



[PensionsEurope Newsletter 2026/08](#)

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1. IORP II review

Background:

On 20 November 2025, the European Commission published a package aimed at boosting supplementary pensions to help ensure adequate retirement income, as part of its broader Savings and Investments Union (SIU) strategy, including a proposal on the [IORP II review](#).

Last developments:

Council:

On 26 June 2026, the Council agreed its [negotiating position](#) on the review of the IORP framework.

The main parts where changes from the original proposal are included are the following:

- Scope and application of Directive, definitions and activities
- Authorization and operating requirements
- Cross Border Activities and Transfers (CB and domestic)
- Quantitative requirements
- Investments
- System of Governance
- Information to be given to prospective members, members and beneficiaries
- Business Conduct
- Supervision
- Final provisions

European Parliament:

In June, the rapporteur published his [draft report](#). 25 June 2026 was the deadline for introducing amendments by the MEPs. You can find [here](#) the amendments introduced by the MEPs. The first shadow meeting took place on 15 July 2026. In this meeting, mainly procedural issues were discussed. On 15 September, the first bucket of issues was discussed. Technical meetings between the APAs and exchange of emails from the APAs also take place.

There are 3 more shadow meetings which are envisaged.

- 6 October 2026
- 15 October
- 20 October, if needed

Currently, based on our information, the following issues are still pending:

- Article 18a: Internal stress tests
- Article 49a: Supervisory Dialogue
- Article 19: Prudent Person Principle- we were told that there are disagreement both for the investment threshold in productive investments and VC, and for the part about sustainability concerning the concept of double materiality.

On 30 September, the EPP political group organised an event concerning the supplementary pension package at the EP. There were 2 panels, one concerning IORP and one concerning PEPP. The Shadow Rapporteur MEP Dirk Gotink (EPP) was moderating the IORP panel, and he made some interesting remarks concerning the upcoming process. He mentioned that the EP has a different approach in comparison with the Council. They do not intend to delete so many articles as the Council, and they will keep many elements of the proposal. He added that he believes that the Trilogues will take much time because the Council will have to renegotiate internally many of the articles that they deleted to have a new negotiating position on these topics. Finally, he anticipates that trilogues will start potentially in January 2027.

PensionsEurope reaction and advocacy:

Our position paper and our amendments based on our position paper have already been communicated to all the relevant MEPs in the European Parliament. A note with our positions on the draft report of the Rapporteur was prepared and sent to certain MEPs. Currently, we are engaging with the Rapporteur and Shadow Rapporteurs to gather information and influence as much as possible, the outcome of the shadow meetings.

2. PEPP regulation review

Background:

On 20 November 2025, the European Commission published a [package](#) aimed at boosting supplementary pensions to help ensure adequate retirement income, as part of its broader Savings and Investments Union (SIU) strategy, including a proposal on the [PEPP review](#).

On 11 May 2026, the EP EMPL committee published its [draft opinion](#). The rapporteur for the opinion is MEP Liesbet Sommen (EPP, BE), prepared a document that pushes back on many aspects of the Commission proposal, including the tax provisions that are removed, and emphasizes the need to respect national fiscal sovereignty.

On 24 June 2026, at the COREPER level, the Council [reached a general approach](#) on the PEPP review. Regarding the Workplace PEPP, the text modifies Article 47 of the EC proposal by removing the reference to auto-enrolment. In addition, further modifications in Recital 22 aim to clarify that PEPP remains a personal pension product and that the PEPP contract is between the PEPP saver and the PEPP provider.

On 28 July 2026, the ECON [draft report](#) of the rapporteur Stéphanie Yon-Courtin (Renew, FR) was published. It broadly supports the Commission's aim of strengthening the attractiveness of the PEPP but proposes changes to rename the Basic PEPP, to avoid discriminatory measures on PEPP taxation and to indicate that workplace PEPP '*should not interfere with existing occupational pension schemes*'.

On 2 September, the ECON committee had an exchange of views on the PEPP review, where political groups exchanged general statements on the PEPP review :

- EPP: Regina Doherty (IE) explained the importance of PEPP 2.0 as part of the SIU agenda to create a genuine pool of long-term capital connecting people who want to save for their retirement. She also called for greater openness to potential cross-over of occupational pension with personal pension and the role that PEPP could play in that context. She referred

to her previous experience as Irish Minister for Social Protection, and Ireland's work on automatic enrollment, stressing that Member States followed different approaches to occupational pensions;

- S&D: MEP Jonas Fernandez (ES) spoke on behalf of rapporteur Francisco Assis (PT) to contest the narrative behind the PEPP review. He stressed that reforms to the PEPP should not weaken collective bargaining in the design of second-pillar pension products.

