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Response of CBBA-Europe to the Targeted consultation on supplementary pensions of the European Commission *(29 August 2025)*

Introduction

What is this consultation about?

The organisation of pension systems is primarily the responsibility of Member States. Policies at Union level can and should support Member States' efforts to increase pension sustainability, pension adequacy and the welfare for European citizens when they retire. With this consultation, the Commission aims to present options on a series of interrelated initiatives on how to further develop supplementary pensions across the European Union. These Union-level initiatives on supplementary pensions would aim to support the initiatives of Member States.

The emphasis of any potential Union initiatives on supplementary pensions will be on individual citizens' welfare. Union initiatives on supplementary pensions will be respectful of what has been achieved at the level of the Member States, and respecting the autonomy and prerogatives of social partners, where applicable. The individual pension savers' and social partners' choices on how and by what means they wish to provide for their retirement will also be respected. Respect for such choices does not exclude Union-level efforts aiming to build awareness about the advantages that investing part of retirements savings in the capital market can bring in terms of enhanced investment return and contribute to financial security in retirement.

The guiding principle for any initiative on supplementary pensions is to increase uptake in supplementary pensions, with a view above all to increase financial security in retirement, and also to reinforce the supplementary pension sector as a long-term investor.

Why are we consulting?

In its communication of 19 March 2025 on the savings and investments union (SIU strategy), the Commission envisages several actions to increase the take-up of supplementary pensions across Europe, improve their return and facilitate pension funds' long-term investments into the economy, including in innovation. Since national competence and the design of the overall pension system do not allow for one-size-fits-all policy proposals in several areas, Commission's recommendations to Member States appear to be the most suitable tool to provide guidance on auto-enrolment, pension tracking systems, pension dashboards, and the implementation of the prudent person principle by pension funds. Such policy recommendations would benefit from being as targeted as possible and highlight best practices that Member States can apply. Other policy goals might require targeted changes to the EU regulatory framework for supplementary pension

provision, namely the Directive (EU) 2016/2341 on the activities and supervision of institutions for occupational retirement provision (IORPs) (the IORP II Directive) and Regulation (EU) 2019/1238 on a pan-European Personal Pension Product (PEPP) (the PEPP Regulation). The aim of any changes would be to ensure availability of solid occupational and personal pension products, possibly suitable for auto-enrolment.

The present consultation will complement the technical advice provided by EIOPA, along with other work on the main topics covered. EIOPA technical advice is as follows:

- Technical advice on the development of pension tracking systems (2021)
- Technical advice on pensions dashboard (2021)
- Technical advice for the review of the IORP II Directive (2023)
- Staff Paper on the future of the pan-European Personal Pension Product (PEPP) (2024)

The consultation will inform Commission's policy measures aimed at achieving the objectives set out in the SIU strategy and at addressing the findings of the European Court of Auditors contained in the recently published special report on developing supplementary pensions in the EU.

* Organisation name

255 character(s) maximum

The Cross Border Benefits Alliance-Europe (CBBA-Europe), is a Brussels based advocacy organization promoting the creation of cross border and pan-European social benefits in the European Economic Area (EEA), including personal and occupational pensions.

Transparency register number

255 character(s) maximum

Check if your organisation is on the transparency register. It's a voluntary database for organisations seeking to influence EU decision-making.

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* Please specify your activity field(s) or sector(s)

CBBA-Europe, as a European stakeholder, advocates the EU in the field of employee benefits, pensions, insurance and cross-border solutions on behalf of its members.

1. Pension tracking systems

Pension tracking systems are digital platforms that allow citizens to obtain an overview of pension entitlements held in different schemes in one place. In addition, they may provide an estimate of the future pension benefits. By providing a complete picture of their entitlements from the various types of pension schemes, they enable citizens to take informed decisions about their career, retirement planning and saving needs.

Currently, pension tracking systems in some form exist in several Member States, however, most of them do not cover all pillars of the pension system. EIOPA (Technical advice on the development of pension tracking systems - 2021) and OECD (OECD Pensions Outlook 2024: Improving Asset-backed Pensions for Better Retirement Outcomes and More Resilient Pension Systems) have analysed pension tracking systems with a view to identifying good practices. The Commission seeks views on the coverage and design features of pension tracking systems.

Question 1. Do you consider that the pension tracking system in your Member State functions well?

- ○ Yes
- ◉ No, it should be extended/improved
- ○ No, my country doesn't have a tracking system
- ○ Don't know / no opinion / not applicable

Please elaborate your answer to question 1 and indicate which features should be improved or added:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The situation differs considerably across Member States (MS). Despite EU initiatives to promote Pension Tracking Systems (PTS), progress remains uneven. According to EIOPA's 2021 Technical Advice, seven MSs still lack a PTS and have no plans to create one. Where such tools exist, they often provide only partial coverage and limited functionality. Many focus mainly on the state pension, excluding occupational and private schemes, which are increasingly relevant for retirement income. Several platforms also operate in isolation, forcing citizens to consult multiple sources, sometimes with missing contributions. This fragmentation reduces transparency and makes it difficult to assess retirement readiness. The priority must be to integrate all pension pillars—statutory, occupational, and personal—into national PTS, so that individuals receive a complete and reliable overview of both accumulated contributions and future entitlements. The EU should also require all Member States to establish and maintain such tools to protect retirees and ensure they are fully informed. Member States should furthermore be obliged to participate in the European Tracking System (ETS), feeding national PTS data into it. Without mandatory participation, the ETS will remain incomplete and of little value. It makes little sense to invest EU funds in a platform if some countries do not join or provide only partial data. Only a compulsory ETS covering all pillars would bring real added value, especially for citizens who live and work across borders. A medium- to long-term transition could allow Member States time to finalize their PTS and connect them to the ETS. The EU has a legal basis to require both national PTS and their integration into the ETS. For national PTS, Article 114 TFEU allows harmonization of rules necessary for the internal market, while Article 169 TFEU, together with Article 12 TFEU and Article 38 of the Charter of Fundamental Rights, requires a high level of consumer protection, including access to adequate information. These provisions, reinforced by the IORP II Directive, MiFID II, and the PEPP Regulation, which already impose disclosure obligations, justify mandatory PTS for all citizens. For the ETS, Article 45 TFEU guarantees free movement of workers and Article 48 TFEU empowers the Union to adopt social security measures to protect mobile workers. A compulsory ETS, fed by national systems, is the natural instrument to implement these provisions. In addition, Articles 114 and 115 TFEU allow harmonization to remove barriers to the internal market, such as the absence of a coherent European framework for pension information. In summary, Articles 114 and 169 TFEU and Article 38 CFR justify mandatory PTS at national level, while Articles 45, 48, 114 and 115 TFEU provide the basis for requiring Member States to feed those systems into the ETS. This combined approach strengthens transparency, consumer protection, and the rights of mobile workers across the Union.

Question 2. What do you consider will make a pension tracking system a useful tool to increase citizens' awareness of their future pension entitlements and to enable them to plan for retirement?

Please rank options according to their importance, 1 being the most important, and 5 being the less important:

	1	2	3	4	5
Access to the system and the information provided is simple and secure	○	○	○	◉	○

Users can be sure that the information is objective, i.e. not influenced by the interest of those that provide the information	○	◉	○	○	○
The system covers all pillars of the pension system	◉	○	○	○	○
The system is cost-effective	○	○	◉	○	○
Other	○	○	○	○	◉

Please specify to what other option(s) you refer in your answer to question 2:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Data harmonisation: Technical consistency facilitates interoperability but is not directly perceived by citizens. What matters to them is accuracy, which depends more on coverage and governance than on standards. Harmonisation is a long-term process that can improve over time without delaying the launch of a functional PTS.

Please elaborate your answer to question 2:

5000 character(s) maximum

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All the features identified are essential for the effectiveness of a pension tracking system. The ranking reflects the level of difficulty of implementation, with the most complex placed first. If these were not properly addressed, the tool would lose much of its value. Features ranked 3 and 4 remain important but can now be achieved with available solutions at lower cost and complexity. Rank 1 – Comprehensive coverage Integrating all pension pillars—statutory (I), occupational (II), and personal (III)—is the core requirement of any PTS. Only by consolidating all entitlements can citizens obtain a complete and reliable view of future retirement income. Although technically demanding, this is indispensable: without full coverage, the information would be fragmented and potentially misleading, undermining trust and usefulness. Rank 2 – Objectivity and governance Information must be impartial and not shaped by providers' interests. Standardisation is crucial to comparability and aggregation, ensuring citizens a single and reliable overview. A PTS must function as a public good, with governance based on independence, transparency, credibility, and a non-profit approach. A neutral operator should manage the system to guarantee neutrality and public trust. Rank 3 – Cost-effectiveness PTS should be free for citizens, but their funding must avoid indirect costs reducing benefits. Efficiency concerns both policymakers and participants. In MSs with established PTS, these already serve as the main source of information. This central role suggests reviewing disclosure rules, such as pre-contractual information and Pension Benefit Statements, to reduce duplication and compliance costs. Simplification should not weaken transparency: the goal is clearer and more efficient information. Rank 4 – Accessibility and security The system must be user-friendly, secure, and accessible to all. Simple login and intuitive navigation foster trust and repeated use. Yet accessibility must also be inclusive, since digital solutions risk excluding citizens with low digital literacy. The ETS, designed for mobile workers, will benefit from eIDAS 2.0 and the European Digital Identity Wallet (EUDI Wallet), allowing secure authentication across MSs with one identity. This will improve interoperability, security, and ease of use, supporting the ETS in offering a coherent European service.

Question 3. Which of the following elements should a pension tracking system cover?

Please rank options according to their importance, 1 being the most important, and 5 being the less important:

(Please see also the questions on transparency in sections 4. and 5.)

	1	2	3	4	5
Information from all schemes about past contributions and accrued entitlements	○	○	◉	○	○
Projected pension benefits at a set retirement age based on standard career assumptions	◉	○	○	○	○
Possibility to simulate pension entitlements under different scenarios of individual contributions, retirement age, investment allocations, and financial market developments (where relevant)	○	◉	○	○	○
Information about the options and the pay-out (net of taxes) a citizen can expect in case of early withdrawal	○	○	○	◉	○
Other	○	○	○	○	◉

Please specify to what other element(s) you refer in your answer to question 3:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Guidance and support. A well-designed PTS should also provide clear guidance and indicate where citizens can access more detailed or personalized information. Links to relevant institutions, providers, or integrated messaging channels can help users verify data, ask questions, or receive tailored advice. Such features not only improve usability but also strengthen trust in the accuracy and credibility of the system.

Please elaborate your answer to question 3:

5000 character(s) maximum

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All the features described below are necessary to make a PTS truly effective. The order chosen follows the same logic as before: starting from the elements with the highest level of difficulty and moving to those that are relatively easier to implement. This ranking does not imply that the latter are less important: levels 3 and 4 remain indispensable but should normally be achieved with less effort and cost. Rank 1 – Projected pension benefits A key feature of a PTS is the presentation of projected pension benefits at a standard retirement age, based on common career assumptions. Estimates should be displayed in a way that allows aggregation across schemes, giving users an overall view of what their future income might look like. Although projections inevitably rely on assumptions, they are essential for retirement planning, helping individuals evaluate whether their current trajectory is sufficient. Ideally, as it traditionally happens in the pension sector (Pension Tracking Systems or for the Pension Benefit Statement – PBS), systems should show three scenarios: • Best estimate (base case with average returns and inflation), • Optimistic case (favorable assumptions such as higher returns or wage growth), • Pessimistic case (weaker returns or career interruptions). This range of scenarios enables citizens to understand possible outcomes and prepares them to adapt their saving or career decisions if risks of a shortfall appear under less favorable conditions. Rank 2 – Simulation tools For more advanced users, simulation functions add value by allowing them to test alternative retirement paths–such as postponing retirement, changing contribution levels, or selecting different investment strategies (where relevant). These tools can foster better financial literacy and more active decision-making. However, introducing complex simulations can increase system costs and potentially make the PTS harder to use. It is therefore essential that such features are offered in a way that complements, rather than overshadows, the clarity and accessibility of the core information. Rank 3 – Accrued entitlements Every PTS must provide accurate data on accrued entitlements, as this forms the backbone of a clear and consolidated picture of pension rights across different schemes (Pillars I, II, and III). The focus should be on entitlements already earned, not on contributions paid in: showing contributions risks adding complexity and non-actionable information. What matters is that accrued entitlements are presented in a way that can be easily aggregated across schemes, so that users can grasp their total pension position in a coherent manner. Rank 4 – Early withdrawal options Where national systems allow it, citizens should also have access to information on early withdrawal possibilities and the corresponding pay-out. This enables them to understand the financial trade-offs involved in drawing pensions early. However, such information must be carefully framed, to avoid unintentionally encouraging premature withdrawals unless strictly necessary.

Question 4. What do you consider are the most difficult challenges in setting up a pension tracking system?

Please rank options according to their importance, 1 being the most important, and 6 being the less important:

	1	2	3	4	5	6
Data protection	○	○	○	○	◉	○
Accuracy and impartiality of data	◉	○	○	○	○	○
Access to the platform and presentation of the information	○	○	○	◉	○	○
Maintenance and governance of the platform	○	○	◉	○	○	○

Inter-operability with pension tracking systems across Member States	○	◉	○	○	○	○
Other	○	○	○	○	○	○

Please elaborate your answer to question 4:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Rank 1: One of the toughest hurdles in building a PTS lies in guaranteeing that pension data—whether statutory, occupational, or personal—is reliable, comprehensive, and unbiased. Rank 2: The next major obstacle is cross-border interoperability, which is particularly relevant in the EU, where mobility of workers is actively promoted. Beyond the differences in national approaches to calculating accrued rights or projecting pension entitlements—already a significant hurdle—the bigger problem today is that many Member States either do not yet participate in the ETS or do so only partially. In some cases, they provide access solely to first-pillar data, while withholding information from occupational or personal schemes. This leaves the platform incomplete and, in practice, of limited usefulness for mobile workers. Although the legal and technical barriers are real—particularly regarding cross-border data sharing and privacy safeguards (most legal systems were drafted without anticipating pension data exchange across borders. As a consequence, even when political will and technical readiness are in place, the absence of clear legal authorisation may block or slow participation)—the EU must ensure that all Member States join the ETS and commit to sharing comprehensive pension data. Participation should not be optional: the Union should require governments to take the necessary legal and administrative steps to make the system work effectively. Therefore, cross-border interoperability remains a major challenge, especially given the EU's emphasis on labour mobility. Workers with careers spanning several Member States often struggle to piece together their entitlements from different regimes. Without full integration of national PTSs, individuals are left with a fragmented and unreliable view of their future pensions. The ETS was designed as a federated solution, connecting national systems rather than replacing them, but progress so far has been limited. If fully implemented, the ETS could become a cornerstone for EU citizens with cross-border careers. Delivering on this vision, however, requires not only technical integration but also strong legal, political, and institutional support at the EU level. The European Commission has a central role to play and must continue pushing for broader participation and harmonised frameworks by recommending that Member States explicitly include a legal basis for PTS-to-PTS data exchange within the ETS framework whenever such systems are established. Rank 3: Sound governance and durable financing structures are vital for the sustainability of any PTS. Governance is sometimes treated as a secondary or administrative matter, yet weak oversight can jeopardize even well-designed platforms. The experience of successful systems in countries like the Netherlands, Belgium, France, or Sweden shows that once a governance model and operational framework are properly set up, the platform can run smoothly and at reasonable cost. This challenge concerns clarifying responsibilities, maintaining independence from commercial players, and deciding between public, private, or mixed funding approaches. Once defined, however, governance tends to remain relatively stable over time. Rank 4: Data alone will not ensure success: a PTS must also be user-friendly and understandable. If citizens cannot easily access the system or make sense of the information presented, the initiative will fail. Interfaces must therefore be designed to accommodate varying levels of digital literacy, combining simplicity with completeness. The aim is to avoid overwhelming users with excessive detail, while still providing all essential entitlements. Ultimately, accessibility and usability foster trust and engagement, but they depend on prior resolution of deeper challenges relating to data accuracy and system integration. Rank 5: Data protection, while crucial, is becoming easier to manage thanks to modern solutions such as strong encryption, secure identity verification (e.g. eIDAS, the EUDI Wallet), and frameworks based on user consent. Nevertheless, robust data governance is indispensable to guarantee GDPR compliance, prevent misuse, and preserve citizens' confidence. Security considerations should be built into the system architecture from the outset, given the sensitive nature of employment and financial data.

2. Pension dashboards

Pension dashboards show country-wide information on pensions with the objective to highlight gaps in sustainability and their adequacy at aggregate level, and to enable Member States to deploy necessary policy intervention. These can be a tool to create a political setting that allows for appropriate peer pressure to be exercised, so that Member States identify and address shortcomings at their level and are incentivised to learn from best practices.

The Commission and Member States are jointly producing and publishing data on pensions adequacy and their sustainability in the Pension adequacy report and in the Ageing report. EIOPA analysed data gaps and advised on steps to set up pension dashboards.

Question 5. Which elements do you consider useful to make pension dashboards an effective tool to monitor the performance of a Member States' pension system?

Please rank options according to their importance, 1 being the most important, and 5 being the less important:

	1	2	3	4	5
Detailed data about occupational and personal pensions, in addition to statutory pension	○	◉	○	○	○
Breakdown of pension data by different cohorts of the population (e.g. by gender, age, type of employment, economic sector, income, etc.)	○	○	◉	○	○
A forward-looking projection of pension adequacy and sustainability, based on transparent and robust assumptions.	◉	○	○	○	○
Consistent data and methodology across Member States to allow for comparisons	○	○	○	◉	○
Other elements	○	○	○	○	◉

Please specify to what other element(s) you refer in your answer to question 5:

5000 character(s) maximum

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Dashboards should be designed to be clear, intuitive, and attractive–usable not only by policymakers but also by researchers, journalists, and the broader public. Stability of indicators and formats over time is also key, so that users can track trends rather than facing a constantly changing set of variables. Finally, procedural safeguards–potentially including independent oversight by EU Fiscal Institutions under Council Directive 2011/85 and Regulation 473/2013–are necessary to guarantee reliability, enhance trust and avoid populistic pension reforms that might seriously undermine the public finances of some member states.

