

# Public consultation on a retail investment strategy for Europe

Fields marked with \* are mandatory.

## Introduction

This consultation is now available in 23 European Union official languages.

Please use the language selector at the top of this page to choose your language for this consultation.

### 1. Background for this consultation

The level of retail investor participation in EU capital markets remains very low compared to other economies, despite high individual savings rates in Europe. This means that consumers may currently not fully benefit from the investment opportunities offered by capital markets.

In its September 2020 [new capital markets union \(CMU\) action plan](#), the European Commission announced its intention to publish a strategy for retail investments in Europe in the first half of 2022. Its aim will be to seek to ensure that retail investors can take full advantage of capital markets and that rules are coherent across legal instruments. An individual investor should benefit from

- i. adequate protection
- ii. bias-free advice and fair treatment
- iii. open markets with a variety of competitive and cost-efficient financial services and products, and
- iv. transparent, comparable and understandable product information

EU legislation should be forward-looking and should reflect ongoing developments in digitalisation and sustainability, as well as the increasing need for retirement savings.

In 2020, the Commission also launched an [extensive study](#), focusing on the different disclosure regimes, the extent to which advice given to prospective investors is useful and impartial and the impact of inducements paid to intermediaries. It will involve extensive consumer testing, to ensure that any future changes to the rules will be conceived from the perspective of what is useful and necessary for consumers.

In line with the Commission's stated objective of "an economy that works for people", the Commission is seeking to ensure that a legal framework for retail investments is suitably adapted to the profile and needs of consumers, helps ensure improved market outcomes and enhances their participation in the capital markets.

The Commission is looking to understand how the current framework for retail investments can be improved and is seeking your views on different aspects, including

- the limited comparability of similar investment products that are regulated by different legislation and are hence subject to different disclosure requirements, which prevents individual investors from making informed investment choices
- how to ensure access to fair advice in light of current inducement practices
- how to address the fact that many citizens lack sufficient financial literacy to make good decisions about personal finances
- the impact of increased digitalisation of financial services
- sustainable investing

## Responding to this consultation and follow up

In this context and in line with [better regulation principles](#), the Commission is launching this public consultation designed to gather stakeholders' views on possible improvements to the European framework for retail investments.

Views are welcome from all stakeholders, in particular from persons/entities representing

- citizens and households (in their quality as retail investors)
- organisations representing consumer/retail investor interests
- complaint-handling bodies e.g. Alternative Dispute Resolution Bodies and European Consumer Centres
- credit institutions
- investment firms
- insurance companies
- financial intermediaries (investment/insurance brokers, online brokers, etc.)
- national and supranational authorities (e.g. national governments and EU public authorities, mandated authorities and bodies in charge of legislation in the field of retail investments)
- academics and policy think-tanks.
- entities seeking financing on capital markets

---

**Please note:** In order to ensure a fair and transparent consultation process **only responses received through our online questionnaire will be taken into account** and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact [fisma-retail-investment@ec.europa.eu](mailto:fisma-retail-investment@ec.europa.eu).

More information on

- [this consultation](#)
- [the consultation document](#)
- [retail financial services](#)
- [the protection of personal data regime for this consultation](#)

## About you

---

### \* Language of my contribution

- Bulgarian
- Croatian
- Czech
- Danish
- Dutch
- English
- Estonian
- Finnish
- French
- German
- Greek
- Hungarian
- Irish
- Italian
- Latvian
- Lithuanian
- Maltese
- Polish
- Portuguese
- Romanian
- Slovak
- Slovenian
- Spanish
- Swedish

\* I am giving my contribution as

- Academic/research institution
- Business association
- Company/business organisation
- Consumer organisation
- EU citizen
- Environmental organisation
- Non-EU citizen
- Non-governmental organisation (NGO)
- Public authority
- Trade union
- Other

\* First name

Ann

\* Surname

Grottke

\* Email (this won't be published)

ann.grottke@dsgv.de

\* Organisation name

*255 character(s) maximum*

Die Deutsche Kreditwirtschaft (German Banking Industry Committee)

\* Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

Transparency register number

*255 character(s) maximum*

Check if your organisation is on the [transparency register](#). It's a voluntary database for organisations seeking to influence EU decision-making.

52646912360-95

### \* Country of origin

Please add your country of origin, or that of your organisation.

- |   |   |  |  |
|---|---|--|--|
| <input type="radio"/> Afghanistan         | <input type="radio"/> Djibouti                            | <input type="radio"/> Libya            | <input type="radio"/> Saint Martin                                 |
| <input type="radio"/> Åland Islands       | <input type="radio"/> Dominica                            | <input type="radio"/> Liechtenstein    | <input type="radio"/> Saint Pierre and Miquelon                    |
| <input type="radio"/> Albania             | <input type="radio"/> Dominican Republic                  | <input type="radio"/> Lithuania        | <input type="radio"/> Saint Vincent and the Grenadines             |
| <input type="radio"/> Algeria             | <input type="radio"/> Ecuador                             | <input type="radio"/> Luxembourg       | <input type="radio"/> Samoa  |
| <input type="radio"/> American Samoa      | <input type="radio"/> Egypt                               | <input type="radio"/> Macau            | <input type="radio"/> San Marino                                   |
| <input type="radio"/> Andorra             | <input type="radio"/> El Salvador                         | <input type="radio"/> Madagascar       | <input type="radio"/> São Tomé and Príncipe                        |
| <input type="radio"/> Angola              | <input type="radio"/> Equatorial Guinea                   | <input type="radio"/> Malawi           | <input type="radio"/> Saudi Arabia                                 |
| <input type="radio"/> Anguilla            | <input type="radio"/> Eritrea                             | <input type="radio"/> Malaysia         | <input type="radio"/> Senegal                                      |
| <input type="radio"/> Antarctica          | <input type="radio"/> Estonia                             | <input type="radio"/> Maldives         | <input type="radio"/> Serbia                                       |
| <input type="radio"/> Antigua and Barbuda | <input type="radio"/> Eswatini                            | <input type="radio"/> Mali             | <input type="radio"/> Seychelles                                   |
| <input type="radio"/> Argentina           | <input type="radio"/> Ethiopia                            | <input type="radio"/> Malta            | <input type="radio"/> Sierra Leone                                 |
| <input type="radio"/> Armenia             | <input type="radio"/> Falkland Islands                    | <input type="radio"/> Marshall Islands | <input type="radio"/> Singapore                                    |
| <input type="radio"/> Aruba               | <input type="radio"/> Faroe Islands                       | <input type="radio"/> Martinique       | <input type="radio"/> Sint Maarten                                 |
| <input type="radio"/> Australia           | <input type="radio"/> Fiji                                | <input type="radio"/> Mauritania       | <input type="radio"/> Slovakia                                     |
| <input type="radio"/> Austria             | <input type="radio"/> Finland                             | <input type="radio"/> Mauritius        | <input type="radio"/> Slovenia                                     |
| <input type="radio"/> Azerbaijan          | <input type="radio"/> France                              | <input type="radio"/> Mayotte          | <input type="radio"/> Solomon Islands                              |
| <input type="radio"/> Bahamas             | <input type="radio"/> French Guiana                       | <input type="radio"/> Mexico           | <input type="radio"/> Somalia                                      |
| <input type="radio"/> Bahrain             | <input type="radio"/> French Polynesia                    | <input type="radio"/> Micronesia       | <input type="radio"/> South Africa                                 |
| <input type="radio"/> Bangladesh          | <input type="radio"/> French Southern and Antarctic Lands | <input type="radio"/> Moldova          | <input type="radio"/> South Georgia and the South Sandwich Islands |
| <input type="radio"/> Barbados            | <input type="radio"/> Gabon                               | <input type="radio"/> Monaco           | <input type="radio"/> South Korea                                  |
| <input type="radio"/> Belarus             | <input type="radio"/> Georgia                             | <input type="radio"/> Mongolia         | <input type="radio"/> South Sudan                                  |
| <input type="radio"/> Belgium             | <input checked="" type="radio"/> Germany                  | <input type="radio"/> Montenegro       | <input type="radio"/> Spain  |

- Belize
- Benin
- Bermuda
- Bhutan
  
- Bolivia
- Bonaire Saint Eustatius and Saba
- Bosnia and Herzegovina
- Botswana
- Bouvet Island
- Brazil
- British Indian Ocean Territory
- British Virgin Islands
- Brunei
- Bulgaria
  
- Burkina Faso
- Burundi
  
- Cambodia
  
- Cameroon
- Canada
- Cape Verde
- Cayman Islands
  
- Central African Republic
- Chad
- Chile
- 
  
- Ghana
- Gibraltar
- Greece
- Greenland
  
- Grenada
- Guadeloupe
  
- Guam
  
- Guatemala
- Guernsey
- Guinea
- Guinea-Bissau
  
- Guyana
  
- Haiti
- Heard Island and McDonald Islands
- Honduras
- Hong Kong
  
- Hungary
  
- Iceland
- India
- Indonesia
- Iran
  
- Iraq
  
- Ireland
- Isle of Man
- 
  
- Montserrat
- Morocco
- Mozambique
- Myanmar/Burma
  
- Namibia
- Nauru
  
- Nepal
  
- Netherlands
- New Caledonia
- New Zealand
- Nicaragua
  
- Niger
  
- Nigeria
- Niue
- Norfolk Island
- Northern Mariana Islands
- North Korea
- North Macedonia
- Norway
- Oman
- Pakistan
  
- Palau
  
- Palestine
- Panama
- 
  
- Sri Lanka
- Sudan
- Suriname
- Svalbard and Jan Mayen
- Sweden
- Switzerland
  
- Syria
  
- Taiwan
- Tajikistan
- Tanzania
- Thailand
  
- The Gambia
  
- Timor-Leste
- Togo
  
- Tokelau
- Tonga
  
- Trinidad and Tobago
- Tunisia
- Turkey
- Turkmenistan
- Turks and Caicos Islands
- Tuvalu
  
- Uganda
- Ukraine
-

- |  |                                  |   |  |
|--|----------------------------------|---|--|
| <input type="radio"/> China                            | <input type="radio"/> Israel     | <input type="radio"/> Papua New Guinea                                  | <input type="radio"/> United Arab Emirates                 |
| <input type="radio"/> Christmas Island                 | <input type="radio"/> Italy      | <input type="radio"/> Paraguay  | <input type="radio"/> United Kingdom                       |
| <input type="radio"/> Clipperton                       | <input type="radio"/> Jamaica    | <input type="radio"/> Peru  | <input type="radio"/> United States                        |
| <input type="radio"/> Cocos (Keeling) Islands          | <input type="radio"/> Japan      | <input type="radio"/> Philippines                                       | <input type="radio"/> United States Minor Outlying Islands |
| <input type="radio"/> Colombia                         | <input type="radio"/> Jersey     | <input type="radio"/> Pitcairn Islands                                  | <input type="radio"/> Uruguay                              |
| <input type="radio"/> Comoros                          | <input type="radio"/> Jordan     | <input type="radio"/> Poland  | <input type="radio"/> US Virgin Islands                    |
| <input type="radio"/> Congo                            | <input type="radio"/> Kazakhstan | <input type="radio"/> Portugal  | <input type="radio"/> Uzbekistan                           |
| <input type="radio"/> Cook Islands                     | <input type="radio"/> Kenya      | <input type="radio"/> Puerto Rico                                       | <input type="radio"/> Vanuatu                              |
| <input type="radio"/> Costa Rica                       | <input type="radio"/> Kiribati   | <input type="radio"/> Qatar   | <input type="radio"/> Vatican City                         |
| <input type="radio"/> Côte d'Ivoire                    | <input type="radio"/> Kosovo     | <input type="radio"/> Réunion   | <input type="radio"/> Venezuela                            |
| <input type="radio"/> Croatia                          | <input type="radio"/> Kuwait     | <input type="radio"/> Romania   | <input type="radio"/> Vietnam                              |
| <input type="radio"/> Cuba                             | <input type="radio"/> Kyrgyzstan | <input type="radio"/> Russia  | <input type="radio"/> Wallis and Futuna                    |
| <input type="radio"/> Curaçao                          | <input type="radio"/> Laos       | <input type="radio"/> Rwanda  | <input type="radio"/> Western Sahara                       |
| <input type="radio"/> Cyprus                           | <input type="radio"/> Latvia     | <input type="radio"/> Saint Barthélemy                                  | <input type="radio"/> Yemen                                |
| <input type="radio"/> Czechia                          | <input type="radio"/> Lebanon    | <input type="radio"/> Saint Helena<br>Ascension and<br>Tristan da Cunha | <input type="radio"/> Zambia                               |
| <input type="radio"/> Democratic Republic of the Congo | <input type="radio"/> Lesotho    | <input type="radio"/> Saint Kitts and Nevis                             | <input type="radio"/> Zimbabwe                             |
| <input type="radio"/> Denmark                          | <input type="radio"/> Liberia    | <input type="radio"/> Saint Lucia                                       |  |

\* Field of activity or sector (if applicable)

- Accounting
- Auditing
- Banking
- Credit rating agencies
- Insurance
- Pension provision
- Investment management (e.g. hedge funds, private equity funds, venture capital funds, money market funds, securities)
-

Market infrastructure operation (e.g. CCPs, CSDs, Stock exchanges)

- Social entrepreneurship
- Other
- Not applicable

The Commission will publish all contributions to this public consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. **For the purpose of transparency, the type of respondent (for example, 'business association, 'consumer association', 'EU citizen') country of origin, organisation name and size, and its transparency register number, are always published. Your e-mail address will never be published.** Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected

### \* Contribution publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

**Anonymous**

Only organisation details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published as received. Your name will not be published. Please do not include any personal data in the contribution itself if you want to remain anonymous.

**Public**

Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published.

I agree with the [personal data protection provisions](#)

## 1. General questions

---

Current EU rules regarding retail investors (e.g. [UCITS \(undertakings for the collective investment in transferable securities\)](#), [PRIIPs \(packaged retail investment and insurance products\)](#), [MiFID II \(Markets in Financial Instruments Directive\)](#), [IDD \(Insurance Distribution Directive\)](#), [PEPP \(pan european pension product\)](#), or [Solvency II \(Directive on the taking-up and pursuit of the business of insurance and reinsurance\)](#)) aim at empowering investors, in particular by creating transparency of the key features of investment and insurance products but also at protecting them, for example through safeguards against mis-selling.



