Establishment then adherence to local tax requirements can enable payment of contributions net of any tax allowance and receipt of income net of tax.</p>	preliminary report
287.	Association of the Luxembourg Fund Industry	Q12	According to your knowledge, how do MSs approach the principle of non-discrimination of foreign PPP providers in their national tax legislation as far as taxation of contributions, investments and benefits is concerned?	
288.	Assogestioni	Q12	In order to avoid tax discrimination of foreign PPP providers, Member States usually apply to them the same tax regime provided for domestic PPP providers with respect to contributions and investments. As far as taxation of benefits is concerned, the principle of non-discrimination requires MSs to adopt the same tax arrangement (hopefully the EET system).	noted, not explicitly covered in the preliminary report
290.	Bulgarian Association of supplementary pension sec	Q12	Reluctantly.	
291.	EFAMA	Q12	According to your knowledge, how do MSs approach the principle of non-discrimination of foreign PPP providers in their national tax legislation as far as taxation of contributions, investments and benefits is concerned?	

292.	Fédération Française des Sociétés d'Assurance	Q12	The principle of non-discrimination as laid down by the primary EU law is well respected by the French legislation. In terms of personal income tax, the taxation regime applicable to a tax resident is attached to the pension product subscribed by this resident. There is therefore no difference in treatment depending on whether the contract is signed with a French provider or with a foreign provider, when the PPP meets the requirements subscribed by the national legislation. In addition, the methods of collection of certain taxes (social security contributions CSG and CRDS) applicable to the provision must be adapted, since the foreign provider is not subject to these taxes.	noted, not explicitly covered in the preliminary report
293.	Groupe Consultatif	Q12	Generally national tax legislation does not discriminate. However, beneficial tax treatment is usually conditional on non-domestic pension products meeting the same conditions as are required on domestic products.	noted, not explicitly covered in the preliminary report
295.	Investment Management Association	Q12	See answer to Q11.	
296.	Ministry of Finance of the Czech Republic	Q12	The Czech Republic of course respects the EU primary law and the case law of the CJEU. In the tax law of the Czech Republic there is fully respected the principle of non – discrimination (the tax reliefs are applicable both for national and foreign pension providers and participants).	noted, not explicitly covered in the preliminary report
297.	National Association of Pension Funds	Q12	According to your knowledge, how do MSs approach the principle of non-discrimination of foreign PPP providers in their national tax	

	(NAPF)		legislation as far as taxation of contributions, investments and benefits is concerned?	
299.	The Finnish Pension Alliance / Työeläkevakuuttajat	Q12	National tax legislation likely include features, which might seem discriminatory when viewed from a certain perspective. However, it's critical to note that since many pension accounts, which are offered in many countries by financial service providers, can be used into tax avoidance and tax structuring purposes, these discriminatory features are often in fact mechanisms for the prevention of tax leakage. Therefore, it's vital that these features remain in place as long as complete information availability of taxable income in the Union area is achieved. However, as the ITC infrastructure has huge diversity between Member States and not all Member States share the same levels of taxation, it's difficult to perceive how this could be achieved in the near future.	noted, not explicitly covered in the preliminary report
300.	ABI	Q13	While in theory the ECJ case law should eliminate discrimination of foreign PPP providers in respect of taxation on contributions and on investment income made; there is still no ECJ case law regarding the discrimination of foreign PPP providers in respect of taxation on benefits. Further, as in question 11, direct taxation is completely within the competence of individual Member States and the principles of non-discrimination under ECJ case law are not applicable.	covered by §§ 147, 160 and 164
301.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q13	No, we consider it unsatisfactory, it is necessary a definition at European level of rates and amounts.	covered by § 164
302.	Asset management	Q13	Yes	noted

	of Slovenska sporitelna			
303.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q13	There remains the possibility of a Member State authority imposing apparent discriminatory rules creating a period of uncertainty. It may be necessary to spend time and money to take matters to court to obtain a judgment on non-discriminatory treatment.	noted
304.	Association of the Luxembourg Fund Industry	Q13	<p>In your opinion, is the principle of non-discrimination in taxation of financial products, as developed by CJEU, sufficient on its own to remove the tax obstacle to the cross-border functioning of PPPs?</p> <p>ALFI believes that the principle of non-discrimination in taxation of financial products, as developed by CJEU, is not sufficient on its own, since there will still be differences in taxation resulting from Member States dissimilar tax regimes. However, it will be unlikely that all obstacles will be removed.</p> <p>Referring to the four tax obstacles identified by EIOPA, we agree that the first three obstacles, i.e. differences among member states in taxation of (i) contributions paid to foreign PPPs and benefits received from foreign PPPs and (ii) investment income paid to foreign PPPs, and (iii) obstacles to transfer of accumulated capital, seem to be eliminated to the extent that member states cannot discriminate against foreign providers. The income tax legislation in member states should indeed afford the same tax relief to foreign PPPs as it affords to its domestic PPPs.</p> <p>Still, the 3rd (risk of double taxation when domestic transfers are taxed) and 4th (differences in member states' tax arrangements)</p>	covered by §§ 160 and 164

			obstacles identified by EIOPA, are more problematic from the point of view of the consumer, as direct taxation is within the competences of individual member states. These obstacles would limit the advantages that an OCERP would bring to mobile workers in Europe. Indeed, someone changing jobs from one country to another would not find attractive to carry his/her PPP with him/her if the transfer of accumulated capital would lead to double taxation.	
305.	Assogestioni	Q13	No, it isn't sufficient. The tax obstacles to the cross-border functioning of PPPs could be removed through the harmonization of tax arrangements across Member States.	covered by §§160 and 164
307.	Bulgarian Association of supplementary pension sec	Q13	The principle of non-discrimination in taxation of financial products, as developed by the CJEU, is not sufficient on its own to remove the tax obstacle to the cross-border functioning of PPPs. Specific amendments are to be made in national laws for practical implementation of tax non-discrimination.	covered by §§ 160 and 164
308.	EFAMA	Q13	<p>In your opinion, is the principle of non-discrimination in taxation of financial products, as developed by CJEU, sufficient on its own to remove the tax obstacle to the cross-border functioning of PPPs?</p> <p>Referring to the four tax obstacles identified by EIOPA, we agree that the first three obstacles, i.e. differences among member states in taxation of (i) contributions paid to foreign PPPs and benefits received from foreign PPPs and (ii) investment income paid to foreign PPPs, and (iii) obstacles to transfer of accumulated capital, seem to be eliminated to the extent that member states cannot discriminate against foreign providers. The income tax legislation in member states should indeed afford the same tax relief to foreign PPPs as it affords to its domestic PPPs.</p>	covered by §§ 160 and 164

			Still, the 3rd (risk of double taxation when domestic transfers are taxed) and 4th (differences in member states' tax arrangements) obstacles identified by EIOPA, are more problematic from the point of view of the consumer, as direct taxation is within the competences of individual member states. These obstacles would limit the advantages that an OCERP would bring to mobile workers in Europe. Indeed, someone changing jobs from one country to another would not find attractive to carry his/her PPP with him/her if the transfer of accumulated capital would lead to double taxation.	
309.	Groupe Consultatif	Q13	Don't know. This is a legal and/or political question. An agreement between the tax authorities of all Member States to recognise a particular 'product' would facilitate the single market.	Noted
311.	Investment Management Association	Q13	See answer to Q11.	Please see above
312.	Ministry of Finance of the Czech Republic	Q13	The principle of non-discrimination covers the most of the tax obstacles connected with cross-border functioning of pension providers and personal pension plans with the exception of problem described under letter d) on page 13 of the discussion paper - - Differences in MSs' tax arrangements, which describes different approaches of taxation of contribution, investment income and benefits.	covered by §§ 160 and 164
313.	National Association of Pension Funds (NAPF)	Q13	In your opinion, is the principle of non-discrimination in taxation of financial products, as developed by CJEU, sufficient on its own to remove the tax obstacle to the cross-border functioning of PPPs?	Noted

			Case law alone is not sufficient to remove all tax obstacles. However, as explained in our answer to question 11 above, the NAPF recommends that policy-makers focus their attention on more tractable issues.	
314.	PensionsEurope PensionsEurope represents national	Q13	We do not believe that the CJEU case law is sufficient since, as outlined by EIOPA in its Discussion Paper, there are still some unresolved tax issues, in particular double taxation obstacles. The only practical way of removing these burdens seems to be the harmonisation of tax arrangements between EU Member States.	covered by §§ 160 and 164
315.	Slovak Association of Fund Management Companies (S	Q13	Yes	Noted
316.	Slovak Insurance Association	Q13	According to your knowledge, how do MSs approach the principle of non-discrimination of foreign PPP providers in their national tax legislation as far as taxation of contributions, investments and benefits is concerned? It is already described in part Tax obstacles that biggest obstacle is different scheme of taxation in different MSs, so we would say NO.	Noted
318.	ABI	Q14	Firstly, we believe it is too simplistic to say that transferability would only require harmonisation of tax regimes across Europe. As discussed in earlier in our response and to the questions on the 2nd regime, there are many other obstacles to transferability that would need to be tackled. These include the range of retirement ages across the EU, competition from different providers of PPPs ; the different forms of pensions on offer ; the different approaches to pay-	noted

			<p>out phases and the understanding of what those pay out phase products are .</p> <p>Secondly, if a decision was taken to try and harmonise tax treatment of pensions, we would be very concerned about any disruption of savings initiatives already in place in Member States.</p> <p>Finally, even if a single tax regime was to be put in place in Member States, there are currently differences in how those regimes operate. For example the widely used EET system operates differently across Europe with differing levels of tax relief being set that are limited to a certain level of income or a fixed amount. These limits have been developed to reflect the national savings regimes of that Member State and we would question how these levels could be harmonised.</p>	
319.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q14	Yes, it is necessary: changes are advisable and essentials.	covered by §§ 160 and 164
320.	APFIPP – Associação Portuguesa de Fundos de Invest	Q14	<p>As stated on the General Comments Section, we consider that transferability requires harmonisation of the tax treatment of PPP.</p> <p>The PPP should be ideally entirely exempt (EEE – Exempt contributions, capital and benefits). This would definitely facilitate transferability and prevent tax arbitrage between Member States due to tax regime differences. To limitate the benefit of the tax advantages offered, a limitation or a maximum can be set in terms of the annual amount of subscriptions allowed per investor.</p>	covered by §§ 160 and 164

			Alternatively, the PPP can be set as entirely exempt after contributions (TEE – taxed or not deducted contribution, exempt capital and benefits).	
321.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q14	There would be less problems if the Member States agreed on an EET-system of taxation. If this was the case, no harmonisation would be necessary, because the recognition of the different national regime should be sufficient. It needs to be kept in mind that taxation is a competency of the Member States.	covered by §§ 160 and 164
322.	Asset management of Slovenska sporitelna	Q14	Transferability does not require the complete harmonization of the tax law across MSs. Regarding the taxation of contributions and benefits, investment income paid to foreign PPP and transfer of accumulated capital – discrimination of foreign PPP could be eliminated in the tax law of MSs. Regarding the tax arrangements – to prevent double taxation and non-taxation MSs could be encouraged to adopt unilateral domestic rules or adjust their existing tax treaties. The direct taxation in the respective MSs does not have to be harmonized.	noted
323.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q14	We consider that transferability requires harmonisation of tax treatment for otherwise freedom of movement of workers is inhibited. As indicated in the discussion paper, Member States operate different bases of tax treatment which can, at the extreme, lead to double taxation or indeed no taxation. As well as these disparate approaches there is divergence as to what constitutes a pension. For example, in the UK and Ireland the bulk of the pension “pot” has to be used to provide a pension, whereas in Germany the product can be cancelled and the “pension pot” taken at any time. Thus harmonisation requires not just changes to taxation strategy, but agreement on a definition in more detail than anticipated in Q5.	covered by §§ 160 and 164

			<p>Portability should be considered alongside transferability, as the same tax issues apply (and others where a change of country is concerned). [See Q15 below].</p> <p>Perhaps these difficulties might suggest that a voluntary 2nd regime might offer a compromise solution?</p>	
324.	Association of the Luxembourg Fund Industry	Q14	<p>Do you consider that transferability requires harmonisation of the tax treatment of pensions across MSs? In your view, are such changes feasible?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>It would be extremely useful if an analysis of the differences in member states' tax rules for PPPs could be made to assess whether the circumstances under which a transfer of accumulated capital from a PPP in one member state to a PPP in another member state would give rise to double taxation or non-taxation, are limited or not.</p> <p>In the meantime, we believe that the lack of harmonisation of the tax treatment of PPPs across Europe shouldn't hold back EIOPA from proposing the creation of a single market for PPPs. Indeed, the creation of an OCERP would benefit non-mobile EU citizens because it would introduce an additional PPP to choose from, fostering competition in national markets. The OCERP would also benefit mobile citizens whose move from one country to another wouldn't be subject to double taxation.</p>	covered by §§ 160 and 164

325.	Assogestioni	Q14	Yes. Considering that direct taxation is within the competence of individual MSs, harmonization is not likely to be feasible.	covered by §§ 160 and 164
327.	Bulgarian Association of supplementary pension sec	Q14	<p>Transferability does not necessarily require immediate harmonisation of the tax treatment of pensions across MSs. It is much feasible to believe that competitive market forces will bring about the necessary changes.</p> <p>As far as 1st pillar bis is concerned, the tax treatment of 1st pillar bis schemes is identical to the tax treatment of 1st pillar. Harmonisation of the tax treatment of 1st pillar bis means harmonisation of 1st pillar pension taxation. The latter may be feasible only after reform of EU Primary legislation.</p>	noted
328.	EFAMA	Q14	<p>Do you consider that transferability requires harmonisation of the tax treatment of pensions across MSs? In your view, are such changes feasible?</p> <p>It would be extremely useful if an analysis of the differences in member states' tax rules for PPPs could be made to assess whether the circumstances under which a transfer of accumulated capital from a PPP in one member state to a PPP in another member state would give rise to double taxation or non-taxation, are limited or not.</p> <p>In the meantime, we believe that the lack of harmonisation of the tax treatment of PPPs across Europe shouldn't hold back EIOPA from proposing the creation of a single market for PPPs. Indeed, the creation of an OCERP would benefit non-mobile EU citizens because it</p>	covered by §§ 160 and 164

			would introduce an additional PPP to choose from, fostering competition in national markets. The OCERP would also benefit mobile citizens whose move from one country to another wouldn't be subject to double taxation.	
329.	Fédération Française des Sociétés d'Assurance	Q14	As identified by EIOPA, the difference between the systems of taxation of PPPs adopted by the Member States (whether the TTE or EET system applied) is likely to cause difficulties in term of transferability. Transfer without any condition should in particular lead to cases of non-taxation or double taxation. Thus, adjustments are needed to ensure the consistency of the systems. Once the issues clearly identified, existing instruments could be modified and improved, including tax treaties between Member States.	covered by §§ 160 and 164
330.	FSUG	Q14	The key aspect that should be taken into account and understood by regulators is the need to enforce real freedom of movement of capital. This has been applied mostly only on providers. Increasing transferability might certainly improve the movement of capital (savings) and increase the freedom also for consumers (savers). Therefore, the issue of diversity of tax treatment between MS should be addressed either through harmonization of tax regimes across the EU or a mechanism that would organize tax treatment at the moment of transfer to another MS. Creating a 2nd regime (used to be called 28th regime) would avoid those problems and might speed-up the process toward full harmonization across the EU.	covered by §§ 160 and 164
331.	Groupe Consultatif	Q14	We think so. Otherwise transferability will not become a reality in practice. However, since full harmonisation of tax treatment of all pension products across the EU is likely to be a long-term project, it would be better to focus on developing a PPP product for which the tax treatment can be agreed as part of the package of proposals.	covered by §§ 160 and 164

333.	Insurance Europe	Q14	<p>Do you consider that transferability requires harmonisation of the tax treatment of pensions across MSs? In your view, are such changes feasible?</p> <p>Please refer to question 8 and 11.</p>	
334.	Investment Management Association	Q14	See answer to Q11.	
335.	National Association of Pension Funds (NAPF)	Q14	<p>Do you consider that transferability requires harmonisation of the tax treatment of pensions across MSs? In your view, are such changes feasible?</p> <p>Yes, full transferability would require tax harmonisation. Again, as explained in our answer to question 11 above, the NAPF recommends that policy-makers focus their attention on more tractable issues.</p>	covered by §§ 160 and 164
336.	PensionsEurope PensionsEurope represents national	Q14	Yes, to a great extent transferability requires harmonisation of the tax treatment of pensions across the EU. As stated in Question 11, we deem very difficult this harmonisation since the EU Member States will need to unanimously agree on such measure. If Member States agreed on the establishment of a common system of taxation, this option could possibly be less problematic since the recognition of the different national regimes should be sufficient. However, it needs to	covered by §§ 160 and 164

			be kept in mind that taxation is a competency of the Member States.	
337.	Slovak Association of Fund Management Companies (S	Q14	Transferability does not require the complete harmonization of the tax law across MSs. Regarding the taxation of contributions and benefits, investment income paid to foreign PPP and transfer of accumulated capital – discrimination of foreign PPP could be eliminated in the tax law of MSs. Regarding the tax arrangements – to prevent double taxation and non-taxation MSs could be encouraged to adopt unilateral domestic rules or adjust their existing tax treaties. The direct taxation in the respective MSs does not have to be harmonized.	covered by §§ 160 and 164
338.	Slovak Insurance Association	Q14	Do you consider that transferability requires harmonisation of the tax treatment of pensions across MSs? In your view, are such changes feasible? Tax issues shoould remain entirely in MSs responsibility.	noted
341.	The Finnish Pension Alliance / Työeläkevakuuttajat	Q14	We deem such changes not feasible and refer to answer in Q12.	noted
342.	ABI	Q15	A PPP provider selling to State A from State B can passport via the freedom of services framework. The ECJ Commission v Belgium case sets down that the foreign provider cannot be discriminated against in terms of contributions paid, however, this ECJ case does not address the issue of benefits paid and the different treatment of foreign providers in this situation. Further issues would occur when the individual moves from state A to state C if state A and C have different direct taxation systems, for example state A having an TEE system and state C having an EET system. This would mean that the individual would be subject to	covered by §§ 145 to 147 and 157 to 160

			double taxation when moving. Issues could even occur if the direct taxation system had the same set up, but different tax relief levels operated.	
343.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q15	There is no guarantee. Obstacles are various and related to a provider with a different tax residency from the subject as well as related to a future change of residence of the same subject, whose tax treatment may potentially be different.	see the obstacles in §§ 144 to 160
344.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q15	<p>Whilst EUCJ decisions provide that discriminatory tax provisions against the holders of pension products effected with providers resident in other EU States (provided they meet local definitions of a pension) are inconsistent with EU law, there remain practical difficulties. In the example, it is assumed that the State B provider will have arrangements with the tax authorities in State A (either directly or through a fiscal representative) to report the relevant details of products. In the case of a Freedom of Establishment passport this will presumably extend to the collection of taxes by deduction at source where relevant (and perhaps payment of contributions net of tax allowance to be reimbursed by the tax authority, or set off against tax due). In the case of a Freedom of Services passport it is assumed that it will be for the tax authorities to collect any tax direct from the individual and grant any tax allowance although (subject to any data protection concerns) it may be able to provide details of product holders via a fiscal representative.</p> <p>Practical issues raised include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Does the provider have a passport into State C? (It may have no intention of ever carrying out business there, so how can movement of a contract holder impose passporting obligations?) <input type="checkbox"/> If no passport then how can the tax authorities obtain valid 	stakeholders view § 141

			<p>information to apply the State's tax laws?</p> <p><input type="checkbox"/> Can it consider using automatic exchange of information with State B's tax authorities to solve the problem?</p> <p><input type="checkbox"/> How can the individual be taxed, or obtain tax allowances?</p> <p><input type="checkbox"/> Are there restrictions on the level of tax-deductible contributions?</p>	
345.	Association of the Luxembourg Fund Industry	Q15	<p>What (tax) obstacles can you identify in cases where an individual who is a tax resident of state A and holds a PPP provided to state A on the basis of of cross border passport by provider with tax residence in state B, becomes a tax resident in state C?</p> <p>It would be useful to have an EU database informing about the different pension treatment in the various Member States.</p> <p>We believe that the country of residence of the PPP provider shouldn't be relevant. What really matters is that the provider should be able to ensure that PPP holders benefit from the tax deductibility of contributions provided in the PPP holders' countries of residence, and comply with the rules regarding the taxation of payment of benefits and investment income applied to PPPs in the PPP holders' countries of residence.</p> <p>When a PPP holder is moving from State A to State C, the PPP provider should also be able to help him/her decide whether or not to transfer his/her PPP from State A to State C. If the transfer is not allowed by State A, the PPP holder should be allowed to keep his/her PPP open in State A, even if s/he stops making new contributions. If</p>	stakeholders view § 141

			the transfer is allowed, the provider should help the holder comply with his/her tax obligations at the moment of the transfers.	
346.	Bulgarian Association of supplementary pension sec	Q15	Lack of specific cross-border coordination in this respect among the relevant national tax authorities.	stakeholders view § 141
347.	EFAMA	Q15	<p>What (tax) obstacles can you identify in cases where an individual who is a tax resident of state A and holds a PPP provided to state A on the basis of of cross border passport by provider with tax residence in state B, becomes a tax resident in state C?</p> <p>We believe that the country of residence of the PPP provider shouldn't be relevant. What really matters is that the provider should be able to ensure that PPP holders benefit from the tax deductibility of contributions provided in the PPP holders' countries of residence, and comply with the rules regarding the taxation of payment of benefits and investment income applied to PPPs in the PPP holders' countries of residence.</p> <p>When a PPP holder is moving from State A to State C, the PPP provider should also be able to help him/her decide whether or not to transfer his/her PPP from State A to State C. If the transfer is not allowed by State A, the PPP holder should be allowed to keep his/her PPP open in State A, even if s/he stops making new contributions. If the transfer is allowed, the provider should help the holder comply with his/her tax obligations at the moment of the transfers.</p>	
348.	Fédération Française des	Q15	In the case referred to Question 15, the FFSA has not identified other elements to those identified by EIOPA. The change of residence will	see the obstacles in §§ 144 to 160

	Sociétés d'Assurance		lead to a change in the tax legislation applicable to the PPP. The residence of the policyholder determines the applicable tax legislation. Taxation of contract depends on the place of residence of the individual and the conditions that the contract must comply with under the national legislation. In accumulation phase, rules on deductibility may be modified. In payout phase, taxation of pension may be modified. The tax treaty between countries B and C may be applicable.	
350.	Insurance Europe	Q15	What (tax) obstacles can you identify in cases where an individual who is a tax resident of state A and holds a PPP provided to state A on the basis of a cross border passport by provider with tax residence in state B, becomes a tax resident of state C? Please refer to question 11.	see the obstacles in §§ 144 to 160
351.	Investment Management Association	Q15	See answer to Q11.	see the obstacles in §§ 144 to 160
352.	National Association of Pension Funds (NAPF)	Q15	What (tax) obstacles can you identify in cases where an individual who is a tax resident of state A and holds a PPP provided to state A on the basis of of cross border passport by provider with tax residence in state B, becomes a tax resident in state C?	

354.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q16	We don't support the creation of a single market for 1st pillar bis products, because this system has been created to solve peculiarities typical of some countries and non-transferable to other SM. It is essential to distinguish between public obligations and private choices, which must be independent.	covered by par 122 (stakeholders view)
355.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q16	The providers of 1st pillar bis products should be subject to prudential EU regulation. It should be clarified where this is currently not the case. The development of a set of guidelines with and for the 1st pillar bis countries could be a good approach.	It is not included
356.	Asset management of Slovenska sporitelna	Q16	No	It is not included. In the document, the decision as to further work left to COM
357.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q16	We are not aware of any of our Members having direct experience of 1st pillar bis products. However, from the information available it does seem that these have attributes more associated with social and labour law.	covered by par 122 (stakeholders view)
358.	Association of the Luxembourg Fund Industry	Q16	Do you see the need of the creation of a single market for products 1st pillar bis? What would be the benefits of creating a single market for 1st pillar bis products? How could the challenges posed by existing social and labour law be overcome, in particular in the Member States which have no products 1st bis? ALFI believes that it is unrealistic to expect harmonisation of 1st pillar pension products to occur at this stage.	Noted (see par 134)

359.	Assogestioni	Q16	If a 1st pillar bis system will be developed, we deem it important to permit for these funds to be managed by the same subjects allowed to manage 2nd and 3rd pillar products.	Singular view
361.	Bulgarian Association of supplementary pension sec	Q16	Being integral part of the national social security system, 1st pillar bis retirement provision may not be part of a single market as such a proposal is identical to claiming that there could be a common market for 1st pillar pensions. The lack of funds in a certain MS's national social security institute (first-pillar pension administrator) makes it really tempting to extend the current discussion even further: if 1st pillar bis may be marketed within a single EU market, why should there not be a common market for the entire 1st pillar pensions. The way of funding in 1st pillar and 1st pillar bis is not a material differentiator to what may be marketed on a common EU basis. Both 1st pillar and 1st pillar bis segments of retirement provision are based on a common philosophy pertaining to the specific national social and labour law. No market benefits are observed. Marketing 1st pillar bis across MSs would allow some pension providers to get access to 1st pillar assets of another country without having the same access to such 1st pillar assets of their home country. The challenges posed in the MSs which have no 1st pillar bis may be overcome by the introduction of a mandatory 1st pillar bis system in their national laws, which at EU level requires changes in Primary legislation.	covered by par 122 (stakeholders view)
362.	EFAMA	Q16	Do you see the need of the creation of a single market for products 1st pillar bis? What would be the benefits of creating a single market for 1st pillar bis products? How could the challenges posed by existing social and labour law be overcome, in particular in the Member States which have no products 1st bis?	covered by par. 124 (stakeholders view)

			Should there be a motivation to promote the single market for 1st pillar bis, EFAMA believes that instead of harmonizing existing 1st pillar bis products, a passporting regime for the product and providers (like the UCITS) could be a more realistic way forward.	
363.	Fédération Française des Sociétés d'Assurance	Q16	It seems that in France there is no 1st pillar bis products.	covered by par 122 (stakeholders view)
364.	FSUG	Q16	As mentioned in the Q5, PPPs have some features than are common, even when they are classified under different „pillars“. For consumers, „pillar“ classification has no real meaning, as they consider other aspects of the products. Creating the single market even for 1st pillar bis PPPs might increase the competition and reveal the best practices applied under national regulations.	Agreed (par. 132)
365.	Groupe Consultatif	Q16	<p>Yes, these types of personal pension should be included if possible. It would be anomalous to have a significant segment of the PPP market excluded from consideration and not brought within the common regulatory framework. However, the specific requirements for some pillar 1 bis products (including embedded guarantees) may mitigate against inclusion in an EU-wide single market.</p> <p>If a common framework for PPP products can be developed which is consistent with the requirements for Pillar 1 bis pensions, this would potentially open up the market for Pillar 1 bis products cross-border and provide greater choice to citizens required to contribute to such products.</p>	It is not included In the document, the decision as to further work left to COM
367.	Insurance Europe	Q16	Do you see the need of the creation of a single market for products	Noted (see par 134)

			<p>1st pillar Bis? What would be the benefits of creating a single market for 1st pillar Bis products? How could the challenges posed by existing social and labour law be overcome, in particular in the Member States which have no products 1st Bis?</p> <p>No, 1st pillar Bis schemes are set up and decided upon by member states. These are directly related to national security schemes on which the EU has no competence.</p>	
368.	Investment Management Association	Q16	<p>In our view, this question does not just apply to Pillar 1 bis. It has to be considered in the context of the broader issue of what form of EU single market for pension products there should be. As we note above, in some jurisdictions there may be little fundamental difference in underlying product between Pillar 1 bis and those available in Pillars 2 and 3. In others, there may be specific requirements, such as guarantees. It is likely to be easier to operate a European personal pension regime for products that are not subject to national requirements.</p>	Noted (see par 134)
369.	Ministry of Finance of the Czech Republic	Q16	<p>In our opinion it is not feasible to create a single market for products, because it is in the domain of MS to organise and set conditions for funded pillars in which the means of a state budget are diverted. This is also the reason why MS must rely on home supervision. We do not even see a need to create a single market for these products.</p> <p>In connection to the topic of cost savings at the level of providers when allowing for cross border operation we would like to point out that it is a nature of for-profit providers to maximise their profits and thus to search in the open market for opportunities which allow them to do it. For this reason not so developed markets are a big opportunity. We can see these trends for example in banking sector</p>	covered by par 122 (stakeholders view)

			where the consumers in CEE are not yet that cost sensitive for products. The profits are then redirected to parent company in other MS. This situation is not in the interest of consumers of private pension products and thus the regulation of fees charged on the national level is essential for the protection of participants of personal pension plans. In the area of pension products it is always necessary to decide in whose favour a particular regulation serves. Should it benefit the providers or the participants of the personal pension plans ? Who should benefit from the EU regulation?	
370.	National Association of Pension Funds (NAPF)	Q16	Do you see the need of the creation of a single market for products 1st pillar bis? What would be the benefits of creating a single market for 1st pillar bis products? How could the challenges posed by existing social and labour law be overcome, in particular in the Member States which have no products 1st bis?	n/a
371.	PensionsEurope PensionsEurope represents national	Q16	EIOPA should consider the possibility of developing Guidelines, in collaboration with stakeholders, for 1st pillar bis pension schemes as an initial approach on this matter. Moreover, if a single market for 1st pillar bis pension schemes was to be developed, it should be considered the possibility of allowing these funds to be managed by the same institutions that are already entitled to manage workplace pensions and PPPs.	It is not included In the document, the decision as to further work left to COM
372.	Slovak Association of Fund Management Companies (S	Q16	No	covered by par 122 (stakeholders view)
373.	Slovak Insurance	Q16	Do you see the need of the creation of a single market for products	covered by par 122

	Association		<p>1st pillar bis? What would be the benefits of creating a single market for 1st pillar bis products? How could the challenges posed by existing social and labour law be overcome, in particular in the Member States which have no products 1st bis?</p> <p>The differences between various national social and pension systems across EU are too big to make such single market creation work effectively. We do not believe that unanimous consent of all EU MSs is feasible, either now or at any time in future. On the other hand, this consultation should entirely concentrate on personal pensions on voluntary basis, and not to those that are the (obligatory) part of MS's pension system.</p>	(stakeholders view)
375.	The Finnish Pension Alliance / Työeläkevakuuttajat	Q16	<p>The creation of a single market for 1st pillar bis pension accounts should not be promoted by regulative instruments. Conjointly developing similar internal market option through 2nd regime (former 28th regime) is undesirable. It cannot be emphasized enough, that the EU pension pillar model - or any other similar pension classification for that matter - has no juridical force. Pension pillar model is not a scientific nor a legal construction. On principle and in practice each EU member state makes the selection of pension pillars based on their own preferences. We remind EIOPA, that pension design and policies related to it remain an exclusive matter of the member states. Within member states the social partners have a fundamental role in developing social and labour law, including pensions. This applies especially to countries like Finland where 1st pillar bis pension accounts do not exist. It is indisputable, that pension systems under the EU social security coordination regulation (EC) No 883/2004, are not in any way associated with the planned EU-single market PPP regulation. Social security pension systems, which practise collective funding (reserve funds) do not fall under the scope of the planned PPP regulation. Member States' social security in general is not open for internal market competition. Apart from the</p>	Noted (see par 134)

			CEE countries, almost no other Member States have implemented the so called 1st pillar bis pension reforms with mandatory individual accounts. At the moment many of these CEE countries are now abolishing these schemes.	
376.	ABI	Q17	In respect of 1st pillar bis products, there is a strong link to the state and regulating these products at an EU level would be pushing the boundaries of national competence for us to get view in the regulation of these products. Further, in order to not inadvertently undermine European goals, as set out in the Commission's White Paper on Pensions, that Member States need to "weather the demographic changes that are set to take hold" and "help secure adequate replacement rates", EIOPA and the European Commission need to be careful in addressing their attention to these systems, and in doing so lowering levels of pension provision in the future.	covered by par 122 (stakeholders view)
377.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q17	At European level the greatest harmonisation is needed.	Covered by par 124
378.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q17	In a first step it should be clarified where providers currently do not fall under any EU regulation. Regulation in line with the IORP Directive makes sense if the providers in question are IORPs (Definition in Art. 6a IORP Directive). Occupational pensions differ from personal pensions because of the important role the social partners play. In addition, occupational pensions benefit from protection mechanisms not available for personal pensions. The IORP Directive can therefore only partly be used as the basis for currently unregulated PPPs.	See comments to Q7

			The EU Commission could potentially work together with the relevant stakeholders to develop a set of guidelines as outlined in Initiative 14 of the White Paper for the 2nd pillar.	
379.	Asset management of Slovenska sporitelna	Q17	The single market should be developed for PPPs regulated on EU level only.	covered by par 122 (stakeholders view)
380.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q17	<p>PPPs can be provided by providers authorised in different ways – insurers, fund managers, banks and so subject to non-harmonised requirements (although the proposed PRIPS KID would move towards some degree of harmonisation).</p> <p>The IORP Directive could be a useful base to work from, but as indicated in other answers, key to a single market is the resolution of taxation issues.</p>	See comments to Q7
381.	Association of the Luxembourg Fund Industry	Q17	<p>How could a single market be developed for PPPs unregulated at EU level? Should it be based on the IORP Directive or another directive?</p> <p>Please refer to Q7.</p>	See comments to Q7
382.	BIPAR	Q17	See answer to Q7.	See comments to Q7
383.	Bulgarian Association of supplementary pension sec	Q17	The question wrongly presumes that there are unregulated PPPs. It should be preceded by clarification on the issue of the so called unregulated products.	

384.	EFAMA	Q17	How could a single market be developed for PPPs unregulated at EU level? Should it be based on the IORP Directive or another directive? Please refer to Q7.	See comments to Q7
385.	Fédération Française des Sociétés d'Assurance	Q17	Please refer to question 7	See comments to Q7
386.	Groupe Consultatif	Q17	A single market should be developed for PPPs which are currently unregulated at EU level. Whilst the IORP framework might be suitable, the preference we have for a pure DC model of PPPs without guarantees would point more in the direction of taking UCITS regulation as the model. If guarantees were to be permitted then the resulting PPPs would be best regulated in a similar way to life insurance products, i.e. under Solvency II.	See par 273
388.	Insurance Europe	Q17	How could a single market be developed for PPPs unregulated at EU level? Should it be based on the IORP Directive or another directive? Please, refer to question 7	See comments to Q7
389.	Investment Management Association	Q17	As per our answer to Q7, it is not clear how this could work.	See comments to Q7

390.	Ministry of Finance of the Czech Republic	Q17	The regulation would have to take into account that the providers differ considerably according to products they offer and the regulation cannot be based on particular existing directive for one particular sector in financial market. A completely new regime would have to be created.	Included in the part of the document about the 2 nd regime
391.	National Association of Pension Funds (NAPF)	Q17	How could a single market be developed for PPPs unregulated at EU level? Should it be based on the IORP Directive or another directive?	n/a
392.	PensionsEurope PensionsEurope represents national	Q17	The IORP Directive would have a limited scope; it would only apply to “institutions for occupational retirement provision” as defined in Article 6a of the IORP Directive. As stated in question 16, the European Commission and EIOPA should consider the possibility of the developing Guidelines for 1st pillar bis pensions in collaboration with interested stakeholders.	
393.	Slovak Association of Fund Management Companies (S	Q17	The single market should be developed for PPPs regulated on EU level only.	See par 273
395.	The Finnish Pension Alliance / Työeläkevakuuttajat	Q17	A single market for unregulated PPPs should not be created.	See par 273
396.	ABI	Q18	We see little merit in EIOPA getting involved in creating a cross-border framework for these products.	See par 134
397.	ANASF – ASSOCIAZIONE NAZIONALE	Q18	Trying to be realistic, we don’t think so.	See par 134

	PROMOTORI FINANZIAR			
398.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q18	See answer to Q16 above.	See comments to Q16
399.	Association of the Luxembourg Fund Industry	Q18	<p>Taking into account the fact that the contributions to the 1st pillar bis products, come from diverting part of the contributions of the traditional public 1st pillar PAYG system, would it be feasible to create a passporting regime for providers of 1st pillar bis PPPs?</p> <p>In particular do you think that EIOPA should consider the possibility to create a framework for cross-border management of 1st pillar bis schemes.</p> <p>If the answer is positive, do you think that EIOPA should consider the possibility to create a framework for cross-border management of 1st pillar bis schemes based on the principles of UCITS Management Company passport? (Art. 16 to 21 of the Directive 2009/65/EC).</p> <p>If the answer is positive, how would the UCITS Management Company passport need to be modified for 1st pillar bis managers to take into account specificities of 1st pillar bis?</p> <p>Please refer to Q 16.</p>	See comments to Q16
400.	Bulgarian Association of supplementary pension sec	Q18	A passport is needed to identify an entity in an analogous realm, i.e. another MS sphere of economic activity. In the lack of 1st pillar bis type of retirement provision in western Europe (established on the basis of diverting 1st pillar contributions) would mean for CEEC pension providers to have passports but not 1st pillar bis realm in western Europe to identify themselves with. The relevance of such a	See par 134

			<p>1st pillar pis passporting with regard to western Europe pension money looks like the relevance of a sailing-boat permission with regard to one's journey in Sahara. So cross-border management of 1st pillar bis schemes means that western EU managers of pension money would be able to manage directly an additional, easily accumulated pension capital from CEEC (without having the analogous access to such 1st pillar assets in their home countries), whereas their CEE counterparties would not have such a 1st pillar bis pot of money in western Europe to compete for. Put it briefly, cross-border management of 1st pillar bis pension money will drain the scarce pension resources of CEEC for the benefit of Western Europe. However, the proposal of a single EU pension market should be compatible with the preservation of geographical balance in its development.</p> <p>EIOPA cannot consider the possibility to create a framework for cross-border management of 1st pillar bis schemes without reasonably justifying its interference into the national social and labour laws. Obviously, a discussion about a cross-border management of 1st pillar bis schemes will further incentivise national governments to close the funded portion of their social security system for good and claim its transfer back from the private administrators to the national social security institutions. The latter would lead to a loss of pension business for the foreign shareholders of CEEC pension providers.</p> <p>1st pillar bis schemes may not be treated as financial and/or insurance-type of products sold on the market. They represent the portion of social security administered on a funded basis which supplements the traditional 1st pillar – typically financed on a PAYG basis.</p> <p>The money in 1st pillar bis schemes is part of the entire national resource financing the basic layer of retirement income for the citizens of the respective MS. The entire philosophy of 1st pillar bis is totally incompatible with UCITS. National governments have definitely</p>	
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			not diverted part of the 1st pillar contribution for the citizens to buy UCITS products.	
401.	EFAMA	Q18	<p>Taking into account the fact that the contributions to the 1st pillar bis products, come from diverting part of the contributions of the traditional public 1st pillar PAYG system, would it be feasible to create a passporting regime for providers of 1st pillar bis PPPs?</p> <p>In particular do you think that EIOPA should consider the possibility to create a framework for cross-border management of 1st pillar bis schemes.</p> <p>If the answer is positive, do you think that EIOPA should consider the possibility to create a framework for cross-border management of 1st pillar bis schemes based on the principles of UCITS Management Company passport? (Art. 16 to 21 of the Directive 2009/65/EC).</p> <p>If the answer is positive, how would the UCITS Management Company passport need to be modified for 1st pillar bis managers to take into account specificities of 1st pillar bis?</p> <p>We encourage EIOPA to consider the possibility of creating an EU passport for 1st pillar bis providers. EFAMA would be happy to contribute further should EIOPA decide to move forward.</p>	See par 138
402.	Fédération Française des Sociétés d'Assurance	Q18	Please refer to question 7	See comments to Q7, Q17
403.	FSUG	Q18	FSUG thinks that the 1st pillar bis schemes and PPPs provided within these schemes should be open to more competition from abroad. Any passporting might increase the competition and bring additional value to consumers. On the other hand, the feasibility of such steps is	See par 138

			rather questionable taking into account the nature of 1st pillar bis schemes and protection of such schemes by national interest.	
404.	Groupe Consultatif	Q18	<p>The fact that contributions are diverted from Pillar 1 is not really relevant. The contributions are from employees (and sometimes employers) and these pension vehicles should not be excluded from the EU wide regime for PPPs.</p> <p>Yes, EIOPA should consider the possibility of creating a framework for cross-border management of Pillar 1 bis schemes.</p> <p>Yes it should be considered whether a suitable framework could be based on the principles of the UCITS Management Company passport.</p> <p>There would no doubt be some specificities in relation to the fact that rights in a Pillar 1 bis individual account cannot simply be withdrawn or reinvested in a different collective investment scheme unless it is appropriately regulated. There would also need to be stronger rules regarding marketing and selling of the products and possible limitations on commissions/charges.</p>	See par 137
406.	Insurance Europe	Q18	<p>Taking into account the fact that the contributions to the 1st pillar Bis products, come from diverting part of the contributions of the traditional public 1st pillar PAYG system, would it be feasible to create a passporting regime for providers of 1st pillar Bis PPPs?</p> <p>In particular do you think that EIOPA should consider the possibility to create a framework for cross-border management of 1st pillar Bis schemes.</p> <p>If the answer is positive, do you think that EIOPA should consider the possibility to create a framework for cross-border management of 1st</p>	See comments to Q16

			<p>pillar Bis schemes based on the principles of UCITS Management Company passport? (Art. 16 to 21 of the Directive 2009/65/EC).</p> <p>If the answer is positive, how would the UCITS Management Company passport need to be modified for 1st pillar Bis managers to take into account specificities of 1st pillar Bis?</p> <p>Please, refer to question 16</p>	
407.	Investment Management Association	Q18	See answer to Q16.	See comments to Q16
408.	Ministry of Finance of the Czech Republic	Q18	In our opinion it is not feasible to create a single market for these products, because it is in the domain of MS to organise and set conditions for funded pillars in which the means of a state budget are diverted. This is also the reason why MS must rely on home supervision which would be problematic in general passporting regime.	See par 137
409.	National Association of Pension Funds (NAPF)	Q18	<p>Taking into account the fact that the contributions to the 1st pillar bis products come from diverting part of the contributions of the traditional public 1st pillar PAYG system, would it be feasible to create a passporting regime for providers of 1st pillar bis PPPs?</p> <p>In particular do you think that EIOPA should consider the possibility to create a framework for cross-border management of 1st pillar bis schemes.</p> <p>If the answer is positive, do you think that EIOPA should consider the possibility to create a framework for cross-border management of 1st pillar bis schemes based on the principles of UCITS Management</p>	n/a

			<p>Company passport? (Art. 16 to 21 of the Directive 2009/65/EC).</p> <p>If the answer is positive, how would the UCITS Management Company passport need to be modified for 1st pillar bis managers to take into account specificities of 1st pillar bis?</p>	
410.	Slovak Insurance Association	Q18	<p>Taking into account the fact that the contributions to the 1st pillar bis products, come from diverting part of the contributions of the traditional public 1st pillar PAYG system, would it be feasible to create a passporting regime for providers of 1st pillar bis PPPs?</p> <p>In particular do you think that EIOPA should consider the possibility to create a framework for cross-border management of 1st pillar bis schemes.</p> <p>If the answer is positive, do you think that EIOPA should consider the possibility to create a framework for cross-border management of 1st pillar bis schemes based on the principles of UCITS Management Company passport? (Art. 16 to 21 of the Directive 2009/65/EC).</p> <p>If the answer is positive, how would the UCITS Management Company passport need to be modified for 1st pillar bis managers to take into account specificities of 1st pillar bis?</p> <p>As 1st pillar bis is somehow part of 1st pillar we would see no space for creation of framework for cross-border management.</p>	See par 137
412.	The Finnish Pension Alliance / Työeläkevakuuttajat	Q18	<p>No, setting up a passporting regime for providers of 1st pillar bis is not feasible by any means. This idea is in direct violation of Member States exclusive discretion over social security design. Altogether diverting contributions represents dangerous short-terminism. When we take into consideration the sustainability gap in many European 1st pillar pay-as-you-go pensionsystems, it would be impractical to divert contributions to a new funded scheme. Such reforms would</p>	See par 137

			jeopardize the funding of the remaining first pillar pensions. This is also unfeasible from legal standpoint. Likewise, in current demographic situation, this is de facto impossible in any defined benefit scheme, which is based solely or mainly on pay-as-you-go funding. Diverting pension contributions from basic I-pillar would prove to be very undesirable also from the point of view of present and future pensioners, especially when taking into consideration the actual benefits. In collectively funded (reserve funds) 1st pillar pension schemes, this would also mean shifting the investment risk from pension institutions to individuals. EIOPA should not consider creating a cross-border management of 1st pillar bis schemes, since this issue falls directly under domestic social and labour law, which raises overwhelming competency issues.	
413.	ABI	Q19	<p>As with any business decision, firms look at start-up costs, the investment of developing a brand and a product for that market, the current level of insurance penetration and the likelihood of writing profitable business in that market when considering expanding into other markets. Other considerations can include but are not limited to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> differences in taxation systems <input type="checkbox"/> whether a physical presence is required in that Member State <input type="checkbox"/> the ability to produce documents in many different languages <input type="checkbox"/> knowledge of the local regulatory regime and understanding those rules and the 'soft' issues regarding the day to day practices of the local regulator <input type="checkbox"/> information relating to that market including detailed actuarial data <input type="checkbox"/> the distribution demands for that product 	covered by par 185

			<input type="checkbox"/> knowledge and understanding of the local tax regimes. As in our response to question 4, if there is an appetite to offer cross-border PPPs and companies take the decision to do enter into another European market, then firms can passport using the existing freedom of services is a framework. Further, the Commission has set up an expert group with a remit to consider the barriers to cross border insurance, including pensions, and we believe that a discussion on this should be kept to that forum.	
414.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q19	<p>(for all following questions regarding the Second Regime, Q 20-25)</p> <p>The aba is against the introduction of a Second Regime. The requirements for receiving tax relief, which vary according to Member State and function of the personal pension, should be determined on the national level. The tax framework mainly depends on the financial possibilities as well as on the level and structure of state and occupational pensions in each Member State. In addition, experience shows us that it would be more beneficial to foster occupational pensions.</p> <p>EU regulation should maintain its current approach and regulate providers rather than products. The requirements for the receipt of tax relief on contributions to private pensions should continue to be decided by the Member States.</p>	compare 226 regarding stakeholders' views

415.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q19	None identified.	n/a
416.	Association of the Luxembourg Fund Industry	Q19	Can you identify any other obstacles to passporting of PPPs? How can these obstacles be overcome? Please refer to Q 15.	The tax hurdle is discussed in par 144 in detail.
418.	BIPAR	Q19	Today, despite existing single passport systems for insurers and intermediaries selling life assurance PPPs, reality is that this market remains fragmented due to a variety of circumstances such as diverging taxation regimes, language, diverging contract law. Furthermore we are not certain that consumers are looking for cross border pensions as they may have a sufficient choice of products in the national market. Many of the pension decisions are guided by circumstances (often with fiscal character) created by the governments to promote long term saving/ pension provision. Many intermediaries and insurers offer (often technically difficult) portability solutions to people who move from one Member State to another.	See par 185 to 187, in particular
419.	Bulgarian Association of	Q19	Passporting of PPPs is only relevant for comparable personal pension products as such. Supplementary retirement provision which operates	this obstacle represents a singular view

	supplementary pension sec		on an individual basis does not automatically become a PPP. The main obstacle is the impression that 1st pillar bis products are being pushed to a PPP-treatment.	
420.	EFAMA	Q19	<p>Can you identify any other obstacles to passporting of PPPs? How can these obstacles be overcome?</p> <p>Differences in legal requirements applying to personal pension products, in particular regarding the civil contract law, would have to be complied with. Also, the determination of the competent authority, the treatment of the OCERP assets after the death of the holder and the application of the law related to creditors' rights, may require some good will on the part of member states to remove these obstacles.</p>	covered by par 169 ff (insurance contract law), application of the law related to creditor's rights is addressed in EIOPA view par 220
421.	Fédération Française des Sociétés d'Assurance	Q19	Language, legal environment such as legal systems (the family law, inheritance law, data protection...) and the jurisprudence of the country are amongst the obstacles to passporting.	cf par 185 which lists some important non-prudential obstacles
422.	German Insurance Association (GDV)	Q19	See general comments. With regard to insurances, obstacles resulting from contract law are currently under discussion.	See par 169 ff for details
423.	Groupe Consultatif	Q19	As mentioned in response to question 8 (concerning obstacles to transferability), labour or social security law may also be an obstacle – for example a requirement that benefits on death must be made in accordance with domestic social security provisions. Restrictions on the form of benefit can be in a grey area between tax and social legislation.	see par 177 for a discussion
424.	Insurance Europe	Q19	Can you identify any other obstacles to passporting of PPPs? How can	cf par 184 to 188 for a

			<p>these obstacles be overcome?</p> <p>As with any business decision, firms look at start-up costs, the investment of developing a brand and a product for that market, the current level of insurance penetration and the likelihood of writing profitable business in that market when considering expanding into other markets. Other considerations can include but are not limited to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> the ability to produce documents in many different languages; <input type="checkbox"/> knowledge of the local regulatory regime and understanding those rules and the 'soft' issues regarding the day to day practices of the local regulator; <input type="checkbox"/> information relating to that market including detailed actuarial data; <input type="checkbox"/> the distribution demands for that product; <input type="checkbox"/> general good provisions; <input type="checkbox"/> knowledge and understanding of the local tax regimes. <p>If there is an appetite to offer cross-border PPPs and companies take the decision to do enter into another European market, then this can be facilitated via the passporting of pensions under the Freedom of Services framework.</p>	discussion
425.	Investment Management Association	Q19	We do not have expertise in this area.	n/a

426.	Ministry of Finance of the Czech Republic	Q19	Some systems may be of a specific nature when the collection of part of contributions is done via state bodies and thus would require continual (day to day) presence of the provider in MS.	covered by par 184, 185
427.	National Association of Pension Funds (NAPF)	Q19	Can you identify any other obstacles to passporting of PPPs? How can these obstacles be overcome?	n/a
429.	ABI	Q20	<p>While a 2nd regime for PPPs might seem an attractive proposal at a theoretical level, individual private pensions are long term products that operate very differently across the EU. For example in the UK there are distinct accumulation and decumulation phases, and both merit a different regulatory approach. Other markets do not have such a clear distinction and offer PPPs that reflect consumer preferences in their market. National regulators have built up rules for many years in response to market developments and to reflect the products required and offered in that market. They are far better suited to regulate their market in an appropriate and proportionate manner.</p> <p>As we responded in question 11, we are unsure how EIOPA thinks a 2nd regime could operate without harmonisation of tax legislation. Tax is one of the main features of a pension, it is inextricably linked to the tax relief granted by the State and is an area of Member State autonomy that cannot be harmonised.</p> <p>Finally, as indicated in our response to question 4, if there is an appetite to offer cross-border PPPs, this can be done via passporting</p>	<p>Noted</p> <p>And included in the report to the Commission</p>

			using the freedom of services framework.	
430.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q20	We believe that the 28th regime could be the foundation that will allow us to create a thorough directive.	Noted
431.	APFIPP – Associação Portuguesa de Fundos de Invest	Q20	We foresee that passporting may not be sufficient to develop a single market of PPP due to tax issues and also to the need, as we stated on our General Comments, to ensure a common tax regime for the success of the PPP.	Noted And included in the report to the Commission
432.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q20	See question 19	
433.	Asset management of Slovenska sporitelna	Q20	EIOPA should work on 2nd regime, although pasporting can work as well.	Noted And included in the report to the Commission
434.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q20	<p>AILO does not consider that passporting alone provides a sufficient framework, owing to the divergent Member States' approaches to a definition of a pension, taxation rules, contract law and "general good" requirements.</p> <p>A 2nd regime could offer the opportunity to develop the single market for PPPs. As identified, such a regime would have to be based upon a Regulation, thereby ensuring harmonised application across all Member States. It would operate as an alternative to the national rules and would be freely subscribed to by providers and PPP holders should they wish. To be a viable proposition and avoid, for example,</p>	Noted And included in the report to the Commission

			double taxation, all Member States would need to agree to vary their existing taxation provisions with perhaps unilateral or bilateral agreements, to enable provision of information to tax authorities to ensure correct taxation. [See answer to Q15 in respect to differences on receiving tax allowances/collecting tax for Freedom of Establishment and Freedom of Services providers]. Ultimately this could give impetus to harmonisation of taxation of PPPs across the EU.	
435.	Association of the Luxembourg Fund Industry	Q20	<p>Would passporting alone be sufficient framework for cross-border provision of PPPs or should EIOPA work on 2nd regime as well? Which approach do you consider more appropriate to develop a single market in the field of PPPs?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>In relation to the product rules, the European Commission should decide which legislative form harmonized rules for OCERPs should take. That can be achieved with a fully harmonized directive, a regulation or with a so-called 2nd regime. A pragmatic choice should be made as each of the possible solutions has its own legal and technical challenges. EFAMA considers that a directive/regulation that would regulate the product (OCERP) would help boosting investors' confidence in the quality of the OCERP and its legal foundation. EFAMA is therefore of the opinion that EIOPA should explore this approach, drawing on the experience accumulated with the UCITS Directive. Should there not be enough support among member states to agree on a directive to be implemented in national law, we would hope that the 2nd regime would offer a sufficiently simple and manageable framework to create a single market for PPPs.</p>	<p>Noted</p> <p>And included in the report to the Commission</p>

			In relation to the regulatory requirements for the OCERP providers, two approaches could be envisaged: either to introduce a specific stand-alone EU prudential regime for the OCERP providers, along the lines of the IORP Directive, to ensure providers operate under the same rules; or to allow insurance companies, asset managers, banks and IORPs to provide OCERPs under the existing EU legislation applicable to these institutions.	
436.	Assogestioni	Q20	We believe EIOPA should work on the definition of a second regime. The most important issue we want to raise is the necessity of preserving the existing national regimes. The introduction of a new European, standardized product, should not damage existing products.	Noted
437.	Austrian Insurers' Association (VVO)	Q20	The Insurance Single Market, established through the third generation of insurance directives in 1992, already enables the distribution of life insurance products on a cross-border basis. There is no practical need for a 2nd regime which would imply imbalances in the various Member States, i.e. consumers in the same market falling either under the national or the 2nd regime.	Noted And included in the report to the Commission
438.	BIPAR	Q20	<p>We understand that there is often an issue with the portability of pensions and intermediaries and insurers often participate in the finding of solutions in these situations. Already today, intermediaries are often assisting their clients with this type of cross-border issues successfully.</p> <p>The concept of a second regime, as is currently discussed as one of the options in the discussions on European insurance contract law, is presented as a possible solution to certain problems. Indeed, a second regime could potentially avoid the risks and costs of dealing with 28 different legal systems. Though we are not against such a second regime per se, we have concerns as to whether the costs will</p>	Noted And included in the report to the Commission

