

MEMO# 29674

January 28, 2016

ICI Global's Response to EIOPA Survey on Attractiveness of a Pan-European Personal Pension Product

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TO: ICI GLOBAL CAPITAL MARKETS UNION TASK FORCE
ICI GLOBAL REGULATED FUNDS COMMITTEE No. 9-16
ICI GLOBAL RETIREMENT SAVINGS COMMITTEE
INTERNATIONAL COMMITTEE No. 9-16 RE: ICI GLOBAL'S RESPONSE TO EIOPA SURVEY ON ATTRACTIVENESS OF A PAN-EUROPEAN PERSONAL PENSION PRODUCT

ICI Global response to an Online Industry Survey on the Attractiveness of a Pan-European Personal Pension Product is now available at https://www.iciglobal.org/pdf/15_icig_eiopa_pepp_survey.pdf. The survey was published by the European Insurance and Occupational Pensions Authority (EIOPA) on 16 November [1] as a follow-up to its recently-closed consultation On the Creation of a Standardised Pan-European Personal Pension Product (PEPP) (PEPP consultation). [2] The survey questions asked whether providers would offer a PEPP, what would determine if they do, whether there would be demand for PEPPs, who represents a potential market for PEPPs, how long it would take for a PEPP to be profitable, and which distribution channels would be critical (e.g., Internet). Using the responses to the survey and the consultation, EIOPA plans to provide the technical advice on PEPPs to the European Commission in early 2016.

ICI Global's response to the survey reiterated the ideas from our comment letter on the PEPP consultation. [3] We restated our strong support for the PEPP initiative, agreeing with EIOPA Chairman Bernardino that "[t]he creation of a truly single market for personal pensions in the EU will reduce costs and provide better returns to consumers by increasing economies of scale, while helping the provision of long-term stable funding to the EU economy."

On whether there will be supply and/or demand for PEPPs, we responded that we anticipate both, but the definitive answer is premature, as it will depend on the specifics of the final PEPP rules. We also re-emphasised the need for at least some regulatory flexibility with respect to the PEPP product design and distribution channels so that providers could create

products that are attractive to diverse consumer needs and distribute them through channels consumers prefer (e.g., Internet and other channels). We again urged EIOPA against mandating guarantees and fee caps, and we encouraged EIOPA to find a tax approach that would allow PEPPs to be competitive across the EU and would facilitate the free movement of capital. We also re-stated our support for using a lifecycle approach as a default option in a PEPP.

Anna Driggs
Associate Chief Counsel - Retirement Policy

endnotes

[1] See [Memorandum](#) to ICI Global Regulated Funds Committee No. 71-15, ICI Global Retirement Savings Committee, and ICI Global Capital Markets Union Task Force [29497], dated 17 November 2015. The EIOPA survey description is available at: <https://eiopa.europa.eu/consumer-protection/online-industry-survey-on-the-attractiveness-of-a-pan-european-personal-pension-product>. For publicly-available responses to the EIOPA survey, see https://eiopa.europa.eu/Publications/Comments/Answers_Industry%20Survey%20on%20feasibility%20of%20PEPP%20for%20publication.pdf.

[2] ICI Global response to the PEPP consultation is available at https://www.iciglobal.org/pdf/15_icig_eiopa_pepp_consultation_ltr.pdf; also see [Memorandum](#) to ICI Global Regulated Funds Committee No. 63-15, ICI Global Retirement Savings Committee, and ICI Global Capital Markets Union Task Force [29411], dated 7 October 2015.

[3] See n. 2, above.