**Question 1.1 Does the EU retail investor protection framework sufficiently empower and protect retail investors when they invest in capital markets?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 1.1 and provide examples:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The rules are paternalistic rather than empowering for investors. Investors are only able to choose what information they wish to receive and when (e.g. provision of the suitability statement and the ex ante cost disclosures after the transaction) in a few exceptional cases. A much greater degree of flexibility is needed to enable investors to decide which information they wish to receive. This would allow investors to address any deficiencies in a targeted manner and at the same time avoid information overload.

A further area requiring improvement is the consistency between the different requirements. There are numerous discrepancies between the requirements, which causes difficulty for both clients and providers (e.g. different product costs under MiFID and PRIIPs, the provision of electronic information under the MiFID quick fix and paper-based information under PRIIPs; differing definitions of sustainability under MiFID and the Disclosure Regulation). These requirements must be harmonised.

While aimed at protecting retail investors, some rules may require specific procedures to be followed (e.g. the need to use investment advice and complete a suitability assessment) or may limit investment by retail investors (e.g. by warning against purchase of certain investment products or even completely prohibiting access).

**Question 1.2 Are the existing limitations justified, or might they unduly hinder retail investor participation in capital markets?**

- Yes, they are justified
- No, they unduly hinder retail investor participation
- Don't know / no opinion / not applicable

**Please explain your answer to question 1.2:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In assessing the rules, it should be taken into account that there are several completely different distribution models. On the one hand, there is the advised business, where advisers are required to have good product knowledge in order to make appropriate recommendations that subsequently form the basis for clients' investment decisions. Depending on the scope and duration of the advisory services, the additional effort related to providing the mandatory cost and product information, as well the associated consultations, can already be problematic in this model. It would be preferable to have flexibility regarding the additional information the client wishes to receive.

On the other hand, there is the non-advised business, where self-directed clients generally make their own independent investment decisions. In this model, clients expect institutions to execute their orders as quickly

as possible. It is frustrating for clients if order placement takes too long or institutions are unable to execute orders at all (see 1.3 for further details) due to regulatory requirements (particularly on ex ante cost transparency, PRIIPs KID). This is regularly a cause of client dissatisfaction. This shows that the rules also need to be scaled back in the non-advised business to enable institutions to execute the orders of self-directed clients in a timely manner. The same applies to certain situations in the execution-only business.

Portfolio management is another distribution model. Although the time commitment tends to be higher in this business area, there are still numerous situations in which clients consider the restrictions to be unwelcome (e.g. where an existing client wishes to apply a different investment policy to part of their assets under management).

### **Question 1.3 Are there any retail investment products that retail investors are prevented from buying in the EU due to constraints linked to existing existing EU regulation?**

- Yes
- No
- Don't know / no opinion / not applicable

#### **Please explain your answer to question 1.3:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

There are various rules that prevent clients from buying certain products in practice. Below are two examples:

The supervisory authorities currently classify bonds with make-whole clauses as PRIIPs, which means that they cannot be sold to retail investors without a Key Information Document. Since real economy issuers do not generally produce such documents, the products cannot in practice be purchased by retail investors (although the products are defined as simple and easy to understand under the MiFID quick fix amendments and are therefore exempt; this assessment should be incorporated into the PRIIPs Regulation as a matter of urgency).

The requirement to execute trades in shares admitted to trading on EU trading venues (Article 23 of MiFIR) disadvantages investors if the main trading venues – and therefore significantly more liquidity – are located outside of the EU. This applies to UK shares, for example. The EU must place greater importance on liquidity and, therefore, price quality.

In reviewing the rules, the lawmakers should take into account the fact that, to sell/advise on products, distributors often require the information that the manufacturers must provide to them based on regulatory requirements. Unless this parity is achieved, there will always be products that cannot be sold or for which advice can be provided.

**Question 1.4 What do you consider to be factors which might discourage or prevent retail investors from investing?**

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable
Lack of understanding by retail investors of products?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of understanding of products by advisers?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of trust in products?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
High entry or management costs?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of access to reliable, independent advice?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of access to redress?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Concerns about the risks of investing?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Uncertainties about expected returns?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of available information about products in other EU Member States?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please specify what other factor(s) might discourage or prevent retail investors from investing:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Many retail investors complain about the high level of bureaucracy in transactions with financial instruments under MiFID II. The numerous information requirements, which are in some cases applied indiscriminately, mean that retail investors feel overloaded with information, causing them to react negatively even to relevant and appropriate information

**Question 1.5 Do you consider that products available to retail investors in the EU are:**

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable
Sufficiently accessible	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Understandable for retail investors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Easy for retail investors to compare with other products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Offered at competitively priced conditions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Offered alongside a sufficient range of competitive products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Adapted to modern (e.g. digital) channels	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Adapted to Environmental, Social and Governance (ESG) criteria	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Question 1.6 Among the areas of retail investment policy covered by this consultation, in which area (or areas) would the main scope for improvement lie in order to increase the protection of investors?**

Please select as many answers as you like

- financial literacy
- digital innovation
- disclosure requirements
- suitability and appropriateness assessment
- reviewing the framework for investor categorisation
- inducements and quality of advice
- addressing the complexity of products
- redress
- product intervention powers
- sustainable investing
- other

**Please specify to what other area(s) you refer in your answer to question 1.6:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

- Product costs under MiFID II (excluding inducements) and the PRIIPs Regulation (including inducements) should be harmonised so that retail investors do not receive contradictory cost disclosures for the same financial product. The definition of sustainability needs to be harmonised. It cannot be the case that a product is considered sustainable under the Disclosure Regulation, but not under MiFID II.
- All information should be primarily provided in electronic format, as provided for by the MiFID quick fix.
- The other requirements regarding the provision of information (e.g. the ability to provide information subsequent to the transaction) should also be harmonised to enable providers to offer retail investors uniform and efficient distribution processes.
- Bonds with make-whole clauses, which are currently exempt under MiFID II, should also be excluded from the scope of the PRIIPs Regulation.

**Please explain your answer to question 1.6:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

A further reduction in the bureaucracy of the business in financial instruments is very important for many clients. In particular, MiFID II imposed a raft of requirements on providers, resulting in the requested transactions taking significantly longer to execute than previously. This has been criticised by investors, who would above all like the order placement process to be quicker. In light of this, the requirement to provide ex ante cost information for sell orders, for example, should be removed.

In addition, the legislator must pursue the approach of implementing electronic communication by default as

set out in the MiFID quick fix and apply this to the other investment regulations (e.g. the PRIIPs Regulation). The provision of paper-based information by default under these requirements is outdated in light of the increasingly rapid digital transformation and the EU's sustainability efforts. Following the example of the MiFID quick fix, the other regulations should also provide for electronic communication by default. Transferring the requirements of Article 24(5)(a) of the amended MiFID II to the other investment law requirements would standardise the inconsistent rules, which in practice are usually applied in parallel. The current situation, with large amounts of information provided electronically but some provided on paper, does not make sense to clients.

The current investment rules contain numerous contradictions, which impact the business in financial instruments in practice and are virtually impossible for clients to understand. Among others, the following points must be harmonised:

- Product costs under MiFID II (excluding inducements) and the PRIIPs Regulation (including inducements) should be harmonised so that retail investors do not receive contradictory cost disclosures.
- The definition of sustainability needs to be harmonised. It cannot be the case that a product is considered sustainable under the Disclosure Regulation, but not under MiFID II.
- All information should be provided primarily in electronic format, following the example of the MiFID quick fix (see above).
- The other requirements regarding the provision of information (e.g. the possibility of providing information subsequent to the transaction) should also be harmonised to enable providers to offer retail investors uniform and efficient distribution processes.
- Bonds with make-whole clauses, which are currently exempt under MiFID II, should also be excluded from the scope of the PRIIPs Regulation.

## 2. Financial literacy

---

For many individuals, financial products and services remain complex. To empower individuals to adequately manage their finances as well as invest, it is of crucial importance that they are able to understand the risks and rewards surrounding retail investing, as well as the different options available. However, as shown by the [OECD/INFE 2020 international survey of adult financial literacy](#), many adults have major gaps in understanding basic financial concepts.

While the main responsibility for financial education lies with the Member States, there is scope for Commission initiatives to support and complement their actions. In line with the [2020 capital markets union action plan](#), Directorate General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA) published a [feasibility assessment report](#) and will, together with the OECD, develop a financial competence framework in the EU. In addition, the need for a legislative proposal to require Member States to promote learning measures that support the financial education of individuals, in particular in relation to investing will be assessed.

**Question 2.1 Please indicate whether you agree with the following statement: Increased financial literacy will help retail investors to**

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable
Improve their understanding of the nature and main features of financial products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Create realistic expectations about the risk and performance of financial products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increase their participation in financial markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Find objective investment information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Better understand disclosure documents	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Better understand professional advice	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Make investment decisions that are in line with their investment needs and objectives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Follow a long-term investment strategy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>



**Question 2.2 Which further measures aimed at increasing financial literacy (e.g. in order to promote the OECD/Commission financial literacy competence framework) might be pursued at EU level?**

**Please explain your answer, taking into account that the main responsibility for financial education lies with Member States:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

### 3. Digital innovation

---

Digitalisation and technological innovation and the increasing popularity of investment apps and web-based platforms are having profound impacts on the way people invest, creating new opportunities (e.g. in terms of easier access to investment products and capital markets, easier comparability, lower costs, etc.). However technological change can also carry risks for consumers (e.g. easier access to potentially riskier products). These changes may pose challenges to existing retail investors, while investor protection rules may no longer be fit for purpose.

Open finance, (i.e. giving greater access to customer data held by financial institutions to third party service providers to enable them to offer more personalised services) can, in the field of investment services, lead to better financial products, better targeted advice and improved access for consumers and greater efficiency in business-to-business transactions. In the [September 2020 digital finance strategy](#), the Commission announced its intention to propose legislation on a broader open finance framework.

**Question 3.1 What might be the benefits or potential risks of an open finance approach (i.e. similar to that developed in the field of payment services which allowed greater access by third party providers to customer payment account information) in the field of retail investments (e.g. enabling more competition, tailored advice, data privacy, etc.)?**

**Please explain your answer**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

It should be noted that payment transactions differ significantly from transactions with financial instruments. While payment transactions usually concern payment for a service, transactions with financial instruments involve investment decisions and the generation of returns. Given the much greater regulatory burden associated with transactions with financial instruments, it is not appropriate to transfer the requirements introduced under the PSD to transactions in financial instruments.

In addition, the experience of the 'grey' capital market has shown that without adequate supervision, providers can cause significant damage. There is fierce competition among investment service providers, including with regard to technological innovation, as clearly demonstrated by the recent emergence of 'neo-brokers', for example.

### **Question 3.2 What new tools or services might be enabled through open finance or other technological innovation (e.g. digital identity) in the financial sector ?**

#### **Please explain your answer**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

It is important that there is the same level of investor protection with regard to digital distribution as there is for on-site branch business.

Consideration must also be given to the fact that digital solutions only work if information is provided electronically rather than on paper. Consequently, the legislator should follow the example of the MiFID quick fix and implement electronic communication by default in the other legal requirements (PRIIPs Regulation, Prospectus Regulation, etc.).

At the same time, standards from other jurisdictions – for example, anti-money laundering and tax laws – should be taken into account to ensure a level playing field for all competitors.

By making the contents of publicly available documentation machine-readable, the data within them can be easily extracted and used for various purposes, such as aggregation, comparison, or analysis. In the field of retail investment, examples would include portfolio management apps, robo advisors, comparison websites, pension dashboards, etc. DG FISMA has already started work in this area in the context of the European Single Access Point. Machine-readability is also required by newly proposed legislation, such as the [Markets in Crypto-Assets Regulation \(MiCA\)](#), whilst legacy legal framework will need adaptation.

In the field of retail investment, applicable EU legislation does not currently require documents to be machine-readable. However, some private initiatives are already demonstrating that there is interest from market actors in more standardisation and machine-readability of the data provided within existing retail investment information documents, such as the PRIIPs KID or MiFID disclosures. Requiring machine readability of disclosure documents from scratch could help to open business opportunities for third parties, for example by catering to the needs of advisers and retail investors who prefer direct access to execution only venues.

### **Question 3.3 Should the information available in various pre-contractual disclosure documents be machine-readable?**

- Yes
- No
- Don't know / no opinion / not applicable

#### **Please explain your answer to question 3.3:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Since the content of the current information provided to clients (ex ante, PRIIPs-KIDs) is not suitable for IT-based extraction, other formats have been developed in the market with respect to how manufacturers provide the information to distributors for their processes. In the German market, this takes place through central databases. There are also ongoing discussions on standardisation of data needed for sales processes in the European market as a whole.

There is therefore no need to adapt the current information sheets so that their content can be extracted. Adaptations in this respect would entail unnecessary and enormously expensive implementation efforts when there is no demand from the distributors.

In relation to this, it should be taken into account that around 1.8 million instruments are available on the German market. Individual product information and individual cost data are provided for each of these products. This represents a huge amount of data, which would have to be extracted from existing information documents. Moreover, much of the data is liable to change on a daily basis (costs in the MiFID cost disclosures, SRIs and performance in PRIIPs KIDs), meaning that the extracted data would have to be reviewed each day to ensure its validity.

For these reasons, the idea should not be pursued further.

Rules on marketing and advertising of investment products remain predominantly a national competence, bound up in civil and national consumer protection law, although the [2019 legislative package on cross-border distribution of investment funds](#) does remove some cross-border national barriers.

**Question 3.4 Given the increasing use of digital media, would you consider that having different rules on marketing and advertising of investment products constitutes an obstacle for retail investors to access investment products in other EU markets?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 3.4:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Under MiFID product governance rules, which also regulate marketing communication, firms are prevented from presenting products in ways which might mislead clients (e.g. the information should not disguise, diminish or obscure important items, the information should give a fair and prominent indication of any relevant risks when referencing any potential benefits of a financial instrument, all costs and charges should be disclosed, the nature of the product must be explained, etc.).

**Question 3.5 Might there be a need for stricter enforcement of rules on online advertising to protect against possible mis-selling of retail investment products?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 3.5:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Article 24 of MiFID II and Article 44 ff. of the MiFID II Delegated Regulation set out a series of information requirements relating to the products and services issued and offered by investment firms. These also relate to any marketing documents (for example, see Article 46(5) and (6) of the MiFID II Delegated Regulation, which include explicit provisions regarding this type of communication) and also apply to online marketing. Essentially, all information and marketing communications must be fair, clear and not misleading (Article 24 (3) of MiFID II). Article 9 of the PRIIPs Regulation also requires that marketing communications relating to PRIIPs must not contradict the objective product description provided in the PRIIPs KIDs.

