



2017/0143(COD)

6.7.2018

OPINION

of the Committee on the Internal Market and Consumer Protection

for the Committee on Economic and Monetary Affairs

on the proposal for a regulation of the European Parliament and of the Council
on a pan-European Personal Pension Product (PEPP)
(COM(2017)0343 – C8-0219/2017 – 2017/0143(COD))

Rapporteur for opinion: Birgit Collin-Langen

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SHORT JUSTIFICATION

The rapporteur welcomes the Commission's initiative for a pan-European Personal Pension Product and the proposal to encourage Europe's citizens to make arrangements for their private pensions. It is in everybody's interest to combat the impact of the demographic shift on retirement policy in each Member State and introduce private savings schemes at an early stage. This applies particularly to the young generation and people on low incomes.

There is currently no single market for private pensions. In some Member States there are currently few or no private pension products available, and the existing national markets are extremely fragmented. It is not possible to take a product into another Member State or arrange a pension product in another Member State in order to gain a fiscal advantage. A standardised pan-European product would improve this situation. The proposal puts forward adequate and appropriate ways of removing the barriers to making cross-border pension arrangements and moving pension products across borders. The proposal is proportionate, as barriers to the portability of a product into another Member State cannot be removed by one Member State acting alone, even though private pension markets are governed by national jurisdiction.

The objective is to have a pension product which is voluntary, simple, safe, transparent, consumer-friendly and reasonably-priced.

Only then can the concept of a portable pan-European pension product succeed.

People buy PEPPs in order to make provision for their old age. As a rule, therefore, that provision must take the form of an annuity payable until a person's death.

A necessary condition for the PEPP to succeed will be support from the Member States, as only they can provide the same fiscal incentives and benefits as are available with comparable national products.

Various amendments and clarifications are proposed which will guarantee a high level of consumer protection.

Information obligations: One suggestion is for the provisions on advertising and the pre-contractual information (PEPP-KID) to be dealt with in the Regulation itself and for the reference to Regulation (EU) No 1286/2014 (the PRIIPS Regulation) to be removed. This would give more legal clarity and certainty.

Portability: The rapporteur welcomes the ambitious aim of having PEPPs available in all the Member States. However, the timeframe would seem to be too tight; the deadline for setting up the compartments needs to be extended to five years. Compartment partnerships will also be introduced to help PEPP providers to make their products available in all the Member States.

Investment options: The rapporteur is in favour of a simple, safe, transparent, consumer-friendly and reasonably-priced pension product. The standard option should enable people to conclude the contract without taking advice. Many consumers have insufficient knowledge to make such far-reaching financial decisions. To ensure a well-informed basis for consumers'

decisions, a decision tree will be provided. This will be developed by the EIOPA and will not give recommendations; it will help PEPP customers decide whether obtaining a PEPP will in fact provide them with the right kind of pension. There will also be a presentation of the various designs of the standard option so that the customer can see how they vary and come to an informed decision.

The design of the investment option will ensure the saver that the capital accumulated by the start of the pay-out phase will at least equal the contributions paid, including all costs and charges.

AMENDMENTS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) Old age pensions constitute an essential part of a retiree's income, and for many people an adequate pension provision makes the difference between a comfortable old age or poverty; it is a precondition for exercising fundamental rights laid down in the Charter of Fundamental Rights of the European Union, including in Article 25 on the rights of the elderly which states: "The Union recognises and respects the rights of the elderly to lead a life of dignity and independence and to participate in social and cultural life"; as well as the rights enshrined in the Recommendation of the Committee of Ministers to Member States on the promotion of human rights of older persons of the Council of Europe^{1a}.

^{1a} Recommendation CM/Rec(2014)2 of the Committee of Ministers to Member States on the promotion of human rights of older persons.

Amendment 2

Proposal for a regulation Recital 1 b (new)

Text proposed by the Commission

Amendment

(1b) A substantial part of old age pensions is provided under public schemes, so that there is a direct connection between national pension systems and the sustainability of public finances. Notwithstanding the exclusive national competence regarding the organisation of pension systems as determined by the Treaties, income adequacy and financial sustainability of national pension systems are crucial to the stability of the Union as a whole. By channelling more of Europeans' savings from cash and bank deposits to longer-term investment products, such as voluntary pension schemes, the impact would therefore be beneficial both for individuals (who would benefit from higher returns and improved pension adequacy) and for the broader economy.

Amendment 3

Proposal for a regulation Recital 1 c (new)

Text proposed by the Commission

Amendment

(1c) The Union is facing several challenges, including demographic challenges because of the fact that Europe is an ageing continent. In addition, career patterns, the labour market and the distribution of wealth are undergoing radical changes, not least as a result of the digital revolution. At the same time, it is increasingly clear that national security systems are not adjusted to a globalised knowledge economy with

open borders, labour mobility and migration. Too many people are not, or are inadequately covered by the traditional national pension systems, including, inter alia, women, young people, migrants, low-skilled workers, self-employed workers, workers with atypical contracts.

Amendment 4

Proposal for a regulation

Recital 1 d (new)

Text proposed by the Commission

Amendment

(1d) It is expected that the share of first pillar pay-as-you-go public pensions as part of the placement rate will decline. This could be partly compensated by accrued pension entitlements from second pillar-funded schemes. But a well-developed third pillar shall contribute substantially to improving the adequacy and sustainability of the existing national pension systems. The Pan-European Personal Pension Product (PEPP) shall therefore complement and strengthen the market for individual pension products across the Union.

Amendment 5

Proposal for a regulation

Recital 2 a (new)

Text proposed by the Commission

Amendment

(2a) Deepening the internal market for pension products, by addressing cross-border barriers, would increase competition, enabling consumers to benefit from an improved quality of products and lower prices, while producers could benefit from economies of scale. As such, even Member States where demographic trends are favourable

and whose pension systems are well funded, would benefit from a more effective internal market for personal pension products.

Amendment 6

Proposal for a regulation Recital 2 b (new)

Text proposed by the Commission

Amendment

(2b) The proposal for a Regulation will enable the creation of a pension product which, as far as possible, will be simple, safe, reasonably-priced, transparent, consumer-friendly and portable EU-wide and will complement the existing systems in the Member States.

Amendment 7

Proposal for a regulation Recital 3

Text proposed by the Commission

Amendment

(3) Currently, the ***functioning of the internal market for personal pensions is impeded by the high degree of fragmentation between national markets and the limited degree of portability of personal*** pension products. This can result in difficulties for individuals to make use of their basic freedoms. For instance, they may be prevented from taking up a job or retiring in another Member State. In addition, the possibility for providers to use the freedom of establishment and the freedom to provide services is hampered by the lack of standardisation of existing personal pension products.

(3) Currently, the internal market for personal pensions ***does not function smoothly. In some Member States there is not yet a market for pension products. In others, private pension products are available, but there is a high degree of fragmentation between national markets.*** As a result, personal pension products have only a limited degree of portability. This can result in difficulties for individuals to make use of their basic freedoms. For instance, they may be prevented from taking up a job or retiring in another Member State. In addition, the possibility for providers to use the freedom of establishment and the freedom to provide services is hampered by the lack of standardisation of existing personal pension products.

Amendment 8

Proposal for a regulation Recital 5

Text proposed by the Commission

Amendment

(5) *As announced in the Commission's Action Plan on building a CMU²⁸, in September 2015, 'the Commission will assess the case for a policy framework to establish a successful European market for simple, efficient and competitive personal pensions, and determine whether EU legislation is required to underpin this market.'*

deleted

²⁸*Action Plan on Building a Capital Markets Union, European Commission, 30 September 2015 (COM(2015) 468 final).*

Amendment 9

Proposal for a regulation Recital 7

Text proposed by the Commission

Amendment

(7) *In its conclusions of 28 June 2016³⁰, the European Council called for 'swift and determined progress to ensure easier access to finance for business and to support investment in the real economy by moving forward with the Capital Markets Union agenda'.*

deleted

³⁰*European Council Conclusions of 28 June 2016, EUCO 26/16, point 11.*

Amendment 10

Proposal for a regulation Recital 8

Text proposed by the Commission

Amendment

(8) *In its Communication of 14 September 2016 Capital Markets Union – Accelerating Reform³¹, the Commission announced that it ‘will consider proposals for a simple, efficient and competitive EU personal pension product [...] Options under consideration include a possible legislative proposal which could be tabled in 2017.’* **deleted**

³¹COM(2016) 601 final, p.5.

Amendment 11

Proposal for a regulation Recital 9

Text proposed by the Commission

Amendment

(9) *In its Communication Mid-Term Review of the Capital Markets Union Action Plan³², the Commission announced ‘a legislative proposal on a pan-European Personal Pension Product (PEPP) by end June 2017. This will lay the foundations for a safer, more cost-efficient and transparent market in affordable and voluntary personal pension savings that can be managed on a pan-European scale. It will meet the needs of people wishing to enhance the adequacy of their retirement savings, address the demographical challenge, complement the existing pension products and schemes, and support the cost-efficiency of personal pensions by offering good opportunities for long-term investment of pension savings’.* **deleted**

Amendment 12

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) Among personal pension products, the development of a PEPP will contribute to increasing choices for retirement saving and establish an EU market for PEPP providers. It will provide households with ***better*** options to meet their retirement goals.

Amendment

(10) Among personal pension products, the development of a PEPP will contribute to increasing choices for retirement saving and establish an EU market for PEPP providers. It will provide households with ***additional*** options to meet their retirement goals.

Amendment 13

Proposal for a regulation

Recital 10 a (new)

Text proposed by the Commission

Amendment

(10a) Insecure employment arrangements and changes to the law mean that pension rates are constantly decreasing. It is therefore especially important for the young generation and people with low incomes in particular to be able to ensure their standard of living in old age. This means that PEPPs must be attractive and accessible to these groups in particular.

Amendment 14

Proposal for a regulation

Recital 10 b (new)

Text proposed by the Commission

Amendment

(10b) Financial education can support the understanding and awareness of households' saving choices in the area of voluntary personal pension schemes.

Savers shall also have a fair chance to fully grasp the risks and the features related to a pan-European product.

Amendment 15

Proposal for a regulation Recital 11

Text proposed by the Commission

(11) A legislative framework for a PEPP will lay the foundations for a successful market in affordable and voluntary retirement-related investments that can be managed on a pan-European scale. By complementing the existing pension products *and schemes*, it will contribute to meeting the needs of people wishing to enhance the adequacy of their retirement savings, addressing the *demographical* challenge and providing a powerful new source of private capital for long-term investment. This framework will not replace or harmonise existing national personal pension schemes.

Amendment

(11) A legislative framework for a PEPP will lay the foundations for a successful market in affordable and voluntary retirement-related investments that can be managed on a pan-European scale. By complementing the existing *statutory and occupational* pension *schemes and* products, it will contribute to meeting the needs of people wishing to enhance the adequacy of their retirement savings, addressing the *demographic* challenge and providing a powerful new source of private capital for long-term investment. This framework will not replace or harmonise existing national personal pension schemes, *nor will it affect existing national statutory and occupational pension schemes and products. The PEPP will neither directly nor indirectly be linked to the occupation or the employment status of the PEPP saver.*

Amendment 16

Proposal for a regulation Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) This legislative framework must not limit any responsibility of the Member States to meet their obligations regarding the supply of a sufficient state pension.

Amendment 17

Proposal for a regulation

Recital 12

Text proposed by the Commission

(12) The Regulation harmonises a set of core features for the PEPP, which concern key elements such as distribution, investment policy, provider switching, or cross-border provision and portability. The harmonisation of these core features will improve the level playing field for personal pension providers at large and help boost the completion of the CMU and the integration of the internal market for personal pensions. It will lead to the creation of a largely standardised pan-European product, available in all Member States, empowering consumers to make full use of the internal market by transferring their pension rights abroad and offering a broader choice between different types of providers, including in a cross-border way. As a result of fewer barriers to the provision of pension services across borders, a pan-European Personal Pension Product will increase competition between providers on a pan-European basis and create economies of scale that should benefit savers.

Amendment 18

Proposal for a regulation

Recital 13 a (new)

Text proposed by the Commission

Amendment

(12) The Regulation harmonises a set of core features for the PEPP, which concern key elements such as distribution, **contracts**, investment policy, provider switching, or cross-border provision and portability. The harmonisation of these core features will improve the level playing field for personal pension providers at large and help boost the completion of the CMU and the integration of the internal market for personal pensions. It will lead to the creation of a largely standardised pan-European product, available in all Member States, empowering consumers to make full use of the internal market by transferring their pension rights abroad and offering a broader choice between different types of providers, including in a cross-border way. As a result of fewer barriers to the provision of pension services across borders, a pan-European Personal Pension Product will increase competition between providers on a pan-European basis and create economies of scale that should benefit savers.

(13a) EIOPA should grant authorisation of the PEPP in accordance with this regulation. An authorisation should never be granted retroactively.

Amendment 19

Proposal for a regulation Recital 14

Text proposed by the Commission

(14) PEPP providers should have access to the whole Union market with one single product authorisation issued by the European Insurance and Occupational Pensions Authority ("EIOPA"), on the basis of a single set of rules.

