

## European Commission- Feedback on Roadmap on Fitness Check of supervisory reporting requirements

---

BETTER FINANCE welcomes the Commission's fitness check of the EU supervisory reporting requirements in the financial sector.

*Reducing the burden of supervisory reporting requirements must not happen at the expense of financial services users*

As mentioned in the Fitness check, reporting requirements are perceived as costly and burdensome, entailing negative impact on the quality of the data.

The EC's goal to assess whether the supervisory reporting requirements are “*fit for purpose*” appears to be a good initiative. However, BETTER FINANCE would like to stress that reducing the burden of supervisory reporting requirements should not happen at the expense of financial services users and individual investors. For instance, requirements on the access to information on past performance should not be lowered. For years now, different research studies and reports<sup>1</sup> by BETTER FINANCE have far too often come to the same conclusion: EU citizens as savers and investors are left in the dark with respect to the past performance and costs of the financial products they invest in, meaning that, more often than not, savers and investors are not even able to find out whether a product has ever made or lost money.

BETTER FINANCE has already stressed<sup>2</sup> that ESAs have failed to make use of the powers granted to them regarding the obligation to collect, analyze and report on consumer trends and market developments with regard to the performance and fees of retail financial products.

BETTER FINANCE has already warned the EBA that there was no improvement in transparency provided by national banking supervisors in the EU regarding the banks they supervise and this transparency has actually decreased in some Member States (Estonia, France, Luxembourg and Czech Republic).

---

<sup>1</sup> See BETTER FINANCE PENSIONS REPORT 2017

[http://betterfinance.eu/fileadmin/user\\_upload/documents/Research\\_Reports/en/Pension\\_Report\\_2017\\_-\\_Full\\_Report\\_-\\_Online\\_Version.pdf](http://betterfinance.eu/fileadmin/user_upload/documents/Research_Reports/en/Pension_Report_2017_-_Full_Report_-_Online_Version.pdf) ; See BETTER FINANCE's Briefing paper on Mis-selling of Financial Products

[http://betterfinance.eu/fileadmin/user\\_upload/documents/Research\\_Reports/en/Misselling\\_of\\_Financial\\_Products\\_in\\_the\\_EU\\_-\\_Briefing\\_Paper\\_2017.pdf](http://betterfinance.eu/fileadmin/user_upload/documents/Research_Reports/en/Misselling_of_Financial_Products_in_the_EU_-_Briefing_Paper_2017.pdf)

<sup>2</sup> See BETTER FINANCE 's Press release “ A twin-peaks approach to the European System of Financial Supervision: turning consumer protection onto a real priority”

[http://betterfinance.eu/fileadmin/user\\_upload/documents/Press\\_Releases/en/Financial\\_services\\_users/PR\\_-\\_European\\_System\\_of\\_Financial\\_Supervision\\_Review\\_-\\_Twin\\_Peaks\\_-\\_220517.pdf](http://betterfinance.eu/fileadmin/user_upload/documents/Press_Releases/en/Financial_services_users/PR_-_European_System_of_Financial_Supervision_Review_-_Twin_Peaks_-_220517.pdf)

The elimination of the funds' KIID, the reporting requirements of 10 years past performance of investment funds and of their benchmark are extremely damaging for EU savers. As raised by BETTER FINANCE<sup>3</sup>, this is all the more confusing since supervisory authorities have been recently asked by the European Commission<sup>4</sup> to enhance the transparency of past performances of investment products by inter alia using the KIID data.

---

<sup>3</sup> [http://betterfinance.eu/fileadmin/user\\_upload/documents/Press\\_Releases/en/PR -  
ESAS FINALLY ASKED TO REPORT ON THE COST AND PAST PERFORMANCE OF LONG-  
TERM SAVINGS PRODUCTS - 201017.pdf](http://betterfinance.eu/fileadmin/user_upload/documents/Press_Releases/en/PR_-_ESAS_FINALY_ASKED_TO_REPORT_ON_THE_COST_AND_PAST_PERFORMANCE_OF_LONG-TERM_SAVINGS_PRODUCTS_-_201017.pdf)

<sup>4</sup> [https://ec.europa.eu/info/business-economy-euro/growth-and-investment/capital-markets-union/capital-markets-union-  
action-plan/fostering-retail-investment\\_en#actions-introduced-in-the-mid-term-review-of-june-2017](https://ec.europa.eu/info/business-economy-euro/growth-and-investment/capital-markets-union/capital-markets-union-action-plan/fostering-retail-investment_en#actions-introduced-in-the-mid-term-review-of-june-2017)