In light of this, an adequate legal framework, which includes requirements relating to marketing communications and advertising materials, already exists. There is no need for further requirements.

In this regard, it should also be taken into account that – to our knowledge – no detailed requirements on the content of advertising are applicable in other industries (with the exception of the advertising of harmful products such as alcohol or tobacco). It is our understanding that advertising may not contain any false factual claims. Furthermore, providers are free to choose how they place their products on the market. This further argues against the introduction of rules over and above those mentioned above.

With regard to the need for amendment, the issue of how the relevant rules are implemented by NCAs should be addressed. A regular audit of the implementation of individual rules by NCAs would be desirable. The fact that individual matters are only addressed on an ad hoc basis is one cause of the unsatisfactory situation for investors. The NCAs could audit investment firms' advertising themselves, or engage third parties – e.g. auditors – to do so. This step would also help promote a level playing field between Austria and Germany, where regular audits of this kind are customary, and the other EU Member States.

**Question 3.6 Would you see a need for further EU coordination /harmonisation of national rules on online advertising and marketing of investment products?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 3.6, including which rules would require particular attention:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As described in our response to question 3.5 above, there is already a uniform European legal framework that includes requirements applicable to marketing communications and advertising for investment products and services. There is no need for additional requirements or further harmonisation.

In February 2021, in the context of speculative trading of GameStop shares, [ESMA issued a statement](#) urging retail investors to be careful when taking investment decisions based exclusively on information from social media and other unregulated online platforms, if they cannot verify the reliability and quality of that information.

**Question 3.7 How important is the role played by social media platforms in influencing retail investment behaviour (e.g. in facilitating communication between retail investors, but also increasing herding behaviour among investors or for large financial players to collect data on interest in certain stocks or financial products)?**

- Not at all important
- Rather not important
- Neutral
- Somewhat important
- Very important
- Don't know / no opinion / not applicable

**Please explain your answer to question 3.7:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As demonstrated by experience in other areas of daily life, it is to be expected that social media platforms will become an increasingly important source of investor information. As a result, the risk of investors receiving inadequate or misleading information is likely to grow. In our view, this risk should be countered by the efforts to significantly improve the economic and financial education provided to the public.

It should be noted that investors already have access to comprehensive information, which is prepared by manufacturers or distributors on the basis of legal requirements to help investors make their investment decisions (PRIIPs KIDs, prospectuses, ex ante cost disclosures, etc.). Investors can use these objective documents to find out about the relevant product as well as other important aspects, such as the costs incurred, and then compare this information against social media reports, for example. Furthermore, investment firms already voluntarily make a wide variety of supporting information available in order to promote financial education. Most banks and savings banks also offer investment advisory services, providing clients with investment recommendations tailored to their preferences.

**Question 3.8 Social media platforms may be used as a vehicle by some users to help disseminate investment related information and may also pose risks**

**for retail investment, e.g. if retail investors rely on unverified information or on information not appropriate to their individual situation. How high do you consider this risk?**

- Not at all significant
- Not so significant
- Neutral
- Somewhat significant
- Very significant
- Don't know / no opinion / not applicable

[MiFID II](#) regulates the provision of investment advice and marketing communication suggesting, explicitly or implicitly, an investment strategy. Information about investment opportunities are increasingly circulating via social media, which can prompt people to decide to invest on the basis of information that is unverified, may be incorrect or unsuited to the individual customer situation. This information may be circulated by individuals without proper qualification or authorisation to do so. The [Market Abuse Regulation \(MAR\)](#) also contains provisions which forbid the dissemination of false information and forbid collaboration between persons (e.g. brokers recommending a trading strategy) to commit market abuse.

**Question 3.9 Do the rules need to be reinforced at EU level with respect to dissemination of investment related information via social media platforms?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 3.9:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

On-line investment brokers, platforms or apps, which offer execution only services to retail investors, are subject to the relevant investor protection rules for such services under the MiFID framework. While such on-line investment platforms may offer advantages for retail investors, including a low level of fees and the ease of access to a large variety of investment products, such platforms may also present risks, e.g. in case of inadequacy of appropriateness checks, lack of understanding of individual investors lack or inadequate disclosure of costs.

**Question 3.10 Do you consider that retail investors are adequately protected when purchasing retail investments on-line, or do the current EU rules need to be updated?**

- Yes, consumers are adequately protected
- No, the rules need to be updated
- Don't know / no opinion / not applicable

**Please explain your answer to question 3.10:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Taken together, the introduction and the question seem to suggest that all online services are provided on an execution-only basis (i.e. without an appropriateness assessment). This is not the case. In the German market, execution-only services only come in to play in special cases (e.g. money market). In other words: German banks and savings banks always carry out an appropriateness assessment even for online brokerage.

In addition, the requirements applicable to branch-based services must also be met by providers of online brokerage services. Alongside the appropriateness assessment, clients must also be provided with the same information (e.g. PRIIPs and ex ante disclosures) as they would in a branch. Online brokerage clients are therefore also able to obtain objective information on the relevant product that is prepared on the basis of regulatory requirements. In our view, there is no need for additional arrangements.

If ESMA or NCAs have concerns regarding these providers' compliance with regulatory requirements, a regular audit should be conducted. Moreover, if such audits were carried out by the NCAs themselves or third parties they engage for this purpose, the NCAs would not be reliant on speculation about the business model and its implementation in practice. Regular audits by the NCAs in all EU Member States would also help to achieve a level playing field among all market participants.

**Question 3.11 When products are offered online (e.g. on comparison websites, apps, online brokers, etc.) how important is it that lower risk or not overly complex products appear first on listings?**

- Not at all important
- Rather not important
- Neutral
- Somewhat important
- Very important
- Don't know / no opinion / not applicable

**Please explain your answer to question 3.11:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The general requirements applicable to advertising communications also apply to investment firms' advertising. These requirements are intended to ensure that information is fair, clear and not misleading, as specified in Article 44 of Delegated Regulation (EU) 2017/565, for example. It is not apparent how additional rules regarding the order in which financial instruments are listed would be an improvement. It would be sufficient to ensure the full implementation of the existing requirements.

Firms' general web presence may include references to specific products (e.g. products that are also actively offered in the investment advice process). The primary aim is to enable clients to learn about the products offered. There is no need for regulatory requirements over and above the general requirements applicable to investment firms (e.g. the general requirements on client information).

In view of this, we do not believe that any measures need be taken with regard to investment firms that are covered by the requirements under MiFID II. If third-party providers, such as comparison websites, recommend that clients purchase certain products, ensuring that such providers also meet (at least partially) the requirements applicable to investment firms should be considered. For example, it would be conceivable to extend the general information requirements under Article 24(3) of MiFID to ensure that investors also receive information from third-party providers that is fair, clear and not misleading.

## 4. Disclosure requirements

---

Rules on pre-contractual and on-going disclosure requirements are set out for different products in [MiFID II](#), the [Insurance Distribution Directive](#), [AIFMD \(Alternative Investment Fund Managers Directive\)](#), [UCITS](#), [PEPP](#) and the [Solvency II](#) framework, as well as in horizontal EU legislation (e.g. [PRIIPs](#) or the [Distance Marketing Directive](#)) and national legislation. The rules can differ from one instrument to another, which may render comparison of different products more difficult.



**Question 4.1 Do you consider that pre-contractual disclosure documentation for retail investments, in cases where no Key Information Document is provided, enables adequate understanding of:**

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable
The nature and functioning of the product	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
The costs associated with the product	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
The expected returns under different market conditions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
The risks associated with the product	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

## **Please explain your answer to question 4.1:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Products that may be distributed without the need to provide a Key Information Document are generally shares or plain vanilla bonds. Since these products are so easy to understand and similar in terms of how they function, it is sufficient to provide information on the functioning of the asset class and the associated risks. In Germany, information brochures, whose informative value is even recognised in case law, have been used for decades.

Moreover, it should be noted that horizontal legislation such as MiFID also includes general information requirements regarding the products offered (see Article 48 of the MiFID II Delegated Regulation) as well as the additional requirement to inform clients of the costs and charges associated with purchasing the instruments. If – as is regularly the case with shares, for example – no product costs are incurred, this information can also be standardised in the form of cost grids as specified in the ESMA Q&A. This practical option, which makes it possible to avoid providing redundant transaction-related cost information and the associated order placement delays, should be introduced into the legal requirements (Article 24 of MiFID II or Article 50 f. of the MiFID II Delegated Regulation) with the implementation of the retail investment strategy.

**Question 4.2 Please assess the different elements for each of the following pieces of legislation:**

**Question 4.2.1 PRIIPs Key Information Document**

**Question 4.2.1 a) PRIIPS: Is the pre-contractual information provided to retail investors for each of the elements below sufficiently understandable and reliable so as to help them take retail investment decisions? Please assess the level of understandability:**

	1 (very low)	2 (rather low)	3 (neutral)	4 (rather high)	5 (very high)	Don't know - No opinion - Not applicable
PRIIPs Key Information Document (as a whole)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information about the type, objectives and functioning of the product	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information on the risk-profile of the product, and the summary risk indicator	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information about product performance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information on cost and charges	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information on sustainability-aspects of the product	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Question 4.2.1 b) PRIIPS: Is the pre-contractual information provided to retail investors for each of the elements below sufficiently reliable so as to help them take retail investment decisions? Please assess the level of reliability:**

	1 (very low)	2 (rather low)	3 (neutral)	4 (rather high)	5 (very high)	Don't know - No opinion - Not applicable
PRIIPs Key Information Document (as a whole)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information about the type, objectives and functioning of the product	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information on the risk-profile of the product, and the summary risk indicator	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information about product performance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information on cost and charges	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information on sustainability-aspects of the product	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Question 4.2.1 c) PRIIPS: Is the amount of information provided for each of the elements below insufficient, adequate, or excessive?**

	1 (insufficient)	2 (adequate)	3 (excessive)	Don't know - No opinion - Not applicable
PRIIPs Key Information Document (as a whole)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information about the type, objectives and functioning of the product	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information on the risk-profile of the product, and the summary risk indicator	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information about product performance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information on cost and charges	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Information on sustainability-aspects of the product	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain your answer to question 4.2.1:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 4.2.2 Insurance Product Information Document**

**Question 4.2.2 a) IDD: Is the pre-contractual information provided to retail investors for each of the elements below sufficiently understandable and reliable so as to help them take retail investment decisions? Please assess the level of understandability:**

	1 (very low)	2	3 (neutral)	4	5 (very high)	Don't know - No opinion -

		(rather low)		(rather high)		Not applicable
Insurance Product Information Document (as a whole)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information about the insurance distributor and its services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information on the insurance product (conditions, coverage etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information on cost and charges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Question 4.2.2 b) IDD: Is the pre-contractual information provided to retail investors for each of the elements below sufficiently reliable so as to help them take retail investment decisions? Please assess the level of reliability:**

	1 (very low)	2 (rather low)	3 (neutral)	4 (rather high)	5 (very high)	Don't know - No opinion - Not applicable
Insurance Product Information Document (as a whole)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information about the insurance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

distributor and its services						
Information on the insurance product (conditions, coverage etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information on cost and charges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Question 4.2.2 c) IDD: Is the amount of information provided for each of the elements below insufficient, adequate, or excessive?**

	1 (insufficient)	2 (adequate)	3 (excessive)	Don't know - No opinion - Not applicable
Insurance Product Information Document (as a whole)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Information about the insurance distributor and its services	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Information on the insurance product (conditions, coverage etc.)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Information on cost and charges	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

**Please explain your answer to question 4.2.2:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 4.2.3 PEPP Key Information Document**

**Question 4.2.3 a) PEPP: Is the pre-contractual information provided to retail investors for each of the elements below **sufficiently understandable** and reliable so as to help them take retail investment decisions? Please assess the **level of understandability**:**

	<b>1</b> (very low)	<b>2</b> (rather low)	<b>3</b> (neutral)	<b>4</b> (rather high)	<b>5</b> (very high)	Don't know - No opinion - Not applicable
PEPP Key Information Document (as a whole)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Information about the PEPP provider and its services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Information about the safeguarding of investments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Information on cost and charges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Information on the pay-out phase	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

**Question 4.2.3 b) PEPP: Is the pre-contractual information provided to retail investors for each of the elements below **sufficiently reliable** so as to help them take retail investment decisions? Please assess the **level of reliability**:**



	1 (very low)	2 (rather low)	3 (neutral)	4 (rather high)	5 (very high)	Don't know - No opinion - Not applicable
PEPP Key Information Document (as a whole)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Information about the PEPP provider and its services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Information about the safeguarding of investments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Information on cost and charges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Information on the pay-out phase	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

**Question 4.2.3 c) PEPP: Is the amount of information provided for each of the elements below insufficient, adequate, or excessive?**

	1 (insufficient)	2 (adequate)	3 (excessive)	Don't know - No opinion - Not applicable
PEPP Key Information Document (as a whole)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Information about the PEPP provider and its services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Information about the safeguarding of investments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information on cost and charges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information on the pay-out phase	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain your answer to question 4.2.3:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 4.3 Do you consider that the language used in pre-contractual documentation made available to retail investors is at an acceptable level of understandability, in particular in terms of avoiding the use of jargon and sector specific terminology?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 4.3:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

It is impossible to entirely avoid the use of technical terminology when describing products and how they function. To our knowledge, clients understand the information provided by banks and savings banks during the investment advice process or before placing an order, even if it includes some sector-specific terminology. When investment advice is provided, the products and their costs are usually separately explained to clients (either based on the legally required information documents or separate advisory documentation).

With regard to the legally required content of information documents such as PRIIPs KIDs, consumer testing should be carried out before the relevant requirements are issued. This is because legal requirements

prevent issuers from subsequently changing the documents if they find that investors misunderstand certain parts of the content.

**Question 4.4 At what stage of the retail investor decision making process should the Key Information Document (PRIIPs KID, PEPP KID, Insurance Product Information Document) be provided to the retail investor? Please explain your answer:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The Key Information Document should be made available in the process of investment advice or before the order is executed. This is in line with the current requirements under MiFID II and PRIIPs.

Additionally, the option to make the Key Information Document available to the investor shortly after execution as well would help in transactions conducted electronically.

**Question 4.5 Does pre-contractual documentation for retail investments enable a clear comparison between different investment products?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 4.5:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Since PRIIPs KIDs will have to be provided for most securities once the exemption for funds expires, clients receive an identically structured information document – which in principle contains equivalent information – when purchasing securities in the investment advisory process,.