			<p>not exceed the benefits. A cost-benefits analysis will definitely be necessary. We also wonder what the practical value of a second regime is if the tax regimes are not adapted? To us, the fiscal aspect seems to be the most difficult barrier to solve. More transparency in the existing tax systems would already be a step in the good direction.</p> <p>Also, the second regime concept implies that product manufacturers be ready, interested and willing to design products for EU-wide sale; products that could be distributed on the basis of a second regime and whose performance and delivery would not depend vitally on local/national characteristics. These products would also have to be commercially attractive and meet a sufficiently large potential demand.</p> <p>We believe it is in any event necessary to await the results of the discussions on second regimes that are currently taking place (sales law and insurance contract law) before considering the creation of a second regime in another area.</p>	
439.	Bulgarian Association of supplementary pension sec	Q20	<p>A 2nd regime functioning in parallel with the national systems would be a better solution for developing a single market in PPPs. National specifics are preserved. It is a tool for the gradual convergence of national systems. It provides an additional option for businesses and citizens. The implementation of a 2nd regime would not be burdensome for providers in CEEC which are currently managing 1st pillar bis schemes, occupational schemes and individual schemes (each one structured as a separate legal entity). Such providers will simply need to add up a new type of scheme offered – a EU PPP. The 2nd regime is more appropriate because it will impose uniform rules which will be parallel, optional, and will not threaten domestic products and the existing national regimes. Though it might be a little</p>	Noted

			bit slow, a 2nd regime has one unambiguous success advantage – it will be parallel, i.e. without intercepting the natural course of national regime developments.	
440.	EFAMA	Q20	<p>Would passporting alone be sufficient framework for cross-border provision of PPPs or should EIOPA work on 2nd regime as well? Which approach do you consider more appropriate to develop a single market in the field of PPPs?</p> <p>In relation to the product rules, the European Commission should decide which legislative form harmonized rules for OCERPs should take. That can be achieved with a fully harmonized directive, a regulation or with a so-called 2nd regime. A pragmatic choice should be made as each of the possible solutions has its own legal and technical challenges. EFAMA considers that a directive/regulation that would regulate the product (OCERP) would help boosting investors' confidence in the quality of the OCERP and its legal foundation. EFAMA is therefore of the opinion that EIOPA should explore this approach, drawing on the experience accumulated with the UCITS Directive. Should there not be enough support among member states to agree on a directive to be implemented in national law, we would hope that the 2nd regime would offer a sufficiently simple and manageable framework to create a single market for PPPs.</p> <p>In relation to the regulatory requirements for the OCERP providers, two approaches could be envisaged: either to introduce a specific stand-alone EU prudential regime for the OCERP providers, along the lines of the IORP Directive, to ensure providers operate under the same rules; or to allow insurance companies, asset managers, banks and IORPs to provide OCERPs under the existing EU legislation applicable to these institutions.</p>	<p>Noted</p> <p>And included in the report to the Commission</p>

441.	Fédération Française des Sociétés d'Assurance	Q20	<p>In principle, FFSA is rather in favor of a 2nd regime for pension as it currently seems to be the best way to achieve an efficient passporting while avoiding member states goldplating.</p> <p>Nevertheless we question the timing of the call for advice. It is crucial to have a complete overview of the European market regulation and a good understanding of the products offered in the different markets.</p> <p>FFSA stresses again that discussions such as those in the context of Packaged Retail Investment Products (PRIIPs) Regulation, Insurance Mediation Directive (IMD 2) and Markets In Financial Instruments Directive (MIFID 2) are currently taking place at EU level, and will have an impact on the provision of individual pensions across the EU.</p> <p>Therefore, FFSA suggests to wait for the outcome of these discussions, including discussions on their scope, in order to avoid overlaps and possible contradictions between the different initiatives.</p>	<p>Noted</p> <p>And included in the report to the Commission</p>
442.	FSUG	Q20	Taking into account the various obstacles on national levels, the FSUG thinks that creating the 2nd regime might be a more efficient way for developing efficient and well-functioning single market for PPPs.	Noted
443.	German Insurance Association (GDV)	Q20	<p>See general comments. As already stated there, we consider the single market for personal pension products as already well developed.</p> <p>Before we can make an assessment on the second question, it should be clarified whether there is a need for increased cross-border trade.</p>	<p>Noted</p> <p>And included in the report to the Commission</p>

			Moreover, the debate in the European expert group on an optional European insurance contract law should be concluded first. At this point, the German insurers do not wish to anticipate or predetermine any results regarding the advantages of an optional European insurance contract law. Although EIOPA's paper does not specifically focus on the area of contract law, parallel and disconnected discussions should be avoided.	
444.	Groupe Consultatif	Q20	<p>We believe it would be productive for EIOPA also to work on a 2nd regime.</p> <p>Domestic requirements relating to, in particular, conditions necessary for beneficial tax treatment will always restrict the degree to which passporting can be effective. A true single market may only be possible where all Member States' supervisory and tax authorities recognise a product within a specified regime as eligible for the same beneficial tax treatment as other 'domestic' personal pensions.</p>	<p>Noted</p> <p>And included in the report to the Commission</p>
446.	Insurance Europe	Q20	<p>Would passporting alone be sufficient a framework for the cross-border provision of PPPs or should EIOPA work on a 2nd regime as well? Which approach do you consider more appropriate to develop a single market in the field of PPPs?</p> <p>As indicated in its general remarks, Insurance Europe questions the timing of the call for advice. Firstly, it is crucial to have a complete overview of the European market and a good understanding of the products offered in the different markets. There is also a need to gain clarity on the existing gaps in the current environment and on the need for action at EU level. Only after these important questions are clarified should a discussion on the merits of the different approaches take place.</p>	<p>Noted</p> <p>And included in the report to the Commission</p>

			<p>This being said, currently, passporting and freedom of establishment is already possible for insurers. These are subject to strict prudential regulation, which is or will be undergoing changes following the implementation of Solvency II. If a provider wishes to provide a product cross-border than can do so under this regime.</p> <p>Additionally, Insurance Europe stresses that discussions such as those in the context of Packaged Retail Investment Products (PRIPs) Regulation, Insurance Mediation Directive (IMD 2) and Markets In Financial Instruments Directive (MIFID 2) are currently taking place at EU level, and will have an impact on the provision of individual pensions across the EU. Therefore, Insurance Europe suggests waiting for the outcome of these discussions, including discussions on their scope, in order to avoid overlaps and possible contradictions between the different initiatives.</p> <p>Moreover, with regard to the second question, the debate in the European expert group on an European insurance contract law mandated by the European Commission should be concluded first to avoid parallel and disconnected discussions.</p> <p>Finally, Insurance Europe wishes to stress as well that all the initiatives under consideration should in any event not interfere with product design. The insurance industry constantly adapts its retirement products to clients' demands and needs. Any direct or indirect product regulation could prevent innovation and flexibility. This would be to the detriment of the consumers. It would also be inconsistent with the freedom of product design established by Article</p>	
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			21 paragraph 1 of Directive 2009/138/EC (Solvency II).	
447.	Investment Management Association	Q20	There is no obvious answer to this question. Both approaches have pros and cons, which are well set out in the discussion paper. Both also have to face the fundamental challenge of tax obstacles, which in our view constitute the most critical issue to overcome.	Noted And included in the report to the Commission
448.	Ministry of Finance of the Czech Republic	Q20	As we regard regulation of pension products as such at the EU level very problematic, the 2nd regime could be more feasible. Nevertheless it is not clear how would it coexist with the fact, that national pension products are having direct or indirect motivation from the state. As regards the tax regulation it would be essential for a succes of the 2nd regime to provide for uniform taxation regime for such a product. We see the above mentioned obstacles as very difficult to remove, but as in general we see this approach as more feasible then passporting, we would welcome further elaboration by EIOPA on this issue.	Noted And included in the report to the Commission
449.	National Association of Pension Funds (NAPF)	Q20	<p>Would passporting alone be sufficient framework for cross-border provision of PPPs or should EIOPA work on 2nd regime as well? Which approach do you consider more appropriate to develop a single market in the field of PPPs?</p> <p>Although the NAPF is concerned with workplace-based pensions, rather than personal pensions, we have some comments on EIOPA's proposals for a '2nd regime'.</p> <p>Our key point is to underline some of the difficulties identified by EIOPA in para. 3.3.7. We agree there is a risk of creating additional regulatory complexity.</p>	Noted The comment on regulatory complexity included in the report to the Commission

			<p>Furthermore, although we can see that the 2nd regime might be of benefit for providers, it is less clear how it would work for savers. Presumably savers would have to choose a 2nd regime product at the time of joining the pension plan in order to benefit from the transferability that it would offer. It is not clear how savers would make such a decision.</p>	
450.	NL- Ministry of Finance	Q20	<p>This comment refers to questions 20 to 25</p> <p>A 2nd regime could in theory be useful in case differences between national legislation relating to the same financial products cannot be taken away by further harmonization of existing European legislation for those products or the financial institutions those products are offered by. To this point we have found no evidence that differences in national legislation could explain a lack of cross-border offerings of PPP. Moreover legislation for financial institutions offering savings-, investment and insurance products is currently highly harmonized, especially as soon as Solvency II will enter into force for the insurance industry. This legislation already provides for prudential rules and rules that aim at protection for consumers, as well as rules on the transparency of information for financial products.</p> <p>Furthermore, as mentioned already, we expect transfers of assets accumulated in PPP to be less burdensome relative to assets accumulated in IORPS . PPP can be characterized as individual and funded accounts and therefore we expect that it will be easier to define the market value, especially as the discount rates are or will be harmonised on an European level. National differences between taxation systems cannot be eliminated by developing an European standard product. We therefore do not see any reason for, nor added</p>	<p>Noted</p> <p>And included in the report to the Commission</p>

			value of, a 2nd regime.	
451.	PensionsEurope PensionsEurope represents national	Q20	<p>As outlined by EIOPA in its Discussion Paper, both “passporting” and “the 28th regime” have important advantages but also significant drawbacks. Irrespective of which approach EIOPA finally decides to follow, PensionsEurope is convinced that it should respect the existing national PPP regimes so as to avoid disrupting systems that currently operate satisfactorily.</p> <p>Moreover, any prospective policy action seeking to improve the EU framework for the cross-border provisions of PPPs should be based on four main pillars: (i) Redemptions shall only be allowed at a certain age (e.g. 65) or moment (e.g. retirement or death); (ii) It should not discriminate among the different PPP providers; (iii) The products must fulfil a series of risk limitation requirements, such as specific investment and diversification rules; and (iv) They should have an attractive tax regime in order to stimulate long-term savings.</p>	<p>Noted</p> <p>And included in the report to the Commission</p>
452.	Slovak Association of Fund Management Companies (S	Q20	EIOPA should work on 2nd regime, although pasporting can work as well.	Noted
453.	Slovak Insurance Association	Q20	<p>Would passporting alone be sufficient a framework for the cross-border provision of PPPs or should EIOPA work on a 2nd regime as well? Which approach do you consider more appropriate to develop a single market in the field of PPPs?</p> <p>From our point of view 2nd regime seems to be more appropriate but we agree that there are some disadvantages (mentioned by you) which can cause displeasure of MSs to implement that.</p>	Noted

456.	ABI	Q21	<p>As in our responses to questions 11, 19, and 20, we do not support the development of a 2nd regime. It is not feasible to agree to a common set of features or a 'standard' product that would make PPPs marketable and appealing to consumers across the EU. There are also many commercial considerations to take into account before offering a PPP cross border as detailed in question 19.</p> <p>Crucially, it is also hard to attract providers to a 2nd regime given the uncertain legal nature. Creating an additional instrument would complicate the legal situation, and in the absence of case law, it would take many years before the ECJ would be able to give final rulings on the interpretative issues raised by this instrument. There are also risk of diverging interpretations by national courts and how that would be dealt with. Even within one Member State it can be very difficult to design a regime or product that will be actually be taken up by providers unless there is sufficient and demonstrable consumer demand, and legal certainty in order to justify the investment involved in designing and marketing such a product.</p>	<p>Noted</p> <p>And included in the report to the Commission</p>
457.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q21	We think that it will be extremely important to establish basic common guarantees, the structure of products and tax harmonisation.	<p>Noted</p> <p>And included in the report to the Commission</p>
458.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q21	See question 19	
459.	Asset management of Slovenska sporitelna	Q21	2nd regime should encourage MSs to introduce tax allowance for PPPs.	Noted

460.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q21	<p>It should be designed with simplicity in mind and based on existing prudential regulation.</p> <p>If the 2nd regime is to gain critical mass in contrast to the extreme complexity of some of the Member States' regimes it should also allow for reasonable advisor remuneration. It should be designed to enable providers (subject to their regulatory authorisation) to offer accumulation products (including for dependents and for disability), decumulation products, or a combination of both. PPP holders should be able to compare with ease products from different providers, sectors and from different Member States.</p>	<p>Noted</p> <p>And included in the report to the Commission</p>
461.	Association of the Luxembourg Fund Industry	Q21	<p>How should the 2nd regime be designed so that it becomes standard that can compete with other PPPs and attract a critical mass of demand from providers and individuals?</p> <p>Please refer to Q23.</p>	Please see below
462.	Bulgarian Association of supplementary pension sec	Q21	<p>The 2nd regime should be designed as a fully funded DC scheme with individual capitalisation accounts, a minimum investment yield guarantee, immediate vesting and free portability. The liberal vesting and portability rules will appeal to the individuals, whereas the minimum guarantees on behalf of the provider will be accepted by providers, and a critical mass of both individuals and providers will be attracted.</p>	<p>Noted</p> <p>And included in the report to the Commission</p>
463.	EFAMA	Q21	<p>How should the 2nd regime be designed so that it becomes standard that can compete with other PPPs and attract a critical mass of demand from providers and individuals?</p> <p>Please refer to Q23.</p>	Please see below

464.	Fédération Française des Sociétés d'Assurance	Q21	Please refer to question 20	Please see above
465.	FSUG	Q21	There are some good examples and practices that can be used as inspiration for creating a 2nd regime. We refer to the paper of Kevin Dowd and David Blake (2013), Blake, Cairns and Dowd (2009) and OECD Roadmap for the Good Design of Defined Contribution Pension Plans which was published in June 2012. Some good examples can be taken from the national schemes implemented in Sweden, Estonia, Slovakia or Romania. Additional good example is a 401(k) scheme applied in USA. Some interesting findings on a good design and operation of PPPs can be found in the OXERA Study on Position of Savers in Private Pension Products (2013).	Noted
466.	German Insurance Association (GDV)	Q21	See our general comments and our answer to Q20. If an optional 2nd regime is introduced, it should not lead to any disadvantages for the 1st regimes (level playing field)	Noted
467.	Groupe Consultatif	Q21	The 2nd regime might be limited to a simple DC accumulation product without any guarantees and with a range of permitted investment links to ensure adequate liquidity. There could be limitations on permitted charges and requirements regarding governance, transparency and transferability.	Noted And included in the report to the Commission
469.	Insurance Europe	Q21	How should the 2nd regime be designed so that it becomes a standard that can compete with other PPPs and attract a critical mass of demand from providers and individuals?	Noted And included in the report to the Commission

			<p>Please refer to question 20</p> <p>Furthermore, Insurance Europe believes that . creating an additional instrument could raise legal uncertainty and a risk of diverging interpretation by courts could additionally complicate the legal situation.</p> <p>Question 21 assumes there is a need for a 2nd regime. As mentioned under Question 4, the work and discussions of the EC's expert group on insurance contract law is not yet finalised and Insurance Europe does not wish to anticipate or pre-empt its outcome. It is therefore premature to indicate that consumers would benefit (or not) from a 2nd regime.</p>	
470.	Investment Management Association	Q21	We do not believe that a 2nd regime should set standards that exceed those that currently exist in the pensions market. Instead, the design of a 2nd regime should be developed in parallel with thinking to ensure the highest standards of delivery to consumers via relevant legislation (eg. IORP, IMD, MiFID, PRIPs, UCITS).	Noted
471.	National Association of Pension Funds (NAPF)	Q21	How should the 2nd regime be designed so that it becomes standard that can compete with other PPPs and attract a critical mass of demand from providers and individuals?	Not clear
472.	Slovak Association of Fund	Q21	2nd regime should encourage MSs to introduce tax allowance for PPPs.	Noted And included in the

	Management Companies (S)			report to the Commission
474.	ABI	Q22	<p>As in our response to question 14 and as acknowledged by EIOPA, tax is a Member State competence and a 2nd regime cannot accommodate tax differences across Europe.</p> <p>EIOPA suggests that different tax regimes could be accommodated (page 18) under a 2nd regime, if a Member State were to conclude an agreement with a provider setting out the obligations of the provider regarding the collection of taxes. We do not know how this would work in practice and would be concerned about ad hoc arrangements being made with each provider. This would also undermine the purpose of a 2nd regime.</p>	<p>Noted</p> <p>And included in the report to the Commission</p>
475.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q22	The second regime could arbitrarily establish univocal rates automatically, independently from the MS.	<p>Noted</p> <p>And included in the report to the Commission</p>
476.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q22	See question 19	
477.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q22	As indicated in answer to Q20, the short term possibility is that Member States would agree on a way to ensure that information would be available to Member States from providers to ensure that correct national taxes were collected and tax reliefs and allowances obtained by PPP holders. Use of existing Directives such as the Directive on Administrative Cooperation could be the model. In all of this of course it is essential that taxes are applied in a non-discriminatory manner. The ultimate goal would be harmonisation of	<p>Noted</p> <p>And included in the report to the Commission</p>

			<p>taxation of PPPs across the EU, which would also provide PPP holders with greater certainty, for it would no longer be possible for a Member State to impose new taxes on, for example, accumulating” pension pots” without the agreement of all other Member States.</p> <p><input type="checkbox"/> Differences in respect of contract law should be addressed. While this is currently being considered by DG JUST in the context of European Insurance Contract Law, it should also embrace other PPP providers and products for the 2nd regime.</p> <p><input type="checkbox"/> Application of the “general good” varies widely across member States and can be used as a protectionist barrier to cross border trade. The Commission should be encouraged to revisit the Interpretative Communication on the insurance sector 2000/C 43/03 and, if applicable, for other relevant sectors, to reduce unnecessary burden on providers and avoid arbitrage between sectors and providers.</p>	
478.	Association of the Luxembourg Fund Industry	Q22	<p>How could the 2nd regime accommodate the tax differences among MSs? Do you see other national differences that the 2nd regime should address? If yes, how could this be done?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>A distinction shall be made between the legislative framework that regulates the OCERP and the taxation rules that apply to it. The goal should be to agree on a set of common rules that apply to a EU-labelled PPP (OCERP), being in the form of a directive, regulation or a 2nd regime.</p>	<p>Noted</p> <p>And included in the report to the Commission</p>

			<p>Regarding taxation, it would be « nice to have » an harmonised framework for OCERPs across countries that would foster transferability, although this will take time. What we « must have » is the same treatment between domestic personal pension products and OCERPs within each member state.</p> <p>This means that whatever legislative framework is chosen, OCERPs shall benefit from the available tax benefits that are applicable to other personal pension products available at national level.</p>	
479.	Bulgarian Association of supplementary pension sec	Q22	<p>The 2nd regime might be implemented without harmonisation of national tax legislation – through an agreement between the member state and the provider setting out the obligations of the provider in terms of the provision of information and the collection of taxes. The 2nd regime should also address the different investment rules and limits in MSs, including individual investment choice and management of multifunds. The best way to achieve uniform investment rules is through a Regulation. However, the application of a prudent person rule rather than explicit investment limits could be required through a Directive.</p>	Noted
480.	EFAMA	Q22	<p>How could the 2nd regime accommodate the tax differences among MSs? Do you see other national differences that the 2nd regime should address? If yes, how could this be done?</p> <p>A distinction shall be made between the legislative framework that regulates the OCERP and the taxation rules that apply to it. The goal should be to agree on a set of common rules that apply to a EU-labelled PPP (OCERP), being in the form of a directive, regulation or a</p>	<p>Noted</p> <p>And included in the report to the Commission</p>

			<p>2nd regime.</p> <p>Regarding taxation, it would be « nice to have » an harmonised framework for OCERPs across countries that would foster transferability, although this will take time. What we « must have » is the same treatment between domestic personal pension products and OCERPs within each member state.</p> <p>This means that whatever legislative framework is chosen, OCERPs shall benefit from the available tax benefits that are applicable to other personal pension products available at national level.</p>	
481.	Fédération Française des Sociétés d'Assurance	Q22	Please refer to question 20	See above
482.	German Insurance Association (GDV)	Q22	See Q11	See above
483.	Groupe Consultatif	Q22	<p>The 2nd regime could come with its own tax framework as part of the package, e.g. EET with no tax free lump sums. Tax would then only be payable in the Member State where the pension benefit was received, but there could be a system of balancing payments if this results in some countries giving more than fair share of the tax relief and others receiving more than a fair share of the tax.</p> <p>As an alternative, tax on retirement income could be apportioned to those Member States that have provided tax relief to a particular individual. Mostly this will be a single MS. Only where the participant contributes in more than one Member State during the accumulation phase will apportioning be necessary. Where an individual migrates</p>	Noted

			at retirement, tax will still be collected by the Member State(s) in which contributions were paid.	
485.	Insurance Europe	Q22	<p>How could the 2nd regime accommodate the tax differences among MSs? Do you see other national differences that the 2nd regime should address? If yes, how could this be done?</p> <p>Please refer to question 20</p> <p>Additionally, as indicated in response to question 11, direct taxation is a Member State competence.</p>	See above
486.	Investment Management Association	Q22	It is not clear how a 2nd regime would easily be able to resolve the tax issues.	<p>Noted</p> <p>And included in the report to the Commission</p>
487.	National Association of Pension Funds (NAPF)	Q22	How could the 2nd regime accommodate the tax differences among MSs? Do you see other national differences that the 2nd regime should address? If yes, how could this be done?	
489.	ABI	Q23	It is not feasible to select a 'standard' PPP that would appeal to all consumers given the large differences in risk preferences, the different economic circumstances of individuals and the national	Noted

			savings gaps that exist and the steps taken to address this at a national level. In addition, a single PPP developed at an EU level would also be incompatible with the tax and social regimes operating in Member States	
490.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q23	<ul style="list-style-type: none"> - rules applicable to providers (they should guarantee the greatest harmonisation). - accumulation phase (pure DC, DC with guarantees, DB or hybrid?) With guaranteed DC products - pay-out phase including benefits (e.g. should the benefits include only annuities, or also programmed withdrawals and lump sum payments?) Through the harmonisation, analysing EU records and selecting those in favour of the final user. - product design (e.g. investment rules) Establishing the product's contents and technicality. - consumer protection aspects. Through the provision of basic guarantees regarding the return of paid capital. 	Noted And included in the report to the Commission
491.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q23	See question 19	See above
492.	Asset management of Slovenska sporitelna	Q23	<ul style="list-style-type: none"> o rules applicable to providers – same as UCITS regulation o accumulation phase (pure DC, DC with guarantees, DB or hybrid?) pure DC o pay-out phase including benefits (e.g. should the benefits include only annuities, or also programmed withdrawals and lump sum payments?) all o product design (e.g. investment rules) UCITS products o consumer protection aspects. - same as UCITS regulation 	Noted And included in the report to the Commission

493.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q23	<p>o rules applicable to providers</p> <p>Providers should be obliged to make clear and transparent disclosure in line with current best practice and as anticipated by the current PRIPS/KIDIP proposal.</p> <p>o accumulation phase (pure DC, DC with guarantees, DB or hybrid?) It is suggested that only DC should be offered in order to have the greatest chance of obtaining unanimous agreement from Member States. Differing prudential requirements, at least for Life Assurance providers, would be relevant to offering products with guarantees. In any event, DB is rapidly becoming a thing of the past.</p> <p>o pay-out phase including benefits (e.g. should the benefits include only annuities, or also programmed withdrawals and lump sum payments?) Maximum flexibility would be preferable from the consumer point of view at this stage. Currently, choice of benefit will be driven by varying tax treatments as much as consumer circumstances such as impaired life etc. That should not be the case. Tax should be neutral on whatever form of payout to consumers.</p> <p>o product design (e.g. investment rules) These should follow current prudential requirements and disclosure documentation such as the proposed KID for PRIPS/ KIDIP. The design should better reflect the reality that many “products” are in fact wrappers and so clearly identify the parties who should produce information and those who should distribute it (including by websites).</p> <p>o consumer protection aspects.</p>	<p>Noted</p> <p>And included in the report to the Commission</p>
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			[see Q26/27below]	
494.	Association of the Luxembourg Fund Industry	Q23	<p>How would you design the main elements of the 2nd regime, in particular:</p> <ul style="list-style-type: none"> - rules applicable to providers - accumulation phase (pure DC, DC with guarantees, DB or hybrid?) - pay-out phase including benefits (e.g. should the benefits include only annuities, or also programmed withdrawals and lump sum payments?) - product design (e.g. investment rules) - consumer protection aspects. <p>ALFI agrees with the answer provided by EFAMA.</p> <p>EFAMA believes that a number of standards should be covered in a directive/regulation or 2nd regime regulating an OCERP:</p> <p>Standards</p> <p>Rationale</p> <p>Investment Options</p> <p>1. Adequate choice</p>	<p>Noted</p> <p>And included in the report to the Commission</p>

			<ul style="list-style-type: none"> - Meeting individuals' risk profile and circumstances - Facilitating individual choice <p>2. Appropriate default option</p> <ul style="list-style-type: none"> - Helping individuals unwilling/unable to take financial decisions, taking age into account <p>3. Clear risk-reward profile</p> <ul style="list-style-type: none"> - Helping individuals to select an investment option - Providing the basis for categorizing investment options <p>4. Ability to switch between options</p> <ul style="list-style-type: none"> - Offering the flexibility and possibility of switching to a lower risk-reward profile over the lifespan of the OCERP <p>5. Flexibility in underlying products</p> <ul style="list-style-type: none"> - Using existing investment vehicles to facilitate economies of scale <p>6. Prudent person rule for diversification</p> <ul style="list-style-type: none"> - Ensuring investor protection - Leaving space for innovation 	
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			<p>7. Ability to offer risk coverage</p> <ul style="list-style-type: none"> - Reducing individual exposure to investment risk - Offering protection against biometric risks <p>8. Access to payout solutions</p> <ul style="list-style-type: none"> - Linking the accumulation and payout phases - Providing a retirement income solution <p>Communication</p> <p>9. Clear and consistent pre-enrolment information</p> <ul style="list-style-type: none"> - Helping individuals make an informed choice - Facilitating comparability between investment options <p>10. Accessible annual statements</p> <ul style="list-style-type: none"> - Providing useful information on a consistent basis - Helping to manage expectations of OCERP holders <p>11. Full transparency on all costs</p> <ul style="list-style-type: none"> - Informing OCERP holders - Ensuring fair and transparent competition 	
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			<p>Governance</p> <p>12. Robust internal and product governance</p> <ul style="list-style-type: none"> - Clarifying responsibilities - Protecting holders' interests and assets <p>Administration</p> <p>13. Effective and efficient administration</p> <ul style="list-style-type: none"> - Maintaining comprehensive record-keeping systems - Offering high-quality services <p>Distribution</p> <p>14. Consistent regulation of advice</p> <ul style="list-style-type: none"> - Giving advice in the best interests of the consumer - Applying uniform rules for all personal pension products <p>15. Level playing field between different kinds of providers</p> <ul style="list-style-type: none"> - Fostering competition between providers - Increasing consumer choice 	
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			<p>16. Flexibility of transferability between providers</p> <ul style="list-style-type: none"> - Allowing individuals to change provider - Encouraging people/job mobility <p>17. EU Passport</p> <ul style="list-style-type: none"> - Creating a single market for personal pension products - Facilitating cross-border distribution <p>With regard to consumer protection and sales and advice, EFAMA believes that the current legislative proposals at EU level should be taken into account when considering how to improve the quality of all PPPs. We refer, namely, to the PRIIPs initiative which includes product transparency and consumer protection measures for PPPs. With regard to sales practices and advice, we believe that the MiFID and IMD Directives are the appropriate legislative instruments to improve consumer protection in the field of PPPs.</p>	
495.	Assogestioni	Q23	Please refer to EFAMA Report "The OCERP: a Proposal for a European Personal Pension Product".	<p>Noted</p> <p>And included in the report to the Commission</p>
496.	BIPAR	Q23	See above. We also believe it is in any event necessary to await the results of the discussions on second regimes that are currently taking place (sales law and insurance contract law) before considering the creation of a second regime in another area.	<p>Noted</p> <p>And included in the report to the Commission</p>

497.	Bulgarian Association of supplementary pension sec	Q23	<p>The rules applicable to providers should aim at pension fund financial security, prudent management and transparency.</p> <p>The accumulation phase should be based on a DC with minimum investment yield guarantee. The pure DC would be the easiest type of scheme for providers, however it is hardly unlikely for such a solution to attract a critical mass of participants. DC with guarantees is more difficult for providers but it is feasible. DB schemes do not enjoy a good reputation nowadays due to the mass closure of such schemes in western Europe – no critical mass of providers will be provided if such a scheme becomes the EU 2nd regime. Hybrid schemes are much complex for both individuals and providers.</p> <p>The pay-out phase should include not only annuities but also programmed withdrawals and lump-sum payments. It is with the PPP that the free personal choice of the type of benefit is more than appropriate and necessary for the attraction of a critical mass of participants.</p> <p>The product design should include the possibility for a participant to choose among different investment options, with a default option in case of no individual choice. A more conservative life-cycle related investment option could also be considered as an automatic safeguard against people's myopia to spend their pension pots quickly and unwisely.</p> <p>The 2nd regime should be based on maximum transparency, as well as easy and regular disclosure of information to participants. Transparency, simplicity, and comprehensiveness of the information provided are necessary.</p>	<p>Noted</p> <p>And included in the report to the Commission</p>
498.	EFAMA	Q23	How would you design the main elements of the 2nd regime, in particular:	<p>Noted</p> <p>And included in the</p>

		<ul style="list-style-type: none"> - rules applicable to providers - accumulation phase (pure DC, DC with guarantees, DB or hybrid?) - pay-out phase including benefits (e.g. should the benefits include only annuities, or also programmed withdrawals and lump sum payments?) - product design (e.g. investment rules) - consumer protection aspects. <p>EFAMA believes that a number of standards should be covered in a directive/regulation or 2nd regime regulating an OCERP:</p> <p>Standards</p> <p>Rationale</p> <p>Investment Options</p> <ol style="list-style-type: none"> 1. Adequate choice <ul style="list-style-type: none"> - Meeting individuals' risk profile and circumstances - Facilitating individual choice 2. Appropriate default option <ul style="list-style-type: none"> - Helping individuals unwilling/unable to take financial decisions, taking age into account 	report to the Commission
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			<p>3. Clear risk-reward profile</p> <ul style="list-style-type: none"> - Helping individuals to select an investment option - Providing the basis for categorizing investment options <p>4. Ability to switch between options</p> <ul style="list-style-type: none"> - Offering the flexibility and possibility of switching to a lower risk-reward profile over the lifespan of the OCERP <p>5. Flexibility in underlying products</p> <ul style="list-style-type: none"> - Using existing investment vehicles to facilitate economies of scale <p>6. Prudent person rule for diversification</p> <ul style="list-style-type: none"> - Ensuring investor protection - Leaving space for innovation <p>7. Ability to offer risk coverage</p> <ul style="list-style-type: none"> - Reducing individual exposure to investment risk - Offering protection against biometric risks <p>8. Access to payout solutions</p> <ul style="list-style-type: none"> - Linking the accumulation and payout phases 	
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			<ul style="list-style-type: none"> - Providing a retirement income solution <p>Communication</p> <p>9. Clear and consistent pre-enrolment information</p> <ul style="list-style-type: none"> - Helping individuals make an informed choice - Facilitating comparability between investment options <p>10. Accessible annual statements</p> <ul style="list-style-type: none"> - Providing useful information on a consistent basis - Helping to manage expectations of OCERP holders <p>11. Full transparency on all costs</p> <ul style="list-style-type: none"> - Informing OCERP holders - Ensuring fair and transparent competition <p>Governance</p> <p>12. Robust internal and product governance</p> <ul style="list-style-type: none"> - Clarifying responsibilities - Protecting holders' interests and assets 	
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			<p>Administration</p> <p>13. Effective and efficient administration</p> <ul style="list-style-type: none"> - Maintaining comprehensive record-keeping systems - Offering high-quality services <p>Distribution</p> <p>14. Consistent regulation of advice</p> <ul style="list-style-type: none"> - Giving advice in the best interests of the consumer - Applying uniform rules for all personal pension products <p>15. Level playing field between different kinds of providers</p> <ul style="list-style-type: none"> - Fostering competition between providers - Increasing consumer choice <p>16. Flexibility of transferability between providers</p> <ul style="list-style-type: none"> - Allowing individuals to change provider - Encouraging people/job mobility <p>17. EU Passport</p> <ul style="list-style-type: none"> - Creating a single market for personal pension products 	
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			<p>- Facilitating cross-border distribution</p> <p>With regard to consumer protection and sales and advice, EFAMA believes that the current legislative proposals at EU level should be taken into account when considering how to improve the quality of all PPPs. We refer, namely, to the PRIPs initiative which includes product transparency and consumer protection measures for PPPs. With regard to sales practices and advice, we believe that the MiFID and IMD Directives are the appropriate legislative instruments to improve consumer protection in the field of PPPs.</p>	
499.	Fédération Française des Sociétés d'Assurance	Q23	Please refer to question 20	Please see above
500.	FSUG	Q23	See response and sources presented in Q21.	Please see above
501.	German Insurance Association (GDV)	Q23	The 2nd regime should be designed in a way, that does not impeded competition and product innovation. Moreover, it should not lead to disadvantages of the respective 1st regimes.	Noted
502.	Groupe Consultatif	Q23	<p>In addition to providing information to the member or potential member of a third pillar retirement arrangement, those who seek to persuade members of the public to enter into such an arrangement should be required to behave in appropriate ways, in order to reduce the potential impact of conflicts of interest, information asymmetry and sales pressure. In particular, sales persons should be required to have a duty of care towards those whom they advise and to:</p> <p>a) Consider the risk appetite and risk capacity of the individual</p>	<p>Noted</p> <p>And included in the report to the Commission</p>

			<p>with a proper orientation towards the needs and situation of the individual</p> <p>b) Understand the age, earnings level and employment position and prospects of the individual</p> <p>c) Ensure that projections of future outcomes are prudent and emphasize range of possible outcomes, in particular the downside risk and volatility</p> <p>d) Provide projected outcomes in real terms, i.e. net of price inflation</p> <p>e) Provide projections of pension income in retirement and not just capital sums available at retirement date</p> <p>f) Show the impact of all costs on the outcome</p> <p>g) Draw attention to the alternatives available to the individual, especially where the individual may be considering opting out from an occupational plan in order to take out an individual third pillar arrangement</p> <p>h) Disclose any connections, direct or indirect, which might affect the objectivity of the advice and any remuneration which might be received as a result of giving the advice</p> <p>i) Keep an audit trail of the advice rendered and the data on which it was based</p> <p>In the accumulation phase the product should be pure unit-linked defined contribution with no guarantees, so as to avoid the need for significant capital requirements and complex regulation. Defined benefit is not practical without support from employers or significant capital backing within provider financial institutions. Insurance products are in any case already available cross-border with such</p>	
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			<p>characteristics. In order to obtain buy-in from all Member States, it may be necessary to restrict the amount that can be paid into and/or accumulated within a 2nd regime plan.</p> <p>The payout phase needs to provide for open market access to annuity markets (also cross-border) with some choice, eg between different types of life annuity, or using up to some specified proportion of accumulated capital to purchase a temporary annuity and then repeating the process when that temporary annuity has run its course. Programmed withdrawal might be permitted only for fairly large accumulated sums.</p> <p>For product design there should be some rules to limit ways in which charges can be levied and setting an overall cap on total effective charges. There might be other quality feature requirements and some limitations on investments to which the product can be linked to ensure adequate liquidity and exclude high risk and/or speculative investments.</p>	
504.	Insurance Europe	Q23	<p>How would you design the main elements of the 2nd regime, in particular:</p> <ul style="list-style-type: none"> <input type="checkbox"/> rules applicable to providers <input type="checkbox"/> accumulation phase (pure DC, DC with guarantees, DB or hybrid?) <input type="checkbox"/> pay-out phase including benefits (e.g. should the benefits include only annuities, or also programmed withdrawals and lump sum payments?) <input type="checkbox"/> product design (e.g. investment rules) <input type="checkbox"/> protection aspects. 	Noted

			<p>Please refer to question 20</p> <p>Additionally, Insurance Europe believes it is not feasible to design a single PPP that would appeal to all consumers given the large differences in risk preferences, the different economic circumstances of individuals, the existing national savings gaps and the steps taken to address this at a national level. Furthermore, several obstacles (eg tax treatment, social requirements) need to be addressed first before a single PPP could be developed at EU level.</p>	
505.	Investment Management Association	Q23	EFAMA has produced a paper on the OCERP concept, outlining a number of key features in this area. We believe that this is a very helpful contribution to the debate.	<p>Noted</p> <p>And included in the report to the Commission</p>
506.	National Association of Pension Funds (NAPF)	Q23	<p>How would you design the main elements of the 2nd regime, in particular:</p> <ul style="list-style-type: none"> o rules applicable to providers <p>33/52 © EIOPA 2013</p> <ul style="list-style-type: none"> o accumulation phase (pure DC, DC with guarantees, DB or hybrid?) o pay-out phase including benefits (e.g. should the benefits include only annuities, or also programmed withdrawals and lump sum payments?) o product design (e.g. investment rules) o consumer protection aspects. 	

507.	Slovak Association of Fund Management Companies (S	Q23	<ul style="list-style-type: none"> o rules applicable to providers – same as UCITS regulation o accumulation phase (pure DC, DC with guarantees, DB or hybrid?) pure DC o pay-out phase including benefits (e.g. should the benefits include only annuities, or also programmed withdrawals and lump sum payments?) all o product design (e.g. investment rules) UCITS products o consumer protection aspects. - same as UCITS regulation 	<p>Noted</p> <p>And included in the report to the Commission</p>
509.	ABI	Q24	As in our response to questions 11, 19, 20, and 21, we do not support a 2nd regime or Regulation to enable such a regime to be developed at either the product or product and provider level. We support the existing cross border sales of PPPs being facilitated through freedom of services framework.	Noted
510.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q24	The 2nd regime should be completely alternative to that of the single MS because univocal and harmonised, beyond individual details. A round table at European level may be needed.	Noted
511.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q24	See question 19	Please see above
512.	Asset management of Slovenska sporitelna	Q24	2nd regime should comprise rules both for product and provider and prefer DC.	Noted
513.	ASSOCIATION OF	Q24	It should comprise product rules only. This would mean that the rules	Noted

	INTERNATIONAL LIFE OFFICES, Luxembo		could be as simple and straightforward as possible and provided in a model format.	
514.	Association of the Luxembourg Fund Industry	Q24	<p>Should the 2nd regime comprise product rules only or product and providers rules? Should the 2nd regime prefer only certain types of risk sharing arrangements, e.g. DC? If the answer is positive, what would be the implications for the design of the 2nd regime?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>Ensuring that uniform conditions apply to both the PPP and its provider would prevent diverging national / EU requirements for market players. This would ultimately mean more certainty for the investor and for the supervisors.</p> <p>EU labeled PPPs would be allowed to be marketed across Europe, once certified by the national regulatory body which has the competence to authorize retirement products. To allow this certification process to take place, a specific EU legislative framework would be essential to lay down common rules for:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The investment options and communication of the PPP <input type="checkbox"/> the governance, administration and distribution standards of financial institutions acting as providers. <p>Most probably in accordance with the expected degree of commitment from member states, the European Commission should decide which legislative form harmonized rules for OCERPs should take. This can be achieved with a fully harmonized directive, a regulation or with a so-called 2nd regime. A pragmatic choice should be made as each of</p>	Noted

			<p>the possible solutions has its own legal and technical challenges.</p> <p>As mentioned in Q2, EFAMA believes that EIOPA should focus on DC PPPs.</p>	
515.	Assogestioni	Q24	The 2nd regime should not only define product and product provider rules, but also define clear and uniform selling practices for these products.	<p>Noted</p> <p>And included in the report to the Commission</p>
516.	Bulgarian Association of supplementary pension sec	Q24	The 2nd regime should comprise product rules as well as rules for the establishment and prudent management of providers. The 2nd regime should prefer only DC schemes. This will enable a modern, personally oriented scheme with undisturbed cross-border portability stimulating work mobility.	Noted
517.	EFAMA	Q24	<p>Should the 2nd regime comprise product rules only or product and providers rules? Should the 2nd regime prefer only certain types of risk sharing arrangements, e.g. DC? If the answer is positive, what would be the implications for the design of the 2nd regime?</p> <p>Ensuring that uniform conditions apply to both the OCERP and its provider would prevent diverging national / EU requirements for market players. This would ultimately mean more certainty for the investor and for the supervisors.</p> <p>EU labeled PPPs – OCERPs – would be allowed to be marketed across Europe, once certified by the national regulatory body which has the competence to authorize retirement products. To allow this certification process to take place, a specific EU legislative framework would be essential to lay down common rules for:</p>	<p>Noted</p> <p>And included in the report to the Commission</p>

			<input type="checkbox"/> The investment options and communication of the OCERP <input type="checkbox"/> the governance, administration and distribution standards of financial institutions acting as OCERP providers. <p>Most probably in accordance with the expected degree of commitment from member states, the European Commission should decide which legislative form harmonized rules for OCERPs should take. This can be achieved with a fully harmonized directive, a regulation or with a so-called 2nd regime. A pragmatic choice should be made as each of the possible solutions has its own legal and technical challenges.</p> <p>As mentioned in Q2, EFAMA believes that EIOPA should focus on DC PPPs.</p>	
518.	Fédération Française des Sociétés d'Assurance	Q24	Please refer to question 20	
519.	FSUG	Q24	Regulation of the product is the key task of any regulation. Most of the regulatory attention should therefore be paid to the design, back-testing, forward-testing, projections, distribution, switching, termination and transparency of particular products as they are directly sold to consumers. Simultaneously with the main, product oriented, regulation, the regulation of providers derived from the product regulation (rules) should be applied. This combined approach with clear focus on the product regulation should ensure that poor value products are not engineered and distributed on the single market.	Noted

520.	German Insurance Association (GDV)	Q24	See our answers to Q21 and Q23. In addition: The current regulatory framework for insurers (Solvency II) expressly does not provide for a prior approval or systematic notification of policy conditions (compare Art. 21, 181, 182 of the Directive 138/2009/EC, "Solvency II")	Noted
521.	Groupe Consultatif	Q24	The 2nd regime could be based on a pure DC product and focus on defining a set of product features and ensuring high quality governance and selling practices. With such a product the capital requirements would be relatively low and the prudential regime could be quite simple.	Noted And included in the report to the Commission
523.	Insurance Europe	Q24	Should the 2nd regime comprise product rules only or product and providers rules? Should the 2nd regime prefer only certain types of risk sharing arrangements, e.g. DC? If the answer is positive, what would be the implications for the design of the 2nd regime? Please refer to question 20	Please see above
524.	Investment Management Association	Q24	It may be more straightforward to focus on pure DC arrangements.	Noted And included in the report to the Commission
525.	Ministry of Finance of the Czech Republic	Q24	In order not to exclude the other providers it cannot be only insurance based product e.g. just DB. If it would be DC it could be more feasible to create a common prudential framework. At the same time, we do not think that the 2nd regime could comprise product rules only without at least some standard of providers rules. In our	Noted And included in the report to the Commission

			opinion, the 2nd regime products could be provided by already existing providers (CRD, UCITS, IORP, Solvency II) as well as new providers as long as they meet a given set of prudential requirements.	
526.	National Association of Pension Funds (NAPF)	Q24	Should the 2nd regime comprise product rules only or product and providers rules? Should the 2nd regime prefer only certain types of risk sharing arrangements, e.g. DC? If the answer is positive, what would be the implications for the design of the 2nd regime?	n/a
527.	Slovak Association of Fund Management Companies (S	Q24	2nd regime should comprise rules both for product and provider and prefer DC.	Noted And included in the report to the Commission
529.	ABI	Q25	If PPPs are to be sold cross-border, as we have responded in question 17, then they should also be subject to European prudential regulation. It is in the interests of consumers to ensure that they are adequately protected, and also in the interests of competition in the market. There is no need to set down additional and potentially duplicative requirements when there are already rules in place	Noted
530.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q25	Yes	Noted
531.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q25	See question 19	Please see above

532.	Asset management of Slovenska sporitelna	Q25	There is not necessary to regulate this area.	Noted
533.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q25	We do not envisage that the capital requirements for the different sectors could be harmonised. The sector requirements and risks are different and should continue to reflect that.	Agreed and included in the report to the Commission
534.	Association of the Luxembourg Fund Industry	Q25	<p>If a 2nd regime for PPPs were to include prudential rules, do you think that it is possible to define a common way to calculate provisions for different types of providers?</p> <p>Do you think the capital needed for such activities could be the same for the different type of providers?</p> <p>ALFI agrees with the answer provided by EFAMA. However, we believe that it might be difficult to achieve this as this could endanger the the success of such a product. This being said, it appears to us that if the PPP focuses on DC products the issue might be less crucial than for DB products.</p> <p>The calculation of technical provisions would apply to insurers. Any prudential measures referring to capital requirements would only make sense should there be guaranteed PPPs being offered.</p>	<p>Noted</p> <p>And included in the report to the Commission</p>
535.	Bulgarian Association of supplementary pension sec	Q25	<p>The providers willing to operate on a cross-border basis will have to apply common prudential rules. Thus, no matter how different providers are in their current company architecture, they will actually look like quite similar with regard to the cross-border PPPs offered.</p> <p>The common way of calculating technical provisions will be the natural</p>	<p>Noted</p> <p>And included in the report to the Commission</p>

			<p>consequence of the introduction of a 2nd regime.</p> <p>As long as there is a legal requirement for legal segregation of the assets of providers from the PF assets, the capital needed for the providers managing PPPs should be the same.</p>	
536.	EFAMA	Q25	<p>If a 2nd regime for PPPs were to include prudential rules, do you think that it is possible to define a common way to calculate provisions for different types of providers?</p> <p>Do you think the capital needed for such activities could be the same for the different type of providers?</p> <p>The calculation of technical provisions would apply to insurers. Any prudential measures referring to capital requirements would only make sense should there be guaranteed PPPs being offered.</p>	<p>Noted</p> <p>And included in the report to the Commission</p>
537.	Fédération Française des Sociétés d'Assurance	Q25	Please refer to question 20	
538.	FSUG	Q25	In order not to create arbitrary and speculative behavior from the side of providers, single level-playing field should be applied to all providers under the 2nd regime.	<p>Noted</p> <p>And included in the report to the Commission</p>
539.	German Insurance Association (GDV)	Q25	See our answer to Q23. In general we support the approach of "same risk, same rules, same capital", e.g. the rules should sufficiently reflect the true risk profiles of the providers.	<p>Noted</p> <p>And included in the report to the Commission</p>
540.	Groupe Consultatif	Q25	In the simplified DC regime we envisage there would be little difficulty	Noted

			in defining a common way to calculate technical provisions, which, apart from liabilities that equal the linked assets, would primarily relate to provisions for future expenses. Capital requirements would be similar to the requirements for UCITS.	And included in the report to the Commission
542.	Insurance Europe	Q25	<p>If a 2nd regime for PPPs were to include prudential rules, do you think that it is possible to define a common way to calculate technical provisions for different types of providers? Do you think the capital needed for such activities could be the same for the different type of providers?</p> <p>Please refer to question 20</p> <p>Furthermore, Solvency II has been established for Insurance. Insurance Europe would therefore not support any additional and duplicative requirements being put in place. In this regards, it should also be noted that, in general, insurance products are already subject to high standards of consumer information and protection; the usefulness of any new initiative in this field should therefore be assessed and considered in light of the existing European and national regulatory frameworks.</p>	<p>Noted</p> <p>And included in the report to the Commission</p>
543.	Investment Management Association	Q25	Capital required should be connected to the risks being backed by the provider. As we point out in our answer to Q9, these vary widely.	Noted
544.	Ministry of Finance of the Czech	Q25	In our opinion the way to calculate technical provisions should be the same for all providers providing 2nd regime PPP. The same applies to	Noted

	Republic		the capital. In this connection we think that the PPP business should be separated from other business the entity provides. This is necessary for prudential reasons. At the same time, if the entity provides more kinds of businesses (e.g. insurance and PPP) it would have to hold additional capital to cover additional risks.	And included in the report to the Commission
545.	National Association of Pension Funds (NAPF)	Q25	If a 2nd regime for PPPs were to include prudential rules, do you think that it is possible to define a common way to calculate provisions for different types of providers? Do you think the capital needed for such activities could be the same for the different type of providers?	
546.	Slovak Association of Fund Management Companies (S	Q25	There is not necessary to regulate this area.	Noted
548.	ABI	Q26	The different products and regulatory regimes found in Member States means that there is no one approach fits all for information to be disclosed to consumers. What is important is that customers receive the right and accurate information they require to make an informed decision about their purchase.	Noted See section 9.
549.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q26	The risk related to the instruments used (standard deviation), the quantification of the maximum loss (historical and statistical data draw down), the recovery time from the maximum loss (recovery draw down): all this harmonised with a standard time horizon. Information must be displayed before the subscription, when presenting the product, in a clear and transparent and, most of all, simple way. The supervisory agency must establish the criteria that will allow the provider and the MS to carry on univocal behaviours.	Noted

550.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q26	Members and beneficiaries of occupational pensions are primarily protected by social and labour law. Because of the collective approach and the central role of the employer, the options for the individual are limited. The need beneficiaries have to receive information is impacted by these characteristics. To maintain the efficiency of the 2nd pillar, this should be mirrored in the disclosure requirements for occupational pensions. Detailed requirements regarding information and disclosure duties of the providers of personal pensions are laid out in the respective EU directives.	Noted See section 9.
551.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q26	<p>PPP holders should be 'advised' – in person, or by documented simple guidance (for more simple products). Any conflicts of interest should be disclosed.</p> <p>At the outset:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Based on life expectancy and inflation assumptions, how large a "pension pot" they should be aiming for to cover a lifetime annuity following retirement, at a reasonable level. <input type="checkbox"/> Based on conservative growth assumptions, and contribution growth assumptions, what level of contributions they should be aiming to pay now, given their age. This should be compared to affordability and the profile adjusted to accommodate their starting point, perhaps in 10 year tranches. 	Noted See section 9.