Amendment

(14) PEPP providers should have access to the whole Union market with one single product authorisation issued by the European Insurance and Occupational Pensions Authority ("EIOPA"), on the basis of a single set of rules ***and in cooperation with national competent authorities. The authorisation will ensure that only safe, tested investment products described as PEPPs can be obtained on the market. The EIOPA shall check the contractual conditions of PEPPs to ensure that the requirements of this Regulation are fulfilled.***

Amendment 20

Proposal for a regulation Recital 16

Text proposed by the Commission

(16) In order to ensure a high quality of service and effective consumer protection, home and host Member States should closely cooperate in the enforcement of the obligations set out in this Regulation. Where PEPP providers and distributors pursue business in different Member States under the freedom to provide services, the competent authority of the home Member State should be responsible for ensuring compliance with the obligations set out in this Regulation, because of its closer links with the PEPP provider. In order to ensure fair sharing of responsibilities between the competent authorities from the home and the host Member States, if the competent authority of a host Member State becomes aware of any breaches of obligations occurring within its territory, it should

Amendment

(16) In order to ensure a high quality of service and effective consumer protection, home and host Member States ***of the provider and distributors of PEPPs*** should closely cooperate in the enforcement of the obligations set out in this Regulation. Where PEPP providers and distributors pursue business in different Member States under the freedom to provide services, the competent authority of the home Member State should be responsible for ensuring compliance with the obligations set out in this Regulation, because of its closer links with the PEPP provider. In order to ensure fair sharing of responsibilities between the competent authorities from the home and the host Member States, if the competent authority of a host Member State becomes aware of any breaches of obligations

inform the competent authority of the home Member State which should then be obliged to take the appropriate measures. Moreover, the competent authority of the host Member State should be entitled to intervene if the home Member State fails to take appropriate measures or if the measures taken are insufficient.

occurring within its territory, it should inform the competent authority of the home Member State which should then be obliged to take the appropriate measures. Moreover, the competent authority of the host Member State should be entitled to intervene if the home Member State fails to take appropriate measures or if the measures taken are insufficient.

Amendment 21

Proposal for a regulation Recital 17

Text proposed by the Commission

(17) In the case of the establishment of a branch or a permanent presence in another Member State, it is appropriate to distribute responsibility for enforcement between home and host Member States. While responsibility for compliance with obligations affecting the business as a whole – such as the rules on professional requirements – should remain with the competent authority of the home Member State under the same regime as in the case of provision of services, the competent authority of the host Member State should assume responsibility for enforcing the rules on information requirements and conduct of business with regard to the services provided within its territory. However, where the competent authority of a host Member State becomes aware of any breaches of obligations occurring within its territory with respect to which this **Directive** does not confer responsibility on the host Member State, a close cooperation demands that that authority informs the competent authority of the home Member State so that the latter takes the appropriate measures. Such is the case in particular as regards breaches of the rules on good repute, professional knowledge and competence requirements. Moreover, in view of protecting consumers, the

Amendment

(17) In the case of the establishment of a branch or a permanent presence in another Member State, it is appropriate to distribute responsibility for enforcement between home and host Member States. While responsibility for compliance with obligations affecting the business as a whole – such as the rules on professional requirements – should remain with the competent authority of the home Member State under the same regime as in the case of provision of services, the competent authority of the host Member State should assume responsibility for enforcing the rules on information requirements, **advertisements** and conduct of business with regard to the services provided within its territory. However, where the competent authority of a host Member State becomes aware of any breaches of obligations occurring within its territory with respect to which this **Regulation** does not confer responsibility on the host Member State, a close cooperation demands that that authority informs the competent authority of the home Member State so that the latter takes the appropriate measures. Such is the case in particular as regards breaches of the rules on good repute, professional knowledge and competence requirements. Moreover, in view of protecting

competent authority of the host Member State should be entitled to intervene if the home Member State fails to take appropriate measures or if the measures taken are insufficient.

consumers, the competent authority of the host Member State should be entitled to intervene if the home Member State fails to take appropriate measures or if the measures taken are insufficient.

Amendment 22

Proposal for a regulation

Recital 18 a (new)

Text proposed by the Commission

Amendment

(18a) PEPP savers should have the right to acquire or purchase a PEPP in another Member State than the MS of their residence and should have the right to simultaneously save in more than one compartment while the tax incentives applied to a PEPP product should be that of the Member State where a PEPP saver is resident, in order to prevent any tax abuse due to the different national taxation systems.

Amendment 23

Proposal for a regulation

Recital 19 a (new)

Text proposed by the Commission

Amendment

(19a) The withdrawal of an authorisation of a PEPP by EIOPA should not affect any obligation of the PEPP provider towards the PEPP saver or the PEPP beneficiary.

Amendment 24

Proposal for a regulation

Recital 21

Text proposed by the Commission

Amendment

(21) In order to allow a smooth

(21) In order to allow a smooth

transition for PEPP providers, the obligation of providing PEPPs comprising compartments for each Member State will apply **three** years after the entry into force of this Regulation. However, upon launching a PEPP, the provider should provide information on which national compartments are immediately available, in order to avoid a possible misleading of consumers.

transition for PEPP providers, the obligation of providing PEPPs comprising compartments for each Member State will apply **five** years after the entry into force of this Regulation. **PEPP providers should be able to enter into compartment partnerships if they are to fulfil this requirement.** However, upon launching a PEPP, the provider should provide, **in the contract**, information on which national compartments are immediately available, in order to avoid a possible misleading of consumers. **Where portability is not yet available, the PEPP saver should be allowed to switch free of charge to ensure portability.**

Amendment 25

Proposal for a regulation Recital 21 a (new)

Text proposed by the Commission

Amendment

(21a) When a PEPP saver moves to another Member State and uses the portability service to open a new compartment, he should benefit from equivalent fiscal advantages as local PEPP savers.

Amendment 26

Proposal for a regulation Recital 21 b (new)

Text proposed by the Commission

Amendment

(21b) Under the transitional period of five years after the entry into force of this Regulation, when the PEPP saver changes his domicile by moving to a Member State for which the PEPP provider is not able to offer a compartment, the PEPP saver shall be able to switch PEPP provider free of

charge.

Amendment 27

Proposal for a regulation

Recital 22

Text proposed by the Commission

(22) Taking into account the nature of the pension scheme established and the administrative burden involved, PEPP providers and distributors should provide clear and adequate information to potential PEPP savers and PEPP beneficiaries to support their decision-making about their retirement. For the same reason, PEPP providers and distributors should equally ensure a high level of transparency throughout the various phases of a scheme comprising pre-enrolment, membership (including pre-retirement) and post-retirement. In particular, information concerning accrued pension entitlements, projected levels of retirement benefits, risks and guarantees, and costs should be given. Where projected levels of retirement benefits are based on economic scenarios, that information should also include an unfavourable scenario, which should be extreme but plausible.

Amendment

(22) Taking into account the nature of the pension scheme established and the administrative burden involved, PEPP providers and distributors should provide clear, *easy to understand*, and adequate information to potential PEPP savers and PEPP beneficiaries to support their decision-making about their retirement. For the same reason, PEPP providers and distributors should equally ensure a high level of transparency throughout the various phases of a scheme comprising pre-enrolment, membership (including pre-retirement) and post-retirement. In particular, information concerning accrued pension entitlements, projected levels of retirement benefits, risks and guarantees *including risks relating to environmental, social and governance factors*, and costs should be given. Where projected levels of retirement benefits are based on economic scenarios, that information should also include an unfavourable scenario, which should be extreme but plausible.

Amendment 28

Proposal for a regulation

Recital 23

Text proposed by the Commission

(23) Before joining a PEPP scheme, potential PEPP savers should be given all the necessary information to make an informed choice.

Amendment

(23) Before joining a PEPP scheme, potential PEPP savers should be given all the necessary information to make an informed choice. *In the case of the default option, PEPP savers should consult a decision tree to help them make such a*

choice.

Amendment 29

Proposal for a regulation Recital 24

Text proposed by the Commission

(24) In order to ensure optimal product transparency, PEPP manufacturers should draw up the PEPP key information document for the PEPPs that they manufacture before the product can be distributed to PEPP savers. They should also be responsible for the accuracy of the PEPP key information document. ***The PEPP key information document should replace and adapt the key information document for packaged retail and insurance-based investment products under Regulation (EU) No 1286/2014 of the European Parliament and of the Council³³ which would not have to be provided for PEPPs.***

³³ Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), OJ L 352, 9.12.2014, p. 1.

Amendment

(24) In order to ensure optimal product transparency, PEPP manufacturers should draw up the PEPP key information document for the PEPPs that they manufacture before the product can be distributed to PEPP savers. They should also be responsible for the accuracy of the PEPP key information document.

³³ Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), OJ L 352, 9.12.2014, p. 1.

Amendment 30

Proposal for a regulation Recital 27

Text proposed by the Commission

(27) The details of the information to be included in the PEPP key information document ***in addition to elements already provided for in the key information document for packaged retail and insurance-based investment products***

Amendment

(27) The details of the information to be included in the PEPP key information document and the presentation of this information should be further harmonised through regulatory technical standards, taking into account existing and ongoing

under Regulation (EU) No 1286/2014 and the presentation of this information should be further harmonised through regulatory technical standards that complement the regulatory technical standards laid down by Commission delegated Regulation of 8 March 2017³⁴, taking into account existing and ongoing research into consumer behaviour, including results from testing the effectiveness of different ways of presenting information with consumers.

research into consumer behaviour, including results from testing the effectiveness of different ways of presenting information with consumers.

³⁴ Commission Delegated Regulation of 8 March 2017 supplementing Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) by laying down regulatory technical standards with regard to the presentation, content, review and revision of key information documents and the conditions for fulfilling the requirement to provide such documents.

Amendment 31

Proposal for a regulation Recital 27 a (new)

Text proposed by the Commission

Amendment

(27a) The key information document should be made up of two parts. The first – general – part should give general information about the PEPP. The second – detailed – part should describe the information which varies between Member States, such as the retirement age.

Amendment 32

Proposal for a regulation Recital 29

Text proposed by the Commission

(29) PEPP providers should draw up a Pension Benefit Statement addressed to PEPP savers, in order to present them with key personal and generic data about the PEPP scheme and to ensure continuous information on it. The Pension Benefit Statement should be clear and comprehensive and should contain relevant and appropriate information to facilitate the understanding of pension entitlements over time and across schemes and serve labour mobility.

Amendment

(29) PEPP providers should draw up a Pension Benefit Statement addressed to PEPP savers, in order to present them with key personal and generic data about the PEPP scheme and to ensure continuous information on it. The Pension Benefit Statement should be clear and comprehensive and should contain relevant and appropriate information to facilitate the understanding of pension entitlements over time and across schemes and serve labour mobility. ***The Pension Benefit Statement shall be provided annually to the PEPP saver.***

Amendment 33

**Proposal for a regulation
Recital 29 a (new)**

Text proposed by the Commission

Amendment

(29a) PEPP providers should draw up contribution plans and prognoses, focusing on the value of the funds, return on investment, estimated inflation and economic growth, addressed to PEPP savers.

Amendment 34

**Proposal for a regulation
Recital 30**

Text proposed by the Commission

Amendment

(30) PEPP providers should inform PEPP savers sufficiently in advance before retirement about their pay-out options. Where the retirement benefit is not paid out as a lifetime annuity, members approaching retirement should receive information about the benefit payment products available, in order to facilitate

(30) PEPP providers should inform PEPP savers sufficiently in advance before retirement about their pay-out options. ***When doing so, they should also remind PEPP savers about the possibility of switching from one pay-out option to another. The default option should enable a lump sum payment of up to 30% to be***

financial planning for retirement.

made, with the remainder payable as a lifetime annuity. There should be a last reminder one year prior to retirement.

Where the retirement benefit is not paid out as a lifetime annuity, members approaching retirement should receive information about the benefit payment products available, in order to facilitate financial planning for retirement.

Amendment 35

Proposal for a regulation Recital 31

Text proposed by the Commission

(31) During the phase when retirement benefits are paid, PEPP beneficiaries should continue to receive information on their benefits and corresponding pay-out options. This is particularly important when a significant level of investment risk is borne by PEPP beneficiaries in the pay-out phase. PEPP beneficiaries should also be informed of any reduction in the level of benefits due, prior to the application of any such reduction, after a decision which will result in a reduction has been taken. ***As a matter of best practice***, PEPP providers are recommended to consult PEPP beneficiaries in advance of any such decision.

Amendment

(31) During the phase when retirement benefits are paid, PEPP beneficiaries should continue to receive information on their benefits and corresponding pay-out options. This is particularly important when a significant level of investment risk is borne by PEPP beneficiaries in the pay-out phase. PEPP beneficiaries should also be informed of any reduction in the level of benefits due, prior to the application of any such reduction, after a decision which will result in a reduction has been taken. PEPP providers are recommended to consult PEPP beneficiaries in advance of any such decision.

Amendment 36

Proposal for a regulation Recital 32

Text proposed by the Commission

(32) In order to protect adequately the rights of PEPP savers and PEPP beneficiaries, PEPP providers should be able to opt for an asset allocation that suits the precise nature and duration of their liabilities. Therefore, efficient supervision

Amendment

(32) In order to protect adequately the rights of PEPP savers and PEPP beneficiaries, PEPP providers should be able to opt for an asset allocation that suits the precise nature and duration of their ***liabilities, including long-term*** liabilities.

is required as well as an approach to investment rules that allows PEPP providers sufficient flexibility to decide on the most secure and efficient investment policy, while obliging them to act prudently. Compliance with the prudent person rule therefore requires an investment policy geared to the customers' structure of the individual PEPP provider.

Therefore, efficient supervision is required as well as an approach to investment rules that allows PEPP providers sufficient flexibility to decide on the most secure and efficient investment policy, while obliging them to act prudently, ***allowing alignment with the long-term liabilities of the PEPP saver***. Compliance with the prudent person rule therefore requires an investment policy geared to the customers' structure of the individual PEPP provider.

Amendment 37

Proposal for a regulation Recital 33

Text proposed by the Commission

(33) By setting the prudent person rule as the underlying principle for capital investment and making it possible for PEPP providers to operate across borders, the redirection of savings into the sector of personal retirement provision is encouraged, thereby contributing to economic and social progress.

Amendment

(33) By setting the prudent person rule as the underlying principle for capital investment and making it possible for PEPP providers to operate across borders, the redirection of savings into the sector of personal retirement provision is encouraged, thereby contributing to economic and social progress. ***The prudent person rule shall also take into consideration the role played by environmental, social and governance factors in the investment process.***

Amendment 38

Proposal for a regulation Recital 36

Text proposed by the Commission

(36) Environmental, social and governance factors, as referred to in the United Nations-supported Principles for Responsible Investment, are important for the investment policy and risk management systems of PEPP providers. PEPP providers should be encouraged to consider such factors in investment decisions and to

Amendment

(36) Environmental, social and governance factors, as referred to in the United Nations-supported Principles for Responsible Investment, are important for the investment policy and risk management systems of PEPP providers. PEPP providers should be encouraged to consider such factors in investment decisions and to

take into account how they form part of their risk management system.

take into account how they form part of their risk management system. ***This risk assessment should also be made available to EIOPA and to the competent authorities as well as to PEPP savers.***

Amendment 39

Proposal for a regulation Recital 38 a (new)

Text proposed by the Commission

Amendment

(38a) If a provider cannot offer a particular investment option because it cannot provide that option or cannot provide it only in one Member State, it should be able to offer the option in the context of a product partnership.