Please elaborate your answer to question 5:

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Pension dashboards can serve as powerful instruments to support national policymaking, particularly by providing evidence for pension reforms and by raising public awareness of how national systems are performing. Enhancing citizens' understanding of the actual state of pensions can also counter unrealistic promises–such as the prospect of significantly higher benefits or indefinitely delaying retirement–that are not grounded in serious macroeconomic or demographic realities. Ultimately, no system can remain adequate unless it is also financially sustainable. Much of the necessary information already exists in reports published by international and European institutions, such as the OECD, the European Commission, or the World Bank. Key examples include the Pension Adequacy Report, the Ageing Report, and the OECD's Pensions at a Glance, as well as national Pension Tracking Systems (PTS). These can provide a strong evidence base for developing dashboards. Still, to be credible, the data must be verifiable, underlying assumptions made explicit, and robust safeguards embedded in the process. Rank 1. Forward-looking projections on adequacy and sustainability, based on transparent assumptions Projections are crucial for anticipating structural challenges such as demographic ageing, evolving labour markets, or fiscal pressures. However, they should: • Rely on assumptions that are realistic, transparent, and adapted to national contexts; • Build on existing EU instruments–such as the Ageing Report and Pension Adequacy Report–which already offer peer-reviewed, long-term projections; • Be used as internal planning tools to inform debate, not as mechanisms for forcing policy convergence or ranking countries. Projections should contribute to shaping informed national discussions, rather than imposing uniform benchmarks. Rank 2. Inclusion of occupational and personal pensions alongside statutory schemes To provide a full and meaningful picture of both adequacy and sustainability, dashboards should reflect all three pillars of pension provision. This is particularly important in Member States where occupational and personal pensions account for a significant share of retirement income in the present or in the future. It would be particularly interesting, for example, to compare the average returns on investments of funded pensions across the EU member states, considering the still existing gaps among them. Or, again, the average management fees for those funded pensions across the EU member states, and their potential impacts on the final pension income. Rank 3. Disaggregated pension data by population groups Aggregate numbers often hide deep inequalities. For dashboards to support effective policymaking, data needs to be broken down by gender, age, type of employment, sector, or income level. This allows policymakers to identify vulnerable groups and design targeted measures. Particularly important are: • Age-based data to assess fairness between generations; • Gender-specific indicators to track pension gender gaps; • Employment and sectoral breakdowns to support the development of occupational pensions Rank 4. Consistent methodology across Member States Comparability requires harmonized definitions and methods. International reports have already demonstrated that such cross-country comparisons are possible and useful. While Member States should retain the right to refine or correct data they consider inaccurate, these sources nevertheless provide a solid baseline for comparability and exchange of best practices.

Question 6. Which dimensions of a pension system's performance do you find most meaningful?

Please rank options according to their importance, 1 being the most important, and 5 being the less important:

	1	2	3	4	5
Income replacement, i.e. the level of retirement income relative to work income now or in the future	○	◉	○	○	○

Pension sustainability, i.e. measured by its capacity to deliver a decent level of retirement income in the next decades in face of a declining working age population	◉	○	○	○	○
Contribution to poverty reduction and equality	○	○	○	◉	○
Fiscal costs now and in the future	○	○	◉	○	○
Other	○	○	○	○	◉

Please specify to what other dimension(s) you refer in your answer to question 6:

5000 character(s) maximum

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A number of other issues shape the effectiveness and legitimacy of pension systems. These include: • ensuring access for younger and atypical workers; • monitoring coverage rates across all three pillars as a condition for future adequacy; • addressing the persistent gender pension gap; • reinforcing stability, transparency, and long-term trust in pension institutions. CBBA-Europe stresses in particular the urgency of the intergenerational imbalance: today's younger cohorts are asked to bear the heavy financial burden of funding current retirees, while facing far lower prospects of adequate benefits themselves due to demographic constraints. This reality should be openly acknowledged and debated in society. In addition, too many atypical workers remain excluded from adequate coverage—not only from public schemes but also from occupational pensions, which in several countries or sectors do not even allow them to participate. With labour markets evolving rapidly, these gaps can no longer be ignored.

Please elaborate your answer to question 6:

5000 character(s) maximum

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The European Union has only limited powers in the area of pensions, yet there is undeniable added value in fostering greater data transparency, improving citizens' understanding, and enhancing policy coordination. Pension weaknesses in a single Member State can create wider macroeconomic and fiscal risks that inevitably spill over to others. Rank 1: Pension sustainability As previously underlined, long-term financial soundness is the foundation for any credible adequacy objective. A pension system that is fiscally unbalanced cannot guarantee decent benefits over time. The only viable path lies in a diversified, multi-pillar approach, combined with periodic reviews of retirement ages, contribution levels, and financing arrangements. Given demographic pressures, statutory pay-as-you-go systems are under strain, and younger generations should be encouraged to participate early in funded schemes, whether occupational or individual. Transparency about future liabilities and demographic shifts is indispensable, though sustainability analyses should not be used as a pretext for indiscriminate benefit cuts without taking social impacts into account. Rank 2: Income replacement One of the traditional missions of pension systems has been to safeguard people's standard of living in retirement compared with their earnings during working life. Today, however, this ambition may no longer be fully attainable, and the very concept of adequacy may need to evolve—perhaps focusing on ensuring a guaranteed minimum income to prevent poverty in old age. Any higher level of replacement would increasingly need to come from supplementary pensions, with occupational schemes playing a particularly important role where statutory benefits are modest. Dashboards must therefore capture the full pension landscape—including second and third pillars—to provide a realistic picture of adequacy. Rank 3: Fiscal costs Improving adequacy inevitably carries fiscal consequences. More generous benefits, reduced contribution thresholds, or expanded

coverage rules all imply higher spending. Rising life expectancy further intensifies these pressures, prompting many governments to push back retirement ages or adjust benefit indexation. Pension systems should thus be assessed not only for their adequacy but also for their short- and long-term budgetary impact. This requires taking into account: • fairness between generations; • the macroeconomic benefits of secure retirement incomes; • the delicate balance between adequacy, coverage, and fiscal effort. Making fiscal projections transparent, and embedding them in a clear governance framework, is vital for informed debate and political credibility. Ignoring long-term fiscal sustainability risks undermining national budgets and creating knock-on effects across the EU. Rank 4: Reducing poverty and inequality Pensions are more than just income replacement–they are central pillars of social protection. Preventing poverty in old age is a core responsibility of welfare systems. This requires addressing structural inequalities linked to gender, income, and employment patterns. Particular attention should be given to: • gender-sensitive measures that reduce lifetime disparities; • inclusion of part-time, self-employed, and non-standard workers; • recognition of unpaid care work, disproportionately carried out by women. Of course, pensions alone cannot deliver equality. Complementary policies–such as adequate minimum income schemes, healthcare, and social services–remain essential. Pension dashboards, however, should reflect the social dimension and the redistributive role of pensions.

3. Auto-enrolment

The consultation explores the role of auto-enrolment in the Union's strategy on supplementary pensions. The Commission commissioned a study on best practices and performance of auto-enrolment mechanisms for pension savings.

In particular, a question arises on whether Member States should encourage the use of auto-enrolment to nudge future pensioners in allocating part of their income (or savings) into a supplementary pension scheme.

The consultation also enquires about the approach that Member States could adopt to incentivise enrolment into supplementary pensions, to possibly identify best practices about factors that determine the effectiveness of auto-enrolment. This may involve examining various factors that can influence the success of auto-enrolment, such as the availability of default options, the cost-effectiveness of starting at earlier ages, the design of pay-in or pay-out phases, incentives for employers to facilitate the enrolment of their employees and the type of pension schemes used for auto-enrolment, including existing occupational pension schemes and other pension products used in the workplace context.

The initiative may also consider best practices as regards practical aspects such as the eligibility of schemes for auto-enrolment, the eligibility of workers/employees, the duties of employers or professional workers, the enrolment process, the opt-out, transparency, portability and safeguards for beneficiaries. The role of taxation could also be explored.

Question 7. What are in your views the key features for an auto-enrolment mechanism to be successful?

Please rank options according to their importance, 1 being the most important, and 8 being the less important:

	1	2	3	4	5	6	7	8
Provision of auto-enrolment administration facilities by the State	◉	○	○	○	○	○	○	○

Starting with low contribution rates for participants with their gradual escalation over time	○	○	◉	○	○	○	○	○
Duration and recurrence of opt-out windows and options for re-enrolment	○	○	○	◉	○	○	○	○
State incentives (e.g. tax or subsidies), with calibration based on income categories	○	◉	○	○	○	○	○	○
Preservation of statutory pension benefits and sustainability	○	○	○	○	○	○	◉	○
Full or partial early withdrawal of pension benefits (subject to penalty, where relevant)	○	○	○	○	◉	○	○	○
Involvement of social partners in its design	○	○	○	○	○	◉	○	○
Other	○	○	○	○	○	○	○	○

Please specify to what other key feature(s) you refer in your answer to question 7:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

It is not easy to rank the key features that make an auto-enrolment (AE) system successful. A first element to assess is the “room for manoeuvre” of workers and employers to afford supplementary contributions. This depends largely on how much they already contribute to statutory PAYG schemes.

Please elaborate your answer to question 7:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Public administrative support is normally needed at the outset to launch AE. Equally, a default fund–similar to the UK’s NEST–could provide a low-cost, large-scale vehicle for SMEs, atypical workers, and sectors with weak collective bargaining (Rank 1). Even if not necessary everywhere, such an option should always be carefully considered before rolling out AE. State incentives–especially tax relief–are also essential (Rank 2). While all Member States already provide some support for private pensions, incentives remain crucial to attract workers and small firms that would otherwise never join voluntarily. International experience confirms that AE, combined with targeted incentives, has proved behaviourally effective in encouraging long-term savings. Drawing on the UK (and the soon-to-be-launched Irish model), contribution levels should start low to avoid an immediate burden on wages and company budgets, then increase gradually as workers see the added value of participation (Rank 3). Whether contributions fall more on employees or employers will vary across countries. Opt-out provisions are, of course, necessary to safeguard freedom of choice (Rank 4). Still, they must be carefully framed–for instance, through limited opt-out windows and periodic re-enrolment–to preserve the effectiveness of AE. A limited degree of flexibility, such as tightly regulated early or partial withdrawals, could also build trust (Rank 5). Allowing workers to access savings in exceptional cases (job loss, housing purchase, severe hardship) may reassure them and increase participation. Portability mechanisms are equally vital, enabling workers and firms to move to another provider offering better returns or lower costs. AE should foster

competition among providers, with the caveat that mandatory sectoral funds, where they exist, would naturally remain outside this competitive market. The role of social partners is also decisive (Rank 6). In countries with strong collective bargaining, participation in occupational pensions is higher. Yet not all sectors are equally unionised, and not all Member States have strong traditions of social dialogue. AE should therefore be mandated by law to ensure universal coverage, possibly supported by a public default fund. Finally, AE must fit coherently within the statutory pension system (Rank 7). In principle it should complement PAYG, though—where macroeconomic conditions allow—part of workers' contributions (especially for younger cohorts) could be redirected from PAYG to funded accounts. This would help younger generations build capitalised savings early, while partially reducing reliance on strained PAYG schemes. However, such a diversion of contributions creates a temporary PAYG deficit, which would need to be offset by the state budget during the transition. In addition, funded contributions would require further top-ups beyond what is redirected. This model was previously used in Lithuania before the 2019 reform. In several AE systems, moreover, the state itself contributes a small additional amount to the funded pension, which remains another option to be evaluated in light of each country's pension landscape.

Question 8. In your opinion, what should be the features that the default pension plan(s) should have to be successful?

Please rank options according to their importance, 1 being the most important, and 6 being the less important:

	1	2	3	4	5	6
Life-cycle asset allocation (more prudent as the retirement date approaches)	◉	○	○	○	○	○
Option to shift pension plan and risk profile at a later stage (in addition to opt out)	○	○	◉	○	○	○
Minimum contribution, with the option to increase it at later stage	○	◉	○	○	○	○
Capital guarantee, despite expected lower return compared to solutions without that guarantee	○	○	○	○	◉	○
Sufficient scope of target population, to ensure cost effectiveness and investment diversification capability of the default fund(s)	○	○	○	◉	○	○
Other	○	○	○	○	○	○

Please elaborate your answer to question 8:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Rank 1: Life cycle asset allocation. For default pension schemes to work effectively, they should be built around a life-cycle investment approach. This means starting with growth-oriented assets during the early saving years and then gradually moving toward safer, more conservative investments as retirement draws closer. This model—often implemented through target-date funds—is widely considered international best practice and has already proven successful in countries such as Sweden, the Netherlands, and the UK. It allows for long-term

growth while also protecting accumulated savings, ensuring that participants, especially those with limited financial expertise, are shielded from excessive risk as they age. Rank 2: Minimum contribution. A minimum contribution rate is necessary to secure even a modest level of pension adequacy. Ideally, contributions should rise over time, with automatic escalation mechanisms nudging workers to increase savings progressively. Default funds must also be inclusive, covering diverse forms of employment—part-time, self-employed, platform and gig workers. Broad participation not only enhances fairness but also helps reduce costs, expand investment diversification, and achieve economies of scale, which is particularly important in smaller Member States or in centrally managed systems. Rank 3: Option to shift pension plan and risk profile at a later stage (in addition to opt out). Some flexibility should be preserved by allowing savers to adjust their risk profile or switch plans if their circumstances change, though in reality most participants will remain in the default option. As stated in the previous answer, possibilities to shift and opt out, should be definitely offered, but somehow limited and well explained to the pension plan's members. Transparency on costs, with clear and low fee structures, is another essential feature. Rank 4: Sufficient scope of target population. Another key factor is the size and scope of the participant base. Default funds need to reach a sufficiently large share of workers and employers to be cost-effective and well-diversified. In countries where the existing pension market does not cover enough people—such as low-paid employees or micro-enterprises, which risk being excluded from auto-enrolment because of costs—a large state-supported default fund can be a pragmatic solution. The UK's NEST fund is a good example: state co-financing of administrative costs makes it accessible while also generating economies of scale that improve returns and efficiency. Rank 5: Capital guarantees can, in some contexts, help build trust—particularly in countries with low financial literacy or where funded pensions are new, such as parts of Southern and Eastern Europe. However, they come with significant trade-offs: they raise costs, lower expected returns, and often mislead savers into believing they are safer than they are. Guarantees may feel reassuring but, for long-term retirement saving, they undermine wealth accumulation. For this reason, they should not be the primary default option. CBBA-Europe has underlined that this design flaw was evident in the Basic PEPP, which included a form of capital guarantee (or risk-mitigation mechanism to ensure savers can recoup their contributions) despite its inefficiency in delivering optimal returns.

Question 9. In your opinion, who should have the responsibility to establish the default pension plan that eligible participants should enroll in?

- (●) The legislator
- ( ) The social partners, where applicable
- ( ) The employer
- ( ) Other
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 9:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The primary responsibility for creating a default pension fund should rest with national lawmakers. Entrusting this task to the legislator guarantees coherence, legal certainty, and transparency, while ensuring that the system is designed to cover the widest possible range of workers, including low-income workers, micro and small-medium companies, the self-employed, platform workers, and those with mobile careers. A legislator-led approach also makes it possible to embed safeguards around adequacy, fairness, and efficiency. National law can determine the overall structure of the scheme, designate eligible providers—whether public or private—and

set out the governance rules, including fiduciary obligations, supervisory oversight, and limits on fees. Clear provisions on transparency, portability, and consumer protection are equally vital to secure trust and ensure the system is well adapted to labour market realities. Beyond establishing the framework, the legislator could also play a more direct role by supporting a public default fund like the UK's NEST, or by covering part of the administrative costs. This would reduce the burden on workers and small businesses, while allowing the fund to operate at scale and deliver cost-effective pension savings. The legislator should also assure a fair and decent competition between the pension funds operating in the AE market. In case of foreigner open multi-employer pension funds carrying on cross border activities in that member state, the legislator should also take into consideration to allow them to compete with the national pension funds in order to enrich the competition and optimize the market's offer. Employers and social partners should also retain the possibility of setting up their own pension arrangements, provided these comply with the national rules and safeguards. In this way, the system combines a robust public backbone with room for diversity and innovation at sectoral or company level.

Question 10. In your opinion, what measures shall be adopted to ensure equal opportunities for self-employed and employees not covered by auto-enrolment?

- (●) Granting of equivalent tax incentives or other subsidies to participate in private pension plans
- ( ) Granting of equivalent tax incentives or other subsidies to participate in in general default occupational pension plans only
- ( ) Other
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 10:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

To place self-employed individuals and workers outside occupational pension coverage on an equal footing, Member States should provide them with financial incentives comparable to those available under auto-enrolment. These could take the form of tax relief, matching contributions, or direct state subsidies. Such measures are crucial, since freelancers, gig workers, and other atypical workers are too often excluded from occupational schemes, creating long-term inequalities in retirement outcomes. Closing this incentive gap is therefore essential to strengthen adequacy, promote social inclusion and solidarity, and advance the EU's broader objectives of reducing old-age poverty and narrowing gender-based pension disparities. Participation should be channeled through regulated private pension vehicles—such as third-pillar arrangements, the Pan-European Personal Pension Product (PEPP), or other authorised schemes—which could serve as default options for those without access to employer-sponsored funds. With specific reference to the PEPP, it should naturally benefit from the same tax advantages granted to national products. Where this is not yet the case, Member States should align their tax treatment to ensure a level playing field for PEPPs operating in their jurisdictions. The more competition is opened and encouraged, the richer the supply of quality products will become for these categories of workers. Furthermore, applying consistent tax advantages across all forms of enrolment, whether automatic or voluntary, would help create a level playing field and encourage wider participation among diverse categories of workers.

Question 11. What is in your view the task of the public authorities in enabling the use of auto-enrolment?

Please rank options according to their importance, 1 being the most important, and 7 being the less important:

(Please see also the question on PEPP in a workplace context below)

	1	2	3	4	5	6	7
To set the relevant legal framework	◉	○	○	○	○	○	○
To provide detailed guidance to employers and other bodies	○	○	○	○	○	◉	○
To provide tax incentives or public subsidies to the target population	○	○	○	○	◉	○	○
To provide tax incentives or compensation for employers or other bodies that administer enrolment, contributions and pay-outs	○	○	○	◉	○	○	○
To provide administrative support	○	◉	○	○	○	○	○
To provide comprehensive and impartial information to the target population	○	○	◉	○	○	○	○
Others	○	○	○	○	○	○	◉

Please specify to what other task(s) you refer in your answer to question 11:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Public authorities should ensure proper enforcement through proportionate supervision, enable portability of pension entitlements across sectors and borders, and carry out regular evaluations backed by transparent data collection. While the division of responsibilities may vary between Member States, coordinated action across all these areas is key to building trust, fostering participation, and ensuring the long-term sustainability of auto-enrolment systems.

