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**EuroFinUse praises the European Parliament for voting for more consistency in summary information for investors, but is quite concerned that a majority of the critical long term and pension investment products remain exempt from these requirements.**

The Economic and Monetary Affairs of the European Parliament (ECON) voted yesterday on the Regulation for a Key Information Document for investment products (formerly known as “PRIPs”).

EuroFinUse applauds the wide support from most ECON MEPs for a KID Regulation that substantially exceeds the far too narrow scope of the Commission’s proposal, which included only “packaged” high-commission products. The ECON Committee agreed indeed to add “corporate” bonds and certain insurance investment products to the list of products for which manufacturers and issuers should produce a standardized, short and more readable and easily comparable KID.

Most unfortunately, critical retail investment products are still exempted from these requirements:

* Equities to start with: the current so-called “summary prospectus” for equities is not formatted, is written in legal verbiage, is not readable (and therefore not read) by the average citizen and is not comparable with one another. This is all the more damaging at a time when millions of citizens suffered abuse in several recent bank equity sales, especially since the Green Paper on the long term financing of the European Economy identifies households’ equity investments as the most important – but diminishing - contributor to the badly needed long term financing of growth and jobs.
* As well as a large part of pension saving products (“occupational” collective and individual products and life insurance products with no surrender value) which are also crucial for the wellbeing of EU citizens and for the growth of the European economy.

So much for the much advocated “level playing field” and consistency in all retail investment products, the very objectives of this key regulatory initiative…

At the same time, the failure from the ECON Committee to award Rapporteur Berès a mandate for initiating Trialogue negotiations risks compromising the whole initiative. This “KID” legislative project is a key piece to restore EU citizens’ confidence in financial markets, and EuroFinUse demands a prompt start to the Trialogue negotiations.

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If you would like additional information about this topic, or to schedule an interview with Managing Director Guillaume Prache, please call Arnaud Houdmont on +32 (0)2 514 37 77, or email at houdmont@eurofinuse.org.