PensionsEurope Newsletter 2025/07

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1. DG FISMA consultation on pensions issues

Background:

On 29 August 2025, PensionsEurope uploaded its answer to the DG FISMA's consultation on pensions issues. This answer was prepared by the secretariat, considering the input received from members of both the IORP and PPP WGs. A Joint IORP and PPP WG meeting was also organised in which all issues were discussed.

Content:
In total, there were 54 questions, which are separated into the following 5 chapters. Find below our key messages for each chapter:

1. PENSION TRACKING SYSTEMS (4 questions)

- The structure and use of PTS should remain an issue for the Member States. PTS should also adapt to the information needs of members and beneficiaries in a Member State.
- A PTS must provide information on statutory and supplementary pensions. The added value of a PTS comes from consolidating pension information.
- In countries with no available PTS, the scope and content of the necessary information requirements of a new PTS can use PBS information already available as a basis.
- Impartiality and reliability of data and the cost of a PTS remain the main challenges.

2. PENSION DASHBOARDS (2 questions)

- The dashboard must offer a forward-looking perspective on the development of pensions across parts of the pension system during the following decades.
- Pension Dashboards should allow people to have a clear insight into the pension system which can work as a basis for a broad societal pension debate.

3. AUTO-ENROLMENT (5 questions)

- Auto-enrolment has proven effective in expanding pension coverage in some countries.

- Successful auto-enrolment must not only achieve broad participation but also ensure that contribution levels are sufficient to provide adequate pensions.
- Member States need flexibility to evaluate whether to introduce and how to organise auto-enrolment.
- Social partners must be included in introducing auto-enrolment for supplementary pensions where possible, as this improves stability and trust.

4. REVIEW OF THE PEPP REGULATION (22 questions)

- Third pillar pension products need to be adjusted to the respective national pension landscape. One-size-fits-all products typically do not achieve good results.
- Supply and demand-side issues need to be properly considered to enhance the attractiveness of the PEPP.
- Having a built-in lifecycle investment strategy for the basic PEPP can be an appropriate solution if correctly implemented, as a lifecycle approach is a common practice for pension products.
- in Member States with well-developed pension systems, the approach, which combines occupational and personal pension, risks interfering with the operation of established or emerging schemes.
- The introduction of PEPP in the workplace context would make the second pillar even more complex in most Member States and the framework conditions for IORPs even more complicated.

5. REVIEW OF THE IORP II DIRECTIVE (21 questions)

- The prudent person principle and the fiduciary duty, as expressed in Article 19 of the IORP Directive, are sufficient and allow for proper diversification of portfolios.
- IORP II Directive should not prescribe detailed rules or limits on asset allocation.
- The existing quantitative restrictions imposed by regulators or supervisors on alternative assets do not pose a major problem for the allocation desired by IORPs.
- The consolidation of pension funds in European countries has already been happening in the pension fund industry for years. No further EU action is necessary.
- The current IORP II framework ensures that IORPs can conduct cross-border operations effectively. The limited cross-border activity is largely due to the significant differences between national tax laws and social and labour legislation. Certain issues such as the definition of the majority for cross-border transfers and the fully funded requirement, could be reformed to help enhancing cross border activity.
- The scope of the directive needs to stay the same.
- A principle-based communication approach, setting open norms, is the best way to ensure effective communication. Enough flexibility should be given to the MS to choose between PBS and PTS.

Next steps:

The EC will now evaluate all the responses received by the different stakeholders. Based on our latest information, the pensions package will be published by the EC in mid-November.

2. EFRAG consultation on the Revised ESRS Exposure Drafts

Background

During the summer, EFRAG published a consultation on the Revised ESRS Exposure Drafts. This follows the European Commission's Omnibus initiative and its formal request to EFRAG in March 2025 to

deliver a critical simplification to the ESRS adopted in 2023. The objective is to make sustainability reporting under the Corporate Sustainability Reporting Directive (CSRD) more manageable while preserving its relevance and alignment with the European Green Deal.

Content:
EFRAG applied top-down simplification strategies and levers together with a bottom-up detailed review of all datapoints. This includes streamlining the double materiality assessment, reducing overlaps across standards, clarifying language and structure, and removing all voluntary disclosures. New relief mechanisms have also been introduced, such as exemptions where reporting would cause undue cost or effort. According to EFRAG, in total, mandatory datapoints (to be reported if material) have been cut by 57%, and the full set of disclosures, both mandatory and voluntary, are reduced by 68%. The overall length of the standards has been shortened by over 55%.

PensionsEurope preliminary reaction:
PensionsEurope understands the need to relieve the companies of the reporting burden, but at the same time, investors need to have access to comprehensive corporate sustainability data, to be informed about sustainability concerns in investment decisions and to comply with SFDR PAI reporting. Therefore, PensionsEurope LTSI WG will evaluate the current revised version of ESRS, and we will express our views on the current version.