Please elaborate your answer to question 11:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

This ranking is not easy to establish, as most of the tasks described appear essential, if not indispensable. It therefore seems somewhat artificial to prioritize certain actions over others. Rank 1: Public authorities have a multi-faceted role in making auto-enrolment effective, starting with the creation of a solid legal framework. This is the cornerstone for legitimacy, consistency, and proper alignment with national pension systems, labor laws,

and consumer protection standards. Rank 2: To ease administrative burdens and improve inclusiveness, governments should provide tax relief or compensatory measures and invest in centralized digital platforms that simplify enrolment and contribution processes. Rank 3: Equally important is the provision of clear, impartial, and comprehensive information in accessible and multilingual formats. This is particularly relevant in Member States with low levels of financial literacy or significant migrant worker populations. In particular, it will be essential to educate and inform people about the importance of staying enrolled in a pension fund throughout their working life, in order to discourage opt-outs as much as possible. Rank 4: Since employers play a central role in co-financing and, to some extent, administering their employees' pension contributions, they should be compensated through tax incentives or other forms of relief. Where these administrative functions are delegated to other entities (such as specialized agencies handling contributions and pay-outs), the same treatment should apply. This condition is generally regarded as both fundamental and, in practice, a standard feature of any auto-enrolment system. Rank 5: Public authorities should also provide direct financial incentives or subsidies to encourage participation, particularly among low- and middle-income workers and those in non-standard forms of employment. Offering tax incentives or subsidies is considered essential—especially since such measures are already present in all EU Member States, irrespective of whether they operate an auto-enrolment system. For this reason, this requirement is seen as an assumed baseline, even more so in the context of auto-enrolment. Rank 6: Another priority is supporting employers, particularly SMEs and sectors with limited pension expertise. Tailored guidance and practical support are crucial to ensure they can implement auto-enrolment effectively.

4. Review of the PEPP Regulation

Since its launch, the PEPP has not experienced material uptake across the EU. According to an EIOPA staff paper published in 2024, several issues were identified to justify the poor uptake: the level and structure of the fee cap on PEPP distribution, as well as Member States inaction on implementing national provisions, and the less advantageous tax regimes of PEPP vis-à-vis other national personal pension products. EIOPA also made suggestions on ways to improve PEPP uptake, including combining occupational and personal PEPP in a single pension product, reducing administrative burdens, and introducing auto-enrolment in the PEPP.

This consultation aims to collect information on whether the PEPP Regulation shall be reviewed to introduce a streamlined and accessible default option (the "Basic PEPP") to complement existing Member States' pay-as-you-go and occupational pension systems. In particular, it explores whether the appeal and usability of the PEPP could be improved by simplifying product features, facilitating digital onboarding, ensuring cost-effectiveness, and removing barriers to participation across the European Union. Views are also sought on whether additional investment options shall continue to be offered in addition to the Basic PEPP.

The current PEPP requires distribution to be subject to an individual suitability test. While the Basic PEPP can include life-cycling strategies - which entail a dynamic asset allocation for different age cohorts of pension members as a function of the distance to the retirement date (i.e. becoming more prudent as the retirement age approaches) –, these strategies are not necessarily required by the Regulation, which allows for alternative risk mitigation techniques. The consultation explores whether the Basic PEPP can be designed as a non-complex lifecycle product that incorporates suitability factors, such as risk appetite and investment horizon, directly into its structure, easy to understand and therefore to be offered also without investment advice, enabling distribution on an execution-only basis with lower costs.

The consultation also explores PEPP's potential role as a default option for workplace auto-enrolment schemes. The aim will be to ensure that the Basic PEPP could be distributed through any channel, including auto-enrolment and digital channels.

This consultation also invites views on the adequacy of information and comparability requirements and the impact of the 2017 Commission recommendations on the tax treatment of personal pension products, including the PEPP.

Stakeholders are also encouraged to raise any additional issues that could contribute to the successful scale-up of the PEPP.

Basic PEPP

Under the PEPP Regulation, advice should be given to prospective PEPP savers by PEPP providers or PEPP distributors prior to the conclusion of the PEPP contract, including for the Basic PEPP. This requirement aims to ensure consumer protection but also adds to the costs of the product. In addition, according to the OECD recommendation for the good design of defined contribution pension plans, "*life cycle investment strategies can be well suited to encourage members to take on some investment risk when young, and to mitigate the impact of extreme negative outcomes when close to retirement*".

Question 12. In your view, does the current structure of the Basic PEPP allow for wide uptake by savers across the European Union, helping to ensure adequate income in retirement while also contributing meaningfully to the objectives of the savings and investments union?

- ○ Yes
- ◉ No
- ○ Don't know / no opinion / not applicable

Please elaborate your answer to question 12, specifying what changes, if any, would be necessary to enhance the attractiveness of the Basic PEPP for both providers and savers:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As a preliminary comment, it should be noted that the PEPP (not only its basic version) has so far failed to gain traction because, in many Member States, the product is simply not welcomed. On the side of national authorities, this can be seen in the significant delays in adopting the necessary implementing legislation, the extraordinary difficulties faced by some providers in obtaining authorization to launch PEPPs in their countries, and the persistent tax discrimination between domestic PPPs and PEPPs. This was also confirmed by the 2024 OPSG position paper on the PEPP. From the perspective of local providers, in many cases the product is seen as unattractive compared with national alternatives, which are far more profitable; in some markets, it is even regarded as a direct threat, should foreign PEPP providers enter and compete. Unless the European Union (in particular the Commission and EIOPA) closely monitors how Member States discourage the uptake of PEPPs–thereby breaching both the Regulation and the EU's internal market rules–the PEPP, even in a reformed version, will continue to face serious obstacles to its take-off. The 1% fee cap for the basic PEPP, as it is structured today, definitely represents a significant obstacle for providers. In fact, it cannot be said that the current fee cap is inherently unattainable. The real issue is that such a restriction, which also includes the underlying instruments TER and VAT charges, together with the mandatory advice, –although very advantageous for consumers–makes the product insufficiently attractive for many individual pension providers, leading them to disregard the PEPP altogether. Over time, it is expected that competition and market dynamics

could gradually help to bring down administrative costs. For now, however, the priority is to generate and nurture genuine “market appetite” among potential providers. The obligation to provide personalized advice for the Basic PEPP substantially increases the cost of the product. Since this advice must be delivered within the 1% fee cap also when it is rendered by individuals in face to face meetings with clients, the requirement makes the Basic PEPP even less attractive to providers. Technically, it is not impossible to fit personalized advice within that 1% threshold—for example, through the use of robo-advice, the cost could be managed. However, many providers consider the involvement of a human advisor, distributor, or broker (through face to face meetings with clients) to be far more effective in selling a pension product, but this obviously comes with higher costs. Moreover, even if mandatory advice could theoretically be delivered within the 1% fee cap including the underlying instruments TER, VAT charges, together with the (in-person) mandatory advice, the margin would remain far less favorable compared to distributing traditional domestic pension products, leaving the Basic PEPP unattractive once again. Finally, given the characteristics of the Basic PEPP, such advice is not always strictly necessary. The risk-mitigation techniques aimed at ensuring capital recoup are currently regulated by requiring stochastic modelling and the probability of recovering at least 92.5% of the capital for the Basic PEPP. Such obligation to rely on a stochastic model raises costs for providers and, being mandated by regulation, constitutes a serious limitation to operating sustainably under optimal market conditions, placing significant constraints on long-term growth-oriented investments. Moreover, as also highlighted by this question, the Basic PEPP may, but does not necessarily, include a life-cycle investment strategy, since its main focus is on capital guarantees or capital recoup. This approach appears misguided: as already noted in relation to the questions on the best default options under auto-enrolment, the most effective solution should not be centred on guarantees, but rather on achieving reasonably higher returns during the accumulation phase—through well-designed life-cycle strategies tailored to the saver’s profile and age progression. It is therefore proposed to reform the Regulation by ensuring that capital guarantee or capital recoup options remain available, but without designating them as the default option for the Basic PEPP.

Question 13. Do you consider that the Basic PEPP should necessarily be designed with a built-in lifecycle investment strategy, as a standard feature of the product?

- (●) Yes
- ( ) No
- ( ) Don’t know / no opinion / not applicable

Please elaborate your answer to question 13, considering whether other risk mitigation techniques should also be considered as a standard feature of the Basic PEPP and why:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Yes, CBBA-Europe believes that the Basic PEPP should adopt a built-in lifecycle investment strategy as the standard default option. Lifecycle strategies are widely recognised—by institutions such as the OECD and EIOPA—as effective, intuitive, and well-tested tools for managing risk over time. They automatically adjust asset allocation from higher-risk to lower-risk assets as the saver approaches retirement age, striking a balance between long-term growth and capital preservation. This makes them particularly suitable for the majority of savers, who are often unwilling or unable to make complex investment choices. A lifecycle approach provides a

simple, reassuring, “hands-off” solution that still delivers appropriate long-term returns, thereby fostering confidence and broader uptake—especially among first-time or risk-averse savers. In addition, lifecycle design embeds suitability factors such as time horizon and risk appetite directly into the product, enabling execution-only distribution. This facilitates digital and low-cost provision, makes the Basic PEPP scalable and easily comparable across providers, and supports transparency for consumers. At the same time, CBBA-Europe stresses that lifecycle strategies should be freed from the current regulatory constraints linked to “risk-mitigation techniques” and stochastic modelling. Today’s Level 2 rules, requiring a 92.5% probability of capital recoup calculated through stochastic models, in practice enforce a quasi-guarantee. This restricts exposure to long-term growth investments, suppresses potential returns, and imposes costly and technically uncertain obligations on providers—ultimately making the Basic PEPP less attractive for both providers and savers. Many jurisdictions have successfully implemented lifecycle defaults without such requirements, achieving sound protection and adequacy without unnecessary complexity. Alternative options offering capital protection should remain available—mandatory where the provider is not an insurer—but should not serve as the default. What matters is transparent communication on the risks and opportunities of each option, so that savers can make free and responsible choices. Ultimately, reforming the Basic PEPP framework to make lifecycle strategies the true and unconstrained default would simplify regulation, increase its attractiveness for providers, strengthen consumer protection, and deliver better long-term outcomes. Finally, it would also mobilize household savings towards more productive assets, supporting the development of the European Savings and Investments Union.

Question 14. Do you consider that the Basic PEPP should be designed in a way that it can be offered also on an execution-only basis (i.e. without requiring investment advice)?

- (●) Yes
- ( ) No
- ( ) Don’t know / no opinion / not applicable

Question 14.1 What additional design features could support or facilitate the distribution of the Basic PEPP on an execution-only basis

Please elaborate your answer:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Yes, CBBA-Europe considers that the Basic PEPP should be designed in a way that allows it to be offered on an execution-only basis, without requiring mandatory investment advice. The Basic PEPP is, by definition, a simple and safe pension product, already subject to ex-ante scrutiny by both the manufacturer and the competent supervisory authority. It also embeds important safeguards—such as a capped fee, long-term orientation, and the possibility of a default lifecycle strategy—making it suitable for savers who may lack financial expertise but still wish to benefit from disciplined retirement savings. In this context, compulsory advice creates unnecessary costs, reduces scalability, and undermines the product’s affordability, particularly in digital channels and workplace settings. To further facilitate execution-only distribution, CBBA-Europe recommends simplifying the requirements of Article 34 of the PEPP Regulation, so that providers can rely on affordable digital tools—such as online calculators and standardised, pre-approved documentation from the registration phase. Making full use of such scalable technologies would lower costs for both providers and consumers,

while improving accessibility and comparability across providers. By embedding suitability factors (such as time horizon and risk appetite) directly into the product design, the Basic PEPP can be safely distributed without personalised advice, while still ensuring consumer protection.

Question 14.2 Do you consider that there would be value in linking such distribution to a condition that contributions remain within the nationally applicable tax-deductible limits?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 14.2:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe recognizes that contributions should remain tax-deductible at least up to the ceilings applied to comparable national pension products. Beyond those limits, Member States should retain flexibility: they may prohibit further contributions, allow them without tax relief, or require advice for contributions exceeding the maximum deductible threshold. What is crucial, however, is that PEPPs must never be treated less favorably than national PPPs in terms of tax incentives: a problem that continues to undermine the Regulation's effectiveness in several Member States and which the EU should urgently address. Should execution-only not be explicitly permitted for equivalent national products in certain jurisdictions (though we are not aware of such cases), the PEPP should respect those national rules in order not to create conflicts with domestic regulation and a disparity of treatment that some member states might easily oppose, when approving the new revised Regulation at the Council of the European Europe. In any case, execution-only distribution should not be made conditional on the fiscal regime alone, as this could significantly reduce the utility of the PEPP in Member States where deductible limits are low or even non-existent. The overarching principle should remain tax non-discrimination and a level playing field between PEPPs and national pension products.

Question 15. Do you consider it is useful to maintain the availability of alternative investment options, in addition to the Basic PEPP?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 15:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe believes it is useful to maintain the availability of alternative investment options in addition to the Basic PEPP. The Basic PEPP should remain the default, standardized option, designed around a life-cycle strategy and without the current (kind of) guarantees conceived through the aforementioned "risk-mitigation

techniques". That said, an alternative option based on guaranteed (through an insured capital) or quasi-guaranteed option (through the risk-mitigation techniques) should always remain available for PEPP users among the alternatives. Beyond this, additional alternatives could include portfolios with a strong ESG focus, higher-risk strategies for younger savers, or broader investment exposures, including to alternative assets such as infrastructure. These additional options can support greater alignment with employer matching schemes. Removing the limit would also make it possible to introduce employer-matching schemes, an essential enhancement. Apart from the Basic PEPP (life-cycle) and the alternative options offering guarantees or quasi-guarantees on the capital invested always made available for PEPP users, the other options should not be defined by the Regulation. When it comes to employer contributions, CBBA-Europe also sees value in allowing a simple PEPP (still a personal pension, not yet an occupational scheme) to align with such schemes, since in some jurisdictions employer contributions may be granted with fiscal incentives. This would enhance the PEPP' s appeal and functionality in those national contexts. However, it should be stressed that this remains distinct from a true occupational PEPP (O-PEPP), which CBBA-Europe considers a separate product fully comparable to an occupational pension fund, and on which further remarks will be developed in the following response. Finally, CBBA-Europe underlines that what matters is not the numerical limit of alternative options, but rather that they remain clear, transparent, and well-delineated from the Basic PEPP, and the other two alternative options offering guarantees or quasi-guarantees on the capital invested made available for PEPP users. Savers should only opt into them after affirming their understanding of the risks and features. In this way, flexibility for providers can coexist with comparability and consumer protection.

Question 15.1 Should such options be defined?

- ○ Yes
- ◉ No
- ○ Don't know / no opinion / not applicable

Sub-accounts

Under the PEPP Regulation, PEPP providers should offer national sub-accounts, each of them accommodating personal pension product features allowing that contributions to the PEPP or out-payments qualify for incentives if available in the Member States in relation to which a sub-account is made available by the PEPP provider. Importantly, PEPP providers are required to offer sub-accounts for at least two Member States upon request.

Question 16. In your view, does the sub-account structure align effectively with the specificities inherent in a cross-border product, including how Member States grant tax or other relevant incentives for personal pension products?

- ◉ Yes
- ○ No
- ○ Don't know / no opinion / not applicable

Please elaborate your answer to question 16:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe agrees that the sub-account structure is well aligned with the specificities of a cross-border product, as it allows for the accommodation of different national tax treatments, retirement ages, and payout conditions. It is, however, important to recognise the challenges it presents both politically and operationally. From a political perspective, there remain serious concerns that some Member States may not facilitate the operation of PEPPs within their jurisdictions, nor grant them the same tax and/or other relevant incentives as those available to national personal pension products. Such behaviour would undermine the PEPP Regulation and the functioning of the Single Market. In this scenario, both the European Commission and EIOPA should remain highly vigilant to ensure that the cross-border activities of PEPPs are not weakened by discriminatory national practices. From an operational perspective, while the sub-account structure is necessary to reflect national tax and retirement provisions, it presents a significant administrative burden and cost, particularly in the absence of harmonized guidance across Member States. LifeGoals, member of CBBA-Europe, and other providers recognize the importance of the national sub-accounts' approach approach, but also highlight its complexity and inefficiencies. To improve alignment with the objectives of a cross-border PEPP, we propose the following enhancements: • An EU-level registry of national tax and retirement parameters, maintained by EIOPA in coordination with Member States' tax and pension authorities. This registry should provide up-to-date, official information on tax deductibility, retirement ages, payout conditions, and applicable penalties for early withdrawal. • Clear, harmonized definitions of key terms (e.g. retirement age, early access, contribution ceilings) to reduce interpretation differences and legal uncertainty across jurisdictions. • Dynamic digital disclosures, allowing savers to access a unified dashboard. While the PEPP Regulation requires separate treatment of funds accumulated in different Member States, these sub-accounts can be logically managed and presented in an integrated way. The system would automatically display jurisdiction-specific information — such as projected retirement age, tax benefits, and payout rules — without fragmenting the saver's experience. CBBA-Europe and its members emphasize the need for EIOPA and the European Commission to work closely with national tax departments to clarify requirements for each Member State sub-account and to issue ongoing, standardized guidance for providers. It is currently too costly and legally uncertain for providers to independently obtain and continuously update this information across all EU jurisdictions. In conclusion, maintaining the sub-account framework is appropriate and necessary, but it must be supported through centralized infrastructure, harmonized definitions, dynamic disclosures, and strict vigilance against national discrimination. Only under these conditions will the sub-account structure both preserve the regulatory intent of the PEPP and enhance efficiency, transparency, and scalability for providers and savers across Europe.

Question 17. Do you consider the requirement for PEPP providers to offer sub-accounts for at least two Member States is necessary to foster cross-border provision of PEPPs?

- ○ Yes
- ◉ No
- ○ Don't know / no opinion / not applicable

Please elaborate your answer to question 17:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The true added value of the PEPP lies in its cross-border nature, and this feature should never be lost. CBBA-Europe is strongly opposed to the idea of the PEPP becoming merely a European "label" for national pension

products. It is worth recalling that, even today, Europe lacks rules enabling the portability of either occupational or personal pensions. The PEPP is therefore valuable precisely because it offers a portable pension vehicle for mobile citizens who live and work in multiple Member States. Portability between sub-accounts must be maintained and promoted, as it represents one of the PEPP's main value-added features, distinguishing it from all other existing pension products in Europe. Against this background, CBBA-Europe does not consider it necessary for a PEPP provider to be obliged to open sub-accounts in at least two Member States. A provider could legitimately design a PEPP targeting only one foreign market — for instance, to serve clients who move between two neighbouring countries, or where there are strong economic or linguistic ties. Similarly, a provider might simply find a single foreign jurisdiction other than its home country particularly attractive for business reasons. For this reason, CBBA-Europe remains favorable to the idea of requiring at least one foreign sub-account, but not necessarily two. To avoid discouraging new entrants, the deadline for opening the first additional sub-account could reasonably be extended by one or two years compared to what is currently foreseen in the Regulation. This additional time and flexibility would help smaller providers and encourage broader adoption — a point that reflects concerns already raised about the current rule acting as a barrier to market entry. Requiring two sub-accounts from the outset increases operational complexity and cost, which can discourage prospective providers and limit the uptake of PEPPs. At the same time, CBBA-Europe stresses that even a PEPP offered only within one jurisdiction still brings significant value through its EU-level branding, its standardised features, and its strong consumer protection framework. Removing the rigid two sub-account requirement would broaden adoption, help establish a larger and more competitive market, and gradually create the conditions for genuine cross-border provision. With regard to consumer mobility, the Regulation already allows savers to switch providers if their existing PEPP does not support the destination country in case of relocation. This mechanism helps preserve portability without imposing an undue burden on providers. Article 20(5)(b), which permits savers to continue contributing to their previous country's sub-account after moving, is itself difficult to implement in practice, especially due to tax treatment: the new country of residence would, in theory, have to grant tax incentives even though no sub-account exists locally. Interim solutions may nevertheless be acceptable in some cases: for instance, a saver might accept temporary non-deductibility for a short period until returning to a country where a sub-account exists, or relocate to another Member State where the same PEPP has a sub-account. Alternatively, the saver might wait until a new PEPP is launched by another provider in their new country of residence and then transfer their accumulated savings. In conclusion, CBBA-Europe believes that the requirement of two sub-accounts is excessive and risks acting as a barrier to entry. Instead, providers should be required to open at least one foreign sub-account, with more time and flexibility to comply. This would maintain the cross-border identity of the PEPP while reducing costs and administrative burdens for providers, preserving consumer protection, and ultimately fostering wider uptake across the EU.