European Parliament

A. ECON committee (responsible)

At the time of writing this newspaper, the full set of amendments wasn't published.

However, we obtained leaks from the [EPP](#), [S&D](#), [Pfe](#) and [Green](#) shadow rapporteurs, respectively Regina Doherty (IE), Francisco Assis (PT), Auke Zijlstra (NL) and [SINKEVIČIUS Virginijus](#) (LT).

Broadly speaking, the amendments of the Pfe and S&D are aligned with our positioning on the workplace PEPP, while the EPP shadow goes in the opposite direction.

- Workplace PEPP:
 - Francisco Assis removes all the provisions related to the Workplace PEPP (AMs 8,11, 22, 45, 57,64);
 - Auke Zijlstra establishes a Member State option (AM 3) in a recital and clarifies that it remains a third pillar pension product (AM 6, 7) and defines an occupational pension arrangement. However, the Pfe shadow also introduces new information requirements to be delivered to the employee (AM 14), enhances the choices of the employee (AM 16, 20) and modifies the review clause to assess the impacts of the workplace PEPP regarding any potential substitution with existing occupational pension (AM 21);
 - The EPP shadow insists that workplace PEPP using auto-enrolment be "*based on the circumstances and existing arrangements in that Member State*" (AM 57). She also expanded quite significantly the provisions of the Commission by facilitating : (1) the continuation of the workplace PEPP contract if the employee changes employer (AM 54), (2) employers' contribution for SMEs (AM 47), as well as (3) potential matching contributions from the employer;
 - The Green shadow only foresaw the possibility of having a workplace PEPP using auto-enrolment in an MS only "*where no existing second-pillar occupational pension scheme is available in the Member State concerned*" (AM 31). He also clarified that the workplace PEPP remains a third pillar product (AM 30) and indicated that the Basic PEPP must be the default investment option for the workplace PEPP using auto-enrolment (AM 32);
- Tax treatment:
 - The Pfe shadow insists that the 2017 Commission recommendation remains relevant and preserves the competences of the MSs (AM 1, 9) while ensuring non-discrimination regarding cross-border PEPPs;
 - The S&D shadow keeps the tax provisions of the Commission and introduces a notification requirement for the MSs to notify the EC "*with respect to the tax treatment of PEPPs vis-a-vis other personal pension products in Member States*";

- The EPP shadow removes the tax provisions of the EC proposal (AM 8, 9, 25), explaining that it is not appropriate to deal with “*taxation rules in a Financial Services file*”;
- The Green shadow takes a critical stance on the tax incentives, explaining that they have anti-redistributive effects and increase inequalities, but keeps most of the Commission provisions (AM 5).
- Transfers:
 - The S&D shadow creates a symmetry of transfers between the PEPP and the PPPs (AM 62, 63);
 - The EPP shadow also creates a symmetry of transfers between the PEPP and the PPPs (AM 61);
 - The PfE shadow establishes transfers in both ways (AMs 4, 17, 18);
 - The Green shadow keeps intact the Commission provisions.

We note also that the Green shadow rapporteur wants that PEPP providers invest at least 75% of their investments into European assets (AMs 9, 23).

B. EMPL committee (for opinion)

On 10 September 2026, the EMPL committee published its [opinion](#) on the PEPP review, which was [adopted](#) on 2 September by 31 in favor, 8 against, and 13 abstentions.

The opinion has the following features:

- General amendments: The opinion highlights that the PEPP's development must fully respect MSs' competences in organizing pension systems (AM 28, 40), including taxation and labour law (AM 7). It also emphasizes the importance of statutory pensions, complemented by occupational pensions (AM 1 & 2), to prevent old-age poverty, and underlines that promoting the PEPP and the PPPs should not weaken it (AM 21).
- Workplace PEPP: The document removes all the provisions establishing this (AMs 29, 32, 34, 42, 47) .
- Basic PEPP: The opinion keeps the 1% fee cap for the Basic PEPP (AM 16, 39), while the EC removed it. It makes the advice on an independent basis compulsory for the Basic PEPP (AM 17) and preserves the possibility of having human assistance (AMs 18, 35) “where automated or partially automated systems are used” to provide the PEPP.
- Life-cycle investment approach: It promotes the life-cycle investment approach for the PEPP (AM 25, 26) while it pushes back on the VfM approach chosen by the EC (AM 30) and additional supervisory roles/intervention powers given to EIOPA in the EC proposal (AMs 14, 20, 50).
- European Pension Forum. The opinion mandates the EC to establish such forum to monitor pension policies on an annual basis (AMs 22, 51).

