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1. EC’s supplementary pension Package

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.

The Cypriot presidency of the Council organised the first meetings scrutinising the package's legislative texts in January and February 2026.

For the two reviews, the ongoing presidency indicated that *“The Cyprus Presidency aims in advancing the reviews as much as possible and in a balanced and practical way as it is intrinsically linked to the future financial security of citizens and to long-term investments”*.

Last developments:

Council:

A. IORP II review

On 26 February 2026, the Cypriot presidency of the Council organised a second meeting to discuss the IORP II review proposal. They prepared a [document](#) to support the discussions. The purpose of this paper was to provide the basis for discussions on the proposed amendments to Directive (EU) 2016/2341 (“the IORP Directive”) for several selected subjects.

Those subjects were the following:

- Cross-Border and Domestic Transfers – Art. 12 and 12a
- Title II – Quantitative Requirements – Art. 13-19
- Title III – Conditions governing activities – Art. 20-35 –
- Title IV – Chapter 4 – Business conduct rules - Art. 44a-44d

For each subject, the paper included a description of the contents of the proposed amendments, the views already received from Member States in relation to that subject, and any relevant clarifications already received from the Commission.

Cross-Border and Domestic Transfers: Several MSs requested clarifications on certain aspects of Article 12 concerning the cross-border transfers. In relation to the approval of cross-border transfers, a few Member States underlined the importance of applying and respecting national rules and emphasised that the rules of the home Member State should prevail.

Quantitative requirements: Many Member States questioned the need and the opportunity for the Delegated Acts empowerment and questioned the provision for Internal Stress Tests, also considering the existing EIOPA stress tests.

Risk management: MSs were supportive of the changes concerning the removal of size and internal organisation as criteria for a proportionate risk management system. One Member State requested clarification regarding investment-related risks,

Prudent Person Principle: Diverging views were expressed on the reliance on Prudent Person Principle. Some MSs supported the shift from a rules-based to a principle-based prudent person approach, others strongly opposed and called for further analysis of the proposed amendments and their implications.

Depository: Some MSs agreed with the proposed changes. Some others questioned the purpose to assign a depository per pension scheme, when there is collective investment and risk sharing. They stressed that this would bring additional burden and extra costs.

Duty of Care: The majority of MSs supported the introduction of a duty of care principle. Some stressed that the principles enshrined in the Article should clearly remain of minimum harmonisation, not to harm enhanced protection provided at national level.

Complain Procedure Some MSs supported the provision, stressing how it helps strengthen consumer protection also in cross-border cases. Others highlighted that the system should be put in place only when there is no other already existing mechanism.

PensionsEurope reaction:

PensionsEurope prepared a [short note](#) expressing our existing views concerning the topics to be discussed. PensionsEurope sent this note to all financial attaches in the Permanent Representations, the Cypriot Presidency, and the European Commission before the meeting on 26 February 2026.

European Parliament:

In mid-February 2026, the rapporteur and shadow rapporteurs were appointed with the following MEPs :

Main Committee:

ECON committee

- BOESELAGER Damian (Greens/EFA) Rapporteur
- GOTINK Dirk (EPP) Shadow Rapporteur
- ZIJLSTRA Auke (Pfe) Shadow Rapporteur
- MALAĞ Marlena (ECR) Shadow Rapporteur
- VAN BRUG Anouk (Renew) Shadow Rapporteur

Opinion Committee:

EMPL committee

- CEULEMANS Estelle (S&D) Rapporteur

B. PEPP review

On 27 February 2026, the Cypriot presidency of the Council organised a second meeting to discuss the PEPP review proposal. They prepared a [document](#) to support the discussions, based on the feedback received by MSs on the following issues.

The discussions focused on (1) Value for Money Provisions, (2) Revised provisions on disclosure, pre-retirement planning and decumulation phase, (3) Revised provisions on the PEPP Key Information Document (KID), (4) Revised provisions on PEPP Benefit Statement, (5) Pension tracking systems Provision, and (6) Role of EIOPA:

- **VfM provision:** Given that co-legislators are still finalizing the text (with technical trilogue meetings since early 2026) under the RIS, some Member States are questioning whether it is too early to use a VfM methodology for the PEPP arising from that file, while others are pointing out that the VfM approach might not be suitable for pension products with a long-term horizon, and that using provisions from IDD might conflict with other sectoral legislation governing PEPP providers such as MiFiD II, UCITS, or AIFMD. Member States are also pushing back on the empowerment given to the EC regarding the establishment of supervisory benchmarks.
- **EIOPA's new tasks/powers:** Regarding the new (conduct) powers given to EIOPA, Member States are questioning the added value of such provision, given the lack of proportionality of the provision, and that IDD already provides EIOPA with such power. On the central public

register, MSs broadly speaking support its extension, with some highlighting the risk of potential additional burdens. The establishment of collaboration platforms by EIOPA is contested by MSs, especially the power of EIOPA to do on-site inspections.