However, the PRIIPs KID is only suitable for meaningful product comparisons if the information it contains is valid and the manufacturer has a little discretion as possible with regard to the structure of key elements such as the SRIs, product costs and performance scenarios. If manufacturers have to establish their own methods for calculating the data, the comparability of the data will be reduced. In light of this, the amendments to the Regulatory Technical Standards, which are nearing finalisation, negatively impact comparability, since they provide for certain discretionary elements. It would therefore be appropriate to address and resolve this problem as part of the outstanding PRIIPs review (Level 1 and 2 review).

The ex ante cost information under MiFID II is suitable for comparative purposes, since clients are quickly able to see which product incurs higher costs.

**Question 4.6 Should pre-contractual documentation for retail investments enable as far as possible a clear comparison between different investment products, including those offered by different financial entities (for example,**

**with one product originating from the insurance sector and another from the investment funds sectors)?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 4.6:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

A differentiation needs to be made with regard to this question:

In general, product-related pre-contractual information should be comparable so that investors are also able to compare products from different sectors. This is even more applicable in the case of the PRIIPs Regulation, which specifies that comparability is one of its main objectives at Level 1. This is ensured through the standard structure of the PRIIPs KIDs, among other things. The essential general review of the PRIIPs Regulation (Level 1 and Level 2) should determine the extent to which comparability could be sacrificed to a certain degree if this would ensure the provision of clearer information, enabling clients to obtain a more accurate understanding of the product. In individual cases, appropriate presentation of the relevant product should be primarily ensured on the basis of different requirements (this is relevant for OTC derivatives, for example, which are not investment products).

For aspects that are not product-related, such as cost disclosures under MiFID II, which aim to draw clients' attention to the costs and charges to be incurred, comparability between different distributors only plays a very small role. Consequently, the objective of providing appropriate information is always the priority and the use of a standard format by different providers is of no, or only minor, significance.

**Question 4.7 a) Are you aware of any overlaps, inconsistencies, redundancies, or gaps in the EU disclosure rules (e.g. PRIIPS, MiFID, IDD, PEPP, etc.) with respect to the way product cost information is calculated and presented?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 4.7 a), and indicate which information documents are concerned:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Product costs are calculated differently under MiFID II and the PRIIPs regime, which causes major practical problems. Among other things, this is the case with respect to inducements. While product costs under the PRIIPs Regulation have to include inducements, they would have to be part of the service costs under MiFID, so MiFID II product costs have to be disclosed without inducements.

This means clients are being given different information about the product costs for one and the same product (if it is both a PRIIP and a financial instrument within the meaning of MiFID II), even if both information sheets base their calculations on the same investment amount of €10,000. In an example provided by a large German bank, the same product was shown to have product costs of €246.28 or 1.38% p.a. based on an investment of €10,000 when calculated under the PRIIPs Regulation, and product costs of €111.27 or 0.56% p.a. based on the same investment amount, but calculated in accordance with MiFID II.

This discrepancy, which has to be explained to investors and which they find difficult to understand, results from a lack of consistency in the rules governing the calculation of costs.

As regards the relationship between the PRIIPs Regulation and its Delegated Regulation on the one hand and MiFID II on the other, one way of achieving greater consistency would be to abolish the presentation of costs in the KID if the product in question is a financial instrument within the meaning of MiFID II. This would avoid discrepancies while nevertheless informing the customer about costs according to the MiFID II requirements.

**Question 4.7 b) Are you aware of any overlaps, inconsistencies, redundancies, or gaps in the the EU disclosure rules (e.g. PRIIPS, MiFID, IDD, PEPP, etc.) with respect to the way risk information is calculated and presented?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 4.7 b), and indicate which information documents are concerned:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 4.7 c) Are you aware of any overlaps, inconsistencies, redundancies, or gaps in the the EU disclosure rules (e.g. PRIIPS, MiFID, IDD, PEPP, etc.) with respect to the way performance information is calculated and presented?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 4.7 c), and indicate which information documents are concerned:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Although it does not relate to inconsistencies per se, it is worth mentioning here that the legal requirements on the calculation of performance scenarios are faulty in numerous respects and could lead to misleading content in the PRIIPs KIDs. Irrespective of this, it is not possible for retail investors to understand how the scenarios are calculated. The relevant requirements must be fundamentally reviewed as a matter of some urgency.

**Question 4.7 d) Are you aware of any overlaps, inconsistencies, redundancies, or gaps in the the EU disclosure rules (e.g. PRIIPS, MiFID, IDD, PEPP, etc.) with respect to other elements?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 4.7 d), specifying what those elements are and indicating which information documents are concerned:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The definition of sustainable products used in MiFID II differs from that of the SFDR, which can lead to discrepancies between the suitability statement and the information provided under the SFDR. It is already foreseeable that the differing definitions of sustainability will lead to confusion among investors.

**Question 4.8 How important are the following types of product information when considering retail investment products?**

	1 (not relevant)	2 (relevant, but not crucial)	3 (essential)	Don't know No opinion Not applicable
Product objectives /main product features	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Costs	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Past performance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Guaranteed returns	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Capital protection	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Forward-looking performance expectation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Risk	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Ease with which the product can be converted into cash	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please specify to what other type(s) of product information you refer in your answer to question 4.8:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Due to the growing importance of sustainability, this aspect should also be included in product-related pre-contractual information such as PRIIPs KIDs. Although this aspect may not have the highest priority for clients, it should at least be included as a supplement to the product information for sustainability-conscious clients.

**Please explain your answer to question 4.8:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

To make informed investment decisions, investors must first and foremost understand how the product functions, the associated risks (including any capital protection or guarantees that mitigate risk) and the product's pay-out profile. These are generally the three most important considerations in clients' investment decisions. Other aspects can also factor into clients' investment decisions (albeit to a lesser extent):

- The costs of the product, with clients more interested in the costs incurred in addition to the purchase price than the product-specific costs (in practice, clients often think that they have to pay the product-specific costs separately again);

- Sustainability (see above);
- Historical performance, if applicable.

The actual returns they will generate from the product are obviously also of great interest to clients. However, it should be made clear to them that no assurances can be made in this regard for most products. In view of this, manufacturers should not be required to make statements regarding this matter, since in most cases this leads to misunderstanding among clients. It is for good reason that the ESAs recommend that PRIIPs manufacturers label the performance scenarios with a warning to avoid clients being misled.

MiFID II has established a comprehensive cost disclosure regime that includes requiring that appropriate information on costs in relation to financial products as well as investment and ancillary services is provided in good time to the clients (i.e. before any transaction is concluded and on an annual basis, in certain cases).

### **Question 4.9 Do you consider that the current regime is sufficiently strong to ensure costs and cost impact transparency for retail investors?**

**In particular, would an annual ex post information on costs be useful for retail investors in all cases?**

- Yes
- No
- Don't know / no opinion / not applicable

#### **Please explain your answer to question 4.9:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Clients are already extensively and comprehensively informed about the costs and charges of investment services and ancillary services. There is therefore no need to issue further requirements.

In fact, many clients complain that they receive too much information. In a study carried out by Ruhr University Bochum, 77.3% of the clients surveyed said that the more extensive information introduced in 2018 would not help them better understand the content in question. And 62.3% actually said they were overwhelmed by the amount of information presented to them.

The new mandatory documents are particularly unwelcome for clients with especially large deposits or numerous trading activities:

- 85.7% of the clients with the highest level of trading activity say that they consider the suitability statement to be somewhat or entirely pointless (retail clients: 64.9%).
- Only 42.7% of clients consider the ex ante cost information to be beneficial. Of the most active investors (>48 transactions per year), 78.1% consider the (sometimes repetitive) ex ante cost information to be an annoyance.
- Accordingly, desire to have the option of waiving this information is high across all segments (71.4% regarding the suitability statement, 62.7% regarding the ex ante cost information, 49.3% regarding the Key Information Document and 50.1% regarding the order record).



For this reason, the legislator should use the upcoming review of MiFID II to eliminate unnecessary cost information. In particular, this includes:

- The requirement to inform clients of costs even for sales.
- The requirement to inform clients about products without product costs or charges (in general the cost information in such cases is identical). Alternatively, the legal wording should directly clarify that standardised cost information (cost grids) is adequate and that the information does not have to be provided on execution of the individual transaction.
- The exemption introduced under the MiFID quick fix regarding cost transparency for professional clients should be extended to the disclosure of charges.

We do not see any need for amendments with regard to annual cost reporting, since there is already a comprehensive requirement to provide clients with annual ex post reporting.

Studies show that due to the complexity of products and the amount of the aggregate pre-contractual information provided to retail investors, there is a risk that investors are not able to absorb all the necessary information due to information overload. This can lead to suboptimal investment decisions.

#### **Question 4.10 What should be the maximum length of the PRIIPs Key Information Document, or a similar pre-contractual disclosure document, in terms of number of words?**

**Please explain your answer:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In our view, the number of characters or words is not a decisive factor with regard to the issue of information overload. The length and quality of the information is much more important. In general, a product description should not exceed three pages in length.

It should also be remembered that clients receive information in addition to the product information, such as ex ante cost information. This aspect must be taken into account when considering the potential for information overload. In view of this, the length of the individual documents is less important than the overall length of all documents together.

In addition, the information received by clients should not include any redundant information. For example both the PRIIPs KID and the ex ante disclosures include the product costs of the instrument. This redundant information is not helpful to clients. This should be resolved by removing the requirement to disclose product costs in PRIIPs KIDs if the product is a financial instrument under MiFID and the client will therefore receive ex ante cost information.

#### **Question 4.11 How should disclosure requirements for products with more complex structures, such as derivatives and structured products, differ compared to simpler products, for example in terms of additional information**

**to be provided, additional explanations, additional narratives, etc.?**

**Please explain your answer:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The PRIIPs Regulation already contains extensive information requirements for packaged investment products. The volume of information is entirely adequate. However, the content of the information requires improvement. A fundamental review of the legal requirements (uniform product costs under MiFID II and the PRIIPs Regulation; realistic performance scenarios, etc.) is needed.

**Question 4.12 Should distributors of retail financial products be required to make pre-contractual disclosure documents available:**

- On paper by default?
- In electronic format by default, but on paper upon request?
- In electronic format only?
- Don't know / no opinion / not applicable

**Please explain your answer to question 4.12:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Under the MiFID quick fix, the legislator introduced the very welcome requirement in Article 24(5)(a) of MiFID for all information to be provided in electronic format by default and for information to be provided on paper only if explicitly requested by the retail client. Retail clients are to be switched over to this format by means of an opt-in mechanism, meaning that they will receive future communications electronically, unless they provide notification that they wish to receive paper-based communications within eight weeks.

This effective and sensible provision, which takes into account the growing digital transformation as well as the EU's sustainability efforts, should also be introduced in the other client information regulations (such as the PRIIPs Regulation and the IDD). This would also bring an end to the situation which is barely comprehensible to clients, whereby they receive certain information that falls under MiFID II (e.g. ex ante disclosures or the suitability statement) in electronic form, while other information (e.g. the PRIIPs KID) is provided on paper (with all three of these documents sometimes provided simultaneously during the advice process or order placement).

**Question 4.13 How important is it that information documents be translated into the official language of the place of distribution?**

- Not at all important

- Rather not important
- Neutral
- Somewhat important
- Very important
- Don't know / no opinion / not applicable

**Please explain your answer to question 4.13:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Information documents should always be in the language that the contractual partners have agreed on for communications (under Article 47(1)(b) of the MiFID II Delegated Regulation, investment firms must inform the client of this language). In many cases, this is the language of the country in which the distributor distributes the product. However, bilateral agreements on communication between distributor and client should always be possible and take precedence.

**Question 4.14 How can access, readability and intelligibility of pre-contractual retail disclosure documents be improved in order to better help retail investors make investment decisions?**

**Please explain your answer:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Banks and savings banks strive to provide clients with information that they can understand and that provides a reliable basis for their investment decisions. If questions increasingly arise, amendments are usually made to eliminate any ambiguities.

However, problems can occur if legally required disclosures contain misleading or incorrect information, which was – and largely still is – the case in particular for the PRIIPs KID performance scenarios. In this case, the producer of the document cannot easily depart from the strictly applicable requirements to avoid ambiguity or misconceptions for clients. Consequently, there needs to be wide consultation on and consumer testing of this information in advance. If it emerges that the legal requirements are deficient despite these arrangements, the relevant aspects (e.g. the KIDs for OTC derivatives or the performance scenarios presented) must be addressed and improved as part of a thorough legal review. In the meantime, the competent supervisory authorities should make changes possible through the Q&A process and provide for specific amendments for this purpose (in the PRIIPs Regulation, the ESAs have repeatedly introduced deviations from the RTSs through the Q&A process).

**Question 4.15 When information is disclosed via digital means, how important is it that:**

	1 (not at all important)	2 (rather not important)	3 (neutral)	4 (somewhat important)	5 (very important)	Don't know - No opinion - Not applicable
There are clear rules to prescribe presentation formats (e.g. readable font size, use of designs/colours, etc.)?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Certain key information (e.g. fees, charges, payment of inducements, information relative to performance, etc.) is displayed in ways which highlight the prominence?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Format of the information is adapted to use on different kinds of device (for example through use of layering)?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Appropriately labeled and relevant hyperlinks are used to provide access to supplementary information?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Use of hyperlinks is limited (e.g. one click only – no cascade of links)?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Contracts cannot be concluded until the consumer has scrolled to the end of the document?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

## Please specify to what other important element you refer in your answer to question 4.15:

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Content is the most important element in all communications (digital or paper-based). It is crucial that it is relevant and correctly understood by the client.

## Please explain your answer to question 4.15:

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

For investors, the substance of the information is important, rather than its graphical presentation. If the information is useful to the investor, it is usually read. For this reason, the PRIIPS KIDs in particular should be improved, since they still contain inaccurate information, which could lead to clients misunderstanding the product.

In general, information should not be too lengthy, so that clients can take it into account before making an investment decision without feeling overloaded with information. The overall volume of the documents (e.g. product description and additional cost disclosures) should also be taken into account.

Where information is kept shorter in length, it could be useful to provide references to where more detailed information can be found (e.g. the prospectus).

The documents should never be arranged in such a way that the client has to scroll to the end. The reason for this is that many clients have already purchased products numerous times and are therefore already aware of the information. Consequently, the information adds no value for them – a view frequently expressed to distributors. The order process, which is already too long for many clients due to the large number of information requirements, should not be further extended by additional requirements such as scrolling through documents. Many clients would consider this to be yet more paternalism, which goes against the notion of the informed investor.

