



3 July 2023

PensionsEurope Newsletter 2023/04

Table of Contents

1. European Commission's upcoming consultation on the review of the SFDR Level 1
2. Open Finance
3. DORA
4. Withholding taxes
5. [CSDDD](#)
6. Sustainability Reporting Standards
7. [CEEC Forum 2023](#)
8. [C&S Seminar 2023](#)
9. World Pension Alliance 2024

1. European Commission's upcoming consultation on the review of the SFDR Level 1

On 13 June 2023, the EC proposed [a new package of measures](#) as part of the EU sustainable finance framework. This package included the addition of EU Taxonomy Delegated Acts, new rules for ESG rating providers, a recommendation on transition finance, and the communication paper '[A sustainable finance that works on the group](#)', which summarised these new measures.

In this communication, the EC emphasised the importance of assessing the Sustainable Finance Disclosure Regulation and **announced the launch of a public consultation on the SFDR level I in the autumn of 2023.**

One of the issues we have identified with the current SFDR level 1 framework is the overlap existing with the IORP II, making it challenging for IORPs to report under Article 6 of the SFDR. The WG IORP has already discussed addressing this issue in the SFDR level 1 review. We will prepare a paper highlighting this issue prior to the consultation within the WG LTSI.

2. Open Finance

The Commission published on 28 June a proposal for [a regulation on a framework for Financial Data Access](#) (Open Finance). **The proposal applies to all financially regulated undertakings including IORPs either as data users or data holders or both.** The proposal also encompasses customer data pension rights in occupational pension schemes.

The data holder must, after receiving consent from the customer make the data available to the data user on a real-time basis without undue delay and continuously. The regulation also requires the establishment of a financial data-sharing scheme gathering both data holders and data users which will decide on the compensation being provided for the data holder against the background of minimum arrangements.

The regulation also creates a category of financial information service providers that would get access to customer data if authorized by national competent authorities which need to check certain conditions. The Council is starting to scrutinize the proposal on 12 July.

We set up an internal deadline for preliminary comments on 14 July. We will then circulate a first draft paper position.

3. DORA

PensionsEurope submitted on 23 June its answer to the ESAs consultation related to criteria for Critical ICT Third-Party Service Providers (CTTPa) and Oversight Fees Levied on Such Providers. This targeted consultation launched on 26 May related to DORA delegated acts. In our answer we indicated that the CTTPs designation process should not apply to pension fund service providers considering the absence of significant crossborder activities and the low impact on the provision of financial services, arising from ICT incidents.

The ESAs also launched on 19 June another [consultation](#) on DORA level 2 measures. This first batch covers the following DORA level 2 measures :

- RTS on ICT risk management framework (art. 15);
- RTS on ICT risk management framework for certain smaller entities (art. 16.3);
- RTS to specify the policy on ICT services (art. 28.10);
- RTS on the classification of ICT-related incidents (art. 18.3);
- ITS to establish the templates for the Register of Information (art. 28.9).

We would also like to point out that the ESAs are organizing on 13 July a public hearing on this first batch. You can register [here](#).

We set up an internal deadline for preliminary comments on 14 July. We will then circulate a first draft answer to the consultation. The ESAs deadline for the consultation is on 11 September.

4. Withholding taxes

The Commission published on 7 July its [directive](#) to remove cross-border investment barriers arising from refund procedures of excess withholding taxes. The proposal is the first binding legislative initiative on the issue, as the Commission tried to tackle the issue with non-binding tools such as its [2009 recommendation](#) or its [2017 code of conduct](#).

The Commission put forward two “fast-track” procedures in addition to the current standard refund procedure which Member states can use in combination or choose one or the other :

- “Relief at source” procedure: The tax rate applied when dividends and interest are being paid arises from double taxation treaty provisions ;
- “Quick refund” procedure: After the initial payment based on the withholding tax rate of the Member States where dividends and interest are being paid, the refund process for excess taxes is granted within 50 calendar days from the date of payment.

To benefit from those procedures, investors will need to have recourse with “certified financial intermediaries” that are included in a national register that Member States will have to set up. The above-mentioned also rely on a common digital tax residence certificate to confirm the EU taxpayer’s tax residency which is being established by the proposed directive.

We set up an internal deadline for preliminary comments on 7 July. We will then circulate a first draft paper position.

5. CSDDD

On 1 June, the European Parliament in a plenary session approved its [position](#) on CSDDD with 366 votes in favor, 225 against, and 38 abstentions. The text remained almost unchanged compared to the text voted on 24 April in the JURI Committee. The only major modification is the removal of Article 26, which would have made the company director responsible for due diligence.

As the Council reached its [general approach](#) in December 2022, a first trilogue took place on June 8 under the Swedish presidency. Other trilogues are planned for 10 July and 7 September under the Spanish presidency which put the subject at the top of his priorities.

We circulated on 20 June among members an updated draft position paper reflecting on the Council’s general approach and the European Parliament’s position. We are now reflecting on the comments received on this position paper to put forward a final position paper.