- **PTS:** The provisions were categorically rejected by MSs, based on the lack of EC competence on such an issue. Thus, no binding requirement can be imposed according to the MSs, and following the subsidiarity principle, MSs expressed strong views, explaining the need to respect existing PTSs that fit national contexts.
- **Disclosure:** While additional disclosure information regarding pre-retirement planning and decumulation phase information does not create strong negative reactions from MSs, the revised provisions on the PEPP KID and the PEPP Benefit Statement are facing diverging views from the Member States, which are welcoming the increase in terms of transparency, but also questioning the added value and asking clarifications on some concepts such the description of the life-cycle investment strategy of the Basic PEPP in the KID.

European Parliament:

In mid-February 2026, the rapporteur and shadow rapporteurs were appointed with the following MEPs :

ECON committee: (responsible):

- Stéphanie YON-COURTIN (Renew, FR) : Rapporteur
- ✓ Shadow rapporteurs:
- Regina DOHERTY (EPP, IE)
 - Francisco ASSIS (S&D, PT)
 - Auke ZIJLSTRA (Pfe, NL)
 - Marlena MALAĞ (ECR, PL)
 - Virginijus SINKEVIČIUS (Greens/EFA, LT)
 - Martin SCHIRDEWAN (The Left, DE)

EMPL committee: (for opinion) :

- Liesbet SOMMEN (EPP, BE)

I. PensionsEurope advocacy and next steps:

On 17 February 2026, we exchanged with the French Permanent Representation. On 18 February 2026, we also exchanged with Joachim Wilcke, EP-Chief of Staff/Volt (IORP II review rapporteur's Assistant).

On 24 February 2026, we discussed with the Bulgarian Permanent Representation and the Bulgarian Ministry of Finance. We continued discussing the pensions package with the German Permanent Representation in a meeting that took place on 25 February 2026.

The next Council meetings on the IORP II & PEPP reviews will take place at the end of March 2026. At the EP, the draft report on the IORP II review will be published in May 2026.

We are also in the process of finalising our position paper on the legislative initiatives (IORP II & PEPP reviews) and the non-legislative initiatives (recommendations).

2. SFDR 2.0: Update on PensionsEurope’s advocacy and positioning

On 20 November 2025, the European Commission [published](#) its legislative proposal revising the Sustainable Finance Disclosure Regulation (SFDR), commonly referred to as “SFDR 2.0”. The proposal forms part of the broader sustainable finance framework review and seeks to enhance legal clarity, comparability of sustainability information, and supervisory convergence.

The proposal aims to simplify sustainability reporting by removing entity-level requirements and introducing a clearer, three-category system for financial products: Transition, ESG Basics, and Sustainable, each with minimum 70% portfolio alignment and harmonised exclusions. It would repeal existing delegated regulations, streamline disclosures, set rules for naming and marketing, and delay application for pension products by 12 months. The reform aims to reduce compliance costs, improve investor comparability, and ensure consistency across the EU, with detailed Level 2 rules to follow.

PensionsEurope’s position paper:

PensionsEurope is currently finalising its consolidated position paper on SFDR 2.0. The paper builds on members’ input and focuses on the implications of the revised framework for Institutions for Occupational Retirement Provision (IORPs).

As such, we emphasize that the revised SFDR framework remains largely designed for retail investment products and does not adequately reflect the specific characteristics of occupational pension funds. Unlike retail products, pension funds are long-term, liability-driven institutions whose primary goal is to provide secure retirement income. Members are typically enrolled automatically or within a collective framework, making retail-oriented categorisation logic, thresholds, and disclosure requirements disproportionate and potentially misleading. Applying SFDR’s generic categories could undervalue pension schemes, misrepresent sustainability approaches, and create reputational and operational risks without benefiting members.

PensionsEurope therefore advocates that Member States should have discretion to determine whether SFDR applies to occupational pensions, with exclusion from mandatory categorisation being the preferred approach. Any voluntary or tailored SFDR framework for pension funds must reflect their long-term investment strategies, diversified portfolios, fiduciary duties, and reliance on government bonds for liability matching. This includes avoiding uniform alignment thresholds, recognizing engagement and stewardship as credible sustainability strategies, and ensuring proportionality for smaller pension funds.

