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By PwC Deutschland | 20. November 2026

EU-Commission: Infringement procedures regarding taxation of pension funds and life insurers

The Commission calls on Germany and seven other countries to bring their legislation on the taxation of pension funds and life insurance companies into line with the free movement of capital within the EU.

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Position of the Commission

The legislation of all Member States concerned presents discriminatory tax barriers to cross-border investment by foreign pension funds and life insurers, which are critical for the good functioning of capital markets in the EU, key for the competitiveness of European companies in which they invest in the single market, and for ensuring pension sustainability for citizens.

Commission's explanation

Those Member States national rules exempt domestic pension funds or life insurers from taxation on income received from their investments while taxing comparable pension funds and life insurers from other EU or EEA States which source investment income in their territory. In addition, national rules also prevent foreign pension funds or life insurers to deduct technical reserves to pay for future liabilities to clients while domestic pension funds and life insurers can deduct such reserves from their taxable income.

The standard course of action to follow:

The Commission is now sending a letter of formal notice to Germany, Spain, Italy, Austria, Poland, Portugal and Romania, and a complementary letter of formal request to Belgium. They now have two months to respond and address the shortcomings raised by the Commission. In the absence of a satisfactory response, the Commission may decide to issue a reasoned opinion.

Source: EU-Commission, **press release of 19 November 2026** (under item 7).

Schlagwörter

Insurance tax, pension fund