

29 July 2016

## European Commission brakes on the Pan European Personal Pension

On 27 July 2016, the EC launched a public consultation on "*on how to make personal pensions a more attractive investment option*".

In the EC public announcement there is no mention of the PEPP, the most promising EU project for all EU citizens as pension savers that the EC itself initiated four years ago when it asked EIOPA (the European Insurance and Occupational Pensions Authority) for advice to develop an EU Single Market for personal pension schemes (July 2012).

In 2015, EIOPA clearly advised for the EU to launch a **Pan European Personal Pension**, rather than to unrealistically try to harmonise rules for the very diverse and fragmented existing personal pension products at Member State level<sup>1</sup>. After further public consultations, EIOPA reiterated this advice to the EC last June.

However, this yet another public consultation on the same issue fails to make any explicit reference to the clear and strong EIOPA advice for creating a PEPP. It will only again "*assess the case for a policy framework to establish European personal pensions.*" » Moreover, the EC has also launched in parallel, a call for tender for a study on the feasibility of an EU personal pension, a study which will take at least another year.

This lack of endorsement of the reiterated EIOPA advice based on four years of work, research and public consultations is disappointing for all EU pension savers and for the progress towards a common market for retail investment services.

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<sup>1</sup> "*EIOPA's analyses and research confirmed our views regarding the potential and attractiveness of a Pan-European Personal Pension Product (PEPP), facilitating superior outcomes of a 2nd regime standardised personal pension product ... harmonising applicable Directives across the relevant sectors and filling any gaps does not seem to be the most efficient solution to promote the development of a Single Market for personal pension product.*" » (EIOPA, 6 July 2016)