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## EFPA Position Paper for 2025

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### **EFPA's Position on the Retail Investment Strategy Directive: Balancing Accessibility, Transparency, and Innovation in Financial Advice**

The European Financial Planning Association (EFPA) welcomes the opportunity to contribute to the ongoing policy discussions regarding the **Retail Investment Strategy (RIS) Directive** and its implications for the financial advice sector. EFPA strongly supports measures aimed at improving the **accessibility, transparency, and suitability of retail investment products** for European consumers. As a professional body representing thousands of certified financial advisers and planners across Europe, EFPA underscores the critical importance of **high-quality financial advice** in achieving these objectives. Such advice plays a vital role in helping consumers navigate the complexities of financial markets, assess their investment options, and make decisions that align with their long-term financial goals and risk tolerance.

EFPA commends the European Commission for recognizing the pivotal role of financial advisers in ensuring that retail investors are equipped to make informed decisions. This acknowledgment highlights the sector's unique capacity to bridge the gap between sophisticated financial products and the average consumer's understanding of these instruments. However, EFPA urges the European institutions to adopt a **balanced and proportionate approach** to the implementation of RIS. Overly stringent regulations could inadvertently stifle innovation within the financial services sector, restrict the availability of tailored advice, and increase costs for both advisers and consumers. Conversely, a well-calibrated framework can foster an environment where innovation thrives, enabling the development of new, consumer-centric investment solutions.

EFPA is deeply committed to engaging constructively in RIS-related discussions. The Association has actively participated in European Commission Roundtables, offering valuable insights drawn from its extensive network of financial professionals. Additionally, EFPA has engaged in coalition-building efforts, collaborating with key stakeholders to ensure that the unique perspectives and challenges faced by financial advisers are adequately represented. This proactive involvement underscores EFPA's dedication to shaping a policy environment that aligns with the best interests of both consumers and the financial advice profession.

EFPA further emphasizes the need for RIS to address disparities in financial literacy across member states. Ensuring that consumers are equipped to understand and evaluate the advice they receive is essential to the success of the strategy. By aligning regulatory efforts with initiatives to improve financial education, the Commission can create a more inclusive and effective investment ecosystem. EFPA stands ready to partner with policymakers to achieve these shared objectives, leveraging its expertise and network to contribute meaningfully to the development and implementation of RIS.

## **EFPA's Engagement with Emerging EU Policies: Advancing Integration, Transparency, and Sustainability in Financial Advice**

Beyond the RIS, EFPA is deeply invested in addressing **other policy initiatives emerging from the European Commission** that could shape the financial advice landscape. Among these, the **transition from the Capital Markets Union (CMU) to the Savings and Investments Union (SIU)** represents a pivotal development. EFPA views this shift as an essential step toward fostering a **truly integrated and efficient European financial market**, where barriers to cross-border investments are minimized, and retail investors can benefit from greater opportunities and protections. To achieve this, EFPA urges policymakers to prioritize the development of **simple, low-cost investment products** that can restore and bolster retail investors' trust while encouraging broader participation in European capital markets. Such products would ensure accessibility and affordability for consumers, aligning with broader objectives of financial inclusion.

Furthermore, EFPA recognizes the ongoing revision of the **Sustainable Finance Disclosure Regulation (SFDR)** as a critical opportunity to enhance transparency and foster alignment with **environmental, social, and governance (ESG) objectives**. While EFPA supports the ambition of creating a sustainable and resilient financial system, we emphasize the need for clarity and consistency in the regulatory framework to ensure that financial advisers are well-prepared to meet the evolving disclosure and compliance requirements. The success of the SFDR relies heavily on balancing its aspirational goals with the practical realities faced by advisers on the ground. Policies must be designed to avoid overburdening professionals with excessive administrative obligations, which could detract from their capacity to deliver meaningful advice to clients.

EFPA reiterates its commitment to engaging with regulators, industry stakeholders, and policymakers to ensure that these measures achieve outcomes that are both ambitious and pragmatic. Through active collaboration, EFPA seeks to contribute to the creation of a policy environment that fosters innovation, protects consumers, and supports the sustainable growth of the financial advice sector. By addressing the dual challenges of regulatory alignment and market integration, EFPA aims to play a leading role in shaping the future of financial advice across Europe.

## **Promoting Financial Literacy and Pan-European Standards: EFPA's Vision for Empowering Consumers and Strengthening Financial Trust**

A cornerstone of EFPA's mission is to promote **financial literacy and education** as foundational pillars for empowering consumers and fostering trust in the financial services sector. The Association believes that equipping individuals with the knowledge and skills to make informed financial decisions is not only a public good but also a critical enabler of **broader economic stability and growth**. Financial literacy equips consumers with the tools to understand complex financial products, assess their own financial needs, and confidently engage in the market, reducing the risk of misinformed choices and financial mismanagement.

To this end, EFPA strongly advocates for the creation of a **Pan-European label for financial advisers**, a certification that would guarantee **consistent professional standards, ethical practices, and expertise** across member states. Such a label would enhance the quality, accessibility, and reliability of financial advice by providing consumers with a **clear and transparent benchmark** for selecting advisers they can trust. This initiative would also promote cross-border uniformity in professional qualifications, ensuring that advisers in all member states adhere to the same rigorous standards, thus fostering greater consumer confidence and market integrity.

EFPA's efforts to establish this label are fully aligned with the broader objectives of the European Commission, including the creation of an **inclusive and resilient financial ecosystem**. By setting a high standard for professionalism and ethical conduct, the Pan-European label would elevate the role of financial advisers in supporting sustainable economic development and empowering retail investors. Moreover, the label would serve as a critical component of broader financial literacy initiatives, helping to bridge the gap between regulatory ambitions and the practical needs of European consumers and advisers alike.

Investing in financial education is not merely an ethical imperative but also a strategic necessity for ensuring the long-term success of Europe's financial markets. EFPA envisions a future where every consumer has access to high-quality financial advice and the tools necessary to make informed decisions, ultimately creating a more robust, inclusive, and trustworthy financial system. To this end, EFPA is committed to collaborating with policymakers, educational institutions, and industry stakeholders to design and implement impactful financial literacy programs that address the diverse needs of European citizens. By fostering financial awareness and promoting harmonized standards, EFPA aims to establish a stronger foundation for the continued growth and resilience of the financial advice profession across Europe.

### **EFPA's Commitment to Shaping a Resilient and Inclusive Financial Advice Sector**

In conclusion, EFPA remains steadfast in its commitment to advancing the interests of both financial advisers and consumers in the evolving European policy landscape. Through active participation in RIS discussions, engagement with broader legislative proposals, and unwavering advocacy for financial literacy and education, EFPA seeks to ensure that the financial advice sector continues to play a **vital role in supporting Europe's economic and social objectives**. The Association recognizes that achieving these goals requires not only robust regulatory frameworks but also the active involvement of financial professionals in shaping and implementing policies that reflect real-world needs and challenges.

EFPA views collaboration as a cornerstone of progress and looks forward to continued **dialogue with policymakers, industry stakeholders, and civil society**. By fostering open communication and mutual understanding, EFPA believes it is possible to build a financial system that serves all Europeans effectively and equitably. The Association stands ready to contribute its expertise, share best practices, and advocate for measures that advance innovation, consumer protection, and professional excellence. Together, these efforts will help to secure a brighter and more sustainable future for Europe's financial markets and its citizens.

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