

MEMO# 32266

March 6, 2020

ICI Global Comments on EIOPA's Pan-European Personal Pension Product Proposal

[32266]

March 6, 2020 TO: ICI Global Members SUBJECTS: International/Global RE: ICI Global Comments on EIOPA's Pan-European Personal Pension Product Proposal

On 2 March, ICI Global submitted a response (attached) to Consultation Paper on the proposed approaches and considerations for EIOPA's Technical Advice, Implementing and Regulatory Technical Standards under Regulation (EU) 2019/1238 on a Pan-European Personal Pension Product (PEPP)[\[1\]](#).

The core of our response is urging EIOPA to get the details of the cost cap right to ensure PEPP is viable as a product. We advocate that —

- The EIOPA's proposed approach is not "all inclusive" because it excludes the cost of the capital guarantee.
- The cost cap for the Basic PEPP should exclude mandatory advice required for opening any PEPP account.
- Portfolio transaction costs should be excluded from the cost cap, and
- EIOPA should look to UCITS market to set realistic expectations for PEPP.

The consultation covers many other topics, such as minimum standards for risk-mitigation techniques and disclosures. These elements are also important to make sure the product delivers on its promise. However, the cost cap is the major issue -- the biggest impediment to the introduction of PEPP. For this reason, we have focused our response on this single topic. We anticipate that we would be engaging with EIOPA on other topics.

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ICI Global

[Attachment](#)

endnotes

[1] For PEPP Regulation, see <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R1238&from=EN>; for EIOPA's consultation paper on the PEPP Regulation, see https://www.eiopa.europa.eu/content/consultation-concerning-technical-advice-implementing-and-regulatory-technical-standards-pan_en; for a side-by-side chart comparing PEPP Regulation to EIOPA's proposal, see https://www.iciglobal.org/pdf/20_icig_pepp_eiopa.pdf.

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