Amendment 40

Proposal for a regulation Recital 39

Text proposed by the Commission

Amendment

(39) The default investment option should allow the PEPP saver to recoup the invested capital. ***The PEPP providers could in addition include an inflation indexation mechanism to at least partly cover inflation.***

(39) The default investment option should allow the PEPP saver to recoup the ***real*** invested capital ***before the accumulated fees and costs are reduced and after accounting for inflation.***

Amendment 41

Proposal for a regulation Recital 39 a (new)

Text proposed by the Commission

Amendment

(39a) In cases of justified reasons, such as in cases of proven negligence, breaches of law or tax avoidance, or when an authorisation of a PEPP is withdrawn, PEPP savers should be able to switch

providers any time and free of charge without being charged or locked-up in a contract.

Amendment 42

Proposal for a regulation

Recital 42

Text proposed by the Commission

(42) Transparency of costs and fees *is* essential to develop PEPP savers' trust and allow them to make informed choices. Accordingly, the use of non-transparent pricing methods should be prohibited.

Amendment

(42) Transparency *and fairness* of costs and fees *are* essential to develop PEPP savers' trust and allow them to make informed choices. Accordingly, the use of non-transparent pricing methods should be prohibited.

Amendment 43

Proposal for a regulation

Recital 44

Text proposed by the Commission

(44) The Commission should adopt draft implementing technical standards developed by the ESAs, through the Joint Committee, with regard to the presentation and the content of specific elements the PEPP key information document not covered by the [PRIIPs KID RTS] in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council³⁵, of Regulation (EU) No 1094/2010 of the European Parliament and of the Council³⁶ and of Regulation (EU) No 1095/2010 of the European Parliament and of the Council³⁷. The Commission should complement the technical work of the ESAs by conducting consumer tests of the presentation of the key information document as proposed by the ESAs.

Amendment

deleted

³⁵*Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12).*

³⁶*Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC (OJ L 331, 15.12.2010, p. 48).*

³⁷*Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).*

Amendment 44

Proposal for a regulation Recital 46 a (new)

Text proposed by the Commission

Amendment

(46a) Qualified entities should be entitled to seek representative actions aimed at the protection of the collective interests of PEPP savers and PEPP beneficiaries in accordance with the EU law.

Amendment 45

Proposal for a regulation Recital 47

Text proposed by the Commission

(47) In order to find better conditions for their investments, thus also stimulating the competition among PEPP providers, PEPP savers should have the right to switch providers during the accumulation and the decumulation phases, through a clear, quick and safe procedure.

Amendment

(47) In order to find better conditions for their investments, thus also stimulating the competition among PEPP providers, PEPP savers should have the right to switch providers during the accumulation and the decumulation phases, through a clear, quick and safe procedure. ***In connection with the default option, this should be possible only during the accumulation phase because, for consumer protection reasons, the aim is to ensure reliable annuities and switching may have a negative financial impact.***

Amendment 46

**Proposal for a regulation
Recital 48**

Text proposed by the Commission

(48) The switching process should be straightforward for the PEPP saver. Accordingly, the receiving PEPP provider should be responsible for initiating and managing the process on behalf of the PEPP saver. PEPP providers should be able to use additional means, such as a technical solution, on a voluntary basis when establishing the switching service.

Amendment

(48) The switching process should be straightforward for the PEPP saver. Accordingly, the receiving PEPP provider should be responsible for initiating and managing the process on behalf of the PEPP saver ***upon his request***. PEPP providers should be able to use additional means, such as a technical solution, on a voluntary basis when establishing the switching service.

Amendment 47

**Proposal for a regulation
Recital 49**

Text proposed by the Commission

(49) Before giving the authorisation for switching, the PEPP saver should be informed of all the steps of the procedure necessary to complete the switching.

Amendment

(49) Before giving the authorisation for switching, the PEPP saver should be informed of all the steps of the procedure ***and costs*** necessary to complete the switching, ***in order to enable the PEPP***

saver to make an informed decision about the switching service.

Amendment 48

Proposal for a regulation

Recital 51 a (new)

Text proposed by the Commission

Amendment

(51a) PEPP savers, in case of switching should be informed of the potential loss of tax incentives and other financial consequences in case of switching and transfer of assets to a PEPP provider subject to different tax incentives regimes; the competent authorities, as part of the process of facilitating switching and transfer of assets in case of PEPP withdrawal, should in such case inform the PEPP savers about the availability of alternative PEPP providers and alternative PEPP products that would benefit from similar or comparable tax incentives, to minimise financial losses.

Amendment 49

Proposal for a regulation

Recital 53

Text proposed by the Commission

Amendment

(53) PEPP savers should be given the freedom to decide upon subscription of a PEPP about their pay-out choice (*annuities*, lump sum, or other) in the decumulation phase, but with a possibility to revise their choice once every five years thereafter, in order to be able to best adapt their pay-out choice to their needs when they near retirement.

(53) PEPP savers should be given the freedom to decide upon subscription of a PEPP about their pay-out choice (*periodic pension payments*, lump sum, or other) in the decumulation phase, but with a possibility to revise their choice once every five years thereafter, in order to be able to best adapt their pay-out choice to their needs when they near retirement.

Amendment 50

Proposal for a regulation Recital 54

Text proposed by the Commission

(54) PEPP providers should be allowed to make available to PEPP savers a **wide** range of decumulation options. This approach would achieve the goal of enhanced take-up of the PEPP through increased flexibility and choice for PEPP savers. ***It would allow providers to design their PEPPs in the most cost-effective way.*** It is coherent with other EU policies and politically feasible, as it preserves enough flexibility for Member States to decide about which decumulation options they wish to encourage.

Amendment

(54) PEPP providers should be allowed to make available to PEPP savers a **sufficient** range of decumulation options **during the decumulation phase**. This approach would achieve the goal of enhanced take-up of the PEPP through increased flexibility and choice for PEPP savers. It would allow providers to design their PEPPs in the most cost-effective way. It is coherent with other EU policies and politically feasible, as it preserves enough flexibility for Member States to decide about which decumulation options they wish to encourage.

Amendment 51

Proposal for a regulation Recital 54 a (new)

Text proposed by the Commission

Amendment

(54a) Under the default option, a fixed amount of 70 % of out-payments in form of annuities should be mandatory.

Amendment 52

Proposal for a regulation Recital 66

Text proposed by the Commission

Amendment

(66) Any processing of personal data carried out within the framework of this Regulation, such as the exchange or transmission of personal data by the competent authorities should be undertaken in accordance with Regulation (EU) 2016/679 of the European Parliament and

(66) Any processing of personal data carried out within the framework of this Regulation, such as the exchange or transmission of personal data by the competent authorities, ***the storage of personal data in the central register held by EIOPA, the processing of personal***

of the Council³⁹ **and** any exchange or transmission of information by the ESAs should be undertaken in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council⁴⁰.

data by PEPP providers or PEPP distributors should be undertaken in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council³⁹, **Directive (EU) 2016/680 of the European Parliament and of the Council^{39a} and a Regulation on the respect for private life and the protection of personal data in electronic communications and repealing Directive 2002/58/EC (Regulation on Privacy and Electronic Communications)**. Any exchange or transmission of information by the ESAs should be undertaken in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council⁴⁰.

³⁹ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

³⁹ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

^{39a} **Directive (EU) 2016/680 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data by competent authorities for the purposes of the prevention, investigation, detection or prosecution of criminal offences or the execution of criminal penalties, and on the free movement of such data, and repealing Council Framework Decision 2008/977/JHA (OJ L 119, 4.5.2016, p. 89).**

⁴⁰ Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.1.2001, p. 1).

⁴⁰ Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.1.2001, p. 1).

Amendment 53

Proposal for a regulation Recital 66 a (new)

Text proposed by the Commission

Amendment

(66a) Given the sensitivity of personal financial data, strong data protection is of the utmost importance. Therefore it is recommended that data protection authorities are closely involved in the implementation and supervision of this Regulation.

Amendment 54

Proposal for a regulation Recital 70 a (new)

Text proposed by the Commission

Amendment

(70a) Given the possible long term implications of this Regulation, it is essential to closely monitor the developments during the initial phase of application. When carrying out the evaluation the Commission should also reflect the experiences of EIOPA, stakeholders and experts, and report to the European Parliament and the Council any observations it might have.

Amendment 55

Proposal for a regulation Article 1 – paragraph 1

Text proposed by the Commission

Amendment

This Regulation lays down uniform rules on the authorisation, manufacturing, distribution and supervision of personal pension products that are distributed in the Union under the designation "pan-

This Regulation lays down uniform rules on the authorisation, ***its withdrawal***, manufacturing, distribution and supervision of personal pension products that are distributed in the Union under the

European Personal Pension product" or "PEPP".

designation "pan-European Personal Pension product" or "PEPP".

Amendment 56

Proposal for a regulation

Article 2 – paragraph 1 – point 1 – point c

Text proposed by the Commission

Amendment

(c) provides for capital accumulation until retirement *with only limited possibilities for early withdrawal before retirement*;

(c) provides for capital accumulation until retirement;

Justification

Because of what PEPPs are, accumulation until retirement should be mandatory irrespective of investment option.

Amendment 57

Proposal for a regulation

Article 2 – paragraph 1 – point 1 – point d

Text proposed by the Commission

Amendment

(d) provides *an income* on retirement;

(d) provides *a retirement benefit* on retirement;

Justification

Brought into line with point 9.

Amendment 58

Proposal for a regulation

Article 2 – paragraph 1 – point 2

Text proposed by the Commission

Amendment

(2) “pan-European Personal Pension Product (PEPP)” means a long-term savings personal pension product, which is provided under an agreed PEPP scheme by

(2) “pan-European Personal Pension Product (PEPP)” means a long-term savings personal pension product, which is provided under an agreed PEPP scheme by

a *regulated* financial undertaking authorised under Union law to manage collective or individual investments or savings, and subscribed to voluntarily by an individual PEPP saver in view of retirement, with no or strictly limited redeemability;

a financial undertaking *as listed in Article 5*, authorised under Union law to manage collective or individual investments or savings, and subscribed to voluntarily by an individual PEPP saver in view of retirement, with no or strictly limited redeemability;

Amendment 59

Proposal for a regulation

Article 2 – paragraph 1 – point 3 – introductory part

Text proposed by the Commission

3. ‘PEPP saver’ means:

Amendment

3. ‘PEPP saver’ means *a natural person who contracts a PEPP with a PEPP provider or distributor*;

Amendment 60

Proposal for a regulation

Article 2 – paragraph 1 – point 3 – point a

Text proposed by the Commission

(a) *a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council⁴¹*;

Amendment

deleted

⁴¹ *Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173 12.6.2014, p. 349).*

Amendment 61

Proposal for a regulation

Article 2 – paragraph 1 – point 3 – point b

Text proposed by the Commission

Amendment

(b) a customer within the meaning of Directive 2002/92/EC of the European Parliament and of the Council⁴², where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of Directive 2014/65/EU;

deleted

⁴² Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation (OJ L 9 15.1.2003, p. 3).

Amendment 62

Proposal for a regulation

Article 2 – paragraph 1 – point 10

Text proposed by the Commission

Amendment

(10) ‘accumulation phase’ means the period during which assets (in-payments) are accumulated in a PEPP account and normally runs until the **age of retirement of the PEPP beneficiary**;

(10) ‘accumulation phase’ means the period during which assets (in-payments) are accumulated in a PEPP account and normally runs until the **PEPP decumulation phase begins**;

Justification

Cf. justification relating to Article 2(1)(c).

Amendment 63

Proposal for a regulation

Article 2 – paragraph 1 – point 12

Text proposed by the Commission

Amendment

(12) ‘annuity’ means a sum payable at specific intervals over **a period, such as the PEPP beneficiary’s life or a certain number of years**, in return for an investment;

(12) ‘annuity’ means a sum payable at specific intervals over the PEPP beneficiary’s life in return for an investment;

Justification

The purpose of a pension is to provide an old-age benefit and protection against old-age poverty. There should therefore be lifelong payment.

Amendment 64

Proposal for a regulation

Article 2 – paragraph 1 – point 12 a (new)

Text proposed by the Commission

Amendment

(12a) ‘lump sum’ means the payment of the accumulated capital at the end of the accumulation phase;

Amendment 65

Proposal for a regulation

Article 2 – paragraph 1 – point 20

Text proposed by the Commission

Amendment

(20) ‘compartment’ means a section which is opened within each individual PEPP account and which corresponds to the legal requirements and conditions for using incentives fixed at national level for investing in a PEPP by the Member State of the PEPP saver’s domicile. Accordingly, an individual may be a PEPP saver or a PEPP beneficiary in each compartment, depending on the respective legal requirements for the accumulation and decumulation phases;

(20) ‘compartment’ means a **national** section which is opened within each individual PEPP account and which corresponds to the legal requirements and conditions for using incentives fixed at national level for investing in a PEPP by the Member State of the PEPP saver’s domicile. Accordingly, an individual may be a PEPP saver or a PEPP beneficiary in each compartment, depending on the respective legal requirements for the accumulation and decumulation phases;

Justification

For clarification.

Amendment 66

Proposal for a regulation

Article 2 – paragraph 1 – point 21

Text proposed by the Commission

Amendment

(21) ‘capital’ means aggregate capital contributions and uncalled committed capital, calculated on the basis of amounts investible **after** deduction of all fees, charges and expenses that are directly or indirectly borne by investors;

(21) ‘capital’ means aggregate capital contributions and uncalled committed capital, calculated on the basis of amounts investible **before** deduction of all fees, charges and expenses that are directly or indirectly borne by investors;

Justification

The purpose of the amendment is to preserve capital.

