



## FOR IMMEDIATE RELEASE

# Finance sector calls for co-legislators to reassess the Retail Investment Strategy in light of the European Commission's competitiveness goals.

**Brussels, 28 November 2024** - The undersigned associations welcome the new European Commission's objectives to boost the EU's competitiveness, focus on the enforcement of existing legislation and simplify regulatory frameworks. We appreciate that this was also echoed by the Commissioner-Designate Maria Luis Albuquerque during her confirmation hearing in the European Parliament.

**In light of this and the need to urgently advance a Savings and Investments Union, it is essential to subject the Retail Investment Strategy (RIS) to a "competitiveness check". As it currently stands, the RIS will not achieve its initial goal of increasing retail participation in European capital markets.**

Indeed, the RIS adds further complexity and bureaucracy to the already heavily regulated frameworks that govern the distribution of investment and insurance-based investment products (IBIPs), with impacts for both firms and retail investors. This approach contradicts the new Commission's commitments to reducing red tape for market participants, fostering a simpler regulatory environment and strengthening the attractiveness of EU financial markets.

We have hope that EU policymakers can use the upcoming trilogue negotiations to refocus the RIS on what matters: enabling citizens to invest in the capital market without imposing excessive burdens on market participants. For this to happen, policymakers must, at a bare minimum, focus on:

- **Simplification for firms and retail investors.** Overly complex and overlapping rules risk stifling retail investor engagement and increasing firms' operational costs, which are ultimately borne by consumers. The RIS, as currently proposed, would significantly increase the reporting burden and record-keeping requirements, adding layers of bureaucracy and red tape for market participants. Additionally, the introduction of numerous Level 2 and 3 empowerments would create further uncertainty and complexity for companies. The RIS should aim to streamline regulations and avoid imposing new, disproportionate compliance requirements that create obstacles for both investors and the market.

- **Streamlined sales processes for retail investors.** An easy, affordable, and simplified investment journey will be vital to attracting more retail investors. Unfortunately, the current RIS proposals would make the investment process longer and more burdensome, adding conditions, tests and disclosure obligations. For instance, the advice process for purchasing products can extend to over two hours for certain products, discouraging savers from investing or nudging them towards less regulated platforms and products. The RIS should strive to reduce these barriers and ensure that investors can access European-regulated products in a leaner way.
- **Reduction of information overload.** Transparency is important for empowering investors to make informed decisions. At the same time, the RIS currently imposes excessive and overly detailed cost disclosures and warning obligations which could overwhelm retail investors and could make investing less appealing. The RIS should improve and focus on meaningful and relevant disclosures. Emphasising key product benefits, such as financial guarantees, ESG characteristics and other qualitative features that drive consumer investment decisions, will encourage greater participation in the EU financial markets.

These steps are just a starting point for the RIS to foster a regulatory framework benefiting both retail investors and the wider EU economy. In this spirit, the financial industry also appreciates the Commission's strong commitment to deploying the Savings and Investments Union and driving retail investment across the EU, while working with Member States on key actions necessary to strengthen our capital markets, such as unlocking the potential of private and occupational pensions, targeted tax incentives and financial and insurance literacy.

**-ENDS-**

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### **About EBF**

The European Banking Federation (EBF) is the voice of the European banking sector, bringing together national banking associations from 45 countries. The EBF is committed to a thriving European economy that is underpinned by a stable, secure and inclusive financial ecosystem, and to a flourishing society where financing is available to fund the dreams of citizens, businesses and innovators everywhere. Website: [www.ebf.eu](http://www.ebf.eu) Twitter: [@EBFеu](https://twitter.com/EBFеu).

### **About EFAMA**

EFAMA, the European Fund and Asset Management Association, is the voice of the EUR 28.5tn European investment management industry. As a trade association, our role is to promote the interests of our members and raise awareness of the importance of the services and solutions they provide. Our pan-European membership as well as our governance ensure that we represent the rich diversity of the European investment management industry, and not merely a subset thereof. This makes us the natural interlocutor of the EU institutions for all issues relevant to our sector. Our remit goes beyond the EUR 31tn however. We support open and well-functioning global capital markets and engage with international standard setters and relevant third country authorities on a wide range of issues. Since its establishment, EFAMA has been fully supportive of the EU project and working hard towards helping the EU achieve its objectives, whether in terms of single market, consumer protection or more recently CMU and sustainable finance.

### **About Insurance Europe**

Insurance Europe is the European insurance and reinsurance federation. Through its 37 member bodies — the national insurance associations — it represents all types and sizes of insurance and reinsurance undertakings. Insurance Europe, which is based in Brussels, represents undertakings that account for around 95% of total European premium income. Insurance makes a major contribution to Europe's economic growth and development. European insurers pay out over €1 000bn annually — or €2.8bn a day — in claims, directly employ more than 920 000 people and invest over €10.6trn in the economy. E-mail: [info@insurancееurope.eu](mailto:info@insurancееurope.eu) [www.insurancееurope.eu](http://www.insurancееurope.eu).