Question 17.1 Should the Regulation ensure that savers have access to a PEPP from any PEPP provider, regardless of their Member State of residence and without requiring a sub-account to be available in that Member State?

- ○ Yes
- ◉ No
- ○ Don't know / no opinion / not applicable

Please elaborate your answer to question 17.1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe believes this option is not realistic. Without a link to the local tax, legal, and social framework, the consumer could be left exposed in terms of tax alignment, regulatory compliance, consumer protection, and operational feasibility. While the principle of universal access sounds appealing, in practice it would generate serious uncertainties about the application of tax incentives, reporting of contributions, and payout management. Such uncertainty would create heavy compliance burdens and could even discourage providers from offering PEPPs cross-border.

Fee cap

Under the PEPP Regulation, the Basic PEPP is subject to a fee cap set at 1% of the accumulated capital per year, covering most of the costs and fees. This cap is intended to ensure affordability and comparability across the EU market while safeguarding consumer interests. However, it also raises questions about the ability of PEPP providers to deliver long-term value and innovate within this constraint, particularly in light of differing cost structures and market conditions across Member States.

Question 18. Do you consider that the Basic PEPP should continue to be subject to a 1% fee cap?

- ○ Yes
- ◉ No
- ○ Don't know / no opinion / not applicable

Please elaborate your answer to question 18:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe supports maintaining a fee cap as a core consumer protection measure. However, in its current all-inclusive formulation, the 1% cap represents a significant obstacle and must be revised. While this requirement may appear ideal for consumers, in practice it discourages providers, since national personal pension products (PPPs) — not subject to such a cap — will always remain more attractive. A key issue is scope. The 1% cap should apply only to provider-level fees, excluding: VAT: VAT is a consumption tax outside the provider's control and varies by Member State (e.g. 17% in Luxembourg, 19% in Germany, 27% in Hungary). By including VAT in the cap, providers subject to VAT are penalised, with their net revenue reduced to ~0.79-0.85%, while exempt providers can retain the full 1%. This distorts competition and undermines the level playing field the PEPP was intended to create. Third-party investment costs (TERs): Underlying fund costs should be transparently disclosed, but not counted towards the cap. This principle is already applied under MiFID II and PRIIPs. In particular, where costs arise from mandatory requirements (e.g. regulated face-to-face advice or tied-agent fees), they should be ideally borne directly by the client and not absorbed by the provider within the 1%. And in case such services remain within scope, the cap should at least be calculated net of applicable taxes. The combination of set-up costs, VAT, TERs, distribution, in-person advice, and marketing creates a serious barrier to market appetite. This problem is compounded by the fact that the PEPP is currently an individual product, typically marketed directly to individuals, which prevents the economies of scale that occupational pensions enjoy. For occupational funds, one agreement with a sponsoring undertaking can enrol an entire workforce at once; for the PEPP, acquisition is slower and costlier. While digital channels and robo-advice can reduce costs — as demonstrated by Finax and LifeGoals — traditional distribution through human advisers remains more effective for pension products, particularly for a new and unfamiliar product like the PEPP. Yet such channels are inherently more expensive. For these reasons, CBBA-Europe does not advocate

eliminating the fee cap altogether, as suggested in EIOPA's 2024 staff paper. Rather, the cap must be reformed: it should remain more advantageous for consumers than national products, but also stimulate legitimate interest from providers to create and distribute it. Transparency and consumer protection can still be ensured via disclosures in the PEPP KID and Benefit Statement, which should present the total costs (including VAT and TERs) while excluding them from the cap calculation for providers. Ultimately, the PEPP is a commercial product, to be offered by profit-oriented entities. If it is made unattractive to providers by focusing exclusively on consumer benefits without recognizing providers' legitimate interests, it will never truly take off — and consumers will never have the chance to enjoy its advantages. A reformed, more proportionate fee cap would preserve affordability and transparency for savers, while enabling wider provider participation, competition with PPPs, and the virtuous dynamics of greater supply, consumer awareness, and progressively lower costs. Digital distribution will reinforce this process over time, though it will take several years before becoming mainstream in the pensions market.

Question 18.1 What alternative measures would you propose to keep the cost of the Basic PEPP at affordable levels?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

This question was already partially answered above: - to remove from the fee-cap the VAT, TERs costs; - to split the mandatory advice (if it will remain mandatory), especially if done on a face-to-face (human) interaction with potential clients advice. - To maybe raise the maximum cap beyond the current 1%, at least for the first years of the product's creation and distribution. Those solutions should be not regarded as alternatives, where one excludes the other, but rather as potentially complementary. Once again, according to CBBA-Europe, it is not necessary to entirely cancel such fee-cap at all costs. The product should remain more attractive and cheaper for users compared to national PPPs (also due to its portability and cross-border nature). At the same time, such fee-cap should not discourage potential PEPP providers to the point where they see no interest in creating and distributing PEPPs.

Question 19. If the fee cap for the Basic PEPP were to be maintained, do you think certain cost components (e.g. taxes, specific distribution costs) should be excluded from the cap, or that other adjustments to the cap should be considered?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 19:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe strongly believes that the current interpretation of the 1% fee cap needs to be clarified and adjusted to exclude certain cost components that are either outside the provider's control or essential to ensure a level playing field among different types of providers. First, taxes such as VAT should be excluded. VAT is a consumption tax borne by the final consumer, not by businesses, and providers merely act as tax collectors on

behalf of the State. Including VAT within the 1% cap effectively penalizes providers subject to VAT obligations, while those exempt can allocate the entire 1% to operational costs and margins. Differences in VAT regimes across Member States (ranging from 17% in Luxembourg to 27% in Hungary) mean that savers in one country may receive less service for the same nominal fee than savers elsewhere, solely due to tax law variation. This undermines the level playing field the PEPP was supposed to create. Second, third-party investment costs (e.g. underlying fund TERs) should be transparently disclosed but excluded from the cap, as is standard in other parts of the financial sector (e.g. MiFID II, PRIIPs). Third, specific distribution or advisory costs should also be excluded, particularly where they arise from mandatory requirements (such as regulated advice in some jurisdictions or tied-agent fees). If face-to-face advice remains compulsory, its cost should be passed directly to the consumer rather than absorbed by the provider within the cap. If an average saver contributes €1,000 per year, the 1% fee cap generates only €10 annually to cover the entire value chain — product development, administration, distribution, and advice. Over five years this amounts to just €50, clearly insufficient to sustain providers, particularly when acquiring new clients who are often unfamiliar or unwilling to use digital channels for pensions. Digital distribution will undoubtedly play an important role in lowering costs further, potentially becoming mainstream in the future. However, it is likely to take several years before such channels achieve mass adoption for pension products. In the meantime, a reformed and more flexible fee-cap is essential to ensure providers see the PEPP as a viable business proposition, while still guaranteeing affordability for consumers.

Question 19.1 Please specify which types of costs you believe should be excluded or what adjustments should be considered, and explain why:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

This question was already answered above.

Risk-mitigation techniques

Under the PEPP Regulation, all investment options shall be designed by PEPP providers on the basis of a guarantee or risk-mitigation technique which shall ensure sufficient protection for PEPP savers. Risk-mitigation techniques are techniques for a systematic reduction in the extent of exposure to a risk and/or the likelihood of its occurrence. These risk-mitigation techniques have been specified by Commission Delegated Regulation (EU) 2021/473.

Question 20. In your view, do the existing risk-mitigation requirements strike an appropriate balance between ensuring consumer protection and maintaining sufficient flexibility and incentive for PEPP providers to offer the PEPP?

- ○ Yes
- ◉ No
- ○ Don't know / no opinion / not applicable

Please elaborate your answer to question 20:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

For CBBA-Europe, the current risk-mitigation requirements do not strike the right balance between consumer protection and provider incentives. The obligation to guarantee a 92.5% probability of capital preservation at all times, assessed through stochastic modelling, is overly complex, resource-intensive, and fundamentally misaligned with the objectives of the PEPP. Many potential providers — initially interested in launching a PEPP — eventually abandoned the idea, citing precisely the high costs and excessive complexity of these requirements as the decisive factor. In fact, this obligation has often been considered the primary reason (even more than the fee cap or mandatory advice) why the business case for PEPPs has proven unviable. Compared with national systems, where funded pensions are typically managed through flexible life-cycle strategies, the PEPP is placed at a disadvantage. These life-cycle approaches have been tested for decades, are widely used across Member States, and deliver strong long-term outcomes for savers. As currently designed, the Basic PEPP's default option fails on both fronts: • it does not sufficiently protect consumers, who end up with lower returns than in comparable national products; • it discourages providers, who face disproportionate costs and risks. This "lose-lose" situation also undermines broader EU policy goals, such as the Capital Markets Union (CMU) and the Savings and Investments Union (SIU), which depend on mobilizing household savings into productive long-term investments. As preferred solution, CBBA-Europe believes that the current risk-mitigation techniques should no longer serve as the default for the Basic PEPP. Instead, the default should be aligned with life-cycle strategies — simpler, more flexible, and already proven effective in most Member States. At the same time, the existing risk-mitigation technique option could still be made obligatorily available among the alternative investment options, so that users who wish to benefit from it can do so, while ensuring that it does not define the Basic PEPP itself. This approach would ensure higher expected returns for consumers, a level playing field with national systems, and lower barriers for providers. As an alternative solution, if stochastic modelling were to be retained in some form for the Basic PEPP, EIOPA should at least issue clearer technical guidance and standardized assumptions (e.g. for return, inflation, volatility). This would reduce compliance burdens, avoid divergences in interpretation, and support consistency across the PEPP Key Information Document and Annual Benefit Statement. While not solving the structural flaws of the current framework, such standardization could partially mitigate complexity and restore some comparability among providers. In conclusion, CBBA-Europe strongly supports a shift towards life-cycle defaults without rigid stochastic modelling. This reform would unlock both consumer and provider benefits, strengthen the cross-border identity of the PEPP, and make it a more credible and attractive product in the European pensions landscape.

Question 20.1 Which aspects do you find problematic, and how might they be improved?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

This question was already answered above.

Use in a workplace context

The EIOPA staff paper on the future of the PEPP suggests considering a PEPP that would combine occupational and personal pensions, noting that a single product may ensure scale and attract more providers, thus increasing offer for consumers. Stakeholders have also discussed this option. As a different option, stakeholders have also highlighted the possibility of adjusting specific requirements in the PEPP Regulation to allow its use as an employment benefit, while preserving its nature as a personal pension product.

Question 21. Do you consider that the Basic PEPP should be explicitly open to use in a workplace context?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 21:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe has consistently advocated for the creation of a new pan-European occupational pension vehicle. In December 2020, it published a Reflection Paper on the establishment of a Pan-European Occupational Pension (PEOP), an idea later taken up in EIOPA's OPSG Discussion Paper of 2024. Given EIOPA's openness — and now this consultation — towards creating an Occupational PEPP, CBBA-Europe can only strongly support this initiative. Such a change would not only help to make the PEPP interesting for employers, employees, and providers. But it would also finally offer an alternative and more efficient solution to set up and run real cross-border occupational pensions' activities beyond the current and failing framework of the IORP II Directive. The EU would have finally a more practical and efficient solution for mobile workers, SMEs, and multinational companies, by combining strong consumer protection with genuine cross-border portability — an objective that IORP II has struggled to achieve in practice. Moreover, it would be eligible to auto-enrollment systems in those member states where such mechanisms will be put in place. However, limiting the PEPP to a purely personal product, even with the option of employer contributions, would not be sufficient. Without recognition as an occupational pension, the PEPP will never benefit from the same tax incentives or receive financing sources such as Italy's TFR or equivalent mechanisms in other Member States. This would make it unattractive both for employers, who would not enjoy fiscal advantages in contributing, and for employees, who would remain better off in national occupational pension schemes. For this reason, CBBA-Europe strongly supports the creation of an Occupational PEPP (O-PEPP). This model would retain the defining features of the PEPP — cross-border portability, individual ownership of rights, and the national sub-account structure — while introducing essential occupational elements such as employer co-financing, fiscal parity with national DC schemes, and the possibility of receiving mandatory contributions where applicable. Crucially (and obviously), like the PEPP, the O-PEPP should remain designed as a voluntary "second regime" at EU level, it would not replace or intrude upon national occupational pension schemes.

Question 21.1 Should this involve just explicitly allowing employer contributions or offering the Basic PEPP as an employee benefit while retaining its character as a personal pension product, or should it be adapted to function also as an occupational pension scheme?

- ( )

It should involve just explicitly allowing employer contributions or offering the Basic PEPP as an employee benefit while retaining its character as a personal pension product

- (●) It should be adapted to function also as an occupational pension scheme
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 21.1 and specify what regulatory changes would be necessary to enable either of such options, if any:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As stated above, CBBA-Europe considered that the new occupational PEPP (O-PEPP) should be adapted to function as an occupational pension scheme. CBBA-Europe proposes that the O-PEPP be set out in a dedicated section of the PEPP Regulation entitled "Occupational PEPP," whose provisions would apply only when a provider opts to offer this version: "The Pan-European Personal Pension Product (PEPP) may be offered in two forms: a) Individual PEPP, subscribed directly by the saver on a personal basis; b) Occupational PEPP (O-PEPP), established with the participation of the employer and co-financed through contributions from both the employee and the employer, and governed by the provisions of Chapter XXX." The O-PEPP model is fully consistent with the way most occupational DC schemes already operate across Europe. The vast majority of workplace DC pensions are based on individual accounts, ensuring segregation of assets, national portability, and transparency. Aligning the PEPP with this well-established model would therefore not create inconsistencies, but instead provide a familiar and reliable framework for providers, employers, and regulators. Moreover, across the EU not all occupational pension arrangements fall under the IORP II Directive. Many are established through group insurance contracts, subject to Solvency II, while others exist purely under national law without any EU-level framework. Yet these schemes are fully recognised as occupational pensions and enjoy fiscal advantages in their respective jurisdictions. This demonstrates that the concept of an occupational pension is broader than IORPs alone. In this context, the O-PEPP should be regarded as a third pathway for occupational pensions, alongside IORPs and insurance-based solutions. Even where an IORP itself decides to launch an O-PEPP, the two frameworks would coexist seamlessly. The IORP would remain subject to IORP II as an institution, while the O-PEPP would comply with the provisions of the PEPP Regulation as a product. This dual framework is not a contradiction but a complement: sectoral legislation secures the prudential soundness and governance of the entity, while the PEPP framework guarantees portability, transparency, and cross-border consistency. The fact that IORPs are collective pension institutions with separate legal personality does not make them inherently more robust than an O-PEPP, which is structured as a contractual pension product — just as many insurance-based occupational pensions across Europe operate under the same contractual model. Both IORPs and PEPPs require strict segregation of assets, shielding members' contributions from the provider's balance sheet. Governance safeguards can be replicated in O-PEPP occupational compartments through worker/employer representation or, at minimum, mandatory consultation and information rights. Moreover, PEPPs are subject to harmonized EU-wide requirements, combined with national oversight of sub-accounts, which in some respects may even provide stronger supervision than under IORP II. Finally, complying with national Social and Labour Law (SLL) in case of cross-border activities does not create an additional burden for O-PEPP providers. Thanks to its DC nature and the national sub-account system, these rules can be ring-fenced within occupational compartments, leaving generic PEPP sub-accounts in the same country unaffected. In practice, mandatory contribution levels, vesting periods, payout rules, treatment of accrued rights after employment termination, or joint governance in countries where it is required can all be applied directly within national compartments — without generating extra financial or substantial operational burdens for PEPP providers. For these reasons, CBBA-Europe believes that an O-PEPP, provided it integrates

the core principles of IORP II Directive — governance, prudent-person investing, disclosure, SLL compliance, and effective supervision — should be recognised as substantively equivalent to a DC occupational pension. The legal distinction with IORPs should not prevent O-PEPPs from receiving the same fiscal treatment as occupational schemes, and from being eligible in auto-enrolment systems existing in Member States.

Registration and supervision

The PEPP Regulation establishes uniform rules governing the registration and supervision of PEPPs.

Question 22. In your view, should the current rules on the registration of PEPP be revised?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 22:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

During the preparatory work for the PEPP Regulation, it had already been considered that the registration of PEPPs should be carried out directly with EIOPA. CBBA-Europe was in principle agreement with this approach, ensuring consistency, transparency, and neutrality across the EU, while providing a genuine EU single-entry point for providers. However, Member States strongly opposed this approach, insisting on maintaining control through their National Competent Authorities (NCAs). As a result, the compromise solution currently in force was adopted, with NCAs acting as the primary registration and authorization authorities. Once the decision was made, CBBA-Europe would have not seen strong reasons to change the current registration and authorization process under the PEPP Regulation, provided that National Competent Authorities (NCAs) duly respected and followed the rules. Unfortunately, in several cases, this solution has not delivered good outcomes so far. NCAs often failed to properly fulfil their duties. Where NCAs fail to properly fulfil their duties — for instance by delaying the authorization of new PEPPs — they risk obstructing providers and undermining the Regulation's objectives. In such circumstances, CBBA-Europe believes that EU institutions and EIOPA should intervene. As a last resort, it considers that EIOPA should be even empowered to step in and, if necessary, substitute NCAs that do not carry out their tasks within the required timelines and procedures. Revising the PEPP Regulation and entrusting EIOPA with the registration's duties for PEPPs would be not a bad idea. However, if such a reform were proposed to the Council of the European Union, it would likely face again strong opposition from Member States. For this reason, CBBA-Europe recognizes the political difficulty of achieving it.