Amendment 67

Proposal for a regulation

Article 2 – paragraph 1 – point 21 a (new)

Text proposed by the Commission

Amendment

(21a) “capital protection” means a guarantee for accumulated capital invested before deduction of fees, charges and expenses and after inflation is accounted for;

Amendment 68

Proposal for a regulation

Article 2 – paragraph 1 – point 24

Text proposed by the Commission

Amendment

(24) "default **investment** option" means an investment strategy **applied when the PEPP saver has not provided instructions on how to invest the funds accumulating in his PEPP account;**

(24) "default option" means **a pension product which every provider must offer in accordance with** an investment strategy set out in Article 37;

Amendment 69

Proposal for a regulation

Article 2 – paragraph 1 – point 25 a (new)

Text proposed by the Commission

Amendment

(25a) ‘biometric risks’ means risks linked to longevity, disability or death;

Justification

As a PEPP can cover biometric risks, too, there ought to be a standard definition for them.

Amendment 70

Proposal for a regulation

Article 2 – paragraph 1 – point 28 a (new)

Text proposed by the Commission

Amendment

(28a) ‘compartment partnership’ means a collaboration between several PEPP providers in order to provide compartments in all Member States;

Amendment 71

Proposal for a regulation

Article 2 – paragraph 1 – point 28 b (new)

Text proposed by the Commission

Amendment

(28b) ‘product partnership’ means a collaboration between PEPP providers that is necessary if a provider cannot provide an investment option or cannot provide it in a particular Member State;

Amendment 72

Proposal for a regulation

Article 5 – paragraph 1 – point f

Text proposed by the Commission

Amendment

(f) alternative investment fund (“AIF”) managers authorised in accordance with Directive 2011/61/EU of

deleted

*the European Parliament and of the Council*⁴⁷.

⁴⁷ *Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (OJ L 174, 1.7.2011, p. 1).*

Amendment 73

Proposal for a regulation Article 5 – paragraph 2 – point b

Text proposed by the Commission

(b) information on the identity of the applicant and its current and previous financial experience and history;

Amendment

(b) information on the identity of the applicant ***including full name, location, number of entry in the national commercial register, and its share capital, and*** current and previous financial experience and history;

Amendment 74

Proposal for a regulation Article 5 – paragraph 2 – point c

Text proposed by the Commission

(c) ***the identity of the persons who effectively conduct the business of manufacturing and/or distributing the PEPP;***

Amendment

deleted

Amendment 75

Proposal for a regulation Article 5 – paragraph 2 – point e

Text proposed by the Commission

(e) information about the investment

Amendment

(e) information about the investment

strategies, the risk profile and other characteristics of the PEPP;

strategies, the risk profile and other characteristics of the PEPP, ***including the role played by environmental, social and governance factors in the investment process, as well as, the long-term impact and the externalities of the investment decisions;***

Amendment 76

Proposal for a regulation Article 5 – paragraph 3

Text proposed by the Commission

3. EIOPA may request clarification and additional information as regards the documentation and information provided under paragraph 1.

Amendment

3. EIOPA may request ***from the financial undertakings as defined in paragraph 1*** clarification and additional information as regards the documentation and information provided under paragraph 1.

Amendment 77

Proposal for a regulation Article 5 – paragraph 4

Text proposed by the Commission

4. EIOPA may ask the competent authority of the financial undertaking applying for the authorisation for clarification and information as regards the documentation referred to in paragraph 2. The competent authority shall reply to the request within 10 working days from the date on which it has received the request submitted by EIOPA.

Amendment

4. ***EIOPA shall inform the competent national authority about the application for authorisation of a PEPP.*** EIOPA may ask the competent authority of the financial undertaking applying for the authorisation for clarification and information as regards the documentation referred to in paragraph 2. The competent authority shall reply to the request within 10 working days from the date on which it has received the request submitted by EIOPA.

Amendment 78

Proposal for a regulation Article 5 – paragraph 5

Text proposed by the Commission

5. Any subsequent modifications to the documentation and information referred to in paragraphs 1 and 2 shall be immediately notified to EIOPA.

Amendment

5. Any subsequent modifications to the documentation and information referred to in paragraphs 1 and 2 shall be immediately notified to EIOPA **by financial undertakings**.

Amendment 79

Proposal for a regulation

Article 6 – paragraph 1 – point d a (new)

Text proposed by the Commission

Amendment

(da) the proposed PEPP is based on an investment strategy that states to what extent environmental, social and governance factors are included in the proposed provider's risk management system.

Amendment 80

Proposal for a regulation

Article 6 – paragraph 2

Text proposed by the Commission

Amendment

2. Before taking a decision on the application, EIOPA shall consult the competent authority of the applicant.

2. Before taking a decision on the application, EIOPA shall consult the competent **national** authority of the applicant. **The competent national authority may submit an objection regarding an applicant, in such case the competent authority shall state reasons for objection, which shall be taken into account by EIOPA .**

Amendment 81

Proposal for a regulation

Article 6 – paragraph 4 a (new)

4a. In case of withdrawal of a PEPP authorisation by EIOPA, EIOPA shall immediately inform the competent national authority thereof; and the EIOPA, together with Member States' competent national authorities, shall coordinate and facilitate switching and the transfer of assets in accordance with the Chapter VII of this Regulation, and national competent authorities shall immediately inform the PEPP savers of the consequences of the withdrawal; in case of withdrawal of PEPP authorisation, the PEPP savers shall be entitled to switch the PEPP provider free of charge, irrespective of the switching frequency as referred in Article 48.

If the PEPP saver doesn't take advantage of the switching service as referred to in paragraph 4a, the PEPP saver shall be entitled to terminate the PEPP contract free of any charge by an unequivocal statement setting out his or her decision to terminate the contract in case of a withdrawal of PEPP by EIOPA. The PEPP provider shall reimburse to the PEPP saver all sums received and all additional accumulated assets without undue delay.

Amendment 82

Proposal for a regulation Article 6 – paragraph 5

Text proposed by the Commission

5. EIOPA shall, ***on a quarterly basis***, inform the competent authorities of the financial undertakings listed in Article 5(1) of decisions to grant, refuse or withdraw authorisations pursuant to this Regulation.

Amendment

5. EIOPA shall, ***without delay***, inform the competent authorities of the financial undertakings listed in Article 5(1) of decisions to grant, refuse or withdraw authorisations pursuant to this Regulation.

Amendment 83

Proposal for a regulation Article 7 – paragraph 2

Text proposed by the Commission

2. Existing personal pension products may be converted into "PEPPs" following authorisation by EIOPA.

Amendment

2. Existing personal pension products may be converted into "PEPPs" following authorisation by EIOPA. ***In such cases, the customer's consent to conversion shall be required.***

Amendment 84

Proposal for a regulation Article 8 – paragraph 1

Text proposed by the Commission

1. Financial undertakings referred to in Article 5(1) may distribute PEPPs which they have not manufactured ***upon receiving authorisation for distribution by the competent authorities of their home Member State.***

Amendment

1. Financial undertakings referred to in Article 5(1) may distribute PEPPs which they have not manufactured, ***provided that that activity has been authorised under the applicable sectorial rules.*** The competent authorities ***shall inform EIOPA about any authorisation or any refusal to grant authorisation.***

Amendment 85

Proposal for a regulation Article 10 – paragraph 1

Text proposed by the Commission

EIOPA shall keep a central public register identifying each PEPP authorised under this Regulation, the provider of this PEPP and the competent authority of the PEPP provider. The register shall be made publicly available in electronic format.

Amendment

EIOPA shall keep a central public register identifying each PEPP authorised under this Regulation, ***with information regarding the available national compartments and compartment partnerships of each PEPP,*** the provider ***and distributor*** of this PEPP and the competent authority of the PEPP provider ***or distributor.*** The register shall be made publicly available in electronic format.

Amendment 86

Proposal for a regulation Article 12 – paragraph 1

Text proposed by the Commission

1. The portability service allows PEPP savers to continue contributing to the PEPP which they have already contracted with its provider, while changing their domicile by moving to another Member State.

Amendment

1. The portability service allows PEPP savers to continue contributing to the PEPP which they have already contracted with its provider, while changing their domicile by moving to another Member State ***and shall have the right to simultaneously save in more than one compartment, by either opening a new additional compartment and keeping the existing one, or by opening a new compartment while closing the existing one.***

Amendment 87

Proposal for a regulation Article 12 – paragraph 2

Text proposed by the Commission

2. In case of using the portability service, PEPP savers are entitled to retain all advantages and incentives granted by the PEPP provider and connected with continuous investment in ***the same*** PEPP.

Amendment

2. In case of using the portability service, PEPP savers are entitled to retain all advantages and incentives granted by the PEPP provider and connected with continuous investment in ***its*** PEPP.

Amendment 88

Proposal for a regulation Article 13 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

The portability in another compartments shall be provided either by the PEPP provider or under a compartment partnership.

Amendment 89

Proposal for a regulation Article 13 – paragraph 3

Text proposed by the Commission

3. **Three** years at the latest after the entry into application of this Regulation, each PEPP shall offer national compartments for all Member States upon request addressed to the PEPP provider.

Amendment

3. **Five** years at the latest after the entry into application of this Regulation, each PEPP shall offer national compartments for all Member States upon request addressed to the PEPP provider.

Amendment 90

Proposal for a regulation Article 13 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. During the transitional period as referred to in paragraph 3, PEPP savers shall be able to switch PEPP provider free of charge, if they move to a Member State where there is not yet a compartment for their PEPP.

Amendment 91

Proposal for a regulation Article 14 a (new)

Text proposed by the Commission

Amendment

Article 14a

Compartment Partnerships between authorised PEPP providers for the provision of national compartments

1. PEPP providers, as listed in Article 5, may form compartment partnerships for the provision of national compartments in order to fulfil the obligations laid down in Article 13.

2. EIOPA shall be informed about compartment partnership agreements

between PEPP providers.

Amendment 92

Proposal for a regulation Article 15 – paragraph 1

Text proposed by the Commission

1. Without prejudice to the deadline under Article 13(3), immediately after being informed about the PEPP saver's intention to exercise his right of mobility between Member States, the PEPP provider shall inform the PEPP saver about the possibility to open a new compartment within the PEPP saver's *individual* account and about the deadline within which such compartment could be opened.

Amendment

1. Without prejudice to the deadline under Article 13(3), immediately after being informed about the PEPP saver's intention to exercise his right of mobility between Member States, the PEPP provider shall inform the PEPP saver about the possibility to open, *free of charge*, a new *additional* compartment within the PEPP saver's *PEPP* account, *while keeping the existing compartment*, and about the deadline within which such compartment could be opened *for the PEPP saver*.

Amendment 93

Proposal for a regulation Article 15 – paragraph 2 – point b

Text proposed by the Commission

(b) the date from which *the investments* should be directed to the newly-opened compartment;

Amendment

(b) *in case of transferral* the date from which *all deposits made* should be directed to the newly-opened compartment;

Amendment 94

Proposal for a regulation Article 15 – paragraph 3

Text proposed by the Commission

3. Not later than *three months* following the reception of the request under paragraph 2, the PEPP provider shall provide the PEPP saver with complete information free of charge *and advice*

Amendment

3. Not later than *one month* following the reception of the request under paragraph 2, the PEPP provider shall provide the PEPP saver with complete information *and advice* free of charge

under Chapter IV, Sections II and III regarding the conditions applicable to the new compartment.

under Chapter IV, Sections II and III regarding the conditions applicable to the new compartment.

Amendment 95

Proposal for a regulation

Article 16 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Immediately after receipt of the application for transfer of the deposits made, the PEPP provider shall inform the PEPP saver about all implications of this asset-transfer and on applicable transfer taxes, fees and charges and of the financial consequences of keeping the existing compartment.

Amendment 96

Proposal for a regulation

Article 17 – title

Text proposed by the Commission

Amendment

Provision of information on portability to the national authorities

Provision of information on portability to the ***competent*** national authorities

Amendment 97

Proposal for a regulation

Article 17 – paragraph 1

Text proposed by the Commission

Amendment

1. All contractual arrangements for providing the portability service shall be notified by the PEPP provider to ***the respective national authority exercising prudential supervision over it.***

1. All contractual arrangements for providing the portability service shall be notified by the PEPP provider to ***EIOPA.***

Amendment 98

Proposal for a regulation

Article 17 – paragraph 2 – introductory part

Text proposed by the Commission

2. The information under paragraph 1 shall be filed electronically in *a* central **database** held with *the national supervisory authority* within one month of opening the new compartment *and* shall contain at least:

Amendment

2. The information under paragraph 1 shall be filed electronically in *the* central **public register** held with *EIOPA* within one month of opening the new compartment. **The central public register shall be accessible to the national competent authorities, who shall automatically receive information concerning the local compartments in the case of any changes, as well as details of any existing or new compartment partnership arrangements between providers. The central public register shall** contain at least:

Amendment 99

Proposal for a regulation

Article 19 – paragraph 1 – introductory part

Text proposed by the Commission

For the distribution of PEPPs, the different types of PEPP providers and distributors shall comply with the following rules:

Amendment

For the distribution of PEPPs, the different types of PEPP providers and distributors shall comply with the following rules *in this Chapter*:

Amendment 100

Proposal for a regulation

Article 21 – paragraph 1

Text proposed by the Commission

All documents and information under this Chapter shall be provided to PEPP customers electronically, provided that the PEPP customer is enabled to store such information in a way accessible for future reference and for a period of time adequate

Amendment

All documents and information under this Chapter shall be **posted in easily accessible form on a PEPP provider's website and provided free of charge** to PEPP customers **through a format of their choice, either** electronically provided that the PEPP

for the purposes of the information and that the tool allows the unchanged reproduction of the information stored. ***Upon request, PEPP providers and distributors shall provide free of charge those documents and information also on another durable medium.***

customer is enabled to store such information in a way accessible for future reference and for a period of time adequate for the purposes of the information and that the tool allows the unchanged reproduction of the information stored, ***or in writing.***

Amendment 101

Proposal for a regulation

Article 22 – paragraph 1 – subparagraph 3

Text proposed by the Commission

Amendment

The product approval process shall specify an identified target market for each PEPP, ensure that all relevant risks to such identified target market are assessed and that the intended distribution strategy is consistent with the identified target market, and take reasonable steps to ensure that the PEPP is distributed to the identified target market.

deleted

Amendment 102

Proposal for a regulation

Article 22 – paragraph 1 – subparagraph 4

Text proposed by the Commission

Amendment

The PEPP provider shall understand and regularly review the PEPPs it provides, taking into account any event that could materially affect the potential risk to the identified target market, to assess at least whether the PEPPs remain consistent with the needs of the identified target market and whether the intended distribution strategy remains appropriate.

deleted

Amendment 103

Proposal for a regulation

Article 22 – paragraph 1 – subparagraph 5

Text proposed by the Commission

Amendment

PEPP providers shall make available to PEPP distributors all appropriate information on the PEPP and the product approval process, ***including the identified target market of the PEPP.***

PEPP providers shall make available to PEPP distributors all appropriate information on the PEPP and the product approval process.