			<p><input type="checkbox"/> Assistance in establishing their attitude to risk, ideally through the use of internet risk profiling tools, or by tools used by their advisor.</p> <p><input type="checkbox"/> The different provider options should be detailed and choices made as to which type of product/provider would best suit the PPP holder.</p> <p><input type="checkbox"/> Assuming independent advice is received, once the product type is selected then a review of various providers and their products should be made including: history, standing and regulatory status of the providers, (address details of each provider's websites), product and investment profile option details, and a number of options offered for consideration. Charges (RIY or a monetary basis) should be detailed. Consideration should be given to death benefit options available in the products to protect dependents (current and future).</p> <p><input type="checkbox"/> Any PPP holder protections in place, for provider failure.</p> <p><input type="checkbox"/> A broad outline of possible tax treatment on pay out should be discussed – but noted that tax treatment changes over time and depends on tax residency.</p> <p><input type="checkbox"/> Warnings should be made about investment and currency risk, and any assumptions made, and the possible pitfalls over time – i.e. what to watch out for.</p>	
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			<p><input type="checkbox"/> Flexibility and portability should be disclosed and any early redemption options and penalties.</p> <p>During the accumulation period:</p> <p><input type="checkbox"/> At least annually, the PPP holder should be provided with details of all contributions paid (and total to date) and all charges taken. For a unit linked product, this should include units added and unit prices, as well as any units cancelled and cancellation prices.</p> <p><input type="checkbox"/> At least annually the value of the “pension pot”, including potential purchasing power at retirement – on at least 3 assumptions: pessimistic, optimistic and median.</p> <p><input type="checkbox"/> Information on increasing/reducing/ceasing contributions, and illustrative assumptions as above.</p> <p><input type="checkbox"/> For PPPs where the holder can choose assets, access to KID type information on the chosen assets and alternatives available.</p> <p><input type="checkbox"/> How to add/remove beneficiaries.</p> <p><input type="checkbox"/> Details of any relevant taxation changes.</p> <p><input type="checkbox"/> Advice should be available if required, and at least life-stage sample guidance. i.e. more risk at the outset and less risk nearing</p>	
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			<p>retirement – based on age bands.</p> <p><input type="checkbox"/> Where internet access is available, access to modeling/profiling tools.</p> <p><input type="checkbox"/> Details of retirement options- early, normal and late and ability to transfer “pension pot” to a different decumulation provider.</p> <p>Differences re advice on the IORP - While the benefits provided by a DC IORP will still result in the individual having the investment risk, the investment decisions will not be made by the individual or their advisors. The PPP products may well be provided by one entity using investment instruments provided by another, as detailed in answer to Q 30. The disclosure documents of selected assets and alternative investment options should be produced by those who manage those assets. The distribution of those documents should be by the PPP holder’s intermediary or by the holder obtaining themselves from the manager of the asset, either on paper or from the website. The product provider should disclose the impact (RIY or monetary) on any layered asset charges from within the administration of the product itself. As the choice of assets could be immense, we would suggest that any illustrative costs should be based upon generic asset charges to reduce complexity and cost of production and to make product comparison easier.</p>	
552.	Association of the Luxembourg Fund Industry	Q26	<p>What information requirements are needed to protect PPP holders? What information should be presented in order to help them make sensible decisions and when and how should this information be presented? What are the differences to be considered with respect to</p>	<p>Noted see section 9</p>

			<p>occupational pensions and to the advice given by EIOPA to COM for the revision of the IORP Directive?</p> <p>We make reference to our response to the Commission Consultation on "Consumer protection third pillar retirement products", as attached, kindly look at the answers to question 3 & 4 therein. In respect of the risks the consumer faces when purchasing a third-pillar retirement product (question 3) and as regards information and knowledge that the consumer should of third-pillar retirement products.</p> <p>EFAMA believes EU consumers should have the same protection standards regardless of where they purchase their PPP. EFAMA believes information requirements should ensure that a PPP holder is informed throughout the different phases (pre-enrolment, accumulation, pre-retirement and payout phase).</p> <p>Pre-contractual information</p> <p>Adequate pre-contractual information should be provided to the potential PPP holders in a way that enables them to understand the scheme's features, to compare between different retirement products and thus, making an informed choice. Such disclosure requirements should be framed along the lines proposed by EIOPA:</p> <ol style="list-style-type: none"> 1. the identification of the PPP; 2. a brief description of the objectives and investment policies; 3. information on performance (either in terms of past performance and/or of performance scenarios); 	
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		<p>4. costs/charges;</p> <p>5. a risk/reward profile and/or the time horizon adopted for the investment policy (see explanatory text);</p> <p>6. contribution commitments;</p> <p>7. practical information, allowing Member States to add country-specific information;</p> <p>8. cross-references to other relevant documents.</p> <p>On-going information</p> <ul style="list-style-type: none"> - Annual Statements <p>Holders of a PPP should receive information on an annual basis. The elements that should be included in the statements could be inspired by EIOPA's advice on the review of the IORP Directive, and cover: i) an accrued balance that indicates the total amount of pension savings that members have accumulated in their schemes, ii) a summary of inflows and outflows, iii) a summary of the charges levied and iv) the performance achieved in the previous year.</p> <ul style="list-style-type: none"> - Pre-retirement information <p>Information concerning the different benefit payment options should be made available to the PPP holder.</p> <ul style="list-style-type: none"> - Payout phase <p>In case a recurrent payment solution is chosen, regular information</p>	
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			should be provided to beneficiaries.	
553.	Assogestioni	Q26	<p>Information requirements should allow the PPP holder to be well informed, starting with the product choice and ending with the pay-out phase of a PPP.</p> <p>In particular, the pre-enrolment information should improve awareness of potential subscribers and promote the comparability between alternative products. It should also clearly disclose any cost/charge linked to its subscription.</p> <p>The on-going information should be given at least annually and it should:</p> <ul style="list-style-type: none"> - define the individual position value comparing it with the value at the end of the previous years; - represent the return on management activities; - compare the returns with the selected benchmark. 	<p>Noted</p> <p>See section 9.</p>
554.	Austrian Insurers' Association (VVO)	Q26	<p>The Minimum Standards for Information Requirements in the Life Assurance Sector issued by the Austrian Financial Market Authority (FMA) represent a best practice example :</p> <p>http://www.fma.gv.at/en/legal-framework/minimum-standards/insurance-undertakings.html</p>	Noted
555.	BIPAR	Q26	<p>When it comes to information requirements, BIPAR supports an adequate level of client information which applies on the basis of a level playing field between all distribution channels and very much welcomes the sharing of good practice. People need to receive the information they need to plan their retirement.</p> <p>BIPAR believes that personal pension products holders are entitled to the information required to have a good insight in their pension rights and expected pension income at the retirement date. This requires</p>	Noted

			<p>annual pension information, supplemented by good assistance on an individual basis. Insurance intermediaries traditionally offer such a service and we believe the information requirements in the IMD can be a good basis for information requirements in the pensions area. For the more product-related information requirements we think a Key Information Document, developed by the pension product manufacturer, adapted to the characteristics of the pensions products and taking into consideration the specificities of for example insurance based pensions, could be considered.</p> <p>At European level, the comparison of practices could be helpful in establishing an evidence base for how various approaches and policies have played out in practice. Care however needs to be taken, for example, in drawing conclusions as to what consumer testing in one Member State might imply for other Member States. A “one size fits all” approach is rarely appropriate in practice and local regulation may be more suitable.</p>	
556.	Bulgarian Association of supplementary pension sec	Q26	<p>The information provided to PPP holders should be accurate, timely and comprehensible. It should ensure that a PPP holder is duly informed throughout different phases up to retirement.</p> <p>In order to help PPP holders to make sensible decisions, the information should be presented through the principle of layering, i.e. essential information first, then information which is important but not essential, and finally information which is just nice to have.</p> <p>The main difference with occupational pension is that PPPs are designed for people on an individual basis. As no sponsoring undertaking is involved, PPP holders often use rules of thumb to quickly go through a particular piece of information. Thus, the disclosure of the standard comparable key information should be more personalised and presented in such a way that it is clear, fair and not misleading to an individual consumer rather than a</p>	<p>Noted</p> <p>See section 9.</p>

			sponsoring undertaking.	
557.	EFAMA	Q26	<p>What information requirements are needed to protect PPP holders? What information should be presented in order to help them make sensible decisions and when and how should this information be presented? What are the differences to be considered with respect to occupational pensions and to the advice given by EIOPA to COM for the revision of the IORP Directive?</p> <p>EFAMA believes EU consumers should have the same protection standards regardless of where they purchase their PPP. EFAMA believes information requirements should ensure that a PPP holder is informed throughout the different phases (pre-enrolment, accumulation, pre-retirement and payout phase).</p> <p>Pre-contractual information</p> <p>Adequate pre-contractual information should be provided to the potential PPP holders in a way that enables them to understand the scheme's features, to compare between different retirement products and thus, making an informed choice. Such disclosure requirements should be framed along the lines proposed by EIOPA:</p> <ol style="list-style-type: none"> 1. the identification of the PPP; 2. a brief description of the objectives and investment policies; 3. information on performance (either in terms of past performance and/or of performance scenarios); 4. costs/charges; 5. a risk/reward profile and/or the time horizon adopted for the 	<p>Noted</p> <p>See section 9</p>

			<p>investment policy (see explanatory text);</p> <p>6. contribution commitments;</p> <p>7. practical information, allowing Member States to add country-specific information;</p> <p>8. cross-references to other relevant documents.</p> <p>On-going information</p> <ul style="list-style-type: none"> - Annual Statements <p>Holders of a PPP should receive information on an annual basis. The elements that should be included in the statements could be inspired by EIOPA's advice on the review of the IORP Directive, and cover: i) an accrued balance that indicates the total amount of pension savings that members have accumulated in their schemes, ii) a summary of inflows and outflows, iii) a summary of the charges levied and iv) the performance achieved in the previous year.</p> <ul style="list-style-type: none"> - Pre-retirement information <p>Information concerning the different benefit payment options should be made available to the PPP holder.</p> <ul style="list-style-type: none"> - Payout phase <p>In case a recurrent payment solution is chosen, regular information should be provided to beneficiaries.</p>	
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558.	EIOPA Occupational Pensions Stakeholder Groups (OP	Q26	<p>Transparency and information disclosures should be equivalent and up to the same standard for all types of pension scheme, primarily to protect the beneficiaries of the arrangement. But in addition to avoid employer regulatory arbitrage in the purchase of DC products. We would support the principles of the EIOPA recommendations on Good Practices on Information Provision for information provision for DC schemes, and believe there are useful principles in there which could be used in the PPP environment. However in the pure PPP world, much of the governance and all of the fiduciary and 'not-for-profit' protections of the occupational system are absent, and so the customer may be more vulnerable. For example as compared to the occupational DC environment the missing protections will include: the pre purchase choice and screening of products by an employer; the reputational concerns of the employer; ensuring that communications are of a good standard; the review of DC provision over time and the responsibility taken by informed individuals on basis of advice. This increases the need for high levels of consumer protection and clarity of communication and transparency.</p>	<p>Noted</p> <p>See section 9.</p>
559.	Fédération Française des Sociétés d'Assurance	Q26	<p>For products provided by insurers, Solvency II requirements pre contractual information as well as ongoing information, and right of withdrawal, already provide a strong level of consumer protection for individual pension products. IMD also ensures that the product meets the demands and needs of the client. At national level in France, there is already a high level of regulation in place providing consumers with information and advice standards.</p> <p>There is also a professional self-regulatory code for the purpose of advice or information to consumers.</p> <p>Any new regulation should thus take into account European as well as national requirements in order to determine where more regulation is needed and where over regulation is to be avoided.</p>	<p>Noted</p>

			In any case, the FFSA would like to stress that any new regulation should not result in consumers receiving excessive, duplicative, and thus confusing information. In this respect we do believe that making available some information on the PPPs provider's website could be a solution.	
560.	FSUG	Q26	<p>FSUG thinks that this question is the most important when starting the debate on PPPs.</p> <p>Research has shown over and over again that people are naturally poor pension planners. Financial skills are in general not well developed, and especially retirement is a difficult topic as it is so very far away in the future. As time and motivation are scarce resources, individual consumers buying or holding PPPs are unlikely to actively plan for retirement. This is even more the case when information remains difficult to read and understand (EIOPA, 2011).</p> <p>However, the empirical research is divided regarding the question, whether the poor planning ability of consumers is more a result of low financial knowledge or a result of rational ignorance due to the missing and/or inadequate information (what is concerning the scope, quality, readability and timing). If the second one prevails, solving this problem could help to improve the first one.</p> <p>The key aspect that should be taken into account and understood by regulators when creating transparent PPPs and information requirements for PPPs is the misalignment between the speed of decision taken on buying financial product and the long-term features of savings schemes and duration of the contract (or holding the financial product). Most of the potential clients face significant pressure from financial intermediaries to sign the contract without having sufficient time to analyze and compare products, contract</p>	<p>Noted</p> <p>See section 9.</p>

			<p>conditions (obligations, expected added value, etc.) and to consider individual socio-economic impact of such decision (aligning individual preferences with long-term objective, product features and contract obligations).</p> <p>The enforcement of information disclosure (transparency) and protection standards is one of the weakest points of regulatory and supervisory activities of existing local, national and EU bodies.</p> <p>There have been several regulatory attempts to introduce and formalize information and protection standards in the area of financial services, which can be used as a lesson.</p> <p>The rationale of information disclosure and protection standards can be displayed as a decision-making cycle (see figure below).</p> <p>Figure 1 “Objective-information/Risk-protection” decision-making cycle</p> <p>⊥</p> <p>Source: Own elaboration</p> <p>The rationale for integrated approach towards EU certification scheme of PPPs on the information disclosure and protection standards follow the results of EIOPA Report (2011) and EIOPA Good Practices¹ (2013) and suggest that:</p> <ul style="list-style-type: none"> • information disclosure should be layered (see EIOPA, 2013) according to the phase as well as objective(s) of this phase to ensure, the consumer is provided with adequate, understandable and timely information on the level of achieving his/hers objective; • protection standards should be tied to the risks shifted to the consumers, so the regulatory and protection mechanism do not allow the detrimental cumulative effect of several risks to occur at the same time that would jeopardize the achievement of the ultimate goal (minimum level of adequacy); 	
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			<p><input type="checkbox"/> each information disclosure should follow the particular risk so the consumer has timely, accurate and understandable information for making decision on how to deal on individual basis with particular risks.</p> <p>The basic “objective-information/risk-protection” scheme for PPPs that can be used as a framework for potential EU certification scheme is presented below.</p> <p>Table 1 “Objective-information/Risk-protection” scheme for PPPs</p> <p>Phase</p> <p>Objective</p> <p>Information disclosure</p> <p>Risk</p> <p>Protection standards</p> <p>1. Pre-contractual (Joining)</p> <p>Adequacy</p> <p>Ability to align the product features with obligations and the objective (adequacy)</p> <p>1. Individual stochastic modeling of the consumer life-cycle under the different PPPs (including all charges during the whole life-cycle)</p> <p>A. Understanding of the PPPs by consumer</p> <p>Obligation of industry (provider, intermediary) to present individual stochastic based model of adequacy under different PPPs life cycle</p> <p>1.</p>	
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			<p>and parameters of particular PPP</p> <p>A. Market risk</p> <p>B. Inflation risk</p> <p>C. Investment strategy</p> <p>Right to switch the PPP for another PPP during the accumulation phase (not withdrawal)</p> <p>1.</p> <p>2. Benchmarking</p> <p>D. Long-term poor performance</p> <p>3. Full disclosure of charges (TER)</p> <p>E. Charges</p> <p>Capping the TER based on industry average ratio</p> <p>4. Individual replacement ratio modeling (career path vs. performance of savings)</p>	
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			<p>F. Contribution level</p> <p>G. Added-value risk</p> <p>Right to change the contribution level</p> <p>Right to suspend/pause the PPP for a certain period of time (e.g. due to unexpected unemployment)</p> <p>Supervision fines for “poor” added-value (banning the product)</p> <p>3. Pay-out (Retirement)</p> <p>Pension needs</p> <p>Ability to align the product features with the adequacy and individual preferences</p> <p>1. Life tables and actuarial calculations</p> <p>2. Comparison tools (e.g. Chilean SCOMP)</p> <p>A. Longevity risk</p> <p>Supervision of actuarial models and calculations (under existing regulation)</p> <p>3. Regular, time specific and raw data on respective risks of particular pay-out products (annuities vs. PW)</p> <p>B. Inflation risk</p> <p>C. Market risk</p>	
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			<p>D. Interest risk</p> <p>Right to switch the product for another during the pay-out phase</p> <p>Source: Own elaboration</p> <p>The FSUG positively recognize the latest EIOPA work on the information disclosure in DC pension products and recommend building any future regulation on these findings. Interesting findings that could be taken as good discussion point for increasing the protection standards especially at the very end of the accumulation phase, just before the decisions on pay-out phase, can be found in the Harrison₁ (2012).</p> <p>Ability of consumers to assess the risks during the accumulation phase is based on the ability to create their individual life cycle savings projections, which can be than tracked in later phases. The best approach to convey uncertainty and increase the involvement of consumer into the process of decision-making may be to provide projections (based on unified and prudent methodology) of expected adequacy (e.g. present value of future pension benefits, individual replacement ratio, etc.) including a range of probabilities for different pension outcomes (see for example Blake, Cairns and Dowd₁ , 2002; Antolin and Payet₁ , 2011; Dowd and Blake₁ , 2013).</p> <p>It can be argued that these types of projections are too complex to prepare and can be difficult for consumers to interpret and understand. However, if designed appropriately, projections on future pension benefits including a range of probabilities (probability distribution) for different outcomes could convey the most valuable information on uncertainty and risks, if provided in a consumer "language". The best tool to provide this information on uncertainty about future pension benefits may be a pension risk simulator. On-line pension projection tools enable individuals to input assumptions</p>	
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			for future values of several key parameters (e.g. contributions, retirement age, returns on investment) to obtain projected retirement income. However, they require a high level of knowledge about assumptions, but have the advantage that the individuals who choose to use them are more likely to understand the results and follow the path. Additionally, on one hand obtaining a wide variety of results could add another layer of confusion that, on the other hand, would serve to further underline the message that projection results should not be considered as definite or relied on exclusively (Antolin and Fuentes ¹ , 2012).	
561.	German Insurance Association (GDV)	Q26	There is already a well-functioning regulation on EU-Level, which is complemented by national rules, which are adapted to the respective national characteristics (see general comments). The answers to the following questions reflect the substantial discussions about transparency in the life insurance sector in Germany.	Noted
562.	Groupe Consultatif	Q26	<p>In our view the particular characteristics of individual retirement products and the vulnerability of savers with respect to their retirement income would fully justify a more extensive disclosure regime for retirement products than considered at present for PRIPS. This should certainly have regard to the objective of saving for retirement, the interaction with the decumulation phase of retirement saving and the specific tax and regulatory treatment of such products. Information provided to PPP holders should include:</p> <p>a) Governance structure</p> <p>Are there trustees or similar fiduciaries with the responsibility to take care of the interests of the member or is it purely a commercial contract with nobody charged with looking after the members' interests? Are the fiduciaries independent of the entity investing the funds? Who looks after the member? Is it an "open platform" investment structure or can only investment funds as offered by the plan administrator be selected?</p>	<p>Noted</p> <p>See section 9.</p>

			<p>b) Charges</p> <p>All types of charges should be transparently explained, and hidden charges banned. The same is true for the charges in any related products and/or vehicles like investment funds, also if these investment funds are owned by a third-party. Measures of the projected impact of all charges on the eventual outcome should be included in the disclosures to members and potential members.</p> <p>c) Nature and risk of underlying investments</p> <p>The nature and riskiness of investments, the choices available to the members and the default fund arrangements should be disclosed. Projected outturn should be provided net of price inflation, with a best estimate, low and high alternative outturns, together with corresponding measures of the inherent volatility in the respective investment options.</p> <p>d) Whether any guarantees are provided or offered</p> <p>If so the cost of providing the guarantee should be disclosed and how it is to be financed.</p> <p>e) Arrangements, if any, for mitigating risk as retirement approaches</p> <p>This would include lifestyling or target date funds, the assumptions made about retirement date, the period over which lifestyling takes place and what types of funds are used to mitigate the risks. Are bonds and money market funds a safe harbour?. What are the assets underlying money market funds? It is also important to know what the life-styling is aiming for: capital protection, purchase of fixed annuity (nominal), purchase of inflation-linked annuity (real) or any combination.</p> <p>f) Whether contributions can be made at any time, including one-off contributions</p>	
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			<p>g) Whether contributions can be received from an employer into the plan</p> <p>h) Whether transactions are possible</p> <p>Are transactions possible? Can changes be made in the asset mix? Only for new contributions or also for the accrued capital? What are the costs involved, if any?</p> <p>i) Tax treatment of the plan, including whether there are limits on contributions which can be made or on withdrawals or on the total amount that can be invested</p> <p>j) Apart from tax incentives, are any other financial incentives provided for those who invest in the plan (e.g. government supplementary contributions)</p> <p>k) Whether the plan can be transferred or surrendered and, if so, whether there are any penalties associated with transferring funds out or ceasing contributions</p> <p>l) What information will be made available to plan members and with what frequency</p> <p>m) Whether the plan (or the provider of the plan or the investment fund (e.g. Morningstar rating)) has been awarded a quality mark (kite-mark) in countries where such schemes exist</p> <p>n) Whether any arrangements are embedded in the plan for the decumulation phase (such as a guaranteed annuity from retirement age, on open market option at retirement age, drawdown possibilities or a more limited choice of options regarding decumulation).</p> <p>o) The address of the website to which the individual can go to find out information about the plan on an ongoing basis and investigate the impact of making additional contributions in future</p> <p>p) Details of who to approach for supplementary information or to</p>	
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			<p>make a complaint.</p> <p>The reply to this question effectively covers also Q27, since many of the above information requirements relate to the pre-contractual phase.</p>	
564.	Investment Management Association	Q26	<p>From a disclosure perspective, individuals will have a number of fundamentally similar needs in DC arrangements, whether via an IORP or PPP. These are access to consistent, meaningful and complete information about:</p> <ul style="list-style-type: none"> (1) the nature and identity of the product (including the investment approach); (2) the charges and costs; (3) the risks; (4) the performance; (5) the range of possible outcomes at the end of the accumulation phase (including the connection between investment outcomes and retirement income). <p>The issue over outcomes reminds us that pensions are fundamentally different to a conventional long-term savings or investment product in that they are designed to be used to generate an income in retirement. UK annual statements currently include projections (Statutory Money Purchase Illustration - SMPI) that provide a real-terms indication of likely income. Such projections can be problematic given the reality that different variables (eg. investment returns, annuity rates) create considerable uncertainty about the precise outcome.</p>	<p>Noted</p> <p>See section 9.</p>

			<p>The IMA believes that more work is needed in this area to consider how to communicate better about the range of possible outcomes, possibly moving away from deterministic investment return projections towards some use of stochastic models. However, this in turn raises a range of methodological and communication challenges.</p> <p>The issue of likely outcome links to the question of information about the connection between contribution levels and final outcomes. Under-saving is one of the greatest threats to retirement income adequacy and there is clear evidence from the UK that the contribution rates in DC schemes are substantially lower than those seen in DB. This in part helps to bolster the perception that DC is 'second-best' to DB given far lower expected payouts from DC than DB.</p> <p>Policymakers will need to consider to what extent information to help individuals make the right decisions about contributions is embedded into standard disclosure documents or sits alongside as part of schemes' wider communication tools.</p>	
565.	National Association of Pension Funds (NAPF)	Q26	<p>What information requirements are needed to protect PPP holders? What information should be presented in order to help them make sensible decisions and when and how should this information be presented? What are the differences to be considered with respect to occupational pensions and to the advice given by EIOPA to COM for the revision of the IORP Directive?</p>	<p>Noted See section 9.</p>

			<p>The different kinds of PPP holders</p> <p>The starting point on this issue should be a recognition that personal pensions are used by several different types of savers – each with different levels of financial literacy and, therefore, with different requirements in terms of consumer protection. These groups include:</p> <ul style="list-style-type: none"> - self-employed workers with no access to conventional workplace saving. Significant numbers of this group will be relatively poorly informed about pension products and would benefit not only from clear information but also from strong guidance and protection. - members of Group Personal Pensions, who will have been enrolled into the scheme by their employer. These savers are likely to be relatively poorly engaged with the detail of their pension arrangements and are not well placed to take decisions on fund choice or annuity purchase without extensive advice – as well as good information. - sophisticated savers with experience of making their own saving and investment decisions. These savers take a high level of responsibility for their own financial arrangements and may relish the opportunity to use a Self-Invested Personal Pension (SIPP) for part of their retirement planning. Good information will be essential for them to make good decisions, but they will have much less need for advice and protection. <p>Lessons from the Pension Quality Mark</p> <p>EIOPA might find it useful to draw on the work the NAPF has done in</p>	
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			<p>developing the Pension Quality Mark (PQM), which is a form of accreditation for good-quality DC pension schemes in the workplace.</p> <p>The PQM now covers 182 pension schemes with over 300,000 members. Its standards cover governance, contributions and communications.</p> <p>Although workplace pensions are, of course, different from PPPs, where members make decisions on an individual basis without the benefit of governance structures to protect their interests, many of the PQM's standards on communications would also be appropriate for PPPs. The key section of the PQM standards reads as follows:</p> <p>To meet the standard, communications must be clear, engaging and easy to understand. In addition, communications must take place at three specified stages of membership:</p> <ol style="list-style-type: none"> 1. At induction/joining, employers or schemes should provide engaging information that emphasises the scheme benefits and the need to take action. 2. On an ongoing basis, employers or schemes should offer face-to-face or over phone (such as group seminars, 1-2-1s or a helpline); or tailored individual information (such as access to pension account online); or regular generic information (such as newsletter or up-to-date intranet site). 3. When an employee nears retirement employers or schemes should ensure they receive information to help them consider retirement options. 	
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			<p>Although these standards are clearly designed for employees, they could easily be adapted to a PPP environment.</p> <p>It is particularly important that charges are clearly and fully disclosed, since the level of charges is a key factor in determining the level of income in retirement.</p> <p>The NAPF has been very active in pressing for high standards of disclosure of charges in workplace schemes, including disclosure both to employers and employees. The industry has drawn up a code of good practice on disclosure of charges to employers and has contributed to a code on disclosure to employee members of pension schemes. We would be pleased to share our understanding of these issues with EIOPA policy-makers.</p>	
566.	PensionsEurope PensionsEurope represents national	Q26	<p>Transparency is important both at pre-contractual and contractual stages in order to ensure that PPP holders are completely aware of the characteristics of the product that they purchase/envisage to purchase.</p> <p>Similar to other consumer products, potential subscribers shall be given the possibility to compare between different products in order to ensure that they find the product that best matches their profile. Individual pension products could also offer an investment choice between several options with a default option (lifecycle fund).</p>	<p>Noted</p> <p>See section 9.</p>

			<p>During the accumulation phase, on-going information should be provided to the pension holder. He should be informed at least on an annual basis of the value of the capital accumulated, comparing it with the previous years. Information on the total return on management activities and comparable results with the selected benchmark should also be provided. Finally, he should also be informed of what he can expect to receive in the future in terms of income.</p> <p>As far as the differences to be considered with respect to the workplace pension schemes, one should bear in mind a key difference: while personal pension plans have “consumers”, workplace pension schemes refers to “beneficiaries”, which are already protected by the social and labour laws of each Member State.</p>	
567.	Slovak Insurance Association	Q26	<p>What information requirements are needed to protect PPP holders? What information should be presented in order to help them make sensible decisions and when and how should this information be presented? What are the differences to be considered with respect to the advice given by EIOPA to COM for the revision of the IORP Directive (occupational pensions)?</p> <p>The best way how to protect a consumer is to inform and educate him/her – ideally in long term. The most important thing about it all is to understand the main principles of financial products and to be educated enough in order to decide which product best suits consumer’s needs. In practice, it is not very effective to provide a client with too much information (really important message is overseen due to the huge ammount of unimportant / irrelevant information). Last, but not least: it is no use to provide consumer with such information documents very shortly before the contract is concluded. We support the principle of layering.</p>	Noted

569.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q27	<p>In the pre-contractual phase, through a KIID, the holders of a PPP or those who would like to subscribe one must be aware of the products' features, that is:</p> <ul style="list-style-type: none"> -the kind of contract; - the obligations related to time, amounts and deposits expected; - information of the intermediary and on the technical features of the product; -the riskness of the product and, in general, the connection between risk and time factors; -duration: in Italy the contract can be released when the holder of the contract owns all the requisites of the old-age pension; -tax deduction (it would be desirable for it to be the same for all EU's countries). - possibility of pension advances of the PPP (for the purchase of a first house, renovations, the purchase of a first house for the pension holder's children) and related taxation. -release and related taxation; -costs: of subscription, managing, maintenance; -transferability to other countries or to assurance companies without incidental charges; <p>All information supplied must be standardised at system level, in order to guarantee a correct and aware comparative analysis.</p>	<p>Noted</p> <p>See section 9.</p>
570.	APFIPP – Associação Portuguesa de	Q27	<p>In Portugal, almost all of the personal pension products available to the individual investor have a pre-contractual information document, similar to the KII. In this document it is disclosed the necessary</p>	Noted

	Fundos de Invest		information to allow the investor to make informed decisions on the proposed investment. It includes, namely: identification of the provider, custodian, auditor, supervisory authority, distributors; information on investment objectives and investment policy and risk profile; the profile of the type of investor; historical evolution of the product results; information about subscription, redemption and transfer commissions, as well as other costs and associated charges.	
571.	Arbeitsgemeinschaft für betriebliche Altersversorg	Q27	<p>See response to question 26: Detailed requirements regarding information and disclosure duties of the providers of personal pensions are laid out in the respective EU directives.</p> <p>We have not answered questions 26 to 71. The aba argues that the EU should continue to regulate providers rather than products. The requirements for tax relief on personal pension contributions should continue to be decided by the Member States.</p>	<p>Noted</p> <p>See section 9.</p>
572.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q27	<p>Must know:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Type of Product with signpost to access the full details. <input type="checkbox"/> Product choices such as possible guarantees, death and other benefits and investment choices. <input type="checkbox"/> Attitude to investment risk and anticipated retirement income need. <input type="checkbox"/> How much to contribute to match anticipated income need based upon illustrative projections of "pension pot" at retirement based on three growth assumptions. 	<p>Noted</p> <p>See section 9.</p>

			<input type="checkbox"/> How to change contributions (increase/reduce/cease). <input type="checkbox"/> How to take out a PPP. <input type="checkbox"/> Taxation of contributions and benefits. <input type="checkbox"/> All associated costs, including distribution and assets. <input type="checkbox"/> Cooling off/cancellation rights. <p>Should Know</p> <input type="checkbox"/> How to switch investment choices and make lifestyle changes. <input type="checkbox"/> Objectives and risk characteristics of any chosen assets. <input type="checkbox"/> How to transfer to another provider/product type and any costs involved. <input type="checkbox"/> Portability (if available) to continue in another Member State. <input type="checkbox"/> Preservation of benefits if contributions cease and any ongoing costs. <input type="checkbox"/> Benefits (if any) available to spouse/partner, dependents. <input type="checkbox"/> Detailed legal and contractual information. <input type="checkbox"/> How to complain. <p>Nice to Know</p> <input type="checkbox"/> 'Key considerations' guidance when selecting a PPP product/provider. <p>Best way to make it easy</p> <input type="checkbox"/> Provider web-site/ advisor web-site.	
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			<input type="checkbox"/> If internet, client site or tracking service, availability to follow product performance.	
573.	Association of the Luxembourg Fund Industry	Q27	<p>In the pre-contractual phase, what “must” PPP holders know about the personal pension product before purchasing and what “should” they know? What further information should be available and easy to find?</p> <p>ALFI agrees with the answer provided by EFAMA. In addition we would like to make reference to our response to the Commission Consultation on “Consumer protection third pillar retirement products”, as attached.</p> <p>EFAMA is aligned with the requirements settled in the PRIPs proposal with regard to the information disclosure of a key information document (KID). As such, a KID of a personal pension scheme ‘must’ cover the following essential elements: the identity of the product and its manufacturer, the nature and the main features of the product, including whether the investors might lose capital, its risk and reward profile, costs, and past performance as appropriate. Other information ‘should’ be included namely information about possible future outcomes.</p>	<p>Noted</p> <p>See section 9.</p>
574.	Assogestioni	Q27	In the pre-contractual phase, a PPP holder has to be informed about the identity of the product and its manufacturer, the nature and the main features of the product (such as information about the possibility to lose capital, risk-reward profile, costs, redemption right,	<p>Noted</p> <p>See section 9.</p>

			default option if any, etc.). The disclosure should also include information about possible future outcomes.	
575.	Bulgarian Association of supplementary pension sec	Q27	<p>In the pre-contractual phase PPP holders should know the contribution rates, information disclosure rules, possibilities to switch between providers, investment options, as well as benefit payment options which are to be expected in the pay-out phase. In this phase, PPP holders must be informed about the cost of the PPP they are considering to buy.</p> <p>PPP holders should know at least some basics of the national legal framework regarding pension products as well as the respectively related cross-border implications.</p> <p>Additional and easy general information on the EU market development and investment yield trends should be available and easy to find with the PPP provider.</p>	<p>Noted</p> <p>See section 9</p>
576.	EFAMA	Q27	<p>In the pre-contractual phase, what “must” PPP holders know about the personal pension product before purchasing and what “should” they know? What further information should be available and easy to find?</p> <p>EFAMA is aligned with the requirements settled in the PRIPs proposal with regard to the information disclosure of a key information document (KID). As such, a KID of a personal pension scheme ‘must’ cover the following essential elements: the identity of the product and its manufacturer, the nature and the main features of the product, including whether the investors might lose capital, its risk and reward profile, costs, and past performance as appropriate. Other information ‘should’ be included namely information about possible future outcomes.</p>	<p>Noted</p> <p>See section 9.</p>

577.	EIOPA Occupational Pensions Stakeholder Groups (OP	Q27	<p>We would expect the best outcome to combine the principles of pre contractual information from for example the PRIIP KIID, together with the principles of the advice (and behavioural context) suggested in the EIOPA advice on good practices on information provision for DC schemes. It is not clear that pensions or annuities will fall under the future PRIPS regime .We would suggest that this should not be a matter for national discretion , but there need to be clear harmonised minimum standards of consumer protection. However, note that if a MS already requires minimum quality standards, care should be taken not to have these reduced or undermined by a move to harmonised standards.</p> <p>It would be very useful if a matrix could be provided setting out the comparison of the disclosure requirements for the main types of retail plus DC occupational products. This could helpfully compare the protection/disclosure/transparency provisions for the main retail and DC occupational products, in order to ensure PPPs are either covered by or will have a replacement provision established under a new regime.</p> <p>In terms of format, the PRIIP principles are useful: e.g. being fair, clear and not misleading; short; using plain language; consumer friendly.</p> <p>In terms of content, this should include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> what the product is and how it works; <input type="checkbox"/> what contributions currently are; what are to be paid in the future; what is likely to need to be paid for what pensions income from this product; <input type="checkbox"/> what additional contributions may be paid (e.g. employer); <input type="checkbox"/> duration of the contract; <input type="checkbox"/> the nature and limits of the features of the contract and any 	<p>Noted</p> <p>See section 9</p>
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			<p>guarantees; including e.g.</p> <ul style="list-style-type: none"> - how does it work; - can contributions be reduced/changed; - what happens if the consumer can no longer afford to contribute; <p><input type="checkbox"/> the risk/reward proposition – both qualitative and quantitative, e.g. can the consumer afford to take this risk – what could this mean in retirement planning terms and how does this vary across time horizon?</p> <p><input type="checkbox"/> the costs and charges (in both the accumulation and payment stages);</p> <p><input type="checkbox"/> expected benefits (with a wide explanation of the tipologies of annuities the customer can choose among) and options;</p> <p><input type="checkbox"/> any track record on performance;</p> <p><input type="checkbox"/> tax regime;</p> <p><input type="checkbox"/> other rights and obligations of the contract;</p> <p><input type="checkbox"/> practical information including value information and where to find additional information, where to complain.</p> <p><input type="checkbox"/> If unregulated investment options are to be available, there needs to be full disclosure to the consumer and in good time.</p>	
578.	Fédération Française des Sociétés d'Assurance	Q27	Please refer to question 26	Noted
579.	FSUG	Q27	The facts presented in response to the Q26 signify the risks associated with the pre-contractual (joining) phase as presented in a	Noted See section 9

			<p>figure below.</p> <p>Figure 2 Ultimate bearers of the risks during the joining phase</p> <p>Source: EIOPA, 2011</p> <p>Existence of information asymmetry between the industry and consumers results in a transfer of above mentioned risks on the consumer due to:</p> <ul style="list-style-type: none"> a. lack of financial knowledge and information (methodology) on how to consider the technical aspects of financial products (inability to compare products due to the lack of information on key features of PPPs), b. lack of ability to assess his/her contributory capacity over a long-period (most of the contracts expect fixed or increased level of contributions, which do not reflect or allow changes in a contributions over time), c. lack of time and ability to match the financial product features with the long-term savings objective (assess the adequacy) as there are limited information and tools to match these two aspects, which leaves a lot of room for misseling practices and recommending PPPs that do not suit the needs of consumers. <p>Overall, the key risk consumers' face in a pre-contractual phase is the lack of information (on the methodology of assessing the product features as well as information needed for comparison of real value of PPPs with regard to the individual situation/preferences and the expected adequacy).</p> <p>Every PPP offered to a consumer within a certain scheme should have personalized projections using a model based on plausible, transparent and internally consistent underlying assumptions. The model must be stochastic and be capable of dealing with quantifiable</p>	
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			uncertainty. (for further reference see Dowd and Blake, 2013 ¹)	
580.	German Insurance Association (GDV)	Q27	We doubt that a layering approach is the best or only way to inform the customers efficiently (see Q28). We therefore suggest a survey about the existing regulation on national levels and a consideration of similar EU initiatives (DG Sanco: "Consumer Protection in third-pillar retirement products"). The outcomes of the EP-ECON committee's questionnaire on "enhancing the coherence of EU financial services legislation" could be helpful.	Noted
581.	Groupe Consultatif	Q27	<p>Covered by our response to Q26, which for convenience of analysis is repeated here.</p> <p>In our view the particular characteristics of individual retirement products and the vulnerability of savers with respect to their retirement income would fully justify a more extensive disclosure regime for retirement products than considered at present for PRIPS. This should certainly have regard to the objective of saving for retirement, the interaction with the decumulation phase of retirement saving and the specific tax and regulatory treatment of such products. Information provided to PPP holders should include:</p> <p>a) Governance structure</p> <p>Are there trustees or similar fiduciaries with the responsibility to take care of the interests of the member or is it purely a commercial contract with nobody charged with looking after the members' interests? Are the fiduciaries independent of the entity investing the funds? Who looks after the member? Is it an "open platform" investment structure or can only investment funds as offered by the plan administrator be selected?</p> <p>b) Charges</p> <p>All types of charges should be transparently explained, and hidden</p>	Noted

			<p>charges banned. The same is true for the charges in any related products and/or vehicles like investment funds, also if these investment funds are owned by a third-party. Measures of the projected impact of all charges on the eventual outcome should be included in the disclosures to members and potential members.</p> <p>c) Nature and risk of underlying investments</p> <p>The nature and riskiness of investments, the choices available to the members and the default fund arrangements should be disclosed. Projected outturn should be provided net of price inflation, with a best estimate, low and high alternative outturns, together with corresponding measures of the inherent volatility in the respective investment options.</p> <p>d) Whether any guarantees are provided or offered</p> <p>If so the cost of providing the guarantee should be disclosed.</p> <p>e) Arrangements, if any, for mitigating risk as retirement approaches</p> <p>This would include lifestyling or target date funds, the assumptions made about retirement date, the period over which lifestyling takes place and what types of funds are used to mitigate the risks. Are bonds and money market funds a safe harbour?. What are the assets underlying money market funds? It is also important to know what the life-styling is aiming for: capital protection, purchase of fixed annuity (nominal), purchase of inflation-linked annuity (real) or any combination.</p> <p>f) Whether contributions can be made at any time, including one-off contributions</p> <p>g) Whether contributions can be received from an employer into the plan</p> <p>h) Whether transactions are possible</p>	
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			<p>Are transactions possible? Can changes be made in the asset mix? Only for new contributions or also for the accrued capital? What are the costs involved, if any?</p> <p>i) Tax treatment of the plan, including whether there are limits on contributions which can be made or on withdrawals or on the total amount that can be invested</p> <p>j) Apart from tax incentives, are any other financial incentives provided for those who invest in the plan (e.g. government supplementary contributions)</p> <p>k) Whether the plan can be transferred or surrendered and, if so, whether there are any penalties associated with transferring funds out or ceasing contributions</p> <p>l) What information will be made available to plan members and with what frequency</p> <p>m) Whether the plan (or the provider of the plan or the investment fund (e.g. Morningstar rating)) has been awarded a quality mark (kite-mark) in countries where such schemes exist</p> <p>n) Whether any arrangements are embedded in the plan for the decumulation phase (such as a guaranteed annuity from retirement age, on open market option at retirement age, drawdown possibilities or a more limited choice of options regarding decumulation).</p> <p>o) The address of the website to which the individual can go to find out information about the plan on an ongoing basis and investigate the impact of making additional contributions in future</p> <p>p) Details of who to approach for supplementary information or to make a complaint.</p> <p>A Key Investor Document, as envisaged under EIOPA's advice on disclosures to members for the IORP Directive review, seems a</p>	
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			reasonable approach.	
				Noted
583.	Insurance Europe	Q27	<p>In the pre-contractual phase, what 'must' PPP holders know about the personal pension product before purchasing it and what "should" they know? What further information should be available and easy to find?</p> <p>Please refer to question 30.</p>	Noted
584.	Investment Management Association	Q27	<p>We answer Q27-Q28 together. At a conceptual level, we strongly support the suggestion that a KID should be available for all long-term investment products. In the pensions environment that coverage should extend across both the IORP and potential European PPP regimes.</p> <p>The precise content of a pre-contractual document is, however, something that needs very careful consideration. Some elements should be considered fundamental ('must know'). We would argue that these would include :</p> <p>(1) the nature and identity of the product (including investment approach);</p> <p>(2) the charges and costs;</p> <p>(3) the risks;</p> <p>(4) past performance information</p>	<p>Noted</p> <p>See section 9</p>

			<p>However, it is important to recognize the distinction between a personal pension and an investment or life fund. A personal pension is essentially an administrative and tax 'wrapper' designed to hold underlying investments. An individual could therefore purchase a pension product which provides the option to invest in a number of underlying investment funds, each with their own KIID. The 'top-level' KID would need to reflect the investment choice(s) made by the individual. There are also national variants to consider, such as the UK automatic enrolment programme which is not a conventional sales process and disclosure requirements would need to be appropriately adapted.</p> <p>Beyond the 'must know' in the pre-contractual phase lie several 'should know' elements related to potential outcomes, including the connection between a given level of contribution and an expected outcome, both in terms of the final size of investment pot and the likely retirement income. This connects to the issue in Q29 of adequacy ("will my pension be sufficient for my needs?").</p> <p>These elements could be difficult to capture in a single KID document that has mandatory application in terms of format across Europe. Not only do different jurisdictions have different requirements during the accumulation phase (eg. guarantees), but the payout phase is also governed by different rules (eg. whether annuitisation is mandatory or not). Such information may better be contained in annual statements.</p> <p>This complicates the discussion about a European PPP in two ways. Firstly, even at national level, it could be difficult to capture different information sets. Second, if this is a cross-border product where</p>	
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			retirement income could be taken in a different country to the accumulation phase, then the challenges multiply significantly.	
585.	National Association of Pension Funds (NAPF)	Q27	In the pre-contractual phase, what 'must' PPP holders know about the personal pension product before purchasing and what "should" they know? What further information should be available and easy to find?	
586.	NL- Ministry of Finance	Q27	<p>This comment refers to question 27 to 63</p> <p>The largest part of the consultation deals with consumer protection for third pillar pension products.</p> <p>The main risks for consumers when purchasing a third-pillar retirement product do not differ substantially from the risks when purchasing other complex financial products, such as mortgage products. The most important risk is that the average consumer does not have an adequate insight into his own needs nor into the essential characteristics of the financial product offered so as to be able to evaluate both the adequacy and the quality of this product..</p> <p>Moreover, the real sufficiency of the pension income that will be generated by a third-pillar product will only turn out at retirement, that is many years after the choice for a product is made. For an average consumer long-term and complex products are difficult to understand, as are abstract concepts such as risk and purchasing power, whilst these products could have a substantial impact on one's life. In addition to providing adequate information about retirement products to consumers, financial awareness of consumers is of even greater importance, but at the same time an information overload has to be avoided.</p>	Noted

			<p>The most common types of third-pillar retirement products in the Netherlands are annuity insurance and 'lijfrente-banksparen/beleggen'. 'Lijfrente banksparen/beleggen' is a product administrating benefits in a blocked savings-account or a blocked account administrating shares in an investment fund. Both annuity and 'lijfrente-banksparen/beleggen' are fiscally facilitated in order to stimulate citizens to make reservations for old age. These type of products are, together with a.o. mortgage products and investment funds, due to their more complex nature and potential impact on consumers classified in Dutch law as 'complex products'.</p> <p>For complex financial products, additional rules on transparency and selling practices apply. Financial institutions are required to provide consumers with a 'financial leaflet' before selling a complex financial product (with the entry into force of the PRIIPS-Regulation and the MCD this financial leaflet called "financiële bijsluiter" will be replaced by a similar document: the Key Information Document/European Standard Information Sheet). The purpose of the concise and comprehensible information that is provided in the financial leaflet in the Netherlands is to give the consumer a standardised (and comparable) manner insight into the essential characteristics of the financial product at hand. For instance the nature of the financial product and the outcome it can generate (savings, investment, insurance or a combination of these types of products) needs to be addressed as well as the risks and the costs that can influence the outcome. Standardised graphics have to be used to show these effects in a visual way.</p> <p>On the demand side of the equation, financial education has a pivotal role to play. Financial education can help people to plan for their financial future and improves their ability to identify their (retirement)</p>	
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			<p>needs. It can help them to understand their anticipated retirement income and select amongst the options to decrease the gap between income and needs.</p> <p>In addition to financial self awareness, it is of great importance that they consumers can ask for help and advice. Therefore stimulating financial awareness of those consumers that activates them to question and understand their own needs and the information on financial products provided and if necessary activates them to ask for the assistance of a professional financial planner of adviser is important. These consumers should be able to rely on financial professionals that adequately provide services in the interest of the clients they claim to represent. Therefore the Netherlands have, in addition to more general rules on sales of complex financial products, recently put a ban on inducements to decrease the risk of misselling practices. There is a high level of consumer protection for complex products in place in the Netherlands. Regulation regarding transparency and sales practices stems both from European and national legislation governing banks, insurance companies, investment funds and investment services. There is also helpful self-regulation in place, for example on transparency on annuity insurance products.⁷</p> <p>Though the requirements on transparency and the marketing and sales are the same for all complex products, the specific requirements are adjusted according to the specific nature of the different products. For example, the financial leaflet for a mortgage product requires slightly different information than the private pension product.</p>	
587.	PensionsEurope	Q27	In the pre-contractual phase, information should be presented to the	Noted

	PensionsEurope represents national		<p>potential PPP holders in the form of Key Investor Information (KII) or Key Information Documents (KID) like documents. A consumer-friendly display of the information and uniform terminology and definitions across the EU are desirable.</p> <p>Potential subscribers must be given sufficient information to enable them to make adequate investment decisions. Information should allow a comparison of different products, and must include information about the product, provider, custodian, auditor, supervisory authorities and distributors. It must also disclose the possibility of capital loss, investment objectives, investment policy, risk profile as well as an historical evolution of the returns of the products. In addition, it must also include information about the subscription, redemption and transfer costs.</p>	See section 9
589.	ABI	Q28	<p>In the UK, the provision of pre-contractual information for personal pensions is highly regulated and requires that consumers are provided with two main documents. The Key Features Document (KFD) sets out the main features of the product including information about the aims of the investment, the commitment required by the consumer and the risks. It must also contain, in the format of questions and answers, any additional information necessary for the consumer to make an informed decision. The Key Features Illustration (KFI) is a personalised document which contains information on the charges for the product, and a projection of the returns the consumer can expect.</p> <p>In addition to these documents, consumers are provided with a copy of the terms and conditions for the product and information about the individual funds that they may choose. Broadly, we believe this is sensible framework for setting out the necessary layers of information</p>	<p>Noted</p> <p>See section9</p>

			for consumers.	
590.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q28	Information should include what we stated in the previous answer, insisting in particular on the connection between time and risk, in order to produce a more modern and aware approach. The information must be one and only, clear and legible: layering may lead to the dispersion of information and confuse the potential subscriber.	Noted
591.	Asset management of Slovenska sporitelna	Q28	KII/KID might be a good standard for PPPs	Noted
592.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q28	<p>What information – see Q27above.</p> <p>Best way to make it easy</p> <p>Advice provided by competent pension intermediaries supported by provider documentation, with every item of literature in each layer clearly described and with cross referencing/sign posting - ideally in categories posted on the provider's website.</p> <p>Availability of any third party assistance such as The Pension Advisory Service in the UK.</p>	Noted
593.	Association of the Luxembourg Fund Industry	Q28	<p>If a layering of information is introduced, what information should be included in the different layers outlined above ("must know")? What information should be included in the subsequent layers ("should know" and "nice to know")?</p> <p>ALFI agrees with the answer provided by EFAMA.</p>	<p>Noted</p> <p>See section 9</p>

			<p>In the layer 'must know', the following elements should be covered: the identity of the product and its manufacturer, the nature and the main features of the product, including whether the investor might lose capital, its risk and reward profile, costs, and past performance as appropriate.</p> <p>The layer 'should know', should include information about possible future outcomes.</p> <p>The layer 'nice to know' should include cross-references, i.e., reference to the relevant legal documents and to an online website where more information could be found.</p> <p>What is the best way to make it easy for PPP holders to find their way through the different layers?</p> <p>EFAMA welcomes EIOPA's work on "Good Practices on information provision for DC schemes". Following some of the suggestions from this report, we believe the information provided should be ordered by relevance, the most important information ('must know') should be highlighted and readability could be ensured through font size and number of words.</p>	
594.	Assogestioni	Q28	<p>"Must know" layer: identity of the product and its manufacturer, the nature and the main features of the product (information about the possibility to lose capital, risk-reward profile, costs, information on the redemption right, default option if any, etc.);</p> <p>"Should know layer": possible future outcomes</p>	Noted

			"nice to know layer": reference to other means of information (PPP website, legal documents, etc.)	
595.	Bulgarian Association of supplementary pension sec	Q28	<p>„Must know”: contribution rates, possibilities to switch between providers, investment options, benefit payment options in the pay-out phase, cost of the PPP</p> <p>„Should know”: basics of the national legal framework regarding pension products as well as the respectively related cross-border implications.</p> <p>„Nice to know”: EU market development and investment yield trends.</p> <p>The best way to make it easy for PPP holders to find their way through the different layers is by appropriate design of communication strategies. A brief information sheet of paper may lead potential PPP holders through the first layer. The basics of the national legal framework regarding pension products as well as the respectively related cross-border implications (the second layer) may be open to potential PPP holders through the links quoted on the information sheet of paper provided for on the first layer. The „nice to know” info may be provided during subsequent correspondence or face-to-face meetings.</p>	Noted
596.	EFAMA	Q28	<p>If a layering of information is introduced, what information should be included in the different layers outlined above (“must know”)? What information should be included in the subsequent layers (“should know” and “nice to know”)?</p> <p>In the layer ‘must know’, the following elements should be covered: the identity of the product and its manufacturer, the nature and the main features of the product, including whether the investor might lose capital, its risk and reward profile, costs, and past performance as appropriate.</p>	Noted

			<p>The layer 'should know', should include information about possible future outcomes.</p> <p>The layer 'nice to know' should include cross-references, i.e., reference to the relevant legal documents and to an online website where more information could be found.</p> <p>What is the best way to make it easy for PPP holders to find their way through the different layers?</p> <p>EFAMA welcomes EIOPA's work on "Good Practices on information provision for DC schemes". Following some of the suggestions from this report, we believe the information provided should be ordered by relevance, the most important information ('must know') should be highlighted and readability could be ensured through font size and number of words.</p>	
597.	EIOPA Occupational Pensions Stakeholder Groups (OP	Q28	<p>We would be supportive of layering along the lines of EIOPA recommendations for DC occupational pension schemes and also for similar types of information. For the first layer see above. Other imported practices from the occupational regime should include:</p> <ul style="list-style-type: none"> - regular individualised benefit statements; - clear benefit projections under prudent assumptions; - possibility of raising contributions or later retirement; - access to comparative information on costs and performance. <p>There is also an issue around disclosure information, and updates on default funds and default investment strategies. Although the consumer is effectively helping to 'design' his or her own scheme by</p>	<p>Noted</p> <p>See section 9</p>

			choosing these options, there should be clear lines of responsibility. The provider should review the offering to make sure the options and their charges remain appropriate, even if they were originally a 'voluntary' choice. As there is a contractual relationship between customer and provider, the provider has to ensure the product is fit for purpose for that market. The investment options (if any) will also need on-going monitoring.	
598.	Fédération Française des Sociétés d'Assurance	Q28	Please refer to question 26	Noted
599.	FSUG	Q28	see the response in Q40 with regard to the presented Table 1 under the Q26.	Noted
600.	German Insurance Association (GDV)	Q28	The main problem of a layering approach is, that the relevance of information depends on several factors: the country (i.e. the tax and social security system), the customer (time until retirement, savings gap, ...) and the moment of information (1. Should I invest in pensions? 2. If yes, which type of product?/which provider? 3. What specific offer?)	Noted
601.	Groupe Consultatif	Q28	This needs to be decided once the information requirements have been agreed. The principle of layering information is a good one. To encourage innovation by providers on how best to provide further information and to enhance accessibility, legislation should only extend to the "must know" items. The provision of secondary information should be encouraged by the local regulatory regimes.	Noted
603.	Investment	Q28	See answer to Q27.	Noted

	Management Association			
604.	National Association of Pension Funds (NAPF)	Q28	If a layering of information is introduced, what information should be included in the different layers outlined above ("must know")? What information should be included in the subsequent layers ("should know" and "nice to know")? What is the best way to make it easy for PPP holders to find their way through the different layers?	
605.	PensionsEurope PensionsEurope represents national	Q28	<p>Must know: information about the product, provider, custodian, auditor, supervisory authorities, distributors, possibility of capital loss, investment objectives, investment policy, risk/reward profile, historical evolution of the product returns and information about the subscription, redemption and transfer costs.</p> <p>Should know: possible outcomes</p> <p>Nice to know: applicable law, IT tools</p>	<p>Noted</p> <p>See section 9</p>
606.	Slovak Association of Fund Management Companies (S	Q28	KII/KID might be a good standard for PPPs	Noted
609.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q29	The information should be integrated with a compulsory annual projection –carried on by the national qualified subjects and addressed to all the citizens- of the citizen's basic pension treatment (1st pillar). In this way, every subject could verify its possible supplementary requirement, reaching a greater knowledge and therefore new habits and kinds of funds, which will gradually become	Noted

			more customary. In fact, the query related to the balance required for the maintenance of the standard of living, or at least of a more fair/acceptable level remains the basic. Also, for what concerns professional pensions and, in general, supplementary pensions, the creation of a program by the MS (annually updated depending on the pension's regulation in force), would be necessary.	
610.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q29	<input type="checkbox"/> Given mortality statistics – how long would I be expected to live after retirement? <input type="checkbox"/> Given inflation assumptions – how big a minimum pension fund should I be aiming for? <input type="checkbox"/> Given my current age, and based on conservative growth assumptions, how much should I be saving now?	Noted
611.	Association of the Luxembourg Fund Industry	Q29	<p>What key questions identified in the area of occupational pensions (Will my pension be sufficient for my demands and needs? If not, how much will the shortfall be and what can I do to improve the situation?) might be relevant for personal pensions?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>The questions should be different when applied to DC or DB schemes rather than when applied to occupational or personal pension schemes.</p> <p>This is because, as EIOPA mentions in its Advice to the Commission, pre-contractual information “[a KIID-like document] is particularly useful for DC schemes, where members bear the investment risk and are asked to make choices at individual level; it is not necessary</p>	Noted

			where employers/IORPs carry the investment risks and members are not asked to make choices specifically regarding their pension scheme".	
612.	Assogestioni	Q29	We deem that subscribers need to receive the same type of information, whether the product is an occupational or a personal pension. The questions identified in the area of occupational pensions are therefore appropriate for personal pensions too but there should be a clear statement about the redemption rights.	Noted
613.	Bulgarian Association of supplementary pension sec	Q29	All the questions, of course sifted through a personal gauge.	Noted
614.	EFAMA	Q29	<p>What key questions identified in the area of occupational pensions (Will my pension be sufficient for my demands and needs? If not, how much will the shortfall be and what can I do to improve the situation?) might be relevant for personal pensions?</p> <p>The questions should be different when applied to DC or DB schemes rather than when applied to occupational or personal pension schemes.</p> <p>This is because, as EIOPA mentions in its Advice to the Commission, pre-contractual information "[a KIID-like document] is particularly useful for DC schemes, where members bear the investment risk and are asked to make choices at individual level; it is not necessary where employers/IORPs carry the investment risks and members are not asked to make choices specifically regarding their pension scheme".</p>	Noted

615.	EIOPA Occupational Pensions Stakeholder Groups (OP)	Q29	<p>We would be supportive of layering along the lines of EIOPA recommendations for DC occupational pension schemes and also for similar types of information. For the first layer see above. Other imported practices from the occupational regime should include:</p> <ul style="list-style-type: none"> - regular individualised benefit statements; - clear benefit projections under prudent assumptions; - possibility of raising contributions or later retirement; - access to comparative information on costs and performance. <p>There is also an issue around disclosure information, and updates on default funds and default investment strategies. Although the consumer is effectively helping to 'design' his or her own scheme by choosing these options, there should be clear lines of responsibility. The provider should review the offering to make sure the options and their charges remain appropriate, even if they were originally a 'voluntary' choice. As there is a contractual relationship between customer and provider, the provider has to ensure the product is fit for purpose for that market. The investment options (if any) will also need on-going monitoring.</p>	<p>Noted</p> <p>See section 9</p>
616.	Fédération Française des Sociétés d'Assurance	Q29	Please refer to question 26	Noted
617.	FSUG	Q29	<p>During the pre-contractual phase, personalized projections oriented on answering adequacy questions should include stochastic approach and IRR (individual replacement ratio) calculations under different assumption of variables (pessimistic, realistic, optimistic).</p> <p>More broadly, the second (contractual) phase is the main part of the</p>	<p>Noted</p> <p>See section 9</p>