## 5. The PRIIPs Regulation

---

In accordance with the [PRIIPs Regulation](#), and as part of the retail investment strategy, the Commission is seeking views on the PRIIPs Regulation. In February 2021, [the ESAs agreed on a draft amending Regulatory Technical Standard](#) aimed at improving the delegated (level 2) regulation. The Commission is now assessing the PRIIPS Regulation level 1 rules, in line with the review clause contained in the Regulation.

### Core objectives of the PRIIPs Regulation

**Question 5.1 Has the PRIIPs Regulation met the following core objectives:**

**a) Improving the level of understanding that retail investors have of retail investment products:**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 5.1 a):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The idea behind the PRIIPs Regulation to create a uniform, highly standardised information document for a large number of investment products is positive in principle. However, the use of Key Information Documents, which are produced based on Level 1 and 2 legal requirements, demonstrated quickly that many of the requirements are flawed. In particular, this includes the applicability of the regulation for packaged investment products to OTC derivatives (which are usually entered into for hedging purposes), the requirements on calculating performance scenarios, and the discrepancies between the rules for calculating product costs under MiFID II and the PRIIPs Regulation.

Several flawed requirements have already prompted the ESAs to make adjustments:

In the Q&A, the ESAs correctly point out that the misleading presentation is primarily attributable to the fact that OTC derivatives are not investment products for which the customer pays an investment amount and receives repayment at the end. Since the current requirements are not appropriate, the ESAs offer the possibility to diverge from the level II requirements in certain cases. Verbatim, the ESAs state (ESAs: Q&A on the PRIIPs Key Information Document (KID) (JC 2017 49), "Derivatives" Q 4.):

"... Nonetheless, in view of the heterogeneity of PRIIP products, cases might occur where the verbatim use of the prescribed wording creates a risk that the retail investor will be misinformed about the characteristics of the product. It is recognised that this is the case for some of the specific prescribed texts when applied to swaps and similar OTC derivative products which do not require initial payments. In this specific case, it is considered appropriate to adjust the text. ...."

With regard to the flawed performance scenarios, the ESAs have recommended that manufacturers include the following warning in the Key Information Document (ESAs: Final Report following joint consultation paper concerning amendments to the PRIIPs KID (JC 2019 6.2), p. 17.):

"Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower."

**b) Improving the ability of retail investors to compare different retail investment products, both within and among different product types:**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 5.1 b):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Since they are highly standardised, PRIIPs KIDs are in principle well suited to product comparisons. For example, the risk of different investment products can validly be compared by means of the SRI, which is calculated based on uniform rules.

As part of the upcoming review, efforts should be made to eliminate existing inconsistencies and structural errors, particularly in the calculation methods in the legal requirements. This is the only means by which the KID can become a suitable tool for valid product comparisons. However, it is crucial that the most important content of the KIDs (i.e. the SRI, costs and performance scenarios, in particular) be specified by the legislator and not left to the discretion of manufacturers. In light of this, the most recently adopted RTSs head in the wrong direction, since they provide for the use of discretion by manufacturers, which further impairs the comparability of products across different asset classes.

**c) Reducing the frequency of mis-selling of retail investment products and the number of complaints:**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 5.1 c):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Given the flaws within the legal requirements, which result in the KIDs including inaccurate content, these documents sometimes lead to a misunderstanding of the product. To our knowledge, the current version of the KIDs has not reduced instances of mis-selling. We have the impression that the number of client complaints regarding the presentations made in KIDs rose particularly sharply in 2018, when the KIDs replaced national product information sheets, that had been tried and tested on the German market for many years.

**d) Enabling retail investors to correctly identify and choose the investment products that are suitable for them, based on their individual sustainability preferences, financial situation, investment objectives and needs and risk tolerance:**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 5.1 d):**

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Given the deficiencies already mentioned, we consider that the current KIDs only help investors choose suitable products to a limited extent. They simply contain too much inaccurate content that could contribute to a misunderstanding of the products.

### Question 5.2 Are retail investors easily able to find and access PRIIPs KIDs and PEPP KIDs?

- Yes
- No
- Don't know / no opinion / not applicable

#### Please explain your answer to question 5.2:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The PRIIPs KIDs are published by the manufacturers on their homepage so that the relevant document for a specific product can be easily found via conventional internet search engines.

In addition, distributors are required to proactively provide customers with the KID for the product in question when advising them or placing an order, so that they can easily access it at this point at the latest. No further precautions are required.

### Question 5.2.1 What could be done to improve the access to PRIIPs KIDs and PEPP KIDs?

	Yes	No	Don't know - No opinion - Not applicable
Requiring PRIIPs KIDs and PEPP KIDs to be uploaded onto a searchable EU-wide database	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Requiring PRIIPs KIDs and PEPP KIDs to be uploaded onto a searchable national database	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Requiring PRIIPs KIDs and PEPP KIDs to be made available in a dedicated section on manufacturer and distributor websites	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Other	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>



**Please specify to what other improvement(s) you refer in your answer to question 5.2.1:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Manufacturers already have to make the PRIIPs KIDs available on their homepages. Consequently, they are easy for investors to find. In most cases it is sufficient to enter the product name and the search term 'Key Information Document' in an internet search engine to find the current KID. In addition, the current KID is provided to the client in the advice process or when the order is placed.

No further measures are required with regard to PRIIPs KIDs. In particular, there would be no value in creating a central page including all KIDs due to the large number of products (there were more than 1.6 million certificates on the German market alone in mid-2018).

We are unable to assess whether the same applies to the PEPP.

**Please explain your answer to question 5.2.1:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**The PRIIPs KID**

**Question 5.3 Should the PRIIPs KID be simplified, and if so, how (while still fulfilling its purpose of providing uniform rules on the content of a KID which shall be accurate, fair, clear, and not misleading)?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 5.3:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In our view, the establishment of the KID as a highly standardised information sheet has generally worked well. The success of the KID will be dependent on the correction of the current inaccuracies in the legal requirements.

**Implementation and supervision of the PRIIPs Regulation**

**Question 5.4 Can you point to any inconsistencies or discrepancies in the actual implementation of the PRIIPs Regulation across PRIIPs manufacturers, distributors, and across Member States?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 5.4:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Due to the strict requirements for manufacturers and distributors, there is in principle little scope for significant discrepancies.

**5.5 In your experience, is the supervision of PRIIPs KIDs consistent across Member States?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 5.5:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

To our knowledge, there are no significant discrepancies between the requirements of different national supervisory authorities, largely due to the detailed requirements provided by the ESAs, which ensure uniform supervisory practice. However, in individual cases, differing views on certain details have been reported. A critical view should also be taken of the requirement to provide ex ante notification to the relevant NCA set out in Article 5(2) of the PRIIPs Regulation, which can be applied by Member States. This in itself results in an inconsistency. Since to date only very few Member States have made use of this option, retaining this provision should be critically reviewed as part of a Level 1 review.

**Question.5.6 What is in your experience as a product manufacturer, the cost of manufacturing:**

**5.6 a) A single PRIIPs KID (cost in € per individual product)**

€

**Please explain your answer to question 5.6 a):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The costs of an individual KID can hardly be estimated seriously, as the KIDs are created on the basis of a general process and thus only the total costs are known. Large issuers report that setting up a process to create KIDs as of January 1, 2018 cost between 3 and 5 million euros (per house!).

**5.6 b) A single PEPP KID (cost in € per individual product)**

€

**Please explain your answer to question 5.6 b):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Since the products are not sold, we cannot put a figure on this.

**5.6 c) A single Insurance Product Information Document (cost in € per individual product)**

€

**Please explain your answer to question 5.6 c):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We do not have the relevant information.

**Question 5.7 What is in your experience as a product manufacturer the cost of updating:**

**5.7 a) A single PRIIPs KID (cost in € per individual product)**

€

**Please explain your answer to question 5.7 a):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The cost of updating a single KID is difficult to estimate reliably because KIDs are created based on a general process and thus only the total cost of updating KIDs is known. Large issuers report that the cost of updating their KIDs costs over a million euros per year (for each house).

### 5.7 b) A single PEPP KID (cost in € per individual product)

€

#### Please explain your answer to question 5.7 b):

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Since the products are not sold, we cannot put a figure on this.

### 5.7 c) A single Insurance Product Information Document (cost in € per individual product)

€

#### Please explain your answer to question 5.7 c):

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We do not have the relevant information.

### Question 5.8 Which factors of preparing, maintaining, and distributing the KID are the most costly?

Please select as many answers as you like

- Collecting product data/inputs
- Performing the necessary calculations
- Updating IT systems
- Quality and content check
- Outsourcing costs
- Other

## Please specify to what other factor(s) you refer in your answer to question

### 5.8:

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Alongside the above cost factors, the archiving of previous KIDs and making it possible to retrieve the KID valid on a specific date lead to significant costs (archiving).

## Please explain your answer to question 5.8:

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

## Multiple-Option Products

For PRIIPs offering the retail investor a range of options for investments (Multiple Option Products) the PRIIPs Regulation currently provides the manufacturer with two different approaches for how to structure the KID:

- A separate KID can be prepared for each investment option (Article 10(a))
- A generic KID covering in general terms the types of investment options offered and separate information on each underlying investment option (Article 10(b))

According to feedback, both of these options present drawbacks, including challenges for retail investors to compare multiple option products with each other, in particular regarding costs.

An alternative approach would therefore be to require the provision of only one information document for the whole Multiple-Option Product, depending on the underlying investment options that the retail investors would prefer.

## Question 5.9 Should distributors and/or manufacturers of Multiple Option Products be required to provide retail investors with a single, tailor-made, KID, reflecting the preferred underlying portfolio of each investor?

What should happen in the case of ex-post switching of the underlying investment options?

- Yes
- No
- Don't know / no opinion / not applicable

## Please explain your answer to question 5.9:

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

## Scope

The scope of the PRIIPs Regulation currently excludes certain pension products, despite qualifying under the definition of packaged retail investment products. These include pension products which, under national law, are recognised as having the primary purpose of providing the investor with an income in retirement and which entitle the investor to certain benefits. These also include individual pension products for which a financial contribution from the employer is required by national law and where the employer or the employee has no choice as to the pension product or provider.

**Question 5.10 Should the scope of the PRIIPs Regulation include the following products?**

**a) Pension products which, under national law, are recognised as having the primary purpose of providing the investor with an income in retirement and which entitle the investor to certain benefits:**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 5.10 a):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We are not aware of clients having a lack of information on pension products due to the current exemption in the PRIIPs Regulation.

**b) Individual pension products for which a financial contribution from the employer is required by national law and where the employer or the employee has no choice as to the pension product or provider:**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 5.10 b):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We are not aware of clients having a lack of information on pension products due to the current exemption in the PRIIPs Regulation.

The ability to access past versions of PRIIPs KIDs from a manufacturer is useful in showing how its product portfolio has evolved (e.g. evolution of risk indicators, costs, investment strategies, performance scenarios, etc.) that cannot be understood from simply looking at the latest versions of PRIIPs disclosure documents of currently marketed products.

**Question 5.11 Should retail investors be granted access to past versions of PRIIPs KIDs?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 5.11:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We are not aware of clients having criticised the lack of access to historical KIDs. We do not consider that historical KIDs would add any value for clients. In fact, many clients complain that they receive too much information.

Additionally, it should be taken into account that under Article 14(5) of the PRIIPs Regulation, it is already possible for retail clients to obtain previous versions of the KID. There is no need for further requirements.

**Question 5.12 The PRIIPs KIDs should be reviewed at least every 12 months and if the review concludes that there is a significant change, also updated.**

**Question 5.12.1 Should the review and update occur more regularly?**

- Yes
- No
- Don't know / no opinion / not applicable

**Question 5.12.2 Should this depend on the characteristics of the PRIIPs?**

- Yes
- No
- Don't know / no opinion / not applicable

### Question 5.12.3 What should trigger the update of PRIIP KIDs?

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

### Please explain your answer to question 5.12:

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In our view, the existing requirements, which provide for regular and ad hoc reviews of the KIDs, are entirely adequate. There is no need for amendment.

## 6. Suitability and appropriateness assessment

---

Under current EU rules, an investment firm providing advice or portfolio management to a retail investor must collect information about the client and make an assessment that a given investment product is suitable for them before it can recommend a product to a client or invest in it on the client's behalf. Similar rules exist for the sale of insurance-based investment products and of Pan-European Pension Products. The objective of these rules is to protect retail investors and ensure that they are not advised to buy products that may not be suitable for them. The suitability assessment process may however sometimes be perceived as lengthy and ineffective.

**Question 6.1 To what extent do you agree that the suitability assessment conducted by an investment firm or by a seller of insurance-based investment products serves retail investor needs and is effective in ensuring that they are not offered unsuitable products?**

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know / no opinion / not applicable

### Please explain your answer to question 6.1:

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.



We consider the suitability assessments conducted by investment firms, which in each individual case reconcile the information collected from a client with the product features submitted by the product manufacturers, to be an effective means of ensuring that no unsuitable products are recommended to retail investors. The suitability report, which must be given to every retail investor before an order is executed and which clearly shows the information collected from a client compared against the product features, enables the client to see in detail the reasons for the recommendation made.

**Question 6.2 Can you identify any problems with the suitability assessment?**

- Yes
- No
- Don't know / no opinion / not applicable

**Question 6.3 Are the rules on suitability assessments sufficiently adapted to the increasing use of online platforms or brokers when they are providing advice?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 6.3:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The provider of financial services has to comply with all regulatory requirements applicable to the service provided, irrespective of the means of communication. Therefore, we believe that the rules on suitability assessments are sufficiently adapted to the increasing use of online platforms or brokers in providing advice.

Where investment firms do not provide advice or portfolio management, they are still required to request information on the knowledge and experience of clients to assess whether the investment service or product is appropriate, and to issue a warning in case it is deemed inappropriate. Similar rules apply to sales of insurance-based investment products where in specific cases the customer has made use of a right provided under national law to opt out of a full suitability assessment.

**Question 6.4 To what extent do you agree that the appropriateness test serves retail investor needs and is effective in ensuring that they do not purchase products they are not able to understand or that are too risky for their client profile?**

- Strongly disagree
- Disagree
- Neutral
-

- Agree
- Strongly agree
- Don't know / no opinion / not applicable

**Please explain your answer to question 6.4:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The appropriateness test concerns the 'self-directed' business. This means that the client wishes to purchase a product of their own accord without any advice or recommendation from an adviser. The appropriateness test ensures that the client has the necessary experience and knowledge to understand the risks involved in relation to the product or investment service demanded. If the investment service or product purchase is "inappropriate" for this client based on her/his knowledge and experience – i.e. the client is not able to adequately assess the risks involved – the client is made aware of this by means of a corresponding explicit warning.