Amendment 104

Proposal for a regulation Article 22 – paragraph 1 – subparagraph 6

Text proposed by the Commission

Amendment

PEPP distributors shall have in place adequate arrangements to obtain the information referred to in the fifth subparagraph ***and to understand the characteristics and identified target market of each PEPP.***

PEPP distributors shall have in place adequate arrangements to obtain the information referred to in the fifth subparagraph.

Amendment 105

Proposal for a regulation Chapter 4 – section 2 – title

Text proposed by the Commission

Amendment

PRE-CONTRACTUAL INFORMATION

***ADVERTISING AND PRE-
CONTRACTUAL INFORMATION***

Amendment 106

Proposal for a regulation Article 23 – title

Text proposed by the Commission

Amendment

PEPP key information document

General provisions on the PEPP key information document

Justification

As a result of the reference - in Article 23(2) - to Articles 5(2) and 8 to 18 of Regulation (EU)

No 1286/2014, there is legal uncertainty. The provisions on advertising and pre-contractual information should preferably be laid down directly in the regulation.

Amendment 107

Proposal for a regulation Article 23 – paragraph 2

Text proposed by the Commission

Amendment

2. PEPP providers and PEPP distributors shall comply with Articles 5(2), and 6 to 18 of Regulation (EU) No 1286/2014.

deleted

Amendment 108

Proposal for a regulation Article 23 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Any Member State may require the ex-ante notification of the key information document by the PEPP provider or the person offering a PEPP to the competent authority for PEPPs marketed in that Member State.

Amendment 109

Proposal for a regulation Article 23 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2b. The key information document shall constitute pre-contractual information. It shall be accurate, fair, clear and not misleading. It shall provide key information and shall be consistent with any binding contractual documents, with the relevant parts of the offer documents and with the terms and conditions of the PEPP.

Amendment 110

Proposal for a regulation

Article 23 – paragraph 2 c (new)

Text proposed by the Commission

Amendment

2c. It shall be provided free of charge to PEPP savers a sufficient time before the conclusion of a PEPP contract.

Amendment 111

Proposal for a regulation

Article 23 – paragraph 2 d (new)

Text proposed by the Commission

Amendment

2d. The key information document shall be a stand-alone document, clearly separate from marketing materials. It shall not contain cross-references to marketing material. It may contain cross-references to other documents including a prospectus where applicable, and only where the cross-reference is related to the information required to be included in the PEPP key information document by this Regulation.

Amendment 112

Proposal for a regulation

Article 23 – paragraph 2 e (new)

Text proposed by the Commission

Amendment

2e. Each key information document shall contain one investment option.

Amendment 113

Proposal for a regulation

Article 23 – paragraph 2 f (new)

2f. The PEPP key information document shall be drawn up as a short document written in a concise manner and shall consist of a maximum of three sides of A4-sized paper when printed, which promotes comparability, and, when delivered using a durable medium other than paper, may be layered to consider the practicality of the PEPP key information document. The key information document shall:

(a) be presented and laid out in a way that is easy to read, using characters of readable size;

(b) focus on the key information that PEPP savers need;

(c) be clearly expressed and written in language and a style that communicate in a way that facilitates the understanding of the information, in particular, in language that is clear, succinct and comprehensible.

Amendment 114

Proposal for a regulation

Article 23 – paragraph 2 g (new)

2g. Where colours are used in the key information document, they shall not diminish the comprehensibility of the information if the key information document is printed or photocopied in black and white.

Amendment 115

Proposal for a regulation

Article 23 – paragraph 2 h (new)

2h. *Where the corporate branding or logo of the PEPP manufacturer or the group to which it belongs is used in the key information document, it shall not distract from the information contained in the document or obscure the text.*

Amendment 116

Proposal for a regulation Article 23 – paragraph 3

3. *In addition to the information set out in Article 8(3)(c) of Regulation (EU) No 1286/2014, the section titled “What is this product?” shall contain the following information:*

deleted

- (i) a description of the retirement benefits and the extent to which they are guaranteed;*
- (ii) any minimum or maximum period for belonging to the PEPP scheme;*
- (iii) the retirement age;*
- (iv) general information on the portability service, including information on the compartments;*
- (v) general information on the switching service, and a reference to the specific information about the switching service available under Article 50;*
- (vi) available information related to the performance of the investment policy in terms of environmental, social and governance factors;*
- (vii) the law applicable to the PEPP contract where the parties do not have a free choice of law or, where the parties are free to choose the applicable law, the law that the PEPP provider proposes to*

choose.

Amendment 117

Proposal for a regulation Article 23 – paragraph 4

Text proposed by the Commission

4. In addition to the PEPP key information document, PEPP providers and PEPP distributors shall provide potential PEPP savers with references to any reports on the solvency and financial condition of the PEPP provider, allowing them easy access to this information.

Amendment

4. In addition to the PEPP key information document, PEPP providers and PEPP distributors shall provide potential PEPP savers with references to any reports on the solvency and financial condition of the PEPP provider, allowing them easy access to this information *free of charge*.

Amendment 118

Proposal for a regulation Article 23 – paragraph 5

Text proposed by the Commission

5. Potential PEPP savers shall also be provided with information on the past performance of investments related to the PEPP scheme covering a minimum of *five* years, or, where the scheme has been operating for fewer than *five* years, covering all the years that the scheme has been operating, as well as with information on the structure of costs borne by PEPP savers and PEPP beneficiaries.

Amendment

5. Potential PEPP savers shall also be provided with information on the past performance of investments related to the PEPP scheme covering a minimum of *ten* years, or, where the scheme has been operating for fewer than *ten* years, covering all the years that the scheme has been operating, as well as with information on the structure of costs borne by PEPP savers and PEPP beneficiaries *free of charge*.

Amendment 119

Proposal for a regulation Article 23 a (new)

Text proposed by the Commission

Amendment

Article 23a

Advertising

Marketing communications shall be clearly recognisable as such. Marketing communications that contain specific information relating to the PEPP shall not include any statement that contradicts the information contained in the key information document or diminishes the significance of the key information document. Marketing communications shall indicate that a key information document is available and supply information on how and from where to obtain it, including the PEPP provider's website.

Amendment 120

Proposal for a regulation Article 23 b (new)

Text proposed by the Commission

Amendment

Article 23 b

Language requirements for the key information document

- 1. The key information document shall be drawn up in one or more official languages of the Member State in which the PEPP is marketed.*
- 2. If a PEPP is promoted in a Member State through marketing documents drawn up in one or more official languages of that Member State, the key information document shall at least be drawn up in the corresponding official languages.*
- 3. The PEPP key information document shall be made available upon request in an appropriate format to PEPP savers with a visual or hearing impairment as well as for low literate and illiterate PEPP savers.*

Amendment 121

Proposal for a regulation Article 23 c (new)

Text proposed by the Commission

Amendment

Article 23 c

Form and content of the key information document

- 1. The title 'Key Information Document' shall appear prominently at the top of the first page of the key information document. The key information document shall be presented in the sequence laid down in paragraphs 2 and 3.*
- 2. An explanatory statement shall appear directly underneath the title of the key information document. 'This document provides you with key information about this pension product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products'.*
- 3. The key information document shall consist of two parts. The first general part shall describe the general PEPP information. The second special part shall describe the information, which varies between Member States.*
- 4. The key information document shall contain the following general information:*
 - (a) at the beginning of the document, the name of the PEPP and whether it is a default option, the identity and contact details of the PEPP manufacturer, information about the competent authority of the PEPP manufacturer and the date of the document;*
 - (b) if it is not the standard product, a warning with the following wording: 'You*

are about to purchase a product that is not simple and may be difficult to understand.’;

(c) under a section titled ‘What is this product and what happens when I retire?’, the nature and main features of the PEPP, including:

(i) the investment option, including the default option;

(ii) where the PEPP offers insurance benefits, details of those insurance benefits, including the circumstances that would trigger them;

(iii) a description of the retirement benefits and the extent to which they are guaranteed;

(iv) information about existing tax incentives or other benefits;

(v) where applicable, whether there is a cooling off period or cancellation period for the PEPP;

(vi) any minimum or maximum period for belonging to the PEPP scheme;

(vii) the statutory retirement age of the Member State which law is applicable;

(viii) a description of decumulation options and the right to change chosen form of out-payments until the beginning of the decumulation phase;

(ix) information on the portability service, including information on the compartments;

(x) information on the switching service, and a reference to the specific information about the switching service available under Article 50;

(xi) information related to the performance of the investment policy in terms of environmental, social and governance factors;

(xii) under a section titled ‘What are the risks and what could I get in return?’, a brief description of the risk-reward

profile comprising the following elements:

- *a summary risk indicator, supplemented by a narrative explanation of that indicator, its main limitations and a narrative explanation of the risks which are materially relevant to the PEPP and which are not adequately captured by the summary risk indicator;*

- *the possible maximum loss of invested capital, including, information on:*

- *whether the PEPP saver can lose all invested capital, or*

- *whether the PEPP saver bears the risk of incurring additional financial commitments or obligations, including contingent liabilities in addition to the capital invested in the PEPP, and*

- *where applicable, whether the PEPP includes capital protection against market risk, and the details of its cover and limitations, in particular with respect to the timing of when it applies;*

- *appropriate performance scenarios, and the assumptions made to produce them;*

- *where applicable, information on conditions for returns to PEPP savers or built-in performance caps;*

- *a statement that the tax legislation of the PEPP saver's home Member State may have an impact on the actual payout;*

(xiii) under the title 'What are the costs?', the costs associated with an investment in the PEPP, comprising both direct and indirect costs, including one-off and recurring costs, presented by means of summary indicators of these costs and, to ensure comparability, total aggregate costs expressed in monetary and percentage terms, to show the compound effects of the total costs on the investment.

(xiv) a clear indication that advisors,

distributors or any other person advising on, or selling, the PEPP will provide information detailing any cost of distribution that is not already included in the costs specified above, so as to enable the PEPP saver to understand the cumulative effect that these aggregate costs have on the return of the investment;

(xv) details of the forms of payment and the payout phase;

(xvi) an indication that a change in the form of payment may have an impact on tax incentives or benefits;

(xvii) under a section titled ‘How can I complain?’, information about how and to whom a PEPP saver can make a complaint about the product or the conduct of the PEPP provider or a person advising on, or selling, the product;

(xviii) under a section titled ‘Other relevant information’, a brief indication of any additional information documents to be provided to the PEPP saver at the pre-contractual and/or the post-contractual stage, excluding any marketing material.

5. The PEPP manufacturer shall review the information contained in the key information document regularly and shall revise the document where the review indicates that changes need to be made. The revised version shall be made available promptly to the PEPP customer.

Amendment 122

Proposal for a regulation Article 23 d (new)

Text proposed by the Commission

Amendment

Article 23 d

Pre-contractual liability claims

1. The PEPP manufacturer shall not incur civil liability solely on the basis of the key information document, including any translation thereof, unless it is misleading, inaccurate or inconsistent with the relevant parts of legally binding pre-contractual and contractual documents or with the requirements laid down in Article 23.

2. A PEPP saver can claim damages from the PEPP manufacturer in accordance with national law in case of loss resulting from reliance on a key information document under the circumstances referred to in paragraph 1, when making an investment into the PEPP for which that key information document was produced. The PEPP manufacturer shall not incur civil liability when demonstrating that either the information was not misleading, not inaccurate neither inconsistent nor that the loss of the PEPP saver is not resulting from relying on a key information document.

3. Elements such as ‘loss’ or ‘damages’ as referred to in paragraph 2 which are not defined shall be interpreted and applied in accordance with the applicable national law as determined by the relevant rules of private international law.

4. This Article does not exclude further civil liability claims in accordance with national law.

5. The obligations under this Article shall not be limited or waived by contractual clauses.

Amendment 123

Proposal for a regulation Article 23 e (new)

Text proposed by the Commission

Amendment

Article 23 e

Provision of the key information document

1. A person advising on, or selling, a PEPP shall provide PEPP savers with the key information document free of charge and a sufficient time before those PEPP savers are bound by any contract or offer relating to that PEPP.

Where the key information document has been revised in accordance with Article 10, previous versions shall also be provided on request of the PEPP saver.

