



29.6.2018

OPINION

of the Committee on Employment and Social Affairs

for the Committee on Economic and Monetary Affairs

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

Rapporteur for opinion: Heinz K. Becker

AMENDMENTS

The Committee on Employment and Social Affairs 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

Text proposed by the Commission

(1) EU households are amongst the highest savers in the world, but the bulk of these savings are held in bank accounts with short maturities. More investment into capital markets can help meet the challenges posed by population ageing *and* low interest rates.

Amendment

(1) EU households are amongst the highest savers in the world, but the bulk of these savings are held in bank accounts with short maturities *and low returns*. *Nonetheless, household saving rates differ significantly among EU countries and persistent differences among EU member states may have an impact on investment and growth as household saving is an important financing source for private and public investment*. More investment into capital markets can help meet the challenges posed by population ageing, low interest rates *and low levels of investment in the long-term*.

Amendment 2

Proposal for a regulation

Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) To ensure decent living standards for current and future pensioners, Member States should give priority to further developing, strengthening and reforming the first (public) and second (occupational) pillars of national pension systems. These two pillars remain paramount for old-age income and the sustainability of national schemes. PEPPs should not replace or undermine first and second pillar schemes. To consolidate the

financial resources necessary for these pillars, Member states also need to tackle unemployment as well as undeclared and uninsured work. However, in light of the impending reduction of the working population from a ratio of 1:4 to 1:2 a multi-pillar pension approach is crucial. A voluntary, long-term pan-European Personal Pension Product will act as a complement to and strengthen existing pension savings, boosting their adequacy as well as increasing coverage for categories of people previously faced with a lack, or partial lack, of adequate coverage such as women, young people the self-employed and persons in atypical or new forms of employment.

Amendment 3

Proposal for a regulation Recital 1 b (new)

Text proposed by the Commission

Amendment

(1b) In 2015, 11,3 million EU28 citizens of working age (20 to 64 years old) were residing in a Member State other than the Member State of their citizen and 1,3 million EU28 citizens were working in a Member State other than their Member State of residence.

Amendment 4

Proposal for a regulation Recital 1 c (new)

Text proposed by the Commission

Amendment

(1c) Old age pensions constitute an essential part of a retiree's income, to ensure a decent standard of living and to combat old age 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 5

Proposal for a regulation Recital 1 d (new)

Text proposed by the Commission

Amendment

(1d) The PEPP is to provide an additional voluntary choice for retirement savings for citizens of the Union and will reinforce the portability of citizen's entitlements. It will also complement the national pension systems and Directive 2014/50/EU.

Amendment 6

Proposal for a regulation Recital 1 e (new)

Text proposed by the Commission

Amendment

(1e) The aging of society and falling birth rates are significant demographic challenges for the Union, which threatens both pension adequacy and sustainability as well as intergenerational solidarity. In addition, digitalisation and labour market changes are likely to further exacerbate the problem and put increasing pressure

on first and second pillar pensions.

Amendment 7

Proposal for a regulation Recital 1 f (new)

Text proposed by the Commission

Amendment

(1f) The gender pension gap also caused by irregular contributions to pension schemes due to interruptions of work or contributions because of motherhood or childcare persists in the Union. The pension of a retired woman between the ages of 65 and 79 in the Union is on average almost 40 % lower than that of her male counterpart. The PEPP can provide them an extra option to accrue an adequate pension.

Amendment 8

Proposal for a regulation Recital 1 g (new)

Text proposed by the Commission

Amendment

(1g) According to EIOPA, only 67 million people, or 27% of the total EU population between 25-59 years old, are currently voluntarily subscribed to financial products with along-term pension objective and that this is concentrated in only a few Member States.

Amendment 9

Proposal for a regulation Recital 1 h (new)

Text proposed by the Commission

Amendment

(1h) The PEPP should be primarily a long-term support instrument for the

purpose of securing a good standard of living after retirement, especially for young citizens of the Union. The PEPP can effectively improve the ability to cover the costs needed to maintain individual standard of living after retirement.

Amendment 10

Proposal for a regulation Recital 1 i (new)

Text proposed by the Commission

Amendment

(1i) The Union is facing growing demographic challenge, which will eventually lead to the current old age dependency ratio of 1:4 decreasing to 1:2 by 2060. For every citizen aged 65 or over, there are 4 people aged between 15 and 64 and by 2060 there will be 2 people in that age bracket for every citizen over 65 year old.

Amendment 11

Proposal for a regulation Recital 1 j (new)

Text proposed by the Commission

Amendment

(1j) Portability of the PEPP will increase its attractiveness as a product particularly to young people and help to further facilitate citizens' right to live and work across the Union.

Amendment 12

Proposal for a regulation Recital 1 k (new)

Text proposed by the Commission

Amendment

(1k) PEPP as a European framework for personal pensions is specifically

needed and useful for those who do not qualify for an adequate pension or would like to have a complementary saving plan next to the national schemes.

Amendment 13

Proposal for a regulation Recital 3

Text proposed by the Commission

(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.

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 *searching for or* taking up a job *in* or retiring *to* 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 14

Proposal for a regulation Recital 4 a (new)

Text proposed by the Commission

Amendment

(4 a) Due to the contribution a PEPP is expected to play in the building of the CMU and in the channelling of capitals towards real economy and long term sustainable projects, savers need to be involved in the process which makes them aware of their financial and non-financial interests and on the mutual relationship between the performance of the product and the environmental, social and governance factors. The effectiveness of

this process is related to a high level of transparency and disclosure as well as to a proper engagement of savers.

Amendment 15

Proposal for a regulation Recital 9 a (new)

Text proposed by the Commission

Amendment

(9 a) People on lower incomes and those who have spent less time on the labour market have less financial room for investing in personal pension products, which leads to an increase in income inequality in old age. This is in particular the case for women in general as a result of the gender pay gap that affects them throughout their professional careers, and since they spend more time outside the labour market to take up caring responsibilities, without any or only a very low income.

Amendment 16

Proposal for a regulation Recital 10

Text proposed by the Commission

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 better options to meet their retirement goals.

(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 *should* provide households with *well regulated, safe, socially responsible and sustainable* better options to meet their retirement goals, *taking due account of their needs and preferences.*

Amendment 17

Proposal for a regulation Recital 10 a (new)

(10a) This PEPP Regulation erects no barriers for Member States to continue to organise funded old-age pension schemes on a collective basis.

Amendment 18

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. **The PEPP will contribute** to meeting the needs of people wishing to enhance the adequacy of their retirement savings, **and assist in** addressing the demographical challenge and **existing pension gaps, by** providing a powerful new source of private capital for long-term **and sustainable investment, including social** investment. This framework will not replace or harmonise existing national personal **products or occupational** pension schemes.

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.

Amendment 20

Proposal for a regulation Recital 14 a (new)

Text proposed by the Commission

Amendment

(14 a) The way in which institutions for occupational retirement provision (IORPs) are organised and regulated varies significantly between Member States. In some Member States these institutions are only allowed to carry out occupational pension activities whereas in other Member States they are allowed to carry out occupational and personal pension activities. This has not only led to different organisational structures of IORPs but is also accompanied by different supervision on national level. In particular, prudential supervision of IORPs which carry out occupational and personal pension activities is broader than of those IORPs which only carry out occupational pension activities. In order not to jeopardise financial stability and to take into account the different organisational structure and supervision, only those IORPs should be allowed to provide PEPPs which, pursuant to national law, are authorised and adequately supervised to provide personal pension products. Moreover and to further safeguard financial stability, all assets and liabilities corresponding to PEPP provision business should be ring-fenced, managed and organised separately from the other activities of occupational retirement provision business, without any possibility of transfer.