6. Sustainability Reporting Standards

The European Commission published consultation on draft delegated regulation regarding European Sustainability Reporting Standards (ESRS). **Deadline of the consultation is 7 July 2023.**

The EU Accounting Directive (as amended by the Corporate Sustainability Reporting Directive (CSRD)) requires large companies and listed small and medium-sized companies, as well as parent companies of large groups, to include in a dedicated section of their management report the information necessary to understand the entity’s impacts on sustainability matters, and the information necessary to understand how sustainability matters affect the company’s development, performance and position.

The European Commission is required to adopt the first set of sustainability reporting standards specifying the information that companies are to report in accordance with the CSRD. These draft European Sustainability Reporting Standards (ESRS) have been developed by EFRAG and were submitted to the European Commission in the form of technical advice. The European Commission has taken into account the technical advice provided by EFRAG. In addition, the European Commission has consulted various European agencies and other stakeholders subsequent to EFRAG submitting its technical advice in November 2022.

To ensure proportionality and to facilitate the correct application of the standards by undertakings, the European Commission has introduced modifications to EFRAG's technical advice with regard to the materiality approach, the phasing-in of certain requirements, the conversion of certain requirements into voluntary datapoints, the introduction of flexibilities in a number of disclosure requirements, the introduction of technical modifications to ensure coherence with the EU's legal framework and a high degree of interoperability with global standard-setting initiatives, as well as editorial modifications.

The regulation would enter into force four months after the date of adoption. The regulation, and therefore the ESRS, would apply from 1 January 2024 for financial years beginning on or after 1 January 2024. The regulation would be binding in its entirety and directly applicable in all Member States.

7. CEEC Forum 2023

The PensionsEurope's Central European Countries Forum 2023, '**Outlook and opportunities for CEEC Pension Markets**' will take place on **10 October 2023** in Sofia, Bulgaria. The conference is hosted by our Bulgarian member, BASPSC, and is organised in partnership with IPE. This full-day event will only be available in person.

Topics of discussion will include the developments in funded pensions in the CEE region, best practices in the region with the euro introduction and pay-out phase, auto-enrolment, and compliance with ESG requirements. **We have confirmed the participation of high-level officials from the World Bank, OECD, EIOPA, the European Commission, and Bulgarian ministries.** The full programme will be available in September.

Attendance for this conference is free of charge. Registration is already open, and you can register [here](#). Participants will also receive access to discounted rates for rooms in the hotel where the conference is taking place, and we will inform you via email.

8. Corporate and Supporter Members Seminar 2023

The Corporate and Supporter Members Seminar 2023 '**Lessons and priorities in EU financial services – What's important for pensions?**' will take place on **15 November 2023 between 14: 00 and 17: 00 in Brussels**. This will be a physical event, which will be followed by a reception and a dinner for members.

The C&S seminar is organised for our Corporate and Supporter Members. The first part of this event will discuss and take stock of the current mandate of the Von der Leyen Commission in financial services. The second part will focus on the EIOPA's advice to the EC on the IORP II review. Our speakers will include **Didier Millerot, Head of Unit – Unit Pensions and Insurance at DG FISMA, and Justin Wray, Head of Policy at EIOPA**, among others.

PensionsEurope Members received a first invitation 29 June. Registration and the full programme will be available after the summer.

9. European Retirement Week

The European Retirement Week (ERW), taking place annually in the last week of November provides a platform for a wide range of stakeholders to debate the future of pensions in Europe and raise citizens' awareness of the need to save for retirement and achieve pension adequacy.

The participating associations are AGE Platform Europe, BETTER FINANCE, CBBA-Europe, AEIP, EBF, EFAMA, European Public Real Estate Association, ETS Association, FESE, INREV, InsuranceEurope, InvestEurope and PensionsEurope.

This year, European Retirement Week will kick off on **27 November 2023**. The 2023 edition will feature a launch event and various side events.

As part of the European Retirement Week, we will organize a joint webinar in collaboration with the European Association for Paritarian Institutions (AEIP) on the topic of **'Closing the Communication Pension Gap – How to Provide Better Information to Members and Beneficiaries?'** The webinar will take place **on 30 November 2023, from 14: 00 to 16: 00**. More information on the program will be available soon.

10. World Pension Alliance 2024

The World Pension Alliance is a collective organisation comprised of the main associations representing pension plans and providers throughout the World. PensionsEurope is a member of the World Pension Alliance (WPA).

Each year, the WPA organises a conference to meet and exchange on common issues in pensions across the world. This conference is typically followed on the next day by the Transatlantic Conference, which focuses on healthcare and collective bargaining.

In June 2023 Matti Leppälä, Secretary General of PensionsEurope, was elected to chair the WPA until June 2024. As part of this responsibility, PensionsEurope will host the WPA conference 2024. We aim to organise this conference in early June 2024 (TBC).