**Question 6.5 Can you identify any problems with the test and if so, how might they be addressed (e.g. is the appropriateness test adequate in view of the risk of investors purchasing products that may not be appropriate for them)?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 6.5:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In our view, the appropriateness test is an effective means of ensuring that investors understand the risks associated with the demanded products, enabling them to make a considered (purchase) decision. We consider that additional supervisory requirements would be disproportionate. If clients wish to ensure that they are purchasing products that are suitable for them, they have the option of taking advice.

**Question 6.6 Are the rules on appropriateness tests sufficiently adapted to the increasing use of online platforms or brokers?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 6.6:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 6.7 Do you consider that providing a warning about the fact that a product is inappropriate is sufficient protection for retail investors?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 6.7:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

If the investment service or product purchase is “inappropriate” in view of the client’s knowledge and experience, the client is made aware of this by means of an explicit warning. In our opinion, such an unambiguous and clear warning is an adequate means of protecting retail investors from making the wrong decision.

We oppose protective mechanisms over and above this, such as declining orders based on negative appropriateness tests. Declining an order based on the appropriateness test would also give rise to significant risks under civil law.

In case of the execution of orders or transmission and reception of orders of certain non-complex products, at the initiative of the client, no appropriateness test is required. The investment firm must only inform the client that the appropriateness of the service or product has not been assessed and that he/she does not benefit from the protection of the relevant rules on conduct of business.

**Question 6.8 Do you agree that no appropriateness test should be required in such situations?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 6.8:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We consider that the classifications applied in the appropriateness test specified in the legal requirements, which state that the appropriateness test is not required for non-complex products, take account of the differences between the respective products.

MiFID II requires that when investment firms manufacture financial instruments for sale to clients, they must make sure that:

- those instruments are designed to meet the needs of an identified target market of end clients
- the strategy for distribution of the financial instruments is compatible with the identified target market
- and they must take reasonable steps to ensure that the financial instrument is distributed to the identified target market

The investment firms that offer or recommend such financial instruments (the distributors) must be able to understand them, assess their compatibility with the needs of their clients and take into account the identified target market of end clients.

### **Question 6.9 Does the target market determination process (at the level of both manufacturers and distributors) need to be improved or clarified?**

- Yes
- No
- Don't know / no opinion / not applicable

#### **Please explain your answer to question 6.9:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The legal requirements on determining and assessing the target market, which are further specified by ESMA in its product governance guidelines, are sufficient – particularly since in the coming year the rules are to be supplemented to include sustainability, which is to be taken into account both in determining and assessing the target market. There is no need for further requirements regarding content.

However, the legislator should certainly extend the exemption for simple investment products provided in the MiFID quick fix, which is currently limited to corporate bonds with make-whole clauses, to all bonds without embedded derivatives and shares.

### **Demands and needs test (specific to the Insurance Distribution Directive (IDD))**

Before selling an insurance product or insurance-based investment product, insurance distributors are obliged to have a dialogue with their customers to determine their demands and needs so that they are able to propose products offering adequate characteristics and coverage for the specific situation of the customer. Any products proposed must be consistent with the customer's demands and needs. In the case of insurance-based investment products, this requirement comes in addition to the suitability assessment.

**Question 6.10 To what extent do you agree that, in its current form, the demands and needs test is effective in avoiding mis-selling of insurance products and in ensuring that products distributed correspond to the individual situation of the customer?**

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know / no opinion / not applicable

**Please explain your answer to question 6.10:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 6.11 Can you identify any problems with the demands and needs test, in particular its application in combination with the suitability assessment in the case of insurance-based investment products?**

- Yes
- No
- Don't know / no opinion / not applicable

The IDD does not contain detailed rules on the demands and needs test and leaves it to Member States to decide on the details of how the test is applied in practice. This results in differences between Member States.

**Question 6.12 Are more detailed rules needed in EU law regarding the demands and needs test to make sure that it is applied in the same manner throughout the internal market?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 6.12:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 6.13.1 Is the demands and needs test sufficiently adapted to the online distribution of insurance products?**

- Yes
- No
- Don't know / no opinion / not applicable

**Question 6.13.2 Are procedural improvements or additional rules or guidance needed to ensure the correct and efficient application of the test in cases of online distribution?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 6.13:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

## 7. Reviewing the framework for investor categorisation

---

As announced under Action 8 of the [capital markets union action plan](#), the Commission intends to assess the appropriateness of the existing investor categorisation framework and, if appropriate, adopt a legislative proposal aimed at reducing the administrative burden and information requirements for a subset of retail investors. This will involve the review of the existing investor categorisation (namely the criteria required to qualify as a professional investor) or the introduction of a new category of *qualified* investor in [MiFID II](#).

Currently, under MiFID II, retail investors are defined as those that do not qualify to be professional investors. Where investors choose to opt into the professional category, the intermediary must warn the investor of the level of protection they will cease to have and the investor must comply with at least two of the three following criteria

- the client has carried out transactions, in significant size, on the relevant market for the financial instrument or for similar instruments with an average frequency of at least 10 transactions per quarter over the previous four quarters
- the size of the client's financial instrument portfolio composed of cash deposits and financial instruments must be larger than €500,000
- the client currently holds or has held for at least one year a professional position in the financial sector which requires knowledge of the envisaged financial transactions or services

Retail investors are currently subject to a number of additional investment protection measures, such as prohibition to acquire certain products as well as additional disclosure information. Some stakeholders have argued that for certain investors that currently fall under the retail investor category, these protections are not necessary. The creation of a new client category or the modification of the existing requirements for professional clients on request could thus give a subset of investors a broader and more comprehensive access to the capital markets and would bring additional sources of funding to the EU economy.

A well-developed set-up could allow the preservation of the necessary investor protection while improving the engagement in the capital markets.

The [2020 consultation on MiFID](#) already addressed the question of a possible new category of semi professional investor, and the following questions follow-up on the main findings.

### Question 7.1 What would you consider the most appropriate approach for ensuring more appropriate client categorisation?

	Yes	No	Don't know - No opinion - Not applicable
Introduction of an additional client category (semi-professional) of investors	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Adjusting the definition of professional investors on request	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
No changes to client categorisation (other measures, i.e. increase product access and lower information requirements for all retail investors)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

#### Please explain your answer to question 7.1:

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We think that the current definition of professional investors is too narrow. Currently, the client category "retail clients" comprises a broad spectrum of investors who have very different knowledge, experience, financial resources and needs. For some of them, a treatment as a professional client would be appropriate under certain conditions (e.g. family offices, foundations, pension funds). Currently, such clients only very rarely meet the requirements to be classified as a professional client "on request", since the qualification criteria are far too restrictive. We are therefore calling for the hurdles to being qualified as professional investor to be adjusted.

---

Question 7.2 How might the following criteria be amended for professional investors upon request?

**a) The client has carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters.**

- No change
- 30 transactions on financial instruments over the last 12 months, on the relevant market
- 10 transactions on financial instruments over the last 12 months, on the relevant market
- Other criteria to measure a client's experience
- Don't know / no opinion / not applicable

**Please specify to what other criteria to measure a client's experience you refer in your answer to question 7.2 a):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

- Relevant existing knowledge due to their profession
- Significant experience of trading in financial instruments (including as a client)

**Please explain your answer to question 7.2 a):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We urge that additional options should be added to the specified thresholds for classifying investors as professional clients.

A requirement for 10 – 30 transactions over the last months is not a reliable attribute that can practicably be used for re-categorizing a client as a professional. In illiquid markets and in markets where financial instruments are not traded frequently, this categorization attribute would hinder a re-categorization as a professional client. Even in equity markets, which usually are more liquid, professional decision-makers do not necessarily meet any of the suggested minimum transactions on a yearly basis. If professional decision-makers use mutual funds to cover an asset class, there might be no transactions at all, even though the client is a keen investment professional.

**b) The size of the client's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds EUR 500,000.**

- No change



- Exceeds EUR 250,000
- Exceeds EUR 100,000
- Exceeds EUR 100,000 and a minimum annual income of EUR 100,000
- Other criteria to measure a client's capacity to bear loss
- Don't know / no opinion / not applicable

**Please specify to what other criteria to measure a client's capacity to bear loss you refer in your answer to question 7.2 b):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Please explain your answer to question 7.2 b):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Overall, portfolio size is not an appropriate criteria for determining eligibility as a professional client. The client's expertise – demonstrated by their knowledge and experience – should be the only basis for the categorisation as a professional client. This would also be consistent with the lawmakers' assessment that it can be assumed that (all) professional clients have the necessary knowledge and experience (first subparagraph of Article 54(3) of the MiFID II Delegated Regulation). This shows that the legislator also assumes above all that clients who may be treated as professional clients on request have adequate knowledge and experience. This assessment should also be reflected in the categorisation requirements. This would also take into account the fact that clients with high levels of trading activity, in particular, complain about the plethora of information provided.

If a threshold for the existing assets is set, this should be reduced to enable more clients with the necessary knowledge and expertise to be treated as professional clients on request. This would also take into account the fact that clients with high levels of trading activity, in particular, complain about the plethora of information provided. An option to categorise these clients as professional clients would offer these clients a possibility of avoiding the processes they consider to be unnecessarily bureaucratic.

**c) The client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged.**

- No change
- Extend definition to include relevant experience beyond the financial sector (e.g. in a finance department of a company)
-

Adjust the reference to the term 'transactions' in the criteria to instead refer to 'financial instruments'

- Other criteria to measure a client's financial knowledge
- Don't know / no opinion / not applicable

**Please specify to what other criteria to measure a client's financial knowledge you refer in your answer to question 7.2 c):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

- Relevant existing knowledge due to their profession
- Significant experience of trading in financial instruments (including as a client)

**Please explain your answer to question 7.2 c):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Persons who have professionally/occupationally acquired financial market knowledge or who have regular dealings with the relevant financial instruments (e.g. an investment advisor has adequate knowledge of the products they sell) should be included.

**d) Clients need to qualify for 2 out of the existing 3 criteria to qualify as professional investors. Should there be an additional fourth criterion, and if so, which one?**

- No change
- Relevant certified education or training that allows to understand financial instruments, markets and their related risks
- An academic degree in the area of finance/business/economics
- Experience as an executive or board member of a company of a significant size
- Experience as a business angel (i.e. evidenced by membership of a business angel association)
- Other criteria to assess a client's ability to make informed investment decisions
- Don't know / no opinion / not applicable

**Please specify to what other criteria to assess a client’s ability to make informed investment decisions you refer in your answer to question 7.2 d):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

- Relevant existing knowledge due to their profession
- Significant experience of securities trading (including as a client)

We think that meeting one criterion (instead of two) should be enough to qualify as professional client.

**Please explain your answer to question 7.2 d):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Companies below the thresholds currently set out in MiFID II (2 of 3: turnover of €40 mln, balance sheet of €20 mln and own funds of €2 mln) would also qualify as retail investors.

**Question 7.3 Would you see merit in reducing these thresholds in order to make it easier for companies to carry out transactions as professional clients?**

- No change
- Reduce thresholds by half
- Other criteria to allow companies to qualify as professional clients
- Don't know / no opinion / not applicable

**Please explain your answer to question 7.3:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**8. Inducements and quality of advice**

---

EU legislation sets out requirements on the provision of investment advice and around the payment of commissions and other forms of inducements to sellers of financial products. In the case of investment services and activities, investment firms must, for example, inform the prospective client whether any advice provided is on an independent basis, about the range of products being offered and any conflicts of interest that may impair independence. Use of inducements is restricted (i.e. any payment must be designed to enhance the quality of the relevant service to the client and it must not impair compliance with the investment firm's duty to act honestly, fairly and professionally in accordance with the best interest of its clients). Any payments to investment firms for the distribution of investment products must also be clearly disclosed. The rules slightly differ for the sale of insurance-based investment products: inducements may only be received if they do not have a detrimental impact on the quality of the service to the customer. However, there is no general prohibition on the payment of inducements if the seller declares that advice is given independently. Under [UCITS](#) and [AIFMD](#), asset managers are also subject to rules on conflict of interests and inducements.

However despite these rules, concerns have been expressed that the payment of inducements may lead to conflicts of interest and biased advice, since salespersons may be tempted to recommend products that pay the highest inducements, irrespective of whether or not it is the best product for the client. For this reason, the Netherlands has banned the payment of inducements. On the other hand, other stakeholders have argued that the consequence of banning inducements might be that certain retail investors would be unable or unwilling to obtain advice, for which they would need to pay. Questions on inducements have also been asked in the [MiFID/R consultation](#) which was conducted at the beginning of 2020.

**Question 8.1 How effective do you consider the following measures to/would be in protecting retail investors against receiving biased advice due to potential conflicts of interest?**

	1 (not at all effective)	2 (rather not effective)	3 (neutral)	4 (somewhat effective)	5 (very effective)	Don't know - No opinion - Not applicable
Ensuring transparency of inducements for clients	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
An obligation to disclose the amount of inducement paid	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Allowing inducements only under certain conditions, e.g. if they serve the improvement of quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Obliging distributors to assess the investment products they recommend against similar products available on the market in terms of overall cost and expected performance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Introducing specific record-keeping and reporting requirements for distributors of retail investment products to provide a breakdown of products distributed, thus allowing for supervisory scrutiny and better enforcement of the existing rules on inducements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Introducing a ban on all forms of inducements for every retail investment product across the Union	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Please explain your answer to question 8.1:

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The current legal framework on inducements is fully appropriate for protecting clients against potential conflicts of interest.

First, disclosure rules are very sophisticated and ensure that clients understand the concept of inducements. Thus, investment firms have to accurately disclose to the client the exact, specific amount of inducements received prior to executing an order. The disclosure of inducements has to be combined with the ex ante cost disclosure (Article 50(2) subparagraph (3) of Delegated Regulation (EU) 2017/565). Thus, every retail client is aware of all costs relating to their investment and of all benefits (= inducements) their advisor or distributor receives. The ex ante cost disclosure (including the disclosure of inducements) reveals all costs and inducements in an easily understandable and comprehensive manner for the retail client. Hence, every retail client is able to assess the impact of the inducement on the investment advice and to take their investment decision on an informed basis.