			<p>consumer life-cycle, where all the risks associated with PPPs might emerge. The FSUG thinks the EIOPA Report¹ provides a quite comprehensive overview of risks the consumer face when buying DC based PPPs. Figure 2 below provides an overview of the main risks connected to the accumulation phase. The risks with the highest value are market risk, inflation risk, risk of stopping or reducing payment of contributions, administration, charges, information availability to consumers, investment strategies (practices).</p> <p>Figure 3 Accumulation Phase Risks</p> <p>Source: EIOPA, 2011</p> <p>The bearers of risks associated with the contractual (accumulation) phase are presented in a figure below.</p> <p>Figure 4 Ultimate bearers of the risks during the accumulation phase</p> <p>Source: EIOPA, 2011</p> <p>The FSUG thinks, that separating the accumulation and pay-out phase could create significant detriment to consumers as the PPPs most often do not cover the pay-out phase. Thus, this negative development trend all over the EU has significant consequences by leaving the consumer in a risk of not being able to assess the PPP towards the ultimate retirement goal (adequacy).</p> <p>In order to create a respectable information disclosure and consumer protection EU certification scheme, the pay-out phase should play an integral part of PPP and consumer life-cycle as there are the most significant risks present (see Figure below).</p> <p>Figure 5 Pay-out Phase Risks</p>	
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			<p>Source: EIOPA, 2011</p> <p>FSUG thinks that in view of the drastic changes introduced by several MS who are looking at all possible ways to reduce their public deficit, the risk of taxation has been underestimated by many EU and national official bodies. Stability of the taxation mechanism is viewed as a crucial point when designing a EU-wide single market for long-term savings (retirement) product.</p> <p>The payout phase risks point to longevity risk as having both highest level of importance and highest number of members affected. Also the risk that the decumulation option chosen is not adequate to meet the individuals needs as well as the risk that capital accumulated is not enough to purchase an annuity are showing high indicators by both impact and frequency. At the same time, annuitisation risk and taxation risk are indicated as having low level of importance and number of members affected (EIOPA, 2011).</p> <p>Figure 6 Ultimate bearers of the risks during the pay-out phase</p> <p>Source: EIOPA, 2011</p> <p>Similarly to the joining and accumulation phase risks, payout phase risks are mostly borne by individual consumers (figure above) while decisions in the payout phase are more delegated to individuals that in other phases of the life-cycle.</p> <p>It is worth mentioning, that the most common product for a pay-out phase is a life annuity and for the common types of annuity the decision taken by consumers is one-off and irreversible.</p>	
618.	German Insurance Association (GDV)	Q29	<p>The issues in parenthesis could not be addressed by product information. The identification of savings gaps demands a thorough assessment of the personal situation, i.e. one needs personal information not product information. As EIOPA rightly pointed out in</p>	Noted

			the report on "Good practices on information provision for DC schemes", the answer to such questions could be supported by personal annual statements but not at the pre-contractual stage.	
619.	Groupe Consultatif	Q29	<p>What regular income in today's money can I expect in retirement if I go on contributing at the current level?</p> <p>What income can I expect if I cease contributing in a year's time?</p> <p>How uncertain is the outcome and what sort of a range can be put on the likely outcome? What would be the impact of increasing my contributions by 1% of salary (2%, 3% etc).</p> <p>What difference does it make to the expectation (and to the uncertainty about that expectation) if I were to select a more risky investment option – or a less risky one ?</p> <p>What would be the effect on the prospective income if I change the date when I take it by five years (i.e. defer it or have it paid earlier)?</p> <p>What choices are available for me when I come to retire?</p> <p>What proportion of my contributions will be absorbed by the charges of the pension provider?</p> <p>What happens if I die before taking the benefits?</p> <p>What happens if I become ill and unable to work?</p> <p>A further key question will be how the PPP could affect other social security benefits in a Member State, particularly where the entitlement to those social security benefits or the level of receipt is dependent on an individual's level of income or level of savings.</p>	Noted Section 9
621.	Insurance Europe	Q29	What key questions identified in the area of occupational pensions ("Will my pension be sufficient for my demands and needs? If not,	Noted

			<p>how much will the shortfall be and what can I do to improve the situation?") might be relevant for personal pensions?</p> <p>As indicated in its response to question 6, PPPs facilitated by the employer should be excluded from the scope of this consultation.</p> <p>Furthermore, according to Insurance Europe, the question in parenthesis could not be answered by providing product information. The identification of the personal savings gap demands a thorough assessment of the personal situation. As EIOPA rightly pointed out in its report on "Good practices on information provision for DC schemes", the answer to such question could be supported by personal annual benefit statements but not by pre-contractual information at the product level.</p>	See section 9
622.	Investment Management Association	Q29	<p>To the extent that we are talking about similar kinds of scheme (eg. pure DC), the questions will be very similar and certainly include the one posed by EIOPA in its text here. Clearly, for DB schemes, the questions are different since the way in which investment choice, investment risk and charges arise tends to be different.</p>	Noted
623.	National Association of Pension Funds (NAPF)	Q29	<p>What key questions identified in the area of occupational pensions (Will my pension be sufficient for my demands and needs? If not, how much will the shortfall be and what can I do to improve the situation?) might be relevant for personal pensions?</p> <p>Again drawing on our experience of establishing the Pension Quality Mark for workplace DC schemes, we would suggest that the following</p>	Noted Section 9

			<p>information would be appropriate for members of personal pension schemes:</p> <ul style="list-style-type: none"> - potential benefits; - charges; - any flexibility over contributions; - tax treatment; - investment choices; and - how to shop around for the best annuity at retirement. 	
624.	PensionsEurope PensionsEurope represents national	Q29	The referred questions identified for workplace pensions are applicable for PPP since citizens seek with both schemes to prepare for their retirement ensuring an adequate level of pension in the future. However, PPP holders should specifically be aware of their redemption and transfer rights.	Noted
626.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q30	Yes, absolutely: it would be appropriate for the citizen’s protection. A more standardised and simplified knowledge, better protecting the holder and also a more uniform treatment of PPPs in Europe.	Noted
627.	APFIPP – Associação Portuguesa de Fundos de Invest	Q30	We consider that the KII should be adopted by PPPs as their main information document, contributing to the goal foreseen in PRIPS - Packaged Retail Investment Products, of setting up a common information document for each retail product, with a similar structure and more consumer friendly, enabling the comparison between the	Noted See section 9

			<p>different products available and ultimately choose the product that best suits their needs.</p> <p>The KII seems to be a suitable option, since it intends to provide information on the product's main features, as well as the risks and costs associated with the investment, in order to help them to reach informed investment decisions.</p>	
628.	Asset management of Slovenska sporitelna	Q30	KII/KID will be appropriate document for PPPs	Noted
629.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q30	<p>The behavioural purpose would be to aid comparison of assets and give an overview understanding.</p> <p>Many PPPs will in fact be "wrappers" which will incorporate a number of assets, many of which will have their own KII/KID. The risk aspects of the KII/KID will not be relevant to the wrapper, but only to the underlying assets. Our view is that so long as an individual can use the same assets for pension or non-pension purposes then the same disclosure information should be provided. If a pension product is established using, say, ten different UCITs then it could be unrealistic if all had the same risk rating, as that would be unlikely to reflect the PPP holder's overall risk attitude – hence emphasising the need for independent advice.</p>	<p>Noted</p> <p>See section 9</p>
630.	Association of the Luxembourg Fund Industry	Q30	Will a KII/KID like document be appropriate for personal pensions as has been advised by EIOPA on the review of the IORP Directive? What would be the behavioural purpose?	<p>Noted</p> <p>See section 9</p>

			<p>ALFI agrees with the answer provided by EFAMA, however, we believe that some adaptations to PPPs are required.</p> <p>EFAMA strongly agrees that improving transparency in the investment market for retail investors, including in the market for personal pension products, is a vital strategy to rebuild retail investors' confidence on a sound basis. EFAMA has welcomed the Commission's PRIPs initiative which includes in its scope consumer protection measures in relation to the purchase of personal pension products. In this context, we agree that the KID is an essential tool to strengthen the transparency of the pre-enrolment information that should be presented in order to help individuals to make sensible decisions about PPPs.</p> <p>This is also an essential element of investor protection, especially when individuals bear the investment risk.</p> <p>A common EU standard for KIDs is also important to make comparisons between PPPs authorized in different countries easier, and therefore facilitating their cross-border distribution.</p>	
631.	Assogestioni	Q30	It is essential to define a standardized document to provide PPPs relevant information and to allow comparisons among different products and product providers. We also believe that the document should be a KIID like document, whether PPPs will be included or not in the Commission's PRIPS initiative scope.	Noted
632.	BIPAR	Q30	BIPAR believes that personal pension products should be provided	Noted

			<p>with sufficient and clear information to allow the client to make informed decisions.</p> <p>For some PPPs a KID may be relevant or useful but this should be subject of further study. Most of these PPPs have already clearly written contract terms.</p> <p>The KID should be made by the manufacturer as he is the one who knows the underlying contents of the product and is responsible for it.</p>	
633.	Bulgarian Association of supplementary pension sec	Q30	<p>A Personal Key Information Document should be developed (PKID) for PPPs analogous to the KII/KID documents advised by EIOPA in the review of the IORP Directive. However, bearing in mind the individual characteristics of the PPP, the PKID should be designed in such a way as to meet the specific requirements of each particular PPP holder rather than an occupationally identified group of members with a given sponsoring undertaking of an occupational scheme. The behavioural purpose pursued, i.e. „what consumers need to do with the information”, is to help PPP holders take prudent decisions relying on a dynamic, easily accessible and individually adaptable information base. It should be achieved not through printed-out leaflets generalizing typical questions, but through a web-based application allowing PPP holders to obtain individually modelled PKID on the basis of their particular inquiries.</p>	Noted
634.	EFAMA	Q30	<p>Will a KII/KID like document be appropriate for personal pensions as has been advised by EIOPA on the review of the IORP Directive? What would be the behavioural purpose?</p> <p>EFAMA strongly agrees that improving transparency in the investment market for retail investors, including in the market for personal pension products, is a vital strategy to rebuild retail investors' confidence on a sound basis. EFAMA has welcomed the</p>	Noted

			<p>Commission's PRIPs initiative which includes in its scope consumer protection measures in relation to the purchase of personal pension products. In this context, we agree that the KID is an essential tool to strengthen the transparency of the pre-enrolment information that should be presented in order to help individuals to make sensible decisions about PPPs.</p> <p>This is also an essential element of investor protection, especially when individuals bear the investment risk.</p> <p>A common EU standard for KIDs is also important to make comparisons between PPPs authorized in different countries easier, and therefore facilitating their cross-border distribution.</p>	
635.	Fédération Française des Sociétés d'Assurance	Q30	Please refer to question 26	Noted
636.	FSUG	Q30	KII/KID like documents should be significantly improved in order to serve the needs of consumers efficiently. The "life-cycle" approach should be used when presenting the information to the consumers.	Noted
637.	German Insurance Association (GDV)	Q30	The use of KID-like information is in general very useful. Therefore, Insurance-KIDs already exist in every developed EU insurance market. The national KIDs reflect the characteristics of national markets. We do not consider an additional or even compensating "one size fits all"-KID would lead to better consumer information.	Noted
638.	Groupe Consultatif	Q30	Yes, but we think the information requirements are greater for PPPs than for the generality of financial products. The behavioural purpose is to assist the individual PPP holder to understand what he or she is	Noted

			buying but also to mitigate the information asymmetry between pension providers and consumers and improve the behaviour of the pension providers and their agents.	
640.	Insurance Europe	Q30	<p>Will a KII/KID like document be appropriate for personal pensions as has been advised by EIOPA on the review of the IORP Directive? What would be the behavioural purpose?</p> <p>Providing adequate information to consumers is an important part of improving consumers' understanding of pension products. Providing information in a clear, relevant and timely manner allows consumers to compare the key features, including the benefits and risks, of different products, and helps them to select the right product for their needs.</p> <p>Given the long-term nature of many third-pillar products, it is important that consumers are provided with appropriate and relevant disclosures enabling them to make informed decisions before purchasing such products.</p> <p>For all these reasons, Insurance Europe is supportive of initiatives that help improve consumer information.</p> <p>However, such disclosures will only be useful to consumers if they are appropriately tailored to the products offered and to the consumers' needs and demands in the respective national markets.</p>	<p>Noted</p> <p>Section 9 refers</p>

			<p>It should also be noted that, in general, insurance products are already subject to high standards of consumer information and protection; the usefulness of any new initiative in this field should therefore be assessed and considered in light of the existing regulatory frameworks. Insurance disclosure documents already exist in many EU insurance markets. These documents reflect the characteristics of the national markets. We do not believe that an additional or even compensating “one size fits all”-KID would lead to better consumer information.</p> <p>Moreover, Insurance Europe would like to stress that regulatory initiatives related to information requirements, such as the proposed Key Information Document (KID) for PRIIPS, are still being developed and discussed at EU level. In addition, DG SANCO conducted recently a consultation on consumer protection for third pillar retirement products.</p> <p>Insurance Europe is concerned that the present concurrent and uncoordinated EU work on PRIIPs — the outcome of which is still unclear — and other initiatives (eg Solvency II) are creating a tangible risk of overload and overlap of information requirements to the detriment of consumers.</p> <p>These workstreams could ultimately result in consumers receiving excessive, duplicative, unnecessary, and thus confusing information. These would defeat the objective of improving consumer information about and understanding of retirement products. Insurance Europe therefore calls on the different institutions and authorities working on pension products to strongly coordinate their activities.</p>	
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			<p>In addition, given the specific characteristics of pension products, Insurance Europe believes that any additional disclosure requirements for pension products, if deemed necessary, should also focus on such specific features. The EIOPA consultation and the concurrent DG SANCO consultation both deal with disclosure requirements for individual pension products. It is, therefore, inconsistent to research how to best inform consumers about pension products at the pre-contractual stage on the one hand and, on the other, to include them in a general investment disclosure document within the PRIIPs regulation. For these reasons, Insurance Europe has requested the exclusion of pension products from the PRIIPs regulation because, unlike other PRIIPs, the products (i) are a type of savings product which must provide an income for retirement; and (ii) offer limited or no access to these savings during the accumulation phase. Therefore, it should not be the aim of the legislative proposal to force all pension products within the untailored scope of PRIIPs but rather to ensure – as indicated in the European Commission’s White Paper on Pensions – that consumer information for individual pension products is improved.</p> <p>Finally Insurance Europe would like to stress that financial education has a vital role to play in ensuring that consumers are equipped with the knowledge, confidence and skills necessary to improve their understanding of financial products and make informed decisions on saving for retirement.</p> <p>In its Green Paper on Pensions, the European Commission acknowledged that as pensions have become more complex, financial education can help people to understand the information in order to make informed choices. It stresses the importance of individuals being properly equipped with economic literacy and planning skills to be able to adequately assess their need for financial and social</p>	
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			<p>protection; it also notes that informed decisions go hand in hand with adequate pension provision. Responsibility lies not just with consumers but with a wide range of stakeholders (EU member states, public authorities, consumer associations, academia and the private sector) to improve financial education and help address any knowledge deficits among consumers regarding financial products and services.</p> <p>Transparency efforts are likely to fail where appropriate measures on financial education and literacy are not introduced to enable consumers to understand financial information.</p>	
641.	Investment Management Association	Q30	<p>Yes, in principle. The behavioural purpose is important since it links to the broader – thus far unanswered - question about how a European PPP would be distributed and purchased.</p> <p>Our view about purpose is as follows :</p> <ol style="list-style-type: none"> 1. Where consumers are members of a scheme in which they bear investment risk and pay charges, there is a part of the information set that should be required irrespective of the governance or distribution structure. These are the 'must know' categories we identify in our answer to Q27 (nature of product, charges and costs, risks, past performance) 2. A central purpose of this ('must know') information is to ensure that consumers have consistency and ease of understanding, combined with a means for comparability if needed. Inter alia, this should help to avoid a challenge that the investment and long-term savings industry has experienced in the UK whereby inconsistency 	Noted

			<p>both of charge calculation and presentation has led to accusations that consumers are being only partially informed, or worse, mislead. The behavioural impact may then be more indirect than direct in the sense that such consistency helps to build confidence in the industry and hence boosts long-term savings levels to the benefit of savers, the broader economy and the industry itself.</p> <p>3. For the purposes of influencing specific aspects of behaviour, particularly around levels of contribution and investment choice (where consumers wish to choose), there will be limitations to what a KID can achieve. As we point out above, consideration needs to be given to the spread of information between the KID, the annual statement and other approaches such as online tools. Beyond that, the question of advice (or workplace scheme governance in Pillar 2 arrangements) is also highly relevant for individuals who may be poorly equipped to make such important decisions for their future welfare.</p>	
642.	National Association of Pension Funds (NAPF)	Q30	<p>Will a KII/KID like document be appropriate for personal pensions as has been advised by EIOPA on the review of the IORP Directive? What would be the behavioural purpose?</p> <p>As outlined in the previous answer, much of the information that would be useful for members of a workplace pension scheme would be equally useful for a member of a PPP.</p> <p>Given that PPP members have no access to the governance that is provided in well-run workplace schemes, it is particularly important that they have the full information needed to take the right decisions</p>	Noted

			on contribution levels, investment and annuitisation.	
643.	PensionsEurope PensionsEurope represents national	Q30	We certainly believe a KII/KID document would be appropriate for PPPs. It shall contain sufficient information to enable potential subscribers to adopt the investment decisions more adequate to their profile. The information shall be presented in a reader-friendly format. One of the key advantages of adopting a standardised format is that it will allow PPP holders to compare between different products and even between different providers.	Noted
644.	Slovak Association of Fund Management Companies (S	Q30	KII/KID will be appropriate document for PPPs	Noted
645.	Slovak Insurance Association	Q30	Will a KII/KID like document be appropriate for personal pensions as has been advised by EIOPA on the review of the IORP Directive? What would be the behavioural purpose? We would say YES.	Noted
648.	ABI	Q31	There are many differences between a UCITS fund and a pension. A UCITS fund is a standardised fund across the EU whereas pension products are very diverse, with EIOPA currently identifying 46 different types of pensions. Further, a unit linked pension can offer consumers access to over 100 fund choices, so the proposition is very different to investing directly into a single UCITS fund. Many of the categories of information (in particular the risk/reward	Noted

			<p>indicator, past performance and charges) required by the UCITS KIID would be extremely challenging to produce for pension products. It would not, for example, be feasible to calculate an accurate risk and reward indicator because pension products may offer a range of investment choices to consumers, so there is no single measure of risk/reward.</p> <p>Given the major differences in these products, we believe that national regulators are better suited to set down appropriate regulation for their markets.</p>	
649.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q31	<p>Given the opportunity that these instruments may have of protecting the capital as a an integrated service, the reference for the profiling of the subjects can be defined to a good approximation by calculating the average between the identification of the degree of acceptance of the risk, as foreseen by the Directive MiFId and the time horizon deriving from the relation between the present age and the date of retirement. The risk-profile of management policies should also be the same for all countries. To that end all benchmark should be identified before the drafting of the KIID. The underwriters must be protected as much as possible and it's essential to establish some lines that foresee a minimum risk and the assurance at least of the paid capital at the end of the plan.</p> <p>Partially: it should in fact be combined with data related to the time horizon, in order to come to technically more suitable choices. The citizen-holder should also be aware that he could incur in the risk of maximum loss when choosing a product or another, and of the recovery time after the aforesaid maximum loss (drawdown and recovery drawdown).</p> <p>See above.</p>	Noted

650.	APFIPP – Associação Portuguesa de Fundos de Invest	Q31	The risk reward used in the UCITS Directive seems to be appropriate, including the synthetic indicator.	Noted
651.	Asset management of Slovenska sporitelna	Q31	UCITS directive is sufficient.	Noted
652.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q31	<p>Risk profiling tools are commonly used by intermediaries and offered by many product providers to assist in assessing the individual's attitude to risk. Reference to such tools, which are intended to be used over a long time frame, could be useful for PPPs.</p> <p>The synthetic risk reward indicators (SRRI) used for UCITs are not easy to understand by individuals, as they are totally abstract. An individual is more likely to identify with a visual presentation such as a graph or bar chart. Of course, any of these three approaches has to be based on historical information. There is perhaps an added risk that a SRRI with seven categories might tempt PPP holders who were not receiving investment advice, to simply choose assets with an intermediate numerical category irrespective of other merit. As indicated in answer to Q30, this would generally be inappropriate, as the PPP could be made up of a number of UCIT assets which might sensibly have varying risk ratings, from low rewards to high rewards. The attitude to risk established by the independent advisor or risk profiling tool would be unlikely to reflect the indicators of individual assets.</p>	Noted
653.	Association of the Luxembourg Fund Industry	Q31	Could a good reference for risk-reward profiles be defined for personal pensions? To what extent do you find the risk reward used in UCITs Directive appropriate for PPPs? What are other examples to consider?	Noted

			We believe that a UCITS type risk reward indicator is a good basis. However, the long-term aspect of the investment, the age and investment horizon of the particular investor needs to be built into the calculation method.	
654.	Bulgarian Association of supplementary pension sec	Q31	Typical risk-reward profiles are difficult to apply directly to PPPs. The underlying difference between PPPs and pure investment products is that PPPs are PENSION products. The ultimate aim is to provide adequate retirement income (usually for life) after a contribution period of about 30 – 40 years. Investment options of a PPP are always measured not only against the risk-reward profile but also against the particular time horizon. As the underlying aim is to provide for a secure stream of income for a substantial period of time after 30-40 years of asset accumulation, all the risk-reward profiling should be done in compliance with appropriate life-cycling of the investment option design.	Noted
655.	EFAMA	Q31	Could a good reference for risk-reward profiles be defined for personal pensions? To what extent do you find the risk reward used in UCITs Directive appropriate for PPPs? What are other examples to consider? Please refer to Q32.	Noted
656.	Fédération Française des Sociétés d'Assurance	Q31	Please refer to question 26	Noted
657.	FSUG	Q31	Presenting the "risk-reward" profile of a PPP is in general based on	Noted

			the historical data and therefore uses a wrong principle (deterministic). At the same time, it is clear that the “risk-reward” of any PPP is not consistent with the “risk-reward” profile of individual saving account or value of savings. Using this approach is often misleading for consumers and might create irrational behavior and decision-making.	
658.	German Insurance Association (GDV)	Q31	<p>The UCITS-Risk-Reward-Indicator (RRI) is not appropriate for PPP – if we may add: not even for UCITS-funds. The RRI is based on the historical five year volatility. The main shortcomings of this approach are in particular:</p> <ul style="list-style-type: none"> - The five year period does not lead to a robust classification - The RRI is only based on a risk-measure, i.e. it is a risk-indicator, not a risk-reward-indicator. - Volatility is not appropriate as a risk measure, because positive deviations (i.e. the customer gets more than expected) are considered as a “risk”. <p>A particular problem with risk-reward-classification of PPPs is: Normally, there are two different phases (Phase 1. The customer pays the premium Phase 2. The provider pays the annuity), which could have totally different risk-reward-classes, i.e. Phase 2 can be much less risky. Apart from this specific problem, we think that useful risk-reward-classification should be based on the following principles:</p> <ul style="list-style-type: none"> - An RRI for PPP should look forward, instead of looking back, i.e. stochastic scenarios instead of historical figures. - All providers should use the same asset model with the same calibration (e.g. a two-asset-model with shares and bonds). 	Noted

			<ul style="list-style-type: none"> - The reward-measure should be the mean value of the return, the risk measure should be one-sided, e.g. CTE 20% (description: the mean value of the 20% worst scenarios) - There should be an even number of classes, to avoid a "middle class" (unfortunately, there are 7 UCIT-classes ...). 	
659.	Groupe Consultatif	Q31	The risk and reward disclosure requirements for UCITS in Regulation 583/2010 would be a relevant starting point. However, we consider that more is needed to disclose the potential volatility of different underlying assets over the timescale of pension saving.	Noted
661.	Insurance Europe	Q31	<p>Could a good reference for risk-reward profiles be defined for personal pensions? To what extent do you find the risk reward used in the UCITS Directive appropriate for PPPs? What other examples could be considered?</p> <p>No, Insurance Europe would like to stress that the risk reward indicator used for UCITS was defined for UCITS, not for PPPs. There are many differences between a UCITS fund and a pension. A UCITS fund is a standardised fund across the EU whereas pension products are very diverse, with EIOPA currently identifying 46 different types of pensions. Even a unit linked pension can offer consumers access to over 100 fund choices, so the proposition is very different to investing directly into a single UCITS fund.</p> <p>Many of the categories of information (in particular the risk/reward indicator, past performance and charges) required by the UCITS KIID would be extremely challenging to produce for pensions products. It</p>	Noted

			<p>would not, for example, be feasible to calculate an accurate risk and reward indicator because pension products may offer a range of investment choices to consumers, so there is no single measure of risk/reward.</p> <p>Given the major differences in these products, Insurance Europe believes that national initiatives are better suited to set down appropriate regulation for their markets.</p> <p>The UCITS-Risk-Reward-Indicator (RRI) is not appropriate for PPP, for example for third pillar pension products offering a guarantee.</p>	
662.	Investment Management Association	Q31	<p>This is an extremely challenging area, where we are aware of the issues but at this stage do not have clear answers to contribute to the debate.</p> <p>The SRRI within the existing KIID already has significant shortcomings in our view (see http://www.cass.city.ac.uk/__data/assets/pdf_file/0017/32525/risk-rating-comp.pdf), which could be compounded if this measure is then used unaltered for savings horizons of several decades.</p> <p>An additional issue is the fact that asset allocation in a DC scheme is highly unlikely to remain unaltered over the accumulation phase. Best practice at the moment dictates a de-risking glide path to retirement, notably where annuitisation is the goal. Therefore, the question arises as to how to capture the behaviour of a dynamic strategy in a pre-contractual disclosure document.</p>	Noted

663.	National Association of Pension Funds (NAPF)	Q31	Could a good reference for risk-reward profiles be defined for personal pensions? To what extent do you find the risk reward used in UCITS Directive appropriate for PPPs? What are other examples to consider?	
664.	PensionsEurope PensionsEurope represents national	Q31	The risk-reward profile used in the UCITS Directive could be a good reference to be used when defining the risk-reward profile for private personal pensions. This would include the use of the synthetic indicator.	Noted
665.	Slovak Association of Fund Management Companies (S	Q31	UCITS directive is sufficient.	Noted
667.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q32	As already stated in the answer to question 31, the combination of the two parameters would lead to a great optimisation	Noted
668.	Asset management of Slovenska sporitelna	Q32	No, investment horizon is not better guidance than UCITS risk reward ranking as it is often confused with maturity by investors or is not considered appropriately.	Noted
669.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q32	The use of investment horizons could provide a more understandable concept than risk/reward indicators for potential PPP holders of products where they carry the investment risk. In theory data target/ life cycle funds present a means by which assets can be rebalanced as the time horizon shortens, aiming to reduce the risk and volatility	Noted

			gradually as retirement nears. If viewed in the context of the pre-retirement phase then that may suit some PPP holders if they intend to use the funds to purchase an annuity. If the intention is to leave the fund invested to use for drawdown purposes, then some assets will logically continue to have significant risk and volatility as the fund could be intended to last for a further 20/30 years or more.	
670.	Association of the Luxembourg Fund Industry	Q32	For PPPs, could the investment horizon (as in “data target” funds) provide a better guidance for potential members, against the risk-reward ranking that is used for UCITs? Please refer to Q31.	Noted
671.	Bulgarian Association of supplementary pension sec	Q32	The investment horizon (as in target-date funds) provides a better guidance for potential members than the pure risk-reward ranking that is used for UCITs. In target-date funds, the target date is key (e.g. retirement) whereas UCITs aim at obtaining greater reward for a minimum level of risk without exactly targeting retirement date and the related need to have a sufficient regular stream of income afterwards to sustain one’s living.	Noted
672.	EFAMA	Q32	For PPPs, could the investment horizon (as in “data target” funds) provide a better guidance for potential members, against the risk-reward ranking that is used for UCITs? EFAMA agrees that the risk ranking should vary with time horizons and, therefore, that the methodology supporting the synthetic risk and reward indicator (SRRI) used for UCITS might not be the most appropriate for pension products.	Noted

673.	Fédération Française des Sociétés d'Assurance	Q32	Please refer to question 26	Noted
674.	FSUG	Q32	Any projections or simulations of the investment horizon including the influence of all risks (known) and uncertainty should be based on a dynamic projections approach and updated regularly (best solution is to implement a web tool for the projections updated on a daily or monthly basis via access to the individual savings account).	Noted
675.	German Insurance Association (GDV)	Q32	In general, the "investment horizon" could not replace a risk-reward indicator. In case of pensions, the investment horizon of the customer depends on external conditions: The retirement age is specified within a relatively narrow time frame. Therefore, the investment horizon is not a useful criteria for pensions.	Noted
676.	Groupe Consultatif	Q32	Disclosure of any life-styling or target date fund strategies would clearly be required. But also information about whether particular funds or combinations would be appropriate for PPP holders according to their age (and hence period to retirement) as well as their risk profile as a result of other pensions, social security entitlement, other savings, etc. Clear information should be given about the characteristics of default funds.	Noted
678.	Insurance Europe	Q32	For PPPs, could the investment horizon (as in "data target" funds) provide a better guidance for potential members, against the risk-reward ranking that is used for UCITs?	Noted

			In general, Insurance Europe stresses that the “investment horizon” could not replace a risk-reward indicator. In case of pensions, the investment horizon of the customer depends on external conditions: The retirement age is specified within a relatively narrow time frame. Therefore, the investment horizon is not a useful criterion for pensions.	
679.	Investment Management Association	Q32	The investment horizon clearly has to play a part. See answer to Q31.	Noted
680.	National Association of Pension Funds (NAPF)	Q32	For PPPs, could the investment horizon (as in “data target” funds) provide a better guidance for potential members, against the risk-reward ranking that is used for UCITs?	Noted
681.	Slovak Association of Fund Management Companies (S	Q32	No, investment horizon is not better guidance than UCITS risk reward ranking as it is often confused with maturity by investors or is not considered appropriately.	Noted
684.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q33	Costs transparency, schematic but clear and thorough, it’s an information that has become necessary for the protection of the holders, as expected by the current Directives related to saving matters. Through short, clear presentations of the elements, patterns easy to read, even through the use of colors and symbols commonly known,	Noted See section 9

			and a few key graphs (bar and or lines) that provide understandable synthesis, all in a physical card / digital of contained dimensions.	
685.	APFIPP – Associação Portuguesa de Fundos de Invest	Q33	<p>Transparency and a comprehensive disclosure of information is a fundamental aspect, making the investor aware of all the existing costs associated with making the investment and also the charges foreseen throughout the different stages of the investment.</p> <p>In terms of costs, we think it is appropriate to disclose the Ongoing Charges and information about the costs assigned to participants (Subscription Commission, Transfer Commission, Redemption Commission, Supervision Fee); and the costs assigned to the Pension Fund (Management Commission - Fixed Component/Variable Component, Deposit Commission, Supervision Fee, Other Costs). The approach can be similar to what is foreseen in the UCITS Directive, and as foreseen in the UCITS Directive, the Ongoing Charges should not include transaction costs.</p>	<p>Noted</p> <p>See section 9</p>
686.	Asset management of Slovenska sporitelna	Q33	The scope and presentation of all costs in KID are sufficient and applicable to PPPs.	<p>Noted</p> <p>See section 9</p>
687.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q33	Pre contract: all actual product costs should be disclosed. For a “wrapper” where the PPP holder has the choice between perhaps hundreds of different assets, then only generic cost information for the assets by type should be illustrated. This will avoid disproportionate costs to the provider or distributor and an overload of information for the PPP holder. The actual explicit costs associated with each actual asset chosen will be disclosed in the KID or other literature for the asset provided by the distributor.	<p>Noted</p> <p>See section 9</p>

			Ongoing: annual (or more frequent) statements should show not only all contributions in the period, but also all charges (and if taken by cancellation of units, the price of units and the number cancelled).	
688.	Association of the Luxembourg Fund Industry	Q33	<p>Q33. What information should be provided in respect of costs? Should it be consistent between ex-ante and actually levied costs? Should it include investment transactions costs? What is the best way to present this information?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>EFAMA strongly believes that the costs and associated charges of the PPP should be fully disclosed to support an individual to make sensible investment decisions and compare different PPPs.</p> <p>Importantly, the information to be provided in respect of costs should have a distinction between the costs of the product and the costs of distributing the product. The costs of a product should be part of an information document i.e. PRIIP KID; and should reflect the entry charges/ongoing charges/exit charges. The distribution costs should be disclosed in a separate document and should be driven by MiFID and/or IMD. In this regard, an alignment between the provisions in MiFID and IMD is important.</p>	<p>Noted</p> <p>See section 9</p>
689.	Assogestioni	Q33	Costs and charges disclosure is a key element of transparency. It is therefore essential to clearly disclose information on how costs have	<p>Noted</p> <p>See section 9</p>

			<p>an impact on the product return.</p> <p>It is also important to distinct between costs directly linked to the product and costs linked to the distribution process.</p>	
690.	Bulgarian Association of supplementary pension sec	Q33	<p>The information provided in respect of costs should be accurate, timely and comprehensible. The „ex-ante” cost should be disclosed in the PKID whereas the actually levied costs may be disclosed „ex-post” in the annual statements. Investment transaction costs are too detailed information which requires much more specific financial knowledge to understand. If a PPP holder lacks the necessary proper financial background, any disclosure of investment transaction particulars may be misunderstood and may lead to disturbing uncertainty about the whole idea of cost disclosure. The best way to present this information is through a web-based application where the cost-related piece of information may easily be disclosed in an interactive and more illustrative way.</p>	<p>Noted</p> <p>See section 9</p>
691.	EFAMA	Q33	<p>Q33. What information should be provided in respect of costs? Should it be consistent between ex-ante and actually levied costs? Should it include investment transactions costs? What is the best way to present this information?</p> <p>EFAMA strongly believes that the costs and associated charges of the PPP should be fully disclosed to support an individual to make sensible investment decisions and compare different PPPs.</p> <p>Importantly, the information to be provided in respect of costs should have a distinction between the costs of the product and the costs of distributing the product. The costs of a product should be part of an information document i.e. PRIP KID; and should reflect the entry charges/ongoing charges/exit charges. The distribution costs should be disclosed in a separate document and should be driven by MiFID</p>	<p>Noted</p> <p>See section 9</p>

			and/or IMD. In this regard, an alignment between the provisions in MiFID and IMD is important.	
692.	EIOPA Occupational Pensions Stakeholder Groups (OP	Q33	There should be full, transparent disclosure of all costs at all points. In particular, there must also be full disclosure of charges. But for a DC product currently, individual charges can vary as between members. The preferred consumer position would be that all deferred member penalties should be prohibited. In the event that the charging structure does continue to differentiate between active employees and early leavers, first this should be made clear to the member but more importantly it would suggest that someone needs to represent the interests of the deferred member, who is likely to be disadvantaged by this type of charging structure. It raises the wider question of who represents in these group arrangements, the interests of members who are individual consumers but not active employees.	Noted See section 9
693.	Fédération Française des Sociétés d'Assurance	Q33	Please refer to question 26	Noted
694.	FSUG	Q33	A study performed by Oxera (2013) on behalf of FSUG and EC as well as a recent EuroFinuse study (2013) show, that the impact of charges have been largely underestimated not only by consumers, but also by regulators and should be one of the key information parameters provided to consumers during all three phases (joining, accumulation, pay-out). Moreover, this parameter should remain on the priority list of all regulators and supervisors regarding the consumer protection standards. Any information regarding the PPP presented to the consumer should include the calculation of costs using TER indicator or "Reduction-in-Yield" calculator.	Noted See section 9

695.	German Insurance Association (GDV)	Q33	Here, the same problem arises as with the risk-reward-classification of PPP: There are two different phases, which could have a different risk- and a different cost-structure (see Q31). Nevertheless, there is one fundamental principle, which should be respected: The cost should not be presented in an isolated way, but in connection with the benefits – i.e. a price-performance ratio is needed instead of a pure cost-ratio. In Phase 1 the benefits for the customer consists mostly of the achieved yield. In Phase 2 the benefits for the customer consist of the annuity payment. Therefore in Phase 1 we consider a Reduction in Yield-approach as appropriate, in Phase 2 a Reduction in Payment-approach.	Noted
696.	Groupe Consultatif	Q33	As far as possible all costs should be disclosed and transparent. Hidden charges should be banned. Comprehensive measures should be developed of the impact of costs, such as projections of the future retirement income with the impact of all charges as compared to the income if there had been no charges and such measures should be required to be disclosed. The costs should be presented in any initial documentation and in a consistent format across the market to allow individuals to undertake comparisons between products and providers.	Noted
698.	Insurance Europe	Q33	What information should be provided in respect of costs? Should it be consistent between ex-ante and actually levied costs? Should it include investment transactions costs? What is the best way to present this information? Insurance Europe believes that the cost should not be presented in an isolated way, but in connection with the benefits.	Noted section 9 refers

699.	Investment Management Association	Q33	<p>We believe the charges and costs information available in the UCITS KIID is the right information to be made available on a pre-contractual basis and would provide a robust basis on which to build the relevant section of the KIID-/KID-like document for pension schemes. Providing information to citizens on an 'as consistent as possible' basis across the spectrum of savings and retirement products will serve to aid understanding and enhance trust. The UCITS KIID makes use of an 'ongoing charges' figure which is required to be calculated on a factual ex-post basis but must be adjusted to ensure it remains a reliable ex-ante indicator. We strongly believe this is the right approach to take.</p> <p>In addition, we believe product providers should be accountable to clients for the historical charges and costs incurred. The IMA has recently issued proposals that seek to enhance reporting granularity via the fund annual report and accounts. In this area, we have responsibility for the UK fund Statement of Recommended Practice (SORP) under the supervision of the Financial Reporting Council. For more information, see:</p> <p>http://www.investmentuk.org/policy-and-publications/sorp-2013/</p> <p>At a conceptual level, we make a distinction between charges (as defined in European regulation and disclosed in the UCITS KIID) and transaction costs. Charges are essentially levied for managing and operating the fund. They are reasonably predictable and consumers will have a clear idea of what they can expect to pay for the service. Transaction costs are not a payment to fund managers and are incurred in the context of executing a given investment strategy. They may vary widely on a temporal basis, as well as across asset</p>	<p>Noted</p> <p>See section 9</p>

			<p>classes and geographies.</p> <p>While we believe that transparency of both charges and transaction costs is essential, we do not accept that adding the two together to give an indication of what a consumer could expect to pay in a fund is helpful. From a behavioural perspective, comparison is arguably hindered since transaction costs need to be judged in the context of performance. In addition, funds investing in different asset classes encounter different kinds of transaction cost, further complicating comparisons at this level.</p> <p>Our proposals on ex-post reporting would allow consumers to see in the context of performance per unit both fund charges paid by unitholders and transaction costs incurred by funds. Theoretically, the two could be added together to get a sense of total charges and costs experienced to attain that performance via a fund. However, this is very different to an ex ante single percentage, which we opposed for reasons given above.</p> <p>It is important that the total cost of investment is also complemented by consistent metrics to capture the overall cost of the product (ie. administration and, where applicable, advice). We therefore encourage EIOPA and the European Commission to prioritise consistency in the methodologies and disclosure of charges and costs in long-term savings and investment products.</p>	
700.	National Association of Pension Funds (NAPF)	Q33	<p>What information should be provided in respect of costs? Should it be consistent between ex-ante and actually levied costs? Should it include investment transactions costs? What is the best way to</p>	<p>Noted section 9 refers</p>

			<p>present this information?</p> <p>The NAPF would define charges for the purpose of disclosure in line with the approach taken in Pension Charges Made Clear: Joint Industry Code of Conduct, which was produced by a working group of cross-sector organisation, including the NAPF.</p> <p>The definition in this code of conduct reads as follows:</p> <p>The “charge” refers to the total effect of all charges that are paid from the pots of scheme members (including both current and past employees). For the avoidance of doubt this includes all costs which count as ‘ongoing costs’ under the UCITS directive and all ‘additional expenses’ in insurance-based funds. In accordance with current FSA rules, trading costs on the investment portfolio should not be regarded as a charge.</p>	
701.	PensionsEurope PensionsEurope represents national	Q33	<p>It is PensionsEurope view that personal pension subscribers have the right to know the costs linked to their investment decisions. In this regard, subscribers should be aware of the commissions charged, including the subscription commission, transfer commission, redemption commission, supervision fee, management commission and deposit commission.</p> <p>On the other hand, we do not deem appropriate to disclose the transactions cost.</p> <p>The information should be presented in a comprehensible manner.</p>	<p>Noted</p> <p>See section 9</p>

702.	Slovak Association of Fund Management Companies (S	Q33	The scope and presentation of all costs in KID are sufficient and applicable to PPPs.	Noted section 9 refers
703.	Slovak Insurance Association	Q33	<p>What information should be provided in respect of costs? Should it be consistent between ex-ante and actually levied costs? Should it include investment transactions costs? What is the best way to present this information?</p> <p>In insurance, this is rather confusing information. The costs must be calculated directly into the premium or benefit. Without comparing the real risk cover of various insurance products, the clients would turn to compare only costs, what might lead them to chose the cheapest one without any connection to his/her needs.</p>	Noted
706.	ABI	Q34	<p>The ABI has recently undertaken research into presenting information about investments to consumers. The research found that the disclosure document developed for UCITS funds is a useful template and contains much of the information consumers want. However, because of diversity in the structure of personal pensions, and the need for flexibility on how key information is presented to the consumer, for the disclosure of pension products should be regulated at the Member State level.</p> <p>With regards to projected returns, the ABI's recent research found that, in addition to the information provided on the UCITS disclosure, consumers want information on the possible future performance of their investments. However, there is a danger that it may be misinterpreted as there is tendency amongst consumers to assume</p>	Noted section 9

			<p>the figures provided represent the maximum and minimum returns they may expect, rather than illustrative examples.</p> <p>In the UK it is common for insurers to meet the preference of consumers for individual information about saving targets by providing growth projections. This approach can be helpful to consumers in making decisions about contributions though, for the reason set out above, it can be difficult for regulators and firms to set appropriate projection rates. The ABI strongly believes the production of projections is a decision best taken by a national regulator.</p>	
707.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q34	See the answer to question 29; generally speaking the PPP’s manager should, once a year, make available the projection that allows an evaluation based on need’s expectations. Explanatory pension projections should contain real data (not previsions of the PPP’s annual performance). They should also be updated systematically every year.	<p>Noted</p> <p>See section 9</p>
708.	Asset management of Slovenska sporitelna	Q34	It should be allowed on voluntary basis by PPPs provider, under the condition of proper disclaimer.	Noted
709.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q34	<p>Individuals are likely to have comprehension of figures and react to them. That said, they need to be in a position to understand that they are often long term projections and so need to expect fluctuations. Presentation of projections on pessimistic through to optimistic bases can help individuals (with the assistance of their financial advisor) to decide whether to make changes to their level of pension and/or choice of investments from time to time.</p> <p>They should be provided at least annually, on change to contribution and upon request (though ideally individuals should also have safe</p>	<p>Noted</p> <p>section 9 refers</p>

			<p>internet access to their information at all times).</p> <p>Such illustrations can help to illustrate both the performance of the product year on year and the associated risks where the value may fall and rise. Opportunity is thus presented to enable consideration of changes to asset choices if available, product and type/ provider and contribution levels.</p>	
710.	Association of the Luxembourg Fund Industry	Q34	<p>Do you consider the presentation of illustrative pension projections a useful tool to understand the risks and performance of the product and state how and when pension projections should be provided if you think they would be useful?</p> <p>We believe that this would be useful tool, however, this will be difficult to realise.</p>	<p>Noted</p> <p>See section 9</p>
711.	Assogestioni	Q34	<p>We deem that illustrative pension projections might be a useful tool for the subscriber. Hence they should be made available to any subscriber, at least once a year.</p>	<p>Noted</p> <p>See section 9</p>
712.	Austrian Insurers' Association (VVO)	Q34	<p>Pension projections can be a useful tool and are already foreseen under the Minimum Standards for Information Requirements in the Life Assurance Sector issued by the Austrian Financial Market Authority (FMA).</p>	<p>Noted See section 9</p>
713.	Bulgarian	Q34	<p>The presentation of illustrative pension projections may not readily be</p>	<p>Noted</p>

	Association of supplementary pension sec		classified as a useful tool to understand the risks and performance of the product. Such projections may even cause damage to the PPP holder trust in the respective provider because regardless of the fact that all those projections are made under explicitly listed assumptions, finally PPP holders claim not to have paid the necessary attention to those assumptions or not to have understood them at all. In the end, what is crucial for the decision to buy a PPP is the final result of the illustration which is hardly compatible with the result of another illustrative exmple made by another provider. It may bring about unwanted distortion of the market. However, pension projections should be provided at any time through a readily accessible and interactive web-based application. The provider specific assumptions should be explicitly visible, and the PPF holder should have control to modify all the additional assumptions like contribution rate, contribution payment period etc. Thus, the projection should become personal.	section 9 refers
714.	EFAMA	Q34	<p>Do you consider the presentation of illustrative pension projections a useful tool to understand the risks and performance of the product and state how and when pension projections should be provided if you think they would be useful?</p> <p>We believe that the priority in the short term should be to develop a risk-reward profile for PPPs, for which we encourage the ESAs to work together on a methodology that takes account of the specificities of PPPs.</p>	Noted
715.	Fédération Française des Sociétés d'Assurance	Q34	Please refer to question 26	Noted

716.	FSUG	Q34	Yes. See the response presented in Q27. Personalized pension projections should be part of a pre-contractual phase. During the contractual (accumulation) phase, the tool should be available for the consumers on a web site under the individual (personal) savings account.	Noted See section 9
717.	German Insurance Association (GDV)	Q34	Yes, but it is crucial to use several scenarios with accompanying, explanatory texts, to avoid the costumer to misunderstand the information provided.	Noted See section 9
718.	Groupe Consultatif	Q34	Yes, but the way in which they are presented and explained needs to be controlled. The emphasis should be on projections in real terms (i.e. in terms of today's money). A range of potential outcomes should be illustrated. Projections should be available before sale but also on an ongoing basis to PPP holders.	Noted
720.	Investment Management Association	Q34	<p>As we comment in our answer to Q26, UK annual pension statements already carry projections of both final investment value and likely annual income in real terms (SMPI). However, further work is needed as to how these can be improved. Anecdotal evidence also suggests that consumers are not responsive to detailed documentation, and there needs to be a focus on simple, accessible information.</p> <p>However, the answer on understanding risks and performance only partly lies in regulated documentation. There will be a role for providers themselves as well as independent agencies such as The Pensions Advisory Service (TPAS). Rather than seeking to develop a single approach at a given time for what is a very difficult area, it may be more appropriate to establish mechanisms for the exchange of best practice.</p>	Noted

			For its part, the pensions industry is already starting to develop a more sophisticated way of communicating with scheme members who carry investment risk in DC schemes. By sophisticated, we do not mean 'complicated', but a form of communication that allows scheme members better to plan for retirement in the context of understanding the risks to desired outcomes and how they may be mitigated. Some of this is happening in the context of workplace schemes, but it could equally apply to the personal pensions market.	
721.	National Association of Pension Funds (NAPF)	Q34	Do you consider the presentation of illustrative pension projections a useful tool to understand the risks and performance of the product and state how and when pension projections should be provided if you think they would be useful?	
722.	PensionsEurope PensionsEurope represents national	Q34	In our opinion, illustrative pension projections of the different possible scenarios (positive, neutral and negative) would help PPP subscribers better understand the product that they intend to purchase. Hence, we believe that such projections should be provided at least once a year to the PPP holders.	Noted See section 9
723.	Slovak Association of Fund Management Companies (S	Q34	It should be allowed on voluntary basis by PPPs provider, under the condition of proper disclaimer.	Noted
726.	ANASF –	Q35	In the event of a complete European harmonization, as we hope for,	Noted

	ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI		an annual vademecum would be sufficient. This vademecum could be electronic or on paper and it should be published on the web with all the basic general terms and conditions of the system. In its absence a survey should be published once a year in Europe, one for each country.	Section 9 refers
727.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q35	See Q31-34 above.	Noted
728.	Association of the Luxembourg Fund Industry	Q35	Which tools and type of information would best ensure consumers an optimal source of easily available and useful information with a view to providing an overview of personal pension entitlements? We believe that electronic information will be useful supplemented by graphical illustrations.	Noted Section 9
729.	Assogestioni	Q35	Basic and important information (about costs, risk-reward profile, redemption rights, etc.) should be provided through paper document. Digital means should allow access to more detailed information.	Noted Section 9
730.	Bulgarian Association of supplementary pension sec	Q35	Electronic disclosure of information. Password secured on-line web-based applications would best ensure an easily available access to an overview of personal pension entitlements.	Noted Section 9
731.	EFAMA	Q35	Which tools and type of information would best ensure consumers an optimal source of easily available and useful information with a view to providing an overview of personal pension entitlements? A trend to be encouraged is providing information through digital	Noted Section 9

			means.	
732.	Fédération Française des Sociétés d'Assurance	Q35	Please refer to question 26	Noted
733.	FSUG	Q35	See response in Q40 with respect to the Table 1 presented under the Q26.	Noted
734.	Groupe Consultatif	Q35	<p>PPP holders need to be able to review projections and to model the impact of future salary growth and of changing the level of contribution or switching to different funds.</p> <p>Due to the complexity of the cross-border market and the varying levels of financial sophistication across and within the Member States' populations, a range of tools will need to be used including real-time projections via online access and paper based illustrations and projections for those without internet access. Legislation should not act to restrict the communication tools which can be used, and should be active to the risk of inequality of information across consumer groups occurring.</p>	<p>Noted</p> <p>See section 9</p>
736.	Investment Management Association	Q35	There is no single answer here and elements have already been discussed in Q27-Q34. However, we would encourage national governments and European authorities to think about this issue holistically and ambitiously for the longer term. Both workplace and individual pensions are a complement to Pillar 1 state provision. It is difficult to target a replacement rate or income within a voluntary pension without taking account of the likely core state pension entitlement. Mechanisms for individuals to see all their entitlements	<p>Noted</p> <p>See section 9</p>

			in one place would be of great benefit, despite the logistical challenges involved.	
737.	National Association of Pension Funds (NAPF)	Q35	Which tools and type of information would best ensure consumers an optimal source of easily available and useful information with a view to providing an overview of personal pension entitlements?	
738.	PensionsEurope PensionsEurope represents national	Q35	Personal pension holders should be provided at least with a hard copy of all the basic information described under the “must know” layer on our answer to question 28. Moreover, during their contract relationship they shall be given access to more technical and detailed information through different IT tools.	Noted See section 9
741.	ABI	Q36	Consumers should have the choice of different mediums, however, in the UK they are increasingly using electronic/online mediums to access disclosure (or, in other sectors, billing and statement) information. These methods offer opportunities to improve disclosure to consumers through the use of interactive tools etc. Regulation should not constrain the development of improved online/electronic disclosure by drafting regulation that has, as its starting point, paper-based disclosure.	Noted
742.	ANASF – ASSOCIAZIONE NAZIONALE	Q36	Paper must always have digital alternatives, either on a long-term back up or available through the web.	Noted

	PROMOTORI FINANZIARI			
743.	APFIPP – Associação Portuguesa de Fundos de Invest	Q36	Pre-contractual information should be provided in a durable medium or by means of a website. A paper copy shall be delivered to the investor on request and free of charge.	Noted
744.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q36	<p>Paper, provider and distributor internet websites and secure client extranet facilities are appropriate mediums.</p> <p>Key product/asset features should generally be provided in paper form such as a KID along with any documentation which requires signature by the PPP holder – though it is possible that this may be provided where a recognized electronic signature is available.</p> <p>For transactions completed at a distance or where requested by the PPP holder then of course access solely to information in durable form provided electronically to the individual's computer should be permitted.</p>	Noted
745.	Association of the Luxembourg Fund Industry	Q36	<p>What are the mediums through which pre-contractual information should be presented (paper, other durable medium)? In which cases should the different mediums be used?</p> <p>We suggest to apply an approach similar to UCITS IV: electronic communication is permitted, however only if this is explicitly accepted by the consumer.</p>	Noted

746.	Assogestioni	Q36	Pre-contractual information should be presented through documents on paper, giving the possibility to use a digital tool to make comparisons between different products or investment choices.	Noted
747.	Bulgarian Association of supplementary pension sec	Q36	Pre-contractual information should be presented through paper and internet. The paper should be restricted as much as possible and should not exceed one page. Only some key points and hints should be provided on paper. For the respective details the information sheet of paper should direct to the appropriate link on the PPP provider website. Paper will be used in subsequent face-to-face meetings, mainly in response to specific questions sent by the potential PPP holder. However, more extensive pre-contractual information should definitely be provided on electronic hard carriers rather than in heaps of paper.	Noted
748.	EFAMA	Q36	<p>What are the mediums through which pre-contractual information should be presented (paper, other durable medium)? In which cases should the different mediums be used?</p> <p>EFAMA supports the use of digital information. Nevertheless, the decision should be left to the PPP provider and members should always keep the right to receive documents on paper at their request.</p>	Noted
749.	Fédération Française des Sociétés d'Assurance	Q36	This information should be regularly communicated on durable mediums.	Noted
750.	FSUG	Q36	Consumers should have the possibility to select the mediums which should include fully accessible mediums for persons with visual impairments (WCAG 2.0 guidelines). There should be at least two different types of simple, known and already used formats (paper and	Noted

			online, PDF, CSV or XLS format). Simple format and mediums should be based on standardized set-up and layout. Pre-contractual information delivered via electronic means should be accompanied with secured signature. The minimum period for the legal validity of pre-contractual information should be set to 2 months in order to compare the PPPs feature from the side of consumers.	
751.	German Insurance Association (GDV)	Q36	Requirements of format and time of delivery should take into account the variety of distribution channels and media, through which a consumer might wish to purchase a product. Consumers should have access to different choices of mediums specific to the product type offered in that market.	Noted
752.	Groupe Consultatif	Q36	All should be available. On-line provision of information will become more and more important and probably gives greatest potential for communication which is at the level required by the PPP holder, and for implementing interactive modelling, but there will continue to be a need for paper documentation and projections supplied before sale and the words used to describe them should be provided in paper form so that they can be kept for accountability purposes by the PPP holder.	Noted
754.	Insurance Europe	Q36	<p>What are the mediums through which pre-contractual information should be presented (paper, other durable medium, internet)? In which cases should the different mediums be used?</p> <p>Insurance Europe believes that requirements for format and time of delivery should take into account the variety of distribution channels, through which a consumer might wish to purchase a product. Furthermore, consumers should have access to different choices of mediums specific to the product type offered in that market.</p>	Noted

