



2016 / 2017 Work Schedule

Lobbying at EU Level on behalf of Financial Advisers,
Insurance Intermediaries and Investment Firms.

All market participants are included: investment firms and advisers, insurance brokers and agents, investment funds and insurers, software manufacturers, etc.

2016 will see Europe's financial regulators cooperate even more closely: securities, banking and insurance authorities are coordinating their work programmes with one another.

Standardised rules ("Single Rulebook") are designed to accelerate the Single European Market for financial services and simplify operating practices. Focal points for insurance intermediaries, financial advisers and licensed entities during the year include.

- › **Regulation of "fintechs" and "robo advisers"**: the marketing of services online harbours real dangers as well as bringing benefits. Online selling is less strictly regulated than face-to-face financial and insurance advice and sales. To ensure equality of opportunity as well as to protect consumers, all market participants must be subject to the same conditions! Our active representation will seek to ensure this for our members.
- › **Implementation of MiFID-2, IDD, and PRIIPs**: dozens of pieces of legislation enacted by the EU Commission, together with the technical standards of the supervisory authorities, dictate the procedures to be observed in day-to-day working. We provide prompt, complete and impartial information on consultations, and dynamic representation for our members.
- › **Test bed for EU regulation**: car insurance, property loans, and venture capital – these are just some of the sectors embraced by The Capital Market Action Plan (CMU) and the Single Market Strategy pursued by the EU Commission. The objectives: dismantling obstacles within the Single European Market; keeping a lid on bureaucracy; new and improved choices for customers.



Joint Committee of the European Supervisory Authorities
ESAs – European Supervisory Authorities

Consumer Protection is a focal point for the three European Supervisory Authorities. There will be a push with the implementation of the PRIIPs Regulation covering "packaged retail and insurance-based investment products". Still top of the agenda is the regulation of digital sales channels ("fintechs", "robo advisers") and the protection of personal data ("customer profile"). The 4th EU Money-Laundering Directive has the stronger prevention of money-laundering as its core objective. Guidelines and technical standards – including regarding the risk classification of customers – have been prepared for implementation.

Practical example 1: consumers must receive standardised vendor information documents prior to the sale of investment funds and life assurance products. These must be supplied and explained by the intermediaries.

Practical example 2: intermediaries/advisers are required to classify and monitor customers regarding their money-laundering risk. Contraventions are punishable with severe penalties. Consultations will be held to consider what data will be collected and stored.



European Securities Regulators:
ESMA – European Securities and Markets Authority

Up to 39 (yes, 39!) new guidelines and technical standards have been announced to date for MiFID-2 and MiFIR. Other central aspects include the regulation of money market funds and the licensing of alternative investment funds (AIFM) in third countries. A review is planned of the AIFMD National Private Placement Regime, and it may be annulled. Reporting under UCITS and AIFM will also be revised. Regulatory standards will be drafted for PRIIPs, including the design of KIDs for end customers.

Practical example 1: investment firms may only employ qualified staff. The ESMA and the EU Commission will define what is meant by "qualified", and what education and training standards will be accepted by the national supervisory authorities.

Practical example 2: intermediaries/advisers are obliged to request and store the data of their customers. The pending technical standards will define the scope of the data collected, and the duration and conditions under which customer profiles will be stored.

The implementation of the IDD is under way. It aims to strengthen the regulation of the sales practices of salaried and independent intermediaries, and to improve the handling of customer complaints. Standardised product information should enable consumers to see the value for money they are receiving under a policy. Another aim is to move forward with the “European Pension Plan”, a pension product available online throughout the EU, and which could be acquired without the prior provision of advice. The introduction of Solvency II, the new insurance regulatory regime, comes with 25 additional regulatory standards and 7 new guidelines. Greater attention will be paid to online selling. The aim is to create a level playing field with all other selling methods.



European Insurance Regulators:
EIOPA – European Insurance and Occupational Pensions Authority

Practical example 1: insurance intermediaries and firms are subject to strict conditions in relation to selling. Online sales remain less regulated. Without equivalent regulations, there is the risk that protection standards will be circumvented to the detriment of consumers – and advisers and intermediaries.

Practical example 2: a personal pension plan is one of the most important financial decisions a consumer will ever have to make. Professional advice and guidance are essential. So regulation should strengthen the role of advisers, rather than weaken their position against a one-sided regulatory preference for electronic sales channels.

