

IFAs ‘unlikely’ to be represented in EU regulatory bodies

16 March 2011 by Simon Danaher

FECIF’s fears that IFAs will not be represented in any of the new super regulators created by the European Commission appear to have been realised, as a short-list revealed no IFA members.

Vincent Derudder, the president of Fecif which represents more than 200,000 IFAs in Europe, told *International Adviser* that, despite continued petitions to the European Commission on the subject, a short-list he had seen revealed no IFA members.

The European Commission announced in March 2009 that it planned to introduce three new “super regulators” as a direct response to regulatory failings highlighted by the 2008 financial crisis. The new bodies, which were introduced on 1 January 2011, are the European Securities and Markets Authority (ESMA), European Insurance and Occupational Pensions Authority (EIOPA) and the European Banking Authority.

Despite assurances

After the European Commission announced its decision to create the new regulatory bodies, Fecif began to petition for IFA representation at member level.

In Fecif’s most recent letter sent on 28 February to Michel Barnier, commissioner for internal market and services at the European Commission, Derudder asked why the short-list of candidates for the ESMA had not included any financial adviser representation and appeared to have been drawn, bar a university professor, from the “world of big business”.

Derudder went on to question whether such a body could therefore realistically claim to be democratic.

Derudder said: “Despite continued petitions to Michel Barnier, and his subsequent agreement in a letter in September last year that there was a need for advisers to be represented, as well as petitions to the European Parliament, an initial short-list of members indicates there is not a single representative from the 500,000 or so advisers working in Europe on any of the three new regulatory bodies.”

In the letter to which Derudder refers, Barnier said that the Commission would ensure membership of the regulatory bodies would be “egalitarian and complete”.

In an email sent last week, the European Commission said that the final list of members of the ESMA had yet to be decided “due to the large number of applications and the important nature of the group”.

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