Amendment 21

Proposal for a regulation

Recital 15 a (new)

Text proposed by the Commission

Amendment

(15 a) The applicable tax regime for the PEPP should be defined by the legislation in each member state where a PEPP saver has contributed. In consequences, The PEPP Product will be taxed in each member state where the PEPP saver has contributed proportionally at the level of contribution in each member state respectively

Amendment 22

Proposal for a regulation

Recital 20 a (new)

Text proposed by the Commission

Amendment

(20 a) Lifelong pensions and additional financial security to cover risks such as disability, death or long-term care are essential features of a comprehensive retirement provision product. Pension products should provide the customer a long-term, secure and stable additional income after retirement.

Amendment 23

Proposal for a regulation

Recital 20 b (new)

Text proposed by the Commission

Amendment

(20 b) Contribution plans should be accompanied by prognoses focusing on the value of the funds, return on investment, estimated inflation and economic growth.

Amendment 24

Proposal for a regulation

Recital 21

Text proposed by the Commission

(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.***

Amendment

(21) Upon launching a PEPP, the provider should provide information on which national compartments are immediately available ***in the contract. When a PEPP saver changes her or his domicile to another Member state where the PEPP provider does not offer a compartment which is readily available, switching provider shall be free of charge for all customers. PEPP beneficiaries should be able to receive PEPP pay-outs irrespective of the Member State in which they reside.***

Amendment 25

Proposal for a regulation

Recital 21 a (new)

Text proposed by the Commission

Amendment

(21 a) In order to facilitate provisions to open national compartments in all Member States, PEPP providers should be able to enter partnerships with other PEPP providers.

Amendment 26

Proposal for a regulation

Recital 22

Text proposed by the Commission

Amendment

(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

(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**.

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, costs **and the integration of environmental, social and governance factors** should be given. Projected levels of retirement benefits **shall be** based, **inter alia**, on economic scenarios, **including** an unfavourable scenario.

Amendment 27

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 **through the provision of advice assessing their saving demands and needs**.

Justification

The advice can be a meaningful tool in order to make consumers aware of their choices.

Amendment 28

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

Amendment

(24) In order to ensure optimal product transparency, PEPP **providers** should draw up the PEPP key information document for the PEPPs that they manufacture before the product can be distributed to PEPP savers.

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.

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.

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 29

Proposal for a regulation Recital 26

Text proposed by the Commission

(26) Pension product calculators are already being developed at national level. However, in order for the calculators to be as useful as possible to consumers, they should cover the costs and fees charged by the various PEPP *manufacturers*, together with any further costs or fees charged by intermediaries or other parts of the investment chain not already included by the PEPP *manufacturers*.

Amendment

(26) Pension product calculators are already being developed at national level. However, in order for the calculators to be as useful as possible to consumers, they should cover the costs and fees charged by the various PEPP *providers*, together with any further costs or fees charged by intermediaries or other parts of the investment chain not already included by the PEPP *providers*.

Amendment 30

Proposal for a regulation Recital 26 a (new)

Text proposed by the Commission

Amendment

(26a) Investors should be given the possibility - by means of a specific

appliance - of calculating provision levels during the decumulation period.

Amendment 31

Proposal for a regulation Recital 28 a (new)

Text proposed by the Commission

Amendment

(28a) Marketing communication should exploit the opportunities offered by digitization and present the characteristics of the PEPP in a simple and easy to understand and user-friendly way, in full compliance with Article 9 of Regulation 1286/2014 (PRIIPs Regulation).

Amendment 32

Proposal for a regulation Recital 29

Text proposed by the Commission

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.

(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 also be addressed to PEPP beneficiaries if agreed upon by the PEPP saver.*** The Pension Benefit Statement should be clear, ***updated, simple*** and comprehensive and should contain relevant and appropriate information to facilitate the understanding of ***supplementary*** pension entitlements over time and across schemes and serve labour mobility.

Amendment 33

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 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.

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. 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 ***and in alignment with the PEPP saver's needs and preferences.*** Compliance with the prudent person rule therefore requires an investment policy geared to the customers' structure of the individual PEPP provider.

Amendment 34

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, social ***and environmental*** progress.

Amendment 35

Proposal for a regulation

Recital 35

Text proposed by the Commission

(35) In the context of deepening the CMU, the understanding of what constitutes instruments with a long-term economic profile is broad. Such instruments are non-transferable securities and therefore do not have access to the liquidity of secondary markets. They often require fixed term commitments which restrict their marketability and should be understood to include participation and debt instruments in, and loans provided to, non-listed undertakings. Non-listed undertakings include infrastructure projects, unlisted companies seeking growth, real estate or other assets that could be suitable for long term investment purposes. Low carbon and climate resilient infrastructure projects are often non-listed assets and rely on long term credits for project financing. Considering the long-term nature of their liabilities, PEPP providers are encouraged to allocate a sufficient part of their asset portfolio to sustainable investments in the real economy with long-term economic benefits, in particular to infrastructure projects and corporates.

Amendment

(35) In the context of deepening the CMU, the understanding of what constitutes instruments with a long-term economic profile is broad. Such instruments are non-transferable securities and therefore do not have access to the liquidity of secondary markets. They often require fixed term commitments which restrict their marketability and should be understood to include participation and debt instruments in, and loans provided to, non-listed undertakings. Non-listed undertakings include infrastructure projects, unlisted companies seeking growth, real estate or other assets that could be suitable for long term investment purposes. Low carbon and climate resilient infrastructure projects are often non-listed assets and rely on long term credits for project financing. Considering the long-term nature of their liabilities, PEPP providers are encouraged to allocate a sufficient part of their asset portfolio to sustainable investments in the real economy with long-term economic, ***environmental and social*** benefits, in particular to infrastructure projects and corporates.

Amendment 36

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 take into account how they

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. ***The PEPP provider should therefore take into consideration the potential environmental, social and governance***

form part of their risk management system.

consequences of capital investments. This risk assessment should also be made available to EIOPA and to the competent authorities as well as to PEPP savers.
PEPP providers should consider such factors in investment decisions and to take into account how they form part of their risk management system.

Amendment 37

Proposal for a regulation

Recital 36 a (new)

Text proposed by the Commission

Amendment

(36 a) One of the objectives of this regulation is channeling capital towards European long-term investments in the real economy. PEPP providers should integrate environmental, social and governance (ESG) factors in their investment decisions.

Amendment 38

Proposal for a regulation

Recital 36 b (new)

Text proposed by the Commission

Amendment

(36 b) PEPP providers should engage regularly with their clients to ensure their concerns and preferences, including regarding ESG factors, are properly integrated into the investment decisions.

Amendment 39

Proposal for a regulation

Recital 36 c (new)

Text proposed by the Commission

Amendment

(36 c) PEPP providers should adopt an investment exclusion policy in order to

ensure that savings are not invested in highly controversial and harmful products such as coal-based energy, nuclear weapons, cluster munition, the production of Tobacco or used to support harmful conducts such as serious human rights and labour rights violations, severe environmental, climate damage, corruption and tax avoidance.

Amendment 40

Proposal for a regulation Recital 37

Text proposed by the Commission

(37) In ensuring compliance with their obligation to develop an investment policy in accordance with the prudent person rule, PEPP providers should be prevented **to invest** in high-risk and non-cooperative jurisdictions identified by the Financial Action Task Force.

Amendment

(37) In ensuring compliance with their obligation to develop an investment policy in accordance with the prudent person rule, PEPP providers should be prevented **from engaging in aggressive tax avoidance strategies and investing** in high-risk and non-cooperative jurisdictions identified by the Financial Action Task Force **and the Commission delegated regulation identifying high-risk third countries with strategic deficiencies and jurisdictions on the common EU list of third country jurisdictions for tax purposes.**

Amendment 41

Proposal for a regulation Recital 38

Text proposed by the Commission

(38) In view of the long-term retirement objective of the PEPP, the investment options **granted** to the PEPP savers should be **framed**, covering the elements which allow investors to make an investment decision, including the number of investment options they can choose from. After the initial choice made upon the

Amendment

(38) In view of the long-term retirement objective of the PEPP, the investment options **offered** to the PEPP savers should be **clearly outlined**, covering the elements which will allow investors to **align with their customer's preferences and long-term needs, and to make an informed** investment decision, including the number

subscription of a PEPP, the PEPP saver should have the possibility to modify this choice at reasonable intervals (every five years), so that sufficient stability is offered to providers for their long-term investment strategy whilst at the same time investor protection is ensured.

of investment options they can choose from. After the initial choice made upon the subscription of a PEPP, the PEPP saver should have the possibility to modify this choice at reasonable intervals (every five years), so that sufficient stability is offered to providers for their long-term investment strategy whilst at the same time investor protection is ensured.