Further, when receiving the annually ex post cost reporting, retail clients are reminded that their products include costs and (if applicable) render inducements to the financial institution. Thus, the retail client has a reason to review if, for example, the performance of the product justifies the costs and inducements. Furthermore the retail client can ask their advisor to provide them with a detailed explanation of all costs /inducements (e.g. when they have not fully understood the concept of inducements so far).

Second, MiFID II makes sure that investment firms can keep the inducements received only if they use them to enhance the quality of the services provided to their clients. Articles 11 to 13 of the MiFID Delegated Directive (EU) 2017/593 provide detailed case groups in which the inducement is regarded as quality-enhancing. Furthermore, in Germany, the national competent authority (BaFin) examines compliance with the legal requirements on inducements by checking the investment firm's lists of inducements and their use for quality enhancement. Thus, there is no scope for investment firms to interpret this condition too widely or to bypass the condition of quality enhancement.

A potential ban on inducements would run counter to the Commission's explicit aim of raising the level of participation by retail investors in financial markets. The GBIC does not share the Commission's view that "... due to payments of inducements, advice provided by intermediaries may sometimes be biased towards products with higher rewards for intermediaries". The idea that commission-based advice per se encourages conflicts of interest is unfounded. Fee-based advice is by no means exempt from conflicts of interest and is certainly susceptible to problematic incentives.

More importantly, commission-based advice has a very strong social component. The overwhelming majority of investors simply cannot afford fee-based advice with hourly rates ranging from EUR 100 to 400. Recent surveys of the German market show that 74% of respondents are not willing to pay for investment advice. The (very few) investors who would be willing to do so are, however, not ready to pay more than EUR 50 (11%) to EUR 100 (3%) per hour. However, even that lies clearly under the average hourly rates for fee-based investment advice.

The commission-based model gives retail clients access to advice, regardless of the investment amount, because commissions are only due in the case of an investment, whereas fee-based advice always incurs costs (hourly rates), and also an added value service due to the quality enhancement requirements.

**Question 8.2 If all forms of inducement were banned for every retail investment product across the Union:**

**a) what impacts would this have on the availability of advice for retail investors? Please explain your answer:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

A ban on inducements would have massive consequences on the availability of advice for retail investors. It would lead to a situation where the majority of investors can no longer afford any investment advice. The consequences of such an advice gap would be disastrous which is illustrated by figures from the UK market:

The British experience illustrates that focusing on fee-based advice by no means has a positive impact. The United Kingdom prohibited commission on investment advice back in 2013. The negative effects soon emerged and have persisted until today. In 2016, the UK Treasury and the Financial Conduct Authority were already reporting that middle-income and low-income consumers in particular could no longer afford advice and were confronting a gap in provision. The proportion of firms' advisers asking for a minimum portfolio of GBP 100,000 (approx. EUR 113,000) to provide advice rocketed within one year from 13 to 32 percent. The study also revealed that 45 percent of firms advisers rarely advised customers on retirement income options if those customers had funds of less than GBP 30,000 to invest.

According to a 2018 report commissioned by the Financial Conduct Authority in 2018, the propensity to seek advice increases significantly with wealth: only 5% of adults with less than GBP 10,000 in investible assets sought advice in the relevant period, whereas almost half (45%) of all adults who sought advice have investible assets of more than GBP 50,000 (ignition house/Critical research: The changing shape of the consumer market for advice: Interim consumer research to inform the Financial Advice Market Review (FAMR) August 2018, p. 26).

Moreover, studies show that 69% of investment advisors in the UK indicated that they have refused clients in the past; the most important reason (43%) for this situation is that advisory services do "not pay" for these clients (see HM Treasury, Financial Conduct Authority, London: Financial Advice Market Review. Final Report, 2016, p. 6). The result of a commission ban is, as the data from UK makes abundantly clear, that only "higher earners" will receive advice. Since the introduction of the inducements ban in UK and the Netherlands, the decline in the investment advice offering is real for the retail clients and several studies and reports highlight this outcome. In addition, the inducements ban has led to an advice gap.

**b) what impacts would this have on the quality of advice for retail investors? Please explain your answer:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

A ban on inducements would certainly not improve the quality of advice for those (few) retail investors who could manage to afford fee-based advice.

Ultimately, mistaken advice can never be completely ruled out. This holds true of every advice format in such a highly complex field as investment advice. The blanket accusation that commission-based advice per se encourages conflicts of interest is unfounded. Fee-based advice is by no means exempt from conflicts of interest either, and is certainly susceptible to problematic incentives. A fee-charging adviser can – for example, by setting up a particularly complex and hence advice-intensive custodial structure – influence the calculation basis for the fee to be charged.

**c) what impacts would this have on the way in which retail investors would invest in financial instruments? Please explain your answer:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

An advice gap for retail clients would lead to a situation where retail clients either completely withdraw from capital markets (and no longer participate in the opportunities offered by capital markets) or make investment decisions of their own (which increases the risk of making “false” investment decisions that are detrimental to the client).

**d) what impacts would this have on how much retail investors would invest in financial instruments? Please explain your answer:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

It is difficult to assess what impacts a ban on inducements would have on the amounts that retail investors invest. As illustrated above, retail clients would either completely withdraw from the capital markets or make investment decisions of their own.

**Question 8.3 Do the current rules on advice and inducements ensure sufficient protection for retail investors from receiving poor advice due to potential conflicts of interest:**

	Yes	No	Don't know - No opinion - Not applicable
In the case of investment products distributed under the MiFID II framework?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
In the case of insurance-based investment products distributed under the IDD framework?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
In the case of inducements paid to providers of online platforms/comparison websites?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

**Please explain your answer to question 8.3:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Cf. our answer to question 8.1



**Question 8.4 Should the rules on the payment of inducements paid to distributors of products sold to retail investors be aligned across MiFID and IDD?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 8.4:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 8.5 How should inducements be regulated?**

Please select as many answers as you like

- Ensuring transparency of inducements for clients
- Ensuring transparency of inducements for clients, including an obligation to disclose the amount of inducement paid
- Allowing inducements only under certain conditions, e.g. if they serve the improvement of quality
- Obliging distributors to assess the investment products they recommend against similar products available on the market
- Introducing specific record-keeping and reporting requirements for distributors of retail investment products to provide a breakdown of products distributed, thus allowing for supervisory scrutiny and better enforcement of the existing rules on inducements
- Introducing a ban on all forms of inducements for every retail investment product across the Union
- Other

**Please explain your answer to question 8.5:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Cf. our answer to question 8.1.

The use of payments for order flow (PFOF), where a broker (or an investment firm) directs the orders of its clients to a single third party for execution against remuneration, appears to be increasingly popular as a business model, in particular in the context of on-line brokerage. This practice is raising concerns in terms of potential conflicts of interest due to payment of inducements and possible breach of the obligations surrounding best execution of the client's orders (i.e. an obligation to execute orders on terms that are most favourable to the client).

**Question 8.6 Do you see a need for legislative changes (or other measures) to address conflicts of interest, receipt of inducements and/or best execution issues surrounding the compensation of brokers (or firms) based on payment for order flow from third parties?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 8.6:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In our view, there is no need for legislative changes or other measures to prevent conflicts of interest. To our knowledge, payments for order flow models do not conflict with best execution requirements. Alongside the execution policy, the conflict of interest policy, in particular, takes adequate account of the protection and information needs of the client.

**Question 8.7 Do you see a need to improve the best execution regime in order to ensure that retail investors always get the best possible terms for the execution of their orders?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 8.7:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

See above response.

Financial advisors play a critical role in the distribution of retail investment products, however standards (levels of qualifications, knowledge, skills, etc.) differ across Member States. In order to reduce the risk of mis-selling, increase individual investors' confidence in advice and create a level playing field for market operators offering advice in different Member States, the [2020 CMU action plan](#) proposed that certain professional standards for advisors should be set or further improved.

**Question 8.8 Would you see merit in developing a voluntary pan-EU label for financial advisors to promote high-level common standards across the EU?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 8.8 and indicate what would be the main advantages and disadvantages:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

A voluntary pan-EU label for financial advisors would not lead to ensuring the quality of financial advice. The question of such a label or a certification concerns the evidence of the necessary knowledge and competence, not the knowledge and competence itself. Beside a label or certification, however, other suitable forms of evidence could be considered, particularly such as education and university/college qualifications. In the case of further training, not only external but also in-house courses come into question. This shows that a label or certification is only one of several suitable forms of evidence.

The question of which type of evidence is suitable has to be seen on a case-by-case basis. Deciding factors here are pre-qualifications of an employee and, in the case of further training, particularly the extent of the necessary further training. In comparison, a general certification obligation would be disproportionate. Here, one should consider also that a label or certification typically involves additional costs.

As far as we know, in Germany there is no problem with verifying the necessary knowledge and competence, either prior to starting the job or later when further training becomes necessary. This may also be due to the globally recognised dual education system in Germany and the diverse qualified offerings of external and internal further training opportunities. The European Commission also highlights the differences between the national education and professional systems (see the Public consultation on the review of the MiFID II/MiFIR regulatory framework of 17 February 2020, introduction before question 51). Hence, we see no need and no connecting factor for a Europe-wide regulation on the question of a voluntary pan-EU label or certification.

Robo-advisors, i.e. online platforms providing automated investment advice (and in many cases also portfolio management) are in principle subject to the same investor protection rules as traditional "human" advisors under the MiFID and IDD frameworks. While robo-advisors may offer advantages for retail investors, in particular lower fees, accessible investment thresholds and in principle often impartial advice (unbiased by payment of inducements), robo-advisors may also present risks resulting from, e.g. simplistic non-dynamic algorithms which may not create efficient investment portfolios.

**Question 8.9 Are robo-advisors (or hybrid advisors) regulated in a manner sufficient to protect retail investors?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 8.9:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The provider of financial services has to comply with all regulatory requirements applicable to the service provided, irrespective of the means of communication. Therefore, we believe that robo-advisors are sufficiently regulated.

However, the provisions and interpretations are disproportionate for both human and robo advice. Therefore, competition between different business models is almost impossible now and clients cannot really choose between different providers because the approaches become more and more similar. Furthermore, it becomes more and more difficult to offer investment advice to all clients, although the vast majority wish investment advice (see also our answer to question 8.10). Hence, it would be in the interest of clients and intermediaries for provisions and interpretations to become less complex and detailed on the whole.

**Question 8.10 The use of robo-advisors, while increasing, has not taken off as might have been expected and remains limited in the EU.**

**What do you consider to be the main reason for this?**

- Lack of awareness about the existence of robo-advisors
- Greater trust in human advice
- Other
- Don't know / no opinion / not applicable

**Please explain your answer to question 8.10:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Recent surveys of the German market show that human advice in securities is very important for 80% of respondents. In line with this, the vast majority of respondents (59%) would not feel comfortable making investment decisions on their own without professional support. This proves that most investors have greater trust in human advice than in robo-advice.

**Question 8.11 Are there any unnecessary barriers hindering the take-up of robo-advice?**

- Yes

- No
- Don't know / no opinion / not applicable

## If such unnecessary barriers do exist, which measures could be taken to address them?

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Cf. our answer to 8.9.

## 9. Addressing the complexity of products

---

Financial products, including those targeted at retail investors, are often highly complex and often not properly understood by retail investors. Consumer representatives have therefore been regularly calling for simple, transparent and cost-efficient products. Less complex products suitable for retail investors exist in different areas, such as UCITS and certain Exchange Traded Funds (ETFs), and have been set as the default option of PEPP.

### Question 9.1 Do you consider that further measures should be taken at EU level to facilitate access of retail investors to simpler investment products?

- Yes
- No
- Don't know / no opinion / not applicable

### Please explain your answer to question 9.1:

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

During the current phase of low interest rates, the legislator should generally strive to ensure that investors have better access to investments and reduce the related bureaucracy.

Account should also be taken of the fact that many of the investor protection requirements are not well suited to simple products. For example, cost information is not required for simple products such as shares and simple bonds that do not involve product costs, since these are usually identical. The legislative text should at least clarify that the information may be provided once in standard form and that redundant, transaction-related cost information need not be provided.

In addition, most distributors of real economy products (shares and corporate bonds) do not have a target market in accordance with the product governance requirements. This is because the manufacturers are not covered by the scope of MiFID. The current exemption for bonds with make-whole clauses should be extended to all simple bonds without embedded derivatives and shares.

Moreover, the scope of the PRIIPs Regulation should be strictly limited to packaged investment products where there is a need for investor protection. The reason for this is that clients cannot purchase a PRIIP if the manufacturer does not issue a KID (this is particularly applicable to bonds with make-whole clauses, which the Commission considers to be a PRIIP in contrast to the MiFID II assessment, under which they are exempt).

**Question 9.2** If further measures were to be taken by the EU to address the complexity of products:

**a) Should they aim to reinforce or adapt execution of orders rules to better suit digital and online purchases of complex products by retail investors?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 9.2 a):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We do not see any particular problems with online sales of complex products. In this respect, there is no need for special regulations for the online distribution of complex products.

**b) Should they aim to make more explicit the rules which prohibit excess complexity of products that are sold to retail investors?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 9.2 b):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In our view, there is no need to issue further requirements or impose restrictions on the distribution of complex products. If self-directed investors wish to purchase such products on a non-advised basis, they should be able to do so.

In any case, distributors must decide whether and to whom complex products are actively distributed in the context of advisory services based on their product governance requirements.

**c) Should they aim to develop a new label for simple products?**

-

Yes

- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 9.2 c):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We do not consider a new label for simple products to be necessary. Instead, it would be sufficient for the existing exemptions for simple products in the different regulations to be harmonised, so that the same products are classified as simple, allowing the application of less stringent consumer protection requirements.

We recommend that the differentiation under the PRIIPs Regulation (i.e. the differentiation between packaged/not packaged) should be implemented, since we consider this to result in an appropriate classification.

**d) Should they aim to define and regulate simple, products (e.g. similar to PEPP)?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 9.2 d):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

No, if simple products are to be easier to purchase, it is sufficient that they are exempt from certain investor protection requirements. A completely separate regime should be avoided, since this would further increase the complexity of the requirements and would be counter to achieving a coherent legal framework.

**e) Should they aim to tighten the rules restricting the sale of very complex products to certain categories of investors?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 9.2 e):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The current rules on the sale of securities and financial instruments are already very strict. There is therefore no need for further arrangements.

**f) Should they have another aim?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please specify to what other aim you refer and explain your answer to question 9.2 f):**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The regulatory requirements should take greater account of the fact that clients in the non-advised business wish to purchase products on a self-directed basis and approach the distributor with a request to execute the order (as quickly as possible). These clients often feel constrained by the current requirements. Consequently, superfluous requirements for the non-advised business that lead to delays should be eliminated.

