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EUROPEAN INSURANCE  
AND OCCUPATIONAL PENSIONS AUTHORITY

## Agenda item 4:

**EIOPA Preliminary report to COM - “Establishing a true EU-wide framework for consumer protection in the area of Personal Pensions ”**

# EIOPA Preliminary Report to COM “Towards an EU-single market for personal pensions”



## Short chronology:

- ❑ July 2012: COM requested EIOPA to provide technical input on the prudential regulations and consumer protection measures needed to create a single market for personal pensions.
- ❑ January 2013: the TFPP is set up with NSA and EIOPA representatives
- ❑ February 2013: work is initiated with the aim of addressing the following **main deliverables**:
  - ✓ Discussion paper on personal pensions – **delivered** May 2013
  - ✓ Organisation of EIOPA Public event on Personal Pensions – **organised** in June 2013
  - ✓ Preliminary report to COM - **by February 2014**
- ❑ **19 February 2014**
  - ✓ Publication of EIOPA Preliminary Report to COM **“Towards an EU-single market for personal pensions”**

# EIOPA Preliminary Report to COM “Towards an EU-single market for personal pensions”



## **EIOPA Preliminary Report - an overview:**

### **□ Regulatory issues.**

- ✓ scope of possible EU action incl. analysis of borderline cases
  - ✓ 1st pillar bis,
  - ✓ group pensions,
- ✓ analysis of current hurdles for development of a single EU market for PPPs,
- ✓ in-depth examination of the options for establishing a EU single market for PPPs.

### **□ Consumer issues.**

- ✓ Transparency and Information Disclosure (incl. charges and costs)
- ✓ Distribution practices/ Professional requirements
- ✓ Product regulation and product standardisation (incl. default options)

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## KEY FINDINGS



Area / Instruments	Directive	Regulation
Scope	Existing + new PPPs	Existing + new PPPs + Currently un-regulated PP providers to allow cross-border marketing of PPPs
Tax hurdle	Relevant - no solution/more transparency?	Relevant / solution in the form of <u>sub-accounts</u> ensuring that accumulated savings in different MSs comply with local tax rules and thus receive tax relief
Social law hurdle	Dtto	Relevant / solution in the form of <u>sub-accounts</u> .
Contract law hurdle	Dtto	Relevant / partial solution – some contract law elements will be <u>incorporated</u> in the 2 <sup>nd</sup> regime Regulation
Prudential req.	None. Providers are already regulated by SII / UCITS/ CRD	Yes For non-EU regulated provided (current and future) so as to allow them to provide business cross-border
Consumer aspects	Yes, especially <ul style="list-style-type: none"> <li>• Transparency and Information Disclosure (incl. charges and costs)</li> <li>• Distribution practices/ Professional requirements</li> <li>• Product governance</li> </ul>	Yes, same as directive+ high product standardisation (incl. default options such as life-cycling)

## ❑ **EIOPA Public Event on Personal pensions .**

- ✓ 15 April 2014
- ✓ Bratislava, Slovakia
- ✓ Key speakers from EIOPA, industry & academics.

## ❑ **Preparatory work for future COM detailed CfA.**

- ✓ Transparency and Information Disclosure (incl. charges and costs)
- ✓ Distribution practices/ Professional requirements



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# Thank you

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