Therefore, this opinion is closely aligned with our positioning.

PensionsEurope advocacy and next steps:

In the ECON committee, shadow meetings will take place between mid-October and the end of November 2026. An exchange of views will take place on 15 October 2026.

The vote in ECON is planned for 1 December 2026. Trilogues on the PEPP might start at the end of 2026 or early 2027.

We continue our outreach to the rapporteur and shadow rapporteurs to influence the outcome of the EP legislative process, based on our [positioning](#) and proposed [amendments](#). On 4 September 2026, we met the assistant of the EPP shadow rapporteur in the ECON committee.

3. SFDR Review: European Parliament approaches key vote

Background:

On 20 November 2025, the European Commission [published](#) its proposal to revise the Sustainable Finance Disclosure Regulation (SFDR). The proposal seeks to simplify the framework and replace the current Article 8 and Article 9 classifications with three sustainability product categories: Transition, ESG Basics and Sustainable.

State of play:

With the Council and European Parliament having now established their respective negotiating positions, the SFDR review is moving towards interinstitutional negotiations. The three-category structure and 70% qualifying threshold are maintained in both positions, meaning that the focus is increasingly shifting from the overall architecture of the framework towards how the categories and related requirements will operate in practice.

This also changes the context for PensionsEurope's engagement. Our March position remains the basis of our advocacy, including our main request for Member States to have the option to exclude IORPs from mandatory categorisation. As this has not been taken up by either institution, the period ahead of trilogues provides an opportunity to complement that position with a small number of concrete and technically workable improvements to the legislative text.

Significance for pension funds:

The Council and Parliament positions contain several improvements relevant to occupational pension funds that PensionsEurope would like to preserve in the final agreement. These include more workable treatment of sovereign and public-sector debt, better recognition of products investing through underlying financial products under Article 9a, Parliament's recognition of the specific communication needs of IORPs vis-à-vis members and beneficiaries, and the deletion of entity-level PAI disclosure requirements.

At the same time, practical issues remain if IORPs continue to be subject to the categorisation framework. These concern, in particular, communications with members and beneficiaries, reliance on information from underlying investments, PAI requirements for ESG Basics, disclosures for non-categorised products, additional reporting requirements and sufficient time to implement the new framework.

Where things are heading:

The next phase will therefore be less about reopening the overall architecture of SFDR and more about influencing the detailed compromises that will determine whether the framework is workable in practice. PensionsEurope's objective is to preserve the improvements achieved during the Council and Parliament negotiations while putting targeted drafting solutions in front of negotiators where practical problems remain.

This is particularly important ahead of the trilogues, when differences between the Council and Parliament positions will need to be reconciled and there remains scope to shape the final compromise.

PensionsEurope activities:

Against this background, PensionsEurope has prepared a follow-up position paper for the final negotiations. The paper does not replace or reopen our March position. Instead, it translates the principles already agreed by members into targeted amendments addressing the remaining practical issues, including IORP communications, Article 9a reliance on information from underlying products and external managers, ESG Basics requirements, disclosures for non-categorised products, additional reporting and implementation time. This reflects the approach agreed for the final stage of the negotiations: preserve our overall policy position while concentrating on changes that could realistically improve the final text.

The WG LTSI discussed the follow-up paper at its meeting on 28 September. Following the discussion and the written input received from members, a revised version incorporating members' comments was circulated to the Working Group for a final check, with comments requested by 5 October.

Once finalised, PensionsEurope will intensify its institutional outreach ahead of the trilogues, re-engaging with the Parliament rapporteur and relevant shadow teams, the Council Presidency and selected Permanent Representations, as well as continuing technical engagement with the European Commission. The aim is to put concrete and usable drafting proposals in front of negotiators while there is still scope to influence the final compromise.

4. EC digital omnibus regulation: Parliament negotiations move into negotiation phase while the Irish presidency will trigger a vote on a new revised text

Background:

In November 2025, the European Commission [published](#) its Digital Omnibus proposals as part of its wider digital simplification agenda. The package seeks to reduce regulatory overlap and administrative burden across EU digital legislation, including through changes to the GDPR, cybersecurity incident reporting and the implementation of the AI Act.