We also stress that sustainability disclosures for occupational pensions should complement, not duplicate, the IORP II framework and that communication with members should remain flexible,

transparent, and relevant to their needs. Overall, SFDR 2.0 must be adapted to the realities of occupational pensions to ensure clarity, usability, and protection of beneficiaries.

PensionsEurope’s advocacy strategy:

In parallel with finalising the position paper, PensionsEurope has intensified its advocacy and outreach efforts. In the European Parliament, we have engaged with the Rapporteur, Gerben-Jan Gerbrandy (Renew, NL), and all Shadow Rapporteurs, including Luděk Niedermayer (EPP, CZ), Lara Wolters (S&D, NL), Jaroslava Pokorná Jermanová (Pfe, CZ), Denis Nesci (ECR, IT), and Kira Marie Peter-Hansen (Greens/EFA, DK). Meetings have already taken place with the assistants of the Rapporteur and MEP Wolters, with further exchanges ongoing with other political groups.

At Council level, we have met with the German and Bulgarian Permanent Representations and submitted meeting requests to several other Member States, including the Cypriot Presidency, France, Luxembourg, Denmark, Austria, Poland, Ireland, Sweden, Belgium, and the Netherlands.

Overview of discussions: During these discussions, we have presented PensionsEurope’s key concerns, notably that the SFDR framework was primarily designed for retail financial products and does not fully reflect the specificities of occupational pension funds. We have also addressed technical points, such as the treatment of government bonds and the implications of Article 9a on products combining sustainability-related strategies.

Overall, there is a growing recognition among stakeholders of the complexity of the SFDR framework as it applies to pension funds. Our concerns regarding legal certainty, proportionality, and timeline alignment between Level 1 and Level 2 measures have been well-received, and additional input on the matters discussed has been explicitly requested.

Next steps: Looking ahead, possible adoption of negotiating positions by the European Parliament and the Council is expected in June 2026, with potential trilogues starting from September 2026. Adoption of the Level 1 text could follow by December 2026, with Level 2 measures potentially entering into force in 2027 and most obligations applying from July 2028 (with later application for pension products). PensionsEurope will continue to actively engage throughout the legislative process to ensure that the perspective of occupational pension funds is adequately reflected.

3. Omnibus I: Council gives final green light to the simplification package

On 24 February 2026, the Council formally adopted a simplification of the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD), aiming to reduce administrative burdens and strengthen EU competitiveness. The Omnibus I package limits the trickle-down effect of reporting obligations on smaller companies, streamlines compliance, and introduces targeted flexibility for businesses within its scope.

The simplification follows the European Council’s 2024 call for a “simplification revolution” and the Budapest Declaration, which emphasised the need for a clear, proportionate, and efficient regulatory framework for businesses, particularly for SMEs. The Omnibus I package responds to this mandate, reducing unnecessary burdens while maintaining the focus on corporate sustainability and due diligence.

Under the CSRD, reporting thresholds have been raised to companies with more than 1,000 employees and net annual turnover exceeding €450 million. For third-country undertakings, requirements apply

only if the EU parent generates over €450 million and the subsidiary or branch over €200 million. Transitional exemptions apply to companies reporting for the first time in 2024 ('wave one'), while certain financial holding companies are exempt from consolidated reporting.

The CSDDD now applies to companies with more than 5,000 employees and net turnover above €1.5 billion, focusing due diligence on areas with the highest risk of adverse impacts. Companies may prioritise assessment in areas involving direct business partners and rely on reasonably available information to reduce burdens on smaller suppliers. Obligations for transition plans for climate change mitigation have been removed, and the EU harmonised liability regime has been replaced by national liability rules, capped at 3% of worldwide turnover.

The directive's transposition deadline for member states is 26 July 2028, with companies required to comply by July 2029. The Directive was [published](#) in the Official Journal of the EU on 26 February 2026. It will enter into force on 18 March 2026. EU Member States are required to implement the provisions of the Directive into national law by 19 March 2027, except for the provisions related to the CSDDD, which shall be transposed by 26 July 2028.

4. EC omnibus digital package

Background :

In November 2025, the European Commission published two legislative proposals as part of its digital simplification agenda: the [Digital Omnibus regulation proposal](#) and the [Digital Omnibus regulation proposal on Artificial Intelligence](#).