Next steps:
The deadline for this consultation is 29 September 2025. Our internal deadline for receiving feedback by members is Thursday 11 September. Based on the feedback received, the secretariat then will prepare our first draft.

3. FIDA

Background:

On 1st April 2025, the first interinstitutional meeting between co-legislators and the EC on FIDA took place. The EC was tasked to deliver a non-paper on FIDA simplification, which was delivered on 16 May 2025. The EC continues to defend the inclusion of the customer data category related to occupational pension schemes in FIDA scoping (and the entities providing such pension schemes, namely IORPs and insurance undertakings).

On 17 June 2025, the second (political) trilogue on the FIDA meeting took place. On the inclusion of IORPs in the scope of FIDA, the EP rapporteur, Johan Van Overtveldt (ECR, BE), indicated its attachment to the EP mandate (see Article (2)2) that includes IORPs *that are accessible for all interested consumers**)*** and the EPP shadow rapporteur, Regina Doherty (EPP, IE) highlighted that "*the IORPs exclusion was important for her group*". On the contrary, the Commissioner Albuquerque unsurprisingly expressed her regrets regarding the exclusion of IORPs and asked the co-legislators "*to reconsider the exclusion*" while ensuring proportionality for small IORPs.

Last developments:

On 16 July 2025, the Danish presidency organised a Council meeting on FIDA to discuss; (1) the scope, (2) FDSS, standardization of data and API's, (3) Gatekeepers, (4) the alignment with PSD3/PSR, (5) implementation deadline, (6) deletion of unnecessary reporting requirements, (7) empowerments for level II and III mandates & (8) EUID wallet.

MSs also discussed a German non-paper on FIDA that was circulated at the end of May 2025. The paper proposes a legal solution to tackle issues that IORPs can face with pension rights that continue to be managed by them after the end of employment, based on legal obligations in national labour and social law.

On 4 September 2025, MSs met to pursue their discussions on FIDA. Based on the outcomes of the last Council meeting that took place on 16 July 2025, the note put forward different drafting proposals.

The presidency highlights that the proposal arising from the German non-paper to "*exclude arrangements that entitle members of an occupational pension scheme to continue to save on their own behalf from the scope of FIDA was well received by MSs*" at the 16 July CWP meeting.

Other issues have been discussed with related drafting proposals, on (1) historical data, (2) definition of raw data, (3) schemes and governance, and (4) ESO minimum harmonized governance. Striking the right balance and finding a consensus for the presidency won't be easy.

On the ESO minimum harmonized, we can notice that the notice explains the functioning/governance of ESOs and how they can be involved in developing standards. Given the initial market-led approach of the FIDA proposal, giving powers to the ESOs to develop minimum harmonization standards as suggested by the note would have serious implications. To avoid having a burdensome approach, the note suggests that sufficient representation of market participants within the ESOs is ensured, as well as making ESOs standards voluntary.

Next steps and PensionsEurope advocacy:

On 23 June 2025, PensionsEurope exchanged with the ECR policy advisor, Dieter VAN ESBROECK. PensionsEurope made outreach towards the EC (digital finance unit), the Polish presidency, the French Permanent Representation, and the APAs of the rapporteur and shadow rapporteurs. We also circulated our position paper to the Danish presidency of the Council and had written exchanges with them.

4. EC call for evidence on a Recommendation on savings and investment account

Background:

On 10 June 2025, the EC launched a call for evidence on a recommendation (therefore a non-legislative instrument based on Article 292 of the TFEU) on Savings and Investment accounts.

This is the follow-up to the EC March 2025 SIU communication, where the EC outlined that it will "*create a European blueprint for savings and investments accounts or products based on existing best*

practice (..) The Commission will closely monitor the uptake of these accounts and regularly report on progress".

The consultations invited stakeholders to bring forward their inputs on the characteristics of savings and investment accounts, including potential advantages and disadvantages of specific characteristics such as (1) the possibility to access a wide range of products through the account, (2) the eligibility of products that could be accessed via a savings and investments account and/or (3) tax simplification and tax advantages to be granted to the accounts.

PensionsEurope advocacy and next step:

On 8 July, PensionsEurope submitted its answer to the EC's call for evidence on a recommendation on savings and investment accounts (SIAs). We highlighted that the impact on supplementary pensions of such SIAs should be properly taken into consideration, especially if they benefit from preferential tax treatment, as it could jeopardise the objective of providing sufficient income replacement in old age. We also emphasized that any investment restriction should be avoided as it would go against the principle of diversification.

On 30 September, the EC will publish its recommendation on SIAs.