	Comments Template on Consultation Paper on the creation of a standardised Pan-European Personal Pension product	Deadline 05 October 2015 23:59 CET
Name of Company:	Assogestioni	
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Public
	Please follow the following instructions for filling in the template: ⇨ Do **not** change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool ⇨ Leave the last column empty. ⇨ Please fill in your comment in the relevant row. If you have no comment on a paragraph or a cell, keep the row empty. ⇨ Our IT tool does not allow processing of comments which do not refer to the specific numbers below. **Please send the completed template, in Word Format, to CP-15-006@eiopa.europa.eu. Our IT tool does not allow processing of any other formats.** The numbering refers to the Consultation Paper on the creation of a standardised Pan-European Personal Pension product (see Annex 3 of consultation paper)	
Reference	**Comment**	
General comment	Assogestioni welcomes the opportunity to comment on EIOPA's Consultation Paper on the creation of a standardized Pan-European Personal Pension product and supports the initiative undertaken by the European Commission and EIOPA: we strongly believe private pension savings play a key role in creating adequate pensions for European citizens. Creating an effective and well-functioning multi-pillar pension system in Europe is even more important given the lowering of the replacement rates ascertained also by the European Commission in its White paper on Pensions (2012). In our view the creation of a robust market for PEPP require simple, uniform and sound rules governing both the PEPP provider and the product itself. On the provider side, to guarantee a level-playing field, only entities authorized under EU legislation should be entitled to offer PEPP; on the product side, the rules governing its functioning should be issued through a European Regulation. Moreover, the success of the PEPP	

	product is tightly tied to the associated tax treatment: it is crucial that PEPPs have the same national tax treatment as existing pension products.	
Question 1	***Do stakeholders think there is a need for a stand-alone authorisation requirement or would existing Union law sufficiently cover all potential PEPP providers, including those who would issue PEPPs but who are not already authorised by another existing authorisation regime?*** Assogestioni doesn't think there is a need for a stand-alone authorization regime; in this regard, we question the opportunity to allow providers who are not authorized under any existing European sectoral legislation to offer a PEPP: allowing only entities authorized under an existing EU legislation to offer PEPP is the only approach that would guarantee a level playing field among providers, otherwise a regulatory gap would endure between providers regulated under EU financial services legislations and not-regulated providers. We believe it is of prime importance to clearly identify the eligible PEPP providers. However we also think the PEPP Regulation should only cover product and distribution rules without introducing a stand-alone authorization regime for PEPP providers: existing European sectoral legislation has already proven to provide a sound and robust framework of rules governing the activity of financial entities.	
Question 2	***Do stakeholders agree that a highly prescriptive 2nd regime will achieve the policy objectives of ensuring a high minimum standard of consumer protection and encouraging more EU citizens to save for an adequate retirement income?*** We don't think the adoption of a prescriptive 2nd regime would be the best mean to achieve the objectives behind the PEPP initiative: as already stated in the general comments and in Q1, we think PEPP should be regulated through the issuance of a European Regulation, defining rules for the product, its manufacturing and distribution process. To avoid any confusion or misunderstanding on how PEPPs will interact with national social security and labour law as well as with existing national personal pension products' regulations, no reference to the adoption of a second regime should be made. Indeed, it is not clear how a second regime would work in practice, which elements would differentiate it from an EU Regulation and whether it would aim at standardizing only the product rules or both the product and the provider rules.	

	On the other hand European Regulation has been largely and successfully used as instrument in recent years to harmonize specific pieces of legislation among EU Member States; it is a well-known tool among intermediaries operating in the different Member States and this would undoubtedly facilitate the success of the PEPP initiative.	
Question 3	***Do stakeholders agree that EIOPA has identified the correct challenges associated with introducing a 2nd regime? If so, how might these challenges be overcome? If not, what do stakeholders believe might be other challenges associated with introduction a 2nd regime?*** As already expressed in Question 2, it is not sufficiently clear how the 2nd regime is supposed to tie in with existing national regime; in this regard, we believe EIOPA should further investigate how the issues arising from this interaction should be faced, as for example the implications linked to the applicable tax treatment. Moreover, since PEPP is conceived as a simple product, suitable to be sold on the internet, more analysis should be made on how the distribution process would work in practice and how the consumer interests would be protected.	
Question 4	***Do stakeholders believe that an investment option containing a guarantee, e.g. a 0% minimum return guarantee, does not in addition require a life-cycling strategy with de-risking?*** Assogestioni agrees that an investment option containing a guarantee shouldn't require a life-cycling strategy in addition: the provider should be free to provide investment options with a life-cycle strategy or with a guarantee. We believe there is no need to require a combination of these elements.	
Question 5	***Do stakeholders agree to limit the number of investment options, e.g. to five?*** We agree with the need to limit number of investment options in order to avoid an excessive complexity to the product. Nonetheless, we also believe it is important that providers have freedom of choice in designing the investment options to be offered. To find a balance between these different needs, we believe guidance on the architecture of the PEPP should be developed, without necessarily limiting the number of the investment options.	
Question 6	***Do stakeholders agree that the default investment option should either be based on a life-cycle***	