755.	Investment Management Association	Q36	The direction of travel is clear, as with other forms of communication: the future is likely to be digital. However, in the interim, many consumers may still prefer paper copies of material and should have the right to receive information in this form.	Noted
756.	National Association of Pension Funds (NAPF)	Q36	What are the mediums through which pre-contractual information should be presented (paper, other durable medium)? In which cases should the different mediums be used?	
757.	PensionsEurope PensionsEurope represents national	Q36	Pre-contractual information should always be made available in a durable medium (similar to the one requested in the UCITS Directive) and free of charge. Upon request, a paper copy should be delivered and free of charge. It would be helpful that this information is also made available on the website of the PPP provider, complemented with other IT tools that offer the PPP holder more detailed/technical information.	Noted
758.	Slovak Insurance Association	Q36	What are the mediums through which pre-contractual information should be presented (paper, other durable medium, internet)? In which cases should the different mediums be used? We would say all mediums and based on distribution channel.	Noted
761.	ABI	Q37	As discussed in our responses to questions 30-34, products differ across Member States and will continue to do so, therefore having key information in a standardised format could be misleading for	Noted

			consumers as terms and conditions change and new products are developed.	
762.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q37	The typologies of the supplied data, that can be aggregated or single, must be defined in a standard way (for example with KIID) also considering a graphical point of view and the order of supply. Some groups of data, for example projections, may have minimum compulsory contents and some additional accessory ones, clearly distinguishable, which can produce a slight personalization related to the service's producer.	Noted
763.	APFIPP – Associação Portuguesa de Fundos de Invest	Q37	As described on Q30, we consider that the KII should be adopted by PPPs as their main information document. The KII presents an adequate structure, composed by well defined sections, with the aim of being more consumer friendly and to provide information on the product's main features.	Noted
764.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q37	<p>It would help PPP holders if there was a standard format for key information irrespective of the market sector. The PRIIPS/KIDIP and UCITS KID are of limited help, as they are concerned with investment objectives and risk, which will be largely irrelevant in many cases for the actual PPP product.</p> <p>Certain key features could merit standardization, such as:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Product provider information and regulatory status <input type="checkbox"/> PPP holder protection schemes <input type="checkbox"/> Product type and high level statement regarding the existence of any guarantees <input type="checkbox"/> Contributions and cost and potential “pension pot” projections enabling comparisons of illustrations 	Noted

			<input type="checkbox"/> Options to change contributions <input type="checkbox"/> Options to transfer to other providers/types of PPP Features and choices that require more flexibility in presentation include: <input type="checkbox"/> Death and disability benefits (and the cost) <input type="checkbox"/> The existence of guarantees, such as guaranteed interest rate/ annuity rate/ with profits <input type="checkbox"/> "Product" form e.g. is it a wrapper? A platform holding? A life insurance? An individual UCIT?	
765.	Association of the Luxembourg Fund Industry	Q37	<p>To what extent should the format of information be standardized? What features and or choices that can be made determine the need for a more flexible presentation of pre-contractual information?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>EFAMA believes the format of information should be standardised in a way that allows comparison of PPPs.</p>	Noted
766.	Assogestioni	Q37	The format should be standardized to the extent that it allows comparison between different products.	Noted
767.	Austrian Insurers' Association (VVO)	Q37	The Minimum Standards for Information Requirements in the Life Assurance Sector issued by the Austrian Financial Market Authority (FMA) represent a best practice example.	Noted
768.	Bulgarian	Q37	The standard portion of the information should be kept to the	Noted

	Association of supplementary pension sec		minimum. Individually tailored presentation of the pre-contractual information is determined by the personal character of the pension product and the relevant personal choice of contribution rates, contribution payment period, investment options and types of benefits available throughout the pay-out period.	
769.	EFAMA	Q37	<p>To what extent should the format of information be standardized? What features and or choices that can be made determine the need for a more flexible presentation of pre-contractual information?</p> <p>EFAMA believes the format of information should be standardardised in a way that allows comparison of PPPs.</p>	Noted
770.	Fédération Française des Sociétés d'Assurance	Q37	Please refer to question 36	Noted
771.	FSUG	Q37	<p>Several features should be standardized:</p> <ol style="list-style-type: none"> 1. mediums (see response to the Q36), 2. content (see response to the Q40 and Q26), 3. structure (every pre-contractual information should have standardized place of appearance), 4. visualization (every pre-contractual information should have standardized color according to the layer - see response in the Q40). 	Noted
772.	German Insurance Association (GDV)	Q37	We think that standardization of the format is only reasonable, if there is a really narrow scope – e.g. currently in Germany a special KID for so-called “Riester-Rente” is introduced. If there is a wide scope - e.g. the Insurance-KID in Germany - there is no need for further standardization.	Noted

773.	Groupe Consultatif	Q37	It should be to a large extent standardised. However, complete standardisation risks stifling innovation, competition between product providers and new approaches to PPP savings. Certain key elements should be standardised, for example, presentation of costs, real return illustrations, and details about conversion to income at retirement. Product-specific information may not be suitable for standardisation.	Noted
775.	Investment Management Association	Q37	Given the diversity of pension products in the European market, there is an argument for a modular approach whereby a core set of comparable 'must know' information is included in a standard format, but with discretion allowed for providers to determine the wider shape of the document. Set against that is the need to ensure that consumers have accessible, concise information, which drove the direction of travel for the KIID whose format is wholly prescribed.	Noted
776.	National Association of Pension Funds (NAPF)	Q37	To what extent should the format of information be standardized? What features and or choices that can be made determine the need for a more flexible presentation of pre-contractual information?	
777.	PensionsEurope PensionsEurope represents national	Q37	As stated in our answer to question 30, the information should be standardised using KID/KII like formats. The format should be sufficiently standardised in order to allow subscribers to compare between different kinds of products and providers.	Noted
779.	ANASF –	Q38	Clear and concise instruments, possibly meant for product information	Noted

	ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI		sheets, that may include truthful contents regarding numbers and their typologies, a comprehensible description of the instrument's mission in relation to the context (with its main features) and the potential generic operative options, in addition to the clear identification of the proposer/manager. Subscribing a PPP represent for the citizens a social value, because when retiring they will have independently accumulated a sum of money that will help them manage their everyday life.	
780.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q38	<p>Such items ought to be drafted in plain language. They should highlight the messages they are intended to put across in a manner which will attract the attention of the individual. They should be written avoiding jargon and complexity, and need to be short (with appropriate sign-posting to sources of additional and perhaps complex information).</p> <p>They may incorporate visual messages as well as text and should stimulate the interest of the individual by clearly showing, for example, the cost of deferring a decision to contribute, or the likely personal opportunities still available post-retirement if adequate funding is made.</p>	Noted
781.	Association of the Luxembourg Fund Industry	Q38	<p>What should be the requirements with respect to promotion material/marketing communications/advertising of personal pension products?</p> <p>Please see Q 30 above.</p>	Noted

782.	Bulgarian Association of supplementary pension sec	Q38	All the promotional materials /marketing communications/ advertising of PPPs should be accurate, easily available, timely and comprehensible.	Noted
783.	EFAMA	Q38	What should be the requirements with respect to promotion material/marketing communications/advertising of personal pension products?	n/a
784.	Fédération Française des Sociétés d'Assurance	Q38	Please refer to question 36	Noted
785.	FSUG	Q38	<p>In this respect, providing the fair practices are enforced by the regulators, PPPs providers should be free in designing promotion materials, marketing communications and advertising. Promotion materials should include relevant (fairly disclosed) information regarding the:</p> <ul style="list-style-type: none"> <input type="checkbox"/> adequacy of the savings (savings objective from the view of consumers), <input type="checkbox"/> costs and fee structure (fee policy), <input type="checkbox"/> types of risks involved with regard to the savings objective, <input type="checkbox"/> performance/returns during different time periods not only PPPs but also example savings account. 	Noted
786.	German Insurance Association (GDV)	Q38	There already exist several directives at EU-Level which have been implemented into German law among others into the "Gesetz gegen den unlauteren Wettbewerb" (act against unfair competition). With regard to the insurance sector we do not see the need for new	Noted

			additional regulation.	
787.	Groupe Consultatif	Q38	Clarity, transparency, comparability of information, honesty and openness.	Noted
789.	Investment Management Association	Q38	-	
790.	National Association of Pension Funds (NAPF)	Q38	What should be the requirements with respect to promotion material/marketing communications/advertising of personal pension products?	n/a
792.	ABI	Q39	Given the variance in pension structures and types of products across Member States, we believe national regulators are most suited to set down appropriate regulation for their market.	Noted
793.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q39	The Directive UCITS III and IV regarding financial instrumenti contain bases applicable to the PPPs.	Noted
794.	APFIPP – Associação Portuguesa de Fundos de Invest	Q39	We are of the opinion that UCITS Directive is a good source of inspiration for PPP.	Noted

795.	Asset management of Slovenska sporitelna	Q39	Format and delivery method could be the same as for UCITS funds and KII/KID.	Noted
796.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q39	The proposed PRIPS/KIDIP KID is of relevance to personal pension provision given that individuals may be presented with many alternatives for their discretionary retirement savings. In many instances, those alternatives can use the same underlying investments so it would be confusing to have different information requirements depended upon the legal form of the saving. It needs to be borne in mind that many personal pension and other products are “wrappers” so much information anticipated by the KID relates to the underlying asset choices made by the individual regarding investment risk, risk appetite and risk categorisations.	Noted
797.	Association of the Luxembourg Fund Industry	Q39	What regulation can be a source of inspiration for personal pensions? We believe that UCITS IV and MiFID could be a source of inspiration.	Noted
798.	Bulgarian Association of supplementary pension sec	Q39	The legal regulation of CEEC third-pillar personal VPFs (voluntary pension funds) can be a source of inspiration for PPP. The size of the local pension markets is irrelevant to the appropriateness of the national legal framework for EU inspiration. For example, Bulgaria is one of the few contries where there is a Ruling of the national Constitutional Court against nationalisation of private pension funds.	Noted
799.	EFAMA	Q39	What regulation can be a source of inspiration for personal pensions?	

800.	Fédération Française des Sociétés d'Assurance	Q39	Please refer to question 36	Noted
801.	Investment Management Association	Q39	The key sources, notably the UCITS KIID (subject to key differences in the nature of products) are already referenced by EIOPA.	Noted
802.	National Association of Pension Funds (NAPF)	Q39	What regulation can be a source of inspiration for personal pensions?	
803.	Slovak Association of Fund Management Companies (S	Q39	Format and delivery method could be the same as for UCITS funds and KII/KID.	Noted
805.	The Finnish Pension Alliance / Työeläkevakuuttajat	Q39	It should not be a starting point for the regulator to seek « inspiration » from existing regulation. It should the primary interest to ask, is the present regulation in force simple, cohesive, non-cumulative and supporting growth and new entrepreneurship ? Until these questions are answered positively, the central attention should be on the simplification of existing regulation, and not drafting of new.	Noted
806.	ABI	Q40	We agree with EIOPA's report on "Good practices on information provision for DC schemes" which states that the information that consumers receive about their pension should help them make sensible decisions, and that policymakers should have a clear idea about what consumers should be able to "do" with the information that they receive. Given that the most significant factors in making a	Noted

			<p>positive difference to people's retirement income are how much they save, and for how long¹, we believe that information that prompts this behaviour is the most important. This information should therefore include;</p> <ul style="list-style-type: none"> a) the current value of their pension pot b) details of the contributions c) a summary of the pension's performance over the past year d) an illustration of the projected pension value. <p>However, as in our response to question 39, given the variance in pension structures, products and retirement ages across Member States, we believe national regulators are best suited to set down appropriate regulation for their market.</p>	
807.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q40	<p>During the accrual phase citizens must have the possibility of checking and managing their PPP through the web or through a printing document: in this way they would have the chance of changing their managing strategy whenever they want and without extra costs.</p> <p>In particular the holder must know its real accrued amount in relation to the planned one (that may be different if the deposit is constant or increasing), the related costs, the main technical features of the related investments and their main potential modification in a period of time, the patrimonial situation of the PPP, the projection based on the clear principles of financial mathematics regarding capitals and future incomes, the potential difference that may occur with a guaranteed capital, the probability and costs of potential switches and</p>	Noted

			the detailed description of the alternatives.	
808.	APFIPP – Associação Portuguesa de Fundos de Invest	Q40	The participants should be regularly informed (a quarterly disclosure seems to be appropriate) about the level of capital accumulated in the PPP, allowing them to keep track of the evolution of the investment made and awareness towards what can be expected in the future in terms of income.	Noted
809.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q40	See answer to Q26 – “during the accumulation period”.	Noted
810.	Association of the Luxembourg Fund Industry	Q40	<p>What information should be actively provided in the ongoing phase?</p> <p>ALFI agrees with the answer provided by EFAMA. In addition, we think that it would be useful to have a regular outlook on the expected retirement income under normal market circumstances.</p> <p>Members of a PPP should receive information on an annual basis. The elements that should be included in the statements could be inspired by EIOPA’s advice on the review of the IORP Directive, and cover: (i) an accrued balance that indicates the total amount of pension savings that members have accumulated in their OCERPs, (ii) the performance achieved in the previous year, and (iii) a summary of the fees/charges levied.</p>	Noted
811.	Assogestioni	Q40	<p>In the on-going phase the information given to PPPs holders should include, at least:</p> <ul style="list-style-type: none"> - the individual position value comparing it with the value at the 	Noted

			<p>end of the previous year;</p> <ul style="list-style-type: none"> - the return on management activities; - a comparison between the return and the selected benchmark; - a prevision of the level of the annuity the single member will receive at the end of his participation in the pension scheme. 	
812.	Bulgarian Association of supplementary pension sec	Q40	The information actively provided during the accumulation phase should contain: contribution rates, fees deducted, investment yield allocated, investment options, switching opportunity.	Noted
813.	EFAMA	Q40	<p>What information should be actively provided in the ongoing phase?</p> <p>Members of a PPP should receive information on an annual basis. The elements that should be included in the statements could be inspired by EIOPA's advice on the review of the IORP Directive, and cover: (i) an accrued balance that indicates the total amount of pension savings that members have accumulated in their OCERPs, (ii) the performance achieved in the previous year, and (iii) a summary of the fees/charges levied.</p>	Noted
814.	EIOPA Occupational Pensions Stakeholder Groups (OP	Q40	<p>See Q28/9.</p> <p>It would be helpful if there was also a positive responsibility on providers to actively engage with the consumer e.g. to keep customers regularly informed about contribution levels, fund size, the availability of increasing contributions, and the importance of saving.</p>	Noted
815.	Fédération Française des Sociétés d'Assurance	Q40	Information should be provided in the ongoing phase, which is already provided by French law.	Noted

816.	FSUG	Q40	<p>Referring to the response presented under the Q26, the information (static as well as dynamic presentation) disclosed on a regular basis (daily) should be accessible through personal savings account (web application) and should include:</p> <p>Basic personal and financial information on PPP</p> <ul style="list-style-type: none"> - Name, age, address, contract number (ID number), - Identification of PPP and PPP provider - Date of the statement, - contribution base (salary, income) - Amount of contributions paid by a consumer to the scheme, - savings value (individual NAV), - pension fund(s) used as a vehicle for the PPP, - actual value of the PPP (accounting value of pension unit), - number of pension units owned under the PPP, - initial projections towards the savings objective (projected Individual Replacement Ratio - IRR) <p>Information on PPP performance and fees</p> <ul style="list-style-type: none"> - absolute and relative return (performance) of contributions - absolute and relative return (performance) of PPP toward benchmark - PPP performance with comparison to the individual savings account performance - Maximum draw-down (risk) of PPP and individual savings account 	Noted
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			<ul style="list-style-type: none"> - fee structure of every PPP used for the savings - amount of fees paid by the consumers (in Euro) from the begging of the accumulation phase, - Reduction-in-Yield (actual and projected) - Benchmark (composition, valuation and performance) - actual projections towards the savings objective (actual IRR) <p>Information on the activity of the saver and peer PPPs</p> <ul style="list-style-type: none"> - date of entry into the scheme (date of PPP purchase) - saving period in days or months (projected and actual) - amount of contributions and periodicity of contributions (actual and projected) - switching among PPPs (pension funds) - frequency of switching (measured as a number of switching and saving period) - non-contributory period (number of non-contributing months) - performance of peer PPPs (selected information from the previous layer) - taxation (deferred, paid,...) 	
817.	German Insurance Association (GDV)	Q40	<ul style="list-style-type: none"> - The current value of the contract. - If projections are used in the pre-contractual information, it would make sense to update this information. 	Noted
818.	Groupe Consultatif	Q40	Value of accumulated investment ; nature of the default invstment fund ; pension income projected to be available at retirement from accrued investment ; pension income projected to be available at retirement from accrued investment and continuing contributions at	Noted

			same level on current salary (in real terms) ; real returns achieved relative to price inflation over past 3 months, past year, past 3 years, 5 years, 10 years, etc.; volatility of returns.	
820.	Investment Management Association	Q40	Ongoing information should include fund value, charges and costs and projections.	Noted
821.	National Association of Pension Funds (NAPF)	Q40	What information should be actively provided in the ongoing phase?	
822.	PensionsEurope PensionsEurope represents national	Q40	During the accumulation phase, personal pension subscribers should be informed at least on an annual basis of the value of the capital accumulated, comparing it with the previous year. Information on the total return on management activities and comparable results with the selected benchmark should also be delivered. Finally, subscribers should also be informed of the annuities they can expect receiving in the future.	Noted
825.	ABI	Q41	Information that consumers “must know” is information that will help them ascertain whether their pension scheme is suitable to their retirement income needs. This information should include the current balance of their scheme and the projected growth of the scheme based on their contributions and likely investment growth rate, as well as what this value is likely to translate into as a retirement income. The second layer should contain information to provide them with options to make decisions that will best suit their retirement	Noted

			<p>requirements as well as details on who to contact with any queries they may have. The “nice to know” level would include descriptions about how pensions and investments work, the tax benefits associated with the pension scheme etc.</p> <p>Decisions regarding what information should be provided is closely linked with the types of products offered in Member States, and again is best agreed upon by national regulators.</p>	
826.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q41	<p>Sometimes, when the layering of information is badly managed, citizens don’t receive the basic information needed. That being said, all that a potential holder of a PPP “MUST KNOW” is explained in the previous questions-answers. The development state of the PPP must be extensively kept up to date during the time span of the relationship between the two parties involved.</p>	Noted
827.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q41	<p>Must Know:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Current value of accumulated “pension pot” with projections of purchasing power at selected retirement date on at least 3 assumptions – pessimistic through to optimistic. <input type="checkbox"/> How to change contributions to match desired income need (including projections as above). <input type="checkbox"/> How much contributed in last year (gross and net) and total to date. <input type="checkbox"/> Changes in value of accumulating fund and individual assets over last year. <input type="checkbox"/> Own attitude to investment risk. <input type="checkbox"/> Taxation of contributions and benefits. <input type="checkbox"/> What happens on death. 	Noted

			<input type="checkbox"/> Options available on early or late retirement, for example open market option. <p>Should Know</p> <input type="checkbox"/> How to switch investment choices and make lifestyle changes. <input type="checkbox"/> Objectives and risk characteristics of any chosen investments. <input type="checkbox"/> How to transfer to another provider/product type and any costs involved. <input type="checkbox"/> Preservation of benefits if contributions cease and any ongoing costs. <input type="checkbox"/> Portability (if available) to continue in another Member State. <input type="checkbox"/> Benefits (if any) available to spouse/partner. <input type="checkbox"/> Any limits on tax allowable contributions. <input type="checkbox"/> Detailed legal and contractual information (which would be signposted in earlier information). <p>Nice to Know</p> <input type="checkbox"/> Access to information on individual asset choices. <p>Best way to make it easy</p> <p>Advice provided by competent pension intermediaries supported by provider documentation with every item of literature in each layer clearly described and with cross referencing/sign-posting - ideally in</p>	
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			<p>categories posted on the provider's website.</p> <p>Availability of an independent third party, such as The Pensions Advisory Service in the UK.</p>	
828.	Association of the Luxembourg Fund Industry	Q41	<p>If a layering of information is introduced, what information should be included in the first layer ("must know")? And in the subsequent layers ("should know" and "nice to know")?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>We believe the following elements should be covered: (i) an accrued balance that indicates the total amount of pension savings that members have accumulated in their OCERPs, (ii) the performance achieved in the previous year, and (iii) a summary of the fees/charges levied.</p> <p>What is the best way to make it easy for PPP holders to find their way through the different layers?</p> <p>EFAMA believes that just like for pre-contractual information (Q28), the different layers in the on-going information should be ordered by relevance, the most important information ('must know') should be highlighted and readability could be ensured through font size and number of words.</p>	Noted

829.	Austrian Insurers' Association (VVO)	Q41	The Minimum Standards for Information Requirements in the Life Assurance Sector issued by the Austrian Financial Market Authority (FMA) represent a best practice example.	Noted
830.	Bulgarian Association of supplementary pension sec	Q41	<p>If a layering of information is introduced, the information contained in the different layers should be as follows :</p> <p>„Must know” layer – contribution rates, possibilities to switch between providers, investment options, benefit payment options in the pay-out phase, cost of the PPP</p> <p>„Should know” layer – basics of the national legal framework regarding pension products as well as the respectively related cross-border implications.</p> <p>„Nice to know” layer – EU market development and investment yield trends.</p> <p>The best way to make it easy for PPP holders to find their way through the different layers is by appropriate design of communication strategies. A brief information sheet of paper may lead potential PPP holders through the first layer. The basics of the national legal framework regarding pension products as well as the respectively related cross-border implications (the second layer) may be open to potential PPP holders through the links quoted on the information sheet of paper provided for on the first layer. The „nice to know” info may be provided during subsequent correspondence or face-to-face meetings.</p>	Noted
831.	EFAMA	Q41	<p>If a layering of information is introduced, what information should be included in the first layer (“must know”)? And in the subsequent layers (“should know” and “nice to know”)?</p> <p>We believe the following elements should be covered: (i) an accrued balance that indicates the total amount of pension savings that</p>	Noted

			<p>members have accumulated in their OCERPs, (ii) the performance achieved in the previous year, and (iii) a summary of the fees/charges levied.</p> <p>What is the best way to make it easy for PPP holders to find their way through the different layers?</p> <p>EFAMA believes that just like for pre-contractual information (Q28), the different layers in the on-going information should be ordered by relevance, the most important information ('must know') should be highlighted and readability could be ensured through font size and number of words.</p>	
832.	Fédération Française des Sociétés d'Assurance	Q41	Please refer to question 40	Noted
833.	FSUG	Q41	Recognizing the proposed layering of information by EIOPA , the structure of information presented in Q40 should be layered as first layer (red color), second layer (orange color) and third layer (green color). Visualization of such information based on the standardization of personal savings account layout would not only increase the readability of such information, but on the other hand decrease the IT costs for providers.	Noted
834.	German Insurance Association (GDV)	Q41	We already explained our reservation against the layer-approach (see Q27, Q28). We cannot see any advantage in a layering-approach for on-going information. Or, to put it in other words: The on-going information should be limited to "must know"-information.	Noted
835.	Groupe Consultatif	Q41	This needs to be decided once the information requirements have	Noted

			been agreed.	
837.	Investment Management Association	Q41	'Must know' is as Q40 (fund value, charges and costs and projections). With respect to projections, providers may develop ways to help individuals plan for appropriate contribution levels etc., which is something to be encouraged.	Noted
838.	National Association of Pension Funds (NAPF)	Q41	If a layering of information is introduced, what information should be included in the first layer ("must know")? And in the subsequent layers ("should know" and "nice to know")? What is the best way to make it easy for PPP holders to find their way through the different layers?	
840.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q42	The projection is helpful when evaluating the state of personal needs. Considering the risk and draw down limits, projections should also take into account the probabilistic margin of fluctuation.	Noted
841.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q42	See Q34.	Noted
842.	Association of the Luxembourg Fund Industry	Q42	Do you consider the presentation of illustrative pension projections a useful tool to understand the risks and performance of the product? How and when pension projections should be provided if you think	Noted

			they would be useful. Please refer to Q34.	
843.	Assogestioni	Q42	Please refer to Q34	Noted
844.	Austrian Insurers' Association (VVO)	Q42	Pension projections can be a useful tool and are already foreseen under the Minimum Standards for Information Requirements in the Life Assurance Sector issued by the Austrian Financial Market Authority (FMA).	Noted
845.	Bulgarian Association of supplementary pension sec	Q42	The presentation of illustrative pension projections may not readily be classified as a useful tool to understand the risks and performance of the product. Such projections may even cause damage to the PPP holder trust in the respective provider because regardless of the fact that all those projections are made under explicitly listed assumptions, finally PPP holders claim not to have paid the necessary attention to those assumptions or not to have understood them at all. In the end, what is crucial for the decision to buy a PPP is the final result of the illustration which is hardly compatible with the result of another illustrative exmple made by another provider. It may bring about unwanted distortion of the market. However, pension projections should be provided at any time through a readily accessible and interactive web-based application. The provider specific assumptions should be explicitly visible, and the PPF holder should have control to modify all the additional assumptions like contribution rate, contribution payment period etc. Thus, the projection should become personal.	Noted
846.	EFAMA	Q42	Do you consider the presentation of illustrative pension projections a useful tool to understand the risks and performance of the product? How and when pension projections should be provided if you think they would be useful.	Noted

			Please refer to Q34.	
847.	Fédération Française des Sociétés d'Assurance	Q42	Please refer to question 40	Noted
848.	FSUG	Q42	Projections based on a stochastic approach and well-calibrated models using plausible assumptions (see the response to the Q26) should be part of the pre-contractual as well as on-going information (accumulation phase). However, presenting such projections requires sound methodology for the simulation models and ability to present the information in a understandable way. Projection (simulation) models based on a deterministic approach should not be allowed by product regulation.	Noted
849.	German Insurance Association (GDV)	Q42	Yes, they should be provided in the pre-contractual phase and in the on-going information (see Q34, Q40)	Noted
850.	Groupe Consultatif	Q42	Yes. At least annually and also on demand.	Noted
852.	Investment Management Association	Q42	See answer to Q34.	Noted
853.	National Association of Pension Funds (NAPF)	Q42	Do you consider the presentation of illustrative pension projections a useful tool to understand the risks and performance of the product? How and when pension projections should be provided if you think they would be useful.	

854.	PensionsEurope PensionsEurope represents national	Q42	Please refer to question 34	Noted
856.	ABI	Q43	<p>The key issue related to pension switching is ensuring the retention of value and suitability for that consumer. A full review of scheme features and benefits, a justification and explanation of any increase in charges, a consideration of client's attitudes to risk and investment objectives, and any tax regime implications should form the base considerations when a consumer is considering switching pension schemes.</p> <p>Decisions regarding this information are best agreed upon by national regulators.</p>	Noted
857.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q43	<p>The general pros and cons of the operation from a technical point of view and the costs resulting from said operations, the fiscal pros and cons and the variation of projections with a certain kind of switch.</p> <p>Before termination any kind of information must be supplied, in order to allow the subscribing person to be informed of any variation of costs, performances and variable of the relation risk-profit.</p> <p>Taking into account, as reported in the previews answers, the natural relation between risk and time, the internal management of services should tend to optimise its aspects as time goes by, thus adjusting the tendency of accruing to the age of the subject.</p>	Noted
858.	APFIPP –	Q43	On switching, the PPP holders should be informed about the amount	Noted

	Associação Portuguesa de Fundos de Invest		that will be transferred, the date of transference and, if it is the case, about any costs associated with the process. Before the termination, the PP holder should be informed about the options available for the payment of benefits and, if it is the case, of any costs associated.	
859.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q43	<p>We assume that “switching” refers to transfer of the “pension pot” to another provider.</p> <p>In either situation information should include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The value of the “pension pot” (and any charges to be deducted and details of any tax due). <input type="checkbox"/> Formalities needed to carry out the request (including details of the new provider where relevant). <input type="checkbox"/> Suggestion to ensure they receive advice, as there may be other more appropriate options (for example, in the case of termination at retirement date, open market options for annuities). 	Noted
860.	Association of the Luxembourg Fund Industry	Q43	<p>What information should be provided on switching and before termination?</p> <p>ALFI agrees with the answer provided by EFAMA, however, the impact of changing the investment option would need to be highlighted to the PPP holder (e.g. transaction costs, tax impact, others).</p> <p>A PPP holder should be able to change his investment option at any time during the investment period. This change should be especially</p>	Noted

			<p>encouraged as the member ages through an active communication plan between the provider and the holder. The former should send a communication form, on a periodic basis, by offering the possibility of switching to a lower risk-reward profile PPP / investment option within a PPP, thus reducing expected investment risk as one gets older. Related costs should be duly disclosed.</p> <p>Before termination of the accumulation period, the holder shall receive information on the payout options being offered.</p>	
861.	Assogestioni	Q43	<p>PPPs holders should receive a clear statement about the switching options and they should also be provided with tools (on the website of the PPP provider) enabling them to simulate the differences among the different switching options (in terms of costs, risk/reward profile, etc.).</p>	Noted
862.	Bulgarian Association of supplementary pension sec	Q43	<p>Upon switching and before termination, the following information should be provided to the PPP holder: Contribution record (date and amount of contribution payment), fees deducted, investment yield allocated, individual account accumulation currently available. Projection for benefit payment options if no termination and/or switching to another fund is made.</p>	Noted
863.	EFAMA	Q43	<p>What information should be provided on switching and before termination?</p> <p>A PPP holder should be able to change his investment option at any time during the investment period. This change should be especially encouraged as the member ages through an active communication plan between the provider and the holder. The former should send a communication form, on a periodic basis, by offering the possibility of switching to a lower risk-reward profile PPP / investment option within a PPP, thus reducing expected investment risk as one gets older.</p>	Noted

			<p>Related costs should be duly disclosed.</p> <p>Before termination of the accumulation period, the holder shall receive information on the payout options being offered.</p>	
864.	Fédération Française des Sociétés d'Assurance	Q43	Please refer to question 40	Noted
865.	FSUG	Q43	<p>Switching information should be presented in a confirmatory statement including this information:</p> <ol style="list-style-type: none"> 1. first layer information (see Q40), 2. exact description of the change made by the consumer (including the amount of transferred savings in Euro). <p>Before termination of the contract (or before entering the pay-out phase), first and second layer information should be presented in the statement, including:</p> <ol style="list-style-type: none"> 1. exact day of contract termination (entering the pay-out phase), 2. options and consequences for termination of the contract (entering the pay-out phase), 3. rights and duties of the parties (PPP providers, saver, annuity providers, etc.). 	Noted
866.	German Insurance Association (GDV)	Q43	The on-going information could be used (see Q40). Normally, switching will lead to additional costs. The customer should be informed about this fact. Before termination, the customer should be informed about the current value of his/her contract, corresponding to the on-going information, but without the projections, which are no longer necessary.	Noted

867.	Groupe Consultatif	Q43	<p>On switching : any charges which might be incurred ; dangers of being 'out of market' and for how long this might be. A relative comparison of costs of the different investment classes, investment performance and volatility should be provided for the expected term of the investment.</p> <p>After switching: Any currency fluctuations and charges for currency conversions should be disclosed on switching, particularly between Member States.</p> <p>Before termination : if this is intended to refer to reaching the point of decumulation then the information required will include options available for the decumulation period ; what form(s) of benefits may be paid ; how to access the open market annuity option; what different type of annuity are available; whether special annuity terms are available for 'impaired lives', i.e. those with health issues, heavy smokers or drinkers, those who have worked in unhealthy environments; living in areas with higher mortality experience, etc.; is programmed withdrawal available and if so under what conditions; can the pension fund simply be left invested and drawn from time to time; related tax issues.</p>	Noted
869.	Insurance Europe	Q43	<p>What information should be provided on switching and before termination?</p> <p>The on-going information could be used (see Q40). Normally, switching will lead to additional costs. The customer should be informed about this fact. Before termination, the customer should be informed about the current value of his/her contract, corresponding to</p>	Noted

			the on-going information, but without the projections, which are no longer necessary.	
870.	Investment Management Association	Q43	Switching of product (or funds) should be considered separate to termination in that the end of the accumulation period will entail a choice set for retirement income that is very distinct.	Noted
871.	National Association of Pension Funds (NAPF)	Q43	What information should be provided on switching and before termination?	
872.	PensionsEurope PensionsEurope represents national	Q43	PPP holders should be given different options in terms of costs and risk-rewards when switching. Moreover, they should be clearly informed of the total amount of capital that will be transferred, when it will be transferred and its costs. Regarding termination, PPP holders should be provided with all the information relating to the options available for the payments of benefits and the costs linked to each option.	Noted
874.	ABI	Q44	No. This is a very complex proposition to consolidate information across State, work-based and private pensions. One of the biggest challenges in doing this is how you can get full coverage and information to be provided to the consumer, and a significant amount of investment into joining up the state and private pension databases would be required to ensure consistency of the information disclosure before such a proposition could be achieved. This proposition could also lead to consumer confusion as to who is responsible for the provision of the state benefit if private pension providers were to offer	Noted

			this information.	
875.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q44	Yes, it should. The citizen should have a framework, as exact and updated as possible, of his/her situation regarding all the pillars. Through disclosure obligation on the part of the national entities in charge, on an annual basis.	Noted
876.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q44	Ideally yes - see Q45 below.	Noted
877.	Association of the Luxembourg Fund Industry	Q44	Should/could information cover the other pillars (i.e. overview of the first, second and third pillar pension)? Can this be achieved? If so, how? ALFI agrees with the answer provided by EFAMA that this would not be realistic as PPP providers have no insight into the PPP holder's 1st and 2nd pillar entitlements. On-going information should only refer to the PPP subscribed by the holder. Otherwise it may end up being a document with an overload of information and difficult to harmonise given the national specific requirements for pension schemes belonging to the other pillars. The aim of having an overall view of pension entitlements should be reached through the initiative related to « tracking services ».	Noted
878.	Bulgarian Association of supplementary pension sec	Q44	The independence of the other pension pillars make it impossible or hardly achievable for a PPP provider to deliver information on pension pillars outside the PPP scheme.	Noted

879.	EFAMA	Q44	<p>Should/could information cover the other pillars (i.e. overview of the first, second and third pillar pension)? Can this be achieved? If so, how?</p> <p>On-going information should only refer to the PPP subscribed by the holder. Otherwise it may end up being a document with an overload of information and difficult to harmonise given the national specific requirements for pension schemes belonging to the other pillars. The aim of having an overall view of pension entitlements should be reached through the initiative related to « tracking services ».</p>	Noted
880.	Fédération Française des Sociétés d'Assurance	Q44	Please refer to question 40	Noted
881.	FSUG	Q44	Yes. It can be achieved by the standardization and layering the information.	Noted
882.	German Insurance Association (GDV)	Q44	The issues in parenthesis could not be addressed by product information. The said overview can only be achieved by personal information. In countries where such overview exists, it is provided by an independent agency.	Noted
883.	Groupe Consultatif	Q44	Ideally but this would add a further layer of complication and might be tackled through the more general issue of tracker services and information to individuals about their pension rights. Moreover, integrating different systems can be prohibitively expensive. The Groupe Consultatif is preparing position papers on tracking services and the development of disclosure.	Noted

885.	Insurance Europe	Q44	<p>Should/could information cover the other pillars (i.e. overview of the first, second and third pillar pension)? Can this be achieved? If so, how?</p> <p>Insurance Europe sees merit in providing benefit statements, covering the three pillars.</p> <p>Providing high-quality information is important to ensure that future retirees make informed decisions about their retirement plans. In order to achieve this objective, the information should be provided periodically and in a consistent way so that individuals can check whether they can meet their goals. This information should be clear and complete to allow them to make these decisions with the full picture in mind. Some EU states have developed sophisticated tracking systems to inform citizens about their expected retirement income. Insurance Europe strongly believes that all Member States should be encouraged to develop such systems, which would enable individuals to have access to information on their entitlements and would help them take the right decisions about their future retirement plans.</p> <p>Furthermore, enhanced transparency can also be in the interest of policy holders in the sense that any differences between providers or products would be made apparent in a clear and understandable way to the beneficiaries.</p>	Noted
886.	Investment Management Association	Q44	<p>See answer to Q37. In an ideal world, information across all pillars could be brought together to help people understand their overall retirement provision / entitlement. Construction is possible without the need for significant data warehousing or composite databases. For example, information could be pulled through in real time from different providers into a single 'virtual statement' at a given moment,</p>	Noted

			with ultimate control of data always remaining decentralised. However, the technical and practical challenges currently existing at a national level may be overlaid by additional complexity if such a data service was operating at a cross-border level.	
887.	National Association of Pension Funds (NAPF)	Q44	Should/could information cover the other pillars (i.e. overview of the first, second and third pillar pension)? Can this be achieved? If so, how?	n/a
888.	PensionsEurope PensionsEurope represents national	Q44	We believe that it will not be useful to include information about the other pillars since pension calculations vary from one country to another. For instance, in Finland pillar II pensions only supplement pillar I pensions to the maximum of employer total pension provision. Due to the variety of regimes across the EU, information about the other pillars will not be comparable and hence it would not be useful for PPP subscribers.	Noted
890.	ABI	Q45	Providing consumers with electronic access to key information in order to track their pension is important. We believe that electronic communications provide a more efficient, targeted and environmentally friendly means of communication, and that increasingly customers will expect access to on-line tools to assist them in planning for their retirement.	Noted
891.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q45	Tracking services is necessary at systemic level. There mainly are two suitable methods: 1) through the analysis of the supply of data aggregated at country-level, obtained by the operating subjects; 2) through the sample analysis of a cluster periodically adjustable, that tends to repeat the socio-economical structure of the citizen-holder of a single country. It is also necessary to guarantee to the subscriber the possibility of examining its pension state through the web at all times.	Noted

892.	Asset management of Slovenska sporitelna	Q45	Current scope and presentation of on-going information for UCITS funds is sufficient and should serve as an example for on-going regulation.	Noted
893.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q45	<p>Tracking services can be useful tools. Such tools could be provided by:</p> <p><input type="checkbox"/> A body established at governmental or regulatory level to provide information on individual's accruing first pillar retirement benefits. Additionally, such a service could be extended to include information on second pillar provision. It should be for the national regulator to decide from time to time the assumptions to be made in projecting first and second pillar entitlement into estimates of retirement income. Account would need to be taken of the fact that more and more second pillar provision takes the form of DC schemes. Such information provides invaluable insight into the degree of pension shortfall/increased savings the individual needs to make.</p> <p>Establishing such a service from scratch would require cost /benefit analysis and would be expensive in time and money to establish. Once established it ought to be possible to extend to PPPs.</p> <p><input type="checkbox"/> Private organisations have a role to play and some do so currently in providing tracking services for some private provision (which may extend to a consolidation of information on non-pension savings as well). Such information may include assumptions in respect of the individual's first and second pillar provision. To be most effective and easily accessible such services should be internet based.</p>	Noted
894.	Association of the	Q45	What do you think of tracking services? What are good examples of	Noted

	Luxembourg Fund Industry		tracking services? ALFI believes that tracking services would be welcome, however, we think that this will be difficult to realise.	
895.	Bulgarian Association of supplementary pension sec	Q45	Tracking services should be done through an independent Pension Services System operating throughout the EU. National Social Security administrations provide good examples in this respect for the purpose of the application of Regulation 883/2004.	Noted
896.	EFAMA	Q45	What do you think of tracking services? What are good examples of tracking services? With regard to tracking services, EFAMA believes that there should be transparency towards the individual on the rights he/she has accumulated under his pension scheme, and this communication should be easily understandable as well as be promptly available. S/he should also understand the financial value of those rights, in order to be able to assess whether his/her level of savings is sufficient to provide adequate retirement income. This should be true for all systems, whether they are social security schemes or private schemes, occupational or individual, voluntary or mandatory under national law.	Noted
897.	Fédération Française des Sociétés d'Assurance	Q45	Please refer to question 40	Noted
898.	FSUG	Q45	Tracking services should be arranged and operated directly by the	Noted

			regulator and should be publically accessible, transparent, periodically updated (daily) and should include information on PPPs according to the second layer presented in Q40. Good examples can be found in Sweden, Poland, Estonia, Romania and Slovakia, where regulators track the schemes and present key information on the PPPs (pension funds) on a daily basis.	
899.	German Insurance Association (GDV)	Q45	See Q44	Noted
900.	Groupe Consultatif	Q45	The Groupe Consultatif will shortly be publishing a paper analysing the tracking service arrangements of those EU countries who appear to have developed this concept most at this stage. Further research is to be carried out on what other countries are doing and in identifying the obstacles to more complete tracking services and information disclosure being developed.	Noted
902.	Insurance Europe	Q45	<p>What do you think of tracking services? What are good examples of tracking services?</p> <p>Insurance Europe fully supports the initiative highlighted in the Commission's White Paper to promote the development of tracking services for the first and second pillar, which would enable individuals to keep track of their entitlements. However, such an initiative should be outcome-oriented rather than prescriptive and should build on existing good practices.</p> <p>Such existing good practices can already be found in the Netherlands, Sweden and Denmark to name a few.</p>	Noted
903.	Investment Management	Q45	-	

	Association			
904.	National Association of Pension Funds (NAPF)	Q45	<p>What do you think of tracking services? What are good examples of tracking services?</p> <p>Tracking services, such as the UK's Pension Tracing Service, perform an important function in helping savers to trace the pensions they have accrued during a lifetime of working and saving.</p> <p>The EU is well placed to share best practice between its Member States and to help pension tracing services to link up and share information across national borders. This would be a practical and effective contribution that would strengthen the Internal Market by helping those who have worked in more than one Member State to trace their pensions.</p> <p>The NAPF recommends that this should be a priority for the EC.</p>	Noted
905.	Slovak Association of Fund Management Companies (S	Q45	Current scope and presentation of on-going information for UCITS funds is sufficient and should serve as an example for on-going regulation.	Noted
907.	ABI	Q46	Information that will drive behaviour that will deliver good outcomes for consumers is of key importance. The aim should be communication that a consumer will better understand and be more likely to engage with, and that therefore may prompt a positive	Noted

			<p>change in their attitude toward their savings. For this to occur there needs to be consistency between communications with consumers from the new business quote stage throughout the term of the pension policy, particularly in the area of projections.</p> <p>There are limits to standardisation of information at an EU level and decisions regarding what information should be provided is closely related to the types of products offered in Member States, and again is best agreed by national regulators.</p>	
908.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q46	Standardisation of data establishes their verifiability and comparability and also consents a potential adjustment to changing situations. It is, therefore, essential.	Noted
909.	APFIPP – Associação Portuguesa de Fundos de Invest	Q46	In terms of the presentation of on-going information, we think there is not the need to standardise the format, but it should be ensured that it includes information concerning about the total value of the investment/capital accumulated, as well as the number and value of the units held. The option for a more flexible presentation in terms of format, will allow this information to be provided jointly with other that may also need to be disclosed regularly to the investor.	Noted
910.	Asset management of Slovenska sporitelna	Q46	The format of information should be specified by local standards (be as flexible as possible).	Noted
911.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES,	Q46	Format of the main headings of information should be standardized as far as is possible, with flexibility underneath to take account of different sectorial products and differences in taxation, to maintain	Noted

	Luxembo		consistency and simplicity. Differences in taxation and product type may require different parameters – for example, pension pot with no guarantees/with guarantees (such as with profits and guaranteed interest rates).	
912.	Association of the Luxembourg Fund Industry	Q46	<p>To what extent should the format of information be standardized? What features determine the need for a more flexible presentation of on-going information?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>EFAMA believes that OCERPs should be fully harmonized with regard to information provision.</p>	Noted
913.	Assogestioni	Q46	Please refer to Q37	Noted
914.	Bulgarian Association of supplementary pension sec	Q46	The format of information should be standardised to the extent of the provision of easily comparable data. However, flexible presentation of on-going information is also needed in order to allow for adaptation to the current market fluctuations.	Noted
915.	EFAMA	Q46	<p>To what extent should the format of information be standardized? What features determine the need for a more flexible presentation of on-going information?</p> <p>EFAMA believes that OCERPs should be fully harmonized with regard to information provision.</p>	Noted
916.	Fédération Française des	Q46	This information should be regularly communicated on durable mediums.	Noted

	Sociétés d'Assurance			
917.	FSUG	Q46	To a maximum possible extent. See response to the Q37.	Noted
918.	German Insurance Association (GDV)	Q46	See Q37	Noted
919.	Groupe Consultatif	Q46	<p>A significant degree of standardisation would be helpful in establishing an EU wide regime and making cross-border activity a more realistic possibility.</p> <p>Certain key elements should be standardised, for example; presentation of costs, real return illustrations, and details about conversion to income at retirement. However, product-specific information may not be suitable for standardisation.</p>	Noted
921.	Investment Management Association	Q46	See answer to Q37.	Noted
922.	National Association of Pension Funds (NAPF)	Q46	To what extent should the format of information be standardized? What features determine the need for a more flexible presentation of on-going information?	
923.	PensionsEurope PensionsEurope represents national	Q46	Please refer to questions 30 and 37	Noted
924.	Slovak Association of Fund	Q46	The format of information should be specified by local standards (be as flexible as possible).	Noted

	Management Companies (S)			
927.	ABI	Q47	<p>ABI research has indicated that in most cases, hard copy documents are still preferred to online alternatives, for their ability to 'flag' to the customer that their pension needs their attention. In addition, they are perceived to provide 'set in stone' evidence of the plan arrangements that can be used for future reference.</p> <p>The same research indicated that many customers are interested in the ability to go online to interact with their pension – typically in order to use a pension calculator to consider the impact of increasing their contributions – but this is mostly perceived as a means of enhancing communications, not as a replacement for the hardcopy statement.</p>	Noted
928.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q47	By the creation of a specific website, conveniently advertised. Access to the website will be restricted to registered users that will be able to download and print information.	Noted
929.	APFIPP – Associação Portuguesa de Fundos de Invest	Q47		
930.	Asset management of Slovenska sporitelna	Q47	Electronic	Noted

931.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q47	<p>If the individual has an independent advisor then they should be the primary source of ongoing information and regular review of needs.</p> <p>As many PPP holders will not have an established advisory arrangement, then it will be incumbent on the PPP provider to ensure the necessary information is provided. This may take the form of paper information, or (more and more) by the PPP holder having access to a secure extranet account following email alerts to new information.</p>	Noted
932.	Association of the Luxembourg Fund Industry	Q47	<p>What are the mediums through which ongoing information should be presented?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>Preference should be given to information provision through digital means (information available on-line and sent by e-mail). Yet, PPP holders should keep their right to receive information on paper at their request.</p>	Noted
933.	Assogestioni	Q47	Please refer to Q36	Noted
934.	Bulgarian Association of supplementary pension sec	Q47	On-going information should be presented electronically: on the provider's webpage or to the PPP holder's e-mail. It will allow greater flexibility, transparency and accessibility to the latest possible information update.	Noted
935.	EFAMA	Q47	What are the mediums through which ongoing information should be presented?	Noted

			Preference should be given to information provision through digital means (information available on-line and sent by e-mail). Yet, PPP holders should keep their right to receive information on paper at their request.	
936.	Fédération Française des Sociétés d'Assurance	Q47	Please refer to question 46	Noted
937.	FSUG	Q47	PPP providers web sites, individual savings accounts (accessible through web applications of PPP providers). For the rest of the information, see response to the Q36.	Noted
938.	Groupe Consultatif	Q47	Principally online, but PPP holders should be able to opt for paper copies. A commitment to the provision of good quality and transparent paper-based information will need to be made by providers whilst internet access is still growing.	Noted
940.	Investment Management Association	Q47	See answer to Q36.	Noted
941.	National Association of Pension Funds (NAPF)	Q47	What are the mediums through which ongoing information should be presented?	
942.	PensionsEurope	Q47	On-going information should also be made available in a durable	Noted

	PensionsEurope represents national		medium and free of charge at least on an annual basis, combined with access to IT tools that provide more technical information.	
943.	Slovak Association of Fund Management Companies (S	Q47	Electronic	Noted
946.	ABI	Q48	We believe that annual requirements are sufficient, however, a national regulator is best placed to make this decision in response to the products distributed in their market.	Noted
947.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q48	The annual frequency appears to be the most suitable (even if holders will have the chance of monitoring their personal position all the time) but it could be different if considering an inverse proportion of the holder's age (younger holder-longest horizon time=shorter frequency, from 3 to 5 years; older age/shorter horizon time=greater frequency, annually).	Noted
948.	APFIPP – Associação Portuguesa de Fundos de Invest	Q48	The participants should be regularly informed and a quarterly disclosure seems to be appropriate.	Noted
949.	Asset management of Slovenska sporitelna	Q48	annually	Noted
950.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES,	Q48	Annually, plus ad hoc updates regarding investment changes or consumer initiated change in the planned programme or product.	Noted

	Luxembo			
951.	Association of the Luxembourg Fund Industry	Q48	<p>What is the appropriate frequency for presenting on-going information (e.g. annually)?</p> <p>ALFI agrees with the answer provided by EFAMA. In addition, we believe that on-going information should also be provided upon certain life events (change in job, promotion, marriage, children, divorce etc.).</p> <p>Members of a PPP should receive on-going information on an annual basis.</p>	Noted
952.	Assogestioni	Q48	<p>On-going information should be made available on an annual basis. The PPP holder should have the possibility to check at any time, on the website of the product provider, his individual position value in the PPP.</p>	Noted
953.	Bulgarian Association of supplementary pension sec	Q48	<p>The annual frequency of presenting on-going information is in conformity with the long-term investment horizon of pension funds and will protect PPP holders from ambiguous and sometimes perversely interpreted current short-term investment results.</p>	Noted
954.	EFAMA	Q48	<p>What is the appropriate frequency for presenting on-going information (e.g. annually)?</p> <p>Members of a PPP should receive on-going information on an annual basis.</p>	Noted
955.	Fédération	Q48	Please refer to question 46	Noted

	Française des Sociétés d'Assurance			
956.	FSUG	Q48	Daily. Most of the CEE and Nordic countries implemented daily reporting standard and this standard should be used as a proxy to all PPP providers across Europe.	Noted
957.	German Insurance Association (GDV)	Q48	On-going information should be presented annually.	Noted
958.	Groupe Consultatif	Q48	Annually for most information, especially projections. Achieved returns could be supplied more frequently, particularly if on-line, in which case it would be feasible to have real-time information available about fund values, returns over past periods, etc. However, paper information should probably be provided just annually.	Noted
960.	Investment Management Association	Q48	This depends on what is mandatory as opposed to consumer-driven. Many UK providers allow continuous access to account information, with a regulatory requirement to produce an annual statement, including an SMPI.	Noted
961.	National Association of Pension Funds (NAPF)	Q48	What is the appropriate frequency for presenting on-going information (e.g. annually)?	
962.	PensionsEurope PensionsEurope	Q48	The provision of on-going information on a durable medium seems suitable to be presented at least on an annual basis. However, PPP	Noted

	represents national		holders should have access to IT tools that enable them to closely monitor their investment at any time.	
963.	Slovak Association of Fund Management Companies (S	Q48	annually	Noted
966.	ABI	Q49	<p>In the UK, it is necessary to provide the consumer with information if there is a material change to their contract and to allow them, if appropriate, to cancel, transfer or otherwise alter their contract. The trigger is whether the event is material, rather than if it occurs – for instance a provider cannot be responsible for informing customers about life events unless they themselves are told, and cannot understand what would be the most appropriate action for a consumer to take unless they are in full knowledge of all the facts.</p> <p>In terms of taxation, there are regulatory requirements, such as tax return information, that must be provided to a consumer.</p>	Noted
967.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q49	All variations of contractual, fiscal and normative aspects must become object of a specific information provision. Reciprocally, it would be suitable if the substantial variations of the holder's life (change of activity/working condition, personal and/or familiar significant events) would be registered in an informative report, in order to follow the life cycle of the subject. The use of the holder's personal e-mail could be suitable for quick updates, followed, if necessary, by letter posting.	Noted
968.	APFIPP –	Q49	Specific information provision should be required for example when	Noted

	Associação Portuguesa de Fundos de Invest		the following situations occur: i) significant changes of the investment policy; ii) significant changes in the frequency of the calculation or disclosure of the units value; iii) increases of the commissions charged.	
969.	Asset management of Slovenska sporitelna	Q49	Only regulatory or contractual changes	Noted
970.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q49	<p>Life events: can require specific information dependent upon the event, for example changes to contributions, change to partners, early or ill health retirement.</p> <p>Contractual: Such changes would have to be by express agreement of the parties and so would require specific information.</p> <p>Taxation: Any such changes should be advised and could result in changes to the amount of contribution or pension payment. This could include change of address to a new country of residence.</p> <p>Regulatory: If the change impacts directly on the PPP holder and their expectations then they would require information.</p>	Noted
971.	Association of the Luxembourg Fund Industry	Q49	<p>Which circumstances can require specific information provision (e.g. life events, contractual, taxation or regulatory changes, etc.)?</p> <p>See answer to Q48 above.</p>	Noted

972.	Bulgarian Association of supplementary pension sec	Q49	Specific information provision would be necessary upon changes in life events and upon contractual changes. Taxation and/or other regulatory changes may require specific information provision but upon PPP holder's request. Otherwise, PPP provider may run the risk of becoming a legal advisor rather than a pension provider.	Noted
973.	EFAMA	Q49	Which circumstances can require specific information provision (e.g. life events, contractual, taxation or regulatory changes, etc.)?	
974.	Fédération Française des Sociétés d'Assurance	Q49	Please refer to question 46	Noted
975.	FSUG	Q49	<p>Regulation changes that affect the projected saving targets, including changes of:</p> <ol style="list-style-type: none"> 1. PPPs status and information prospectus, 2. PPPs fee structure, 3. Termination, merger of PPPs (providers), 4. Changes in the investment structure, 5. Changes in the guarantees, 6. Changes in the PPP administrator and/or fund management company, 7. any kind of sanctions, levies and fines charged by the regulator. <p>Special attention from the side of PPP provider should be paid to the consumer in case of entering the pay-out phase. Dedicated information (including all layers) should be presented to the saver before entering the pay-out phase (at least 6 months before).</p>	Noted

