



Pan-European Personal Pension Products (PEPP)

■ Why does it matter to intermediaries?

The Regulation on a Pan-European Personal Pension Product (“PEPP”) deals with the registration, manufacturing, distribution and supervision of PEPP. It was adopted and published in the Official Journal of the EU in July 2019. It is directly applicable and started to apply on 22 March 2022. BIPAR and its member associations have been very active on this file all along the legislative process.

The PEPP is an optional, 2nd regime instrument, complementary to the existing state-based (pillar 1), occupational (pillar 2) and national personal pensions (pillar 3) and has standardised key product features.

PEPP can be distributed by **insurance intermediaries** offering insurance under IDD and **investment firms** providing advice under MiFID II. Some specific PEPP rules also apply to all kinds of distributors. All PEPP providers have to offer “Basic PEPPs”, which are “simple and affordable default investment options” that have to provide capital protection and where costs and fees shall not exceed 1 % of the accumulated capital per year (this includes (initial) advice costs).

The Regulation foresees mandatory advice (with a suitability test) and a demand and needs test for PEPP providers and **distributors**, for all PEPPs, including Basic PEPPs.

■ State of play

At the time of writing this article, one provider is offering a PEPP in Czechia, Croatia, Poland and Slovakia according to the EIOPA central database that contains information on all PEPPs in Europe.

■ BIPAR’s position / key messages

BIPAR and its members were active on this file. BIPAR did not support in particular the cost cap for the basic PEPP and the inclusion of advice costs in the cap. We refer to earlier Annual Reports for more detail on the content of the Regulation and BIPAR’s position on the different aspects.

■ Next steps

Five years after the date of application (March 2027), and every five years thereafter, the Commission will have to carry out an **evaluation**, and after consulting EIOPA and the other ESAs where appropriate, present a **report** on the main findings (a report, amongst others, on the uptake of the basic PEPP and on whether advice provided to PEPP savers is adequate), accompanied, where appropriate, by a legislative proposal.

■ Links

- [Regulation on a Pan-European Personal Pension Product \(PEPP\)](#)
- [EIOPA’s PEPP central database](#)
- [EIOPA’s Register of national laws, regulations and administrative provisions regarding PEPP](#)
- [EIOPA’s FAQs on PEPP for professionals and for consumers](#)