Amendment 124

**Proposal for a regulation
Article 23 f (new)**

Text proposed by the Commission

Amendment

Article 23f

Disclosure of information to PEPP savers related to distribution

1. A sufficient time before the conclusion of a PEPP-related contract, PEPP providers, and PEPP distributors shall provide PEPP savers or potential PEPP savers with at least the following information:

(a) whether it has a holding, direct or indirect, representing 10 % or more of the voting rights or of the capital in a given PEPP provider;

(b) in relation to the contracts proposed or advised upon, whether:

(i) a PEPP provider or parent undertaking of a PEPP provider has a holding, direct or indirect, representing 10 % or more of the voting rights or of the capital in the PEPP intermediary or

distributor;

(ii) it gives advice on the basis of a fair and personal analysis;

(iii) it is under a contractual obligation to conduct distribution business exclusively with one or more PEPP providers, in which case it is to provide the names of those PEPP providers; or

(iv) it is not under a contractual obligation to conduct distribution business exclusively with one or more PEPP providers and does not give advice on the basis of a fair and personal analysis, in which case it is to provide the names of the PEPP providers with which it may and does conduct business;

(c) the nature of the remuneration received in relation to the contract;

(d) whether in relation to the contract, it works:

(i) on the basis of a fee, that is the remuneration paid directly by the PEPP saver;

(ii) on the basis of a commission of any kind, that is the remuneration included in the costs and charges of the distribution of the PEPP;

(iii) on the basis of any other type of remuneration, including an economic benefit of any kind offered or given in connection with the contract; or

(iv) on the basis of a combination of any type of remuneration set out in points (i), (ii) and (iii).

2. Where the fee is payable directly by the PEPP saver, the PEPP distributor shall inform the PEPP saver of the amount of the fee or, where that is not possible, of the method for calculating the fee.

3. If any payments, other than the scheduled payments, are made by the PEPP saver under the contract after its conclusion, the PEPP distributor shall

also make the disclosures in accordance with this Article for each such payment.

4. Member States shall ensure that in good time before the conclusion of a contract, a PEPP provider communicates to the PEPP saver the nature of the remuneration received by its employees in relation to the contract.

5. If any payments, other than the scheduled payments, are made by the PEPP saver under the contract after its conclusion, the PEPP provider shall also make the disclosures in accordance with this Article for each such payment.

6. Appropriate information shall be provided, a sufficient time prior to the conclusion of a contract, to PEPP savers or potential PEPP savers with regard to the distribution of the PEPP, and with regard to all costs and related charges. That information shall include at least the following:

(a) when advice is provided, whether the PEPP intermediary or distributor will provide the PEPP savers with a periodic assessment of the suitability of the PEPP recommended to that PEPP savers ;

(b) as regards the information on all costs and related charges to be disclosed, information relating to the distribution of the PEPP, including the cost of advice, where relevant, the cost of the PEPP recommended or marketed to the PEPP saver and how the PEPP saver may pay for it, also encompassing any third party payments in accordance with Article 32(1)(e)(ii).

7. The information referred to in paragraph 1 shall be provided in a standardised format allowing for comparison and in a comprehensible form in such a manner that PEPP savers are reasonably able to understand the nature and risks concerning the PEPP offered and, consequently, to take investment decisions on an informed basis.

8. The Commission shall adopt delegated acts in accordance with Article 62 in order to specify:

(a) the conditions under which the information must comply in order to be fair, clear and not misleading, including the criteria on which the standardised format referred to in paragraph 7 shall be based

(b) the details about content and format of information to PEPP savers in relation to PEPP providers, intermediaries and PEPP distributors and costs and charges.

Amendment 125

Proposal for a regulation Article 24 – paragraph 1

Text proposed by the Commission

1. In good time before the conclusion of a PEPP-related contract, PEPP providers or distributors referred to in Article **19(c)** of this Regulation shall provide PEPP savers or potential PEPP savers with at least the information in relation to the PEPP contract and themselves set out in Article 19 and in points (a) and (c) of the first subparagraph of Article 29(1) of Directive (EU) 2016/97 in relation to insurance contracts and insurance intermediaries.

Amendment

1. In good time before the conclusion of a PEPP-related contract, PEPP providers or distributors referred to in Article **5 (1) and Article 8** of this Regulation shall provide PEPP savers or potential PEPP savers with at least the **key document and** information in relation to the PEPP contract and themselves set out in Article 19 and in points (a) and (c) of the first subparagraph of Article 29(1) of Directive (EU) 2016/97 in relation to insurance contracts and insurance intermediaries.

Amendment 126

Proposal for a regulation Article 24 – paragraph 2

Text proposed by the Commission

2. The information referred to in this paragraph 1 shall be provided in a standardised format allowing for comparison and in a comprehensible form

Amendment

2. The information referred to in this paragraph 1 shall be provided in a standardised format allowing for comparison and in a comprehensible form

in such a manner that PEPP savers are reasonably able to understand the nature and risks concerning the PEPP offered and, consequently, to take investment decisions on an informed basis.

in such a manner that PEPP savers are reasonably able to understand the nature and risks **and costs** concerning the PEPP offered and, consequently, to take investment decisions on an informed basis.

Amendment 127

Proposal for a regulation

Article 25 – paragraph 1 – subparagraph -1 (new)

Text proposed by the Commission

Amendment

Through advice, the PEPP saver shall be informed of the main features of the product.

Amendment 128

Proposal for a regulation

Article 25 – paragraph 1 – subparagraph -1 a (new)

Text proposed by the Commission

Amendment

Advice shall aim at assessing the risk aversion and the financial knowledge of a PEPP saver, their ability to bear losses, as well as, facilitating the saver to be able to choose the investment option which best corresponds to their risk profile.

Amendment 129

Proposal for a regulation

Article 25 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Amendment

Prior to the conclusion of a PEPP-related contract, the PEPP provider or distributor referred to in Article **19(c)** of this Regulation shall specify, on the basis of information obtained from the PEPP saver, the retirement-related demands and the needs of that PEPP saver and shall provide the PEPP saver with objective information

Prior to the conclusion of a PEPP-related contract, the PEPP provider or distributor referred to in Article **5(1) and Article 8** of this Regulation shall specify, on the basis of information obtained from the PEPP saver, the retirement-related demands and the needs of that PEPP saver and shall provide the PEPP saver with objective

about the PEPP in a comprehensible form to allow that PEPP saver to make an informed decision.

information about the PEPP in a comprehensible form to allow that PEPP saver to make an informed decision *to enable the PEPP provider, intermediary or distributor to recommend to the PEPP saver or potential PEPP saver the PEPP that is suitable for him or her and, in particular, is in accordance with his or her risk tolerance and ability to bear losses.*

Amendment 130

Proposal for a regulation Article 25 – paragraph 2

Text proposed by the Commission

2. Where advice is provided prior to the conclusion of any specific contract, the PEPP provider or distributor referred to in Article 19(c) of this Regulation shall provide the PEPP saver with a personalised recommendation explaining why a particular PEPP would best meet the PEPP savers' demands and needs.

Amendment

2. Where advice is provided prior to the conclusion of any specific contract, the PEPP provider or distributor referred to in Article 5(1) and Article 8 of this Regulation shall provide the PEPP saver with a personalised recommendation explaining why a particular PEPP would best meet the PEPP savers' demands and needs.

Amendment 131

Proposal for a regulation Article 25 – paragraph 3

Text proposed by the Commission

3. When providing advice on PEPPs, the PEPP provider or distributor referred to in Article 19(c) of this Regulation shall comply with the applicable national laws giving effect to the rules set out in Article 25(2) of Directive 2014/65/EU and with any directly applicable Union legislation adopted under Article 25(8) of that Directive relating to those rules.

Amendment

3. When providing advice on PEPPs, the PEPP provider or distributor referred to in Article 5(1) and Article 8 of this Regulation shall comply with the applicable national laws giving effect to the rules set out in Article 25(2) of Directive 2014/65/EU and with any directly applicable Union legislation adopted under Article 25(8) of that Directive relating to those rules.

Amendment 132

Proposal for a regulation Article 25 – paragraph 4

Text proposed by the Commission

4. Where a PEPP provider or distributor referred to in Article **19(c)** of this Regulation informs the PEPP saver that it gives its advice on an independent basis, it shall give that advice on the basis of an analysis of a sufficiently large number of personal pension products available on the market to enable it to make a personal recommendation, in accordance with professional criteria, regarding which the PEPP-related contract would be adequate to meet the PEPP saver's needs. Such advice must not be limited to PEPP-related contracts provided by the PEPP provider or distributor itself, by entities having close links with the PEPP provider or distributor or by other entities with which the PEPP provider or distributor has close legal or economic relationships, including contractual relationships, as to pose a risk of impairing the independent basis of the advice provided.

Amendment 133

Proposal for a regulation Article 25 – paragraph 5

Text proposed by the Commission

5. PEPP providers and distributors referred to in Article **19(c)** of this Regulation shall ensure and demonstrate to competent authorities on request that natural persons giving advice on PEPPs possess the necessary knowledge and competence to fulfil their obligations under this Chapter. Member States shall publish the criteria to be used for assessing such knowledge and competence.

Amendment

4. Where a PEPP provider or distributor referred to in Article **5(1) and Article 8** of this Regulation informs the PEPP saver that it gives its advice on an independent basis, it shall give that advice on the basis of an analysis of a sufficiently large number of personal pension products available on the market to enable it to make a personal recommendation, in accordance with professional criteria, regarding which the PEPP-related contract would be adequate to meet the PEPP saver's needs. Such advice must not be limited to PEPP-related contracts provided by the PEPP provider or distributor itself, by entities having close links with the PEPP provider or distributor or by other entities with which the PEPP provider or distributor has close legal or economic relationships, including contractual relationships, as to pose a risk of impairing the independent basis of the advice provided.

5. PEPP providers and distributors referred to in Article **5(1) and Article 8** of this Regulation shall ensure and demonstrate to competent authorities on request that natural persons giving advice on PEPPs possess the necessary knowledge and competence to fulfil their obligations under this Chapter. Member States shall publish the criteria to be used for assessing such knowledge and competence.

Amendment 134

Proposal for a regulation Article 25 a (new)

Text proposed by the Commission

Amendment

Article 25a

Decision tree

- 1. The PEPP provider or distributor shall provide the PEPP customer with a standardised decision tree established by EIOPA to help potential PEPP savers, in the initial phase of interest, to assess which PEPP product, the default option or any other alternative investment option, would be suitable for them. The decision tree shall cover the essential characteristics of a PEPP and shall aim to clarify that the default option offered by the provider might be different from the default options offered by other providers so that the PEPP customer is able to take this information into consideration before concluding a PEPP contract.**
- 2. The decision tree shall be made available on paper or on another durable medium and the PEPP provider or distributor shall ensure that the PEPP customer has gone through the decision tree before concluding a contract.**
- 3. The decision tree shall not constitute a personal recommendation and shall not replace any demands on advice for other investment options than the default option.**
- 4. In order to ensure a uniform use of the standardised decision tree referred to in paragraph 1, EIOPA shall draw up draft regulatory technical standards:**

 - a) specifying the content and presentation of the standard decision tree, including the definition of the main characteristics of PEPPs and types of default options which are offered by**

different providers in accordance with the regulatory standards to be included in the decision tree;

b) establishing the conditions under which the standardised decision tree shall be provided on a durable medium or on paper, and how it may be adapted for this purpose. When drawing up the draft regulatory technical standards, EIOPA shall carry out consumer tests and take the following into account:

i) the different types of PEPPs;

ii) the differences between PEPPs;

iii) the competence of PEPP savers and the characteristics of PEPPs;

iv) the interactive technical implementation, including the use of websites and apps for mobile devices or the use of a different form to provide and complement the decision tree; and

v) the need to ensure that it is clear that the decision tree does not constitute a personal recommendation.

EIOPA shall submit the draft regulatory technical standards to the Commission after their publication. Power is conferred on the Commission to adopt the regulatory technical standards referred to in this paragraph in accordance with Article 15 of Regulation (EU) No 1094/2010.

Amendment 135

Proposal for a regulation

Article 26 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Without prejudice to Article 25(1), the PEPP saver may waive his right to receive advice in relation to concluding a contract for the default investment option.

Amendment

Without prejudice to Article 25(1), the PEPP saver may waive his right to receive advice in relation to concluding a contract for the default investment option *after completing the decision tree and by confirming, that he was offered advice*

and that he waived his right to receive it.

Amendment 136

Proposal for a regulation

Article 26 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Where the PEPP saver waives his right to receive advice, PEPP providers or distributors referred to in Article **19(c)** of this Regulation shall, when carrying out PEPP distribution activities, ask the PEPP saver or potential PEPP saver to provide information regarding that person's knowledge and experience in the investment field relevant to the PEPP offered or demanded so as to enable the PEPP provider or distributor to assess whether the PEPP envisaged is appropriate for the PEPP saver.

Amendment

Where the PEPP saver waives his right to receive advice, PEPP providers or distributors referred to in Article **5(1) and Article 8** of this Regulation shall, when carrying out PEPP distribution activities, ask the PEPP saver or potential PEPP saver to provide information regarding that person's knowledge and experience in the investment field relevant to the PEPP offered or demanded so as to enable the PEPP provider or distributor to assess whether the PEPP envisaged is appropriate for the PEPP saver.

Amendment 137

Proposal for a regulation

Article 26 – paragraph 1 – subparagraph 3

Text proposed by the Commission

Where the PEPP provider or distributor referred to in Article **19(c)** of this Regulation considers, on the basis of the information received under the first subparagraph, that the product is not appropriate for the PEPP saver or potential PEPP saver, the PEPP provider or distributor shall warn the PEPP saver or potential PEPP saver to that effect. That warning may be provided in a standardised format.

Amendment

Where the PEPP provider or distributor referred to in Article **5(1) and Article 8** of this Regulation considers, on the basis of the information received under the first subparagraph, that the product is not appropriate for the PEPP saver or potential PEPP saver, the PEPP provider or distributor shall warn the PEPP saver or potential PEPP saver to that effect. That warning may be provided in a standardised format.

