

*Brussels, the 14th of May 2026*

## **Cross Border Benefits Alliance – Europe (CBBA-Europe)**

### **Summary of the CBBA-Europe position paper on the Revision of the Regulation (EU) 2019/1238 on a Pan European Personal Pension Product ("PEPP Regulation")**

#### **CBBA-Europe Mission:**

The Cross Border Benefits Alliance Europe (CBBA-Europe) is a Brussels-based advocacy group with a mission to promote a more integrated EU and make it a truly great space of freedom and circulation for workers and employee benefit services as well as a hallmark of robust employee benefits coverage. We promote and support improved employee benefit solutions across Europe, bringing together the private sector, EU institutions and national authorities.

To do so, we monitor the EU ongoing policy initiatives and legislation, we collect input from our members via working groups, we draft position papers and prepare reports to submit to decision makers, making us a constructive and influential interlocutor representing the needs of all employee benefits actors in Europe.

Moreover, we host local national conferences as well as an annual conference in Brussels to discuss with all actors' best practices as well as obstacles in administering and deploying employee benefit solutions. We share latest trends, how different actors approach employee benefit solutions as well as common issues encountered that could be improved with changes to legislation.

#### **Introduction**

CBBA-Europe welcomes the European Commission's initiative to revise the Regulation (EU) 2019/1238 on a Pan European Personal Pension Product ("PEPP Regulation") published on 20 November 2025 and considers this reform an important opportunity to relaunch the development of a genuine European market for supplementary pensions.

The PEPP review takes place in the broader context of the Savings and Investments Union (SIU) and the renewed efforts to strengthen the European internal market, as highlighted notably in the reports by Enrico Letta and Mario Draghi, as well as in the European Commission's SIU Communication. These initiatives correctly identify the fragmentation of European financial markets and the insufficient mobilisation of long-term savings as structural weaknesses of the European economy.

For CBBA-Europe, the PEPP debate ultimately reflects a broader political and economic issue: whether the European Union genuinely intends to complete the internal market in the field of financial services and funded pensions. Market fragmentation and, in certain cases, elements of national protectionism continue to limit economies of scale, reduce competition, restrict saver choice and weaken Europe's capacity to mobilise long-term capital towards productive investment and the real economy.

CBBA-Europe fully recognises the importance of national competences in areas such as taxation, social protection and labour law. However, these competences should not be used in a way that discriminates against cross-border European pension products or prevents the effective functioning of the internal market. Europe remains free to maintain diverse national systems, but not to undermine fair competition between national and European solutions. In this context, CBBA-Europe considers the PEPP review a necessary step towards a more integrated, competitive and efficient European pensions landscape.

## **1. Life-cycle investment strategy as the default option**

CBBA-Europe strongly supports the replacement of the previous guaranteed Basic PEPP structure with a life-cycle investment strategy as the default option. A life-cycle approach is better suited to the long-term nature of retirement savings and is more consistent with modern pension investment practices across Europe.

At the same time, CBBA-Europe considers it important that guaranteed or capital-protected options remain available for savers who prefer more conservative approaches. Such solutions should continue to exist within the PEPP framework, but they should not define the default structure. The default option should remain centred on long-term investment strategies capable of generating more adequate retirement outcomes over time.

## **2. National sub-accounts and cross-border development**

CBBA-Europe welcomes the removal of the mandatory obligation to immediately establish national sub-accounts in several Member States, as this requirement created significant operational barriers and limited the attractiveness of the PEPP for providers.

At the same time, given the intrinsically cross-border nature of the PEPP, CBBA-Europe considers that a gradual extension beyond a single Member State could remain appropriate. In this respect, a more proportionate and flexible approach could eventually consist in the creation of at least one additional national sub-account within a longer transition period, allowing providers to expand progressively while preserving the pan-European nature of the product.

CBBA-Europe also recognises that national sub-accounts remain closely linked to national tax systems and, in certain respects, to social and labour law frameworks. Their existence is therefore understandable and currently difficult to replace through a fully unified European structure. However, the system should remain as simple, understandable and user-friendly as possible for savers.