Drafting technical standards for PAD, the Payment Accounts Directive, including ensuring the disclosure of costs. Furthermore, measures for the improved protection of mortgage borrowers, standardised disclosure with PRIIPs, guidelines on the remuneration of sales staff, guidelines on the selection and recommendation of products (“product governance”), the monitoring of “financial innovations” (including automated advice), data protection, monitoring crowd funding with a focus on future comparability of investor protection, such as with MiFID-2 regulated investments.



European Banking Regulators:
EBA – European Banking Authority

Practical example 1: UCITS fund sales were comprehensively regulated in order to protect investors. Crowd funding and crowd investing on the other hand, are much less regulated. Without equivalent regulations, there is the risk that protection standards will be circumvented to the detriment of consumers.

Practical example 2: the sale of property loans is either performed online or within the framework of a face-to-face advice session. Both forms of selling must be similarly regulated.

Improving the selection and quality of financial products and stimulating competition – a summary of the objectives of the “Capital Market Action Plan”, or CMU for short. The first step in the realisation is a Green Paper for financial services and insurance. Other proposals: introduction of a standardised pension product for all citizens of the EU, dismantling market barriers to the purchase of investment fund products, assessment of the Single European Market for investment products, eliminating obstacles to the cross-border purchase of life assurance products.



European Commission

Practical example: various issues are tabled for discussion at European level with the help of Green Papers. Market participants take part in the consultations and debates based on proposals contained in the paper. This results in concrete proposals for new legal regulations.

FECIF will be monitoring these and other issues during 2016 and 2017. Wherever necessary, we will actively lobby on behalf of financial advisers, insurance intermediaries and licensed entities. As an industry association, we present a united front in actively working in the interests of all our members. It is our goal to ensure that financial services can be obtained locally from independent financial advisers, insurance intermediaries and licensed entities, both at home and throughout the EU.

As a professional federation we present a united front in promoting the interests of all our members.

About FECIF

The European Federation of Financial Advisers and Financial Intermediaries (FECIF) was **chartered in June 1999** for the defence and promotion of the role of financial advisers and intermediaries in Europe.

FECIF is an independent and non-profit-making organisation exclusively at the service of its financial adviser and intermediary members, who operate in the 28 European Union member states, plus Switzerland; it is the only European body representing European financial advisers and intermediaries. FECIF is based in Brussels, at the heart of Europe.

FECIF Data

FECIF represents around 245.000 European financial intermediaries through:

- 17 national trade associations from 11 EU Member States
- 20 pan-european commercial networks, operating across 28 EU Member States

The European financial adviser and intermediary community is made up of approximately **640,000 private individuals** for whom this profession is their main occupation (representing approximately **26,000 legal entities including 45 networks**), about 280,000 are members of national professional associations (51 at today's count).

**Better regulation ...
not more regulation**

Scope

The professional activities of advice and mediation are heavily penalised by extremely constraining regulations, the soaring cost of compliance procedures, the development of often unreliable new technologies, and the demands of generally distressed and ill-informed consumers.

European legislation for financial services, whilst being predominantly and rightly for the protection of consumer's interests, must be applicable without pointless restraints for practitioners.

It remains a hard task in view of the paltry enthusiasm of national bureaucrats for anything that might represent the slightest change in their narrow vision of society. The "time bomb", which in the very short term is constituted by the pensions problem, reinforces the political need to attack the ensuing problems sooner rather than later, even if national governments are showing reluctance for European harmonisation of legislation, that would take a more pragmatic direction, and be more genuinely concerned with consumer interests. The failure of the state pension systems opens unprecedented prospects for European financial advisers and intermediaries to assist the anxious consumer in the right choice of options and alternatives for the sound management of his or her wealth.

**Competent representation
is a necessity – to safeguard
our sector**

Situation

The lack of adequate training and organisation of most financial advisers and intermediaries can create problems; one of FECIF's key goals is to tackle the provision of quality training courses and ensure proper assistance to advisers and intermediaries, in close co-operation with national member associations. FECIF is determined in its representation of the fundamental interests of its members by advocating the principle of co-regulation of the profession in an environment that is excessively regulated – to the detriment not only of consumers' interests, but also of the European economy.

As a non-profit-making association, FECIF is an independent body at the exclusive service of its members, which are active in the 28 European economic area member states, plus Switzerland.

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