

Brussels, 25 March 2013

The 2013 EuroFinUse Brussels Declaration

A single and stronger organization for European financial services users is born!

At the EuroFinUse General Assembly, on 25 March 2013, Jean Berthon was elected as President to head the one and only organization dedicated to defend the rights of financial users. On January 1st 2013, Euroshareholders and EuroFinUse - the two European organizations representing individual shareholders, investors, savers and other financial services users - merged to create a single and stronger European Federation dedicated to the representation of all European citizens using financial services. EuroFinUse is composed of more than fifty direct and indirect member organizations covering over thirty countries. In turn, these member organizations count more than four million individuals.

This new force is welcome at a time when Europe endures a tumultuous decade of burst bubbles, a global financial crisis and a marked decline in institutional trust, and where financial services users are amongst the most severely hit.

EuroFinUse aims to restore investor confidence in financial services and markets

In this severe crisis environment, the main objective of EuroFinUse is to restore financial services users' trust and confidence in financial services and markets. In order to do so, we are focusing on five key priorities:

1) Better protection of financial services users through:

- Fair, clear and comparable information for all retail investment products, first and foremost pension savings ones;
- Unbiased and competent advice;
- Consistent protection and enforcement rules regardless of the financial product, service or distribution channel;
- An EU-wide collective redress scheme to enable private enforcement;
- Eliminating tax discrimination against individual savers and investors;
- Reducing the differences of financial services users with regards to access to financial services and protection of rights, as the best way to contribute to European integration.

2) More transparency, liquidity, integrity and efficiency of capital markets

The crisis has highlighted the failures of capital markets. The "reintermediation" of capital markets by banks should be reduced. Capital markets must serve primarily the interests of

real economy participants (non-financial investors and issuers), prior to the interests of financial institutions. The recent fragmentation of capital markets¹ is not benefiting real economy participants.

In particular, *pre* and *post*-trade information must be thoroughly improved through an easily accessible and free « consolidated tape » for individual investors, and high frequency trading should be subjected to certain limits.

We believe a clear and sufficient legislative framework for financial markets, and the promotion of ethical behavior in the financial industry are ultimately contributing to these general objectives.

3) Improve corporate governance and long-term shareholder engagement

Individual shareholders and investors have as a group a long-term horizon as they save primarily for their retirement, housing and children's education. Their dramatically diminishing role in capital markets over the last decades coincides with the increasingly dominant role of financial intermediaries. These include "agency" investors and investment "packagers" who are mostly not "economic" investors, have a much shorter time horizon, and do not bear the related risks. EuroFinUse believes this evolution has been a key driver of the shortcomings of governance in listed companies and of long-term capital for the real economy and creation of jobs. The trend towards discriminating and marginalizing individual investors must be reversed and their long-term engagement better rewarded. In our view, the best way to achieve this objective is to promote the direct holding of financial assets and the involvement of individual shareholder in the company management and, especially, through the vote in Annual General Meetings.

EuroFinUse would like to consider itself as the custodian of individual EU shareholders' rights. We feel that one of the main threats to shareholder rights is the obstacles to the exercise of cross-border voting in the EU. A key demand from EuroFinUse is to make cross-border voting within the EU much easier and free of cost for EU individual investors. We are aiming to address at this issue through our "EuroVote" project, at the same time we keep urging EU institutions to address this problem.

4) More responsible and competitive lending

The crisis has demonstrated that banks should get back to their core business of collecting deposits and lending to the real economy, with real competition, and without using central banks', depositors' and taxpayers' money to fund high margin but risky investment and trading activities.

¹ Especially through the creation of multiple trading venues after the transposition of the MiFID

EuroFinUse is therefore advocating an effective separation of commercial banking from other businesses.

5) Better governance and effectiveness of financial supervision

The European Authorities should put an end to the imbalanced representation and influence of interests between the:

- Financial industries (providers) on the one side, and
- Financial services users on the other side.²

In summary, EuroFinUse demands fair treatment of all financial users

² For instance, the EIOPA Occupational Pensions Stakeholder Group only counts with 2 out of 30 members representing pension funds participants