976.	German Insurance Association (GDV)	Q49	In our view, it is neither necessary nor useful to develop a regulation for all conceivable, unscheduled information.	Noted
977.	Groupe Consultatif	Q49	PPP holders should be entitled to request information if they wish to transfer funds to another provider, and as they approach retirement. If there are changes to the external environment (eg tax or regulatory) which have a material impact on projected values, there should be a requirement to inform PPP holders of the impact.	Noted
979.	Investment Management Association	Q49	-	
980.	National Association of Pension Funds (NAPF)	Q49	Which circumstances can require specific information provision (e.g. life events, contractual, taxation or regulatory changes, etc.)?	
981.	PensionsEurope PensionsEurope represents national	Q49	PPP holders should be informed of special circumstances that could occur such as important changes in the investment policy, increases in the commissions charged and/or significant changes in the frequency of the calculation or disclosure of the value of the units.	Noted
982.	Slovak Association of Fund Management Companies (S	Q49	Only regulatory or contractual changes	Noted

985.	ABI	Q50	No we don't believe that further information should be provided on request as the current regulatory requirements appropriately handle the information that should be provided.	Noted
986.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q50	The KIID should present in an extremely clear and thorough way information on pension matters, in order to leave no doubts to the subscribers	Noted
987.	APFIPP – Associação Portuguesa de Fundos de Invest	Q50	On request, it should be provided any information that may be considered suitable/adequate for an effective understanding of the decision to investment in the PPP, that is, of what is foreseen in the product rules or contractual rules/instruments of incorporation.	Noted
988.	Asset management of Slovenska sporitelna	Q50	Any kind of information (or additional information) on request should be provided to clients only with reimbursement of fair costs for providing the information.	Noted
989.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q50	<p>Details of:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Possible pension or pension tax advisors. <input type="checkbox"/> Withdrawal from PPP – what are the penalties / tax implications? <input type="checkbox"/> Contribution holiday? What will be the effect on likely pension income if the individual cannot make up the contribution shortfall? <input type="checkbox"/> Early and late retirement options. <input type="checkbox"/> Topping-up the PPP. <input type="checkbox"/> Transfer to another provider. What are the penalties? 	Noted

			<input type="checkbox"/> Moving residence from Country A to country B – what are the implications?	
990.	Association of the Luxembourg Fund Industry	Q50	<p>Is there any kind of information (or additional information) that should be provided on request?</p> <p>Maybe simulations should be provided for specific events as outlined under Q 48 above.</p>	Noted
991.	Bulgarian Association of supplementary pension sec	Q50	It should be possible for any information to be provided on request.	Noted
992.	EFAMA	Q50	Is there any kind of information (or additional information) that should be provided on request?	
993.	Fédération Française des Sociétés d'Assurance	Q50	Please refer to question 46	Noted
994.	FSUG	Q50	<p>There are several areas of transparency, which should be improved by this kind of information, especially:</p> <ol style="list-style-type: none"> 1. full disclosure of the PPP portfolio and asset structure, 2. VaR of the PPP portfolio, 	Noted

			3. portfolio leverage, 4. valuation methods used for different asset classes, 5. life-tables used by the annuity providers, 6. cost of the guarantees.	
995.	German Insurance Association (GDV)	Q50	On request, a customer will be provided with all information he wants apart from those are categorized as business secrets. However, as already said in Q49, it is neither necessary nor useful to develop a regulation for all conceivable, unscheduled information.	Noted
997.	Investment Management Association	Q50	-	n/a
998.	National Association of Pension Funds (NAPF)	Q50	Is there any kind of information (or additional information) that should be provided on request?	n/a
999.	PensionsEurope PensionsEurope represents national	Q50	PPP holders should have access to IT tools that enable them monitor the situation of their investment at any time, provided that this option is included in the contract rules.	Noted
1,000.	Slovak Association of Fund Management Companies (S	Q50	Any kind of information (or additional information) on request should be provided to clients only with reimbursement of fair costs for providing the information.	Noted

1,003.	ABI	Q51	Consumers should be encouraged to keep in contact with their providers and inform them of a change of address.	Noted
1,004.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q51	Yes, when defining clusters suitable for monitoring, periodical information allows their optimization of the margin of error's evaluation, making the results closer and closer to the real data.	Noted
1,005.	Asset management of Slovenska sporitelna	Q51	Not mandatory.	Noted
1,006.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q51	<p>Yes.</p> <ul style="list-style-type: none"> <input type="checkbox"/> On-going information could be provided via client sites (extranets) over the internet which track the PPP. <input type="checkbox"/> Interactive tools could be provided to model outcomes for changes in contribution levels. <input type="checkbox"/> Alerts when something changes can be sent to the PPP holder. <input type="checkbox"/> Q&As/FAQs could be provided for standard questions. <input type="checkbox"/> Secure email answering services for ad-hoc queries. <input type="checkbox"/> Advisory documents can be posted to online libraries for clients to browse. <input type="checkbox"/> If a tracking service is provided by a third party, links to provider sites where this information can be found can be set up – or the third party could provide the generic information. 	Noted
1,007.	Association of the	Q51	Can on-going information requirements be connected with the	Noted

	Luxembourg Fund Industry		<p>implementation of tracking services? How?</p> <p>In theory yes, however, as mentioned under Q45 this will be difficult to achieve.</p>	
1,008.	Bulgarian Association of supplementary pension sec	Q51	A possible connection of the on-going information requirements with the implementation of tracking services depends on how the tracking services are structured and organised in the first place. The implementation of tracking services requires a well organised trans-institutional and cross-border cooperation.	Noted
1,009.	EFAMA	Q51	Can on-going information requirements be connected with the implementation of tracking services? How?	
1,010.	Fédération Française des Sociétés d'Assurance	Q51	Please refer to question 46	Noted
1,011.	FSUG	Q51	They should be. Implementing daily reporting standards used for pension schemes in CEE countries and Sweden might help to standardize the tracking service and provide information disclosure on a daily basis.	Noted
1,012.	German Insurance Association (GDV)	Q51	That is not impossible, but a lot of technical and legal problems need to be solved, e.g. data protection issues.	Noted
1,014.	Investment Management Association	Q51	-	n/a

1,015.	National Association of Pension Funds (NAPF)	Q51	Can on-going information requirements be connected with the implementation of tracking services? How?	n/a
1,016.	Slovak Association of Fund Management Companies (S	Q51	Not mandatory.	Noted
1,018.	ABI	Q52	<p>The consultation separates “pre-retirement information” from “disclosure requirements for the pay-out phase”. In the UK the separation is not clear, because pension providers have duties to communicate with customers in the run-up to retirement, and this communication tends to focus on options for taking retirement benefits. There are distinct markets for decumulation products, and there is no “pay-out phase” as such, although many pension providers will offer an annuity or another retirement income product to their customer when their pension matures.</p> <p>In the UK there are existing requirements in the FCA rulebook (COBS 19.4) for firms communicating with PPP holders approaching retirement. This requires firms to give customers, 6 months from retirement, sufficient information to make an informed decision. This focuses on customers’ “open market option” – the right to shop around and purchase a retirement income product from a different provider to the one with which they had their pension savings.</p> <p>In addition, the ABI’s Code of Conduct on Retirement Choices,</p>	Noted

			<p>compulsory as a condition of ABI membership, sets out in much more detail the objectives and certain standards for pre-retirement packs. This includes benefit payment options, including the type of product. It also requires members to communicate with customers between two and five years from retirement about the decisions they will need to make.</p> <p>As these features of the UK market may not apply in other Member States, it does not make sense to apply these rules across the EU. Similarly, it does not make sense to apply EU-wide rules to Member States when features of the markets, the needs and expectations of the consumers, domestic requirements are varied.</p>	
1,019.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q52	<p>PPP holders should be able to consider their condition from a financial and fiscal point of view. Such information should start from the periodic projections during the entire cycle, up to approaching the real data in the final phase of accruing, in order to allow the holder to monitor its future conditions. In particular, those who are approaching retirement age should be invited to visit the company with whom they have subscribed the plan in order to specifically re-examine the benefit's payment options and the fiscal implications.</p>	Noted
1,020.	APFIPP – Associação Portuguesa de Fundos de Invest	Q52	<p>In general terms, information should be provided along all stages of the investment (pre-contractual, on-going, pre-retirement, pay-out phase). When retirement is approaching, the focus should be to remind the participant about the options available in terms of payment of the capital accumulated (either capital or annuity).</p>	Noted
1,021.	Asset management	Q52	<p>This should be determined by local standards</p>	Noted

	of Slovenska sporitelna			
1,022.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q52	<input type="checkbox"/> Options to take earlier or later retirement (including continuance of contributions). <input type="checkbox"/> Payout options available (types of annuity/guarantees/drawdown/cash). <input type="checkbox"/> Options to transfer pension pot to another provider and associated costs. <input type="checkbox"/> Enhanced/impaired annuity availability (probably only through independent advice). <input type="checkbox"/> Taxation of benefits. <input type="checkbox"/> Detail of claims procedure, together with expected timeline and documentation requirements.	Noted
1,023.	Association of the Luxembourg Fund Industry	Q52	<p>Should there be additional disclosure requirements for PPP holders that are approaching retirement? If so, what information should be provided? Include (e.g. regarding benefit payment options, taxation implications)?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>PPP holders approaching retirement should be provided with dedicated pre-retirement information, related to the different benefit payment options that can be made available to the PPP holder.</p>	Noted
1,024.	Assogestioni	Q52	As retirement age approaches, PPP holders should be provided with specific information related to the different benefit payment options available.	Noted

1,025.	Bulgarian Association of supplementary pension sec	Q52	<p>Ear-marked specific additional disclosure requirements for PPP holders that are approaching retirement might send a rather negative signal to PPP holders reminding them they are expected to start withdrawing their money. Postponing retirement is expected to give greater value to their retirement pot. The relevant information like benefit options, taxation implications etc. is to be available at any time upon PPP holder's request. Its provision through the PPP provider's website is to be implemented in a password accessible interactive way.</p>	Noted
1,026.	EFAMA	Q52	<p>Should there be additional disclosure requirements for PPP holders that are approaching retirement? If so, what information should be provided? Include (e.g. regarding benefit payment options, taxation implications)?</p> <p>PPP holders approaching retirement should be provided with dedicated pre-retirement information, related to the different benefit payment options that can be made available to the PPP holder.</p>	Noted
1,027.	EIOPA Occupational Pensions Stakeholder Groups (OP	Q52	<p>Yes, there should be disclosure requirements to make the consumer aware of the various retirement options so that they have a chance of maximising their retirement outcome – even if this is limited to annuity purchase or drawdown.</p> <p>There must be regulation around any advice aspect of this.</p>	Noted
1,028.	FSUG	Q52	see response to the Q43.	Noted
1,029.	German Insurance Association (GDV)	Q52	As a minimum, the "last" on-going information could be used (see Q43). In individual cases further information might be useful, but we do not think it is necessary to develop general guidelines for these cases.	Noted
1,030.	Groupe Consultatif	Q52	Yes. Options available for the decumulation period ; how to access	Noted

			the open market annuity option; what different type of annuity are available ; whether special annuity terms are available for 'impaired lives', i.e. those with health issues, heavy smokers or drinkers, those who have worked in unhealthy environments; living in areas with higher mortality experience, etc.; is programmed withdrawal available and if so under what conditions ; can the pension fund simply be left invested and drawn from time to time; details of their investment options to de-risk their holdings; if automatic lifestyling investment approaches will operate under the PPP, disclosure of the details of those short-term lifestyling changes should be provided.	
1,032.	Investment Management Association	Q52	<p>See also answer to Q43. This is an extremely important area. Retirement income decisions are challenging and potentially irreversible. Additional information is essential.</p> <p>In the UK, there are mechanisms in the contract-based market operating under guidance from the Association of British Insurers (eg. https://www.abi.org.uk/News/News-releases/2009/12/ABI-guide-sets-new-standards-for-preretirement-wakeup-packs).</p> <p>However, much will depend upon the rules governing the payout phase (eg. is there flexibility on whether and when to annuitise?).</p>	Noted
1,033.	National Association of Pension Funds (NAPF)	Q52	Should there be additional disclosure requirements for PPP holders that are approaching retirement? If so, what information should be provided? Include (e.g. regarding benefit payment options, taxation implications)?	n/a

1,034.	PensionsEurope PensionsEurope represents national	Q52	Yes, we believe that it is important that when PPP holders approach the retirement age they should be informed of the different options they have for the payment of benefits and the costs linked to each option.	Noted
1,035.	Slovak Association of Fund Management Companies (S	Q52	This should be determined by local standards	Noted
1,038.	ABI	Q53	<p>In the UK there is no formal layering of information, but the priority of information can be described broadly as follows:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Compulsory regulated information: the right to shop around <input type="checkbox"/> Prescribed information in industry code: information needed to shop around (fund size, any Guaranteed Annuity Rate, products available, where to go for help) <input type="checkbox"/> Prescribed key messages in industry code: key decisions to make, further detail on different types of product available. <p>It is important to note that the market evolves continuously, and the relevant features for pre-retirement information have changed over time. For example, when the Conduct of Business (COBS) rules mentioned above were published there were virtually no underwritten annuities; but now they form 25% of the market and informing</p>	Noted

			customers about this is as a key part of our Code of Conduct. Flexibility in disclosure requirements must be allowed so that they reflect the market. Further developments are possible in future, whereby pension products could be used to pay for long-term care.	
1,039.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q53	See previous answers.	Noted
1,040.	Asset management of Slovenska sporitelna	Q53	This should be determined by local standards	Noted
1,041.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q53	<p>Items listed in Q52 are “Must Know”.</p> <p>Should Know - detail of any payout option being considered and effects of choice (e.g. life only annuity where all benefit ceases on death; annuity with a guaranteed period may continue, as would a joint life one; variable income may rise and fall).</p> <p>Nice to Know - Legal documentation of the various payout options.</p> <p>Best way to make it easy - If the individual does not have access to an independent advisor, availability of any third party assistance, such as The Pension Advisory Service in the UK, should be provided.</p>	Noted
1,042.	Association of the	Q53	If a layering of information is introduced, what information should be	Noted

	Luxembourg Fund Industry		<p>included in the first layer ('must know')? And in the subsequent layers ('should know' and 'nice to know')? What is the best way to make it easy for PPP holders to find their way through the different layers?</p> <p>"Must know": retirement income under different payout options, tax impact etc.</p> <p>Finding your way through different layers: focus should be provided via adequate layout and presentation of the information.</p>	
1,043.	Bulgarian Association of supplementary pension sec	Q53	<p>If a layering of information is introduced, the information contained in the different layers should be as follows :</p> <p>„Must know“ layer – contribution rates, possibilities to switch between providers, investment options, benefit payment options in the pay-out phase, cost of the PPP</p> <p>„Should know“ layer – basics of the national legal framework regarding pension products as well as the respectively related cross-border implications.</p> <p>„Nice to know“ layer – EU market development and investment yield trends</p> <p>The best way to make it easy for PPP holders to find their way through the different layers is by appropriate design of communication strategies. A brief information sheet of paper may lead potential PPP holders through the first layer. The basics of the</p>	Noted

			national legal framework regarding pension products as well as the respectively related cross-border implications (the second layer) may be open to potential PPP holders through the links quoted on the information sheet of paper provided for on the first layer. The „nice to know” info may be provided during subsequent correspondence or face-to-face meetings.	
1,044.	EFAMA	Q53	If a layering of information is introduced, what information should be included in the first layer ('must know')? And in the subsequent layers ('should know' and 'nice to know')? What is the best way to make it easy for PPP holders to find their way through the different layers?	
1,045.	FSUG	Q53	See response to the Q40. There should be a comprehensive auction (comparison) tool implemented in order to help consumers to take rational and well-informed decisions. This tool can be based on an example of Chilean SCOMP or OMO (in England). At the same time, every option for a pay-out product selection should be benchmarked via the risks that are involved and risk that are covered by the respective pay-out product. For more detailed information, see responses to the Q26 (Table 1) and Q29.	Noted
1,046.	German Insurance Association (GDV)	Q53	See Q41.	Noted
1,047.	Groupe Consultatif	Q53	This needs to be decided once the information requirements have been agreed.	Noted
1,049.	Investment	Q53	-	n/a

	Management Association			
1,050.	National Association of Pension Funds (NAPF)	Q53	If a layering of information is introduced, what information should be included in the first layer ('must know')? And in the subsequent layers ('should know' and 'nice to know')? What is the best way to make it easy for PPP holders to find their way through the different layers?	n/a
1,051.	Slovak Association of Fund Management Companies (S	Q53	This should be determined by local standards	Noted
1,053.	ABI	Q54	<p>In addition to COBS 19.4 mentioned above, there are specific disclosure requirements for firms selling an annuity or a drawdown product. These rules differ by product, which is appropriate given that the products are very different.</p> <p>For example: income drawdown keeps savers' money invested while they draw a pension income. It therefore has an investment risk attached and providers must disclose charges and use prescribed projections as well as setting out risks of depleting the fund. Lifetime annuities are entirely different, with the pension savings converted to a secure income with no investment risk; different risks must be set out, such as inflation.</p> <p>Such an example reinforces the difficulty in setting EU-wide disclosure requirements for very different products and the current disclosure</p>	Noted

			regime in the UK is extensive.	
1,054.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q54	The pay-out determines the fund's gradual reduction. The pay-out balance and the possible deriving projection should be specified, together with its accounting. The information must be simple and clear.	Noted
1,055.	Asset management of Slovenska sporitelna	Q54	This should be determined by local standards	Noted
1,056.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q54	<input type="checkbox"/> If a term annuity (rather than lifetime, including those with a guaranteed period) – information on time left to run. <input type="checkbox"/> Variable/unitized annuity – income for current period. <input type="checkbox"/> Drawdown information on value of remaining “pension pot”. <input type="checkbox"/> Early notices of any options available. <input type="checkbox"/> Advice of any change to rate of tax payable.	Noted
1,057.	Association of the Luxembourg Fund Industry	Q54	<p>Should there be additional disclosure requirements for the pay-out phase? If so, what information should be provided?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>In case a recurrent payment solution is chosen, beneficiaries should be provided with regular information concerning their retirement income.</p>	Noted

1,058.	Bulgarian Association of supplementary pension sec	Q54	<p>Ear-marked specific additional disclosure requirements for the pay-out phase might send a rather negative signal to PPP holders reminding them they are expected to start withdrawing their money. Postponing retirement is expected to give greater value to their retirement pot. The relevant information like benefit options, taxation implications etc. is to be available at any time upon PPP holder's request. Its provision through the PPP provider's website is to be implemented in a password accessible interactive way.</p>	Noted
1,059.	EFAMA	Q54	<p>Should there be additional disclosure requirements for the pay-out phase? If so, what information should be provided?</p> <p>In case a recurrent payment solution is chosen, beneficiaries should be provided with regular information concerning their retirement income.</p>	Noted
1,060.	FSUG	Q54	See response in the Q40.	Noted
1,061.	German Insurance Association (GDV)	Q54	The most important "information" is the monthly payment to the account of the customer. Further information should only be necessary if the payment changes.	Noted
1,062.	Groupe Consultatif	Q54	<p>Additional disclosure will be necessary in the pay-out phase where programmed withdrawal is taking place or where a temporary annuity is in payment and decisions need to be taken about the next phase of temporary annuity.</p> <p>Disclosure will depend on the method used to secure the benefits e.g. annuity purchase, drawdown of income, some other form of flexible income drawn from the PPP. Information about remaining funds, annual levels of income available, any reduction or variation of income under drawdown or guarantees and the availability of any "top-up" mechanism to allow PPP Holders to increase their funding to</p>	Noted

			preserve income should be available. If the benefits are to be secured by way of a further product in a different Member State to the one where the policyholder is resident, details of currency fluctuations and how the regulatory / taxation regime in that Member State will affect the retirement income should be provided.	
1,064.	Insurance Europe	Q54	<p>Should there be additional disclosure requirements for the pay-out phase? If so, what information should be provided?</p> <p>According to Insurance Europe, rules might differ by product, which is appropriate given that the products are very different. Such difference process reinforces the difficulty in setting EU-wide disclosure requirements for very different products.</p>	Noted
1,065.	Investment Management Association	Q54	The answer depends on what form the payout phase takes. Arguably, where an annuity is a level annuity paid for life, the level of information required during the payout phase is relatively low. Where an investment-linked annuity or a form of income drawdown product is used, then information requirements are far greater.	Noted
1,066.	National Association of Pension Funds (NAPF)	Q54	Should there be additional disclosure requirements for the pay-out phase? If so, what information should be provided?	n/a
1,067.	Slovak Association of Fund	Q54	This should be determined by local standards	Noted

	Management Companies (S			
1,070.	ABI	Q55	See response to Q53.	Noted
1,071.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q55	See answer 54 and previous answers	Noted
1,072.	Asset management of Slovenska sporitelna	Q55	This should be determined by local standards	Noted
1,073.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q55	See Q54 - all items Must Know.	Noted
1,074.	Association of the Luxembourg Fund Industry	Q55	<p>If a layering of information is introduced, what information should be included in the first layer (“must know”)? And in the subsequent layers (“should know” and “nice to know”)? What is the best way to make it easy for PPP holders to find their way through the different layers?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>The type and periodicity of the information should differ according to the payout solution chosen (being annuities, lump-sums, phased drawdown plans or combined solutions).</p>	Noted

1,075.	Bulgarian Association of supplementary pension sec	Q55	<p>If a layering of information is introduced, the information contained in the different layers should be as follows :</p> <p>„Must know” layer – contribution rates, possibilities to switch between providers, investment options, benefit payment options in the pay-out phase, cost of the PPP</p> <p>„Should know” layer – basics of the national legal framework regarding pension products as well as the respectively related cross-border implications.</p> <p>„Nice to know” layer – EU market development and investment yield trends</p> <p>The best way to make it easy for PPP holders to find their way through the different layers is by appropriate design of communication strategies. A brief information sheet of paper may lead potential PPP holders through the first layer. The basics of the national legal framework regarding pension products as well as the respectively related cross-border implications (the second layer) may be open to potential PPP holders through the links quoted on the information sheet of paper provided for on the first layer. The „nice to know” info may be provided during subsequent correspondence or face-to-face meetings.</p>	Noted
1,076.	EFAMA	Q55	<p>If a layering of information is introduced, what information should be included in the first layer (“must know”)? And in the subsequent layers (“should know” and “nice to know”)? What is the best way to make it easy for PPP holders to find their way through the different layers?</p> <p>The type and periodicity of the information should differ according to the payout solution chosen (being annuities, lump-sums, phased</p>	Noted

			drawdown plans or combined solutions).	
1,077.	FSUG	Q55	See response in the Q40.	Noted
1,078.	German Insurance Association (GDV)	Q55	See Q41.	Noted
1,079.	Groupe Consultatif	Q55	This needs to be decided once the information requirements have been agreed.	Noted
1,081.	Investment Management Association	Q55	-	n/a
1,082.	National Association of Pension Funds (NAPF)	Q55	If a layering of information is introduced, what information should be included in the first layer ("must know")? And in the subsequent layers ("should know" and "nice to know")? What is the best way to make it easy for PPP holders to find their way through the different layers?	n/a
1,083.	Slovak Association of Fund Management Companies (S	Q55	This should be determined by local standards	Noted
1,086.	ABI	Q56	High levels of protection should be provided to consumers when	Noted

			<p>purchasing a PPP, but given the diversity of these products in the EU, requirements will have to be tailored to each Member State. The 3L3 taskforce, when providing technical advice to the Commission on PRIPs in 2009, recommended that pensions should be left out of scope of PRIPS as it would be best to allow national discretion to extend appropriate and similar disclosure and distribution standards. We support this conclusion.</p> <p>Excessive harmonisation of distribution rules for pensions would remove the ability of Member States to regulate according to the features of their own systems and could impede Member States from developing innovative solutions to the problem of getting people to save more for retirement. Further, it is not solely about protecting the consumer; it is also about recognising consumer preferences and whether or not they will need advice. It is important that consumers have to ability to decide whether they need and want to pay for financial advice or not.</p>	
1,087.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q56	<p>The use of instruments similar to the KID, containing features, costs and basic technicalities, represents a first essential step. The profitable standardization towards distribution, by one or maximum two rates, drastically reduces the conflict of interest, thus increasing the holder's protection. Moreover, the merely commercial procedure must be forbidden, as indicated by the Esma in the latest guidelines regarding savings protection.</p> <p>The constant control on the part of Supervisory Authorities on the several companies becomes essential in order to guarantee to the holder of PPPs a certain integrity in behaviour by the side of selling companies.</p>	Noted
1,088.	Asset management	Q56	UCITS and MIFID regulation is sufficient	Noted

	of Slovenska sporitelna			
1,089.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q56	<p>PPP holders need to be able to ascertain that the distributor they deal with is regulated and have confidence that there is in place both complaints handling and compensation arrangements (coupled with adequate PI cover).</p> <p>Sector regulation needs to provide that the interests of the PPP holder are at the forefront by requiring distributors to advise on the basis of the needs and requirements of the individual and the appropriateness of any product.</p> <p>Full disclosure of all costs, both product and distribution, is essential in the distribution process. The distributor should disclose the basis of remuneration – commission, fee or a combination of these, or salary. In addition, the distributor should disclose any other factors which could conflict with those of the PPP holder, such as sales targets (including incentives), variable remuneration such as bonus, and remuneration from providers of underlying assets.</p> <p>Provided full disclosure of such potential conflict has been given (and acceptance explicitly acknowledged by the PPP holder) there should be no reason why the distributor should not advise the holder.</p>	Noted
1,090.	Association of the Luxembourg Fund Industry	Q56	What level of protection is needed in the distribution process? What is needed in order to prevent conflicts of interest from adversely affecting the interests of PPP holders?	Noted

			<p>ALFI agrees with the answer provided by EFAMA.</p> <p>Given that the choice of a PPP is one of the most important financial decisions a consumer makes, adequate advice should be provided at the point of sale, avoiding conflicts of interests. The goal is that advice should be honest and unbiased as a general principle, given that the provider always has to act in the best interest of the PPP holder.</p> <p>The rules on advice for PPPs should be harmonized at EU level and should be aligned with the appropriateness and suitability tests established in the Markets in Financial Instruments Directive (MiFID) (Directive 2004/39/EC) and the rules set in the Insurance Mediation Directive (IMD) (Directive 2002/92/EC).</p> <p>As these Directives are being reviewed, EFAMA believes this is the right moment to ensure both Directives converge on the same rules for all PPPs.</p>	
1,091.	Assogestioni	Q56	<p>We strongly believe that the distribution process should be clearly regulated in order to avoid conflict of interests. The harmonization process should also cover this particular activity and not be limited to the standardization of products and product providers.</p>	Noted
1,092.	BIPAR	Q56	<p>Insurance and financial intermediaries intermediating life assurance PPPs have to comply with the information requirements of the IMD (and of the IMD II in the future). It established a legislative framework designed to ensure a high level of professionalism and competence among insurance intermediaries. A centralised registration system for insurance intermediaries enables the proof of professional requirements and facilitates cross border activities by</p>	Noted

			<p>way of freedom of establishment and freedom to provide services. The IMD also guarantees a high level of protection of customers' interests.</p> <p>BIPAR believes that for legal certainty reasons, duplication of rules should be avoided. Any additional rules to the ones of the IMD, for the distribution of life assurance PPPs would only lead to unnecessary administrative burden.</p> <p>BIPAR is of the opinion that in any event it should be guaranteed that all those who intermediate, advise or sell life assurance PPPs must continue to be registered as an insurance intermediary under the IMD (and IMD II in the future) or as an insurer.</p>	
1,093.	Bulgarian Association of supplementary pension sec	Q56	<p>The highest level of protection is needed in the distribution process. Transparency, simplicity, and comprehensiveness of the information provided are necessary in the distribution process. A proper complaint registration, processing and monitoring system is crucial to the prevention of conflict of interests from adversely affecting the interests of PPP holders.</p>	Noted
1,094.	EFAMA	Q56	<p>What level of protection is needed in the distribution process? What is needed in order to prevent conflicts of interest from adversely affecting the interests of PPP holders?</p> <p>Given that the choice of a PPP is one of the most important financial decisions a consumer makes, adequate advice should be provided at the point of sale, avoiding conflicts of interests. The goal is that advice should be honest and unbiased as a general principle, given that the provider always has to act in the best interest of the PPP</p>	Noted

			<p>holder.</p> <p>The rules on advice for PPPs should be harmonized at EU level and should be aligned with the appropriateness and suitability tests established in the Markets in Financial Instruments Directive (MiFID) (Directive 2004/39/EC) and the rules set in the Insurance Mediation Directive (IMD) (Directive 2002/92/EC).</p> <p>As these Directives are being reviewed, EFAMA believes this is the right moment to ensure both Directives converge on the same rules for all PPPs.</p>	
1,095.	EIOPA Occupational Pensions Stakeholder Groups (OP	Q56	<p>Fundamentally, there should:</p> <ul style="list-style-type: none"> (i) be a regulatory body protecting practice in the distribution process; and (ii) this should be transparent to the individual consumer. <p>It does not seem to us to be critical that this is the same entity which also regulates occupational schemes (although it could be), but it should be equally robust.</p> <p>We would expect the usual financial services rules which bite on provider firms to also apply: e.g. the requirements to hold capital; the need for controls to manage/mitigate service provider risk; demonstrable effectiveness and monitoring of systems and controls ; risk assessments; audits; adequate business continuity and disaster recovery planning in place; monitoring of supervisory processes, follow up on ORSAs etc.</p>	Noted
1,096.	Fédération Française des	Q56	<p>FFSA points out that insurance PPPs are already under the scope of Solvency II and IMD. Moreover, rules about conflicts of interest are</p>	Noted

	Sociétés d'Assurance		<p>already part of Solvency directive framework and are currently discussed at European level in the context of IMD recast.</p> <p>As a consequence, we do not see why there should be significantly different requirements on distribution and selling practices for insurance PPPs.</p>	
1,097.	FSUG	Q56	<p>see the FSUG response to the "Review of the Markets in Financial Instruments Directive" (available at: http://ec.europa.eu/internal_market/finances-retail/docs/fsug/opinions/mifid-2011_03_15_en.pdf)</p> <p>see the FSUG response to the "Use of Alternative Dispute Resolution (ADR)" (available at: http://ec.europa.eu/internal_market/finances-retail/docs/fsug/opinions/adr-2011_04_08_en.pdf)</p> <p>see the FSUG response to the "Towards a coherent European approach to collective redress" (available at: http://ec.europa.eu/internal_market/finances-retail/docs/fsug/opinions/collective_redress-2011_04_29_en.pdf)</p>	Noted
1,098.	German Insurance Association (GDV)	Q56	<p>The answer applies to Q56 - Q63</p> <p>German insurers question the need for establishing an additional cross-sectoral regulation for intermediaries of pension products. The engagement of a variety of providers in the marketing of pension products as well as the need for interaction and proximity to the consumer also contribute to national differences in how pension products are mediated. An established European framework already exists, e.g. directives on mediation of insurance products (IMD 1/2 (2002/92/EC currently under review) and also on other financial products MiFID 1/2 (Directive 2004/39/EC currently under review), on distance marketing of financial services (Directive 2002/65/EC) and finally on E-commerce (Directive 2000/31/EC). Those directives take</p>	Noted

			into account the characteristics of the respective sales processes. A cross-sectoral approach to pension product intermediation could lead to inconsistencies and overregulation of intermediation without increasing consumer protection. Above all, there is also a risk to make advice for consumers more expensive.	
1,099.	Groupe Consultatif	Q56	<p>As stated in answer to Q23, in addition to providing information to the member or potential member of a third pillar retirement arrangement, those who seek to persuade members of the public to enter into such an arrangement should be required to behave in appropriate ways, in order to reduce the potential impact of conflicts of interest, information asymmetry and sales pressure. In particular sales persons should be required to have a duty of care towards those whom they advise and to:</p> <ul style="list-style-type: none"> a) Consider the risk appetite and risk capacity of the individual with a proper orientation towards the needs and situation of the individual b) Understand the age, earnings level and employment position and prospects of the individual c) Ensure that projections of future outcomes are prudent and emphasize range of possible outcomes, in particular the downside risk and volatility d) Provide projected outcomes in real terms, i.e. net of price inflation e) Provide projections of pension income in retirement and not just capital sums available at retirement date f) Show the impact of all costs on the outcome g) Draw attention to the alternatives available to the individual, especially where the individual may be considering opting out from an occupational plan in order to take out an individual third pillar 	Noted

		<p>arrangement</p> <p>h) Disclose any connections, direct or indirect, which might affect the objectivity of the advice and any remuneration which might be received as a result of giving the advice</p> <p>i) Keep an audit trail of the advice rendered and the data on which it was based</p> <p>We believe that significant consumer protection measures are required because of the risks entailed in pension products. The main risks are the following:</p> <p>a) Poor governance</p> <p>b) Poor advice</p> <p>c) Fraudulent, unethical or inappropriate selling techniques</p> <p>d) High charges (including exit charges, charges on latent contributions, high deductions from contributions before investment, high bid/offer spreads, high charges on assets under management not justified by higher quality investment advice)</p> <p>e) Interest rate risk (especially in the run up to retirement age when decumulation would be expected to begin)</p> <p>f) Inflation risk</p> <p>g) Decumulation (longevity) risk</p> <p>h) Insolvency of provider of the pension product</p> <p>i) Failure of the provider to deliver expected returns</p> <p>j) Mispricing of units in unitised plans</p> <p>k) Inadequate levels of contribution</p>	
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			<p>l) Fiscal and regulatory risk</p> <p>m) Losing the benefit of contributions from the employer, or from any mutualisation of risk or reduction of costs, as a result of leaving or opting out from a collective occupational plan in favour of a third pillar individual plan.</p> <p>n) Unsuitable default investment options offered by the provider</p> <p>The asymmetry between the consumer and the provider in terms of information about and knowledge of retirement products is certainly significant and problematical and a main justification for regulating the information which should be given to the individual, as well as placing requirements and responsibilities on those selling third pillar products. Because of the complexity of the issues involved in saving for retirement through these types of products, it would be desirable to require adherence to quality standards by providers and to impose ethical and behavioural standards on salespersons.</p> <p>There are particular needs for high quality information to be provided to the potential purchaser of personal pension retirement products, which arise out of the complexity of the choices which have to be made, the long investment horizon and the choices which may be implicit, both between personal pension products and between having a third pillar product and opting for an alternate occupational plan which may be available. Consumer information could be improved through requiring some form of key information document to be made available to the potential purchaser of a personal pension product, but this would have to meet high standards of transparency, simplicity and comparability. It should also discuss that the level of savings greatly depend on on the individual life style and individual financial circumstances where both existing and expected wealth and need for</p>	
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			<p>(additional) income need to be balanced. This is in contrast to sales practices that are assessed on filling a financial “gap” based on only a very general proxy as to what the retirement age and what the level of income at retirement should be.</p> <p>Obligations should also be placed on product providers and on those who act as agents or salespersons for the product providers, to abide by a full set of ethical and behavioural rules in order to reduce the scope for abuse and for consumers to be mislead or sold inappropriate products. Some suggestions as to points to be covered are set out in our answer above.</p>	
1,101.	Insurance Europe	Q56	<p>What level of protection is needed in the distribution process? What is needed in order to prevent conflicts of interest from adversely affecting the interests of PPP holders?</p> <p>Insurance Europe notes at the outset that conflicts of interest risks differ significantly between different distribution channels. The risks in the intermediated channel are very different to those in the direct selling channel, there are for example fundamental differences between agents and direct sellers on the one hand, and intermediaries providing advice based on a fair analysis basis. As conflicts of interests do thus not arise to the same extent in all distribution channels, a risk-based and proportionate approach is necessary.</p> <p>An established European framework already exists, e.g. directives on mediation of insurance products (IMD 1/2 (2002/92/EC currently under review) and also on other financial products MiFID 1/2</p>	Noted

			<p>(Directive 2004/39/EC currently under review), on distance marketing of financial services (Directive 2002/65/EC) and finally on E-commerce (Directive 2000/31/EC). Those directives take into account the characteristics of the respective sales processes. A cross-sectoral approach to pension product intermediation risks leading to inconsistencies and overregulation of intermediation without increasing consumer protection. Above all, there is also a risk to make advice for consumers more expensive.</p> <p>Insurance Europe believes that conflicts of interest can be prevented by disclosing the distributor's status and his/her role towards the consumers and the insurance company. Consumers should always be informed about the distributor's specific role in the selling process. Therefore, the distributor should disclose whether he/she is acting as a broker, exclusive or multi-tied agent, or employee of an insurance undertaking to enable a consumer to understand whether the distributor is representing a consumer and providing his services independently and on the basis of fair analysis of the market, or if the distributor is acting for and on behalf of the insurance company and on the basis of an analysis of the products offered by the company (for instance, acting as an exclusive agent).</p> <p>Member states should be allowed to maintain additional rules on conflicts of interest, adjusted to their national market's specificities. Any legislation on distribution should recognise the diversity of distribution channels in the different member states. They are adapted to different consumers' cultures, needs and preferences, and reflect local traditions and social environments. Therefore distribution legislation should be flexible enough to accommodate this diversity. Any EU-wide one-size-fits-all legislation will not capture the differences between distribution structures, and would have a</p>	
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			different impact in different markets and interfere with the capacity of the markets to develop innovative and appropriate consumer-oriented solutions.	
1,102.	Investment Management Association	Q56	PPP investors should benefit from investor protection measures equivalent to those set out in existing directives (MiFID (2004/39/EC) and the IMD (2009/92/EC)), including suitability assessments where the client receives advice relating to the purchase of a PPP.	Noted
1,103.	National Association of Pension Funds (NAPF)	Q56	What level of protection is needed in the distribution process? What is needed in order to prevent conflicts of interest from adversely affecting the interests of PPP holders?	n/a
1,104.	Nordic Financial Unions	Q56	<p>NFU believes that conflicts of interests can be avoided through the introduction of transparency with regard to products and prices. It must be apparent to customers which agreements the financial institution has reached regarding product sales including for example commission.</p> <p>The level of protection stated must consider the exposed situation of the employees who have to act in the best interest of the customers while at the same time following company policies.. To avoid conflicts of interest the company must ensure the right framework for providing quality advice, i.e. employees need adequate time and resources to be able to provide all relevant information to customers.</p>	Noted
1,105.	PensionsEurope PensionsEurope represents national	Q56	EIOPA and the Commission should enhance the independence and objectivity of intermediaries so as to prevent conflicts of interests.	Noted

1,106.	Slovak Association of Fund Management Companies (S	Q56	UCITS and MIFID regulation is sufficient	Noted
1,109.	UNI Europa Finance	Q56	<p>UNI Europa Finance believes that conflicts of interests can be avoided through the introduction of transparency with regard to products and prices. It must be apparent to customers which agreements the financial institution has reached regarding product sales including for example commission.</p> <p>The level of protection stated must consider the exposed situation of the employees who have to act in the best interest of the customers while at the same time following company policies.. To avoid conflicts of interest the company must ensure the right framework for providing quality advice, i.e. employees need adequate time and resources to be able to provide all relevant information to customers.</p>	Noted
1,110.	ABI	Q57	<p>IMD2 sets down information requirements and sales rules for all insurance products. This is a minimum harmonisation directive that allows for Member States to add additional rules applicable to their domestic markets. MiFID2 also sets down information requirements and sales rules for the sale of investment products. This is a maximum harmonisation directive that does not allow for Member State flexibility.</p> <p>Given the current requirements in IMD2 and MiFID2, we would not</p>	Noted

			want to see any alternative requirements set down. It is important that a patchwork of regulatory requirements is avoided e.g. by adding another layer of legislation or by creating further rules that are not coherent in the current EU framework.	
1,111.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q57	Both Directives recalled in the example can be assimilated to the matter discussed in this document. They should be integrated with the content of answer 56.	Noted
1,112.	Asset management of Slovenska sporitelna	Q57	UCITS and MIFID regulation is sufficient	Noted
1,113.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q57	Both MiFID and IMD2 cover this area. However, it would be beyond doubt if regulation expressly referred to areas of potential conflict such as noted in answer to Q56 rather than make generic reference.	Noted
1,114.	Association of the Luxembourg Fund Industry	Q57	<p>Are there existing examples of EU regulation that cover this area already (for example the MiFID and IMD2 conflict of interest and rules on selling practices)? What would be the reasons to deviate from the level envisaged in IMD2 or MiFID? Are there requirements elsewhere that would provide appropriate protection for PPP holders?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>MiFID provisions identify and aim at mitigating conflict of interests. Conflict of interest should be identifiable, disclosed in a general manner and mitigated with proper procedures.</p>	Noted

			it is important to have the same provisions in MiFID II and IMD II.	
1,115.	Austrian Insurers' Association (VVO)	Q57	IMD 2 lays down the information requirements and sales rules for all insurance products, including those providing for third pillar pensions, in a coherent manner. Any regulatory patchwork has to be avoided e.g. by adding another layer of legislation.	Noted
1,116.	BIPAR	Q57	<p>Insurance and financial intermediaries distributing life assurance PPPs have to comply with the information requirements of the IMD (and of the IMD II in the future). Any additional rules for the distribution of these products would only lead to unnecessary administrative burden.</p> <p>Conflicts of interests arise where someone has competing professional interests. BIPAR believes that it is essential that insurance intermediaries selling life assurance PPPs put in place reasonable and proportional systems to identify, manage and mitigate conflicts of interest.</p> <p>With its Article 12, the IMD already addresses the issue though not using the term "conflict of interest". The IMD requires intermediaries, on a contract-by-contract basis, to tell the customer whether they are giving advice based upon a fair analysis, or whether they have contractual obligations with one or more insurers. As a result, customers know where they stand at the outset of the relationship. In addition, the intermediary has to state in writing the reasons for any advice on a given insurance product and all this is supervised and controlled by the national supervisory authorities.</p> <p>In order to mitigate the potential conflicts of interest, BIPAR supports transparency. We promote that before the conclusion of the contract, insurance intermediaries and direct writers shall provide insurance</p>	Noted

			customers with sufficient and clear information to make informed decisions about the purchase of insurance products and about the nature of their services.	
1,117.	Bulgarian Association of supplementary pension sec	Q57	Conflict of interest rules on selling practices as defined in MiFID and IMD2 are similar examples of EU regulation that cover this area already. The reasons to deviate from the distribution rules in IMD2 and MiFID lie in the founding question of how similar and/or different a PPP is in relation to financial instruments and insurance products. With no adequate sifting out the similarities and differences among financial/insurance and pension products, any possible direct copying of existing distribution rules may cause more damage to PPPs rather than provide for better solution for them.	Noted
1,118.	EFAMA	Q57	<p>Are there existing examples of EU regulation that cover this area already(for example the MiFID and IMD2 conflict of interest and rules on selling practices)? What would be the reasons to deviate from the level envisaged in IMD2 or MiFID? Are there requirements elsewhere that would provide appropriate protection for PPP holders?</p> <p>MiFID provisions identify and aim at mitigating conflict of interests. Conflict of interest should be identifiable, disclosed in a general manner and mitigated with proper procedures.</p> <p>it is important to have the same provisions in MiFID II and IMD II.</p>	Noted
1,119.	Fédération Française des Sociétés d'Assurance	Q57	Please refer to question 56	Noted

1,120.	FSUG	Q57	<p>see the FSUG response to the "Review of the Markets in Financial Instruments Directive" (available at: http://ec.europa.eu/internal_market/finances-retail/docs/fsug/opinions/mifid-2011_03_15_en.pdf)</p> <p>see the FSUG response to the "Use of Alternative Dispute Resolution (ADR)" (available at: http://ec.europa.eu/internal_market/finances-retail/docs/fsug/opinions/adr-2011_04_08_en.pdf)</p> <p>see the FSUG response to the "Towards a coherent European approach to collective redress" (available at: http://ec.europa.eu/internal_market/finances-retail/docs/fsug/opinions/collective_redress-2011_04_29_en.pdf)</p>	Noted
1,121.	Groupe Consultatif	Q57	In our view the provisions in MiFID and IMD2 are in the right direction but not sufficient protection for the specific risk exposure of individuals in purchasing PPPs.	Noted
1,123.	Insurance Europe	Q57	<p>Are there existing examples of EU regulation that cover this area already (for example the MiFID and IMD2 conflict of interest rules on selling practices)? What would be the reasons to deviate from the distribution rules in IMD2 or MiFID? Are there requirements elsewhere that would provide appropriate protection for PPP holders?</p> <p>As further explained in response to question 63, Insurance Europe believes that insurance undertakings and intermediaries should only be subjected to IMD 2 rules. The minimum harmonisation approach of IMD 2 would allow taking into account local divergences and consumers' needs. Moreover, Insurance Europe's responses to questions 58 – 61 reflect Insurance Europe's position on the IMD 2</p>	Noted

			<p>proposal.</p> <p>Furthermore, Insurance Europe fears that the present concurrent and uncoordinated work streams on different initiatives (eg PRIPs, Solvency II and now personal pensions) can create a tangible risk of overlapping rules. Insurance Europe calls on the different entities working on pension products to coordinate.</p>	
1,124.	Investment Management Association	Q57	<p>It is preferable to have consistency in the application of consumer protection and conflicts of interest requirements across different investment products, including PPPs. In this context, alignment of these requirements across MiFID II and IMD II and the inclusion of PPPs is desirable.</p>	Noted
1,125.	National Association of Pension Funds (NAPF)	Q57	<p>Are there existing examples of EU regulation that cover this area already (for example the MiFID and IMD2 conflict of interest and rules on selling practices)? What would be the reasons to deviate from the level envisaged in IMD2 or MiFID? Are there requirements elsewhere that would provide appropriate protection for PPP holders?</p>	n/a
1,126.	Nordic Financial Unions	Q57	<p>In general, distribution rules for different products should as far as possible be harmonized to ensure a level playing field and avoid regulatory arbitrage. That being said, the differences between products and areas within the financial sector might require varying degrees of protection. It is NFUs opinion that the MiFID II distribution rules are adequate and should serve as a benchmark for any new</p>	Noted

			<p>rules in the area of personal pensions.</p> <p>The IMD2 proposal lays out mis-leading transparency requirements in article 17.3 of the original proposal. Consumer protection is best achieved through personal advice and transparency in products and prices, not on the exact amount of remuneration that the employee receives. A sole focus on the remuneration of employees risk drawing focus away from the core consumer issue – the suitability of the product including its content and cost. Requirements for complete transparency on the level of individual employees are also highly problematic from a perspective of personal integrity.</p>	
1,127.	Slovak Association of Fund Management Companies (S	Q57	UCITS and MIFID regulation is sufficient	Noted
1,129.	The Finnish Pension Alliance / Työeläkevakuuttajat	Q57	Both MiFID and IMD2 cover the sale of financial products, so these do serve as examples of regulation covering some parts of PPPs. Especially since changes are planned to the IMD regime, it's important to first see, what changes this will mean before already engaging to the planning of overlapping/new regulation.	Noted
1,130.	UNI Europa Finance	Q57	In general, distribution rules for different products should as far as possible be harmonised to ensure a level playing field and avoid regulatory arbitrage, currently the national schemes differ greatly across the member states. That being said, the differences between products and areas within the financial sector might require varying degrees of protection. It is UNI Europa Finance's opinion that the	Noted

			<p>MiFID II distribution rules are adequate and should serve as a benchmark for any new rules in the area of personal pensions.</p> <p>The IMD II proposal lays out mis-leading transparency requirements in article 17.3 of the original proposal. Consumer protection is best achieved through personal advice and transparency in products and prices, not on the exact amount of remuneration that the employee receives. A sole focus on the remuneration of employees risks drawing focus away from the core consumer issue – the suitability of the product including its content and cost. Requirements for complete transparency on the level of individual employees are also problematic from a perspective of personal integrity.</p> <p>Conflicts of interest are best mitigated by addressing the issue of inducements in relation to excessive sales targets and sales pressure.</p>	
1,131.	ABI	Q58	This should be up to Member States to develop, but as in our answer to question 56, we would not want to see any restriction of a consumers' decision to purchase PPPs without advice.	Noted
1,132.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q58	They should be submitted to the suitability regime established by the MiFID, referring to what has been explained in the previous answers. Furthermore, there is the need to establish a more convincing discipline regarding the resolution of conflicts of interest pertaining the intermediaries, since it can be considered a socially sizable matter.	Noted
1,133.	Asset management of Slovenska sporitelna	Q58	UCITS and MIFID regulation is sufficient	Noted

1,134.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q58	Within the existing regulatory frameworks, in the same way as for other products. However, EIOPA should review with the other ESAs to ensure that there are no products or situations which could fall into a black hole - for example, transferring from/to some other form of pension to a PPP and/or associated assets – see also Q5.	Noted
1,135.	Association of the Luxembourg Fund Industry	Q58	<p>How should selling practices (including advice) for personal pension products be regulated?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>Both MiFID II and IMD II should have the same provisions related to the selling practices of all PPPs.</p>	Noted
1,136.	Bulgarian Association of supplementary pension sec	Q58	Selling practices (including advice for PPP) should be regulated by a Directive thus allowing for local national rules and best practice in this respect to be adapted rather than confronted or jeopardised.	Noted
1,137.	EFAMA	Q58	<p>How should selling practices (including advice) for personal pension products be regulated?</p> <p>Both MiFID II and IMD II should have the same provisions related to the selling practices of all PPPs.</p>	Noted
1,138.	Fédération Française des Sociétés d'Assurance	Q58	Please refer to question 56	Noted

1,139.	FSUG	Q58	<p>see the FSUG response to the "Review of the Markets in Financial Instruments Directive" (available at: http://ec.europa.eu/internal_market/finances-retail/docs/fsug/opinions/mifid-2011_03_15_en.pdf)</p> <p>see the FSUG response to the "Use of Alternative Dispute Resolution (ADR)" (available at: http://ec.europa.eu/internal_market/finances-retail/docs/fsug/opinions/adr-2011_04_08_en.pdf)</p> <p>see the FSUG response to the "Towards a coherent European approach to collective redress" (available at: http://ec.europa.eu/internal_market/finances-retail/docs/fsug/opinions/collective_redress-2011_04_29_en.pdf)</p>	Noted
1,140.	Groupe Consultatif	Q58	<p>As stated in answer to Q23, in addition to providing information to the member or potential member of a third pillar retirement arrangement, those who seek to persuade members of the public to enter into such an arrangement should be required to behave in appropriate ways, in order to reduce the potential impact of conflicts of interest, information asymmetry and sales pressure. In particular sales persons should be required to have a duty of care towards those whom they advise and to:</p> <ul style="list-style-type: none"> a) Consider the risk appetite and risk capacity of the individual with a proper orientation towards the needs and situation of the individual b) Understand the age, earnings level and employment position and prospects of the individual c) Ensure that projections of future outcomes are prudent and emphasize range of possible outcomes, in particular the downside risk and volatility d) Provide projected outcomes in real terms, i.e. net of price 	Noted

		<p>inflation</p> <p>e) Provide projections of pension income in retirement and not just capital sums available at retirement date</p> <p>f) Show the impact of all costs on the outcome</p> <p>g) Draw attention to the alternatives available to the individual, especially where the individual may be considering opting out from an occupational plan in order to take out an individual third pillar arrangement</p> <p>h) Disclose any connections, direct or indirect, which might affect the objectivity of the advice and any remuneration which might be received as a result of giving the advice</p> <p>i) Keep an audit trail of the advice rendered and the data on which it was based</p> <p>We believe that significant consumer protection measures are required because of the risks entailed in pension products. The main risks are the following:</p> <p>a) Poor governance</p> <p>b) Poor advice</p> <p>c) Fraudulent, unethical or inappropriate selling techniques</p> <p>d) High charges (including exit charges, charges on latent contributions, high deductions from contributions before investment, high bid/offer spreads, high charges on assets under management not justified by higher quality investment advice)</p> <p>e) Interest rate risk (especially in the run up to retirement age when decumulation would be expected to begin)</p> <p>f) Inflation risk</p>	
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		<p>g) Decumulation (longevity) risk</p> <p>h) Insolvency of provider of the pension product</p> <p>i) Failure of the provider to deliver expected returns</p> <p>j) Mispricing of units in unitised plans</p> <p>k) Inadequate levels of contribution</p> <p>l) Fiscal and regulatory risk</p> <p>m) Losing the benefit of contributions from the employer, or from any mutualisation of risk or reduction of costs, as a result of leaving or opting out from a collective occupational plan in favour of a third pillar individual plan.</p> <p>n) Unsuitable default investment options offered by the provider</p> <p>The asymmetry between the consumer and the provider/salesperson in terms of information about and knowledge of retirement products is certainly significant and problematical and a main justification for regulating the information which should be given to the individual, as well as placing requirements and responsibilities on those selling third pillar products. Because of the complexity of the issues involved in saving for retirement through these types of products, it would be desirable to require adherence to quality standards by providers and to impose ethical and behavioural standards on salespersons.</p> <p>There are particular needs for high quality information to be provided to the potential purchaser of personal pension retirement products, which arise out of the complexity of the choices which have to be made, the long investment horizon and the choices which may be implicit, both between personal pension products and between having</p>	
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			<p>a third pillar product and opting for an alternate occupational plan which may be available. Consumer information could be improved through requiring some form of key information document to be made available to the potential purchaser of a personal pension product, but this would have to meet high standards of transparency, simplicity and comparability. It should also discuss that the level of savings greatly depend on on the individual life style and individual financial circumstances where both existing and expected wealth and need for (additional) income need to be balanced. This is in contrast to sales practices that are assessed on filling a financial “gap” based on only a very general proxy as to what the retirement age and what the level of income at retirement should be.</p> <p>Obligations should also be placed on product providers and on those who act as agents or salespersons for the product providers, to abide by a full set of ethical and behavioural rules in order to reduce the scope for abuse and for consumers to be mislead or sold inappropriate products. Some suggestions as to points to be covered are set out in our answer above.</p>	
1,142.	Insurance Europe	Q58	<p>How should selling practices (including advice) for PPPs be regulated?</p> <p>Insurance Europe has previously proposed the following six high level principles on selling practices for insurance providers:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Selling practices must be focused on the fair treatment of the customer. <input type="checkbox"/> A distributor has to offer advice on request or on own initiative when the circumstances indicate there is a need, as a result of the 	Noted

