

PRESS RELEASE

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FECIF and DG FISMA agree roadmap for the future

Mr Steve Ryan, Deputy Head of Unit Insurance and Pensions at DG FISMA recently held a meeting with a FECIF delegation, where the main subjects discussed and analysed were the proposed Pan-European Pension Plan (PEPP) and the Insurance Distribution Directive (IDD).

DG FISMA (Directorate-General for Financial Stability, Financial Services and Capital Markets Union) is one of the Directorates-General and specialised services that make up the European Commission. It is responsible for initiating and implementing policy in the area of Banking and Finance.

FECIF (European Federation of Financial Intermediaries and Financial Advisers) represents around 250,000 advisers and intermediaries across Europe and its Honorary Chairman, Vincent Derudder as well as Simon Colboc, who is heading up the Federation's Working Group on the PEPP were both in attendance.

Colboc initially explained FECIF's main concerns on the PEPP, not least with regards to excessive documentation that could confuse and mislead consumers.

From Ryan's comments, FECIF feels that with regards to the PEPP, and with the IDD and PRIIPs, the European Commission wants to encourage transparency and ensure a balance between the information documents required for consumers and the effectiveness of these papers - the goal would appear to be avoiding giving consumers information that they can't digest.

The Commission would appear to want to achieve three key objectives for the PEPP: portability; ease of sale cross-border; a domestic product that can be used in Member States where it is normally not available.

It became clear that the Commission is planning to present an initiative on the PEPP in mid-2017, whilst a study on the comparison of pension systems of the Member States, edited by a private contractor, will be published early next year.

On the IDD, one of the main concerns for all present was the potential distortion of competition, not least due to different interpretation at national level.

Derudder also highlighted that the large number of documents meant for consumers potentially creates both a point of advice issue and, most importantly, the significant likelihood of misunderstanding for those consumers.

These concerns were shared and Ryan was keen to be informed of cases of interpretation not compatible with the legislation, underlining that EIOPA is working on guidelines regarding the exchange of information and documents between home and host regulators.

The likely timeline of the IDD delegated acts was reconfirmed at the meeting. After the publication of EIOPA's advice on four delegated acts, expected in February 2017, the European Commission will start working on the texts. There are two options for adoption: if the Commission is satisfied with EIOPA's advice, it will quickly adopt the delegated acts without amendment in Q2 2017; if not, and the Commission decides to amend the advice, the delegated acts will be adopted in the third quarter of next year.

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After the adoption, the Council of the European Union and the European Parliament will have a period of scrutiny of 3 months, which can be extended for another 3 months if necessary. The Council and the European Parliament can reject the text but they cannot amend it.

It was agreed that information on cases of diverging national practice and interpretation would be shared and that a further meeting would be scheduled between FECIF and Sven Gentner, the Head of Unit C4 Asset Management, which is in charge of the PRIIPs delegated acts.

“FECIF has remained active on behalf of its members since formation in 1999”, confirmed Johannes Muschik, who is currently chairman of the association. “We continue to work hard to advocate for sensible and workable regulation that is in the interests of all stakeholders, not least consumers”.

Ends

About FECIF

FECIF (European Federation of Financial Intermediaries and Financial Advisers) is a Brussels-based non-profit organization, chartered in June 1999 for the support and promotion of the role of financial advisers and intermediaries in Europe. FECIF recently also added the protection of consumers as one of its main objectives.

FECIF represents in excess of 30 trade bodies or industry organisations; via these it acts on behalf of over 245,000 advisors and intermediaries in Europe - and around 640,000 individuals in total.

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