Question 22.1 Please specify which aspects of the registration process you believe should be modified and elaborate your answer:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe fully supports incorporating into the revised Regulation several improvements, namely: • A centralised EU-wide digital platform hosted by EIOPA, to handle applications, publish guidance, and ensure transparency of registered PEPPs across jurisdictions. • A live registry of Member State-specific requirements,

maintained by EIOPA in coordination with national tax and pension authorities, providing up-to-date information on tax deductibility, retirement ages, payout rules, and penalties for early withdrawal. • Clearer division of responsibilities: NCAs should retain oversight only for specific compliance matters (e.g. MiFID conduct rules, KYC/AML, and marketing), as well as areas explicitly left to Member State discretion (such as taxation and SLL parameters). • More harmonized supervisory guidance to ensure that the authorization process is completed in a timely manner and that NCAs do not create unjustified obstacles to market entry. In practice, this hybrid approach would preserve the current NCA-based system of registration (at least for the time being, given political realities), but significantly strengthen the role of EIOPA as the central hub for transparency, guidance, and coordination. Over time, such reforms could also lay the groundwork for a future transition to full EIOPA-led registration, if and when political conditions allow. Moreover, as stated above, where NCAs fail to properly fulfil their duties — for instance by delaying the authorization of new PEPPs — CBBA-Europe believes that EU institutions and EIOPA should intervene and, as a last resort, it considers that EIOPA should be even empowered to step in and, if necessary, substitute NCAs that do not carry out their tasks within the required timelines and procedures.

Question 23. Do you consider that the current rules for the supervision of PEPP should be revised?

- ○ Yes
- ◉ No
- ○ Don’t know / no opinion / not applicable

Please elaborate your answer to question 23:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The answer is actually Yes and No. CBBA-Europe would not have seen strong reasons to change the current supervision process under the PEPP Regulation, provided that NCAs duly respected and followed the rules. Unfortunately, experience has shown that this has not always been the case. In some Member States, where the product is not particularly welcomed, NCAs have created delays or other obstacles that unnecessarily hinder providers. On this point, the role of EIOPA and the European institutions remains crucial to ensure that supervision is exercised fairly and without undermining the Regulation’s objectives. In particular, CBBA-Europe sees merit in reinforcing EIOPA’s role in a supplementary capacity. This would mean that NCAs continue to act as the primary supervisors, since EIOPA’s founding Regulation (Regulation (EU) No 1094/2010) does not entrust it with day-to-day supervisory tasks. However, under the same Regulation, EIOPA already holds binding powers to settle disputes between NCAs in cross-border cases. Applied to the PEPP framework, this could include disagreements regarding the creation or management of national sub-accounts. In this way, EIOPA could be empowered to intervene not only when NCAs fail to properly fulfil their tasks — for instance, by creating unjustified delays or diverging excessively in their interpretation of the rules — but also when disputes arise between national authorities. In such situations, EIOPA could step in to ensure consistency, protect providers and consumers, and safeguard the objectives of the Regulation. Alongside this suppletive role, CBBA-Europe supports strengthening EIOPA’s central functions through: A centralized EU-wide digital platform hosted by EIOPA, to handle guidance, applications, and ensure transparency of registered PEPPs across jurisdictions. A live registry of Member State-specific requirements, maintained by EIOPA in coordination with national tax and pension authorities. Harmonized supervisory guidance to clarify key aspects (such as interpretation of the fee cap, lifecycle requirements, or risk-mitigation assumptions), ensuring proportionality and innovation-friendliness across the Union. In practice, such reforms would not replace NCAs but would

create a more consistent, proportionate, and transparent supervisory framework. They would also provide a safeguard: if NCAs obstruct the proper implementation of the Regulation, EIOPA could act as a corrective mechanism to protect the functioning of the pan-European market. In conclusion, CBBA-Europe does not see as realistic to radically reform the existing supervisory rules. However, it trusts that supervision by NCAs will be carried out appropriately and will not unnecessarily hinder the activities of PEPP providers. On this point, once again, the role of EIOPA and the European Institutions remains crucial.

Investment rules and diversification

Article 41 of the PEPP Regulation sets the investment rules that apply to PEPP providers, including the prudent person rule, as a minimum to the extent that there is no more stringent provision in the relevant sectorial law applicable to the PEPP provider.

Question 24. Do you consider the investment rules in the PEPP Regulation appropriate to support the achievement of adequate long-term returns?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 24:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In principle, CBBA-Europe considers the current investment rules under the PEPP Regulation to be broadly appropriate and sufficiently flexible to support adequate long-term returns. However, the real priority is to ensure that these rules are better aligned with the objectives of the Savings and Investments Union (SIU) and the Capital Markets Union (CMU). In this context, a review of the prudent person principle and of Solvency II capital requirements is necessary to create a framework more conducive to long-term investment products. At the same time, CBBA-Europe notes that the practical implementation of the PEPP investment framework is severely constrained by structural factors such as the 1% all-inclusive fee cap and the treatment of VAT for investment firm providers. These constraints force providers to rely almost exclusively on low-cost passive ETF portfolios — often U.S.-domiciled — which, while cost-efficient, limit diversification and hinder the PEPP's potential to channel savings into Europe's real economy. This is not a problem of regulatory flexibility in the investment rules themselves, but rather of economic distortion caused by uniform cost caps applied across diverse provider types. To unlock the full potential of the PEPP investment framework, CBBA-Europe recommends the following targeted improvements: • Exclude VAT and third-party investment costs (e.g. ETF TERs) from the 1% fee cap, ensuring a level playing field between providers and enabling more diversified, value-driven investment approaches. • Promote long-term investment in real economy assets — such as infrastructure, private credit, and sustainable strategies — by more explicitly aligning the PEPP with the CMU's objectives. • Issue clearer EIOPA guidance on lifecycle investment parameters to ensure consistent implementation of the Basic PEPP's default strategy, while still leaving space for innovation and product differentiation. In conclusion, CBBA-Europe believes that the current investment framework is conceptually sound, but that its effectiveness depends on complementary reforms to the broader prudential and cost environment. Only by addressing these structural constraints can the PEPP truly deliver adequate long-term returns, mobilize European household savings, and fulfil its role in strengthening the CMU and SIU.

Level playing field across personal pension providers and rules on distribution

The lack of uptake of the PEPP is often explained by reference to existing national products that benefit from incentives. The EIOPA Staff Paper on the future of the PEPP has stressed the importance of considering the interaction of the PEPP with other competing pension products in order to address the underlying reasons for the low uptake of the PEPP. In addition, stakeholders have also raised specific concerns regarding the distribution rules applicable to PEPP, particularly with respect to misalignment with distribution rules applicable to insurance intermediaries.

Question 25. Do you consider that PEPP's limited uptake is due to the existence of competing personal pension products across the Member States?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 25:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe considers that the limited uptake of the PEPP is indeed linked to the existence of competing national personal pension products (PPPs), but the reasons are structural rather than based on consumer preference. The decisive factor is that the PEPP is generally not granted equal and advantageous tax treatment compared to national PPPs. Without fiscal parity, the PEPP will never be attractive in those Member States. In addition, the current 1% all-inclusive fee cap, combined with the requirement for mandatory advice within that limit, makes the PEPP unappealing for providers and distributors. In practice, they simply choose not to market it, since it is not economically viable. While a product with such low administrative costs might appear ideal for consumers in principle, the reality is that providers decide which products to distribute based on their business interests. The fact that only two PEPPs currently exist across Europe is telling: this is not the result of consumer choice, but of providers' lack of interest. The current complexity and cost of the risk-mitigation techniques prescribed for the Basic PEPP further discourage uptake, and CBBA-Europe maintains that these techniques are not even in the best interest of consumers when compared to flexible and well-designed life-cycle strategies. National PPPs, by contrast, may often be more expensive, less transparent, and theoretically inferior. Yet, because they benefit from established distribution channels, strong marketing, and preferential fiscal treatment, they remain dominant. Other factors also contribute to the PEPP's weak position: • Lack of public and intermediary awareness: most citizens, employers, and even distributors have little to no knowledge of the product, and national authorities have done very little to promote it. • Implementation gaps: several Member States have not integrated the PEPP into their pension ecosystems, despite the Regulation being directly applicable, leaving it effectively marginalised. For sure, the absence of PEPPs from auto-enrolment frameworks or their ineligibility for employer matching and state subsidies are additional barriers. CBBA-Europe recognizes these points but stresses that, in the absence of a reform of the Regulation to explicitly open the PEPP to occupational use (PEPP Occupational or O-PEPP), such features are normally unavailable also to the vast majority of national PPPs. For the moment, the PEPP competes — and loses — directly against national PPPs on essentially the same ground: fiscal treatment, distribution economics, and product design. In short, unless the PEPP achieves fiscal parity with national PPPs and becomes economically viable for providers and distributors, it will not succeed. Meanwhile, even mediocre national PPPs, supported by efficient marketing and

entrenched fiscal advantages, will continue to prevail. Beyond this, a stronger EU-wide communication effort is also essential: without active promotion, awareness, and endorsement by public authorities, the PEPP will remain sidelined, not because it is inferior, but because it is invisible.

Question 25.1 What key features do you think give existing national products a competitive advantage over the PEPP?

Please provide examples:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

This question was already answered above.

Question 25.2 Should the European Commission adjust the PEPP to allow it to be more competitive with national products?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Question 25.3 What kind of adjustments should be considered and how could the framework be improved?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

This answer was already answered above. For sure, CBBA-Europe is not expecting or advocating that the new PEPP becomes identical to a national PPP, and not even a national PPP with a EU label. However, as expounded in the previous questions of this section, tax equality and removal of some obstacles deriving from the fee-cap (and related issues) will be necessary.

Question 26. To your knowledge, does the existing framework create any obstacles or barriers to the distribution of PEPP, including across providers and Member States?

Please see also the questions on transparency and tax treatment below.

(●)

Yes

No

Don’t know / no opinion / not applicable

Please elaborate your answer to question 26:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe, in line with the OPSG’s advice on the PEPP, considers that the current framework creates significant barriers to distribution. One central issue is the lack of alignment between the PEPP distribution framework and the Insurance Distribution Directive (IDD). The PEPP Regulation has introduced specific rules on distribution — such as mandatory advice, a 1% fee cap (including advice costs and other underlying charges such as TERs and VAT), and particular disclosure obligations — which do not fully match the IDD regime already in place for insurance and pension products. If these two frameworks remain unaligned, traditional distributors (banks, insurers, brokers, advisers) are likely to find the PEPP too complex or economically unattractive to offer through their established offline channels. This risks unintentionally limiting the PEPP to digital-only distribution, thereby reducing its outreach and scalability. Aligning PEPP requirements with IDD standards would allow wider and more efficient distribution, ensuring that the PEPP can be marketed not only online but also through traditional and trusted channels. In addition to this regulatory asymmetry, other barriers have already been extensively highlighted in CBBA-Europe’s previous responses: fiscal and tax fragmentation (lack of parity with national products), inconsistent national implementation of sub-account rules, distortions created by the fee cap and VAT, uneven commercial incentives for distributors, and non-harmonised onboarding and disclosure frameworks. Each of these factors further undermines the attractiveness of the PEPP compared to national PPPs and limits its scalability across the Union. In short, unless the PEPP’s distribution framework is properly aligned with existing EU rules (notably IDD) and the broader obstacles already described are addressed, the product will remain disadvantaged and risk being confined to a niche market rather than becoming a true pan-European solution.

Individual transfers

Greater competition in the private pension products market could enhance the development of the third pension pillar and help citizens build trust therein. The EIOPA staff paper on the future of the PEPP notes that allowing the individual transfer of accumulated amounts from other personal pension products into the PEPP could contribute to broader uptake.

Question 27. Should the PEPP Regulation ensure that savers can make individual transfers between existing personal pension products and the PEPP?

Yes

No

Don’t know / no opinion / not applicable

Please elaborate your answer to question 27:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe strongly supports enabling transfers between national personal pension products (PPPs) and the PEPP. The only possible objection is that, if certain jurisdictions do not allow transfers between PPPs within their own systems, granting such transfers exclusively to PEPPs could create an inconsistency in the level playing field between PPPs and PEPPs. Conversely, if internal transfers between PPPs are already foreseen and permitted, then the right to transfer also into PEPPs should certainly be provided for (or even mandated), in order to avoid discrimination against PEPPs compared with existing PPPs. Ideally — and, in principle, this should not be complicated — providers of PPPs should be able to transfer these into the PEPPs that they may decide to launch in the future. Increased competition between PPPs and PEPPs would clearly benefit consumers and would also push existing PPPs to improve their offer, in order not to lose ground to PEPPs. By contrast, transfers between second-pillar occupational pensions and PEPPs is more complex. CBBA-Europe believes that such portability would only have legal and economic sense once an Occupational PEPP (O-PEPP) is established. What cannot be done between national systems today — for example, between national PPPs and occupational schemes — should not be granted as a competitive advantage to PEPPs while they remain purely personal products. Allowing transfers from occupational schemes into a personal PEPP, when not permitted domestically between second- and third-pillar products, would give PEPPs an unjustified competitive edge over national PPPs. However, if in some jurisdictions national rules already allow transfers between occupational schemes and PPPs, then parity requires that the same option should also be available to PEPPs. In conclusion, CBBA-Europe supports the principle of transferability into PEPPs wherever it exists for comparable national products, in order to avoid discrimination and stimulate healthy competition. At the same time, cross-pillar transfers should be considered only in the context of a dedicated Occupational PEPP, ensuring both legal consistency and fair competition with national pension systems.

Transparency, information and pension tracking systems

Transparency, clear disclosure and effective pension tracking are key to building trust and helping savers make informed decisions.

Question 28.1 Are the transparency requirements envisaged by the PEPP Regulation adequate?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 28:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Yes, they are, according to CBBA-Europe, and for sure there is no need to improve or change the transparency requirements of the PEPP Regulation.

Question 28.2 Are the transparency requirements envisaged by the PEPP Regulation comparable to those applicable to other personal pension products under national law (e.g. in terms of cost disclosure, performance information, risk indicators and benefit projections)?

- (•) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 28.2:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

According to CBBA-Europe, these requirements are generally higher and more comprehensive than those applied to personal pension products under national law. The PEPP framework already includes clear and structured disclosures such as: • a Key Information Document (KID) with standardised cost and risk metrics, • an Annual Benefit Statement including benefit projections, cost breakdowns, and asset allocation, • harmonised rules for provider communications, including digital delivery channels. In many Member States, especially where insurance-based pension products dominate, disclosure rules remain fragmented, uneven, or less user-friendly. In comparison, the PEPP regime ensures stronger, more consistent, and more comparable transparency standards, which in many respects can serve as a benchmark of best practice for national frameworks.

Question 29. In your view, could the inclusion of the PEPP along with other personal pension products in national pension tracking systems improve transparency for savers?

- (•) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 29:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe strongly supports the inclusion of PEPPs in national Pension Tracking Systems (PTS). The same should apply to PPPs. The real added value of every PTS (and, as mentioned above, of the ETS) lies in the fact that all pension schemes — from the first, second, and third pillars — are included. Only in this way can citizens fully understand their overall pension savings situation and make well-informed decisions. In addition, CBBA-Europe believes that Member States should be required to include PEPPs in their PTS on an equal footing with national PPPs, coordinating with EIOPA to ensure: • the definition of minimum data fields and

technical standards, • the correct representation of sub-accounts, • real-time or near real-time updates via API integration with providers. Other advantages of PTS and the ETS have already been extensively discussed in the dedicated section of this consultation and need not be repeated here.

Question 29.1 Do you believe the PEPP Regulation should require Member States to ensure such inclusion?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 29.1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Yes it should, for the reasons expounded above.

Question 30. In your view, could pension tracking systems be considered a suitable means to fulfil certain disclosure requirements under the PEPP Regulation for members and beneficiaries who interact via digital tools?

- ( ) Yes
- (●) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 30:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Pension Tracking Systems (PTS) can certainly play a role in fulfilling certain disclosure requirements under the PEPP Regulation, especially for members and beneficiaries who primarily interact via digital tools. However, CBBA-Europe believes that the PEPP Benefit Statement (PBS) and the PTS should coexist, much like the PBS under the IORP framework. Some of the information included in the PBS can feed into the PTS, but other elements — specific to the PEPP — should remain available directly to users. For this reason, the current PBS format should be maintained. At the same time, to avoid unnecessary duplication and ensure comparability, CBBA-Europe sees merit in defining minimum common data standards at EU level, requiring providers to supply updated information (e.g. via APIs) and allowing Member States to integrate PEPP disclosures consistently in their PTS. This would improve user experience and reduce reporting burdens, while safeguarding the PBS as a distinct, product-specific document.

Tax treatment

Commission Recommendation of 29 June 2017 on the tax treatment of personal pension products, including the pan-European Personal Pension Product, encouraged Member States to grant PEPPs the same tax relief as the one granted to national personal pension products. Where Member States have more than one type of personal pension product, they were encouraged to give PEPPs the most favourable tax treatment available to their personal pension products.

Question 31. To your knowledge, has the Commission Recommendation of 29 June 2017 led to the PEPP and other personal pension products being placed on a level playing field in terms of tax treatment?

- ○ Yes
- ◉ No
- ○ Don't know / no opinion / not applicable

Please elaborate your answer to question 31, providing relevant examples where possible:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Unfortunately, the lack of harmonisation in national tax regimes across the EU has prevented the creation of a genuine level playing field between PEPPs and domestic personal pension products (PPPs). In many jurisdictions, PEPPs do not enjoy the same fiscal incentives as national products, which places them at a clear disadvantage. This confirms a point already made earlier in this consultation: for many Member States, the PEPP is not a welcome product, and they are therefore not facilitating its development. In practice, this is reflected in several concrete obstacles: in some Member States the PEPP has not been formally recognised in the tax code; in others it is less integrated into payroll or incentive structures compared to domestic products; and for mobile savers, there is often no clarity on whether tax advantages continue to apply after relocating to another Member State. These shortcomings demonstrate why taxation remains a major barrier to the wider uptake of PEPPs. It would be highly valuable if the European Commission could collect and publish a list of the Member States that have followed its 2017 Recommendation and in what manner. Looking ahead, CBBA-Europe expects that, should an occupational version of the PEPP be introduced under a revised Regulation, it will receive the same tax treatment as existing national workplace pension schemes.

Question 32. Would further action at the level of the European Union be necessary to ensure a level playing field in terms of tax treatment between the pan-European Personal Pension Product and other competing personal pension products?

