

EIOPA could revisit cross-border DC pension if there is demand – Fausto Parente

Written by Natalie Tuck

14/11/19

The European Insurance and Occupational Pensions Authority (EIOPA) could revisit a defined contribution cross-border pension product in the future if there is “demand and appetite” for such a product, its executive director, Fausto Parente, hinted.

Speaking at the CBBA-Europe Annual Conference yesterday, 13 November, Parente said EIOPA had previously worked on a pan-European occupational pension product but it was put on hold.

“It’s not closed, it’s still on our radar, but for prioritisation purposes we were focusing on the implementation of the IORP II Directive, and now on the Pan-European Personal Pension Product (PEPP). Let’s see if there is demand and appetite for a further pan-European product in the area of occupational pensions,” he said.

On the subject of cross-border pensions, he said the market was less developed than EIOPA hoped it would be after 14 years since the application of the first IORP Directive . However, he said that EIOPA is ready to help companies and providers that want to create cross-border schemes.

“From our perspective, we can confirm that in many cases the benefits are there, maybe there is a lack of awareness by the sponsor, and maybe there is some fear of the administrative procedure. The benefits are clear, especially for employees located in different countries.”

He also highlighted a delay in the transposition of the IORP II Directive into member states’ domestic law, which he said is a “reason why some cross-border operators are still thinking about launching a new product because they want to assess the different ways in which the countries are implementing [the directive] to understand if this is still manageable or not.”

However, he said that EIOPA is open to hear stakeholder views on how to increase the number of cross-border pension scheme. “Let’s simply engage and do our best to increase the benefit of the policy for members of schemes,” he said.

The news that EIOPA may revisit an occupational DC scheme was welcomed by CCBA-Europe secretary general, Francesco Briganti.