**PEPP**

TO COMPLEMENT THE CURRENT PENSION SYSTEM (PILLAR I AND II) IN EUROPE

<table>
<thead>
<tr>
<th>REGULATORY INITIATIVE</th>
<th>FOCAL POINTS</th>
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| Proposal launched on June 29th 2017 by the European Commission. Only 67 million (27%) individuals aged 25-59 years in the EU have a voluntary pension plan. (Source EIOPA). Solution to the pension problem for EU Member States. | **Benefits of the PEPP:**
Portable between member States: savers will be able to continue contributing to their PEPP when moving to another Member State.
Easy use of private pension option as an additional employee benefit for employers.
Additional flexible form of retirement savings for **ordinary citizens**. |

**PEPP in short:**
- Dedicated to retail investors
- Highly standardized
- Simple
- Transparent
- Safe
- Strong consumer protection
- Efficient governance

**For investors:**
- Empower people to save for retirement and could keep it invested.
- To purchase an annuity.
- To start taking distributions from the accumulated balance.
- Ability to invest in the PEPP through a variety of distribution channels.

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>2017</td>
<td>29.06.2017 EC proposal for PEPP</td>
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<tr>
<td>2018</td>
<td>June 2018 Proposal voted by European Council</td>
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<tr>
<td>2018</td>
<td>3.09.18 Final text agreed by European Parliament</td>
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<tr>
<td>2019</td>
<td>4.04.19 Final text adopted by the Council during trilogue</td>
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<td>2019</td>
<td>14.06.19 Final text adopted by European Parliament</td>
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<td>2019</td>
<td>25.07.19 Publication of the final text in the OJ of the EU</td>
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<td>2021</td>
<td>Launch of the First PEPP?</td>
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Product proposal from the EC

- To close the pension gap faced by most European citizens and improve the retirement income of those citizens.
- PEPP needs to cross borders and fit with each member state’s pension system and mindset of retirement savings.
- Commission Recommendation on the tax treatment of personal pension products.
- The Funds industry can help making PEPP a success creating the PEPP brand like the UCITS brand.

19th June 2018 the EU Council has reached an agreement on PEPP.
3rd September 2018 the European Parliament voted the final text of the regulation.
4th April 2019 the European Parliament adopted the text as agreed between Council, Parliament and Commission (trilogue agreement) on the EU Regulation on the PEPP.
14th June 2019 the Council adopted the final PEPP regulation that has been published on 25 July 2019 in the OJ of the EU in order to come into force 20 days after its publication. A period of 2 years has been estimated between the entry into force and when providers will start proposing the PEPP. First PEPP launch 2021?

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