Amendment 138

Proposal for a regulation

Chapter IV – section III a (new) – Article 26 a (new)

Section IIIa

PEPP contract

Article 26a

Mandatory information to be included in the contract

The PEPP contract shall consist of the PEPP Key Information Document and of the following information:

- a) the type of PEPP;***
- b) personal details of the PEPP saver, his name and address;***
- c) details concerning the benefits offered by the selected investment option: under the default option, benefits are paid out in the form of lifelong annuities as of the date of retirement; alternatively, one may opt for a capital pay-out of 30% on the due date of the first payment. If such a capital pay-out is made, then the remaining capital shall be used to calculate the amount of the annuities.***
- d) benefits in the event of death before retirement under the default option: All contributions paid shall be reimbursed to the heirs free of charge in the event that the PEPP saver dies before the agreed date of retirement. During his lifetime, the PEPP saver shall be able to conclude a contract for the benefit of third parties.***
- e) level and due dates for contributions and information on whether and how one can suspend the payment of contributions and on whether it is possible to make additional payments;***
- f) the procedure to be followed in exercising the right to terminate the contract;***
- g) whether or not there is a right to terminate the contract;***

- h) information on switching investment options;*
- i) an indication regarding the language in which the PEPP provider shall provide the PEPP Benefit Statement;*
- j) information about alternative dispute resolution procedures;*
- k) specific information which differs according to the Member State, such as information regarding the retirement age and tax benefits and incentives;*
- l) detailed information about all costs related to the PEPP product;*
- m) information and procedure for opening a new national compartment;*
- n) conditions for supplementary provisions such as biometric risk;*
- o) terms for switching provider.*

Justification

For reasons of legal certainty, all elements of mandatory information to be included in a PEPP contract should be defined in the regulation.

Amendment 139

Proposal for a regulation Article 27 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The Benefit Statement shall be provided at least annually and free of charge to the PEPP saver.

Amendment 140

Proposal for a regulation Article 27 – paragraph 3 – point d

Text proposed by the Commission

(d) information on how the investment policy takes into account environmental, social and governance factors.

Amendment

(d) information ***on the PEPP provider's investment policy principles, and in particular*** on how the investment policy takes into account environmental, social and governance factors, ***including the role they play in the investment process as well as the long-term impact and the externalities of the investment decisions.***

Amendment 141

Proposal for a regulation

Article 28 – paragraph 1 – point a

Text proposed by the Commission

(a) personal details of the PEPP saver, name of the PEPP provider, information on pension benefit projections, information on accrued entitlements or accumulated capital, contributions paid by the PEPP saver or any third party and information on the funding level of the PEPP scheme, for which Article 39, paragraphs 1(a), (b), (d), (e), (f) and (h) of Directive 2016/2341/EU shall be applied, where the "member" means the PEPP saver, the "IORP" means the PEPP provider, the "pension scheme" means the PEPP scheme and "the sponsoring undertaking" means any third party for the purposes of this Regulation;

Amendment

(a) personal details of the PEPP saver, name ***address and contact details*** of the PEPP provider ***and PEPP distributors,*** information on pension benefit projections, information on accrued entitlements or accumulated capital ***by compartment,*** contributions paid by the PEPP saver or any third party and information on the funding level of the PEPP scheme, for which Article 39, paragraphs 1(a), (b), (d), (e), (f) and (h) of Directive 2016/2341/EU shall be applied, where the "member" means the PEPP saver, the "IORP" means the PEPP provider, the "pension scheme" means the PEPP scheme and "the sponsoring undertaking" means any third party for the purposes of this Regulation; ***information on the accumulated capital or contributions paid shall be broken down by compartment;***

Amendment 142

Proposal for a regulation

Article 28 – paragraph 1 – point a (new)

Text proposed by the Commission

Amendment

(aa) a clear indication of the statutory retirement age of the PEPP saver, the retirement age laid down in the pension scheme or estimated by the PEPP provider, or the retirement age set by the PEPP saver, as applicable;

Amendment 143

Proposal for a regulation

Article 28 – paragraph 1 – point a b (new)

Text proposed by the Commission

Amendment

(ab) detailed data of the pension plan portfolio including composition and weight of assets;

Amendment 144

Proposal for a regulation

Article 28 – paragraph 1 – point d a (new)

Text proposed by the Commission

Amendment

(da) a disclaimer that those projections may differ from the final value of the benefits received;

Amendment 145

Proposal for a regulation

Article 28 – paragraph 1 – point e

Text proposed by the Commission

Amendment

(e) a breakdown of the costs deducted by the PEPP provider at least over the last 12 months, indicating the costs of administration, costs of safekeeping of assets, costs related to portfolio transactions and other costs, as well as an estimation of the impact of the costs on the

(e) ***the total costs charged to the retail investor over the past 12 months through the total expenses ratio***, a breakdown of the costs deducted by the PEPP provider at least over the last 12 months, indicating the costs of administration, costs of safekeeping of assets, costs related to

final benefits.

portfolio transactions and other costs, as well as an estimation of the impact of the costs on the final benefits;

Amendment 146

Proposal for a regulation

Article 28 – paragraph 1 – point e a (new)

Text proposed by the Commission

Amendment

(ea) investment in assets which are not admitted to trading on a regulated financial market.

Amendment 147

Proposal for a regulation

Article 29 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

1. The PEPP Benefit Statement shall specify where and how to obtain supplementary information including:

1. The PEPP Benefit Statement shall specify where and how to obtain supplementary information. ***The information shall be made easily available through electronic means and free of charge*** including:

Amendment 148

Proposal for a regulation

Article 29 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) a written statement of the PEPP provider's investment-policy principles, containing at least such matters as the investment risk measurement methods, the risk-management processes implemented and the strategic asset allocation with respect to the nature and duration of PEPP liabilities, as well as how the investment policy takes environmental, social and

(c) a written statement of the PEPP provider's investment-policy principles ***as set out in Article 30 of Directive 2016/2341/EU***, containing at least such matters as the investment risk measurement methods, the risk-management processes implemented and the strategic asset allocation with respect to the nature and duration of PEPP liabilities, as well as how the investment policy takes environmental,

governance factors into account;

social and governance factors into account;

Amendment 149

Proposal for a regulation

Article 29 – paragraph 3 – subparagraph 1

Text proposed by the Commission

EIOPA, after consulting national authorities and *after* consumer testing, shall develop draft implementing technical standards specifying the details of the presentation of the information referred to in Article 28 and in this Article.

Amendment

EIOPA shall, after consulting national authorities and *consumer organizations and on the basis of* consumer testing, develop draft implementing technical standards specifying the details of the presentation of the information referred to in Article 28 and in this Article.

Amendment 150

Proposal for a regulation

Article 29 – paragraph 3 – subparagraph 2

Text proposed by the Commission

EIOPA shall submit those draft implementing technical standards to the Commission by ... [within **9** months after the entry into force of the Regulation].

Amendment

EIOPA shall submit those draft implementing technical standards to the Commission by ... [within **6** months after the entry into force of the Regulation].

Amendment 151

Proposal for a regulation

Article 30 – paragraph 1

Text proposed by the Commission

1. PEPP savers shall receive information during the pre-retirement phase as set out in Article 42 of Directive 2016/2341/EU.

Amendment

1. PEPP savers shall receive information during the pre-retirement phase as set out in Article 42 of Directive 2016/2341/EU. *Advice one year prior to the retirement phase shall be mandatory.*

Amendment 152

Proposal for a regulation

Article 30 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. One year before retirement, the PEPP saver shall be informed about the upcoming start of the decumulation phase and informed about the benefit pay-out options available.

Justification

The PEPP saver should be informed one year prior to retirement about the pay-out options and should have the possibility to confirm desired pay-out option(s).

Amendment 153

Proposal for a regulation Article 32 – paragraph 7

Text proposed by the Commission

Amendment

7. The Commission shall adopt delegated acts in accordance with Article 62 specifying the information referred to in paragraphs 1 to 4, with a view to ensuring to the appropriate extent convergence of supervisory reporting.

deleted

EIOPA, after consulting national authorities and after consumer testing, shall develop draft implementing technical standards regarding the format of supervisory reporting.

EIOPA shall submit those draft implementing technical standards to the Commission by ... [within 9 months after the entry into force of the Regulation].

Power is conferred on the Commission to adopt the implementing technical standards referred to in the second subparagraph in accordance with Article 15 of Regulation (EU) No 1094/2010.

Amendment 154

Proposal for a regulation Article 33 – paragraph 1 – point c

Text proposed by the Commission

(c) the assets shall be predominantly invested on regulated markets. Investment in assets which are not admitted to trading on a regulated financial market must ***in any event be kept to prudent levels***;

Amendment

(c) the assets shall be predominantly invested on regulated markets. Investment in assets which are not admitted to trading on a regulated financial market must ***not exceed 20%***;

Amendment 155

Proposal for a regulation Article 34 – paragraph 1

Text proposed by the Commission

1. PEPP providers shall offer ***up to five investment options to PEPP savers***.

Amendment

1. PEPP providers shall offer ***at least one default option. They may also offer additional investment options***.

Amendment 156

Proposal for a regulation Article 34 – paragraph 2

Text proposed by the Commission

2. ***The investment options shall include a default investment option and may include alternative investment options***.

Amendment

deleted

Amendment 157

Proposal for a regulation Article 34 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The PEPP shall be cost-effective irrespective of the investment option.

Amendment 158

Proposal for a regulation Article 35 – paragraph 1

Text proposed by the Commission

The PEPP saver shall opt for an investment option upon conclusion of the PEPP contract.

Amendment

The PEPP saver shall opt for an investment option ***after receiving the relevant information, advice and decision support tool***, upon conclusion of the PEPP contract.

Justification

PEPP savers should be able to make an informed decision.

Amendment 159

Proposal for a regulation Article 36 – paragraph 1

Text proposed by the Commission

1. *The* PEPP saver shall be able to opt for a different investment option once every five years of accumulation in the PEPP.

Amendment

1. ***After concluding the PEPP contract***, the PEPP saver shall be able to opt for a different investment option once every five years of accumulation in the PEPP ***during the accumulation phase***. ***Further switchings shall only be allowed five years after the last switching. The PEPP provider may allow more frequent switching.***

Amendment 160

Proposal for a regulation Article 36 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The PEPP provider shall prepare the switching at the request of the PEPP saver and shall inform the latter as regards the potential impact of the switching, such as the loss of the capital guarantee and biometric risks.

Amendment 161

Proposal for a regulation Article 37 – title

Text proposed by the Commission

Amendment

Default *investment* option

Default option

Amendment 162

Proposal for a regulation Article 37 – paragraph 1

Text proposed by the Commission

Amendment

1. The default *investment* option *shall ensure capital protection for* the PEPP *saver*, on the basis of a risk-mitigation technique *that results* in a safe investment strategy.

1. *In* the default option, the PEPP *provider shall guarantee*, on the basis of a risk-mitigation technique, *the PEPP saver that the capital accumulated by the start of the pay-out phase will at least equal the contributions paid, including all costs and charges and after inflation is accounted for, regardless the investment strategy that the PEPP provider offers for his default option. The risk mitigation techniques shall result* in a safe investment strategy, *in line with regulatory technical standards established by EIOPA.*

Amendment 163

Proposal for a regulation Article 37 – paragraph 2

Text proposed by the Commission

Amendment

2. *Capital protection shall allow the PEPP saver to recoup the capital invested.*

deleted

Amendment 164

Proposal for a regulation

Article 37 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. In order to comply with the conditions set out in paragraph 1, the PEPP provider shall be able to enter into PEPP product partnerships.

Amendment 165

Proposal for a regulation

Article 37 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2b. Total costs and charges may not exceed 0.75 % of the accumulated capital.

Amendment 166

Proposal for a regulation

Article 38 – paragraph 1

Text proposed by the Commission

Amendment

1. If PEPP providers offer alternative investment options, **at least one** of them shall offer a cost-effective investment option to PEPP savers.

1. If PEPP providers offer alternative investment options, **all** of them shall offer a cost-effective investment option to PEPP savers.

Amendment 167

Proposal for a regulation

Article 38 – paragraph 2

Text proposed by the Commission

Amendment

2. The alternative investment options shall include risk-mitigation techniques to be defined by PEPP providers.

2. The alternative investment options shall include risk-mitigation techniques to be defined by PEPP providers, **in accordance with the regulatory technical standards established by EIOPA.**

Amendment 168

Proposal for a regulation

Article 39 – paragraph 1 – point a

Text proposed by the Commission

(a) the risk-mitigation technique to **ensure** capital **protection** under the default investment option;

Amendment

(a) the risk-mitigation technique to **safeguard** capital under the default investment option;

Amendment 169

Proposal for a regulation

Article 39 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

EIOPA shall, in collaboration with the other European Supervisory Authorities, provide the Commission with technical assistance in the performance of the tasks set out in this Article.

Amendment 170

Proposal for a regulation

Article 39 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

In order to establish criteria for effective risk-mitigation techniques that can be applied in a consistent manner, EIOPA shall develop draft regulatory technical standards specifying the details of the provisions for the risk-mitigation techniques. EIOPA shall submit those draft regulatory technical standards to the Commission by ... [xxx after the date of entry into force of this Regulation]. Power is conferred on the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1094/2010.

Amendment 171

Proposal for a regulation Article 40 – paragraph 1

Text proposed by the Commission

1. ***In accordance with Article 3(b), the PEPP*** conditions related to the accumulation phase shall be determined by Member States ***unless they are specified in this Regulation.***

Amendment

1. ***Unless specified in this Regulation, the*** conditions related to the accumulation phase ***of the PEPP*** shall be determined by Member States, ***and shall be no less favourable than, applicable national rules;***

Amendment 172

Proposal for a regulation Article 40 – paragraph 2

Text proposed by the Commission

2. Such conditions may include in particular age limits for starting the accumulation phase, minimum duration of the accumulation phase, maximum and minimum amount of in-payments ***and*** their continuity, as well as conditions for redemption before retirement age in case of particular hardship.

Amendment

2. Such conditions may include in particular age limits for starting the accumulation phase, minimum duration of the accumulation phase, maximum and minimum amount of in-payments, their continuity ***and the minimum retirement age,*** as well as conditions for redemption before retirement age in case of particular hardship.

Amendment 173

Proposal for a regulation Article 40 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Member States shall apply the same conditions related to the accumulation phase of PEPP products as to other comparable national products.