- ◉ Yes
- ○ No
- ○

Don’t know / no opinion / not applicable

Please elaborate your answer to question 32:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe acknowledges that taxation remains within the competence of the Member States. However, the principle of non-discrimination within the EU Single Market cannot be overlooked. The Court of Justice of the European Union has repeatedly confirmed that Member States cannot apply less favorable tax treatment to cross-border products and services than to their domestic equivalents, as this constitutes a restriction on the free movement of capital and services. In the case of the PEPP, it can reasonably be argued that fiscally discriminatory treatment is often intended to protectionistically hinder the entry of the European product, undermining the objectives of the PEPP Regulation and the Single Market. Against this background, CBBA-Europe believes that where national PPPs are granted tax advantages systematically denied to PEPPs, this amounts to indirect discrimination. The European Commission should therefore not only monitor and publish the applicable tax regimes across the EU but, in cases of manifest discrimination, also consider launching infringement procedures and taking legal action based on the freedoms enshrined in the Treaties. After all, the very Communication COM(2001) 214 on the elimination of tax obstacles to the cross-border provision of occupational pensions (19 April 2001) stated that the Commission reserved the right to monitor national rules and take legal action (for instance before the Court of Justice) in cases of non-compliance with the Treaty. At the same time, CBBA-Europe recognises the political difficulty of achieving full tax harmonisation and supports complementary, pragmatic steps at EU level: • a new Council Recommendation with stronger language and regular monitoring, requiring Member States to grant the PEPP tax treatment at least as favourable as the most comparable national product; • structured dialogue and comparative tax mapping coordinated by the Commission and EIOPA to identify best practices; • the possibility of enhanced cooperation among willing Member States to align tax treatment for PEPPs ahead of others; • in the longer term, the Commission could even propose a Directive setting minimum standards for tax treatment of personal pensions, including PEPPs, though unanimity would be required. In short, CBBA-Europe sees the enforcement of EU law (non-discrimination and free movement) as the backbone of ensuring fiscal parity, while also supporting complementary policy instruments to progressively secure a genuine level playing field for PEPPs across the Union.

Question 32.1 What type of action would you consider most appropriate?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

This question was already answered above.

Other aspects

Question 33. Are there any additional issues that you believe should be considered in the review of the PEPP Regulation?

Yes

No

Don’t know / no opinion / not applicable

Please elaborate your answer to question 33:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

This point has already been briefly mentioned, but it deserves to be set out in greater detail. Starting from the fiscal discrimination of PEPPs vis-à-vis PPPs and moving to the broader picture, it is clear that many Member States remain reluctant to contribute to the proper functioning of the EU Single Market. The PEPP is part of the wider Capital Markets Union (CMU) initiative, which is widely acknowledged as progressing far too slowly. The Letta and Draghi reports both confirm the delays accumulated by the EU — and the resulting costs — while proposing bold measures to overcome them. The Communication on the Savings and Investments Union reiterates many of these points and, in turn, proposes new measures, including a revision of EU pension legislation. CBBA-Europe, concerned about this situation, calls on the European Union to act — if necessary, even through coercive instruments — against Member State behaviours that continue to obstruct the Single Market. Too often, CBBA-Europe has observed that existing EU pension legislation has been poorly implemented, or not implemented at all, by Member States, while EU institutions — including EIOPA — were fully aware of this yet failed to intervene effectively. CBBA-Europe is aware of providers who initially showed interest in launching PEPPs but eventually abandoned the project because their countries unjustifiably delayed the adoption of national legislation required for the PEPP to become operational. Fiscal treatment of PEPPs also took years to be clarified. The serious failures of cross-border IORP activities, caused by unjustified barriers, will be addressed later. Ultimately, reforms and improvements to EU pension legislation are welcome and necessary. Yet if so many well-documented failures stem from non-implementation and institutional inertia, one must question what realistic prospects the CMU or the SIU can have -including the take-off of the PEPP- without sufficient political will to make them a reality.

Question 33.1 Please describe these issues and explain why they should be addressed:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The explanation was given above.

5. Review of the IORP II Directive

The main aim of this consultation is to explore how streamlining the framework for supplementary pension provision can increase trust, advance better investor returns (including by way of gaining exposure to a broader range of asset classes) while increasing the risk management capacity for doing so, and create more transparency on cost and returns.

On 28 September 2023 EIOPA presented its technical advice to the European Commission on possible changes to the IORP II Directive which will also be taken into consideration in the context of the review of that Directive.

This consultation also invites reflection on whether some or all the rules of the Directive, including its envisaged improvements, might be relevant for supplementary pension providers beyond those falling within the current scope of the Directive and not covered by any other piece of secondary legislation at the level of the European Union. Expanding the scope of the Directive could help ensure greater consistency in the level of protection afforded to members and beneficiaries, in particular for employment-related schemes, across different types of providers.

The prudent person rule, set out in Article 19 of the IORP II Directive, is a cornerstone of supplementary pensions' investment policies. It requires pension providers to invest their assets in the best long-term interests of members and beneficiaries as a whole. Investments must be diversified to avoid excessive dependence on any single asset or class. The IORP II Directive uses the prudent person principle as a framework for ensuring that IORPs invest their assets in a responsible and well-managed manner, with the ultimate goal of providing secure and adequate retirement benefits to their members.

In light of the limited cross-border provision, the consultation also explores whether the current framework allows IORPs to operate smoothly across borders. It looks at the functioning of cross-border notification procedures and the adequacy of cooperation between home and host supervisors, as well as whether supervisory powers are sufficiently clear and aligned.

Additional questions focus on the level playing field across providers, the adequacy of information requirements for members and beneficiaries, and the potential inclusion of institutions for retirement provision in national pension tracking systems to improve transparency. Finally, the consultation invites feedback on whether tax obstacles continue to hinder cross-border provision of occupational pensions and whether further EU action is needed to address these barriers.

Stakeholders are also encouraged to raise any other issues relevant to the review.

Investment rules and diversification

A recent stocktake indicates that, over the past decade, the median performance of second pillar pensions was approximately 0.9% when adjusted for inflation.

Under appropriate risk management frameworks, exposure to a diversified portfolio, including certain alternative asset classes, can help enhance long-term returns for scheme members and beneficiaries.

The IORP II Directive requires diversification of investments under the prudent person rule enshrined in Article 19 of the Directive. The rule aims at making sure pension providers invest their assets in the best long-term interests of members and beneficiaries as a whole. However, the IORP II Directive also allows Member States to introduce concentration limits or other rules limiting investments by IORPs, provided that they are prudentially justified, which in certain cases may prevent IORPs from having access to certain asset classes.

To further strengthen the protection of members and beneficiaries and ensure that every IORP acts fairly and in accordance with the best interests of members and beneficiaries, and supports prospective members, members and beneficiaries to properly assess the choices or options, EIOPA, in its advice, has recommended introducing a new provision in the IORP II Directive establishing a duty of care principle.

Question 34. Do you consider that a diversified portfolio of assets, including also investments in unlisted securities or alternative assets classes (with proper management and adequate risk safeguards) could enhance long-term returns for scheme members and beneficiaries?

- (●) Yes
- ( ) No
- ( ) Don’t know / no opinion / not applicable

Please elaborate your answer to question 34.

Please justify your answer based on data, if available.

Furthermore, please elaborate what are in your view the risks and benefits associated with a share of IORPs assets being allocated to alternative assets, and which alternative asset classes would be more suitable and how would hereto related risks be best managed:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe agrees that diversified portfolios, including unlisted and alternative assets, can improve risk-adjusted returns when combined with solid risk management and governance. Such diversification supports the long-term security of retirement incomes. Moreover, CBBA-Europe, which has a strong partnership with the CAIA Association (Chartered Alternative Investment Analyst), recognizes the enormous potential of alternative investments and how they can contribute to the development of the European economy, following the example of what is already happening in the United States. In addition, greater investments in private equity, private debt, hedge funds, infrastructure and venture capital would also be fully consistent with the ambitions clearly set out in the SIU and CMU. While some national quantitative limits may still constrain investment flexibility, in most Member States the prudent person rule or existing rules already provide sufficient room for discretion. Moreover, even where limits are in place, IORPs often do not reach the thresholds allowed. CBBA-Europe believes that where restrictions remain, they should be reviewed to ensure alignment with a risk-based supervisory approach. The IORP II Directive should continue to promote principles-based governance and avoid rigid rules on specific asset classes.

Question 35. Are there in your knowledge any national quantitative or other type of investment rules imposing overly restrictive limits on investments in alternative assets?

- ( ) Yes
- (●) No
- ( ) Don’t know / no opinion / not applicable

Please elaborate your answer to question 35:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe is not aware of excessively restrictive barriers on investments in alternative assets, although it recognizes that in many Member States the potential of such investments is still underused. In fact, even where quantitative thresholds exist, pension funds often remain well below the limits. This shows that the main challenge is not stricter rules but rather the lack of a stronger (alternative) investment culture, here mainly meant as will and courage, — one that should be embraced not only by pension fund managers but also by scheme members. Members themselves should realize that such investments can enhance their long-term returns while at the same time supporting the wider European economy. In some Member States, the prudent person rule is applied as an "open norm", requiring that investments in non-regulated markets be kept at prudent levels and that asset allocations are based on solid ALM studies, subject to risk-management oversight. In Germany, quantitative ceilings are also defined for certain asset classes, while in Italy principle-based rules coexist with specific quantitative limits for AIFs and real estate. However, in practice these thresholds are rarely fully used. CBBA-Europe believes that a principles-based approach should remain the cornerstone of the IORP II framework, with sufficient flexibility for Member States to impose prudentially justified constraints if needed. Should the European Commission find that in certain jurisdictions restrictions are disproportionately tighter than the EU average, it could consider revising the minimum thresholds in the Directive. That said, CBBA-Europe is currently not aware of specific national restrictions that would justify immediate action.

Question 36. Do you consider that other factors, such as limited IORPs' expertise with unlisted asset classes, may contribute to the low level of diffusion of these investments among IORPs?

- ○ Yes
- ◉ No
- ○ Don't know / no opinion / not applicable

Please elaborate your answer to question 36:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe does not consider regulatory barriers to be the main obstacle to investing in alternative assets. In fact, most large IORPs across Member States already have the necessary expertise in-house or can easily acquire it through fiduciary managers. For smaller IORPs, external managers also make such investments feasible, provided there is sufficient internal knowledge to supervise them effectively. The limited use of alternatives seems therefore to stem less from regulation or fees, and more from a combination of factors such as risk aversion, lack of scale and, above all, a generally conservative mindset. This conservatism is not only linked to the boards of IORPs themselves, but also to a broader lack of investment culture in society at large, which remains hesitant toward unlisted and innovative asset classes. By contrast, in the United States such investments are far more established and recognised as a normal part of long-term pension fund strategy. Available data confirm this interpretation. In Germany, for example, published statistics show that actual allocations to alternative assets remain well below the legal ceilings, meaning that regulation is not the key limiting factor. A similar picture emerges in Italy, where despite the legal space and stable fee levels, pension funds still allocate only modestly to alternatives. In both cases, the issue is not the lack of legal capacity but rather the reluctance to use it. CBBA-Europe believes that what is needed most is a cultural shift in Europe towards embracing alternative investments — one that involves not only trustees and pension fund managers, but also members of pension schemes themselves. Scheme members should be aware that these investments

can both enhance their long-term retirement outcomes and contribute to the wider European economy. At the same time, some technical issues cannot be ignored. For example, CBBA-Europe sees merit in encouraging greater fee transparency and reporting standardisation at EU level, which would improve trust and comparability. In certain countries, IORPs operating under risk-based solvency regimes (such as Solvency II-like frameworks) face stricter capital charges for infrastructure or alternative investments depending on whether these are classified as "qualified", which in practice can discourage allocation. Such regimes have tended to steer assets away from the real economy and alternatives. Finally, challenges also exist on the supply side: the European market for alternative assets remains fragmented, with limited visibility, a shortage of high-quality projects and products, and opaque risk/cost profiles due to long lock-in periods. Service providers and asset managers could play a much stronger role in addressing these gaps, by bringing greater standardisation and transparency to the market.

Question 37. Do you consider that the current provisions on risk management in the IORP II Directive and the intervention capacity of supervisory authorities could be further enhanced to strengthen trust in institutions under the scope of the Directive?

- ○ Yes
- ◉ No
- ○ Don't know / no opinion / not applicable

Please elaborate your answer to question 37:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe considers that the IORP II Directive, as an instrument of minimum harmonisation, already provides a sufficient regulatory framework in the field of risk management. The current provisions, including the requirements for the Own Risk Assessment (ORA), ensure adequate supervisory tools and a satisfactory level of transparency. Against this background, CBBA-Europe agrees that there is no need to raise or intensify requirements in this area, since Member States and NCAs are already fully equipped to address these matters under their national frameworks. However, CBBA-Europe strongly recommends that, in line with the principle of mutual recognition within the EU internal market, the European Commission should make it clear that no Member State may object to the adequacy of another Member State's risk management framework when cross-border pension activities are carried out. In practice, Member States usually oppose any attempt by the EU to raise the minimum harmonization standards (correctly, in this case), arguing that their national systems and IORPs are already well equipped. Yet, when it comes to cross-border operations, every possible pretext seems to be used – including, it was observed, alleged deficiencies in the home state's risk management system – to impose additional and often unlawful requirements on incoming IORPs. This practice runs counter to the cross-border provisions of the Directive and undermines the functioning of the internal market for occupational pensions.

Question 38. Do you consider that the introduction of an explicit duty of care provision could further strengthen the level of protection of members and beneficiaries?

- ○ Yes
- ◉ No
- ○ Don't know / no opinion / not applicable

Please elaborate your answer to question 38:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe considers that the protection of members and beneficiaries is already well ensured under the current governance frameworks and legal structures applicable to IORPs. In our view, European occupational pension funds operate effectively under the existing rules, and the addition of an explicit duty of care at EU level would represent an unnecessary regulatory burden without delivering any tangible improvement in member protection. The existing requirements – including sound governance, robust risk management, the prudent person principle and the Own Risk Assessment (ORA) – are actively applied and enforced across Member States, ensuring that IORPs already meet high standards of prudence and accountability. It is also important to note that in most EU countries, members and beneficiaries have little to no choice regarding investment options. A duty of care provision would therefore have limited practical relevance, as fiduciary responsibility and prudent investment rules are already embedded in the system. Where additional duties of care exist at national level (e. g. on information provision, investment guidance, or assessing risk preferences), they function as open norms which require IORPs to demonstrate the effectiveness of their practices, rather than imposing prescriptive and rigid EU-wide rules. For these reasons, CBBA-Europe believes that introducing an EU-level duty of care would risk creating duplication and legal uncertainty, while complicating compliance for IORPs – particularly in Member States with well-functioning pension systems. Instead, the Commission should acknowledge that the current framework works effectively, and that the priority must be to preserve mutual trust and recognition between Member States, especially in the context of cross-border activities, rather than to impose new regulatory layers.

Question 39. Do you consider that national competent authorities are adequately equipped under the Directive to oversee that assets are invested in the best long-term interests of members and beneficiaries as a whole?

- ◉ Yes
- ○ No
- ○ Don't know / no opinion / not applicable

Please elaborate your answer to question 39:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe observes that national competent authorities (NCAs) are generally well-equipped to oversee investment practices and to safeguard the long-term interests of members and beneficiaries. Therefore, CBBA-Europe does not support any extension of supervisory powers at EU level aimed at second-guessing investment strategies that are already compliant with national and EU law. Oversight should remain focused on prudential soundness and risk-bearing capacity, not on performance benchmarking. That said, it must be acknowledged that in some Member States there are indeed cases where IORPs have not delivered fully satisfactory investment returns. In our view, this is largely due to a prevailing risk-averse culture in those countries, which translates into a preference for very conservative investment strategies. Such approaches may provide short-term safety, but they are structurally inadequate to generate sufficient returns over the medium to long term. In some instances, this cultural bias is also shared – or even tacitly reinforced – by the NCAs themselves. While there are generally no formal national regulatory prohibitions against more growth-oriented investment, supervisory practices or informal expectations may still exert pressure in favour of conservative allocation. This problem is compounded by the fact that many scheme members remain unaware that overly conservative investment approaches will ultimately harm their pension outcomes in the long run. It is in this context that CBBA-Europe wishes to highlight a worrying trend: even the EU PEPP Regulation, by defining the Basic PEPP as a product heavily focused on capital guarantee or capital recoup mechanisms, seems to endorse the same overly cautious mindset observed in some NCAs. CBBA-Europe considers such a trend misguided, as it risks institutionalising low-return investment approaches that are inconsistent with the goal of providing adequate retirement income. Against this background, CBBA-Europe reiterates that under the IORP II Directive and relevant national laws, NCAs already have sufficient mandates and resources to ensure that IORPs invest in the best long-term interests of members and beneficiaries. The EU should therefore refrain from adding new supervisory powers or requirements. Instead, the focus should remain on prudential robustness, transparency, and the proper functioning of the internal market for occupational pensions. In this, also cross-border activities of pension funds equipped with better investment policies might help, and increase the investment returns in those jurisdictions where investments are too conservative and unsatisfactory.

Question 39.1 Do you believe that national competent authorities should have an explicit mandate to oversee and, where appropriate, intervene in order to help ensure that supplementary pension schemes deliver adequate investment returns for members and beneficiaries?

- ○ Yes
- ◉ No
- ○ Don’t know / no opinion / not applicable

Please elaborate your answer to question 39.1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

At the moment we do not see the need for any changes. National competent authorities are generally already well-equipped to intervene and safeguard the long-term interests of members and beneficiaries. When returns are not satisfactory, rather than regulatory changes, sometimes cultural changes (also within NCAs) would be necessary, instead.

Scale

In the European Union, supplementary pension funds operate at a smaller scale compared to their global peers. This may limit their ability to diversify portfolios, invest in long-term assets, and achieve better risk-adjusted returns, as well as offer competitive costs.

Question 40. Do you consider that the scale of many IORPs may affect their overall investment capacity, for example by reducing their ability to build a diversified portfolio, hindering the performance of the schemes due to cost inefficiencies, or by creating other inefficiencies?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 40:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe recognizes that scale can play a role in shaping the investment capacity of IORPs. Larger IORPs, with greater assets under management, can indeed benefit from lower administrative costs, more sophisticated investment strategies, and greater potential to channel capital into the real economy. At the same time, CBBA-Europe stresses that size does not always determine performance: there are many smaller and medium-sized IORPs that perform very well, and in some Member States smaller IORPs even invest proportionally more into the real economy than their larger peers. Consolidation of pension funds has been progressing in several Member States, mainly due to rising governance and regulatory demands, including those coming from the EU legislation. In countries lacking collective bargaining traditions (and therefore the possibility of establishing sector-wide pension funds), CBBA-Europe believes that multi-employer open pension funds could play a crucial role, particularly in supporting micro, small and medium-sized enterprises (SMEs). EU-level measures could facilitate such arrangements, but CBBA-Europe would firmly oppose any pressure or obligation from the EU to force consolidation. Voluntary cooperation, pooling, or fiduciary models can help achieve efficiency where needed, but the choice of structure should remain with the Member States. From a systemic perspective, a landscape composed of many medium-sized and smaller IORPs should be seen as a strength rather than a weakness. Unlike a market dominated by a few very large IORPs with systemic relevance, a more fragmented structure ensures resilience: difficulties in one specific IORP cannot destabilize the entire system or national economy. Finally, CBBA-Europe stresses that the current rules on cross-border activities at article 11 of the Directive remain unnecessarily burdensome. In particular, the obligation to submit new and heavy notifications every time a new employer joins a cross-border IORP is a major obstacle to growth and scalability of those pension funds carrying out cross-border activities. This requirement discourages new companies from joining and creates barriers to expansion and undermines the growth of those pension funds. CBBA-Europe recommends that this procedure be simplified and streamlined in the review of the IORP II Directive, in order to truly support the scale-up of cross-border pension funds (in particular for those working on a DC basis).