### **3. Advice and distribution**

CBBA-Europe strongly supports the removal of mandatory advice within the Basic PEPP framework. The previous combination of mandatory advice and strict fee caps created a structurally unviable model which significantly undermined the competitiveness and commercial sustainability of the PEPP.

Advice should remain available whenever requested by savers, but should not be automatically bundled into fee caps or imposed regardless of the distribution model. In practice, mandatory advice generated additional costs which often affected the actual distribution and accessibility of the product itself.

CBBA-Europe also supports the development of digital and electronic distribution tools capable of reducing costs, improving efficiency and facilitating access to pension savings products. However, providers should remain free to choose the most appropriate distribution and advice models, including digital, hybrid or in-person solutions.

### **4. Workplace PEPPs**

CBBA-Europe strongly welcomes the introduction of workplace PEPPs and supports their possible inclusion within auto-enrolment frameworks where competition between providers exists.

At the same time, CBBA-Europe does not consider that workplace PEPPs should replace occupational pension schemes established through collective agreements and mandatory sectoral arrangements. Existing mandatory and solidarity-based occupational systems must continue to be respected.

However, workplace PEPPs should be allowed to compete on an equal footing alongside existing market solutions wherever competition between occupational providers exists. This could provide important advantages both for employers and employees, particularly in terms of economies of scale, administrative efficiency and worker mobility across Europe.

### **5. Transferability and portability**

CBBA-Europe strongly supports the strengthening of transfer rights within the PEPP framework. Full portability and transferability are essential to facilitate labour mobility, improve saver choice and promote a genuinely integrated European pensions market.

Transfers should operate in both directions and under equivalent conditions. This principle should apply:

- between PEPPs and national personal pension products;
- between workplace PEPPs and occupational pension schemes, including IORPs.

CBBA-Europe considers it essential that portability rules remain fully symmetrical, ensuring that PEPPs are neither advantaged nor disadvantaged compared to national pension products.

## **6. Risk disclosure and consumer information**

CBBA-Europe supports a simplified, clear and consumer-friendly approach to risk disclosure and pension communication. Information provided to savers should be understandable, comparable and consistent across providers and Member States.

In this respect, European-level templates and harmonised disclosure approaches could play an important role in improving transparency and facilitating comparison between products. Excessively technical or overly complex disclosures risk discouraging engagement and creating confusion rather than improving consumer protection.

## **7. Fees, Value for Money and VAT treatment**

CBBA-Europe supports the move away from rigid fee caps towards a broader Value for Money approach. Excessively restrictive fee caps risk discouraging advisory services, active management, ESG integration, private market investments and long-term investment strategies that may improve retirement outcomes.

Value for Money should not be reduced to headline costs alone. Long-term performance, diversification, quality of risk management, flexibility and retirement outcomes must also be taken into account.

CBBA-Europe also underlines the importance of ensuring a level playing field regarding VAT treatment. Differences in VAT treatment between providers or structures offering equivalent pension services may create distortions, reduce competition and undermine the development of the PEPP market. Greater consistency and neutrality in VAT treatment are therefore necessary.

## **8. Tax treatment and fiscal neutrality**

CBBA-Europe strongly welcomes the Commission's proposal to ensure equal tax treatment between PEPPs and comparable national personal pension products. Fiscal neutrality is one of the key conditions for the successful development of the PEPP market.

CBBA-Europe also considers that workplace PEPPs should benefit from tax treatment equivalent to that applicable to occupational pension schemes where they operate in comparable contexts.

Ensuring equal tax treatment between PEPPs and national pension products does not undermine Member States' fiscal sovereignty. Member States remain fully free to determine the level and structure of taxation applicable to pension products within their jurisdictions. However, this freedom should not be exercised in a manner that discriminates against European cross-border products compared to comparable national solutions.

CBBA-Europe therefore considers that preventing fiscal discrimination between PEPPs and national pension products is fully consistent with internal market principles and does not constitute an unjustified interference with national tax competences.

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