### **About AMICE**

The Association of Mutual Insurers and Insurance Cooperatives in Europe aisbl (AMICE) is the voice of the mutual and cooperative insurance sector in Europe. The Brussels-based association advocates for appropriate and fair treatment of all mutual and cooperative insurers in a European Single Market. It also encourages the creation and development of innovative solutions for the benefit of European citizens and society.

Typically, mutual/cooperative insurers have no external shareholders, and profits are applied to the benefit of mutual members/policyholders in accordance with the long-term culture of the mutual business model. Mutual and cooperative insurance follows the principles of solidarity and sustainability, and is characterised by customer-membership and democratic governance.

EU mutual and cooperative insurers account for 33% of the European insurance market share, and range from some of the smallest to some of the largest insurers in Europe.

To learn more, visit [www.amice-eu.org](http://www.amice-eu.org) | LinkedIn: [AMICE Company Page](#) | YouTube: [AMICE Channel](#)

### **About BIPAR**

BIPAR is the European Federation of Insurance Intermediaries. It groups 47 national associations in 31 countries. Through its national associations, BIPAR represents the interests of insurance agents and brokers and financial intermediaries in Europe.

Apart from some large multinationals, the insurance intermediation sector consists of hundreds of thousands of SMEs and micro-type operators. It accounts for 0.7% of European GDP, and over one million people are active in the sector. Insurance and financial intermediaries facilitate the insurance and financial process for several hundreds of millions of customers. The variety of business models, the high level of competition and the geographical spread in the sector ensure that everyone in Europe has easy access to tailor-made insurance and financial services. The sector is highly regulated and strictly supervised.

BIPAR is a member of the World Federation of Insurance Intermediaries (WFII). Founded in Paris in 1937, BIPAR has been established in Brussels since 1989.

### **About CEB**

The Conference of European Bancassurers (CEB) aims to facilitate dialogue with all stakeholders, showing the value that the bancassurance model provides for consumers, for the insurance industry and for society as a whole. The CEB today gathers 17 insurance companies/bancassurers distributors operating in 22 Member States (AG Insurance, AMAEF (Spanish Bancassurers Association), BBVA Seguros, BNP Paribas Cardif, BPCE Assurances, Caixabank, CNP Assurances, Crédit Agricole Assurances, Kutxabank Seguros, PKO Ubezpieczenia, RGA, RUV, Banco Santander, Société Générale Insurance, Op Financial group, Ethniki Insurance – NBG and UNIQA Insurance Group.

### **About EACB**

The European Association of Co-operative Banks ([EACB](#)) is the voice of the cooperative banks in Europe. It represents, promotes and defends the common interests of its 27 member institutions and of cooperative banks in general. Cooperative banks form decentralised networks which are subject to banking as well as cooperative legislation. Democracy, transparency and proximity are the three key characteristics of the cooperative banks' business model. With 2,500 locally operating banks and 40,000 outlets cooperative banks are widely represented throughout the enlarged European Union, playing a major role in the financial and economic system. They have a long tradition in serving 227 million customers, mainly consumers, retailers and communities. The cooperative banks in Europe represent 90 million members and 737,000 employees and have a total average market share of about 20%.

### **About EAPB**

The European Association of Public Banks (EAPB) gathers member organisations (financial institutions, funding agencies, public banks, associations of public banks and banks with similar interests) from 17 European Member States and countries, representing directly and indirectly the interests of over 90 financial institutions towards the EU and other European stakeholders. With a combined balance sheet

total of about EUR 3,500 billion and a market share of around 15%, EAPB members constitute an essential part of the European financial sector.

#### **About EFSA**

EFSA is a forum of European Securities Associations for information sharing and fostering mutual understanding. EFSA itself is not a legal entity but a self-organising working-group. As such, it also helps to deliver joint messages on policy issues in European securities markets to policy makers, regulators, industry representatives and the interested public who we hope might benefit from such a coordinated approach. EFSA complements the existing activities of its member-associations.

#### **About ESBG**

The European Savings and Retail Banking Group (ESBG), as the regional arm of the World Savings and Retail Banking Institute (WSBI), represents European savings and retail banks from 28 countries, with a focus on supporting local communities and small and medium-sized enterprises (SMEs). With 859 member banks employing over 620,000 people across 50,000 outlets, ESBG members play a vital role in the European economy. By advocating for proportionate and balanced regulatory frameworks, ESBG helps its members foster financial stability, innovation, and sustainability. Through its commitment to responsible banking, ESBG ensures that European savings and retail banks can thrive in an increasingly competitive and fast-evolving financial landscape.

#### **About EUSIPA**

The European Structured Investment Products Association (EUSIPA), founded in 2009, represents the major issuers of structured investment products across all main markets in Europe, promoting transparency, standardization, and best practices in the industry. EUSIPA, which currently unites 10 national associations that have their as members almost all major retail banks active in Europe, also actively advocates for market-adequate regulatory frameworks and fosters investor education on structured products. EUSIPA also provides the key classification framework to the structured products markets, in the format of the "EUSIPA Product Map," which has become a main reference tool to standardize product categorisation and identification on a cross-border level.