

Press Release 2012.07.03

**PRIPs regulation must put the interests of investors first -  
*say European investors, users of financial services, financial advisers, asset  
managers and life insurance companies operating cross-border***

3<sup>rd</sup> July 2012, Brussels, Belgium: CFA Institute, EuroFinuse, FECIF, EFAMA, and AILO, welcome the focus of the European Commission on investor protection through the publication this week of three pieces of legislation: the Packaged Retail Investment Products (PRIPs) regulation, the revised Insurance Mediation Directive (IMD) and the Undertakings for Collective Investments in Transferrable Securities V (UCITS) Directive. These are essential in addressing crucial issues of investor protection and together with Markets in Financial Instruments Directive (MiFID), the lack of a level playing field in the distribution of retail financial products across the European Union (EU). We, therefore, call on EU Institutions to ensure that this new legislation achieves its primary objective: to effectively protect European retail investors.

We fully support the overall aim of the PRIPs regulation to provide retail investors with comparable, standardised and understandable information on saving products. This will enable retail investors to make an informed decision before investing in a financial product; transparency and comparability are crucial in helping EU citizens build-up savings needed for their future financial well-being.

It is essential that the PRIPs regulation, announced today, covers the broadest range of investment products possible, otherwise it will miss its objective of enabling investors to easily compare one product with another. A broad scope is also important in bringing real efficiency to the Single Market. The new legislation must also ensure a level playing field in selling practices, as selling practices of retail investment products should be consistent under MiFID and IMD and across different distribution channels.

One of the main challenges of the PRIPs legislation to be developed (at Level 2) will be the format and content of disclosure documents that should be as standardised as possible to allow individual investors to compare the expected return, risks and costs of the different saving products. The exercise is likely to be difficult, because of the diversity of retail investment products being covered. This is why CFA Institute, with the active support of EuroFinuse and FECIF, is leading a research project on the standardised presentation of costs in a Key Information Document (KID) for PRIPs, to be published in the Autumn.

Now that the European Commission has finalised its legislative proposals, the European Parliament, the Member States, and the three European Supervisory Authorities (ESAs) will have important roles in bringing this important work to a satisfactory conclusion. CFA Institute, EuroFinuse, FECIF, EFAMA and AILO look forward to working with the co-legislators to ensure that the proposal serves the interests of Europe's investors in the long term.

## Notes to Editors

### About CFA Institute

CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organisation is a champion for ethical behaviour in investment markets and a respected source of knowledge in the global financial community. The end goal: to create an environment where investors' interests come first, markets function at their best, and economies grow. CFA Institute has more than 110,000 members in 139 countries and territories, including 100,000 charterholders, and 136 member societies. For more information, visit [www.cfainstitute.org](http://www.cfainstitute.org).

### About EuroFinuse

The European Federation of Financial Services Users ("EuroFinuse") was created in 2009, following the financial crisis which demonstrated the limits of the almost exclusive dialogue between regulators and the financial industry, largely ignoring the user side. EuroFinuse includes already about 50 national organizations of financial services users, which, in turn, account for more than four million European citizens. EuroFinuse aims at representing and defending at the European level the interests of financial services users by grouping the organisations pursuing the same objectives at a national or international level.

### About FECIF

The "Fédération Européenne des Conseils et Intermédiaires Financiers" (FECIF) represents 170,000 individual practitioners (agents, brokers, consultants, etc.) through 23 trade bodies, 36 corporate entities (networks – large or small, wholesale & retail, local & cross border) and 4 financial institutions (two life offices, one bank & one fund manager).

### About AILO

The Association of International Life Offices (AILO) represents the interests of life assurance companies transacting cross border business within the EU under the Life Directives. Established in 1987 and with over 50 member firms, AILO operates to ensure members meet consumers' needs through innovation and market development. Uniquely representing its members' interests to governmental and regulatory organizations, AILO members are responsible for over €100 billion of policyholders' savings in Europe.

### About EFAMA

The European Fund and Asset Management Association is the representative association for the European investment management industry. It represents through its 26 member associations and 58 corporate members approximately EUR 14 trillion in assets under management, of which EUR 8.0 trillion was managed by approximately 54,000 funds at end of December 2011. 36,000 of these funds are UCITS (Undertakings for Collective Investments in Transferable Securities) funds.

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