

European IFAs call for voice within new super regulators

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by Dan Judge

Fecif – the trade body that represents more than 300,000 European IFAs – has raised concerns over the ‘exclusion’ of financial intermediaries from involvement in plans to create EU-wide super regulators for banking, insurance and investment.

The organisation – which estimates there are some 650,000 financial intermediaries in the EU representing up to 100 million consumers – has written an open letter calling for it to have a voice in the further development of the three new supervisory authorities which are to be established.

Extremely worried

The letter, signed by Vincent Derudder, Fecif president, reads: “We are extremely worried that financial intermediaries may be excluded from the management process of the new supervisory authorities.

“We are ready to actively contribute to further refinements of the legislative proposals and to provide our input into building effective new supervisory authorities with appropriate participation of the representatives of the industry.”

The proposed new regulators are the European Securities and Markets Authority (ESMA), European Insurance and Occupational Pensions Authority (EIOPA) and the European Banking Authority.

Powers

Under the EU plans, these new authorities would sit above domestic national regulators – such as the FSA in the UK, though to what extent their powers would override local rules remains to be fully confirmed.

In December UK Chancellor Alistair Darling claimed to have won several concessions on this front, including a promise the regulators would not be able to override the FSA and force the government to spend UK money implementing new rules.

The plans are yet to be approved by the European Parliament, which must happen before they can become law.

In its letter, Fecif also comments on the current framework for the three regulators and makes a number of suggestions about how they should operate.

These broadly boil down to ensuring the new regulations do not prove an impediment to the smooth operation, ‘creativity and dynamism’ of cross-border firms.

Fecif also comes out against allowing member countries exemptions from the new regulators powers, stating: “No exceptions, derogations or other national provisions should be required. FECIF members often find that national differences and derogations render access to a host state market unnecessarily and unjustifiably difficult, expensive and slow.”

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