On 26 June 2026, co-rapporteurs Aura Salla (EPP, Finland) and Marina Kaljurand (S&D, Estonia) published their [joint draft report](#) on the Digital Omnibus Regulation. The draft report places significant emphasis on the Data Act, which accounts for a large share of the proposed amendments but also contains important elements for the broader digital simplification agenda.

At the end of June 2026, the Cypriot Presidency failed to reach a consensus among the MSs after the latest compromise risked being blocked by a minority. The Irish presidency, which started on 1 July 2026, worked over the summer to address the concerns of the MSs, especially on data protection and cookie issues.

On 24 July 2026, the Digital Omnibus on AI [was published](#) in the Official Journal. Among its main changes, the regulation postpones the application of the high-risk AI rules until 2 December 2027 for stand-alone high-risk AI systems and 2 August 2028 for high-risk AI systems embedded in products. The wording of Article 4 (AI literacy) obligations of the AI Act for the “*providers and deployers of AI systems*,” which can include pension funds, has been lightened compared to the previous version of Article 4

At the end of August 2026, joint LIBE and ITRE Committees have published 1,762 amendments, of which approximately 700 concern the GDPR and around 100 relate to the proposed Single-Entry Point for incident reporting. ([here](#), [here](#), [here](#), [here](#), [here](#), [here](#), [here](#), [here](#), [here](#)). There is broad support for reducing duplicate reporting, although views differ on whether reporting should be channelled through a central ENISA-operated Single-Entry Point or through national entry points.

State of play:

Council

On 2 October 2026, the Irish presidency circulated a [revised compromise text](#) with the following features:

- **Cyber-incident reporting / DORA:** The latest compromise maintains the decentralised system based on national entry points. Under Article 23b, each Member State would establish and maintain a national entry point, while retaining flexibility over its configuration. ENISA's role under Article 23a is instead to develop and maintain an incident reporting information point that helps entities identify their applicable reporting obligations and directs them to the appropriate national entry point. For financial entities, DORA Article 19 is amended so that major ICT-related incidents are reported to the relevant competent authority with the support of the national entry point under NIS2 Article 23b; the same applies to voluntary notification of significant cyber threats. Recital 56 provides that the national-entry-point system should start being used for reporting under DORA and the other covered acts within 30 months of entry into force.
 - Therefore, the changes are aligned with our [positioning](#) as we pushed back against the centralization of incident reporting.
- **Pseudonymisation:** The compromise retains the recipient-relative approach: pseudonymised data would not constitute personal data for a third party unable to identify the individual, while they remain personal data for a processor acting on behalf of the controller. Where such data are subsequently made available to another third party that possesses or can obtain means reasonably likely to identify the individual, both the transmission and subsequent processing constitute processing of personal data. The substantive rules are set directly in Article 25a, and the EDPB must issue an opinion on pseudonymisation and anonymisation, with the Chair required to request it within six months of entry into force. Recital 27c also provides for a public consultation with relevant stakeholders before the opinion is issued.
- **Health data:** No pension-specific legal basis has been introduced. The compromise adds derogations concerning incidental processing of residual special-category data in the development and technical operation of AI systems/models and certain biometric verification, but there is still no equivalent to PensionsEurope's proposed legal basis for processing health data necessary for the recognition, management or payment of retirement, disability or dependency benefits.
- **“Not data-intensive”:** The compromise provides greater clarification but is unlikely to offer significant simplification for many pension funds. The exemption (as per Article 13) does not

apply where processing involves complex processing operations, large amounts of personal data or personal data under Articles 9 and 10. Recital 36 further explains that a non-data-intensive activity involves a low amount of personal data and non-complex processing and expressly states that this is not the case, for example, in the field of employment.

- **Personal data breach reporting:** The compromise retains the high-risk threshold and 96-hour notification deadline (Article 33). Notifications would be made to the competent supervisory authority with the support of the national entry point established under NIS2 Article 23b; until that national entry point is established, controllers would continue to notify the competent supervisory authority directly. The EDPB would establish and make public a list of circumstances in which a personal data breach is likely to result in a high risk and a list of circumstances in which it is not likely to result in such a high risk, within nine months from the date of entry into application. Separately, the EDPB must prepare and transmit to the Commission a proposal for a common breach-notification template within the same nine-month period, which the Commission may adopt by implementing act.