Amendment 42

Proposal for a regulation Recital 39

Text proposed by the Commission

(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.

Amendment

(39) The default investment option, *which is offered by every PEPP provider*, should *ensure capital protection for* the PEPP saver *by way of a capital guarantee*. The PEPP providers *should* in addition include an inflation indexation mechanism to cover inflation *in the best possible way*.

Amendment 43

Proposal for a regulation Recital 45

Text proposed by the Commission

(45) Without prejudice to the right of PEPP customers to bring action in the courts, easily accessible, adequate, independent, impartial, transparent and effective alternative dispute resolution (ADR) procedures should be established between PEPP providers or distributors and PEPP customers for resolving disputes arising from the rights and obligations set out in this Regulation.

Amendment

(45) Without prejudice to the right of PEPP customers to bring action in the courts, easily accessible, adequate, independent, impartial, transparent and effective alternative dispute resolution (ADR) procedures should be established between PEPP providers or distributors and PEPP customers *and, where relevant, beneficiaries* for resolving disputes arising from the rights and obligations set out in this Regulation.

Amendment 44

Proposal for a regulation Recital 46

Text proposed by the Commission

(46) With a view to establishing an efficient and effective dispute resolution procedure, PEPP providers and distributors should put in place an effective complaints procedure that can be followed by their customers before the dispute is referred to be resolved in an ADR procedure or before a court. The complaints procedure should contain short and clearly defined timeframes within which the PEPP provider or distributor should reply to a complaint. ADR entities should have sufficient capacity to engage in an adequate and efficient way in cross-border cooperation with regard to disputes concerning rights and obligations pursuant to this Regulation.

Amendment

(46) With a view to establishing an efficient and effective dispute resolution procedure, PEPP providers and distributors should put in place an effective complaints procedure that can be followed by their customers **and PEPP beneficiaries** before the dispute is referred to be resolved in an ADR procedure or before a court. The complaints procedure should contain short and clearly defined timeframes within which the PEPP provider or distributor should reply to a complaint. ADR entities should have sufficient capacity to engage in an adequate and efficient way in cross-border cooperation with regard to disputes concerning rights and obligations pursuant to this Regulation.

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, **safe and transparent** procedure.

Amendment 46

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, ***low-cost*** and safe procedure.

Amendment 47

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. PEPP providers should be able to use additional means, such as a technical solution, on a voluntary basis when establishing the switching service.
Switching shall be provided free of charge in cases of limited portability, withdrawal of authorisation and upon request of the PEPP saver.

Amendment 48

Proposal for a regulation

Recital 55

Text proposed by the Commission

(55) Full transparency on costs and fees related to the investment in a PEPP should be guaranteed. A level-playing field between providers would be established, whilst ensuring consumer protection. Comparative information ***would*** be available between different products, thus

Amendment

(55) Full transparency on costs and fees related to the investment in a PEPP should be guaranteed. A level-playing field between providers would be established, whilst ensuring consumer protection. Comparative information ***shall*** be available between different products, thus

incentivising competitive pricing.

incentivising competitive pricing.

Amendment 49

Proposal for a regulation Recital 56

Text proposed by the Commission

(56) Although the ongoing supervision of PEPP providers is to be exercised by the respective competent national authorities, EIOPA should coordinate the supervision with regards to PEPPs, in order to guarantee the application of a unified supervisory methodology, contributing in this way to the *pane-European* nature of the pension product.

Amendment

(56) Although the ongoing supervision of PEPP providers is to be exercised by the respective competent national authorities, EIOPA should coordinate the supervision with regards to PEPPs, in order to guarantee the *consistent* application of a unified supervisory methodology, contributing in this way to the *pan-European* nature of the pension product.

Amendment 50

Proposal for a regulation Recital 67 a (new)

Text proposed by the Commission

Amendment

(67 a) In the EU, 14,6% of people aged 65 or over is at risk of poverty. Since capital income tends to be concentrated in upper income brackets, tax incentives for private pensions may result in effective tax rates that are negative, and regressive. These foregone tax revenues are better spent enhancing the sustainability and adequacy of first pillar systems. Member States should cap and target tax incentives for private pension products including PEPP at specific groups with limited access to other complementary pension provisions such as low income groups, self-employed workers and people with long gaps in their contribution periods.

Amendment 51

Proposal for a regulation Recital 68 a (new)

Text proposed by the Commission

Amendment

(68 a) The PEPP is a new, complementary instrument to pension schemes for all citizens of the Union. In national tax systems, the PEPP should benefit from the most favourable tax treatment applicable for the national pension saving products.

Amendment 52

Proposal for a regulation Recital 69

Text proposed by the Commission

Amendment

(69) Following the launch of the PEPP, Member States are encouraged to take into consideration Commission Recommendation (EU) 2017/... and to extend the benefits of the tax advantages they grant to national PPPs also to the PEPP.

(69) Following the launch of the PEPP, Member States are ***strongly*** encouraged to take into consideration Commission Recommendation (EU) 2017/... and to extend the benefits of the tax advantages they grant to national PPPs also to the PEPP.

Amendment 53

Proposal for a regulation Recital 69 a (new)

Text proposed by the Commission

Amendment

(69a) Member States are encouraged to provide an appropriate PEPP framework.

Amendment 54

Proposal for a regulation Recital 70

Text proposed by the Commission

(70) An evaluation of this Regulation is to be carried out, inter alia, by assessing market developments, such as the emergence of new types of PEPPs, as well as developments in other areas of Union law and the experiences of Member States.

Amendment

(70) An evaluation of this Regulation is to be carried out, inter alia, by assessing market developments, such as the emergence of new types of PEPPs, as well as developments in other areas of Union law and the experiences of Member States. ***Such an evaluation has to take account of the different aims and purposes of establishing a well-functioning PEPP-market, and in particular should evaluate whether this Regulation has contributed to the development of multi-pillar pension systems in the Member States and has resulted in more European citizens saving for sustainable and adequate pensions.***

Amendment 55

Proposal for a regulation

Recital 71

Text proposed by the Commission

(71) This Regulation ***respects*** fundamental rights and observes the principles recognised in particular by the Charter of the Fundamental Rights of the European Union, in particular the right to the protection of personal data, the right to property, the freedom to conduct a business, the principle of equality between men and women and the principle of a high level of consumer protection.

Amendment

(71) This Regulation ***should ensure the respect of*** fundamental rights and observes the principles recognised in particular by the Charter of the Fundamental Rights of the European Union, in particular ***the rights of the elderly to lead a life of dignity and independence and to participate in social and cultural life***, the right to the protection of personal data, the right to property, the freedom to conduct a business, the principle of equality between men and women and the principle of a high level of consumer protection.