## 10. Redress

---

There will be occasions when things go wrong with an investment, e.g. if products have been mis-sold to the retail investor. Retail investors have the possibility to address their complaint directly to the firm: MiFID, for example, requires investment firms to establish, implement and maintain effective and transparent complaints management policies and procedures for the prompt handling of clients' complaints and similar provisions are contained in the recent [Crowdfunding Regulation](#). Redress can also be sought through non-judicial dispute resolution procedures or can be obtained in national courts. In certain cases, where large numbers of consumers have suffered harm, collective redress can also be obtained.

**Question 10.1 How important is it for retail investors when taking an investment decision (in particular when investing in another Member State), that they will have access to rapid and effective redress should something go wrong?**

- Not at all important
- Rather not important
- Neutral
- Somewhat important
- Very important
- Don't know / no opinion / not applicable

**Please explain your answer to question 10.1:**



*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We consider this information to play minor role in (cross-border) investment decisions. We believe the direct product information and the product advice received is much more significant in retail investors' investment decisions.

**Question 10.2 According to MIFID II, investment firms must publish the details of the process to be followed when handling a complaint. Such information must be provided to the client on request or when acknowledging a complaint and the firm must enable the client to submit their complaint free of charge.**

**Is the MiFID II requirement sufficient to ensure an efficient and timely treatment of the clients' complaints?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 10.2:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 10.3 As a retail investor, would you know where to turn in case you needed to obtain redress through an out of court (alternative dispute resolution) procedure?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 10.3:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The client is informed via different channels of the possibility of alternative dispute resolution. Thus, on request or when acknowledging receipt of a complaint, firms provide written information regarding their complaints-handling process including the ADR mechanism. They publish details of their complaints-handling process in an easily accessible manner, for example, in brochures, contractual documents or via the firm's website. The up-to-date information about the complaints-handling includes information on the availability of a competent authority, an ombudsman or an ADR mechanism. Furthermore, the firm is obliged to inform the client about the responsible arbitration body in case the complaint cannot be resolved (section 37 of the VSBG).

We would like to emphasise in this respect that the European Supervisory Authorities have stated in their recent report on the application of their Guidelines on complaints-handling that the Guidelines have contributed to a consistent approach to complaints-handling across the banking, insurance and securities sectors, and have resulted in better outcomes for consumers. Against this background, the ESAs are of the view that there is no need for revising the Guidelines at this stage.

#### **Question 10.4 How effective are existing out of court/alternative dispute resolution procedures at addressing consumer complaints related to retail investments/insurance based investments?**

- Not at all effective
- Rather not effective
- Neutral
- Somewhat effective
- Very effective
- Don't know / no opinion / not applicable

#### **Please explain your answer to question 10.4:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The arbitration or ombudsman procedure is a very reliable procedure. It guarantees a non-bureaucratic, low-threshold and cost-free procedure for the consumer. Costly legal actions are avoided. As the regular action remains accessible and the statute of limitations is suspended, there is no legal disadvantage for the consumer in addressing an arbitration/ombudsman board.

#### **Question 10.5 Are further efforts needed to improve redress in the context of retail investment products:**

Please select as many answers as you like

- Domestically?
- In a cross border context?

#### **Please explain your answer to question 10.5:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

No further efforts are needed.

Domestically: The arbitration or ombudsman procedure is a very reliable procedure. It guarantees a non-bureaucratic, low-threshold and cost-free procedure for the consumer. Costly legal actions are avoided. As the regular action remains accessible and the statute of limitations is suspended, there is no legal disadvantage for the consumer in addressing an arbitration/ombudsman board.

Cross-border: When it comes to cross border related complaints, FIN-NET provides help to find the responsible arbitration board within the European Union. FIN-NET is a network of national out-of-court arbitration bodies. Its mission is to promote cooperation among national arbitration bodies/ombudsmen in financial services and to provide consumers with easy access to out-of-court procedures in cross-border disputes about the provision of financial services.

Certain groups of consumers (e.g. the elderly, over-indebted or those with disabilities) can be particularly vulnerable and may need specific safeguards. If the process of obtaining redress is too complex and burdensome for such consumers and lacks a specially adapted process (e.g. assistance on the phone), redress may not be an effective option for them.

## 10.6 To what extent do you think that consumer redress in retail investment products is accessible to vulnerable consumers (e.g. over-indebted, elderly, those with disabilities)?

- Not accessible at all
- Rather not accessible
- Neutral
- Somewhat accessible
- Very accessible
- Don't know / no opinion / not applicable

### Please explain your answer to question 10.6:

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The arbitration or ombudsman procedure is a very reliable procedure. It guarantees a non-bureaucratic, low-threshold and free of costs procedure for the consumer. Costly legal actions are avoided. As the regular action remains accessible and the statute of limitations is suspended there is no legal disadvantage for the consumer in addressing an arbitration/ombudsman board.

## 11. Product intervention powers

---

ESMA has been given the power to temporarily prohibit or restrict the marketing, distribution or sale of financial instruments with certain specified features or a type of financial activity or practice (these are known as 'product intervention powers'). EIOPA has similar powers with regard to insurance-based investment products. These powers

have been used by ESMA in the past for certain types of high risk product e.g. binary options and contracts for differences (CFDs).

**Question 11.1 Are the European Supervisory Authorities and/or national supervisory authorities making sufficiently effective use of their existing product intervention powers?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 11.1:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Product intervention is a very powerful supervisory instrument that, however, should only be used as a last resort and with a clearly defined scope. The product intervention measures imposed so far (binary options and contracts for difference) have proven that corresponding effects on the market were already quickly apparent, but also that a clear definition of the scope is essential for the addressees of the measure.

**Question 11.2 Does the application of product intervention powers available to national supervisory authorities need to be further converged?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 11.2:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

It is not the actions of national authorities that have led to problems, but rather the evasive activity in third countries where the relevant product intervention does not apply.

**Question 11.3 Do the product intervention powers of the European Supervisory Authorities need to be reinforced?**

- Yes
- No
- Don't know / no opinion / not applicable

### Please explain your answer to question 11.3:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The ESAs' product intervention powers are already a very strong instrument. There is no need for additional intervention powers. The European product intervention powers of the ESAs are flanked by corresponding powers of the national authorities. As a result, an effective intervention mechanism already exists today.

## 12. Sustainable investing

---

Citizens are today increasingly aware of the serious economic, environmental and social risks arising from climate change. As retail investors, they are also becoming conscious of the potential contribution they might make towards mitigating those risks by making more sustainable choices when investing and managing their savings. The [2018 European Commission's action plan on financing sustainable growth](#) set the basis for increasing the level of transparency on sustainability investments, through disclosure rules (e.g. Sustainable Finance Disclosure Regulation) and labels (e.g. EU Ecolabel), thereby substantially reducing the risk of greenwashing. In addition, the integration of retail investors' sustainability preferences as a top-up to the suitability assessment and financial advice in IDD and MIFID II delegated acts will ensure that clients are offered financial products and instruments that meet their sustainability preferences.

### Question 12.1 What is most important to you when investing your savings?

	1 (most important)	2	3 (least important)
An investment that contributes positively to the environment and society	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
An investment that reduces the harm on the environment and society (e.g. environmental pollution, child labour etc.)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Financial returns	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Question 12.2 What would help you most to take an informed decision as regards a sustainable investment?**

	1 (not at all helpful)	2 (rather not helpful)	3 (neutral)	4 (somewhat helpful)	5 (very helpful)	Don't know - No opinion - Not applicable
Measurements demonstrating positive sustainability impacts of investments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Measurements demonstrating negative or low sustainability impacts of investments	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information on financial returns of sustainable investments compared to those of mainstream investments	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information on the share of financial institutions' activities that are sustainable	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Require all financial products and instruments to inform about their sustainability ambition	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Obligation for financial advisers to offer at least one financial product with minimum sustainability ambition	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
All financial products offered should have a minimum of sustainability ambition	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### Question 12.3 What are the main factors preventing more sustainable investment?

	1 (not at all important)	2 (rather not important)	3 (neutral)	4 (somewhat important)	5 (very important)	Don't know - No opinion - Not applicable
Poor financial advice on sustainable investment opportunities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of sustainability-related information in pre-contractual disclosure	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of EU label on sustainability related information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of financial products that would meet sustainability preferences	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial products, although containing some sustainability ambition, focus primarily on financial performance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fear of greenwashing (i.e. where the deceptive appearance is given that investment products are environmentally, socially or from a governance point of view, friendly)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

**Please specify to what other factor(s) you refer in your answer to question 12.3:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Other main factors are:

1. Inconsistencies: The rules regarding the definition of a sustainable product in the different EU regimes (SFDR, current detailed Level 2 rules in MiFID II) are inconsistent. For example, the planned questioning of investors about their sustainability preferences for products distributed under MiFID II places different requirements on sustainable products than the SFDR. Firstly, this excludes certain products from distribution to clients with an interest in sustainable investment, even though these products meet all of the SFDR requirements in terms environmental and social aspects. Secondly, the current proposals in the MiFID II Delegated Regulation contradict the SFDR, which does not provide for a certain minimum allocation of (environmentally) sustainable investments either in Articles 8 and 9, Article 2(17), or in the Taxonomy Regulation. Inconsistent rules on what constitutes a sustainable product lead to uncertainty for both product manufacturers and investors and run counter to the aim of creating sustainability orientation and transparency with regard to the sustainable investments offered.
2. Lack of available ESG data: The requirement for MiFID manufactures to provide the necessary ESG data on the target market assumes that the relevant data will be available to distributors. However, there is no corresponding requirement for real economy companies. It is therefore a concern that the relevant ESG data will not be available for shares and corporate bonds.
3. Cross-border requirements: The respective regulations on the SF agenda (including the Taxonomy, SFDR, MiFID II) do not take adequate account of the size and other characteristics of individual market participants. Very significant resources are required to collect data and meet reporting obligations – resources that financial market participants could use towards their sustainability efforts.

**Question 12.4 Do you consider that detailed guidance for financial advisers would be useful to ensure simple, adequate and sufficiently granular implementation of sustainable investment measures?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain your answer to question 12.4:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Sustainability represents one of several investment preferences that are reviewed (in perspective) in the investment advice process. Institutions have already implemented processes to assess existing preferences. Sustainability preferences now need to be integrated into these individual processes. Detailed rules could cause issues if they are not aligned with existing processes. Consequently, the requirements should not be overly granular.

MiFID II regulates the way investment firms produce or arrange for the production of investment research to be disseminated to their clients or to the public. This concerns investment research i.e. research or other information recommending or suggesting an investment strategy, explicitly or implicitly, concerning one or several financial



instruments or the issuer of financial instruments. In the context of the COVID-19 pandemic, the research regime has been reviewed in order to facilitate the production of research on the small and medium enterprises and encourage more funding from the capital markets. In order to also encourage more sustainable investments, it is fundamental that investment research consider the E (environmental,) S (social) and G (corporate governance) factors of the Issuers and financial instruments covered by that research.

### **Question 12.5 Would you see any need to reinforce the current research regime in order to ensure that ESG criteria are always considered?**

- Yes
- No
- Don't know / no opinion / not applicable

### **Please explain your answer to question 12.5:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

MiFID II regulates the way investment firms produce or arrange for the production of investment research to be disseminated to their clients or to the public. This concerns investment research, i.e. research or other information recommending or suggesting an investment strategy, explicitly or implicitly, concerning one or several financial instruments or the issuer of financial instruments. In the context of the COVID-19 pandemic, the research regime has been reviewed in order to facilitate the production of research on small and medium-sized enterprises and to encourage more funding byfrom the capital markets. In order to also encourage more sustainable investments, it is fundamental for investment research to consider the E (environmental,) S (social) and G (governance) factors of the issuers and financial instruments covered by that research.

## **13. Other issues**

---

### **Question 13. Are there any other issues that have not been raised in this questionnaire that you think would be relevant to the future retail investments strategy? Please explain your answer:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

This consultation looks at many, but not all, of the points that are relevant in practice. We would therefore like to again separately mention the following points, which must be taken into account in the further work on the Retail Investment Strategy:

MiFID investor protection topics:

- prevent a ban on inducements
- no obligation for ex ante cost transparency when selling financial instruments
- no obligation to provide periodic reports according to Art. 63 MiFID II Del Reg

PRIIPS:

- The current shortcomings in the legal requirements (level 1 and level 2) need to be addressed in order to provide KIDs that contain more reliable information for retail investors

- The scope of the PRIIPs regulation should be adapted as it contains several inconsistencies (exemption for bonds with make whole clause that are no packaged products, handling of OTC derivatives that are no investment products, etc.)
- The provisions how to provide the KID to the retail investor need to be adapted to the requirements under MiFID II that have been introduced in the quick fix (allowing electronic information).

Harmonisation of rules:

The existing rules for the investment business in general need to be harmonised to eliminate the current inconsistencies in the individual regulatory requirements. These include in particular:

- Differing product costs under MiFID II and the PRIIPs Regulation;
- Differing definition of sustainability under MiFID and the Disclosure Regulation;
- Differing rules on the provision of documentation in the investment business – all rules should allow for information to be provided in electronic format, in line with the new rules, and provide for paper-based communication only if requested by the client.

## Additional information

---

Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) below. **Please make sure you do not include any personal data in the file you upload if you want to remain anonymous.**

The maximum file size is 1 MB.

You can upload several files.

Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

### Useful links

[More on this consultation \(https://ec.europa.eu/info/publications/finance-consultations-2021-retail-investment-strategy\\_en\)](https://ec.europa.eu/info/publications/finance-consultations-2021-retail-investment-strategy_en)

[Consultation document \(https://ec.europa.eu/info/files/2021-retail-investment-strategy-consultation-document\\_en\)](https://ec.europa.eu/info/files/2021-retail-investment-strategy-consultation-document_en)

[More on retail financial services \(https://ec.europa.eu/info/business-economy-euro/banking-and-finance/consume-finance-and-payments/retail-financial-services\\_en\)](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/consume-finance-and-payments/retail-financial-services_en)

[Specific privacy statement \(https://ec.europa.eu/info/law/better-regulation/specific-privacy-statement\\_en\)](https://ec.europa.eu/info/law/better-regulation/specific-privacy-statement_en)

[More on the Transparency register \(http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en\)](http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en)

### Contact

fisma-retail-investment@ec.europa.eu