Key measures as part of the broader Digital Omnibus proposal include simplifying cybersecurity and incident reporting through a unified reporting interface (including DORA incident reporting), clarifying certain GDPR requirements (including data processing and breach notification obligations), harmonising obligations across digital laws, and improving consistency in enforcement and supervision.

The Digital Omnibus on AI includes measures such as extending compliance timelines for certain high-risk AI systems, clarifying legal bases for data use (including for AI training), and improving coordination between supervisory authorities.

Last developments:

On 27 February 2026, Member States discussed the [first compromise text](#) on GDPR related provisions.

Among the most controversial issues under the amendments proposed by the EC are the changes to the definition of personal data in Article 4(1) regarding how the EC reflects on a [judgment of the ECJ](#) and whether the EC would be granted the right to define elements of the scope through level 2 measures, which should normally be defined at level 1 :

- **Commission proposal:** Clarified that information is not personal data for an entity if that entity lacks the means to identify the person. It included a provision (new Article 41a) empowering the Commission to adopt implementing acts specifying means and criteria to determine when pseudonymised data is no longer personal data.
- **Presidency compromise:** The Presidency significantly alters this approach.
 - It removes the Commission's power to adopt implementing acts via Article 41a.

- Instead, it tasks the European Data Protection Board (EDPB) with issuing guidelines, recommendations, and best practices. These guidelines would clarify identifiability and specify means to determine if pseudonymised data is no longer personal data for certain entities.

Member States also broadly questioned the definition of scientific research (Article 3(1)), and some criticized the rationale behind the changes under Article 33, saying risk levels reported in data breach notifications are underestimated:

- **Commission proposal:** Added a definition of "scientific research" to Article 4. Clarified that further processing for scientific research is compatible with the initial purpose.
- **Presidency compromise:** The Presidency deleted this definition in Article 4.
 - It adds instead a new recital (29) clarifying that the qualification of "scientific research" must be based on objective characteristics (purpose, methodology, ethical standards) and cannot rely solely on the controller's declaration. It also strengthens the link to appropriate safeguards under Article 89.

Member States also discussed data breach notification issues:

- **Commission proposal:** Changed the notification threshold to "high risk" and extended the notification deadline to 96 hours. It tasked the EDPB to prepare proposals for templates and lists for the Commission to adopt.
- **Presidency compromise:** The Presidency strengthens the role of the EDPB and adds more detail.
 - It tasks the EDPB to also create a list of circumstances where a breach is "not likely to result in such a high risk."
 - Crucially, it changes the process so that the EDPB shall "establish and make public" the common template and lists, instead of just preparing a proposal for the Commission. This gives the EDPB the final say on these key compliance tools.
 - The notification deadline is changed from 96 hours back to 72 hours, reverting to the timeline in the current GDPR.

PensionsEurope advocacy and next steps:

We are finalising our position paper on the Digital Omnibus regulation proposal, addressing DORA & GDPR related issues. We started doing outreach to relevant Council & EP stakeholders.

5. Shareholders' Rights Directive Review

Background:

To recall, the [EC SIU communication](#) foresaw a *“possible review of the Shareholders Rights Directive (that) could contribute to making it easier and cheaper for investors, intermediaries and issuers to operate across Member States.* » at Q4 2026.

Last developments:

On 11 February 2026, the EC launched a [call for evidence & a consultation](#) on the evaluation & review of the Shareholder Rights Directive (SRD).

The Commission is consulting stakeholders on different issues on a [directive](#) that was finally transposed by MSs in 2019:

- Whether the Shareholder Rights Directive has achieved the objectives set at the time of its enactment (effectiveness);
- The costs and benefits of the current rules for specific stakeholders and whether any simplification is needed (efficiency);
- Whether the Shareholder Rights Directive has responded to the needs and expectations of stakeholders (relevance);
- The internal coherence of the shareholder rights framework and its external coherence with other EU/international instruments (coherence); and
- The extent to which what has been achieved by the Shareholder Rights Directive.

According to the EC; *‘The objectives of the Shareholder Rights Directive II were to improve the governance and (financial) performance of EU-listed companies, to contribute to enhancing the long-term financing of companies through equity markets, and to improve the conditions for cross-border equity investments.’*

PensionsEurope advocacy: PensionsEurope has in the past been active on the revised SRD and published a [position paper](#) in 2014 on the initial EC proposal, which addressed, among other things, the implications for long-term shareholder engagement with investee companies.

We’ve asked members whether we should respond to the EC call for evidence & consultation on the SRD, and if yes, send us some comments by 23 March 2026.