Amendment 56

Proposal for a regulation

Article 2 – paragraph 1 – point 1 – point a

Text proposed by the Commission

(a) is based on a contract between an individual saver and an entity on a voluntary basis;

Amendment

(a) is based on a contract between an individual saver and an entity on a voluntary **and complementary** basis;

Amendment 57

Proposal for a regulation

Article 2 – paragraph 1 – point 2

Text proposed by the Commission

(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;

Amendment

(2) "pan-European Personal Pension Product(PEPP)" means a long-term, **sustainable and socially responsible** 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 **or by an independent PEPP savers association on behalf of its members** in view of retirement, with no or strictly limited redeemability;

Amendment 58

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

(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 , **which means a client who is not a professional client**;

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

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

Amendment 59

Proposal for a regulation

Article 2 – paragraph 1 – point 3 – point b a (new)

Text proposed by the Commission

Amendment

***(ba) an independent association
subscribing PEPP products for its
members;***

Amendment 60

Proposal for a regulation

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

Text proposed by the Commission

Amendment

***(12 a) "lump sum" means the full
payment of the accumulated capital at the
end of the accumulation phase;***

Amendment 61

Proposal for a regulation

Article 2 – paragraph 1 – point 19 a (new)

Text proposed by the Commission

Amendment

***(19 a) "home Member State of the PEPP
distributor" means the Member State in
which the PEPP distributor has its
registered office;***

Justification

It is important to provide legal certainty regarding which national competent authority will be responsible for the ongoing supervision of the PEPP providers and distributors in cross-border situations, particularly as regards the rules on distribution and information requirements

Amendment 62

Proposal for a regulation

Article 2 – paragraph 1 – point 19 b (new)

Text proposed by the Commission

Amendment

(19 b) "host Member State of the PEPP distributor" means a Member State, other than the home Member State, in which a PEPP distributor distributes PEPPs;

Justification

It is important to provide legal certainty regarding which national competent authority will be responsible for the ongoing supervision of the PEPP providers and distributors in cross-border situations, particularly as regards the rules on distribution and information requirements

Amendment 63

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;

Amendment 64

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 investment option" means an investment strategy **where the PEPP saver recoups at least the capital invested and which is either selected by the PEPP saver or** applied when the PEPP saver has not provided instructions on how to invest

the funds accumulating in his PEPP account;

Amendment 65

Proposal for a regulation

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

Text proposed by the Commission

Amendment

(28 a) “Environmental, social and governance factors (ESG)” comprise the Union’s climate and sustainability objectives as set out in the Paris agreement, Sustainable Development Goals, the United Nations Guiding Principles on Business and Human Rights and the UNPRI definitions in which environmental factors include climate change, greenhouse gas (GHG) emissions, resource depletion (including waterwaste and pollution) and deforestation; social factors include Human Rights, working conditions (including slavery and child labour), local communities (including indigenous communities), conflict, health and safety, employee relations and diversity; and governance factors include executive pay, bribery and corruption, political lobbying and donations, board diversity and structure, and tax strategy.

Amendment 66

Proposal for a regulation

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

Text proposed by the Commission

Amendment

(28b) “Biometric risks” means risks associated with longevity, disability, long-term care and death.

Amendment 67

Proposal for a regulation

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

Text proposed by the Commission

Amendment

(28c) "compartment partnership" means cooperation between PEPP providers to offer compartments in different Member States in the view of portability service as referred to in Article 12. Liability in these partnerships remains in all cases with the primary provider.

Amendment 68

Proposal for a regulation

Article 4 – paragraph 1

Text proposed by the Commission

Amendment

1. A PEPP may only be ***manufactured*** and distributed in the Union where it has been authorised by EIOPA ***in accordance with this Regulation.***

1. A PEPP may only be ***generated*** and distributed in the Union where it has been authorised ***and given approval and certification*** by ***the competent supervisory authority*** EIOPA.

Amendment 69

Proposal for a regulation

Article 5 – paragraph 2 – point d

Text proposed by the Commission

Amendment

(d) information on arrangements regarding portfolio and risk management and administration with regard to the PEPP;

(d) information on arrangements regarding portfolio and risk management and administration with regard to 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;***

Justification

As ESG factors are expected to have an impact on long-term investment decisions such those concerning PEPP, it appears appropriate to disclose how they are considered in the provider's risk management system and to consider them part of the information needed to apply for getting an authorisation to provide this product.

Amendment 70

Proposal for a regulation

Article 5 – paragraph 2 – point e

Text proposed by the Commission

(e) information about the investment strategies, the risk profile and other characteristics of the PEPP;

Amendment

(e) information about the investment strategies, the risk profile and other characteristics of the PEPP, ***including the integration of environmental, social and governance factors and in particular how the investment strategy is aligned with the Union's climate and sustainability objectives as set out in the Paris agreement, Sustainable Development Goals, and the United Nations Guiding Principles on Business and Human Rights;***

Amendment 71

Proposal for a regulation

Article 5 – paragraph 2 – point e a (new)

Text proposed by the Commission

Amendment

(ea) information about the investment exclusion policy related to severe environmental damage, serious violations of human rights including labour rights and the production of weapons;

Amendment 72

Proposal for a regulation

Article 5 – paragraph 2 – point f a (new)

Text proposed by the Commission

Amendment

(f a) information on any partnerships between PEPP providers to offer compartments in different Member States;

Amendment 73

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

Text proposed by the Commission

Amendment

(h) a description of the information to be made available to PEPP savers, including a description of the arrangements for dealing with complaints submitted by PEPP savers;

(h) a description of the information to be made available to PEPP savers ***and beneficiaries***, including a description of the arrangements for dealing with complaints submitted by PEPP savers ***and beneficiaries***;

Amendment 74

Proposal for a regulation Article 6 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) the applicant has adopted and published a credible investment exclusion policy related to severe environmental damage, serious violations of human rights including labour rights, and the production of weapons;

Amendment 75

Proposal for a regulation Article 6 – paragraph 1 – point d a (new)

Text proposed by the Commission

Amendment

(d a) the proposed PEPP effectively integrates environmental, social and governance factors into its investment strategy and risk management and

ensures that its portfolio management is aligned with with the Union’s climate and sustainability objectives as set out in the Paris agreement, Sustainable Development Goals, and the United Nations Guiding Principles on Business and Human Rights;

Amendment 76

Proposal for a regulation Article 6 – paragraph 2

Text proposed by the Commission

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

Amendment

2. Before taking a decision on the application, EIOPA shall consult the competent authority of the applicant ***by providing it with a copy of the application and all the relevant information needed for the consultation to verify if there are any objections to the granting of the application.***

Amendment 77

Proposal for a regulation Article 6 – paragraph 4

Text proposed by the Commission

4. EIOPA shall withdraw the authorisation of a PEPP in the event that the conditions for granting this authorisation are no longer fulfilled.

Amendment

4. EIOPA shall withdraw the authorisation of a PEPP in the event that the conditions for granting this authorisation are no longer fulfilled. ***National competent authorities may ask EIOPA to consider the withdrawal of a PEPP authorisation upon providing any relevant information motivating this request. In case of authorization withdrawal, PEPP savers will be clearly informed and are entitled to switch the PEPP provider free of charge irrespective of the switching frequency stipulated in***

Article 45.

Amendment 78

Proposal for a regulation

Article 6 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4 a. *When a PEPP authorisation is withdrawn, EIOPA shall coordinate the actions needed to safeguard the PEPP savers holding a contract with the PEPP provider the authorisation has been withdrawn.*

Amendment 79

Proposal for a regulation

Article 10 – paragraph 1

Text proposed by the Commission

Amendment

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.

EIOPA shall keep a central public register identifying each PEPP authorised under this Regulation, the provider of this PEPP, the competent authority of the PEPP provider, ***the date of authorisation of the PEPP and the number of the available national compartments***. The register shall be made publicly available in electronic format ***and shall be promptly updated if changes occur***.

Amendment 80

Proposal for a regulation

Article 12 – paragraph 1

Text proposed by the Commission

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

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. ***The***

moving to another Member State.

Commission should examine waiving the fee for changing providers as an incentive. In any case, costs shall be reasonable and communicated always at time of the contract.

Amendment 81

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 the same PEPP. *The costs of using the portability service shall be reasonable.*

Amendment 82

Proposal for a regulation Article 12 – paragraph 2 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

In situations where a PEPP saver changes domicile by moving to another Member State and no compartment is offered by the PEPP provider in that Member State, the PEPP saver shall be offered the possibility to switch to another provider free of charge.