Question 40.1 Are you aware of any best practices which can facilitate the build-up of scale in the IORPs sector (e.g. asset pooling, fiduciary management, outsourced chief investment officer, multi-employer schemes, master trust arrangements)?

- ○ Yes
- ○ No
- ○ Don't know / no opinion / not applicable

Please elaborate your answer to question 40.1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Already answered above (question 40).

Question 40.2 In particular, are you aware of any obstacles or difficulties (including but not limited to cross-border issues) preventing scale-up or any of the above-mentioned practices?

- ◉ Yes
- ○ No
- ○ Don't know / no opinion / not applicable

Please elaborate your answer to question 40.2:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Already answered above (question 40): CBBA-Europe stresses that the current rules on cross-border activities at article 11 of the Directive remain unnecessarily burdensome. In particular, the obligation to submit new and heavy notifications every time a new employer joins a cross-border IORP is a major obstacle to growth and scalability of those pension funds carrying out cross-border activities. This requirement discourages new companies from joining and creates barriers to expansion and undermines the growth of those pension funds. CBBA-Europe recommends that this procedure be simplified and streamlined in the review of the IORP II Directive, in order to truly support the scale-up of cross-border pension funds (in particular for those working on a DC basis).

Question 40.3 Please indicate if and how the review of the IORP II Directive can foster the take up of such practices or otherwise contribute to the potential scale-up of workplace pension schemes:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Already answered above (question 40)

Collective transfers

Article 12 of the Directive regulates cross-border collective transfers of a pension scheme's liabilities, technical provisions, and other obligations and rights, along with the corresponding assets or their cash equivalents, between IORPs. Furthermore, simple and clear rules on domestic transfers are also necessary to enable scale at the level of the Member States.

Question 41. Do you consider that the current framework for cross-border collective transfers between IORPs has managed to achieve the objectives that justified its introduction, namely facilitate the organisation of occupational retirement provision on a Union scale?

- ○ Yes
- ◉ No
- ○ Don't know / no opinion / not applicable

Please elaborate your answer to question 41:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Decidedly no. As repeatedly highlighted in several position papers and letters to the European Commission, the current provision of the Directive — which leaves it entirely up to national legislation to determine the majority thresholds required for approving cross-border transfers — has not only created confusion, but has effectively granted some Member States a blank check to make such transfers practically impossible (in certain jurisdictions, such as the Netherlands, thresholds as high as two-thirds are required). The issue is all the more serious when the very same Member States apply far lower thresholds (or none at all) for purely domestic transfers, thereby creating a clear barrier and a discriminatory treatment of cross-border operations. It must be underlined that such national rules cannot be treated as untouchable "social and labour law", too often invoked as a convenient excuse to obstruct the cross-border activities of foreign IORPs. CBBA-Europe strongly recommends that any amendment to this article — such as the introduction of a uniform EU definition of approval thresholds — must finally resolve this issue. Alternatively, the Commission could require Member States to apply to cross-border transfers the same majority rules they already apply domestically. This was

CBBA-Europe's preferred option in its response to EIOPA's consultation. Such a solution would prevent discrimination, ensure legal consistency across national frameworks, and eliminate confusion. Where no majority is required for domestic transfers, a simple 50% + 1 of the votes cast should apply for cross-border cases. Furthermore, CBBA-Europe firmly believes that approval should be based on the majority of votes cast, not on the total number of members. In practice, a majority higher than 50% of the votes cast may be easier to achieve than a majority of 50% of all members. However, in cases where large numbers of beneficiaries do not fully understand the issue and prefer not to vote, the outcome may fail to reflect the true collective will of members and beneficiaries — had they been fully aware of the consequences. CBBA-Europe also recalls that the promotion and development of cross-border activities has always been one of the founding objectives of the IORP Directives, dating back to the preparatory work for the first IORP Directive of 2003. Yet, instead of facilitating such activities, the IORP II Directive made them even more complicated, largely due to the restrictive formulation of Article 11. Even if most IORPs are not interested in carrying out cross-border operations, this possibility must remain open. To date, not only multinational corporations have created (or attempted to create) cross-border pension arrangements, but also major asset managers and brokerage firms have established multi-employer pension funds open to multinational companies wishing to cover their employees under one single fund across Europe. Unfortunately, several of these initiatives — after years of effort and millions of euros invested — had to be abandoned because of the insurmountable obstacles and excessive complications imposed mainly by Member States, ultimately rendering this model unattractive for potential sponsoring employers. Finally, the obligation to remain fully funded at all times represents one of the most serious obstacles to cross-border activity and transfers. This requirement places an additional and disproportionate burden on the development of cross-border IORPs. In volatile markets in particular, maintaining continuous full funding can be extremely challenging. Cross-border schemes should therefore also be allowed to rely on recovery plans, sponsor guarantees, or support funds in order to comply with the funding requirements in a more realistic and proportionate manner.

Question 41.1 Should the current framework for cross-border collective transfers between IORPs be simplified?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 41.1 and explain how it should be simplified (e.g. a uniform EU definition of the majority of members and beneficiaries or their representatives needed to approve a cross-border transfer):

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe strongly recommends that any amendment to this article — such as the introduction of a uniform EU definition of approval thresholds — must finally resolve this issue. Alternatively, the Commission could require Member States to apply to cross-border transfers the same majority rules they already apply domestically. This was CBBA-Europe's preferred option in its response to EIOPA's consultation. Such a solution would prevent discrimination, ensure legal consistency across national frameworks, and eliminate confusion. Where no majority is required for domestic transfers, a simple 50% + 1 of the votes cast should apply for cross-border cases. Furthermore, CBBA-Europe firmly believes that approval should be based on the

majority of votes cast, not on the total number of members. In practice, a majority higher than 50% of the votes cast may be easier to achieve than a majority of 50% of all members. However, in cases where large numbers of beneficiaries do not fully understand the issue and prefer not to vote, the outcome may fail to reflect the true collective will of members and beneficiaries — had they been fully aware of the consequences. The obligation to remain fully funded at all times represents one of the most serious obstacles to cross-border activity and transfers. This requirement places an additional and disproportionate burden on the development of cross-border IORPs. In volatile markets in particular, maintaining continuous full funding can be extremely challenging. Cross-border schemes should therefore also be allowed to rely on recovery plans, sponsor guarantees, or support funds in order to comply with the funding requirements in a more realistic and proportionate manner.

Question 41.2 In addition, have you experienced or are you aware of any difficulties with domestic collective transfers?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 41.2:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Yes, especially in The Netherlands and Ireland. To date, not only multinational corporations have created (or attempted to create) cross-border pension arrangements, but also major asset managers and brokerage firms have established multi-employer pension funds open to multinational companies wishing to cover their employees under one single fund across Europe. Unfortunately, several of these initiatives — after years of effort and millions of euros invested — had to be abandoned because of the insurmountable obstacles and excessive complications imposed mainly by Member States, ultimately rendering this model unattractive for potential sponsoring employers.

Question 41.3 In particular, are you aware of any Member State not having in place clear and simple rules for such transfers?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 41.3:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Netherlands, Ireland, France, Germany, Italy and Spain for different reasons. Netherlands: 2/3 majority required. Ireland: very difficult to reach beneficiaries (pensioners) for their explicit consent; Germany and France: super long and bureaucratic procedure. Spain and Italy: lack of clear guidance, and strong mistrust from NCAs towards cross-border transfers.

Cross-border operations

The IORP II Directive intended to reduce regulatory divergences, overlapping requirements and excessively burdensome cross-border procedures.

Question 42. In your view, does the current EU legislative framework effectively ensure that cross-border activities of IORPs can be carried out in practice, in a proper and timely manner?

- ○ Yes
- ◉ No
- ○ Don't know / no opinion / not applicable

Question 42.1 Please describe any practical barriers or delays you have encountered or are aware of, and suggest how the framework could be improved to facilitate smoother cross-border operations, including in areas not currently covered by the Directive.

In particular, to what extent could a simplification of the existing cross-border notification procedures (e.g. the period of up to six weeks for the competent authority of the host Member State to inform the competent authority of the home Member State of the requirements of social and labour law relevant to the field of occupational pension schemes) help facilitate such operations?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As highlighted in numerous papers and reports — including several by EIOPA and most recently in the Savings and Investments Union Communication — cross-border activities remain one of the most evident failures of this Directive. Beyond the obstacles already mentioned in the previous answer (such as the difficulty of securing member and beneficiary majorities for cross-border transfers and the "fully funded" requirement), CBBA-Europe identifies a central barrier to the development of a genuine internal market: the excessive bureaucracy imposed during the approval process by national competent authorities (NCAs). CBBA-Europe stresses the urgent need for greater proportionality and a radical simplification of administrative procedures. In practice, authorization processes are often lengthy, unclear, and unnecessarily complex. In some countries, obtaining an authorization from a host NCA can take as long as six months, given the volume of documentation required and the slow pace of responses. In several cases, delays or lack of cooperation from host NCAs have appeared less as legitimate scrutiny and more as deterrents or deliberate stalling tactics. Equally problematic is the obligation for a cross-border IORP to file a new notification every time a new sponsoring company joins, even when this concerns the same host Member State and the very same pension plan. This rule creates an unnecessary

administrative burden, both for cross-border multi-employer funds and for company pension funds that wish to extend their coverage to new affiliates. This requirement is outdated, inefficient, and should be abolished or at least drastically simplified. In other Member States, such as the Netherlands, cross-border IORPs are obliged to report their coverage ratio twice: once according to the rules of their home Member State, and again recalculated under the Dutch solvency requirements, which apply very different criteria (e.g. discount rates and buffers). CBBA-Europe considers this double reporting an unjustified gold-plating of the IORP II Directive. It creates confusion among members, gives a distorted impression of the fund's financial position, and imposes unnecessary administrative burdens. Once again, we see additional, unjustified requirements being introduced under the pretext of "national social and labour law", when in reality they have little to do with that framework and instead serve as a convenient excuse to discourage cross-border activity. What is even more problematic is that the Directive leaves Member States with virtually unlimited discretion to arbitrarily reclassify any legislation under the notion of SLL, knowing that Article 12 of the Directive obliges compliance with it in cross-border operations. Drawing on its experience in supporting members with cross-border initiatives, CBBA-Europe has repeatedly witnessed these barriers and obstructionist practices inconsistent with the EU legislation and its Treaties. Despite numerous exchanges of information, meetings with EU institutions (EIOPA, the European Commission), press articles, and written requests, the outcome has been consistently disappointing. The impression has been one of inertia — if not resignation or outright impotence — on the part of EU institutions in the face of these problems. The Directive therefore needs not only simplification and clarification, but also a stronger framework for monitoring, support, and — where necessary — enforcement actions against Member States. CBBA-Europe also acknowledges that the limited development of cross-border activity stems not only from these procedural obstacles, but also from the broader legal architecture of the Directive, particularly the fiscal and national SLL dimensions, which further inhibit growth. In this context, CBBA-Europe strongly renews its advocacy for the creation of an occupational PEPP (O-PEPP). Especially for DC arrangements, this could provide an efficient and cost-effective alternative vehicle to complement the existing cross-border IORP framework. The two instruments could coexist and play complementary roles: • cross-border IORPs could continue to serve DB plans, or cases where providers — in agreement with employers or social partners — wish to maintain strong alignment with local practices and decentralized governance (through compartments); • the O-PEPP could become a particularly attractive and efficient option for SMEs, or for industries characterized by high mobility, that seek a simple and affordable occupational pension solution, possibly an efficient option for SMEs, or for industries characterized by high mobility, that seek a simple and affordable occupational pension solution, possibly provided from another Member State with greater expertise. Finally, CBBA-Europe wishes to underline that many pension providers currently engaged in cross-border activity under the IORP II framework would themselves welcome an O-PEPP.

Question 43. In your view, are the current supervisory powers for cross-border activities under the IORP II Directive adequate to ensure trust and prevent regulatory arbitrage?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 43:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe notes that, as far as regulatory arbitrage is concerned, there is little evidence that this poses any problem in the IORP sector. The existing supervisory powers are already sufficient. In principle, CBBA-Europe does not see the need to introduce new requirements that would create additional burdens or undermine the current home-host supervisory balance. That said, it must be recognised that — particularly at the initial stage of cross-border authorisation procedures — cooperation between home and host NCAs has not always functioned smoothly. If some Member States with particularly stringent national rules truly feared regulatory arbitrage, then logically they should also have requested a raising of the minimum harmonisation standards in the IORP Directive. It is contradictory for all Member States to argue that the current EU framework is fully adequate, but then to raise concerns about supposed arbitrage — thereby refusing, in practice, to apply the principle of mutual recognition of the Single Market — whenever a foreign IORP seeks to start cross-border operations in their jurisdiction. CBBA-Europe believes it would be worth asking NCAs this direct question: if they consider regulatory arbitrage a real risk and would therefore accept further prescriptive EU harmonisation of registration, authorisation and cooperation processes in order to avoid it, then they must also accept that cross-border authorisations would be granted rapidly and almost automatically once the harmonised criteria are met. Conversely, if they do not consider arbitrage to be an issue and therefore do not wish for further EU harmonisation, they must explain why they so often delay or obstruct authorisations for cross-border activities — sometimes even imposing double reporting requirements. If additional EU harmonisation were truly necessary to make cross-border activities faster and more workable, CBBA-Europe could support such a move — provided that it applies only to IORPs intending to operate cross-border, and on the strict condition that this would lead to an immediate and quasi-automatic passporting system into other Member States. Naturally, compliance with host state social and labour law would continue to be ensured. Lastly, CBBA-Europe believes that the Directive would clearly benefit from more precise guidance on how Article 33(1) should be applied in practice, especially with regard to the appointment of depositaries at the request of the host authority. Situations where both home and host Member States impose depositary requirements on schemes where members bear the full investment risk risk creating overlaps and uncertainty. To avoid duplication and confusion, CBBA-Europe is convinced that supervisory oversight of the depositary must remain with the home authority, in line with the home-host balance enshrined in the Directive.

Question 43.1 Is there room for improvement in the current rules governing the cooperation and division of responsibilities between home and host Member States in the supervision of institutions for occupational retirement provision?

- (●) Yes
- ( ) No
- ( ) Don’t know / no opinion / not applicable

Please elaborate your answer to question 43.1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The answer was given above.

Scope

The scope of the IORP Directive was defined in 2003 and has remained unchanged since. In several Member States, especially those that have joined the European Union in 2004 or later, IORPs are much less common or even absent. Instead, supplementary pensions are often provided through other institutions that also operate on a funded basis and at their own risk. These institutions serve similar purposes and typically offer schemes whose membership is often linked to employment. However, they usually fall outside the scope of any EU prudential legislation.

In 2016, the OECD replaced its previous Recommendation on Core Principles of Occupational Pension Regulation with the recommendation on core principles of Private Pension Regulation, which expanded the scope of the principles. Additionally, Regulation (EU) 2018/231 of the European Central Bank of 26 January 2018 on statistical reporting requirements for pension funds, defines a scope which is not always aligned with that of the IORP II Directive.

Question 44. In your view, could the current scope of the IORP II Directive be adjusted to better capture the diversity of the supplementary pension landscape and the organisation of the different pension systems across all Member States, to ensure a minimum level of protection for all supplementary pension savers across the European Union?

- ○ Yes
- ◉ No
- ○ Don't know / no opinion / not applicable

Please elaborate your answer to question 44:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe does not support an expansion of the scope of the IORP II Directive beyond the institutions already defined under Article 6(1). The European occupational pensions landscape is extremely diverse, reflecting different legal traditions, collective bargaining systems and supervisory cultures. Attempting to extend uniform prudential rules to a much wider range of institutions would not only prove impractical, but could also undermine the principle of minimum harmonisation on which the Directive is built. From a technical perspective, the IORP II framework already subjects institutions to demanding governance, risk-management and Own Risk Assessment (ORA) requirements. Extending these obligations to other entities currently outside the Directive — for example, small-scale pension vehicles captured by statistical Regulation (EU) 2018/231 but not covered by prudential rules — would impose disproportionate compliance costs, particularly on smaller schemes, without delivering a commensurate increase in member protection. Indeed, the implementation of IORP II has already required significant investments in systems, reporting and governance, especially for mid-sized and smaller funds. Adding new layers of regulation would risk draining resources away from the primary objective: delivering retirement income. For these reasons, CBBA-Europe believes that the scope of IORP II should remain unchanged. Efforts should instead focus on improving supervisory convergence and proportional application of the existing rules, ensuring that they are enforced in a way that takes into account the size, scale and complexity of the institution concerned. In our view, a more constructive way forward is to make better use of existing tools — such as EIOPA's opinions, peer reviews and exchange of best practices — to promote consistency across Member States, without altering the Directive's scope.

Please elaborate your answer to question 44.2:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Already answered above.

Question 44.1 Please describe how the current scope of the Directive ensures adequate prudential protection for supplementary pension savers across all Member States:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Already answered above.

Minimum standards

Special report 14/2025 of the European Court of Auditors recommends that, when revising the IORP II Directive, the Commission should address the need to strengthen the supervisory framework, in particular by increasing the minimum standards, as well as introducing explicit safeguards against the risk of regulatory arbitrage.

Question 45. In your view, does the existing framework ensure a level playing field for all providers under the scope of the Directive across the European Union?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 45:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe notes that, in principle, both stakeholders representing IORPs and the NCAs themselves have consistently argued that there is no need for stricter EU-level standards, since the existing European and national frameworks have long been considered sufficient. CBBA-Europe shares this view — not least because in several Member States IORPs are not solely responsible for covering potential funding gaps. In Belgium, for

instance, employers are legally obliged to make up for any shortfall if the IORP cannot meet the statutory minimum annual return guarantees. That being said, if cases of regulatory arbitrage were to arise — as highlighted in the European Court of Auditors' Special Report 14/2025 concerning transfers from the Netherlands to Belgium — the solution cannot be to hinder cross-border activity through inappropriate tools, such as requiring excessive super-majorities for transfer approvals (e.g. two-thirds) or imposing double reporting obligations, as already mentioned. The added value of cross-border IORPs should not be seen in terms of exploiting "favorable jurisdictions" for supervisory standards, but rather in enabling efficiency gains, economies of scale, and better pension coverage for mobile workers across the EU. In other words, CBBA-Europe is certainly not in favor of cross-border IORP activity being used as a means of regulatory arbitrage in prudential supervision or in a way that could endanger members' interests. If prudential standards and member protection requirements were truly as unbalanced across Member States as sometimes suggested (although, to date, we are not aware of any IORP in the EU having gone bankrupt or failed), then a possible alternative could be to strengthen EU-level prudential rules only for those IORPs intending to operate cross-border. This would remove any genuine risk of regulatory arbitrage. At the same time, however, once such IORPs have demonstrated compliance with these stricter EU prudential requirements with their national NCA and/or with EIOPA, they should be granted an immediate passport and authorization to operate in other Member States, without being subjected any longer to lengthy procedures, unjustified obstacles, or additional requirements imposed by the host state under the pretext of social and labour law, where in reality these are not genuinely related (ultimately, this latter too can amount to a form of regulatory arbitrage). Naturally, the other social and labour law rules of the host state would have to be complied with by the foreign IORP, instead.