European Parliament

Negotiations on the main Digital Omnibus started slowly, with a first shadow meeting that took place on 1st October 2026. Given the volume of amendments and the [joint LIBE-ITRE procedure](#), it is politically and technically challenging to draft compromise amendments.

Where things are heading:

The LIBE and ITRE committees will have several technical meetings in October and November before a new shadow meeting scheduled for 3 December 2026.

The joint committee vote is currently expected in early 2027.

The Irish Presidency put its last revised compromise text to a vote for the COREPER II meeting taking place on 7 October 2026. The political outcome of such a compromise remains uncertain, as we understand that Germany was trying to push for further simplification on data protection issues in the last weeks.

PensionsEurope activities:

PensionsEurope continues to engage with both Parliament and Council on the Digital Omnibus and has done outreach to both Council and EP representatives over the past weeks. We will meet on 9 October with the APA of the rapporteur of the ITRE committee.

5. Direct taxation omnibus directive

Background:

On 24 June 2026, the Commission proposed a [tax simplification package](#) that includes an omnibus tax directive with a very positive element for our sector: exempting pension funds from withholding taxes on dividend payments through amendments to the [Parent-Subsidiary Directive](#). That proposal aims to simplify EU tax rules, decreasing the compliance burden for companies and reinforcing the competitiveness of the single market.

Regarding [FASTER](#), the tax omnibus modifies its scope to make sure that it covers refunds (and relief at source) in the event of IRD/PSD exemptions claimed on publicly traded securities.

The Member States had two meetings to discuss the tax omnibus:

- On [13 July 2026](#), Member States had their first discussion with a presentation from the Commission;
- On 3 September 2026, the Member States had a discussion focused on the proposed Pillar 2 carve-out from the Anti-Tax Avoidance Directive (ATAD) Controlled Foreign Corporation (CFC) rules, where the EC explained that the carve-out should guarantee that undertakings remain subject either to Pillar 2 or to CFC rules, preventing opportunities for aggressive tax planning or avoidance.

On 15 July 2026, the tax omnibus file was attributed to the Renew group.

Latest developments:

In mid-September 2026, two Council documents ([here](#) and [here](#)) provided an overview of the preliminary positioning of the MSs on the Commission proposal:

- ES: *'have doubts about the elimination of prior verification requirements and on the extension of the exemption from withholding tax on dividends to pension funds. »* ;
- PL: opposed the exemption, explaining that *"Given the specific legal and tax circumstances surrounding pension funds, we believe that any rules regarding their treatment should be regulated separately under special legal provisions, rather than by expanding the scope of the PSD »*. They are also worried that granting such an exemption would lead to exempting third-pillar countries' pension funds given the free movement of capital.
- LU: broadly in favour of the exemption, explaining that they understand the policy choice underpinning such exemption. However, they asked for a clarification on whether this exemption would be limited to pension institutions established within the EU.
- HR: mentioned that this proposed exemption was in line with the SIU while highlighting the need to *"further examine the possible effects of the proposed amendments on the tax revenues of Member States and assess whether the proposed solutions are proportionate to the objectives to be achieved. »*
- DK: noted that Danish pension institutions meet the criteria for the pension funds exemption but remain supervised under Solvency II, and raised questions about the application of the exemption regarding pension funds' investment in investment funds.
- FR: asks for clarification regarding the exemption, explaining that *"on the one hand, Article 2 of the Directive stipulates that it applies to companies in a Member State subject to one of the taxes listed in the Annex and, on the other hand, pension funds are often exempt from corporation tax"*

In late September 2025, the ECON committee appointed the following MEPs for the taxation omnibus directive:

- Ludovit Odor (Renew, SK) as rapporteur;
- Jonas Fernández (S&D, ES) as shadow rapporteur;
- Tomas Kubin (Pfe, CZ) as shadow rapporteur;

- Marion Aubry (GUE, FR) as shadow rapporteur

On 5 October 2026, the Member States had another [meeting](#) on the tax omnibus directive.

Next steps and PensionsEurope advocacy:

A special legislative procedure is applicable for EU tax files with an unanimity decision-making system at the Council level (no QMV), with the EP having only a consultative role. The objective of the Commission is to have an agreement on the text by the end of 2027. The EP is expected to approve its (non-binding) opinion in July 2027.

We have already liaised with EFAMA, Accountancy Europe and Business Europe regarding the possibility of publishing a joint statement. On 15 September 2026, we met DG TAXUD (please find [here](#) our summary). On 5 October 2026, we circulated a first draft position paper to be commented on by 9 October 2026.