Amendment 83

Proposal for a regulation Article 12 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2 a. PEPP receivers shall ensure that beneficiaries can receive PEPP pay-outs irrespective of the Member State in which

they reside.

Amendment 84

Proposal for a regulation Article 13 – paragraph 2

Text proposed by the Commission

2. When proposing a PEPP, the PEPP provider or PEPP distributor shall provide potential PEPP savers with information on which national compartments are immediately available.

Amendment

2. When proposing a PEPP, the PEPP provider or PEPP distributor shall provide potential PEPP savers with information on which national compartments are immediately available ***and either from the PEPP provider or from a registered partner.***

Amendment 85

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. ***The PEPP saver and PEPP provider shall list available compartments in their contract. The PEPP provider shall offer at least the compartments listed in the contract. A PEPP saver who wants to change domicile by moving to another Member State may exercise in any case his or her right to mobility by switching PEPP provider when the national compartment the PEPP saver wants to open is not made available by neither the PEPP provider nor a registered partner. There shall be no fees and charges applied in these instances for all customers.***

Amendment 86

Proposal for a regulation Article 14 – paragraph 1

Text proposed by the Commission

Amendment

Without prejudice to the deadline under Article 13(3), PEPP providers shall ensure that within each individual PEPP account a new compartment could be opened, corresponding to the legal requirements and conditions for using incentives fixed at national level for the PEPP ***by*** the Member State ***to which the PEPP saver moves***.

PEPP providers shall ensure that within each individual PEPP account a new compartment could be opened, ***either by transferal or addition***, corresponding to the legal requirements and conditions for using incentives fixed at national level for the PEPP ***of*** the Member State ***where the compartment shall be open***.

Amendment 87

Proposal for a regulation Article 14 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

PEPP providers may enter a compartment partnership with other PEPP providers in order to facilitate provisions to open compartments in all Member States.

Amendment 88

Proposal for a regulation Article 15 – paragraph 1

Text proposed by the Commission

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 a new compartment within the PEPP saver's individual account and about the deadline within which such compartment could be opened.

1. 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 89

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

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Text proposed by the Commission

Amendment

(c) any relevant information about possible modifications in the adopted investment strategy or other elements.

deleted

Amendment 90

Proposal for a regulation Article 16 – paragraph 1

Text proposed by the Commission

Amendment

1. At the request of the PEPP saver, the PEPP provider shall propose to the PEPP saver to arrange for transfer of accumulated assets between different compartments of the individual PEPP account, so that all assets could be consolidated in one compartment.

1. At the request of the PEPP saver, the PEPP provider shall propose to the PEPP saver to arrange for transfer of accumulated assets between different compartments of the individual PEPP account, so that all assets could be consolidated in one compartment. ***Costs associated with this transfer must have been stipulated at the time the contract was concluded.***

Amendment 91

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*** authorities

Amendment 92

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***

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

prudential supervision over it.

Amendment 93

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 a central database held with *EIOPA* within one month of opening the new compartment. *EIOPA shall make the database accessible to the national competent authorities who shall as well be automatically notified and receive information concerning the local compartments in case of any changes. The database* shall contain at least:

Amendment 94

Proposal for a regulation

Article 17 – paragraph 2 – point a a (new)

Text proposed by the Commission

Amendment

(aa) identification of the registered partner if any;

Amendment 95

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 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

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.

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, ***including a hard copy, and in an accessible format to PEPP savers with disabilities as well as an easy to read version for PEPP savers with low or no financial literacy.***

Amendment 96

Proposal for a regulation Article 23 – paragraph 1

Text proposed by the Commission

1. Before a PEPP is proposed to PEPP savers, the PEPP provider shall draw up for that product a PEPP key information document in accordance with the requirements of this Chapter and shall publish the document on its website.

Amendment

1. Before a PEPP is proposed to PEPP savers, the PEPP provider shall draw up for that product a PEPP key information document ***constituting pre-contractual information*** in accordance with the requirements of this Chapter and shall publish the document on its website.

Amendment 97

Proposal for a regulation Article 23 – paragraph 2

Text proposed by the Commission

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

Amendment

2. PEPP providers and PEPP distributors shall ***apply the requirements contained in*** Articles 5(2), and 6 to 18 of Regulation (EU) No 1286/2014 ***when drawing up the PEPP key information document.***

Amendment 98

Proposal for a regulation

Article 23 – paragraph 2 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

By way of a derogation from Article 8 of Regulation (EU) No 1286/2014 and with a view to complementing the other aforementioned provisions, the PEPP key information document shall:

(a) Be designed in an understandable way for the customer and shall enable a fair product comparison. In addition, the product characteristics of a retirement product shall be clear;

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

(c) Be no less comprehensible in the event that, having been originally produced in colour, it is printed or photocopied in black and white;

(d) Be written in the official languages, or in one of the official languages, used in the part of the Member State where the PEPP is offered or, if agreed by the PEPP saver and the PEPP distributor, in another language;

(e) Be free of charge;

(f) not be misleading or inaccurate;

Amendment 99

Proposal for a regulation

Article 23 – paragraph 3 – point iii

Text proposed by the Commission

Amendment

(iii) the retirement age;

(iii) information about (a) the retirement age as proposed by the PEPP scheme and (b) the standard retirement age of the Member State whose law is applicable;

Amendment 100

Proposal for a regulation

Article 23 – paragraph 3 – point iv

Text proposed by the Commission

(iv) general information on the portability service, including information on the compartments;

Amendment

(iv) general information on the portability service, including information on the compartments, **registered partners if any and pay-outs in other Member States**;

Amendment 101

Proposal for a regulation

Article 23 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. By way of a derogation from Article 8 of Regulation (EU) No 1286/2014 (PRIIPS Regulation), the PEPP key information document shall be presented in the sequence set out in the following paragraphs:

(a) The heading ‘PEPP key information document’ at the top of the first page shall be immediately followed by:

(i) The type of the PEPP;

(ii) The name of the PEPP;

(iii) The name, contact details and, if appropriate, authorisation number of the PEPP provider by NCA and the certification by EIOPA;

(iv) The name and contact details of the PEPP provider’s competent authority;

(v) The date of the PEPP Key information document;

(vi) Details concerning authorisation in accordance with Article 4.

(vii) Information related to the investment policy of PEPP in terms of environmental, social and governance factors;

(viii) Information on any impact the timing of retirement may have on the risks and retirement benefits of the PEPP;

(ix) A description of decumulation options and a statement that it may be prudent to consider advice on these options before retirement.

(b) An explanatory statement shall appear directly after the details underneath the title of the PEPP key information document. It shall read: ‘This document provides you with key information about this PEPP. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, and potential gains and losses of this product and to help you compare it with other products.’;

(c) Under a section titled ‘What is this product?’, in addition to the information referred to in Article 23(3) of this [PEPP] Regulation, the nature and main features of the PEPP, including:

(i) General information about the portability service - ‘We offer a portability service in the following European Union Member States:’ - and a list of the Member States concerned;

(ii) General information about the switching service: ‘You may switch investment options and providers every 5 years respectively. For that we shall charge you [x]% of the capital that has accumulated by the time the switch takes place.’;

(iii) Where the PEPP offers insurance benefits during the accumulation phase, details of those insurance benefits, including the circumstances that would trigger them;

(iv) Available information on the

investment strategy in the light of environmental, social and governance factors;

(v) 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;

(d) 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:

(i) a summary risk indicator;

(ii) The degree of capital protection against market risks - expressed as a percentage of the capital paid in - at the end of the accumulation phase;

(iii) Where applicable, details of the total amount paid out until age 80, 90 and 100 of the PEPP saver on the basis of three performance scenarios - 1%, 2% and 3% - during the decumulation phase, including an average annual inflation rate of 4%;

