

## Regulatory News Alert

### Capital Market Union: Proposal for a Regulation on Pan-European Pension Product

**21 June 2018**

On 19 June 2018, after review and debate on the proposal, the Council agreed on a compromise proposal of a Regulation on Pan-European Personal Pension Products (PEPPs) to be presented to the European Parliament. The initial draft was presented a year ago by the EU Commission in the context of the Capital Market Union, with the aim to meet the challenges posed by an ageing population and low interest rates.

The creation of PEPPs would provide greater choice of savings options and boost the European market for personal pensions, provided it is accompanied by appropriate tax incentives.

This new product would bring the following opportunities to PEPP providers:

- Providers would be able to develop PEPPs in different member states and pool assets more effectively, thus benefiting from economies of scale
- Electronic distribution channels would enable PEPP providers to reach consumers throughout the different member states
- An "EU passport" for PEPPs would also enhance cross-border distribution

Once voted on, the Regulation would apply twenty-four months after its entry into force. Hence, the application date can be expected for 2020 or 2021. Potential PEPP providers can anticipate and prepare for the launch of this new product and optimize potential benefits.

#### **How can Deloitte help?**

Deloitte can help potential PEPP providers to understand and comply with upcoming regulatory constraints and opportunities through different services. We can also help you stay on top of regulatory trends with our Kaleidoscope Regulatory Watch service.



### **Preliminary analysis**

We work with you to ascertain the choice of the most appropriate vehicle (institutions for occupational retirement provision [IORP], life insurance contract, investment fund, etc.).

### **PEPP design and operating model definition**

Our team of experts assist in the anticipation of the new Regulation in term of product design, PEPP management, and distribution.

### **Regulatory Watch**

Deloitte helps you staying ahead of regulations and anticipate changes for your organization.

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