			<p>information provided by the customer.</p> <p><input type="checkbox"/> A customer should always be informed about the type of the service provided (non-advised sale, advice, fair analysis).</p> <p><input type="checkbox"/> Where advice is given, it should be based on an analysis of the customer's needs, on the basis of information provided by the customer.</p> <p><input type="checkbox"/> Any distributor providing information or advice on a product must understand and be able to explain the key features of the product.</p> <p><input type="checkbox"/> Before a contract is concluded, the customer should be given the information about the product, which allows the customer to make an informed decision.</p>	
1,143.	Investment Management Association	Q58	The existing requirements in MiFID and the IMD should be harmonised as far as possible so that those involved in selling PPPs are subject to equivalent standards.	Noted
1,144.	National Association of Pension Funds (NAPF)	Q58	How should selling practices (including advice) for personal pension products be regulated?	
1,145.	Nordic Financial Unions	Q58	NFU believes that rules on distribution and selling practices should be regulated at the same level as MiFID2 and IMD2 to avoid legal uncertainty and ensure a level playing field minimising the risk of regulatory arbitrage.	Noted

1,146.	Slovak Association of Fund Management Companies (S	Q58	UCITS and MIFID regulation is sufficient	Noted
1,148.	UNI Europa Finance	Q58	UNI Europa Finance would like to see rules on distribution and selling practices aligned with MiFID II and IMD II in order to avoid legal uncertainty and to ensure a level playing field and minimise the risk of regulatory arbitrage.	Noted
1,149.	ABI	Q59	In the UK, the Financial Conduct Authority (FCA), the UK's conduct supervisor, applies suitability rules ¹ to the sales of insurance products, including PPPs, akin to those set down in the MiFID implementation directive. Assessing suitability means investment firms must obtain the necessary information for example information on objectives, attitude to risk, financial situation and knowledge and experience; in order to assess the suitability of any investment for that client. We believe these rules are appropriate for the sale of PPPs.	Noted
1,150.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q59	The concept of “suitability” is adequate	Noted
1,151.	Asset management of Slovenska sporitelna	Q59	Yes, MIFID suitability tests fit sufficiently.	Noted

1,152.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q59	The suitability provisions contained within IMD2, while similar to those within MiFID2, would seem to be more appropriate. We do not see the need to differentiate between retail and professional clients, although clearly education and knowledge of PPP holders will differ. We also believe that PPP holders should be able to take out PPPs on an “execution-only” basis.	Noted
1,153.	Association of the Luxembourg Fund Industry	Q59	<p>Is the concept of MiFID ‘suitability’ also fit for personal pensions? If not, how can it be made fit for personal pensions?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>The rules on advice for personal pension products should be harmonized at EU level and should be aligned with the appropriateness and suitability tests established in the Markets in Financial Instruments Directive (MiFID) (Directive 2004/39/EC) and the rules set in the Insurance Mediation Directive (IMD) (Directive 2002/92/EC). As these Directives are being reviewed, EFAMA believes it is good time to ensure both Directives converge on the same rules for all personal pension products.</p>	Noted
1,154.	BIPAR	Q59	Personal pension products contribute to the patrimonium of the client on the long term. Therefore, we believe it is important that the client is professionally accompanied. With regard to the application of the MiFID suitability test or of a similar concept, we believe it is too early to respond and the result and success of the legal instruments that are currently under discussion by the EU legislators should be awaited (e.g. chapter VII of the IMD II proposal).	Noted

			Also See Question 57	
1,155.	Bulgarian Association of supplementary pension sec	Q59	The suitability of any investment for a particular client is not fit for personal pensions in the same concept of MiFID. Individual PPP holders should choose among different investment options offered by the PPP provider. Making the investment choice themselves, PPP holders are the ones to make sure their choice (or the default option) is fit for the personal pensions. Managers obtaining mandates for the investment of the PPP provider's pension funds should obtain the necessary information on objectives, financial situation, knowledge and experience so that they entirely fit the objective to provide for suitable retirement income.	Noted
1,156.	EFAMA	Q59	<p>Is the concept of MiFID 'suitability' also fit for personal pensions? If not, how can it be made fit for personal pensions?</p> <p>The rules on advice for personal pension products should be harmonized at EU level and should be aligned with the appropriateness and suitability tests established in the Markets in Financial Instruments Directive (MiFID) (Directive 2004/39/EC) and the rules set in the Insurance Mediation Directive (IMD) (Directive 2002/92/EC). As these Directives are being reviewed, EFAMA believes it is good time to ensure both Directives converge on the same rules for all personal pension products.</p>	Noted
1,157.	Fédération Française des Sociétés d'Assurance	Q59	Please refer to question 56	Noted

1,158.	FSUG	Q59	<p>see the FSUG response to the "Review of the Markets in Financial Instruments Directive" (available at: http://ec.europa.eu/internal_market/finances-retail/docs/fsug/opinions/mifid-2011_03_15_en.pdf)</p> <p>see the FSUG response to the "Use of Alternative Dispute Resolution (ADR)" (available at: http://ec.europa.eu/internal_market/finances-retail/docs/fsug/opinions/adr-2011_04_08_en.pdf)</p> <p>see the FSUG response to the "Towards a coherent European approach to collective redress" (available at: http://ec.europa.eu/internal_market/finances-retail/docs/fsug/opinions/collective_redress-2011_04_29_en.pdf)</p>	Noted
1,159.	Groupe Consultatif	Q59	That is a start but a specific duty of care should be placed on providers to understand the pension requirements and risk profile of the client.	Noted
1,161.	Insurance Europe	Q59	<p>Is the concept of MiFIDs 'suitability' also fit for personal pensions? If not, how can it be made fit for personal pensions?</p> <p>As further explained in response to question 63 below, Insurance Europe believes that insurance undertakings and intermediaries should only be subjected to the sales rules in IMD 2 which, where appropriate, set out advice requirements.</p>	Noted
1,162.	Investment Management Association	Q59	Given that choosing a PPP will often be the most significant investment decision a consumer will make, a requirement to assess suitability before providing advice to a client is sensible.	Noted

1,163.	National Association of Pension Funds (NAPF)	Q59	Is the concept of MiFID 'suitability' ²⁹ also fit for personal pensions? If not, how can it be made fit for personal pensions?	
1,164.	Nordic Financial Unions	Q59	Yes, the suitability concept in the MiFID rules would be relevant also for personal pension products, taking into account the differences between categories of investment products in terms of risk, investment horizon, etc.	Noted
1,165.	Slovak Association of Fund Management Companies (S	Q59	Yes, MIFID suitability tests fit sufficiently.	Noted
1,167.	UNI Europa Finance	Q59	Yes, the suitability concept in the MiFID rules would be relevant also for personal pension products, taking into account the differences between categories of investment products in terms of risk, investment horizon, etc.	Noted
1,168.	ABI	Q60	It is important that any conflicts of interest in the distribution process are identified and managed in a clear manner to ensure there is no consumer detriment. The ABI supports this high level of consumer protection.	Noted

			<p>In the UK conflicts of interest are managed under the FCAs, high level principles for business (Principle 8) where they set out that a firm must manage conflict of interest (COI) fairly, both between itself and its customers and between a customer and another client. Responsibility is put on senior management to set clear standards and have in place formal policies for the firm to identify and manage any COIs that may occur. There must also be clear guidance in place for staff on how to recognise a potential COIs and when to escalate it to management and these policies and guidance must be regularly reviewed. If COIs are found, they must be disclosed to consumers. Firms must also be ready to explain to the FCA how they are managing COIs and what policies and guidance are in place.</p>	
1,169.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q60	See the answers to questions 56 and 58. Control of administrative requirements (for example separation) and on best and bad practices must also be added.	Noted
1,170.	Asset management of Slovenska sporitelna	Q60	UCITS and MIFID regulation is sufficient	Noted
1,171.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q60	See Q56.	Noted
1,172.	Association of the Luxembourg Fund Industry	Q60	What conflict of interest rules should apply (e.g. organisational/administrative requirements, together with disclosure and remuneration requirements)?	Noted

			MiFID and UCITS IV requirements (including inducements) could be considered as a source of inspiration.	
1,173.	Austrian Insurers' Association (VVO)	Q60	IMD 2 lays down the information requirements and sales rules for all insurance products, including those providing for third pillar pensions, in a coherent manner. Any regulatory patchwork has to be avoided e.g. by adding another layer of legislation.	Noted
1,174.	BIPAR	Q60	<p>In the context of the revision of the IMD, BIPAR, promotes that before the conclusion of the contract, insurance intermediaries should inform insurance customers about the nature of their remuneration. We believe that such a system would ensure that there is a fair opportunity for dialogue between the client and the intermediary about price, quality, services and solutions and, at the same time, it would offer an adequate level of transparency without creating too much administrative burden for operators.</p> <p>We also want to emphasize that there is a difference between investment products and non-investment products. The insurance market is completely different from the investment market.</p> <p>Also see Question 57</p>	Noted
1,175.	Bulgarian Association of supplementary pension sec	Q60	Avoiding conflict of interest is key to strengthening PPP holders' trust in the whole system. All conflict of interest rules should apply: requirements imposed within the organisation or by administrative means. Disclosure and remuneration requirements should be such as to guarantee transparency, prudence and fairness in PPP provider's operation. The tricky point in designing the remuneration	Noted

			requirements is in making them „journalist neutral” to any eventual populist interpretations.	
1,176.	EFAMA	Q60	<p>What conflict of interest rules should apply (e.g. organisational/administrative requirements, together with disclosure and remuneration requirements)?</p> <p>Please refer to Q57.</p>	Noted
1,177.	EIOPA Occupational Pensions Stakeholder Groups (OP	Q60	<p>In IORP, there are requirements that those running schemes have to act in the best interests of all beneficiaries. For a PPP, the providers are commercial and ultimately have a profit motive. There clearly is therefore potential for conflict between corporate interests and the best interests of the individual consumers.</p> <p>To some extent this may be alleviated by e.g. regular reviews of customer offerings to ensure the charges and any default options remain appropriate – and that the provider is acting honestly, fairly etc. The current consumer and financial services protections are in some areas less ‘broadly defined’ than the occupational pension scheme obligations which include the very wide “catch – all “ fiduciary obligations of acting in the best interest of members. So it is even more important to make sure there is a detailed and very comprehensive list of the principles and responsibilities of the provider. Good governance and publication of best practice initiatives could also be useful here. There may also be scope for a prudent pension rule for providers within any PPP regulatory regime, or a fiduciary concept as with the US 401(K) Regime.</p>	Noted
1,178.	Fédération Française des Sociétés d’Assurance	Q60	Please refer to question 56	Noted

1,179.	FSUG	Q60	<p>see the FSUG response to the "Review of the Markets in Financial Instruments Directive" (available at: http://ec.europa.eu/internal_market/fin services-retail/docs/fsug/opinions/mifid-2011_03_15_en.pdf)</p> <p>see the FSUG response to the "Use of Alternative Dispute Resolution (ADR)" (available at: http://ec.europa.eu/internal_market/fin services-retail/docs/fsug/opinions/adr-2011_04_08_en.pdf)</p> <p>see the FSUG response to the "Towards a coherent European approach to collective redress" (available at: http://ec.europa.eu/internal_market/fin services-retail/docs/fsug/opinions/collective_redress-2011_04_29_en.pdf)</p>	Noted
1,181.	Insurance Europe	Q60	<p>What conflict of interest rules should apply (e.g. organisational/administrative requirements, together with disclosure and remuneration requirements)?</p> <p>Insurance Europe is in favour of transparency for consumers to aid in their comparisons between products. However, as referred to in the response to question 56, we believe that rules on conflicts of interest should be tailored to and balanced between the distribution channels concerned, proportionate to the level of complexity of the products being sold, and adapted to consumer needs. Conflict of interest rules should benefit consumers and not close down or restrict access to products.</p> <p>As mentioned in response to question 56, Insurance Europe believes that conflicts of interest can be prevented by disclosing the distributor's status and his/her role towards the consumers and the</p>	Noted

			<p>insurance company. Disclosure of remuneration is however not the most appropriate way of managing conflicts of interest. The recent study carried out for the EC by PriceWaterhouseCoopers on the IMD review found that excessively detailed disclosures would be confusing and misleading for consumers. Insurance Europe therefore proposes to:</p> <p><input type="checkbox"/> Address conflicts of interest through the mandatory disclosure by distributors of their status and role vis-à-vis the consumer and the insurance company. Consumers should always be informed about the distributor's specific role in the selling process.</p> <p><input type="checkbox"/> For intermediaries the form (ie fee or commission) and the source of their remuneration (insurance undertaking, customer or other intermediary) should be disclosed. This has the advantage of ensuring that the consumer is informed and aware at the pre-contractual stage of the particular form in which an intermediary is remunerated and by whom he/she is remunerated. It is self-evident that an employee of an insurance undertaking is remunerated by the insurance undertaking.</p> <p><input type="checkbox"/> Member states should be allowed to maintain or adopt additional rules on conflicts of interest and remuneration adjusted to their national market's specificities.</p>	
1,182.	Investment Management Association	Q60	See answer to Q57.	Noted
1,183.	National Association of Pension Funds (NAPF)	Q60	What conflict of interest rules should apply (e.g. organisational/administrative requirements, together with disclosure and remuneration requirements)?	n/a

1,184.	Nordic Financial Unions	Q60	<p>NFU believes that transparency in products and prices is key with the aim to avoid conflicts of interest.</p> <p>However, NFU would like to remind EIOPA that remuneration issues are an area that is not for the EU to deal with. As stated in article 153.5 TFEU, pay is outside the scope of the EU legislative competence. This has also been acknowledged several times in recent years' financial legislation, most recently in the CRDIV, recital 50, that states:</p> <p>(50) The provisions on remuneration should be without prejudice to the full exercise of fundamental rights guaranteed by Article 153(5) of the TFEU, general principles of national contract and labour law, legislation regarding shareholders' rights and involvement and the general responsibilities of the management bodies of the institution concerned, as well as the rights, where applicable, of the social partners to conclude and enforce collective agreements, in accordance with national law and customs.</p> <p>Moreover, as stated above, NFU is convinced that the disclosure rules in IMD2 are too far-reaching not contributing to increased consumer protection, but instead obscuring it, whilst at the same time breaching the integrity of individual employees.</p> <p>NFU would furthermore like to stress that no sanctions shall be applied to employees who have followed internal rules, instructions and/or practices, be they official or unofficial, within the institution.</p>	Noted

			Individual employees should not be held responsible for a violation, which is encouraged by a tacit policy or practice in the institution.	
1,185.	Slovak Association of Fund Management Companies (S	Q60	UCITS and MIFID regulation is sufficient	Noted
1,188.	UNI Europa Finance	Q60	<p>First and foremost UNI Europa Finance would like to remind EIOPA that remuneration issues is an area that is not for the EU to deal with. As stated in article 153.5 TFEU, pay is outside the scope of EU legislative competence. This has also been acknowledged several times in recent years' financial legislation, most recently in the CRD IV, recital 69, that states:</p> <p>(69) The provisions on remuneration should be without prejudice to the full exercise of fundamental rights guaranteed by Article 153(5) of the TFEU, general principles of national contract and labour law, legislation regarding shareholders' rights and involvement and the general responsibilities of the management bodies of the institution concerned, as well as the rights, where applicable, of the social partners to conclude and enforce collective agreements, in accordance with national law and customs.</p> <p>Moreover, as stated above, UNI Europa Finance is convinced that the disclosure rules in IMD II are too far-reaching, not contributing to</p>	Noted

			<p>increased consumer protection but instead obscuring it, whilst at the same time breaching the integrity of individual employees. Transparency in products and prices is key to avoid conflicts of interest.</p> <p>UNI Europa Finance would furthermore like to stress that no sanctions shall be applied to employees who have followed internal rules, instructions and/or practices, be they official or unofficial, within the institution. Individual employees should not be held responsible for a violation, which is encouraged by a tacit policy or practice in the institution.</p>	
1,189.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q61	Distributors should faithfully inform about the characteristics and prerogatives of the provided services, through the previously indicated tools and should also verify the adequacy of the suggested tools by means of a correct survey on the holder's knowledge, of his/her situation, and of his/her needs. In this procedure, however, it's necessary to consider correction coefficients suitable for the correlation of services' features and risk-acceptance by the holder, taking however into consideration the time factor, and therefore the possibility of assuming technically more significant risk, also because of its graduation during the life cycle. Furthermore, costs have to be indicated, as well as a warning on the riskiness of the selected instrument, the maximum loss and the time needed to recover from it (drawdown and recovery drawdown).	Noted
1,190.	Asset management of Slovenska sporitelna	Q61	UCITS and MIFID regulation is sufficient	Noted
1,191.	ASSOCIATION OF INTERNATIONAL	Q61	PPP holders need to be given sufficient information about the status of the distributor, both firm and individual, as noted in Q56. Holders	Noted

	LIFE OFFICES, Luxembo		should be asked to provide sufficient information to enable an assessment to be made of their demands and needs, ensuring consideration by the distributor of part or all of the product market place. It should be possible for PPP holders to take out a product on an execution-only/non advised basis and so regulation needs to recognise this and provide protection for the distributor in that situation. IMD2 would seem to provide a satisfactory regulatory base.	
1,192.	Association of the Luxembourg Fund Industry	Q61	<p>What information requirements should apply with respect to the service rendered: what information needs to be given to the PPP holders in case of advice (e.g. firm status disclosure, assessment of demands and needs of the PPP holder)?</p> <p>ALFI agrees with the answer provided by EFAMA, in addition, an outlook and impact of the long-term investment horizon should be provided.</p> <p>The MiFID II text which has been adopted by the European Parliament still needs to go through the trilogues. EFAMA believes that the information requirements to PPP holders for pension products should be inspired by this text. In particular, all information, including marketing communications, addressed by distributors to clients or potential clients should be fair, clear and not misleading and marketing communications shall be clearly identifiable as such.</p>	Noted
1,193.	Austrian Insurers' Association (VVO)	Q61	IMD 2 lays down the information requirements and sales rules for all insurance products, including those providing for third pillar pensions, in a coherent manner. Any regulatory patchwork has to be avoided e.g. by adding another layer of legislation.	Noted

1,194.	Bulgarian Association of supplementary pension sec	Q61	In rendering their service distributors should provide dynamic, easily accessible and individually adaptable information base which is not through printed-out leaflets generalizing typical questions, but through a web-based application allowing PPP holders to obtain individually modelled info on the basis of their particular inquiries (firm status disclosure, performance, recent trends). In this way the advice given to PPP holders should not be „what to do” but „how to assess” their needs against the circumstances and possible options for their fulfillment.	Noted
1,195.	EFAMA	Q61	<p>What information requirements should apply with respect to the service rendered: what information needs to be given to the PPP holders in case of advice (e.g. firm status disclosure, assessment of demands and needs of the PPP holder)?</p> <p>The MiFID II text which has been adopted by the European Parliament still needs to go through the trilogues. EFAMA believes that the information requirements to PPP holders for pension products should be inspired by this text. In particular, all information, including marketing communications, addressed by distributors to clients or potential clients should be fair, clear and not misleading and marketing communications shall be clearly identifiable as such.</p>	Noted
1,196.	Fédération Française des Sociétés d'Assurance	Q61	Please refer to question 56	Noted
1,197.	FSUG	Q61	see the FSUG response to the “Review of the Markets in Financial Instruments Directive” (available at: http://ec.europa.eu/internal_market/finances-retail/docs/fsug/opinions/mifid-2011_03_15_en.pdf)	Noted

			<p>see the FSUG response to the "Use of Alternative Dispute Resolution (ADR)" (available at: http://ec.europa.eu/internal_market/fin services-retail/docs/fsug/opinions/adr-2011_04_08_en.pdf)</p> <p>see the FSUG response to the "Towards a coherent European approach to collective redress" (available at: http://ec.europa.eu/internal_market/fin services-retail/docs/fsug/opinions/collective_redress-2011_04_29_en.pdf)</p>	
1,199.	Insurance Europe	Q61	<p>What information requirements should apply with respect to the service rendered by distributors? What information needs to be given to the PPP holders in case of advice (e.g. firm status disclosure, assessment of demands and needs of the PPP holder)?</p> <p>As mentioned in response to question 58, the following information requirements regarding advice should be respected:</p> <ul style="list-style-type: none"> <input type="checkbox"/> A customer should always be informed about the type of the service provided (non-advised sale, advice, fair analysis). <input type="checkbox"/> Where advice is given, it should be based on an analysis of the customer's needs, on the basis of information provided by the customer. <p>In addition, any distributor providing information or advice on a product must understand and be able to explain the key features of the product.</p>	Noted

1,200.	Investment Management Association	Q61	The requirements that apply to MiFID business should apply in respect of PPPs, for example: details of the firm; its regulator; fair, clear and not misleading requirements relating to any promotional material or other client communications. In addition, the cost of any advice (or other charges levied as part of the distribution process, eg. platform charges) should be clearly disclosed.	Noted
1,201.	National Association of Pension Funds (NAPF)	Q61	What information requirements should apply with respect to the service rendered: what information needs to be given to the PPP holders in case of advice (e.g. firm status disclosure, assessment of demands and needs of the PPP holder)?	n/a
1,202.	Nordic Financial Unions	Q61	<p>A trustworthy relationship between the customer and the advisor is needed to sustain credible and sustainable financial sectors. Against this background NFU believes that, as the wordings in IMD II recital 37 says, « Prior to the conclusion of a contract, including in the case of non-advised sales, the customer should be given the relevant information about the insurance product to allow the customer to make an informed decision. The insurance intermediary should be able to explain to the customer the key features of the insurance products it sells. »</p> <p>However, NFU would like to highlight that staff must also be given adequate time and resources to be able to provide all relevant information to clients.</p>	Noted

1,203.	Slovak Association of Fund Management Companies (S	Q61	UCITS and MIFID regulation is sufficient	Noted
1,206.	UNI Europa Finance	Q61	<p>A trustworthy relationship between the customer and the advisor is needed to sustain credible and sustainable financial sectors. Against this background UNI Europa Finance believes that, as the wordings in IMD II recital 37 says: Prior to the conclusion of a contract, including in the case of non-advised sales, the customer should be given the relevant information about the insurance product to allow the customer to make an informed decision. The insurance intermediary should be able to explain to the customer the key features of the insurance products it sells.</p> <p>However, UNI Europa Finance would like to highlight that staff must also be given adequate time and resources to be able to provide all relevant information to clients.</p>	Noted
1,207.	ABI	Q62	The ABI supports efforts to improve customer service and improving the way complaints are handled is an important part of this. The ABI has helped drive the development of good complaints handling within UK insurers through various initiatives including the production of a good practice guide, industry benchmarking and complaints management research.	Noted

			<p>We supported the publication of the EIOPA guidelines on complaints handling for insurers as many of them were already covered by the FCA dispute resolution (DISP) rules, which have been in force in the UK for over 10 years. Furthermore, we also believed that UK insurance firms already meet the majority of the requirements set out for best practice and the UK FCA responded to say that the DISP rules complied with all the guidelines set down by EIOPA.</p> <p>We do not see any need for further action to be taken in regards to complaints handling.</p>	
1,208.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q62	Management of complaints should be carried out following the already existing methods of the financial sector, as established by the applicable Regulations.	Noted
1,209.	Asset management of Slovenska sporitelna	Q62	UCITS and MIFID regulation is sufficient	Noted
1,210.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q62	<p>Complaints handling procedures are an essential factor to ensure public confidence. We believe that the document 'Guidelines on Complaints-Handling by Insurance Undertakings' produced by EIOPA (and those proposed for intermediaries in consultation earlier this year) provides a sensible basis for PPPs.</p> <p>In the cross border situation we also believe that Ombudsmen or other complaints handling authorities should be encouraged to assist their residents with language issues in pursuing complaints with providers or intermediaries from other Member States. In particular, we believe that all FIN-NET members should embrace this approach.</p>	Noted

			While IMD and proposed IMD2 and PRIPS contain out of court redress provisions, it seems more appropriate that these are reserved for situations where an amicable settlement between the parties are not met and so the EIOPA Guidelines can help to meet this objective.	
1,211.	Association of the Luxembourg Fund Industry	Q62	<p>Are, and if yes, what requirements are needed with regard to complaints handling?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>MiFID I and implementing measures contain provisions to handle complaints. "Member States shall require investment firms to establish, implement and maintain effective and transparent procedures for the reasonable and prompt handling of complaints received from retail clients or potential retail clients, and to keep a record of each complaint and the measures taken for its resolution."</p> <p>Additionally, according to the current discussions on PRIPs, the KID should have a section called "how can I complain?" referring to the information requirements on how and to whom a client can complain.</p>	Noted
1,212.	BIPAR	Q62	BIPAR supports initiatives aimed at reinforcing consumer confidence and protection across the European Union. Effective internal complaints handling is critical for the confidence and protection of consumers and is critical for intermediaries in their relations with their clients.	Noted

			<p>Insurance and financial intermediaries distributing life assurance PPPs have to comply with the requirements of the IMD (and of the IMD II in the future), including its article 10 requirements regarding complaints handling.</p> <p>Further to the implementation of the IMD, there exist complaints-handling procedures for complaints addressed to insurance and financial intermediaries in most EU Member States, some procedures are internal procedures for intermediaries, some are external procedures. Based on information received from BIPAR member associations, it appears that most of these procedures are working well for consumers.</p>	
1,213.	Bulgarian Association of supplementary pension sec	Q62	<p>The highest level of customer protection is needed in the PPP provider's operation. Transparency, simplicity, and comprehensiveness of the information provided and management processes implemented are of key importance. A proper complaint registration, processing and monitoring system is crucial to the prevention of conflict of interests from adversely affecting the interests of PPP holders. Complaint handling should follow a legally prescribed standardised procedure so that PPP holders should always know how to act, as well as PPP providers on their behalf should know how to proceed without being accused of misconduct.</p>	Noted
1,214.	EFAMA	Q62	<p>Are, and if yes, what requirements are needed with regard to complaints handling?</p> <p>MiFID I and implementing measures contain provisions to handle complaints. "Member States shall require investment firms to</p>	Noted

			<p>establish, implement and maintain effective and transparent procedures for the reasonable and prompt handling of complaints received from retail clients or potential retail clients, and to keep a record of each complaint and the measures taken for its resolution.”</p> <p>Additionally, according to the current discussions on PRIIPs, the KID should have a section called “how can I complain?” referring to the information requirements on how and to whom a client can complain.</p>	
1,215.	Fédération Française des Sociétés d'Assurance	Q62	Please refer to question 56	Noted
1,216.	FSUG	Q62	<p>see the FSUG response to the “Review of the Markets in Financial Instruments Directive” (available at: http://ec.europa.eu/internal_market/finances-retail/docs/fsug/opinions/mifid-2011_03_15_en.pdf)</p> <p>see the FSUG response to the “Use of Alternative Dispute Resolution (ADR)” (available at: http://ec.europa.eu/internal_market/finances-retail/docs/fsug/opinions/adr-2011_04_08_en.pdf)</p> <p>see the FSUG response to the “Towards a coherent European approach to collective redress” (available at: http://ec.europa.eu/internal_market/finances-retail/docs/fsug/opinions/collective_redress-2011_04_29_en.pdf)</p>	
1,218.	Insurance Europe	Q62	Are, and if yes, what requirements are needed with regard to complaints handling?	Noted

			There is no need to develop further rules for complaints handling.	
1,219.	Investment Management Association	Q62	MiFID requirements relating to firms having effective and transparent procedures for the handling of complaints should apply.	Noted
1,220.	National Association of Pension Funds (NAPF)	Q62	Are, and if yes, what requirements are needed with regard to complaints handling?	
1,221.	Nordic Financial Unions	Q62	<p>With regard to complaints management policies or the like, it must be made crystal clear that it is the responsibility of the insurance undertaking or insurance intermediary to provide its staff with adequate time and resources to fulfil any training requirements set up.</p> <p>When it comes to internal information flows in relation to the organisation of internal complaints management functions, existing trade union structures for sharing and disseminating information from management to staff within the undertaking or intermediary must be respected. Where applicable, such trade union structures can be an important tool to ensure the necessary internal flows of information and reporting.</p>	Noted
1,222.	Slovak Association	Q62	UCITS and MIFID regulation is sufficient	Noted

	of Fund Management Companies (S			
1,225.	UNI Europa Finance	Q62	<p>With regard to complaints management policies or the like, it must be made clear that it is the responsibility of the employer to provide its staff with sufficient time and resources to fulfil adequate training requirements, not only consisting of e-learning courses.</p> <p>When it comes to internal information flows in relation to the organisation of internal complaints management functions, existing trade union structures for sharing and disseminating information from management to staff within the undertaking or intermediary must be respected. Where applicable, such trade union structures can be an important tool to ensure the necessary internal flows of information and reporting.</p>	Noted
1,226.	ABI	Q63	<p>As per our answer to question 57, IMD2 lays down the information requirements and sales rules for all insurance products and MiFID2 sets down rules for the sales of all investment products. Given the current requirements in IMD2 and MiFID2, we would not want to see any alternative requirements set down. It is important that a patchwork of regulatory requirements is avoided by adding another layer of legislation or by creating further rules that are not coherent in the current EU framework.</p>	Noted

1,227.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q63	See previous answer.	Noted
1,228.	Asset management of Slovenska sporitelna	Q63	MIFID regulation is sufficient for regulation of distribution of PPPs.	Noted
1,229.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q63	We believe that IMD1 and IMD2 provide a source for distribution rules for PPPs.	Noted
1,230.	Association of the Luxembourg Fund Industry	Q63	<p>Are there existing examples of EU regulation that cover this area already? Would IMD1 – as well as the upcoming IMD2 – provide a good source of possible inspiration for distribution rules for personal pensions? What about MiFID I and II?</p> <p>We believe a good example could be UCITS IV</p>	Noted
1,231.	BIPAR	Q63	See above	Noted
1,232.	Bulgarian Association of supplementary pension sec	Q63	Distribution rules for personal pensions as defined in MiFID I and II and IMD1 and 2 may serve as a possible inspiration in this area. The reasons to deviate from the distribution rules in the existing EU regulation lie in the founding question of how similar and/or different	Noted

			a PPP is in relation to financial instruments and insurance products. With no adequate sifting out the similarities and differences among financial/insurance and pension products, any possible direct copying of existing distribution rules may cause more damage to PPPs rather than provide for better solution for them.	
1,233.	EFAMA	Q63	<p>Are there existing examples of EU regulation that cover this area already? Would IMD1 – as well as the upcoming IMD2 – provide a good source of possible inspiration for distribution rules for personal pensions? What about MiFID I and II?</p> <p>Please refer to Q62. IMD II is currently under discussion but not in an advanced stage.</p>	Noted
1,234.	Fédération Française des Sociétés d'Assurance	Q63	Please refer to question 56	Noted
1,235.	FSUG	Q63	<p>see the FSUG response to the "Review of the Markets in Financial Instruments Directive" (available at: http://ec.europa.eu/internal_market/finances-retail/docs/fsug/opinions/mifid-2011_03_15_en.pdf)</p> <p>see the FSUG response to the "Use of Alternative Dispute Resolution (ADR)" (available at: http://ec.europa.eu/internal_market/finances-retail/docs/fsug/opinions/adr-2011_04_08_en.pdf)</p> <p>see the FSUG response to the "Towards a coherent European approach to collective redress" (available at: http://ec.europa.eu/internal_market/finances-retail/docs/fsug/opinions/collective_redress-2011_04_29_en.pdf)</p>	Noted

1,237.	Insurance Europe	Q63	<p>Are there existing examples of EU regulation that cover this area already? Would IMD1 – as well as the upcoming IMD2 – provide a good source of possible inspiration for distribution rules for personal pensions? What about MiFID I and II?</p> <p>Insurance Europe refers to its response to question 57 in relation to the IMD sales rules.</p> <p>In relation to MiFID, Insurance Europe would like to point out that any requirements for personal pension products should acknowledge their specific nature. Insurance Europe would also like to stress the importance of respecting diversity of national markets and their respective differences in approach.</p>	Noted
1,238.	Investment Management Association	Q63	MiFID provides a useful source of inspiration for these requirements.	Noted
1,239.	National Association of Pension Funds (NAPF)	Q63	Are there existing examples of EU regulation that cover this area already? Would IMD1 – as well as the upcoming IMD2 – provide a good source of possible inspiration for distribution rules for personal pensions? What about MiFID I and II?	n/a
1,240.	Nordic Financial Unions	Q63		n/a

1,241.	Slovak Association of Fund Management Companies (S	Q63	MIFID regulation is sufficient for regulation of distribution of PPPs.	Noted
1,243.	The Finnish Pension Alliance / Työeläkevakuuttajat	Q63	The question has partly been asked previously. IMD regime serves already many of the purposes put forth in the consultation and it should be very carefully considered, whether extra or overlapping regulation should be planned.	Noted
1,244.	UNI Europa Finance	Q63		n/a
1,245.	ABI	Q64	<p>Solvency II sets down requirements of good repute, knowledge and ability for insurance companies' direct sales forces¹. It also introduces new governance rules requiring insurance undertakings to adopt a good governance policy and to introduce internal control systems to ensure that their employees meet high standards on good repute, knowledge and ability. Furthermore, IMD2 includes rules on professional requirements applying to both insurance undertakings and intermediaries.</p> <p>In the UK, those who perform 'controlled functions' including directors of pension providers are required to satisfy the UK's prudential</p>	<p>Partially agreed. The Preliminary Report contains a reference to IMD2 as follows: The current EIOPA view in advised sales would incline towards the current IMD2 and MiFID position but not towards Solvency II. (See point 493.)</p> <p>Noted. (See point 496.) The draft report</p>

			<p>supervisor, the Prudential Regulatory Authority (PRA) as to their capability and good standing at outset and on an on-going basis. In practice this means before an individual can run a pension provider, the PRA (for a dual regulated firm) has to 'approve' the individual. The purpose is to ensure that those with certain functions (for example governing functions and systems and control functions) in the firm are fit and proper. Firms have to ensure that their staff are competent to do the job for which they are employed and that certain persons are approved before they can do certain roles.</p>	<p>considers it good supervisory practice to ensure there is appropriate oversight of a distributor's knowledge and ability and suggests using an external body to assess whether a distributor possesses knowledge and ability which fulfils relevant legal and regulatory requirements. Continuous Professional Development (CPD) should be undertaken regularly.</p>
1,246.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q64	<p>Apart from the required prerequisites, all parties must have the same requisites foreseen for the distribution of financial products and services, such as the enrolment in specific registers of issuers and advisors, given the total contiguity and integration in matter of social security and financial advice. Moreover, we recommend an adequate training of all subjects and a periodic update due to the changes that involve financial instruments and legislation. Integrity and professionalism requirements should be proved yearly, also through a written test about legislation and instruments' knowledge.</p>	<p>Noted (See point 496.). Continuous Professional Development (CPD) should be carried out to ensure knowledge and ability evolves with the changing market environment. CPD should cover not only professional knowledge, but also ability and ethics. CPD should be undertaken regularly.</p>
1,247.	Asset management	Q64	<p>UCITS Directive covers the professional requirements sufficiently</p>	<p>Not agreed. The current</p>

	of Slovenska sporitelna			EIOPA view in advised sales would incline towards the current IMD2 and MiFID position and not towards the professional requirements specified in the UCITS Directive. (See point 493.)
1,248.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q64	The principles incorporated into the proposed IMD2 do represent a minimum harmonisation approach which, in the absence of an accredited body or bodies to verify professional standards, is understandable whilst regrettable. Provision of advice on PPPs does require a high standard of knowledge and ideally a holistic approach to the needs of the individual. It would seem appropriate to recognize the greater degree of knowledge needed, which requires intermediaries to possess an EQF level 4 (or higher) qualification. In addition, intermediaries should be members of a recognized professional body.	Partially agreed. As referred to above the current EIOPA view in advised sales would incline towards the current IMD2 and MiFID position. There is a proportionality consideration insofar as there is a trend towards product standardisation. The selling and distribution protections for PPP holders would not need to be as strong in these situations as for non-standard pension sales. (See point 497.) The high standard of knowledge proposed is agreed only in case of non-standard

				pension products.
1,249.	Association of the Luxembourg Fund Industry	Q64	<p>What professional requirements would be appropriate? Is there a need for high level principles or more detailed regulation?</p> <p>ALFI believes that UCITS IV and MiFID, among others, could be used to align the professional requirements.</p>	<p>Partially agreed. The current EIOPA view would incline towards the current IMD2 and MiFID position and not towards the provisions in UCITS IV Directive. (See point 493.)</p>
1,250.	BIPAR	Q64	<p>BIPAR is of the opinion that professional requirements are essential in the distribution/ intermediation and advice process of personal pensions. It is essential for consumer protection that parties involved in the distribution/ intermediation and advice have the required knowledge and ability to deal with these products.</p> <p>BIPAR promotes robust but proportionate regulation which does not destroy choice by the consumer and promotes competition. Any professional requirements for parties involved in the distribution of personal pensions should take into consideration the existing requirements and the specificities of the products distributed.</p> <p>BIPAR is of the opinion that persons directly involved in insurance or reinsurance mediation or distribution should demonstrate the knowledge and ability necessary for the performance of their duties.</p>	<p>Noted. Professional requirements should ensure that the sales force is knowledgeable enough to inform on all aspects of PPP and not just investment but also on the pensions environment, etc. (See point 493.)</p> <p>Noted. There is a proportionality consideration insofar as there is a trend towards product standardisation. The selling and distribution protections for PPP holders would not need to be as strong in these situations as for non-standard pension sales. (See</p>

			Insurance and financial intermediaries distributing life assurance PPPs have to comply with the professional requirements of the IMD (and of the IMD II in the future). Any additional rules would only lead to unnecessary administrative burden.	point 497.)
1,251.	Bulgarian Association of supplementary pension sec	Q64	PPP provision is a highly complex matter requiring meeting adequate professional standards. High level principles should be set in legislation. The more detailed regulation of professional requirements may be achieved through a PPP provider's Internal Rules stipulating the professional policy pursued in the organisation. Exaggerating the degree of details in regulation regarding professional requirements may prevent providers and advisors from selecting the best professionals who will meet their corporate history, culture and traditions, and this is crucial to their competitive market advantage among peers.	Partially agreed. See the resolution above with reference to point 493, the aforementioned point refers to IMD2 and MiFID as possible sources of the regulation.
				Partially agreed. There are reasons to consider keeping professional requirements at a relatively high level with MS discretion. Each MS has its unique pensions environment and as such, professional requirements that cater for the market specificities will be probably the most efficient way of safeguarding PPP holder interests. (See point 499.) According to the Preliminary Report it is the competence of the MSs to specify the detailed rules and not

				that of the PPP provider as proposed in the comment.
1,252.	EFAMA	Q64	<p>What professional requirements would be appropriate? Is there a need for high level principles or more detailed regulation?</p> <p>EFAMA believes that MIFID I implementing measures provide general organizational requirements that would be appropriate for the distribution process of PPPs.</p>	Noted. The current EIOPA view would incline towards the current IMD2 and MiFID position. (See point 493.)
1,253.	Fédération Française des Sociétés d'Assurance	Q64	Please refer to question 56	Partially agreed. The current EIOPA view would incline towards the current IMD2 and MiFID position and not towards the regulation of Solvency II as proposed in the comment on question 56.
1,254.	FSUG	Q64	The FSUG thinks that the predominant pension-specific consumer protection issue that should be covered in more details under the EU certification scheme is the advice on PPPs. Drawing from the Oxera research study (2013), comparison of advice given to savers confirmed the overall low quality of advice; advisors have not followed all MIFID guidelines when approached by researchers posing as consumers aiming to buy a low-risk investment product. Advisers spent little time assessing their customers' needs and risk profiles and there was concern over due diligence in the recommendations given, although the more developed markets (e.g., UK, France) had higher	<p>Noted. According to EIOPA's view there should be a certain level of standardisation in case of PPP products. (See point 500.)</p> <p>EIOPA considers the comment on the standardisation of the information to be</p>

			proportions adhering to guidelines. Combining the above mentioned findings and recommendations with the behavior of advisors create the urgent need to standardize the requirements for presentation of information and advisory activities.	<p>provided at a later stage.</p> <p>The preliminary report currently also refers to differences in providing information as follows: Depending on the level of standardisation (of the product) involved it may not be necessary to receive advice at the time of sale although in most cases some level of advice is desirable, even if it is only to ensure that standardised products are appropriate for the PPP holder. (See point 491.)</p>
1,255.	German Insurance Association (GDV)	Q64	<p>Yes, there is a need for high level principles:</p> <p>The specification of adequate knowledge and ability of the intermediary when carrying on personal pensions mediation with their customers should be determined by the Member States as follows:</p> <p>Insurance intermediaries as well as members of staff of insurance undertakings carrying out personal pensions mediation activities</p> <ul style="list-style-type: none"> i. act in accordance with ethical guidelines and fair treatment of the customer. ii. offer their advice when asked, or take the initiative when they identify a pension shortfall to be covered. 	<p>Partially agreed. The Report on Good Supervisory Practices regarding knowledge and ability requirements for distributors of insurance products approved by the BoS of EIOPA in November 2013 covers most of the principles proposed by GDV (See point</p>

			<p>iii. inform the customer about the type/kind and scope of their service.</p> <p>iv. do a needs analysis according to the information they receive from the customer.</p> <p>v. give advice on profound product knowledge.</p> <p>vi. give all relevant product information for the decision making of the customer before filing an application.</p> <p>The Member States shall specify these principles for personal pensions mediation with relevant knowledge and skills/ability.</p>	<p>495.). The principles proposed fall within the competence of the MSs.</p> <p>There are reasons to consider keeping professional requirements at a relatively high level with MS discretion. Each MS has its unique pensions environment and as such, professional requirements that cater for the market specificities will be probably the most efficient way of safeguarding PPP holder interests. (See point 499.)</p>
1,256.	Groupe Consultatif	Q64	<p>Obligations should also be placed on product providers and on those who act as agents or salespersons for the product providers, to abide by a full set of ethical and behavioural rules in order to reduce the scope for abuse and for consumers to be mislead or sold inappropriate products. Some suggestions as to points to be covered are set out below, as in our answer to Q23.</p> <p>In addition to providing information to the member or potential member of a third pillar retirement arrangement, those who seek to persuade members of the public to enter into such an arrangement should be required to behave in appropriate ways, in order to reduce the potential impact of conflicts of interest, information asymmetry and sales pressure. In particular sales persons should be required to</p>	<p>Partially agreed. Detailed principles shall apply only in case of non-standardised products. Most of the principles suggested in the comment on Q23 are covered by the Report on Good Supervisory Practices regarding knowledge and ability requirements</p>

			<p>have a duty of care towards those whom they advise and to:</p> <ul style="list-style-type: none"> a) Consider the risk appetite and risk capacity of the individual with a proper orientation towards the needs and situation of the individual b) Understand the age, earnings level and employment position and prospects of the individual c) Ensure that projections of future outcomes are prudent and emphasize range of possible outcomes, in particular the downside risk and volatility d) Provide projected outcomes in real terms, i.e. net of price inflation e) Provide projections of pension income in retirement and not just capital sums available at retirement date f) Show the impact of all costs on the outcome g) Draw attention to the alternatives available to the individual, especially where the individual may be considering opting out from an occupational plan in order to take out an individual third pillar arrangement h) Disclose any connections, direct or indirect, which might affect the objectivity of the advice and any remuneration which might be received as a result of giving the advice. i) Keep an audit trail of the advice rendered and the data on which it was based. 	<p>for distributors of insurance products (See the resolution regarding comment 1,255).</p> <p>According to EIOPA's view depending on the level of standardisation involved it may not be necessary to receive advice at the time of sale although in most cases some level of advice is desirable, even if it is only to ensure that standardised products are appropriate for the PPP holder. (See point 491.)</p> <p>The selling and distribution protections for PPP holders would not need to be as strong in these situations (standardised products) as for non-standard pension sales. (See point 497.)</p>
1,258.	Insurance Europe	Q64	What professional requirements would be appropriate? Is there a need for high level principles or more detailed regulation?	Partially agreed. The current EIOPA view

			<p>Insurance Europe believes that it is important to have appropriate requirements on knowledge and ability in place. However, we would like to point out that such requirements are already met by insurance undertakings and their employees in a variety of different ways, such as under Solvency II. The Solvency II Directive already implies requirements of good reputation, knowledge and ability for insurance companies' direct sales forces. It introduces new governance rules requiring insurance undertakings to adopt a good governance policy and to introduce internal control systems to ensure that their employees meet high standards on good reputation, knowledge and ability. Article 41 requires insurance undertakings to establish an effective system of governance which provides for sound and prudent management of the business. According to Article 42 all persons who effectively run the undertaking or have other key functions should possess adequate and sufficient professional qualifications, knowledge and experience, and be of good reputation and integrity. Therefore, additional provisions on this matter for direct sales executed by insurance undertakings would mean an unnecessary duplication and complication of requirements, and lead to an increased administrative burden.</p> <p>Furthermore, the IMD 2 recast also includes rules on professional requirements applying to both insurance undertakings and intermediaries.</p>	would incline towards the current IMD2 and MiFID position and not towards the regulation of Solvency II as proposed in the comment. (See point 493.)
1,259.	Investment Management Association	Q64	Harmonised standards for professional requirements could be developed for individuals engaged in the activity of advising clients on the purchase of a PPP, in which case alignment with provisions in IMD II would seem sensible. However, from this flows the question of	Noted. The current EIOPA view would incline towards the current IMD2 and MiFID

			whether to ensure consistency in professional requirements across a wider range of different product sets. This is a debate with significant ramifications that needs to be undertaken in a holistic way and cannot be resolved solely in the context of the PPP.	position. (See point 493.) As for the question of consistency in professional requirements across a wider range of different products, EIOPA agrees that such question is not subject of the preliminary report, therefore EIOPA disregards the aforementioned comment.
1,260.	National Association of Pension Funds (NAPF)	Q64	What professional requirements would be appropriate? Is there a need for high level principles or more detailed regulation?	-
1,261.	Nordic Financial Unions	Q64	Staff of firms must possess an appropriate level of knowledge and competence in relation to the products offered. This is particularly important given the increased complexity and the continuous innovation in the design of financial products. Buying a product implies a certain risk and investors must be able to rely on the information and quality of assessments provided. It is, as stated above, furthermore necessary that staff is given adequate time and resources to be able to provide all relevant information to clients.	

			<p>The above text has been adopted in the European Parliament's plenary text on MiFID2, voted through in October 26 2012. the text can be found in Recital 52a and Recital 52b. NFU welcomes this support and understanding of the employees' value and importance for consumer protection. We would therefore like to stress that the spirit of this paragraph should be carried forward also in any possible legislation for personal pension products..</p> <p>Professional requirements should be regulated through high-level principles and not specific details, thereby ensuring a level playing field and adequate flexibility to be able to maintain different national systems for professional requirements and development. NFU would like to highlight that it can be the task of the labour market parties to negotiate on a detailed level.</p>	<p>Noted. The current EIOPA view in advised sales would incline towards the current IMD2 and MiFID. (See point 493.)</p> <p>Noted. In the view of EIOPA there are reasons to consider keeping professional requirements at a relatively high level with MS discretion. (See point 499.)</p>
1,262.	Slovak Association of Fund Management Companies (S	Q64	UCITS Directive covers the professional requirements sufficiently	Not agreed. The current EIOPA view in advised sales would incline towards the current IMD2 and MiFID position and not towards the professional requirements specified in the UCITS Directive. (See point 493.)

1,265.	UNI Europa Finance	Q64	<p>Staff of firms must possess an appropriate level of knowledge and competence in relation to the products offered. This is particularly important given the increased complexity and the continuous innovation in the design of financial products. Buying a product implies a certain risk and investors must be able to rely on the information and quality of assessments provided. It is, as stated above, furthermore necessary that staff is given adequate time and resources to be able to provide all relevant information to clients.</p> <p>The above text has been adopted in Recital 52a and Recital 52b in the European Parliament's plenary text on MiFID II, voted through 26 October, 2012. UNI Europa Finance welcomes this support and understanding of the employees' value and importance for consumer protection. We would therefore like to stress that the spirit of this paragraph should be carried forward also in any possible legislation for personal pension products.</p> <p>Professional requirements should be regulated through high-level principles and not specific details, thereby ensuring a level playing field and adequate flexibility to be able to maintain different national systems for professional requirements and development. UNI Europa Finance would like to highlight that it can be the task of the social partners to negotiate on a detailed level.</p>	See the resolution regarding comment 1,261 (Nordic Financial Unions)
1,266.	ABI	Q65	As in our response to question 64, we do not believe there is a need for further detailed rules on professional requirements.	Partially agreed. The Preliminary Report contains a reference to IMD2 as follows: The

				current EIOPA view in advised sales would incline towards the current IMD2 and MiFID position but not towards Solvency II. (See point 493.)
1,267.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q65	The requirements for the enrolment in the specified registers already include suitable protections.	Partially agreed. Professional requirements should ensure that the sales force is knowledgeable enough to inform on all aspects of PPP and not just investment but also on the pensions environment, etc. (See point 493.)
1,268.	Asset management of Slovenska sporitelna	Q65	UCITS Directive covers the professional requirements sufficiently	Not agreed. The current EIOPA view in advised sales would incline towards the current IMD2 and MiFID position and not towards the professional requirements specified in the UCITS Directive. (See point 493.)
1,269.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q65	The regulation and law including taxation on PPPs changes rapidly, as can products and product design. There is the need for continuous professional development which ideally should be a matter for their professional body and the standards imposed by the CII/PFS in the	Noted. (See point 496.) The draft report considers it good supervisory practice to

			UK could provide a good basis. We acknowledge that there is a lack of any consistency across Member States as shown in EIOPA's report on mapping exercise in Industry Training Standards. Nonetheless we consider that the ESAs should provide guidance to national competent authorities in carrying out oversight. (It is also relevant that a number of intermediaries will be members of a professional body in another jurisdiction – for example, the CII in the UK - and therefore outside the oversight competence of a local national authority.)	ensure there is appropriate oversight of a distributor's knowledge and ability and suggests using an external body to assess whether a distributor possesses knowledge and ability which fulfils relevant legal and regulatory requirements. The so called Continuous Professional Development (CPD) should be undertaken regularly.
1,270.	Association of the Luxembourg Fund Industry	Q65	What should be the scope of these requirements? Should they apply on a continuous basis with a requirement of updating? Please refer to Q64 and yes, we believe that a constant update is required.	Noted. See the resolution above (See the resolution regarding comment 1,269).
1,271.	Bulgarian Association of supplementary pension sec	Q65	In order to guarantee high quality throughout the whole life of a PPP, professional requirements should apply on a continuous basis with a regular update.	Noted. See the resolution above (See the resolution regarding comment 1,269).
1,272.	EFAMA	Q65	What should be the scope of these requirements? Should they apply on a continuous basis with a requirement of updating?	Noted. (See point 493. and the resolution regarding comment

			Please refer to Q64.	1,252)
1,273.	Fédération Française des Sociétés d'Assurance	Q65	Please refer to question 56	Partially agreed.(See the resolution regarding comment 1,253)
1,274.	FSUG	Q65	<p>The market for intermediaries should require the highest professional standards, which should apply to all financial advisors and counselors on a continuous basis. At least following conditions must be continuously satisfied for keeping the license:</p> <ol style="list-style-type: none"> 1. credibility of the advisor (no conflict of interest), 2. the highest level of professional qualifications of the advisor, which means university degree, several years of practice, thorough knowledge of financial markets and financial products (proven by written and oral exams), 3. technical and organizational aspects of providing advisory services (internal management standards, risk models, projection models, complaints handling systems, remuneration structure disclosure, certification of technical and managerial procedures, etc.). 	<p>Partially agreed. The Report on Good Supervisory Practices regarding knowledge and ability requirements for distributors of insurance products approved by the BoS of EIOPA in November 2013 covers the 1st suggestion (credibility) (See point 495.).</p> <p>As for the highest level of professional qualifications of the advisor (2nd suggestion) the future regulation has to be proportionate and encourage selling personal pension products, the aforementioned suggestion would probably result in</p>

				<p>decreasing number of personal pension products sold.</p> <p>The proportionality principle shall apply in the future regulation for technical and organizational aspects as well.</p>
1,275.	German Insurance Association (GDV)	Q65	Member States should ensure that personal pensions intermediaries and members of staff of insurance undertakings carrying out personal pensions mediation activities update their knowledge and ability through continuing professional development in order to maintain an adequate level of performance.	<p>Noted. Continuous Professional Development (CPD) should be carried out to ensure knowledge and ability evolves with the changing market environment. CPD should cover not only professional knowledge, but also ability and ethics. CPD should be undertaken regularly. Evidence of completion of CPD should be kept by distributor and there should be appropriate oversight of it. (See point 496.)</p>
1,276.	Groupe Consultatif	Q65	They should apply continually as a professional code of conduct and those covered by the requirements should be required to undergo regular Continuing Professional Development and ongoing training. Sales interviews should be recorded and subject to a checking process	<p>Partially agreed. See the resolution above (See the resolution regarding comment</p>

			on a sample to ensure observance of requirements and to identify poor behaviour and inappropriate advice.	1,275). Also note that the proportionality principle shall apply in the future regulation. (See the resolution regarding comment 1,274)
1,278.	Insurance Europe	Q65	<p>What should be the scope of these requirements? Should they apply on a continuous basis with a requirement of updating?</p> <p>As explained in response to question 64, Insurance Europe does not believe there is a need for further detailed rules on professional requirements.</p>	Partially agreed. (See point 493. and the resolution regarding comment 1,258)
1,279.	Investment Management Association	Q65	See answer to Q64.	Noted. (See point 493. and the resolution regarding comment 1,259)
1,280.	National Association of Pension Funds (NAPF)	Q65	What should be the scope of these requirements? Should they apply on a continuous basis with a requirement of updating?	-
1,281.	Nordic Financial Unions	Q65	High level principles on professional requirements should apply on community-wide level to ensure a level playing field and sound competition. The professional requirements set out in the IMD2 could serve as a benchmark. Continuous application is desirable as long as	Noted. In the view of EIOPA there are reasons to consider keeping professional requirements at a

			any new rules incorporate review clauses to adjust for changing circumstances. The social partners must be given a role in these reviews to maximise their quality.	<p>relatively high level with MS discretion. (See point 499.)</p> <p>Noted. The current EIOPA view would incline towards the current IMD2 and MiFID position. (See point 493.)</p> <p>Noted. Continuous Professional Development (CPD) should be carried out to ensure knowledge and ability evolves with the changing market environment.</p>
1,282.	Slovak Association of Fund Management Companies (S	Q65	UCITS Directive covers the professional requirements sufficiently	<p>Not agreed. The current EIOPA view in advised sales would incline towards the current IMD2 and MiFID position and not towards the professional requirements specified in the UCITS Directive. (See point 493.)</p>
1,284.	UNI Europa Finance	Q65	High level principles on professional requirements should apply on	<p>Noted. See the resolution regarding comment 1,281.</p>

			community-wide level to ensure a level playing field and sound competition. The professional requirements set out in the IMD II could serve as a benchmark. Continuous application is desirable as long as any new rules incorporate review clauses to adjust for changing circumstances. The social partners must be given a role in these reviews to maximise their quality.	
1,285.	ABI	Q66	Insurers are responsible for training their employees and designing their own training programmes. These programmes are an element of competition between insurers and should not be standardised. This is consistent with CEIOP's advice to the EC recommending that it should be the responsibility of the insurance undertaking to check the qualification of its employees.	Noted. The draft report considers it good supervisory practice to ensure there is appropriate oversight of a distributor's knowledge and ability and suggests using an external body to assess whether a distributor possesses knowledge and ability which fulfils relevant legal and regulatory requirements. Continuous Professional Development (CPD) should be undertaken regularly.
1,286.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q66	To that extent, the most thorough Directive is the MiFID guideline that, both in the original version and in the review, foresees the presence of a conveniently regulated tied agent that well responds to the requests, and the identification and regulation of the intermediaries. The existence of consistent rules for all the subjects that will get in touch with the citizen-underwriter of PPPs it's	Noted The current EIOPA view in advised sales would incline towards the current IMD2 and MiFID position. Professional requirements should

			extremely important.	ensure that the sales force is knowledgeable enough to inform on all aspects of PPP and not just investment but also on the pensions environment, etc.
1,287.	Asset management of Slovenska sporitelna	Q66	UCITS Directive covers the professional requirements sufficiently	Not agreed. The current EIOPA view in advised sales would incline towards the current IMD2 and MiFID position and not towards the professional requirements specified in the UCITS Directive.
1,288.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q66	As indicated in answer to Qu.64 the regulation is minimum harmonisation and so obligations have to be construed in the light of Home State requirements. We foresee much disparity in the absence of involvement by the ESAs, despite the reference to the complexity of the products.	Partially agreed. As referred to above the current EIOPA view in advised sales would incline towards the current IMD2 and MiFID position.
1,289.	Association of the Luxembourg Fund Industry	Q66	Are there existing examples of EU regulation that cover this area already? For example the existing knowledge and ability requirements in Article 4, IMD1 and in the IMD2 proposal, defined as a result-oriented obligation where that knowledge and ability must be appropriate "to complete their tasks and perform their duties adequately, demonstrating appropriate professional experience relevant to the complexity of the products they are mediating". Would this be a good source of inspiration for personal pensions? What about MiFID I and II?	Partially agreed. The current EIOPA view would incline towards the current IMD2 and MiFID position.