(iv) Details of the guaranteed lifetime minimum monthly out-payment per EUR 10 000 of paid-in capital;

(v) A brief statement that the tax legislation of the PEPP saver’s home Member State may have an impact on the actual pay-out;

(e) Under a section titled ‘What happens if [the name of the PEPP provider] is unable to pay out?’, a brief description of whether the related loss is covered by an investor compensation or guarantee scheme and, if so, which scheme it is, which risks are covered by the scheme and which are not;

(f) Under a section titled ‘What are the costs?’, the likely direct and indirect costs associated with a PEPP investment, aggregated and expressed as a percentage of the invested assets in order to ensure

direct comparability. For the cost projection, a constant year-on-year increase of 2% of the invested assets should be assumed;

(g) Under a section titled ‘How long should I hold the PEPP and can I take money out early?’:

(i) An indication of the recommended holding period, on the basis of the age at which the pension is to be taken, and any mandatory minimum holding period;

(ii) The possibility of terminating the PEPP contract early and the conditions for doing so, including all applicable costs and fees;

(iii) Information about the potential consequences of terminating the contract before the end of the accumulation phase or recommended holding period, such as the loss of capital protection or additional contingent fees;

(h) 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;

(i) Under a section titled ‘Other relevant information’, a brief reference to any additional information documents such as any reports on the solvency and financial position of the PEPP provider, excluding any marketing material.

(j) KID must be easily available on the website of the provider with download access;

Amendment 102

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 **20** years **with figures for each individual year**, or, where the scheme has been operating for fewer than **20** years, covering all the years that the scheme has been operating, as well as with **clear** information on the structure of **total costs and fees** borne by PEPP savers and PEPP beneficiaries. ***In case the information cannot be provided where the PEPP scheme has existed for less than one year, PEPP savers should at least have access to the performance of a comparable scheme of investments.***

Amendment 103

**Proposal for a regulation
Article 23 – paragraph 5 a (new)**

Text proposed by the Commission

Amendment 104

**Proposal for a regulation
Article 25 – title**

Text proposed by the Commission

Specification of demands **and** needs and provision of advice

Amendment 105

**Proposal for a regulation
Article 25 – paragraph 1 – subparagraph 1**

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Text proposed by the Commission

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

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 ***and preferences, including ESG related preferences of*** of that PEPP saver and shall provide the PEPP saver with objective information about the PEPP in a comprehensible form to allow that PEPP saver to make an informed decision.

Amendment 106

Proposal for a regulation

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

Text proposed by the Commission

Amendment

Advice shall aim at assessing the risk aversion and the financial skills of a PEPP saver as well as at making him able to choose the investment option which better correspond to his risk profile.

Justification

It is important to specify what advice aims at, with special regard to the evaluation of a PEPP saver risk profile.

Amendment 107

Proposal for a regulation

Article 25 – paragraph 1 – subparagraph 2 b (new)

Text proposed by the Commission

Amendment

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

Justification

To better evaluate the risk profile of a PEPP saver, information on PEPP main features is suitable.

Amendment 108

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's** demands **and** needs.

Amendment

2. **Advice shall be** 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 **saver's** demands, needs **and preferences**. **The PEPP saver should also receive information as to the possible environmental, social and governance related implications of that personalised recommendation.**

Amendment 109

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. **Without prejudice to the obligation set out in the preceding paragraph,** 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.

Justification

Under Article 22(2) of Directive (EU) 2016/97 (IDD), Member States have a national option to make the provision of advice mandatory by insurance distributors prior to the conclusion of any insurance contract. Where a PEPP distributor is an insurance intermediary registered under IDD, Article 19(a) of the PEPP Regulation provides that Chapters V and VI of IDD apply: the national option for mandatory advice (covered by Chapter V) will therefore apply. In some Member States, PEPP contracts distributed by insurance intermediaries will therefore always be sold with prior advice. This will not be the case where PEPP contracts are distributed by investment firms authorized under MiFID II or by any other type of financial undertaking allowed as PEPP provider under Article 5(1) of the PEPP Regulation. This is because neither MiFID II nor the proposed PEPP Regulation currently contains a national option to make the provision of advice mandatory prior to the conclusion of a PEPP contract. This will result in PEPP savers being treated differently depending on the legal status of the PEPP distributor with whom they will deal. These amendments solve this issue and ensure a higher standard for the protection of the PEPP saver.

Amendment 110

Proposal for a regulation Article 26

Text proposed by the Commission

Amendment

Article 26

deleted

Concluding a contract for a PEPP without advice

***1. 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.***

***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.***

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.

Where PEPP savers or potential PEPP savers do not provide the information referred to in the first subparagraph, or where they provide insufficient information regarding their knowledge and experience, the PEPP provider or distributor shall warn them that it is not in a position to determine whether the PEPP envisaged is appropriate for them. That warning may be provided in a standardised format.

2. *Without prejudice to Article 25(1), where the PEPP saver has waived his right to receive advice in relation to the default investment option, the PEPP provider or distributor referred to in Article 19(c) of this Regulation may carry out PEPP distribution activities without the need to obtain the information or make the determination provided for in paragraph 1 of this Article where all the following conditions are met:*

(a) the activities relate to PEPP contracts concerning the default investment option which only provide investment exposure to the financial instruments deemed non-complex under Article 25(4)(a) of Directive 2014/65/EU and do not incorporate a structure which makes it difficult for the PEPP saver to understand the risks involved;

(b) the distribution of the PEPP is at the initiative of the PEPP saver or potential PEPP saver;

(c) the PEPP saver or potential PEPP saver has been clearly informed that, in

the provision of the PEPP distribution activity, the PEPP provider or distributor is not required to assess the appropriateness of the PEPP or PEPP distribution activity provided or offered and that the PEPP saver or potential PEPP saver does not benefit from the corresponding protection of the relevant conduct of business rules. Such a warning may be provided in a standardised format;

(d) the PEPP provider or distributor complies with its obligations under the rules applicable to it, in accordance with this Chapter, concerning conflicts of interest in relation to PEPP distribution activities.

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 62 to further specify how PEPP providers or distributors referred to in Article 19(c) of this Regulation are to comply with the principles set out in this Article when carrying out PEPP distribution activities, including with regard to the information to be obtained when assessing the appropriateness of PEPPs for their customers and the criteria to assess non-complex PEPP-related contracts for the purposes of point (ii) of paragraph 2(a) of this Article. Those delegated acts shall take into account:

(a) the nature of the services offered or provided to the PEPP saver or potential PEPP saver, having regard to the type, object, size and frequency of the transactions; and

(b) the nature of the products being offered or considered, including different types of financial instruments.

Justification

This amendment aims at deleting the possibility for a PEPP saver to waive his right to receive advice which should be given in any case to PEPP consumers.

Amendment 111

Proposal for a regulation Article 27 – paragraph 1

Text proposed by the Commission

1. PEPP providers shall draw up a concise personalised document containing key information for each PEPP saver taking into consideration the specific nature of national pension systems and of relevant national social, labour and tax law (“PEPP Benefit Statement”). The title of the document shall contain the words “PEPP Benefit Statement”.

Amendment

1. PEPP providers shall draw up a concise, ***clear and comprehensible*** personalised document containing key information for each PEPP saver, ***and for PEPP beneficiaries if agreed upon by the PEPP saver***, taking into consideration the specific nature of national pension systems and of relevant national social, labour and tax law (“PEPP Benefit Statement”). The title of the document shall contain the words “PEPP Benefit Statement”.

Amendment 112

Proposal for a regulation Article 27 – paragraph 3 – introductory part

Text proposed by the Commission

3. In addition, the PEPP saver shall be kept informed throughout the term of the contract of any change concerning the following information:

Amendment

3. In addition, the PEPP saver ***and beneficiaries*** shall be kept informed throughout the term of the contract of any change concerning the following information:

Amendment 113

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 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.***

Justification

PEPP savers need to be informed on the externalities their investment decisions have on the society.