Supervision

Special report 14/2025 of the European Court of Auditors recommends that, when revising the IORP II Directive, the Commission should address the need to strengthen the supervisory framework, in particular by increasing the quality of supervision.

Question 46. In your view, has a satisfactory degree of supervisory convergence been achieved among national competent authorities in the implementation and application of the IORP II Directive?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 46:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe is not aware of concrete evidence pointing to systemic shortcomings that would justify additional rules. Therefore, it believes that further supervisory alignment should be pursued primarily through voluntary cooperation, peer reviews and the exchange of best practices, rather than by adding new layers of EU legislation. The IORP II Directive already grants national competent authorities sufficient powers. Supervision should remain risk-based, proportionate, and tailored to the operational realities of IORPs, ensuring both consistency across Member States and enough flexibility to reflect the diversity of national pension systems. The current framework — combining a baseline of EU requirements with the principle of minimum harmonisation – already strikes a reasonable balance between convergence and national specificities. That

said, the concerns raised about cross-border IORP activities remain particularly relevant. In such cases, home and host NCAs should cooperate loyally and without mutual prejudice. If authorities fail to recognize in their counterparts an equivalent supervisory capacity over their own IORPs, this would undermine the principle of mutual trust. In such circumstances, it would become evident that genuine supervisory convergence has not yet been fully achieved, thereby providing justification for considering additional supervisory alignment at EU level.

Question 47. In your view, does the IORP II Directive sufficiently guarantee that national competent authorities in all Member States are equipped with all the necessary powers to effectively carry out their supervisory responsibilities?

See also the specific questions in relation to investment policies and cross-border operations.

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 47:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

CBBA-Europe is not aware of any problematic cases in any Member State that would justify expanding supervisory powers beyond what is already foreseen in IORP II. Should a future revision of the Directive consider such an extension, it should only be on the basis of a solid and evidence-based assessment clearly demonstrating shortcomings in the current framework. It remains crucial to preserve sufficient flexibility in supervision, so that national authorities can take account of the specific features and diversity of their pension systems. With regard to cross-border activities, we do not believe that the problem lies in the provisions of the Directive itself, but rather in the lack of experience or, regrettably, the resistance and opposition of certain NCAs in some Member States to make such activities work in practice. On this point, CBBA-Europe has repeatedly called in this consultation for the European authorities concerned (EIOPA and the European Commission) to ensure that national supervisors properly fulfil their responsibilities and to provide them with support where they face difficulties.

Transparency, information and pension tracking systems

Transparency, clear disclosure, and effective pension tracking are essential to building trust and supporting informed choices. Disclosure requirements currently vary depending on the type of provider, which can lead to inconsistencies in the information savers receive and impact the overall quality of communication across the supplementary pension sector.

Question 48. In your view, are the current rules in the IORP II Directive sufficient to ensure that all members and beneficiaries receive clear and effective information (e.g. on cost disclosure, performance, risk indicators and benefit projections)?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 48:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

From CBBA-Europe's perspective, the current design and content of the PBS work reasonably well, and we do not see any pressing need for fundamental changes. CBBA-Europe is not fully convinced of the idea that the PBS and the PTS should be treated as interchangeable tools, where the existence of a PTS could exclude the PBS. In our view, both instruments should be provided: the PTS, because it aggregates entitlements from all pension pillars and therefore offers a more complete picture of an individual's overall retirement situation but with less details; and the PBS, because it focuses specifically on the IORP and can provide layered, detailed information. Ideally, the PBS should be structured in a layered format: • a first layer with the key, most understandable information; • a second layer going into more detail; • and a third layer with the most exhaustive content, which may be less accessible but ensures completeness. Cost and investment fees should always be disclosed, potentially following the Italian ICS model, This Indicatore Sintetico dei Costi (ISC) offers a clear and standardised way to compare the overall cost of different pension products. By showing the long-term impact of all charges on savings through simple percentage figures, it enhances transparency and enables meaningful cost comparisons across schemes. Another essential element is the inclusion of pension projections over time, taking into account potential inflation. While at present, the PBS appears to function well and no major shortcomings are evident, by contrast, the development of national PTSs remains incomplete, with several Member States yet to establish or finalise them. As regards a single EU-wide PBS format, CBBA-Europe does not consider this a priority at this stage, especially if such harmonisation would entail high implementation costs ultimately borne by scheme members. Finally, CBBA-Europe reiterates that, in the case of cross-border activities, PBSs must never require double reporting, as has been the case in the Netherlands for foreign IORPs operating there.

Question 49. Do you consider that all supplementary pension savers should have the right to receive certain general information about their supplementary pension scheme, regardless of the institution providing it?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 49:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Of course, supplementary pension savers should always have the right to receive the essential information they need: the status of their accumulated savings, a projection of their possible future pension income over time, and the costs they are paying. From CBBA-Europe's perspective, it would be surprising if national legislation in Member States where certain supplementary pension vehicles are not covered by the IORP II Directive did not already ensure that such basic information is made available. Only in cases where such information is completely absent could the EU justifiably consider introducing or recommending minimum action. Looking forward, CBBA-Europe strongly hopes that Pension Tracking Systems (PTS) will eventually be able to integrate information from all supplementary pension arrangements, regardless of the provider or the legal framework under which they operate. This would represent a valuable step forward for members, offering them a clear and comprehensive overview of their total retirement situation.

Question 49.1 Should the Commission pursue greater alignment of pension information for supplementary pension savers, irrespective of the provider?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 49.1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Only in cases where such information is completely absent could the EU justifiably consider introducing or recommending minimum action. Moreover, CBBA-Europe strongly hopes that Pension Tracking Systems (PTS) will eventually be able to integrate information from all supplementary pension arrangements, regardless of the provider or the legal framework under which they operate. A mandatory participation from pension providers to both national PTS and European ETS could be a possible measure taken by the EU. According to CBBA-Europe, this measure would be necessary.

Question 50. In your view, could the inclusion of institutions under the scope of the Directive in national pension tracking systems improve transparency for savers?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 50:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Without information on occupational pensions, national tracking systems would make little sense. More generally, all PTSs should include information from all pension pillars. The real issue is that many Member States have not yet created these systems, or have not completed them. According to CBBA-Europe, as already stated in relation to PTSs and the ETS, the European Union should not only oblige Member States to establish such systems within a fixed timeframe, but should also require all of them to join the ETS while it is being developed. However, in general, the core task of the PTSs is to provide transparency on pension benefits. The information in PTSs should not primarily focus on issues such as cost disclosure, performance data or risk indicators.

Question 50.1 Do you believe the IORP Directive should require Member States to ensure such inclusion?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 50.1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Yes.

Question 51. In your view, could pension tracking systems be considered a suitable means to fulfil certain disclosure requirements under the IORP II Directive for members and beneficiaries who interact via digital tools?

- ( ) Yes
- ( ) No
- (●) Don't know / no opinion / not applicable

Please elaborate your answer to question 51:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

At this stage, CBBA-Europe does not believe that the time is ripe to conclude that PTSs can replace PBSs. There are two main reasons for this. First, in many Member States PTSs have not yet been completed or even created. Second, PTSs are primarily designed to provide an overview of accumulated entitlements and

projected future pension income across different pillars, whereas PBSs are more specific and detailed documents focusing on a particular IORP. In other words, we imagine that PTSs are “lighter” than the PBS. That said, in jurisdictions where PTSs are fully developed and capable of reproducing faithfully all the information currently provided in a PBS, it could be considered whether PTSs might eventually replace PBSs. However, maybe in such a case the PTSs might be too burdensome for their users, containing too much information on their specific IORPs. At the same time, if PTSs were designed in such a way that pension funds simply upload the PBS of their members into the system, then there would be no additional burden on IORPs, as the PBS would automatically be integrated into the PTS. In our view, this pragmatic approach would avoid unnecessary duplication, while ensuring that members continue to receive the full range of information required under the Directive.

Tax treatment

The 2001 Communication on the elimination of tax obstacles to the cross-border provision of occupational pensions identified the elimination of such obstacles as a means of enabling pension institutions to operate with greater efficiency in meeting the needs of workers and employers, while also enhancing their role as more efficient suppliers of capital to business in their capacity as investors in the economy.

Question 52. To your knowledge, do tax obstacles continue to hinder the cross-border provision of occupational pensions?

- (●) Yes
- ( ) No
- ( ) Don’t know / no opinion / not applicable

Please elaborate your answer to question 52:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

From CBBA-Europe’s perspective, the key issue is not so much the different tax rates across Member States, but rather the different tax formulas applied to pensions — namely EET, ETT and TEE. This divergence creates complexity and inefficiency in cross-border pension activities. Already achieving some level of harmonization of the tax formula, at least for cross-border schemes, would represent a major improvement. For example, eliminating differences between the “E” and the “T” in the taxation of investment returns (e.g. moving towards eEt or tEe) would significantly improve the efficiency of the accumulation phase. Cross-border IORPs could then invest at scale for all their national compartments without having to recalculate annual taxes on investment income for each country in which they operate. In its Reflection Paper on the PEOP, CBBA-Europe has already proposed the creation of a European tax information hub, where pension funds could instantly access reliable information on the tax liabilities due in each Member State. Today, technology makes it possible to calculate such tax obligations far more efficiently and in real time. In addition, the European Commission could explore the option of allowing Member States to adopt an alternative formula (for example TEE) specifically for cross-border schemes. This would give Member States immediate tax revenue while exempting future investment returns and benefits, thereby removing the fiscal uncertainty that currently burdens mobile workers when they leave a country. Finally, with respect to the portability of pension rights, CBBA-Europe considers it necessary for the Commission to propose a mechanism whereby, in EET systems, a worker leaving a country could

transfer their accumulated capital on an “after-tax” basis. The originating Member State would deduct the tax due at the point of exit, allowing the individual to transfer a net amount to the new host country and continue saving without any unresolved fiscal liabilities towards their former state.

Question 52.1 Please indicate which specific tax-related barriers you consider most relevant today, as well as whether, in your view, should further action be taken at the level of the European Union to address these barriers:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Different tax formulas, as explained above.

Scope of prudential regulation

The IORP II Directive intended to clarify areas that are considered to be part of prudential regulation, in order to ensure legal certainty for the cross-border activities of IORPs.

Question 53. In your view, has the IORP II Directive achieved a sufficiently clear and workable definition of prudential regulation?

- ○ Yes
- ◉ No
- ○ Don’t know / no opinion / not applicable

Please elaborate your answer to question 53:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The distinction between prudential regulation and social and labour law (SLL) remains unclear and leads to diverging practices across Member States. Too often, IORPs operating cross-border are confronted with additional requirements labelled as SLL, while in reality they are not genuinely related to social and labour law. The involvement of social partners in the governance of IORPs can legitimately be regarded as SLL. However, it is far less clear whether requirements such as detailed member information obligations (e.g. the PBS) or, more strikingly, double reporting obligations on funding/coverage ratios — as imposed by the Netherlands on foreign IORPs — can genuinely be considered SLL. The majority thresholds required by certain national legislations to approve cross-border transfers are another example of measures often presented as SLL, although their nature is clearly different. CBBA-Europe stresses that misclassifying prudential requirements as SLL undermines the level playing field and the principle of mutual recognition that should apply in the internal market. To address this, the Directive should provide clearer guidance on the scope of prudential regulation versus SLL. This could mean, on the one hand, listing the topics that clearly fall under prudential regulation,

and, on the other, defining more precisely the areas where SLL is legitimately applicable. For example, the following topics can clearly be considered as part of SLL: • rules on membership and enrolment (mandatory or voluntary), • rules on the conditions for the acquisition of rights (vesting, accrual), • rules on benefits (type of entitlements, conditions for payment, retirement age), • rules on the involvement of social partners in governance. The European institutions (in particular the Commission and EIOPA) should actively monitor and, where necessary, intervene when Member States misuse the concept of SLL to erect unjustified barriers to cross-border IORP activity. CBBA-Europe emphasises once again that the success of cross-border IORP activities depends not only on improving — sometimes necessarily — the existing legislative framework, but above all on consistent and effective monitoring by the European institutions and EIOPA. Too often, from our members' practical experience, pension funds have been left isolated when confronted with excessive obstacles and disproportionate requirements imposed by certain national authorities in the context of cross-border authorizations. This situation has created, in some cases, a perception of unchecked discretion on the part of Member States, acting without the risk of consequences. It is particularly concerning that such practices have occurred with the full awareness of European institutions, which have not intervened despite clear inconsistencies with the Directive. Therefore, alongside regulatory clarifications, this is also a matter of political will: only decisive and proactive oversight at EU level can ensure that the spirit and objectives of the IORP framework are fully respected.

Question 53.1 Please indicate which aspects of the distinction between prudential regulation and social and labour law continue to give rise to uncertainty or diverging interpretations, and how should these be addressed:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

This question was already answered above. Anyway, prudential law was already defined by the Directive. All those topics should be not considered as SLL. On the other hand, the following topics can clearly be considered as part of SLL: • rules on membership and enrolment (mandatory or voluntary), • rules on the conditions for the acquisition of rights (vesting, accrual), • rules on benefits (type of entitlements, conditions for payment, retirement age), • rules on the involvement of social partners in governance.

Other aspects

Question 54. Are there any additional issues that you believe should be considered in the review of the IORP II Directive?

- (●) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 54:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Beyond the suggestions already put forward to facilitate cross-border activities of IORPs, should these still prove insufficient, CBBA-Europe calls on the Commission to also consider the introduction of a specific "additional core" of rules in the Directive applicable only to those IORPs intending to operate cross-border.

Such rules could cover registration/authorisation procedures and possibly stricter prudential requirements, with the purpose of eliminating any suspicion of regulatory arbitrage. However, once these IORPs have complied with the reinforced requirements of the Directive, they should be granted an immediate passport to operate across borders, and the authorisations from both home and host NCAs should become essentially automatic. Otherwise, the imposition of new requirements would serve little purpose if not accompanied by tangible advantages. As already noted in this consultation, since the overall legal framework of Article 12 is unlikely to change, CBBA-Europe reiterates its strong interest in and support for the launch of an Occupational PEPP (O-PEPP). In this regard, CBBA-Europe strongly believes that the forthcoming review of the IORP Directive, together with the PEPP Regulation, should also pave the way for genuine transferability (portability) between IORPs and the new O-PEPP. As already emphasised during the PEPP consultation, the rationale that justifies portability between national personal pension products and the PEPP applies equally to the occupational level: there is no reason why members should not be able to transfer entitlements between an O-PEPP and an IORP. Moreover, CBBA-Europe supports the introduction of cross-border portability between national IORPs. It is therefore both timely and consistent to extend this principle to IORPs themselves, allowing for cross-border transfers between IORPs irrespective of whether an O-PEPP is created. In 2025, it is no longer acceptable that IORPs remain confined within national borders while capital moves seamlessly across the Union and even bank transfers between Member States are executed instantly. Facilitating cross-border transferability is essential if we are serious about building and expanding a genuine European market for supplementary pensions and about making both the Savings and Investments Union (SIU) and the Capital Markets Union (CMU) a reality. Articles 45-46 (together with Article 114) TFEU as legal bases should be sufficient to justify such solutions, with no need for unanimity approval from the Member States. On taxation, solutions already exist. Particularly under EET systems, the tax position of accumulated assets can be settled at the point of transfer in the Member State of origin. Taxation should not be regarded as an insurmountable obstacle. With such mechanisms in place, Member States would have no valid grounds to oppose the transfer of capital from a domestic IORP to a fund established in another Member State. Finally, CBBA-Europe shares some reflections aligned with discussions held within the OPSG of EIOPA. The principle of proportionality must be applied consistently across the Directive. Any new requirements on governance or reporting must take full account of the operational scale and complexity of IORPs. Further clarification is also needed in two technical areas: • first, regarding the treatment of biometric risks in relation to own funds; • second, with respect to borrowing rules under Article 19(3), which should be clarified to allow for subordinated loans and guarantees linked to indirect investments via subsidiaries. The current drafting is inconsistent: while Article 16(3) permits subordinated loans to count towards the solvency margin under certain conditions, Article 19(3) prohibits borrowing except temporarily for liquidity purposes. This contradiction has restricted IORPs' ability to raise subordinated loans as an additional buffer to protect members and beneficiaries. An explicit exception for subordinated loans should therefore be introduced under Article 19(3). Moreover, Article 19(3) should also allow IORPs to act as guarantors on behalf of their subsidiaries or for clearing purposes. In such cases, granting this flexibility would not undermine prudential safeguards but would instead support efficient long-term investment strategies, ultimately serving the best interests of members and beneficiaries.

Question 54.1 Please describe these issues and explain why and how they should be addressed:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

This question was already answered above.

Additional information

Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) below. **Please make sure you do not include any personal data in the file you upload if you want to remain anonymous**.

The maximum file size is 1 MB.

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cd9b89e6-c28e-477f-a471-831410a5596e/CBBA-Europe-Communication-following-the-withdrawal-of-United-Pensions-from-The-Nertherlands-.pdf

b159ce04-6d2c-4a42-8a8a-f96dae3433e5/CBBA-Europe-letter-on-exemption-mandatory-advice-basic-PEPP-Mr-Pislaru.pdf

a1119317-458d-4d55-9b9f-094d37447373/CBBA-Europe-letter-requesting-measures-to-ease-cross-border-pensions-in-Europe-Mrs-Mairead-McGuinness.pdf

6f4f5d54-8939-4a78-8e38-699951406a6d/CBBA-Europe-position-paper-about-requirements-of-information-on-coverage-ratio-to-foreigner-pension-funds-in-case-of-cross-border-def.-.pdf

dac55ed1-e8e0-4838-9e6c-784b67841e22/CBBA-Europe-position-paper-on-article-123-IORP-2-Directive-final.pdf

Useful links

More on this consultation (https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/targeted-consultation-supplementary-pensions-2025_en)

Consultation document (https://finance.ec.europa.eu/document/download/27b3d8e4-9a02-4e93-859c-80944e1fa359_en?filename=2025-supplementary-pensions-consultation-document_en.pdf)

More on the savings and investments union (https://finance.ec.europa.eu/regulation-and-supervision/savings-and-investments-union_en)

More on pension funds (https://finance.ec.europa.eu/banking/pension-funds_en)

Specific privacy statement (https://finance.ec.europa.eu/document/download/deeeeb5b-5c6f-434b-b7c3-1815330952f8_en?filename=2025-supplementary-pensions-specific-privacy-statement_en.pdf)

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