



GOVERNMENT OF MALTA

Government response to the Consultation on the MFSA Rule on the Pan-European Personal Pension Product and the Fees Relating thereto

June 2022

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Any queries regarding this publication should be sent at: onlineconsultations@gov.mt.

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Executive Summary

Introduction and overview

1. A brief introduction about the subject.

[Regulation \(EU\) 2019/1238 of the European Parliament and of the Council of 20 June 2019 on a pan-European Personal Pension Product](#), hereinafter referred to as ‘the PEPP Regulation’ or ‘the Regulation’, came into force on the **22 March 2022**. On the 6th of May 2022, the MFSA issued a new legal notice entitled the Malta Financial Services Authority Act (Pan-European Personal Pension Product (PEPP)) Regulations, 2022 ([L.N. 133 of 2022](#)), to designate the MFSA as the competent authority responsible for the following: (i) the authorisation of financial undertakings to manufacture and, or distribute PEPPs; (ii) the supervision thereof; and (iii) communication with EIOPA for the purposes of the PEPP Regulation.

Following this, a public consultation was issued to introduce proposed new fees applicable to financial undertakings interested in providing a PEPP and a proposed MFSA Rule on the PEPP. The MFSA Rule includes information in relation the pre-application phase, the guidelines on PEPP Supervisory Reporting and the conditions pertaining to the accumulation and decumulation phase.

2. The public consultation date.
Include the objective and purpose of the public consultation.

On the 10th of May 2022, the Government published a consultation paper setting the proposals to introduce proposed fees in relation to the PEPP and a proposed MFSA Rule on the PEPP.

3. This consultation sought views on:
 - *Proposed fees in relation to the PEPP which will be included in the Malta Financial Services Authority Act (Pan-European Personal Pension Product (PEPP)) Regulations, 2022 ([L.N. 133 of 2022](#)) and*
 - *A proposed new MFSA Rule on Pan-European Pension Product Rule*

Responses to the consultation and process used to seek stakeholder views

This document is the Government Response to this consultation and sets out the Government’s decisions on these matters.

4. The closing date of the public consultation. Which methods were used to receive the feedback.
The total amount of responses. From whom you received the feedback.

The consultation closed on 31 May 2022.

The consultation document was available online and responses were accepted in writing via email to ips_legal@mfst.mt. In total, there were three (3) replies received. These were received from across the insurance industry.

5. Include (if any) meetings with stakeholders and list who the stakeholders were.

No meetings with stakeholders were not held however the Consultation Document was sent to the compliance officers of the relevant stakeholders, uploaded on the MFSA website and also circulated on social media.

Summary of responses and decisions

The following is a summary of the consultation responses received. We would like to thank all those who took the time to respond to the consultation and participate in stakeholder meetings around the consultation exercise.

6. Statistics.

- Total feedback received: 7 - In this regard, it is pertinent to note that such feedback was received from 2 organisations and 1 individual as outlined below.
- Total feedback received by individuals: 1
- Total feedback received by organisations: 2
- Total feedback received through email: 3 – The feedback received from the two (2) organisations and one (1) individual were submitted via email. Each organisation and individual provided more than one (1) comment; hence, why the total amount of feedback received is seven (7).
- Total feedback received through online form: 0
- Total feedback received by post: 0

7. Summary of feedback received.

Seven clarifications were sought as outlined below:

Clarification no. 1

The majority of respondents sought clarification on whether the PEPP Manufacturer can qualify as a PEPP Provider; thus, manufacture and distribute the PEPP Product.

Clarification no. 2

The respondents also sought clarification on fees to be paid in instances where a PEPP Manufacturer qualifies as a PEPP Provider.

Clarification no. 3

The respondents also sought clarification on the fees to be paid at application stage.

Clarification no. 4

An industry participant enquired whether there are any specific considerations to be made if a PEPP is also registered with the Inland Revenue Department as a “qualifying scheme” under [Subsidiary Legislation 123.163 on Personal Retirement Scheme Rules](#).

Clarification no. 5

One market participant enquired whether a PEPP can be manufactured as an insurance-based investment product.

Clarification no. 6

Another market participant also enquired about why the decumulation phase is set between 50-75 when [Subsidiary Legislation 123.163 on Personal Retirement Scheme Rules](#) sets this between 61-70.

Clarification no. 7

Lastly, another market participant submitted two comments for the Authority’s attention with respect to the draft MFSA Rule on the Pan-European Personal Pension Product.

8. Your assessment and the Government’s decision (list the Government’s decisions).

The MFSA has reviewed the feedback received and has published a Feedback Statement to clarify the queries received including comments from the industry and the Authority’s replies and clarifications. A circular will also be issued to clarify the date of application of the Regulations amending the Malta Financial Services Authority Act (Pan-European Personal Pension Product (PEPP)) Regulations, 2022 ([L.N. 133 of 2022](#)).

Implementation

9. When you intend to implement the decisions

Subject to Ministry’s approval, we intend to publish the Malta Financial Services Authority Act (Pan-European Personal Pension Product (PEPP)) (Amendment) Regulations, 2022, which will come in force on the date of publication.

Contact Details

If you have any questions regarding this response, please contact: ipsu_legal@mfsa.mt