Amendment 114

Proposal for a regulation

Article 28 – paragraph 1 – introductory part

Text proposed by the Commission

1. The PEPP Benefit Statement shall include, at least, the following key information for PEPP savers:

Amendment

1. The PEPP Benefit Statement shall ***be provided free of charge, annually and*** include, at least, the following key information for PEPP savers ***and beneficiaries if agreed upon by the PEPP saver:***

Amendment 115

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 ***and contact information*** of the PEPP provider, ***identification of the scheme of the PEPP saver***, 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 116

Proposal for a regulation

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

Text proposed by the Commission

Amendment

(e a) a summary on the PEPP provider's investment-policy principles that are further described in the supplementary information in accordance with Article 29, point (c) of the present Regulation.

Justification

The most relevant information on PEPP providers' investment-policy principles need to be set out in the PEPP Benefit Statement, leaving further details to the supplementary information described in Article 29.

Amendment 117

Proposal for a regulation

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

Text proposed by the Commission

Amendment

(eb) information on pension benefit projections based on the retirement age as specified in point (b), and a disclaimer that those projections may differ from the final value of the benefits received. These shall be illustrated on the basis of economic scenarios, including a best estimate scenario and an unfavourable scenario, taking into consideration the specific nature of the PEPP scheme.

Amendment 118

Proposal for a regulation

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

Text proposed by the Commission

Amendment

(ec) information on the accrued

pension entitlements or accumulated pension capital taking into consideration the specific nature of the PEPP scheme;

Amendment 119

Proposal for a regulation

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

Text proposed by the Commission

Amendment

(ed) Information on what happens in the event of death of the PEPP saver or beneficiary

Amendment 120

Proposal for a regulation

Article 30 – title

Text proposed by the Commission

Amendment

Information to be given to PEPP savers during the pre-retirement phase and to PEPP beneficiaries during the decumulation phase

Information to be given to PEPP savers **and beneficiaries** during the pre-retirement phase and to PEPP beneficiaries during the decumulation phase

Amendment 121

Proposal for a regulation

Article 30 – paragraph 1

Text proposed by the Commission

Amendment

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

1. PEPP savers **and beneficiaries upon the request of PEPP savers or pursuant to a court order**, shall receive information during the pre-retirement phase as set out in Article 42 of Directive 2016/2341/EU. ***This information must be provided at the latest one year prior to the retirement age and include information about the upcoming start of the decumulation phase and the possible***

forms of out-payments.

Amendment 122

Proposal for a regulation

Article 32 – paragraph 1 – point a

Text proposed by the Commission

(a) to assess the system of governance applied by the PEPP providers, the business they are pursuing, the valuation principles applied for solvency purposes, the risks faced and the risk-management systems, and their capital structure, needs and management;

Amendment

(a) to assess the system of governance applied by the PEPP providers, the business they are pursuing, the valuation principles applied for solvency purposes, the risks faced and the risk-management systems, ***including the integration of ESG related risks***, and their capital structure, needs and management;

Amendment 123

Proposal for a regulation

Article 32 – paragraph 2 – point b a (new)

Text proposed by the Commission

Amendment

(b a) to obtain from the PEPP providers any information regarding environmental, social and governance factors in accordance with Article 31a;

Amendment 124

Proposal for a regulation

Article 33 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(b a) within the prudent person rule, PEPP providers shall take into consideration the potential long-term impact of investment decisions on environmental, social, and governance factors.

Amendment 125

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

Text proposed by the Commission

Amendment

(d) investment in derivative instruments shall be possible insofar as such instruments contribute to a reduction in investment risks or facilitate efficient portfolio management. Those instruments shall be valued on a prudent basis, taking into account the underlying asset, and included in the valuation of a PEPP provider's assets. PEPP providers shall also avoid excessive risk exposure to a single counterparty and to other derivative operations;

deleted

Amendment 126

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

Text proposed by the Commission

Amendment

(f) the assets shall not be invested in a high-risk and non-cooperative jurisdiction identified by the Financial Action Task Force;

(f) Investing in a high-risk and non-cooperative jurisdiction identified by the Financial Action Task Force is forbidden;

Amendment 127

Proposal for a regulation Article 34 – paragraph 1

Text proposed by the Commission

Amendment

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

1. PEPP providers shall offer *at least the default PEPP and/or several* investment options to PEPP savers.

Amendment 128

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 **one of the several** investment **options** upon conclusion of the PEPP contract.

Amendment 129

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. ***The terms for modification of the investment option shall be listed in the PEPP contract. In any case,*** the PEPP saver shall be able to opt for a different investment option once every five years of accumulation in the PEPP

Justification

PEPP savers should be able to change investment options once every five years or even earlier, if allowed by their PEPP contract.

Amendment 130

Proposal for a regulation

Article 37

Text proposed by the Commission

Article 37

Default investment option

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.

Amendment

Article 37

Default investment option

1. ***The PEPP provider shall guarantee*** the PEPP saver ***under the default option that the capital accumulated by the start of the pay-out phase will at least equal the contributions paid including all costs and charges plus compensation for inflation according to the applicable index, but not exceeding an***

average annual inflation rate of 4%. The default investment option shall be a simple and safe product that can be easily understood and acquired, including through digital channels, in each Member State.

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

2. Capital protection shall *offer a capital guarantee allowing* the PEPP saver to recoup the capital invested *including fees, cost and compensation for inflation.*

Amendment 131

Proposal for a regulation Article 38 – paragraph 1

Text proposed by the Commission

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

Amendment

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

Amendment 132

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 *shall include a guarantee on the capital invested for death and permanent disability of the PEPP saver during the accumulation phase.*

Justification

Definition of the term moved to Article 2.

Amendment 133

Proposal for a regulation Article 45 – paragraph 1 – subparagraph 2

Text proposed by the Commission

The switching *service may be provided by* PEPP providers *established in the same Member State (domestic switching) or in different Member States (cross-border switching)*.

Amendment

The *terms for* switching PEPP providers *shall be listed* in the *PEPP contract*. *In any case, the PEPP saver shall be able to switch PEPP provider once every five years of accumulation in the PEPP*.

Amendment 134

Proposal for a regulation
Article 46 – paragraph 3

Text proposed by the Commission

3. Within *two* working days from receipt of the *authorisation* referred to in paragraph 2, the receiving PEPP provider shall request the transferring PEPP provider to carry out the following tasks, if provided for in the PEPP saver's *authorisation*:

- a) transmit to the receiving PEPP provider and, *if specifically requested by the PEPP saver*, to the PEPP saver, a list of the existing amounts that are being switched;
- b) transfer any remaining positive balance to the PEPP account *opened or* held with the receiving PEPP provider *on* the date specified by the PEPP saver; and
- c) close the PEPP account held with the transferring PEPP provider *on* the date specified by the PEPP saver.

Amendment

3. Within *five* working days from receipt of the *PEPP saver's request* referred to in paragraph 2, the receiving PEPP provider shall request the transferring PEPP provider to carry out the following tasks, if provided for in the PEPP saver's *request*:

- a) transmit to the receiving PEPP provider and, *also* to the PEPP saver *where they specifically request*, a list of the existing amounts that are being switched;
- (b) transfer any remaining positive balance to the PEPP account held with the receiving PEPP provider *from* the date specified by the PEPP saver; and
- (c) close the PEPP account held with the transferring PEPP provider *from* the date specified by the PEPP saver.

Amendment 135

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

Amendment

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.

