

**For immediate release**

## INVESTOR PROTECTION

## MEASURE IN THE BALANCE

**Brussels, 15 January 2014** - Legislative steps aimed to protect millions of retail investors face danger of failing during forthcoming negotiations in Brussels, according to an EU consumer interest group.

The subject in balance concerns proposed rules to enforce clear descriptions of financial products being sold. This would be done with rules to introduce a Key Information Document (KID). The KID would provide the potential buyers with details of what they are buying, including full disclosures of commission.

Crucially, it would have to cover the essential data in language understandable by the average citizen. It should be concise, that is, probably to cover no more than two pages.

Despite strong support from all European consumer interest groups, the matter remains in the balance within the EU legislative powers. A decision making meeting is possible before the end of March, but is not certain even to take place before the European Parliamentary elections in May, according to Better Finance for All (the European Federation of Financial Services Users).

The Federation, which represents more than four million private investors across Europe, notes that, even so, that outcome is by no means certain.

Protests that Brussels is not taking investor interests seriously enough also come from Finance Watch, which also advises the relevant EU institutions on financial legislation, and BEUC, the consumer interest organisation. The offices of all three are in Brussels.

The three organizations expressed their protest in a letter to all 766 members of the European Parliament sent in November 2013. They fear that the relevant proposed legislation (KID for Investment Products) could face indefinite delay and drastic dilution.

The stalled financial package now requires ratification by the European Parliament, the European Commission, and the member state national governments working together in “trialogue”.

Managing director of EuroFinUse, Guillaume Prache makes the point that the danger now is an annihilation of seven years of work and efforts to harmonize the protection of retail investors and pension savers under the KID package.

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