	strategy with de-risking or be assisted by a guarantee, e.g. a 0% minimum return guarantee? We agree on the proposal regarding the default option containing a life-cycle strategy, but we also believe that in order to meet the consumers' needs, the PEPP providers should have adequate freedom in designing the investment strategies. We recognize it is important to design a default option, clearly recognizable and designed to meet the average PEPP holder's needs, but we also support the idea that the PEPP providers should have sufficient freedom in designing the default option and we deem it particularly important to ensure that no obligation to offer a default option with a guarantee is established.	
Question 7	***Do stakeholders agree that providers should have a duty of care concerning the suitability of investment options? What should be its extent? Should for example providers prevent switching to high risk investment options close to retirement?*** Assogestioni believes retirement savers shouldn't be prevented from switching to high risk options close to retirement if they wish so, notwithstanding the fact that the provider maintains a duty of care to verify the suitability of the product to the consumer risk profile, time horizon and retirement needs.	
Question 8	***Alternatively, would it be better for all investment options to contain either a lifecycling strategy with de-risking or a guarantee?*** No, imposing to contain either a life-cycling strategy or a guarantee in each investment option would limit the provider's freedom in designing the investment strategy and it could prevent him from meeting the risk profile that best suits the consumer.	
Question 9	***Could you elaborate on whether PEPP providers, offering a PEPP with minimum return guarantees, should be subject to one identical solvency regime to back these guarantees or whether it would be sufficient that different, but equivalent, solvency rules apply?*** We don't see a need for establishing a stand-alone solvency regime for PEPP providers. Assuming that all providers are regulated under an existing European sectoral legislation, the applicable solvency rules should be the ones applicable to the provider.	
Question 10	***Considering the fact that the PEPP aims to maximize returns outweighing inflation, should retirement savers be allowed to buy a PEPP if the remaining duration of the product is, e.g., only***	

	5 years? Assogestioni believes retirement savers should be allowed to buy a PEPP even if the remaining duration is low: there shouldn't be a prohibition for the consumer to invest in such schemes, although there should be some sort of warning, to make sure he/she fully understands the product characteristics.	
Question 11	***What is stakeholders' view on the desire of PEPP holders on the one hand to have the comfort of knowing they can switch products or providers compared with the desire on the other hand to maintain the benefits of illiquid, long-term investments?*** We believe it is important to recognize the right to switch both product and provider. Nonetheless we also agree that a balance between switching right and the illiquid nature of long term investments has to be found. In this regard we think that imposing a minimum delay between the switching request and the switch would help addressing this issue.	
Question 12	***Under what conditions do stakeholders think that the concepts of periodically switching providers and illiquid, long-term investment are reconcilable?*** Please refer to Q11	
Question 13	***What do stakeholders believe is an appropriate interval for switching without incurring additional charges?*** Switching should never be free of costs for the PEPP holder, although it is important to establish an obligation of clear costs disclosure.	
Question 14	***What do stakeholders think of the proposition that the starting point for disclosure during the pre-contractual phase should be the PRIIPs disclosure elements? Please explain any aspects of these which you believe would be specifically unsuitable for PEPPs?*** We agree that the PRIIPS KID could be a starting point for the design of disclosure obligations. Nonetheless we believe the KID disclosure elements should be complemented with information on personal pension's peculiar elements such as the decumulation phase, the investment options and the possible guarantees.	
Question 15	***What do stakeholders think of facilitating sales of PEPPs via the internet? What should be the consumer protection requirements for internet sales?***	

	We believe that rules on the distribution of PEPPs should be clearly defined at EU-level as a part of the EU Regulation. Although we do not stand in the way of internet sale of PEPP, we consider it of prime importance to clearly define distribution rules and responsibilities.	
Question 16	***Where advice is not given what are stakeholders views on requiring the distributor to apply an appropriateness test to the sale of a PEPP?*** Assogestioni believes that the subscription of a default option shouldn't require the application of an appropriateness test. The default option is by definition an investment option designed to meet the average PEPP holder's needs and it should be possible to sell it on an execution-only basis.	
Question 17	***What are stakeholders' views on the level of standardisation of the PEPP proposed in section 4.1 and 4.2 of this paper? Is the level of standardisation sufficient bearing in mind the objective to achieve critical mass, cost-effectiveness and the delivery of value for money?*** Please refer to other questions in order to grasp an appropriate understanding.	
Question 18	***With regard to offering biometric risk covers should providers offering a PEPP with biometric risk cover be subject to identical or equivalent solvency requirements? Please motivate your answer.*** Please refer to Q9	
Question 19	***What do stakeholders think of requiring a cap on the level of costs and charges of PEPPs, or a cap on individual components of costs and charges?*** If they are to be defined, we believe any cap on costs should be designed so as to prevent the issuance of products with excessive charges, without hindering competition among PEPP providers which would result in a detriment of the PEPP holder's interests.	
Question 20	***Do stakeholders believe that other flexible elements could be offered by PEPP providers?*** When defining the PEPP legislative framework, it is important to try to find a balance between flexibility and standardization elements: on the one hand, since the PEPP is a pension product, it has to be flexible enough to adapt to the national social security and labour law specificities, on the other hand if the PEPP has to be sold cross-border it has to be standardized and comparable.	

Question 21	***Do stakeholders agree with the concept of a "product passport" comprising notification/registration of PEPPs? If not what alternative would they suggest?*** We agree with the concept of a product passport, allowing PEPP providers to distribute the product in other Member States.	