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. ***The Commission shall examine waiving the fee for changing providers as an incentive to promote the PEPP product.***

Amendment 136

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

4. ***In the context of the switching process, services given by the receiving PEPP provider shall be free of charge.***

Amendment 137

Proposal for a regulation Article 50 – paragraph 1 – subparagraph 1 – introductory part

Text proposed by the Commission

PEPP providers shall give to PEPP savers the following information about the switching service:

Amendment

Receiving PEPP providers shall give to PEPP savers the following information about the switching service:

Amendment 138

Proposal for a regulation Article 51 – paragraph 2

Text proposed by the Commission

2. Such conditions ***may*** include in particular the setting of the retirement age, of a mandatory link between reaching the

Amendment

2. Such conditions ***shall*** include in particular the setting of the retirement age, of a mandatory link between reaching the

retirement age and commencing the decumulation phase, of a minimum period of belonging to a PEPP scheme, of a maximum period before reaching the retirement age for joining a PEPP scheme, as well as conditions for redemption in case of particular hardship.

retirement age and commencing the decumulation phase, of a minimum period of belonging to a PEPP scheme, of a maximum period before reaching the retirement age for joining a PEPP scheme, as well as conditions for redemption in case of particular hardship.

Amendment 139

Proposal for a regulation

Article 52 – paragraph 1 – introductory part

Text proposed by the Commission

1. PEPP providers *may* make available to PEPP savers one or more of the following forms of out-payments:

Amendment

1. PEPP providers *shall* make available to PEPP savers one or more of the following forms of out-payments:

Amendment 140

Proposal for a regulation

Article 52 – paragraph 2

Text proposed by the Commission

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*.

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 *and during the last year of the accumulation phase. This possibility to change should be free of charge.*

Justification

During the last year of the accumulation phase, the customer should have the possibility to change his choice for the decumulation phase.

Amendment 141

Proposal for a regulation

Article 52 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2 a. *Where Member States have not imposed a mandatory link between reaching retirement age and the start of the decumulation phase, PEPP providers shall give PEPP savers the option to defer the start of the decumulation phase to a date after they have reached retirement age.*

Justification

Customers should be able to use their PEPP later on during their retirement.

Amendment 142

Proposal for a regulation
Article 52 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2b. *With regard to the default investment option, a minimum of 25% of out-payments in the form of annuities shall be mandatory.*

Amendment 143

Proposal for a regulation
Article 52 – paragraph 2 c (new)

Text proposed by the Commission

Amendment

2c. *Where, upon the start of the decumulation phase, the overall value of the assets accumulated in a PEPP account does not exceed an amount to be laid down and revised every year by each Member State, the PEPP saver shall have the right to liquidate the PEPP account and receive a lump sum payment.*

Justification

The regulation should enabling small PEPPs to be liquidated by way of a lump sum payment upon retirement

Amendment 144

Proposal for a regulation Article 53 – paragraph 1

Text proposed by the Commission

1. The competent authority of the PEPP provider shall supervise compliance with this Regulation on an ongoing basis. It shall also be responsible for supervising compliance with the obligations set out in the rules or instruments of incorporation of the PEPP provider, and the adequacy of its arrangements and organisation with the tasks to be fulfilled when providing a PEPP.

Amendment

1. The competent authority *of the home Member State* of the PEPP provider shall supervise compliance with this Regulation on an ongoing basis. It shall also be responsible for supervising compliance with the obligations set out in the rules or instruments of incorporation of the PEPP provider, and the adequacy of its arrangements and organisation with the tasks to be fulfilled when providing a PEPP.

By derogation to the first subparagraph, compliance by the PEPP provider and the PEPP distributor with Chapter IV of this Regulation shall be supervised on an ongoing basis by the competent authority of the host Member State of the PEPP provider and the PEPP distributor.

Justification

This amendment aims at providing legal certainty as to which NCA is responsible for the ongoing supervision of PEPP providers and distributors in cross-border situations, particularly as regards the rules on distribution and information requirements set out in Chapter IV of the Regulation.

Amendment 145

Proposal for a regulation Article 63 – paragraph 1

Text proposed by the Commission

Five years after the entry into force of this Regulation, the Commission shall carry out an evaluation of this Regulation and, and after consulting EIOPA, present a Report on the main findings to the European Parliament, the Council and the European Economic and Social Committee.

Amendment

Every five years after the entry into force of this Regulation, the Commission shall carry out an evaluation of this Regulation and, and after consulting EIOPA, present a Report on the main findings to the European Parliament, the Council and the European Economic and Social Committee. ***In drafting the Report, the Commission shall also consult the national competent authorities.***

Amendment 146

**Proposal for a regulation
Article 63 – paragraph 2 a (new)**

Text proposed by the Commission

Five years after the entry into force of this Regulation, the Commission shall carry out an evaluation of this Regulation and, and after consulting EIOPA, present a Report on the main findings to the European Parliament, the Council and the European Economic and Social Committee.

Amendment

Five years after the entry into force of this Regulation, the Commission shall carry out an evaluation of this Regulation and, and after consulting EIOPA, present a Report on the main findings to the European Parliament, the Council and the European Economic and Social Committee.

This particular evaluation shall in particular consider the added value of the PEPP in closing the pension gap and the added value to long term investments. More specifically, the evaluation should provide data that allows a verification of whether the creation of a PEPP market has effectively contributed to more European citizens having access to adequate pensions.

Amendment 147

**Proposal for a regulation
Article 63 – paragraph 2 b (new)**

Text proposed by the Commission

Amendment

The Commission shall set up a panel with relevant stakeholders to continuously monitor the development and implementation of the PEPP. That panel shall include at least EIOPA, the national supervisors, industry and consumer representatives and independent experts, including at least one ESG expert. The secretariat of the panel shall be EIOPA.

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	EMPL 11.9.2017	
Rapporteur Date appointed	Heinz K. Becker 3.10.2017	
Discussed in committee	25.4.2018	19.6.2018
Date adopted	28.6.2018	
Result of final vote	+: 35 –: 4 0: 2	
Members present for the final vote	Laura Agea, Guillaume Balas, Tiziana Beghin, Brando Benifei, Enrique Calvet Chambon, David Casa, Michael Detjen, Geoffroy Didier, Martina Dlabajová, Elena Gentile, Marian Harkin, Czesław Hoc, Agnes Jongerius, Rina Ronja Kari, Jan Keller, Ádám Kósa, Agnieszka Kozłowska-Rajewicz, Jean Lambert, Jeroen Lenaers, Thomas Mann, Anthea McIntyre, Elisabeth Morin-Chartier, Emilian Pavel, Georgi Pirinski, Marek Plura, Dennis Radtke, Terry Reintke, Siôn Simon, Marita Ulvskog	
Substitutes present for the final vote	Maria Arena, Georges Bach, Tania González Peñas, Krzysztof Hetman, Dieter-Lebrecht Koch, Eduard Kukan, Edouard Martin, Ivari Padar, Sven Schulze, Tom Vandenkendelaere	
Substitutes under Rule 200(2) present for the final vote	Dimitrios Papadimoulis, Martin Schirdewan	

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

35	+
ALDE	Enrique Calvet Chambon, Martina Dlabajová, Marian Harkin
ECR	Czesław Hoc, Anthea McIntyre
PPE	Georges Bach, David Casa, Geoffroy Didier, Krzysztof Hetman, Dieter-Lebrecht Koch, Ádám Kósa, Agnieszka Kozłowska-Rajewicz, Eduard Kukan, Jeroen Lenaers, Thomas Mann, Elisabeth Morin-Chartier, Marek Plura, Dennis Radtke, Sven Schulze, Tom Vandenkendelaere
S&D	Maria Arena, Guillaume Balas, Brando Benifei, Michael Detjen, Elena Gentile, Agnes Jongerius, Jan Keller, Edouard Martin, Ivari Padar, Emilian Pavel, Georgi Pirinski, Siôn Simon, Marita Ulvskog
VERTS/ALE	Jean Lambert, Terry Reintke

4	-
GUE/NGL	Tania González Peñas, Rina Ronja Kari, Dimitrios Papadimoulis, Martin Schirdewan

2	0
EFDD	Laura Agea, Tiziana Beghin

Key to symbols:

+ : in favour

- : against

0 : abstention