

# BETTER FINANCE responds to European Commission's call for feedback on its legislative proposal on PEPP

06 April 2026

## Executive Summary

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BETTER FINANCE welcomes the European Commission's proposals to amend the PEPP Regulation. As longstanding supporters of the PEPP, we are pleased to see that the Commission remains committed to making the product a success.

We particularly welcome the proposed simplification of the Basic PEPP, which, we believe will enable prospective investors to better understand its features and limit its cost relative to the benefit it may bring.

Nevertheless, we remain convinced that a take off of the PEPP requires looking beyond the design of the product itself and ensuring that the market on which it competes is characterised by a level playing field.

*Keywords : PEPP, personal pension products, value for money, fee cap, financial advice*

## About BETTER FINANCE

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BETTER FINANCE — the European Federation of Investors and Financial Services Users — is the voice of European citizens as savers, investors, and financial users at the EU level. Working independently from the industry, BETTER FINANCE serves as an independent hub of financial expertise for the direct benefit of individual shareholders, investors, savers, life insurance policyholders, pension fund participants, and mortgage borrowers across Europe. Their work aims to promote research, information, and training on investments, savings, and personal finances to lawmakers and the public. BETTER FINANCE counts 40 independent, national, and international member organisations, sharing similar objectives from the EU Member States as well as Iceland, Norway, Turkey, Lebanon, and Cameroon.

## Contact

Sebastien Commain | Senior Research & Policy Officer

[policy@betterfinance.eu](mailto:policy@betterfinance.eu)

## BETTER FINANCE remarks

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BETTER FINANCE welcomes the Commission's proposals to amend the Regulation on a Pan-European Personal Pension (PEPP) product. As longtime supporters of the PEPP, we are pleased to see that the Commission remains committed to ensuring that a simple, cost-efficient personal pension product (PPP) is made available to EU citizens to complement the existing offer of PPPs in each Member State.

### Level playing field

The failure of the PEPP to take off has more to do with the unlevel playing field it must compete on than with its design or regulatory requirements. As a report from the Occupational Pensions Stakeholder Group (OPSG) of the European Insurance and Occupational Pensions Authority (EIOPA) evidenced the failure of most Member States to provide for a tax treatment (incentives, subsidies) and possibility to transfer savings across different types of PPPs, including the PEPP.<sup>1</sup>

We therefore welcome the Commission's proposal for Article 3, which would require Member States to grant the PEPP the same tax treatment they grant to equivalent PPPs. Of course, the implementation of that requirement will require a general assessment of existing PPPs within each country and whether their differences to the PEPP justify a different tax treatment.

We welcome the requirement that any financial advice provided on the Basic PEPP must be provided on an independent basis. This is, in our view, essential for the prospective customer to receive a recommendation that is truly based on the respective merits of PEPP and other PPPs on offer and are directed towards the product that is best suited for their needs.

### Simpler, clearer design and better information

We welcome the proposed amendments to the design of the PEPP, which offers the benefit of both more flexibility and more simplicity. The former is provided by the greater possibility for providers to offer *tailored* PEPPs with a variety of investment strategies and risk-mitigation techniques. The latter is provided by the clearer differentiation between the Basic PEPP and all other PEPPs: with the Basic PEPP limited to investments in listed securities according to a life cycle strategy, it becomes much easier for prospective investors to sort out between PEPP offers.

Investors would be aided in this task by the proposed extension of the information to be displayed on EIOPA's central register of PEPPs: beyond the existing information, having performance and cost data, in particular will facilitate comparisons of PEPP offers.

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<sup>1</sup> EIOPA Occupational Pensions Stakeholder Group, *PEPP Market Development*.

## Value for Money

We remain concerned if the intended Value-for-Money approach will ensure that the PEPP remains a cost-efficient product the benefits of which substantially outweigh the costs. The proposals for the PEPP in that regard rely on the still to-be-finalised and very much to-be-tested Value for Money framework that the Retail Investment Strategy will insert into the Insurance Distribution Directive.<sup>2</sup>

## References

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<sup>2</sup> BETTER FINANCE, *VfM Benchmarks*.