

FECIF calls for curbs on excessive EU regulation

THE European Federation of Financial Advisers has hit out at the EU for introducing needless regulatory and administrative practices.

The call came from Vincent Derudder, secretary general of Fecif, who said that consumers needed to be protected, but not by applying restraints on IFAs. He said: "The formulation of legislation must be applicable without pointless restraints for practitioners, even if (this is) being done for the protection of consumers' interests."

The federation is concerned about the lack of enthusiasm for harmonisation of regulation across Europe, which could result in increased workloads across national borders. A recent example quoted was the EU savings directive, which was translated from a document of fewer than 40 pages in Belgium to more than 1100 pages by the FSA in London.

Another area of concern for the federation is the lack of urgency attached to addressing the problem of differing regulatory patterns. Of this, Mr Derudder said: "The timebomb that has been constituted in the current pensions problem reinforces the political need to attack the ensuing problems sooner rather than later. "The failure of state pension systems will open unprecedented prospects for European financial advisers and intermediaries called upon to assist the anxious consumer in the right choice of options."

The federation is now planning to poll advisers on what steps should be taken towards harmonisation, and has pledged to continue to represent the interests of members by advocating the principle of self-regulation. John Stewart, managing director of PMI, an Essex-based IFA, said advisers would welcome more cohesion with Europe if it resulted in a reduction in the amount of paperwork. He said: "Clients do not understand regulation and we are so strangled by it that it is very difficult. If the European bodies are looking to simplify it, that would be fantastic." Mr Stewart explained that the increasing amount of regulation meant that it took 15 minutes just to give an introduction to clients about advice. He said: "All clients want to know is the cost and what we are offering, but it has become so complicated. IFAs now have to offer a fee option and we could end up losing clients as a result of this. It could also result in a lot of people no longer having access to an IFA."

In the meantime, Britannia International has produced a guide to the EU savings directive.

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