

10 June 2020



Press release

PensionsEurope welcomes the final report of the High-Level Forum on CMU “A new Vision for Europe’s capital markets”

PensionsEurope welcomes the publication of the [Final Report of the High-Level Forum on CMU “A new Vision for Europe’s capital markets”](#), as it sheds light on the importance of having effective capital markets and sustainable and adequate pensions. Pension funds need fully functioning and integrated capital markets to provide good pensions to their members and beneficiaries and this report includes many recommendations that could lead to steps towards an objective we strongly support: the realisation of the CMU.

PensionsEurope shares the HLF view that pension sustainability and adequacy are major challenges faced by our economic and social systems. As strong supporters of multi-pillar pension systems, we praise that the report considers that in times of high and rising government liabilities, market-based i.e. funded pension systems that supplement state systems are needed.

PensionsEurope advocates for a regulatory environment encouraging workplace pension membership. In this light, we observe that the highest workplace pensions coverage is achieved in those countries where occupational plans are mandatory (based on legislation) or quasi-mandatory (based on collective agreements). We agree with the HLF that Member States with the most developed market-based pension systems also have the highest pensions adequacy and the most developed capital markets and we support any initiatives aimed at increasing occupational pension coverage and pension savings. Also auto-enrolment has proven to be a very viable policy option in some countries that has increased the coverage of occupational pensions. The main challenge is that most people in Europe are still without coverage in occupational or personal pensions.

PensionsEurope will carefully assess the contents of the report.

Matti Leppälä, PensionsEurope General Secretary/CEO said:

“Under the right conditions, pension funds can and will contribute to the development of the real economy and drive growth by making long-term investments. The completion of the CMU can strengthen pension funds’ contribution, and we share and support many of the recommendations included in this report. The proposed targeted plan of key measures to move Capital Markets Union towards completion can be a source of inspiration for setting a new CMU strategy. This should play a central role in the EU recovery from the Covid-19 crisis.”

This report shows that sustainable and adequate pensions are key for reaching the CMU objectives and the attention paid to pensions is remarkable. The HLF report puts forward three specific recommendations on pensions and several others relevant for PensionsEurope and our members. The European Commission is expected to publish a new package of initiatives to deepen the capital markets

union later this year, and I'm confident they will take in due consideration the recommendations made by the HLF on CMU and by the HLG on pensions¹".

Leppälä continued to comment on pension information, pension awareness and financial education, including European Tracking Service

*"PensionsEurope agrees with the HLF experts that **pension information, pension awareness and financial education are key aspects**, especially when risks in pensions are gradually being shifted towards individuals. We highlight that legislative steps towards better pension information have recently been done, e.g. with the introduction of the Pension Benefit Statement in the IORP II Directive and with the work on information requirements currently under development for PEPP products. PensionsEurope has been advocating and will continue to advocate for good, simple and understandable solutions on pension information. At EU level, the creation of a European Tracking Service covering all different pension pillars could be a valuable achievement for mobile EU citizens and we support the HLF recommendation on this."*

Leppälä commented the HLF recommendation on the Withholding Tax saying

"We warmly welcome the HLF recommendation on the Withholding Tax, suggesting the Commission to put forward a legislative proposal introducing a standardised system for relief at source of withholding tax based on authorised information agents and withholding agents. This is very much in line with what PensionsEurope has stressed over the past years."

Many other issues in the report are very important as well such as the EU single access point and Leppälä said that

"PensionsEurope welcomes the HLF recommendation on an EU Single Access Point. Market forces and regulatory developments have increased the need for data on investee companies and other market data. Recent regulatory developments in the context of the EU Sustainable Finance agenda create an urgent need for publicly available and affordable ESG data and the establishment of an EU Single Access Point would be a good improvement."

¹ [See HLG on pensions Final Report](#)

About PensionsEurope

PensionsEurope represents national associations of pension funds and similar institutions for workplace and other funded pensions. Some members operate purely individual pension schemes. PensionsEurope has **24 member associations** in 17 EU Member States and 4 other European countries².

PensionsEurope member organisations cover different types of workplace pensions for over **110 million people**. Through its Member Associations PensionsEurope represents more than **€ 4 trillion of assets** managed for future pension payments. In addition, many members of PensionsEurope also cover personal pensions, which are connected with an employment relation.

PensionsEurope also has **26 Corporate and Supporter Members** which are various service providers and stakeholders that work with IORPs.

PensionsEurope has established a **Central & Eastern European Countries Forum (CEEC Forum)** to discuss issues common to pension systems in that region.

PensionsEurope has established a **Multinational Advisory Group (MAG)** which delivers advice on pension issues to PensionsEurope. It provides a collective voice and information sharing for the expertise and opinions of multinationals.

What PensionsEurope stands for

- A regulatory environment encouraging workplace pension membership;
- Ensure that more and more Europeans can benefit from an adequate income in retirement;
- Policies which will enable sufficient contributions and good returns.

Our members offer

- Economies of scale in governance, administration and asset management;
- Risk pooling and often intergenerational risk-sharing;
- Often “not-for-profit” and some/all of the costs are borne by the employer;
- Members of workplace pension schemes often benefit from a contribution paid by the employer;
- Wide-scale coverage due to mandatory participation, sector-wide participation based on collective agreements and soft-compulsion elements such as auto-enrolment;
- Good governance and alignment of interest due to participation of the main stakeholders.

Contact:

PensionsEurope

Koningsstraat 97, rue Royale – 1000 Brussels

Belgium

Tel: +32 (0)2 289 14 14 – Fax: +32 (0) 289 14 15

² EU Member States: Austria, Belgium, Bulgaria, Croatia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Portugal, Romania, Spain, Sweden. Non-EU Member States: Iceland, Norway, Switzerland, UK.