

# BETTER FINANCE MANIFESTO

for the 2014 European Elections

## SAVING FOR GROWTH AND JOBS

« Households are the main source of funds to finance investment »<sup>1</sup>

This is one reason why European Authorities must restore confidence in the financial system. Confidence was lost when the 2008 crisis all too often led to “privatizing” profits and “socializing” losses. It is time for EU politicians and regulators to now combine their existing focus on “**financial stability**” with a new focus on **fairness** and on shoring up **the real economy** by engaging in the protection of savers and investors, concentrating on long term investment for job creation, and improving corporate governance.

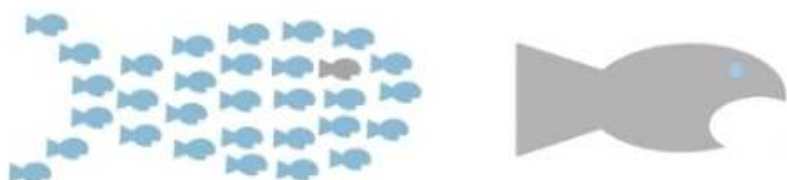
The upcoming European elections in May 2014 will lead to a reconfiguration of the European Parliament and the European Commission. These elections are of the utmost importance for European financial services users (i.e. all EU citizens) represented by EuroFinUse. For this reason we make a public Call, requesting all political parties in the EU to address the critical issues we are confronted with in their political programmes. In our manifesto we outline the priorities that would go a long way in addressing the protection of savers and investors and strongly benefit the real economy. We call all political parties to inform EU citizens and disclose whether they agree or not with these four principles for action to be implemented in the next five years.

### 1. Ensure households provide adequate long term savings for the real economy:

- Putting an end to the ongoing **destruction of the real value of their savings**:
  - through the inclusion of all long term and pension saving products in the scope of investor protection rules,
  - through the simplification and cost reduction of “packaged” product offerings,
  - and by systematically reducing all forms of “financial repression”<sup>2</sup>

<sup>1</sup> Green Paper on the long-term financing of the European economy - European Commission, March 2013

<sup>2</sup> Financial repression is any of the measures that governments employ to channel funds to themselves, that, in a deregulated market, would go elsewhere.



- Promoting the role and involvement of individual shareholders in the long term financing of the EU economy through **enhancing minority shareholders rights and facilitating the exercise of voting rights, especially for cross-border voting.**
- **Promoting equities** as an adequate, simple, cheap, liquid and transparent long term investment tool, and ending their discrimination at the retail point of sale.
- **Returning capital markets** (equities and bonds) to their natural participants - **end-investors and non-financial issuers** - and limit their “re-intermediation” by financial institutions.
- Thoroughly **improving the governance** of listed companies and of investment intermediaries to avoid situations where executives depart with exorbitant bonuses and non-insider shareholders and taxpayers end up with many more billions of losses.

## 2. **Improve and harmonise savers and investors’ protection (whatever the product and whoever the distributor), by:**

- Allowing all EU citizens to access **unbiased and cost-efficient financial advice**; whilst at the same time ensuring direct access for citizens to capital markets;
- Achieving a **“level playing field” for pre-contractual information for investment products**, no matter the type of product (plain vanilla products or packaged), wrapper (insurance, investment or pension plan) or channel (“execution-only” or through financial “advisers”);
- Guaranteeing **same conduct-of-business rules to apply to all distributors of investment products** available at retail level.

## 3. **Further improve European financial supervision and enforcement, by:**

- Enforcing a **balanced representation of retail users** in the EU Authorities’ advisory processes and groups;
- Establishing an **EU-wide collective redress scheme** to guarantee effective and equal redress of financial users no matter which EU jurisdiction they are based in;
- **Reforming “bail-in” rules** to ensure the parties responsible for bank failures are the first to pay for resolutions instead of depositors and savers.

## 4. **Stop tax discrimination against European savers , by:**

- Truly exempting individual investors and other real economy financial users **from all FTTs (financial transaction taxes)**;
- Putting an end to the **double taxation of cross-border dividends** for individuals holding shares issued in another Member State;
- Forbidding taxation above 100% of real income from savings.