Amendment 174

Proposal for a regulation Article 42 – paragraph 1

Text proposed by the Commission

PEPP providers may offer PEPPs with an option ensuring the coverage of the risk of biometric risks. ***For the purpose of this Regulation, ‘biometric risks’ mean risks linked to longevity, disability and death.***

Amendment

PEPP providers may offer PEPPs with an option ensuring the coverage of the risk of biometric risks. ***With that aim in view, PEPP providers may enter into PEPP product partnerships.***

Amendment 175

Proposal for a regulation Article 43 – paragraph 3

Text proposed by the Commission

3. PEPP providers and distributors shall make every possible effort to reply, on paper or, if agreed between the PEPP provider or distributor and the PEPP customer, on another durable medium, to the PEPP customers’ complaints. The reply shall address all points raised, within an adequate timeframe and at the latest within 15 business days of receipt of the complaint. In exceptional situations, if the answer cannot be given within 15 business days for reasons beyond the control of the PEPP provider or distributor, it shall be required to send a holding reply, clearly indicating the reasons for a delay in answering to the complaint and specifying the deadline by which the PEPP customer will receive the final reply. In any event, the deadline for receiving the final reply shall not exceed 35 business days.

Amendment

3. PEPP providers and distributors shall make every possible effort to reply, on paper ***or by e-mail*** or, if agreed between the PEPP provider or distributor and the PEPP customer, on another durable medium, to the PEPP customers’ complaints. The reply shall address all points raised, within an adequate timeframe and at the latest within 15 business days of receipt of the complaint. In exceptional situations, if the answer cannot be given within 15 business days for reasons beyond the control of the PEPP provider or distributor, it shall be required to send a holding reply, clearly indicating the reasons for a delay in answering to the complaint and specifying the deadline by which the PEPP customer will receive the final reply. In any event, the deadline for receiving the final reply shall not exceed 35 business days.

Amendment 176

Proposal for a regulation Article 43 – paragraph 4

Text proposed by the Commission

Amendment

4. PEPP providers and distributors shall inform the PEPP customer about at least one alternative dispute resolution (ADR) entity which is competent to deal with disputes concerning PEPP customers' rights and obligations under this Regulation.

deleted

Amendment 177

Proposal for a regulation Article 43 – paragraph 5

Text proposed by the Commission

Amendment

5. The information referred to in paragraph 3 shall be mentioned in a clear, comprehensive and easily accessible way on the website of the PEPP provider or distributor, at the branch, and in the general terms and conditions of the contract between the PEPP provider or distributor and the PEPP customer. It shall specify how further information on the ADR entity concerned and on the conditions for using it can be accessed.

deleted

Amendment 178

Proposal for a regulation Article 44 – paragraph 1

Text proposed by the Commission

Amendment

1. Adequate, independent, impartial, transparent and effective ADR procedures for the settlement of disputes between PEPP customers and PEPP providers or distributors concerning the rights and obligations arising under this Regulation shall be established in accordance with Directive 2013/11/EU of the European Parliament and the Council⁴⁹, using existing competent bodies where

1. Adequate, independent, impartial, transparent and effective ADR procedures for the settlement of disputes between PEPP customers and PEPP providers or distributors concerning the rights and obligations arising under this Regulation shall be established in accordance with Directive 2013/11/EU of the European Parliament and the Council⁴⁹, using existing competent bodies where

appropriate. Such ADR procedures shall be applicable, and the relevant ADR body's competence shall effectively extend, to PEPP providers or distributors against whom the procedures are initiated.

appropriate. Such ADR procedures shall be applicable, and the relevant ADR body's competence shall effectively extend, to PEPP providers or distributors against whom the procedures are initiated. ***PEPP providers or distributors shall participate in the ADR procedures.***

⁴⁹ Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC, OJ L 165, 18.6.2013, p. 63.

⁴⁹ Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC, OJ L 165, 18.6.2013, p. 63.

Amendment 179

Proposal for a regulation Article 44 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. In accordance with Directive 2013/11/EU of the European Parliament and of the Council, PEPP providers and distributors shall inform the PEPP customer about at least one alternative dispute resolution (ADR) entity which is competent to deal with disputes concerning PEPP customers' rights and obligations under this Regulation.

Amendment 180

Proposal for a regulation Article 44 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2b. The information referred to in the previous paragraph shall be mentioned in a clear, comprehensive and easily accessible way on the website of the PEPP provider or distributor, at the branch, and in the general terms and conditions of the

contract between the PEPP provider or distributor and the PEPP customer. It shall specify how further information on the ADR entity concerned and on the conditions for using it can be accessed.

Amendment 181

Proposal for a regulation Article 44 – paragraph 2 c (new)

Text proposed by the Commission

Amendment

2c. *PEPP providers and distributors shall make provision for out-of-court dispute settlement procedures.*

Amendment 182

Proposal for a regulation Article 44 – paragraph 2 d (new)

Text proposed by the Commission

Amendment

2d. *Member States shall ensure that cross-border complaints and redress mechanisms are set up, allowing for individual as well as for collective compensatory redress across borders in accordance with the EU law.*

Amendment 183

Proposal for a regulation Article 45 – paragraph 1 – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

Under the default option, the switching service may only be used during the accumulation phase.

Amendment 184

Proposal for a regulation

Article 45 – paragraph 2

Text proposed by the Commission

2. The PEPP saver may switch PEPP providers no more frequently than once every five years after conclusion of the PEPP contract.

Amendment

2. The PEPP saver may switch ***free of charge*** PEPP providers no more frequently than once every five years after conclusion of the PEPP contract. ***PEPP providers and PEPP savers may agree on more frequent switching. The terms for switching shall be written in the PEPP contract.***

Amendment 185

Proposal for a regulation

Article 45 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. A switching shall be allowed at any time and free of charge if the PEPP provider or distributor breaches the general principle in line with Article 18.

Amendment 186

Proposal for a regulation

Article 46 – paragraph 1

Text proposed by the Commission

Amendment

1. At the request of the PEPP saver, the switching service shall be ***initiated*** by the receiving PEPP provider. The switching service shall ***at least comply with paragraphs 2 to 5.***

1. At the request of the PEPP saver, the switching service shall be ***prepared*** by the receiving PEPP provider.

The request from the PEPP saver shall be drawn up in an official language of the Member State where the switching service is being initiated or in any other language agreed between the parties.

Where the saver holds different compartments, the request shall indicate for which compartments the switching service is requested.

In the event of a cross-border switching, the PEPP saver shall be informed about all the implications of the switching. The information shall cover, above all, changes concerning, for example, the loss of the capital guarantee and the biometric risks and information about the loss of tax incentives or other advantages and about taxes for which the saver will be liable.

Amendment 187

Proposal for a regulation Article 48 – paragraph 3

Text proposed by the Commission

3. The total fees and charges applied by the transferring PEPP provider to the PEPP saver for the closure of the PEPP account held with it shall be limited to no more than **1,5** % of the positive balance to be transferred to the receiving PEPP provider.

Amendment

3. ***Without prejudice to Article 45 paragraph 2***, the total fees and charges applied by the transferring PEPP provider to the PEPP saver for the closure of the PEPP account held with it shall be limited to no more than **0,5** % of the positive balance to be transferred to the receiving PEPP provider. ***No further fees, costs or charges shall be applied.***

Amendment 188

Proposal for a regulation Article 48 – paragraph 4

Text proposed by the Commission

4. ***Fees and charges, if any, applied by the transferring or the receiving PEPP provider to the PEPP saver for any service provided under Article 46, other than those referred to in paragraphs 1, 2 and 3 of this Article, shall be reasonable and in line with the actual costs of that PEPP provider.***

Amendment

deleted

Amendment 189

Proposal for a regulation

Article 49 – paragraph 2

Text proposed by the Commission

2. Liability under paragraph 1 shall not apply in cases *of abnormal and unforeseeable circumstances beyond the control of the PEPP provider pleading for the application of those circumstances, the consequences of which would have been unavoidable despite all efforts to the contrary, or* where a PEPP provider is bound by other legal obligations covered by Union or national legislative acts.

Amendment

2. Liability under paragraph 1 shall not apply in cases where a PEPP provider is bound by other legal obligations covered by Union or national legislative acts.

Amendment 190

Proposal for a regulation

Article 50 – paragraph 1 – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

In the event of a cross-border switching, the PEPP saver shall be informed about all the implications of the switching. The information shall cover, above all, changes concerning, for example, the loss of the capital guarantee and the biometric risks and information about taxes for which the saver will be liable.

Amendment 191

Proposal for a regulation

Article 51 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. When Member States determine the conditions related to the accumulation phase, the same conditions shall apply to PEPPs as to comparable national products.

Amendment 192

Proposal for a regulation Article 52 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Under the default option, the out-payment form will be annuities, with the possibility of a lump sum of maximum 30 %, at the start of the decumulation phase.

Amendment 193

Proposal for a regulation Article 52 – paragraph 2

Text proposed by the Commission

Amendment

2. The choice of the form of out-payments for the decumulation phase shall be exercised by PEPP savers upon conclusion of a PEPP contract and can be changed once every five years thereafter during the accumulation phase, if applicable.

2. The choice of the form of out-payments for the decumulation phase shall be exercised by PEPP savers upon conclusion of a PEPP contract and can be changed once every five years thereafter during the accumulation phase ***and one year before the beginning of the decumulation phase*** if applicable.

Amendment 194

Proposal for a regulation Article 53 – paragraph 2

Text proposed by the Commission

Amendment

2. EIOPA shall monitor pension ***schemes*** established or distributed in the territory of the Union to verify that they do not use the designation ‘PEPP’ or suggest that they are a PEPP unless they are authorised under, ***and comply with***, this Regulation.

2. EIOPA shall monitor pension ***products*** established or distributed in the territory of the Union to verify that they do not use the designation ‘PEPP’ or suggest that they are a PEPP unless they are authorised under this Regulation.

Amendment 195

Proposal for a regulation

Article 57 – paragraph 2 – point e

Text proposed by the Commission

(e) in the case of a legal person, the maximum administrative fines referred to in point (d) may be of up to **10** % of the total annual turnover according to the last available accounts approved by the management body; where the legal person is a parent undertaking or a subsidiary of the parent undertaking which has to prepare consolidated financial accounts in accordance with Directive 2013/34/EU of the European Parliament and of the Council, the relevant total annual turnover shall be the total annual turnover or the corresponding type of income in accordance with the relevant accounting legislative acts according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking;

⁵¹ Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

Amendment 196

Proposal for a regulation

Article 61 – paragraph 1

Text proposed by the Commission

With regard to the processing of personal data within the framework of this

Amendment

(e) in the case of a legal person, the maximum administrative fines referred to in point (d) may be of up to **5** % of the total annual turnover according to the last available accounts approved by the management body; where the legal person is a parent undertaking or a subsidiary of the parent undertaking which has to prepare consolidated financial accounts in accordance with Directive 2013/34/EU of the European Parliament and of the Council, the relevant total annual turnover shall be the total annual turnover or the corresponding type of income in accordance with the relevant accounting legislative acts according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking;

⁵¹ Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

Amendment

With regard to the processing of personal data within the framework of this

Regulation, PEPP providers and competent authorities shall carry out their tasks for the purpose of this Regulation in accordance with Regulation (EU) 2016/679. With regard to the processing of personal data by EIOPA within the framework of this Regulation, EIOPA shall comply with Regulation (EC) No 45/2001.

Regulation, PEPP providers and competent authorities shall carry out their tasks for the purpose of this Regulation in accordance with Regulation (EU) 2016/679 ***and Directive 95/46/EC, and a Regulation on the respect for private life and the protection of personal data in electronic communications and repealing Directive 2002/58/EC (Regulation on Privacy and Electronic Communications)***. With regard to the processing of personal data by EIOPA within the framework of this Regulation, EIOPA shall comply with Regulation (EC) No 45/2001.

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Pan-European Personal Pension Product (PEPP)		
References	COM(2017)0343 – C8-0219/2017 – 2017/0143(COD)		
Committee responsible Date announced in plenary	ECON 11.9.2017		
Opinion by Date announced in plenary	IMCO 11.9.2017		
Rapporteur Date appointed	Birgit Collin-Langen 25.9.2017		
Discussed in committee	24.4.2018	4.6.2018	18.6.2018
Date adopted	19.6.2018		
Result of final vote	+: 28	–: 5	0: 2
Members present for the final vote	John Stuart Agnew, Pascal Arimont, Dita Charanzová, Carlos Coelho, Lara Comi, Anna Maria Corazza Bildt, Daniel Dalton, Nicola Danti, Dennis de Jong, Pascal Durand, Maria Grapini, Sergio Gutiérrez Prieto, Liisa Jaakonsaari, Philippe Juvin, Antonio López-Istúriz White, Eva Maydell, Nosheena Mobarik, Christel Schaldemose, Olga Sehnalová, Jasenko Selimovic, Igor Šoltes, Ivan Štefanec, Catherine Stihler, Richard Sulík, Róza Gräfin von Thun und Hohenstein, Mylène Troszczynski, Mihai Țurcanu, Marco Zullo		
Substitutes present for the final vote	Biljana Borzan, Cristian-Silviu Bușoi, Birgit Collin-Langen, Edward Czesak, Kaja Kallas, Marc Tarabella, Kerstin Westphal		

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

28	+
ALDE	Dita Charanzová, Kaja Kallas, Jasenko Selimovic
GUE/NGL	Dennis de Jong
PPE	Pascal Arimont, Cristian-Silviu Buşoi, Carlos Coelho, Birgit Collin-Langen, Lara Comi, Anna Maria Corazza Bildt, Philippe Juvin, Antonio López-Istúriz White, Eva Maydell, Ivan Štefanec, Róza Gräfin von Thun und Hohenstein, Mihai Țurcanu
S&D	Biljana Borzan, Nicola Danti, Maria Grapini, Sergio Gutiérrez Prieto, Liisa Jaakonsaari, Christel Schaldemose, Olga Sehnalová, Catherine Stihler, Marc Tarabella, Kerstin Westphal
VERTS/ALE	Pascal Durand, Igor Šoltes

5	-
ECR	Daniel Dalton, Nosheena Mobarik, Richard Sulík
EFDD	John Stuart Agnew
ENF	Mylène Troszczynski

2	0
ECR	Edward Czesak
EFDD	Marco Zullo

Key to symbols:

+ : in favour

- : against

0 : abstention