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September 2017

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INTERVIEW

# Opening the doors



Francesca Fabrizi meets Francesco Briganti, Secretary General of the Cross Border Benefits Alliance-Europe to discuss the aims and objectives of this new initiative, and how it could impact the future of cross-border pensions

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## What is the Cross Border Benefits Alliance-Europe?

The Cross Border Benefits Alliance-Europe (CBBA-Europe) is a new EU-based advocacy organisation. Its goal is to promote the creation and development of cross-border/pan-European employee benefits in Europe, including - but not limited to - occupational (workplace) pensions, healthcare, disability, long-term care or programmes for the well-being/wellness of people in the workplace and private life.

## Is it different to other initiatives?

CBBA-Europe is an international association subject to Belgian law, as are the majority of EU-based industry federations. However, unlike the traditional industry federations representing a given sector or industry, CBBA-Europe will welcome a whole range of different members - employers/company sponsors operating in several member states of the EU (multinationals); sector-wide employee benefit funds, including representatives from the employer and worker sides; insurance, mutualistic and bilateral social protection (benefits) providers; the social protection industry such as pension or healthcare funds administrators, actuaries, lawyers or consultants; academic representatives; consumer

organisations; national and international associations representing companies, social protection funds, professionals in the field, etc.

In short, the Alliance aims to be transversal, and hence more credible: all those pursuing the same goal of advocating the EU and its member states to remove the existing obstacles to cross-border employee benefits, be they of legal, taxation, administrative or political nature, will be welcome.

CBBA-Europe will interact with the EU Institutions, national governments and supervisory authorities, by raising questions on behalf of its members, and proposing practical solutions. The first institutional goal of the Alliance is to be recognised as an influential, valid and constructive interlocutor of the decision-makers, by participating in working groups, drafting reflection papers, creating reports, organising public events and so on.

## Why is developing cross-border pension/social benefits so important?

The current national barriers to the creation of cross-border employee benefits represent a useless burden and foolish costs for sponsor companies and future beneficiaries. Real economies of scale, simplicity

in administration, fully portable social benefits, cost-free mobility of workers and consistent taxation formulas would be beneficial for both the EU internal market and the European social model.

Indeed, the Alliance strongly believes that the economic and social objectives in the EU are not – and should not be – in conflict, but rather go hand-in-hand, and can be beneficial to each other: a “social market economy” is clearly mentioned in the Treaty of the European Union. In addition, the idea here is not to harmonise the (amounts of) social benefits in Europe: differences in wages or in the size of social security systems are still too big among the EU member states. The goal here is to get EU frameworks allowing cross-border benefits plans to work smoothly over the EU, by leaving the necessary freedom to the plan promoters to adapt their features on a national basis. In other words, harmonisation will be only requested when it will be necessary to overcome the aforementioned barriers, and in so far as cross-border benefits will be not achievable otherwise. For the rest, adaptations and adjustments to the different local situations will be a key feature of the new, envisaged cross-border plans design. It would be fantastic to imagine the EU as a big, open economic and social corridor where

companies and workers can freely operate across the borders without any obstacles.

CBBA-Europe is not only important, but it is even more necessary in this very moment: as you know, the European Union is taking important initiatives in the pension field in order to promote pan-European solutions. The European Commission recently published its proposal for the PEPP (pan European personal pension), and the European Insurance and Occupational Pensions Authority (EIOPA) launched a consultation on the creation of a EU framework for a pan-European DC occupational pension (PEOP). Now more than ever, political discussions will arise on those initiatives. CBBA-Europe will do its best to support such initiatives, and to make them the most attractive for sponsor companies, workers and pension providers willing to offer cross-border pensions.

A strong development of pan cross-border solutions might allow offering occupational/workplace pensions in those EU member states where such pensions do not even exist.

In addition, capital accumulated by these pan-European funds could potentially be invested in the European economy, and contribute to the completion of the Capital Markets Union (CMU). That's why it is so important to develop cross-border social benefits schemes.

I allow myself to add that even Britain should be included in this huge space despite Brexit. If UK employers or social protection providers (i.e. pension funds or insurance companies) were interested in finding solutions for their employees or members across Europe before the finalisation of the exit from the EU, CBBA would be glad to support them.

**With regards to the current EU initiatives in the pension field, there are some who argue that there is no appetite for cross-border pension/social benefits. What would you respond?**

You are perfectly right. I find this statement quite funny, if I may say. Arguments like “there is no need” or “no appetite” for these schemes are often used by those who are strongly against smooth and cheap cross-border solutions in Europe.

In our opinion, these opponents of EU solutions for cross-border benefits such as the ones mentioned above (PEPP, PEOP) are afraid of them, because they know that the market would likely go for these solutions, undermining their domestic/local interests. In other words, the opponents of these initiatives defend the current fragmentation and status quo because they are afraid that the employee benefit plans (i.e. pension schemes) managed locally by national operators will move to other countries; or that providers based abroad will directly offer their solutions in those states, breaking up the local (high) costs, and the comfortable situation of limited local competition.

CBBA-Europe was precisely created to represent a voice in contrast to these opponents, by proving that the so called “market”, or civil society (including several trade unions) do want cross-border solutions, especially in case of companies and sectors experiencing a big mobility of workers throughout the EU.

But once again: an optimisation of administrative fees deriving from wider competition and larger economies of scale should not undermine the social rights offered to workers in some member states. No-one here is advocating a “race to the bottom” of social rights of workers. On the contrary, the

reduction of administrative burdens and management fees would better permit providing the same, or even better benefits at cheaper prices and easier conditions, and to finally offer benefits in countries where workplace benefits are not offered at all.

**When is the official launch?**

The official launch will take place on 6 December in Brussels. It will be a one day conference and we are honoured to confirm that the Chairman of the European Insurance Occupational Pensions Authority (EIOPA), Gabriel Bernardino, has confirmed his participation as keynote speaker. We will also have a high level speaker from the US, Phyllis Borzi, former Obama Administration's Assistant Secretary for Employee Benefits Security of the US Department of Labor. Other speakers will include officials of the EU institutions and agencies; representatives of multinational companies; trade unions; social protection providers that have already created, or are willing to create, Pan-European/cross-border solutions (also at multi-employer/sector-wide level). Delegates can attend for free.

**What next for the Alliance?**

From here-on, we hope that more individuals and organisations will join CBBA-Europe. We are currently appointing key positions within specific internal working groups and committees within the Alliance. The membership fee is rather symbolic: anyone can afford to join CBBA-Europe and the more members that join, the more influential our voice will be towards the EU. ■

*If you are interested in joining the Alliance or attending the conference, please email: [info@cbba-europe.eu](mailto:info@cbba-europe.eu) or visit the website at: [www.cbba-europe.eu](http://www.cbba-europe.eu)*