			Please refer to Q64.	
1,290.	BIPAR	Q66	<p>Insurance and financial intermediaries distributing life assurance PPPs have to comply with the professional requirements of the IMD (and of the IMD II in the future).</p> <p>The current IMD (Article 4) already includes various principles which BIPAR supports in the framework of IMD II:</p> <p>- "Insurance and reinsurance intermediaries shall possess appropriate knowledge and ability, as determined by the home Member State of the intermediary."</p> <p>- "Home Member States may adjust the required conditions with regard to knowledge and ability in line with the activity of insurance or reinsurance mediation and the products distributed (...)"</p> <p>- "(...)Member States shall ensure that a reasonable proportion of the persons within the management structure... who are responsible for mediation in respect of insurance products... and all other persons directly involved in insurance or reinsurance mediation demonstrate the knowledge and ability necessary for the performance of their duties."</p> <p>Based upon this Article 4 of the IMD, there are specific training and qualification requirements in place in the various Member States which reflect the high level principles in the IMD. These systems are adapted to the national general qualification systems (and education infrastructure) which are still very different in the Member States.</p>	<p>Noted The current EIOPA view in advised sales would incline towards the current IMD2 and MiFID position. Professional requirements should ensure that the sales force is knowledgeable enough to inform on all aspects of PPP and not just investment but also on the pensions environment, etc.</p>
1,291.	Bulgarian Association of	Q66	Professional requirements (for example, the existing knowledge and ability requirementd) as currently defined in EU law may serve as a	Partially agreed. As referred to above the

	supplementary pension sec		possible inspiration in this area. The reasons to deviate from existing rules lie in the founding question of how similar and/or different a PPP is in relation to financial instruments and insurance products. With no adequate sifting out the similarities and differences among financial/insurance and pension products, any possible direct copying of existing professional requirements may cause more damage to PPPs rather than provide for better solution for them. Appropriateness, adequacy and relevance are good points for consideration.	current EIOPA view in advised sales would incline towards the current IMD2 and MiFID position.
1,292.	EFAMA	Q66	<p>Are there existing examples of EU regulation that cover this area already? For example the existing knowledge and ability requirements in Article 4, IMD1 and in the IMD2 proposal, defined as a result-oriented obligation where that knowledge and ability must be appropriate "to complete their tasks and perform their duties adequately, demonstrating appropriate professional experience relevant to the complexity of the products they are mediating". Would this be a good source of inspiration for personal pensions? What about MiFID I and II?</p> <p>Please refer to Q64.</p>	Noted. The current EIOPA view would incline towards the current IMD2 and MiFID position.
1,293.	Fédération Française des Sociétés d'Assurance	Q66	Please refer to question 56	Partially agreed. The current EIOPA view would incline towards the current IMD2 and MiFID position and not towards the regulation of Solvency II as proposed in the comment on question 56.

1,294.	German Insurance Association (GDV)	Q66	Yes! MiFID II based provisions accordingly	Noted As referred to above the current EIOPA view in advised sales would incline towards the current IMD2 and MiFID position.
1,296.	Insurance Europe	Q66	<p>Are there existing examples of EU regulation that cover this area already? For example the existing knowledge and ability requirements in Article 4, IMD1 and in the IMD2 proposal, defined as a result-oriented obligation where that knowledge and ability must be appropriate "to complete their tasks and perform their duties adequately, demonstrating appropriate professional experience relevant to the complexity of the products they are mediating". Would this be a good source of inspiration for personal pensions? What about MiFID I and II?</p> <p>Insurance Europe agrees that professional requirements should be outcome-oriented as in IMD This approach guarantees a certain level of professionalism and, at the same time, ensures flexibility.</p> <p>We would also like to highlight the fact that insurance undertakings are responsible for training their employees and they design their own training programmes. These programmes are tailored to the products an insurance company offers and should not be standardised. This is consistent with EIOPA's advice to the EC recommending that it should be the responsibility of the insurance undertaking to check the qualification of its employees (for example Recommendation 11, page 42)</p>	Partially agreed. The draft report considers it good supervisory practice to ensure there is appropriate oversight of a distributor's knowledge and ability and suggests using an external body to assess whether a distributor possesses knowledge and ability which fulfils relevant legal and regulatory requirements. The current EIOPA view would incline towards the current IMD2 and MiFID position.

			Insurance Europe refers to its response to question 63 explaining that insurance undertakings and intermediaries should only be subjected to IMD 2 rules, not MiFID rules.	
1,297.	Investment Management Association	Q66	See answer to Q64.	Noted. The current EIOPA view would incline towards the current IMD2 and MiFID position.
1,298.	National Association of Pension Funds (NAPF)	Q66	Are there existing examples of EU regulation that cover this area already? For example the existing knowledge and ability requirements in Article 4, IMD1 and in the IMD2 proposal, defined as a result-oriented obligation where that knowledge and ability must be appropriate "to complete their tasks and perform their duties adequately, demonstrating appropriate professional experience relevant to the complexity of the products they are mediating". Would this be a good source of inspiration for personal pensions? What about MiFID I and II?	-
1,299.	Nordic Financial Unions	Q66	As stated above, any new legislation on personal pension products should specify that it is the responsibility of the company to ensure that employees get the necessary training ,time and resources to be able to fulfil their tasks in a such way as to guarantee consumer protection and systemic financial stability.	Noted. The current EIOPA view in advised sales would incline towards the current IMD2 and MiFID. Continuous Professional Development (CPD)

			The IMD II proposal contains good wordings on the level of professionalism and competence needed, but more importantly it explicitly mentions that continuing education related to these requirements should be ensured. Again, we would like to stress that this is not enough - it should also be explicitly stated that continuous training and competence development must be the responsibility of the company.	should be carried out to ensure knowledge and ability evolves with the changing market environment. CPD should cover not only professional knowledge, but also ability and ethics. CPD should be undertaken regularly. Evidence of completion of CPD should be kept by distributor and there should be appropriate oversight of it.
1,300.	Slovak Association of Fund Management Companies (S	Q66	UCITS Directive covers the professional requirements sufficiently	Not agreed. The current EIOPA view in advised sales would incline towards the current IMD2 and MiFID position and not towards the professional requirements specified in the UCITS Directive.
1,302.	The Finnish Pension Alliance / Työeläkevakuuttajat	Q66	As mentioned, IMD regime provides a measure for regulation for these issues.	Noted. The current EIOPA view in advised sales would incline towards the current IMD2 and MiFID.
1,303.	UNI Europa Finance	Q66		Noted. The current EIOPA view in advised

			<p>As stated above, any new legislation on personal pension products should specify that it is the responsibility of the company to ensure that employees get the necessary training ,time and resources to be able to fulfil their tasks in a such way as to guarantee consumer protection and systemic financial stability.</p> <p>The IMD II proposal contains good wordings on the level of professionalism and competence needed, but more importantly it explicitly mentions that continuing education related to these requirements should be ensured. Again, we would like to stress that this is not enough - it should also be explicitly stated that continuous training and competence development must be the responsibility of the company.</p>	<p>sales would incline towards the current IMD2 and MiFID. In the view of EIOPA there are reasons to consider keeping professional requirements at a relatively high level with MS discretion. Continuous Professional Development (CPD) should be carried out to ensure knowledge and ability evolves with the changing market environment. CPD should cover not only professional knowledge, but also ability and ethics. CPD should be undertaken regularly. Evidence of completion of CPD should be kept by distributor and there should be appropriate oversight of it.</p>
1,304.	ABI	Q67	<p>There is no reason to develop any detailed professional requirements for the sale of pension products. Firstly, insurers are subject to provisions in Solvency II and IMD 2, so any further rules would result in duplicative and unnecessary administrative burden. Secondly, as in our response to question 66, no regime should interfere with specific requirements at a national level. It would be difficult to harmonise them without interfering with the national qualification</p>	<p>Not agreed. The Preliminary Report contains a reference to IMD2 as follows: The current EIOPA view in advised sales would incline towards the</p>

			systems. Further detailed requirements could result in burdensome requirements and costs, without bringing added-value, and no revision should result in lowering of professional standards in these countries.	current IMD2 and MiFID position but not towards Solvency II. In the view of EIOPA there are reasons to consider keeping professional requirements at a relatively high level with MS discretion.
1,305.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q67	Nonconformity in the taxation of these tools at European level sets clear limits to free circulation and to the innate complexity of the differences deriving from its effects. The different taxation of pension products should be uniformed at European level. Due to the absence of a harmonized system, a periodic informative of operators is needed. Parameters' implementation established by IMD2 turns out to be efficient.	Noted. Tax issues are out of the scope of EIOPA's Task Force.
1,306.	Asset management of Slovenska sporitelna	Q67	UCITS Directive covers the professional requirements sufficiently	Not agreed. The current EIOPA view in advised sales would incline towards the current IMD2 and MiFID position and not towards the professional requirements specified in the UCITS Directive.
1,307.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q67	Certainly knowledge of the taxation of pension products should be a determining factor. With an holistic financial planning approach the distributor should be able to advise on how a PPP, as well as other investment and protection products (and their taxation), fits with the needs of the individual. Account should also be taken of the spouse/partner and succession needs that such products can meet. We would expect the knowledge and ability of the distributor of a PPP	Noted. Professional requirements should ensure that the sales force is knowledgeable enough to inform on all aspects of PPP and not just investment but also

			to enable all of these factors to be considered.	on the pensions environment, etc. (See point 493.)
1,308.	Association of the Luxembourg Fund Industry	Q67	<p>What would be the reasons to deviate from the level envisaged in IMD2? Should factors such as taxation of pension' products play a role in determining the level of knowledge required?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>EFAMA believes there is no reason to deviate from the level envisaged in IMD II. Nevertheless, provisions in IMD II and MiFID II should be aligned. This being said, specificities of PPP and PPP holder should be taken into consideration. Taxation should be dealt with at the distribution level and therefore appropriate tax knowledge should be required or advice to consult a private tax expert.</p>	Partially agreed. Certain aspects of PPPs deserve specific treatment.
1,309.	Bulgarian Association of supplementary pension sec	Q67	The reasons to deviate from the protection level envisaged in IMD2 lie in the founding question of how similar and/or different a PPP is in relation to financial instruments and insurance products. With no adequate sifting out the similarities and differences among financial/insurance and pension products, any possible direct copying of existing protection requirements may cause more damage to PPPs rather than provide for better solution for them. For rendering appropriate, adequate and relevant services, taxation of contributions, investment yield and pension benefits is an important factor in determining the level of knowledge required.	Noted. Professional requirements should ensure that the sales force is knowledgeable enough to inform on all aspects of PPP and not just investment but also on the pensions environment, etc. (See point 493.)

1,310.	EFAMA	Q67	<p>What would be the reasons to deviate from the level envisaged in IMD2? Should factors such as taxation of pension' products play a role in determining the level of knowledge required?</p> <p>EFAMA believes there is no reason to deviate from the level envisaged in IMD II. Nevertheless, provisions in IMD II and MiFID II should be aligned. This being said, specificities of PPP and PPP holder should be taken into consideration. Taxation should be dealt with at the distribution level and therefore appropriate tax knowledge should be required or advice to consult a private tax expert.</p>	Partially agreed. Certain aspects of PPPs deserve specific treatment.
1,311.	Fédération Française des Sociétés d'Assurance	Q67	Please refer to question 56	Partially agreed. The current EIOPA view would incline towards the current IMD2 and MiFID position and not towards the regulation of Solvency II as proposed in the comment on question 56.
1,312.	German Insurance Association (GDV)	Q67	The answer to this question is very much bound to the national tax system and the legal framework. The details for the level and complexity of knowledge and skills should be left to the national qualification system. Otherwise it could for example collide with national restrictions for legal advice (for example in Germany).	Noted. The current EIOPA view in advised sales would incline towards the current IMD2 and MiFID. In the view of EIOPA there are reasons to consider keeping professional requirements at a relatively high level with

				<p>MS discretion. Continuous Professional Development (CPD) should be carried out to ensure knowledge and ability evolves with the changing market environment. CPD should cover not only professional knowledge, but also ability and ethics. CPD should be undertaken regularly.</p>
1,313.	Groupe Consultatif	Q67	<p>The main relevant factor is the importance of pension saving through PPPs to the eventual retirement income of PPP holders. Also the complexity and very long-term nature of the engagement required make this type of product particularly difficult and put the consumer in a vulnerable situation. Tax considerations may be an additional complication.</p>	<p>Partially agreed. Detailed principles shall apply only in case of non-standardised products. Most of the principles suggested in the comment on Q23 are covered by the Report on Good Supervisory Practices regarding knowledge and ability requirements for distributors of insurance products (See the resolution regarding comment 1,255).</p> <p>According to EIOPA's view depending on the level of standardisation</p>

				involved it may not be necessary to receive advice at the time of sale although in most cases some level of advice is desirable, even if it is only to ensure that standardised products are appropriate for the PPP holder. (See point 491.) The selling and distribution protections for PPP holders would not need to be as strong in these situations (standardised products) as for non-standard pension sales. (See point 497.)
1,315.	Insurance Europe	Q67	<p>What would be the reasons to deviate from the level envisaged in IMD2? Should factors such as taxation of pension' products play a role in determining the level of knowledge required?</p> <p>Insurance Europe does not see a reason to develop any detailed professional requirements for the sale of pension products.</p> <p>Firstly, for insurance undertakings provisions in addition to Solvency II and IMD 2 would mean an unnecessary duplication and</p>	<p>Not agreed. The Preliminary Report contains a reference to IMD2 as follows: The current EIOPA view in advised sales would incline towards the current IMD2 and MiFID position but not towards Solvency II.</p>

			<p>complication of requirements, and lead to an increased administrative burden.</p> <p>Secondly, for insurance intermediaries any new additional obligations may have a negative impact on the development of their business, and may lead to structural changes at the expense of price competition (eg, market concentration) and job reduction. The insurance sector plays a key role in generating jobs in Europe. Not only do independent insurance intermediaries work within insurance distribution, but also employees of small insurance agencies, bigger broker companies and employees of insurance undertakings.</p> <p>Finally, any new regulation should not interfere with national training programmes for at least two reasons. Firstly, detailed professional requirements as well as specific training and education programmes already exist at national level, and it would be difficult to harmonise them without interfering with the national qualification systems and national trade law regulation access to professions. Further detailed requirements could result in burdensome requirements and costs, without bringing added-value. Secondly, a number of member states have started to introduce complex competence-based testing systems in the early 90's, and no revision should result in lowering of professional standards in these countries.</p>	
1,316.	Investment Management Association	Q67	See answer to Q64.	Noted. The current EIOPA view would incline towards the current IMD2 and MiFID position.

				As for the question of consistency in professional requirements across a wider range of different products, EIOPA agrees that such question is not subject of the preliminary report, therefore EIOPA disregards the aforementioned comment.
1,317.	National Association of Pension Funds (NAPF)	Q67	What would be the reasons to deviate from the level envisaged in IMD2? Should factors such as taxation of pension' products play a role in determining the level of knowledge required?	n/a
1,318.	Slovak Association of Fund Management Companies (S	Q67	UCITS Directive covers the professional requirements sufficiently	Not agreed. The current EIOPA view in advised sales would incline towards the current IMD2 and MiFID position and not towards the professional requirements specified in the UCITS Directive.

1,320.	ABI	Q68	<p>The ABI does not support any product regulation of PPPs at an EU level as it would be inconsistent with the freedom of product design established by Article 21 paragraph 1 of Directive 2009/138/EC (Solvency II) and would interfere with national markets delivering a wider range of products that meet different consumers' needs and expectations.</p> <p>Instead, we would argue that existing FCA consumer protection objectives and regulations, backed up by effective supervision of firms, is a suitable approach to take in terms of regulation.</p>	Noted
1,321.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q68	<p>This sector too should be provided with the so-called “European passport”, that is, with standards that allow objective evaluations in a single market and transnational portability.</p>	Noted
1,322.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q68	<p>Product regulation is a Home State matter and so can mean differences in design and consumer preferences and choices across the EU. As indicated by EIOPA and the answer to Q23 above only DC accumulation products should be within a 2nd regime as a solution that may be acceptable to all Member States.</p>	Noted
1,323.	Association of the Luxembourg Fund Industry	Q68	<p>What could be the role of product regulation in the context of PPPs?</p> <p>ALFI agrees with the answer provided by EFAMA. In addition we would like to make reference to our response to the Commission Consultation on “Consumer protection third pillar retirement products”, as attached.</p>	Noted

			<p>Product regulation should not aim at harmonizing all types of existing PPPs. That would be an overly ambitious goal. Instead, the aim should be to create a new type of pension product that could be offered to EU citizens in addition to the products that are currently available at national level.</p> <p>Personal pension products that meet a number of EU regulatory standards would be allowed to be marketed across Europe, once certified in one member state. The OCERP would be certified by the national regulatory body which has the competence to authorize retirement products. To allow this certification process to take place, a product-specific EU legislative framework would be essential to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> provide a EU passport to the OCERP, by laying down a common framework of rules for a personal pension product to qualify as an OCERP; <input type="checkbox"/> facilitate cross-border activity for the providers, by regulating the governance, administration and distribution conditions under which financial institutions can provide PPPs across Europe. <p>We believe that the creation of a “European brand” in the area of personal pension products would contribute to greater convergence as some Member States might wish to improve the quality of their national products by adopting some of the standards set for the “European brand”. This is what happened after the adoption of the UCITS Directive, which became the text of reference for the regulation of investment funds across Europe, even for funds that are not intended to be marketed cross-border.</p>	
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1,324.	Bulgarian Association of supplementary pension sec	Q68	<p>The product regulation in the context of the 2nd regime will foster the development of a modern, personally oriented scheme with undisturbed cross-border portability stimulating work mobility. Product regulation functioning in parallel with the national systems would be a better solution for developing a single market in PPPs imposing uniform rules which will be parallel, optional, and will not threaten domestic products and the existing national regimes . National specifics will be preserved. Personal pension product regulation will help in the gradual convergence of national systems. Too detailed product regulation, however, may deprive the EU market from the variety of PPPs offered – and the creative power of market competition. Absolute standartisation of a prodcut may spur the monopolisation of the market.</p>	Noted
1,325.	EFAMA	Q68	<p>What could be the role of product regulation in the context of PPPs?</p> <p>Product regulation should not aim at harmonizing all types of existing PPPs. That would be an overly ambitious goal. Instead, the aim should be to create a new type of pension product that could be offered to EU citizens in addition to the products that are currently available at national level.</p> <p>Personal pension products that meet a number of EU regulatory standards would be allowed to be marketed across Europe, once certified in one member state. The OCERP would be certified by the national regulatory body which has the competence to authorize retirement products. To allow this certification process to take place, a product-specific EU legislative framework would be essential to:</p> <p><input type="checkbox"/> provide a EU passport to the OCERP, by laying down a common framework of rules for a personal pension product to qualify as an OCERP;</p>	Noted

			<p><input type="checkbox"/> facilitate cross-border activity for the providers, by regulating the governance, administration and distribution conditions under which financial institutions can provide PPPs across Europe.</p> <p>We believe that the creation of a “European brand” in the area of personal pension products would contribute to greater convergence as some Member States might wish to improve the quality of their national products by adopting some of the standards set for the “European brand”. This is what happened after the adoption of the UCITS Directive, which became the text of reference for the regulation of investment funds across Europe, even for funds that are not intended to be marketed cross-border.</p>	
1,326.	Fédération Française des Sociétés d'Assurance	Q68	<p>FFSA is in favor of a uniform but flexible framework throughout the EU legislation.</p> <p>Any direct or indirect product regulation would have to follow innovation and flexibility. If not, this would be to the detriment of the insurers’ clients. This would also be inconsistent with the freedom of product design established by Article 21. 1 of Directive 2009/138/EC (Solvency II).</p>	Noted
1,327.	German Insurance Association (GDV)	Q68	<p>A main quality characteristic of retirement products is to provide secure income in old age and that the provider must be able to meet his contractual obligations. For that purpose prudential regulation and oversight is necessary which is already in place for retirement products offered by insurers. Solvency II as well as the former life insurance directive (Directive 2002/83/EC) expressly object a prior approval or systematic notification of policy conditions. Freedom of product design should encourage innovation and flexibility.</p>	Noted

			Collective consumer protection is achieved by effective prudential supervision. Individual protection from unsuitable products should primarily be achieved through information. The consumer should receive the information which is necessary to benefit from competition and choose out of a preferably wide range of products the one that meets his/her needs.	
1,328.	Groupe Consultatif	Q68	There is certainly scope for some degree of product regulation to achieve EU comparability in an intended cross-border market and to remove some of the opportunities for consumer detriment. Areas for possible regulation could range from the basic construct of the PPP product through to the types of charging structure permitted, limits on charges which can be levied through different mechanisms, restriction on investment in illiquid or speculative investments and product governance requirements.	Noted
1,330.	Insurance Europe	Q68	<p>What could be the role of product regulation in the context of PPPs?</p> <p>Insurance Europe opposes any product regulation. The insurance industry constantly adapts its retirement products to clients' demands and needs. Any direct or indirect product regulation could prevent innovation and flexibility. This would be to the detriment of the consumers. It would also be inconsistent with the freedom of product design established by Article 21 paragraph 1 of Directive 2009/138/EC (Solvency II).</p> <p>Pension systems differ considerably between countries, and therefore, uniform product regulation would not be possible for all existing products.</p>	Noted

1,331.	Investment Management Association	Q68	Product regulation at some level would appear to be necessary to create a passporting regime that would be acceptable to Host States. But a minimum harmonisation regime covering all existing PPP products might be a step too far, so a product regime with passporting rights attached as an alternative to existing national regimes would seem to be a more realistic objective.	Noted
1,332.	National Association of Pension Funds (NAPF)	Q68	What could be the role of product regulation in the context of PPPs?	n/a
1,333.	Slovak Insurance Association	Q68	What could be the role of product regulation in the context of PPPs? It is not clear whether the desired effect of product regulation would be a kind of „dual product system” in financial institutions, meaning that they would maintain their products in two versions: national / regional and EU (PPP regulated). In that case, the whole administration becomes more complicated and more expensive (at customer’s costs). If the companies would chose to keep only one version – PPP / EU regulated (and unified), it could lead to decrease of any future innovation activities and would make those procts more rigid and less able to reflect customers needs.	Noted
1,336.	ABI	Q69	No, we do not see a role for EIOPA to set down principles for the considerations the industry should take into account before launching a new product. Good management of risks associated with the launch of new products, operations and services is an important area of provider responsibilities, which can be addressed by high level	Noted

			requirements on firms to treat customers fairly.	
1,337.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIAR	Q69	<p>It's certainly expedient to determine the principles of the project's features for the products of this controversial sector. Furthermore, the educational element that can be produced by the solutions, shouldn't be underestimated. Therefore, encouraging auto-enrolment also involves, as a consequence, the systematic increase of critical masses, optimizing the deriving performances. The development of a critical mass and of economies of scale is a result that has to be an outcome of a prior strategy, coordinated at European level. The increasingly poor performances of the public-mandatory pillar must be brought to the citizens' attention, so that they can become aware of the need of accruing for a private pension.</p> <p>The industry should work in this direction together with Governments and Regulators.</p>	Noted
1,338.	Asset management of Slovenska sporitelna	Q69	Only pure DC schemes, inspired by UCITS regulation should be allowed.	Noted
1,339.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q69	Such guidance is already provided at national level to identify target markets and product suitability, at least in the Life Assurance sector. In the case of a 2nd regime product however a model product format would need to be made available by the ESAs to ensure comparability across sectors.	Noted
1,340.	Association of the Luxembourg Fund Industry	Q69	Would you consider it useful if principles are established for the steps and considerations the industry should take into account before launching a new product or modifying existing products? If so, what would in your view be the main considerations that should be taken into account?	Noted

			<p>ALFI agrees with the answer provided by EFAMA, except for the last paragraph.</p> <p>Providers interested in marketing OCERPs would need to comply with the set of uniform standards defined in an EU legislative framework for the OCERP and would need to get the approval for cross border activity as OCERP providers from its national regulatory body that has the authority to authorize personal pension products. Once certified in one member state, an OCERP benefits from an EU passport and its provider is allowed to market it throughout the European Union.</p> <p>Could these initiatives help develop “critical mass” and economies of scale, and/or the development of auto-enrolment mechanisms?</p> <p>Yes, one of the key goals of an EU single market for personal pension products is to create economies of scale as, once certified, the same PPP could be marketed across the EU.</p> <p>EFAMA believes that auto-enrolment programmes are one of the most effective ways to ensure people save for retirement. Furthermore, if contributions from the auto-enrolment programmes would be channeled into OCERPs, this would help triggering a strong demand for these products, thus developing “critical mass” and economies of scale. This would generate a virtuous circle of recognition and use of the OCERP label that could culminate with a widespread use and transfer capabilities of an OCERP throughout the EU.</p>	
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1,341.	Bulgarian Association of supplementary pension sec	Q69	The establishment of principles for the steps and considerations the industry should take into account before launching a new product or modifying existing products may be treated as too much of interference with the product development. It is the PPP provider who decides what steps and considerations are to be taken relying on its corporate expertise in complying with the uniform rules of 2nd regime PPP. The main consideration to be taken into account is that diversity allows for competitive market forces to set in. The development of critical mass and economies of scale, and/or the development of auto-enrolment may even be threatened by depriving PPP providers from their country-and-company specific innovative procedure in launching a new product or modifying existing products.	Noted
1,342.	EFAMA	Q69	<p>Would you consider it useful if principles are established for the steps and considerations the industry should take into account before launching a new product or modifying existing products? If so, what would in your view be the main considerations that should be taken into account?</p> <p>Providers interested in marketing OCERPs would need to comply with the set of uniform standards defined in an EU legislative framework for the OCERP and would need to get the approval for cross border activity as OCERP providers from its national regulatory body that has the authority to authorize personal pension products. Once certified in one member state, an OCERP benefits from an EU passport and its provider is allowed to market it throughout the European Union.</p> <p>Could these initiatives help develop “critical mass” and economies of scale, and/or the development of auto-enrolment mechanisms?</p>	Noted

			<p>Yes, one of the key goals of an EU single market for personal pension products is to create economies of scale as, once certified, the same PPP could be marketed across the EU.</p> <p>EFAMA believes that auto-enrolment programmes are one of the most effective ways to ensure people save for retirement. Furthermore, if contributions from the auto-enrolment programmes would be channeled into OCERPs, this would help triggering a strong demand for these products, thus developing “critical mass” and economies of scale. This would generate a virtuous circle of recognition and use of the OCERP label that could culminate with a widespread use and transfer capabilities of an OCERP throughout the EU.</p>	
1,343.	Fédération Française des Sociétés d'Assurance	Q69	Please refer to question 68	Please see above
1,344.	FSUG	Q69	<p>The FSUG thinks that transparent reporting and information disclosure to PPP holders all over the EU is one of the key prudential principles that should be tracked by the proposed document. The level of transparency and ability to compare PPPs is alarmingly low and this fact directly forces consumers to buy and/or hold “poor value products”, which might in near future create unrecoverable detriment to the consumer. Having an EU level information database providing high-quality data on PPPs is viewed as a major step towards transparency by FSUG. The FSUG suggests starting with the unconditional reporting of information, especially:</p> <ol style="list-style-type: none"> 1. costs and fee structure (fee policy), 2. individual savings/retirement account statements, 	Noted

			<p>3. performance/returns during different time periods.</p> <p>Based on the FSUG members' experience and knowledge supported by findings of Oxera research study (2013), there is a lack of public data availability resulting in low transparency of PPPs. At the same time, the FSUG observes ongoing divergent development in this area, which requires urgent measures from national and supra-national bodies to revert this trend. More specifically, the following areas do require more attention from EU regulatory bodies in order to provide more transparency of PPPs:</p> <p>1. Private Pension Schemes Portfolio Structures: The data available for personal plans would appear poorer than for the employer-arranged plans. The main issue is the lack of consistency between categories across countries. Standardization of the reporting requirements would help comparisons and thus increase the ability to compare the overall performance of PPPs under the single regulatory regime (EU certification scheme).</p> <p>2. PPPs Costs and Charges: The difficulty of finding publically available charge data for thorough comparison varies significantly between the EU Member States, from detailed daily publications (e.g. Slovakia, Poland, Estonia, Sweden, Romania) to the total absence of such data. Ideally, the supra-national regulation should ensure, that the full spectrum of costs should be available to consumers for comparison and analysis, including the otherwise 'hidden' costs that result in lower returns, e.g. trading and post-trading. The costs published vary in terms of the granularity. Disclosure of costs on each of the key activities of the pension provider (management, administration, acquisition etc.) would allow for a detailed analysis of performance and 'value for money', from a consumer's perspective.</p> <p>3. PPPs Returns and Performance: Typically expressed as average annual growth rates, the main issue about returns data surrounds data availability at the required level of granularity. It is even</p>	
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			<p>impossible to have comparable data on performance vis-à-vis respective benchmarks.</p> <p>4. Private Pension Schemes Savers Behavior (Switching): The information on switching has come in a number of formats; ideally one would report a complete switch matrix detailing both the origin and destination plans, also for cross-scheme transfers. Such detail may be prohibitively complex to collate, but would shed light on the trends beyond simple portfolio re-allocations.</p> <p>Results of the Oxera study (2013) do not support the proclaimed expectations, that the competition among private pension's schemes operating under the IORP Directive would bring the level of charges to the market equilibrium levels which would be comparable across schemes within and among the countries. Instead, the study findings show that there are significant differences among the charges, which varies more than 200% in some cases, even within national pension systems. Alarming results can be seen in the performed analysis of final pension pots provided by different pension schemes in particular countries, where the overall charges imposed on scheme members differ more than threefold. These findings open legitimate questions on the adequacy of final pensions and the reasonable level of charges imposed by private pension schemes on their members.</p> <p>Interconnecting the overall poor performance of pension funds with high-level of charges will lead to the overall decrease in the adequacy and thus increase the pressure on already troubled publically run pension schemes and generally on public finance.</p> <p>Considering the dominant risks consumers face in most of the DC (or even DB) based PPPs, FSUG sees an immediate need to increase the transparency by disclosing the possible negative scenarios and drawbacks caused by particular risks. Current regulatory requirements in</p>	
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			<p>most countries do not require providers to disclose any scenarios of future developments that would explain possible consequences of particular risks occurrence nor any calculations of impact of these risks on savers' final pension pots. The OXERA study (2013) showed that the 'known' information is relatively well supplied, with most schemes providing information during the accumulation phase. But this is in contrast to the provision of the 'predictive' data, which is often not supplied by personal pension schemes. On top of this, personal schemes tend to provide less predictive information regarding the expected retirement income levels or returns, when compared with employer-arranged schemes.</p> <p>Regarding the overall transparency of information supplied to the private pension scheme members, several findings can be made:</p> <ul style="list-style-type: none"> – there is considerable variation across the individual Member States in the amount of information provided to savers; – the information tends to be better for fund- than insurance-based products, which presumably reflects the likelihood that fund-based schemes are DC in nature and therefore require consumers to make more decisions (necessitating more information); – The Netherlands, Sweden as well as some eastern EU countries (Slovakia, Romania, Poland, Estonia) can be used as a good practice for fund-based PPPs information disclosure, as they experience highest transparency and information disclosure. 	
1,345.	German Insurance Association (GDV)	Q69	See Q68 and Q70. German insurers question how a pension product that does not fit into the national pension landscape could be suitable for auto-enrolment mechanisms.	Noted
1,346.	Groupe Consultatif	Q69	Yes.	Noted

1,348.	Insurance Europe	Q69	<p>Would you consider it useful if principles are established for the steps and considerations the industry should take into account before launching a new product or modifying existing products? If so, what would, in your view, be the main considerations that should be taken into account? Could these initiatives help develop “critical mass” and economies of scale, and/or the development of auto-enrolment mechanisms?</p> <p>No, Insurance Europe does not see a need to set down principles for the considerations the industry should take into account before launching a new product. Good management of risks associated with the launch of new products, operations and services is an important area of provider responsibilities, but EU wide initiatives on this bring risk of ignoring national pension specificities and all national consumer preferences.</p> <p>Additionally, Insurance Europe believes that any initiatives should not interfere with product design. The insurance industry constantly adapts its retirement products to clients’ demands and needs. Any direct or indirect product regulation could prevent innovation and flexibility. This would be to the detriment of the insurers’ clients. It would also be inconsistent with the freedom of product design established by Article 21 paragraph 1 of Directive 2009/138/EC (Solvency II).</p>	Noted
1,349.	Investment Management Association	Q69	<p>The criteria necessary to meet the requirements of any new EU PPP regime would have to be made clear before the industry would be in a position to consider launching new products or adapting existing ones. The key impediment to creating critical mass around a new EU PPP market will be, as stated before, tax treatment of cross-border</p>	Noted

			products. Without movement on tax issues, it is difficult to see how a cross-border business in PPPs could develop.	
1,350.	National Association of Pension Funds (NAPF)	Q69	Would you consider it useful if principles are established for the steps and considerations the industry should take into account before launching a new product or modifying existing products? If so, what would in your view be the main considerations that should be taken into account?	Noted
1,351.	Slovak Association of Fund Management Companies (S	Q69	Only pure DC schemes, inspired by UCITS regulation should be allowed.	Noted
1,353.	ABI	Q70	We do not see any benefits in developing an EU certification scheme for PPP. There is the potential for a kite mark to stifle competition in the industry and the success of a kite mark will depend entirely on the ability of consumers to be able to recognise the scheme and know what it means.	Not agreed; requirements for certifying products may decrease market competition.
1,354.	ANASF – ASSOCIAZIONE NAZIONALE PROMOTORI FINANZIARI	Q70	The certification, meant as an evaluation of products and services existing on the market on the side of third party authorities, allows a greater transparency and protection. Anyhow, it has been found a certain difficulty in its fulfilment, given the non-existence of qualified certifying subjects.	Noted; fulfilment may be difficult due to the lack of certifying staff.
1,355.	APFIPP – Associação	Q70	We consider the certification of products useful. However, we think the introduction of certification at the European level should have	Partially agreed; at European level

	Portuguesa de Fundos de Invest		<p>limits, in the sense that it should only focus on the relevant areas that should be evaluated in terms of certification, for example: definition on pensionable earnings, level of contributions, commission limits, acquisition of vested rights...</p> <p>Any specific details should be defined under self-regulation, since there are differences at national level that can not be ignored, for example, at this stage it is not appropriate to set the same value of contributions for all Member States.</p>	certification should refer only to certain main features of products.
1,356.	Asset management of Slovenska sporitelna	Q70	Yes, Only certified PPPs can be offered. The can should be introduced at European level. The local regulation should be in place as well.	Noted; certification should be introduced both at European and national level.
1,357.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q70	<p>AILO does not consider that it would be useful to introduce certified products for PPPs. They would almost certainly entail much bureaucracy and added cost for providers and ultimately consumers. At the EU level, would it be possible to get 28 States with divergent approaches to agree? If so, then the lowest common denominator would surely apply and this might not be the best outcome for consumers. Based on the lowest common denominator, the likelihood is that providers would shun certified schemes as being uneconomic to offer.</p> <p>At national level that would lead to yet more disparity and be a further constraint on the single market.</p> <p>There could also be the risk that consumers would consider that certification offered some form of guarantee (an EU Kite-mark) and so</p>	<p>Not agreed; certification would enhance costs through bureaucracy. Applying the "lowest common denominator" of the existing products for certification would lead to products that are not economic enough for providers, so they would not offer them to consumers.</p> <p>For consumers certification may be meant as guarantee, which mislead them.</p>

			lead to their ignoring (possibly significantly more appropriate) non-certified products. This would seem to pass responsibility on to the European or national regulator in the event of a failed Kite-marked product, or indeed such products being proved in practice to underperform other pension products. Would Regulators be prepared to accept that responsibility?	This could be a problem mainly when certified products underperform other, non-certified ones.
1,358.	Association of the Luxembourg Fund Industry	Q70	<p>Would you consider it useful if certified products are introduced in the context of personal pensions? Should they be introduced at a European or a national level? What initiatives at European level do you consider to be useful?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>EFAMA has been, for many years, a strong supporter of a European certified PPP. EFAMA believes that the goal should not be to redefine standards for all existing PPPs at national level, but to create a “European brand” of personal pension products that could be distributed on a cross-border basis. EFAMA has named this product the “Officially Certified European Retirement Plan” (OCERP) in reference to the name proposed in a report published by EFAMA in 2010 on the landscape of European long-term savings.</p> <p>In this context, we believe that the work launched by the European Commission in the area of “consumer protection in third-pillar retirement products” is very much related to the work undertaken by EIOPA at the request of the European Commission on the creation of a EU-single market for PPPs. Indeed, we believe that an EU certification scheme would provide an EU passport to the PPP, which</p>	Noted; certification should be introduced at European level.

			<p>would allow the PPP to be marketed across Europe.</p> <p>Following this approach, the standards that a PPP should comply with to be eligible to the EU certification scheme/passport should cover the basic standards that the product and its provider should comply with, drawing on the principles of consumer protection and good governance.</p> <p>EFAMA's new report on the OCERP proposes a set of standards for the EU certification of a European PPP, as well as the different regulatory approaches to introduce those standards in an EU legislative framework.</p>	
1,359.	Austrian Insurers' Association (VVO)	Q70	<p>The VVO does not support a product certification on European level for the following reasons:</p> <ol style="list-style-type: none"> 1. In general product certification implies standardisation, which hinders product innovation and open competition to the detriment of consumer-oriented, individual and flexible solutions. 2. In the area of insurance the idea of a product certification raises serious concerns in the context of European secondary law. The third generation of insurance directives abolished price and product regulations when creating the Insurance Single Market in 1992. Today the Directive 2009/138/EC stipulates in Article 21 that "Member States shall not require the prior approval or systematic notification of general and special policy conditions (...) which an undertaking intends to use in its dealings with policy holders (...)." 	<p>Not agreed; certification at European level would not ensure innovation, flexibility and freedom of designing products. For insurance products European secondary law does not allow price and product regulation. In case of pension products European level certification may hurt the right of subsidiarity.</p>

			<p>3. On the specific subject of pensions already existing definitions on national level require careful consideration. Against this background a European product certification could raise problems of subsidiarity with Member States.</p>	
1,360.	Bulgarian Association of supplementary pension sec	Q70	<p>It would be useful for PPP in the context of a 2nd regime to be introduced as certified products. As national markets do have plenty of pension products and retirement arrangements, a PPP in the context of a 2nd regime should be introduced on a EU level. Useful EU-level initiatives are the publication of discussion papers; public hearings held with stakeholders, public media awareness campaigns.</p>	Noted; certification should be introduced at European level.
1,361.	EFAMA	Q70	<p>Would you consider it useful if certified products are introduced in the context of personal pensions? Should they be introduced at a European or a national level? What initiatives at European level do you consider to be useful?</p> <p>EFAMA has been, for many years, a strong supporter of a European certified PPP. EFAMA believes that the goal should not be to redefine standards for all existing PPPs at national level, but to create a "European brand" of personal pension products that could be distributed on a cross-border basis. EFAMA has named this product the "Officially Certified European Retirement Plan" (OCERP) in reference to the name proposed in a report published by EFAMA in 2010 on the landscape of European long-term savings.</p> <p>In this context, we believe that the work launched by the European Commission in the area of "consumer protection in third-pillar retirement products" is very much related to the work undertaken by EIOPA at the request of the European Commission on the creation of</p>	Noted; certification should be introduced at European level.

			<p>a EU-single market for PPPs. Indeed, we believe that an EU certification scheme would provide an EU passport to the PPP, which would allow the PPP to be marketed across Europe.</p> <p>Following this approach, the standards that a PPP should comply with to be eligible to the EU certification scheme/passport should cover the basic standards that the product and its provider should comply with, drawing on the principles of consumer protection and good governance.</p> <p>EFAMA's new report on the OCERP proposes a set of standards for the EU certification of a European PPP, as well as the different regulatory approaches to introduce those standards in an EU legislative framework.</p>	
1,362.	Fédération Française des Sociétés d'Assurance	Q70	Please refer to question 68	Noted; certification at European level should ensure innovation, flexibility and freedom of designing products.
1,363.	German Insurance Association (GDV)	Q70	<p>The questions are unclear because they lack a definition of a certification scheme. It remains unclear how and what exactly should be certified and achieved thereby at the European level. In Germany, certification is only required for specific third-pillar retirement products (Riester and basic pensions), which are directly linked to the first pillar pension system. The certification verifies certain product features in order to be eligible to state subsidies.</p> <p>German insurers would oppose any intention of the European</p>	Not agreed; collective consumer protection can be achieved through prudential supervision, individual protection through information.

			Commission to create a certification scheme that includes ex ante product control and the creation of a new authority. Solvency II as well as the former life insurance directive expressly object a prior approval or systematic notification of policy conditions. The principle of freedom of product design should encourage innovation and flexibility. The directives are based on the concept that collective consumer protection is achieved by effective prudential supervision. Individual protection from unsuitable products should primarily be achieved through information. The consumer should receive the information which is necessary to benefit from competition and choose out of a preferably wide range of products the one that meets his needs best.	
1,364.	Groupe Consultatif	Q70	Yes. Certification of products through the use of 'Gold standards' or other similar badges of worth may help in conveying better quality products.	Noted.
1,366.	Insurance Europe	Q70	<p>Would you consider it useful if certified products are introduced in the context of personal pensions? Should they be introduced at a European or a national level? What initiatives at European level would you consider to be useful?</p> <p>Insurance Europe opposes EU wide certifications. Please refer to question 68.</p>	Not agreed; certification at European level would not ensure innovation, flexibility and freedom of designing products.
1,367.	Investment Management Association	Q70	See answer to Q68.	Partially agreed; certification should not cover all existing products.

1,368.	National Association of Pension Funds (NAPF)	Q70	Would you consider it useful if certified products are introduced in the context of personal pensions? Should they be introduced at a European or a national level? What initiatives at European level do you consider to be useful?	No answer.
1,369.	Slovak Association of Fund Management Companies (S	Q70	Yes, Only certified PPPs can be offered. The can should be introduced at European level. The local regulation should be in place as well.	Noted; certification should be introduced both at European and national level.
1,371.	The Finnish Pension Alliance / Työeläkevakuuttajat	Q70		No answer.
1,372.	ABI	Q71	As in our response to question 68, we do not see a role for product authorisation or product banning at an EU level. Good management of risks associated with the launch of new products, operations and services is an important area of provider responsibilities, which can be addressed by high level requirements on firms to treat customers fairly. Product bans for investor protection purposes should be a last resort based on clear evidence of detriment. Due process needs to be developed to govern the use of product intervention powers by national regulators, including consultation with industry and consumer groups at the earliest stage possible so that they have an opportunity to state their case and a thorough impact assessment must be carried out before using this power.	Noted; risks related to products not suitable for consumers can be controlled by legal and prudential requirements, banning products should only be ultimate mean to protect the consumers.
1,373.	ANASF – ASSOCIAZIONE	Q71	The odds of incurring in problems will decrease and, above all, the subscribing person himself/herself will be the best promoter of	Noted; if the processes related to a pension

	NAZIONALE PROMOTORI FINANZIAR		<p>Personal Pension Products if:</p> <ul style="list-style-type: none"> - during the subscription phase the client knows exactly what he/she is going to subscribe to; - during the accruing phase the client will have the chance of turning to an authority whenever he/she has some doubts; - the client can check his/her situation through the web - before retiring, he/she is invited to contact qualified subjects to better understand how the tax system works and the liquidation opportunities of his PPP. - the subscribing person is fully supported, avoiding wrong delays. <p>The subscription of a PPP by a client is a consequence of the way the PPP itself has been illustrated to the client and of the level of clearness applied during the first contact phase. If this first step is carried out in a structurally and compulsorily valid manner, it is possible to avoid wrong delays, misunderstandings, and performances not in line with the citizen's desires.</p>	plan from the joining to the liquidation phase are transparent and understandable for the consumers, it will ensure avoiding problems of consumer protection.
1,374.	Asset management of Slovenska sporitelna	Q71	Only certified PPPs can be offered.	Noted; answer refers to Q70.
1,375.	ASSOCIATION OF INTERNATIONAL LIFE OFFICES, Luxembo	Q71	No more than current best practice. Product authorisation is likely to be generally unhelpful and hinder innovation and competitiveness, without producing commensurate benefits. It could also imply performance guarantees in the minds of consumers, which the certifying authority will not wish to stand behind. Product advertising should continue to be banned where it is clearly misleading.	Noted; product authorisation could decrease competition and innovation. It could also mislead consumers because they may believe that certified products are guaranteed as well. Advertisements should

				be banned instead of products.
1,376.	Association of the Luxembourg Fund Industry	Q71	<p>What role could be played by product authorization and or product banning, in order to protect holders against certain PPPs that are more likely to lead to poor pension outcomes?</p> <p>ALFI agrees with the answer provided by EFAMA.</p> <p>OCERPs or OCERPs must be approved by the national regulatory body that has the authority to authorize PPPs. This national body can authorize/ban the OCERP status to the PPPs that comply/disregard the OCERP standards regulated by EU legislation. Importantly, EFAMA believes that a good governance framework as part of the OCERP standards is essential to ensure that an OCERP is managed in the best interest of its holders.</p>	Noted; authorisation can be done by national regulatory bodies, good governance framework set by these bodies can prevent poor performance.
1,377.	Austrian Insurers' Association (VVO)	Q71	<p>The VVO does not support a product certification on European level for the following reasons:</p> <ol style="list-style-type: none"> 1. In general product certification implies standardisation, which hinders product innovation and open competition to the detriment of consumer-oriented, individual and flexible solutions. 2. In the area of insurance the idea of a product certification raises serious concerns in the context of European secondary law. The third generation of insurance directives abolished price and product regulations when creating the Insurance Single Market in 1992. Today the Directive 2009/138/EC stipulates in Article 21 that "Member 	Noted; answer refers to Q70.

			<p>States shall not require the prior approval or systematic notification of general and special policy conditions (...) which an undertaking intends to use in its dealings with policy holders (...)."</p> <p>3. On the specific subject of pensions already existing definitions on national level require careful consideration. Against this background a European product certification could raise problems of subsidiarity with Member States.</p>	
1,378.	Bulgarian Association of supplementary pension sec	Q71	<p>Product authorization and product banning influence directly the protection mechanisms for PPP holders against PPPs that lead to poor pension outcomes. However, the authorization body, if not professional and publicly transparent, may turn the whole idea of authorization and/or banning into a nightmare for a competitive single market. Such bodies are usually the ones likely to blame for misconduct and corruption.</p>	<p>Not agreed; requirements for certificating products may decrease market competition.</p>
1,379.	EFAMA	Q71	<p>What role could be played by product authorization and or product banning, in order to protect holders against certain PPPs that are more likely to lead to poor pension outcomes?</p> <p>EU-PPPs (OCERPs) must be approved by the national regulatory body that has the authority to authorize PPPs. This national body can authorize/ban the OCERP status to the PPPs that comply/disregard the OCERP standards regulated by EU legislation.</p> <p>Importantly, EFAMA believes that a good governance framework as part of the OCERP standards is essential to ensure that an OCERP is managed in the best interest of its holders.</p>	<p>Noted; fulfilment may be difficult due to the lack of certifying staff.</p>

1,380.	Fédération Française des Sociétés d'Assurance	Q71	<p>FFSA would like to stress that the insurance industry constantly adapts its retirement products to clients' demands and needs. Products that might meet the demands and needs of some consumers - based on their preferences and personal situation - might not meet the demands and needs of others. It is therefore important to ensure appropriate disclosures and conduct of business rules to enable consumers to take informed decisions. FFSA therefore strongly opposes any initiatives that could reduce product development and stifle innovation such as product authorisation or product banning.</p>	Partially agreed; at European level certification should refer only to certain main features of products.
1,381.	FSUG	Q71	<p>The FSUG favors, under the recognition of the recent EIOPA initiative in the area of a possible EU-single market for personal pension products, the creation of an EU certification scheme.</p> <p>Having in mind the value of the "EU" brand, introducing such mechanism on EU level, backed by the supervision of one or more ESAs (either EIOPA or ESMA), might have a significant impact on achieving a higher transparency of PPPs for consumers.</p> <p>FSUG thinks it would be unrealistic to expect that the PPPs providers would give up the advantage of information asymmetry and voluntarily provide more information (increase transparency) and/or create comprehensive tools allowing consumers to compare the PPPs features and assess the value of PPPs. At the same time, it has been proven by many empirical researches, that self-regulatory codes are not sufficient tools for increasing transparency and introducing the measures allowing clients to easily compare the products or assess the real value of products including the added value (returns, performance), fees and charges, guarantees, etc. Most studies have confirmed that obtaining relevant information for comparison of PPPs key features is in most cases an impossible task even for regulators on national level. Therefore we claim that expecting that the self-regulatory code would increase the level of transparency regarding</p>	Noted; certification should be introduced both at European and national level.

			<p>the PPPs is rather naïve.</p> <p>Based on the results of EU Consumer Markets Scoreboard, the financial services (especially investment, retirement and savings products) do face lowest consumers' confidence and satisfaction. Introducing an "EU" label for PPPs with strong, clear and consumer "friendly" information disclosure, a high level of transparency and fair consumer protection mechanisms would strengthen the consumer confidence in such products and thus lead to higher savings rate (contribution ratios), which in turn might increase the overall savings. As a secondary market effect, this will prompt the creation of an EU wide single market for PPPs, increase competition and thus decrease the systemic risk the financial sector still faces.</p> <p>On the other hand, it is worth mentioning, that introducing an EU certification scheme will open a new area of supervision and impose larger duties on ESAs (especially EIOPA and ESMA). Introducing an EU certification scheme, if introduced properly based on fair approach and recognition of the need for transparency, might be viewed as guarantee of quality for such products.</p>	
1,382.	German Insurance Association (GDV)	Q71	<p>See 68 and 70. It is unclear how the criteria "more likely to lead to a poor pension outcome" should be determined. A product ban should aim to protect consumers against detrimental products. Based on the concept of Solvency II it is not the task of the prudential supervision to assess the suitability of a product's design for a specific purpose or to encourage a specific product design. Any product ban must respect the principle of proportionality. Product banning has to be used carefully as it has strong signaling effects on markets and reputation of undertakings.</p>	<p>Not agreed; certification would enhance costs through bureaucracy. Applying the "lowest common denominator" of the existing products for certification would lead to products that are not economic enough for providers, so they would not offer them to consumers.</p> <p>For consumers</p>

				certification may be meant as guarantee, which mislead them. This could be a problem mainly when certified products underperform other, non-certified ones.
1,384.	Insurance Europe	Q71	<p>What role could be played by product authorization and or product banning, in order to protect holders against certain PPPs that are more likely to lead to poor pension outcomes?</p> <p>Insurance Europe would like to stress that the insurance industry constantly adapts its retirement products to clients' demands and needs. Products that might meet the demands and needs of some consumers - based on their preferences and personal situation - might not meet the demands and needs of others. It is therefore important to ensure appropriate disclosures and conduct of business rules to enable consumers to take informed decisions. Insurance Europe therefore strongly opposes any initiatives at an EU level that could reduce product development and stifle innovation such as product authorisation or product banning.</p> <p>Please also refer to question 68.</p>	Not agreed; certification at European level would not ensure innovation, flexibility and freedom of designing products. For insurance products European secondary law does not allow price and product regulation. In case of pension products European level certification may hurt the right of subsidiarity.
1,385.	Investment Management Association	Q71	EU PPPs would have to be authorised as products by Home State competent authorities and these authorities should have powers to supervise the product providers, including withdrawing	Noted; certification should be introduced at European level.

			authorisation/banning if good consumer outcomes are threatened.	
1,386.	National Association of Pension Funds (NAPF)	Q71	What role could be played by product authorization and or product banning, in order to protect holders against certain PPPs that are more likely to lead to poor pension outcomes?	Noted; certification should be introduced at European level.
1,387.	Slovak Association of Fund Management Companies (S	Q71	Only certified PPPs can be offered.	Noted; certification at European level should ensure innovation, flexibility and freedom of designing products.