



Basic information	
<p>2023/0167(COD)</p> <p>COD - Ordinary legislative procedure (ex-codecision procedure) Directive</p>	Awaiting Parliament's position in 1st reading
<p>Retail investor protection rules</p> <p>Amending Directive 2009/138 2007/0143(COD) Amending Directive 2009/65 2008/0153(COD) Amending Directive 2011/61 2009/0064(COD) Amending Directive 2014/65 2011/0298(COD) Amending Directive 2016/97 2012/0175(COD)</p> <p>Subject</p> <p>2.50.03 Securities and financial markets, stock exchange, CIUTS, investments 2.50.05 Insurance, pension funds</p> <p>Legislative priorities</p> <p>Joint Declaration 2023-24</p>	

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	ECON Economic and Monetary Affairs		YON-COURTIN Stéphanie (Renew)	12/09/2024
			Shadow rapporteur	
			SEEKATZ Ralf (EPP)	
			HEINÄLUOMA Eero (S&D)	
			KUBÍN Tomáš (PřE)	
		NESCI Denis (ECR)		
		PREBILIČ Vladimir (Greens /EFA)		
		SARAMO Jussi (The Left)		
	Former committee responsible		Former rapporteur	Appointed
ECON Economic and Monetary Affairs		YON-COURTIN Stéphanie (Renew)	30/05/2023	
	Former committee for opinion		Former rapporteur for opinion	Appointed
BUDG Budgets		The committee decided not to give an opinion.		





	JURI Legal Affairs	The committee decided not to give an opinion.	
Council of the European Union			
European Commission	Commission DG	Commissioner	
	Financial Stability, Financial Services and Capital Markets Union	MCGUINNESS Mairead	

Key events			
Date	Event	Reference	Summary
24/05/2023	Legislative proposal published	COM(2023)0279 	Summary
10/07/2023	Committee referral announced in Parliament, 1st reading		
20/03/2024	Vote in committee, 1st reading		
02/04/2024	Committee report tabled for plenary, 1st reading	A9-0162/2024	Summary
10/04/2024	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 71)		
23/04/2024	Results of vote in Parliament		
23/04/2024	Decision by Parliament		
23/04/2024	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 71 - vote)		
13/11/2024	Resumption of business from the previous parliamentary term		

Forecasts	
11/11/2026	Indicative plenary sitting date, 1st reading

Technical information	
Procedure reference	2023/0167(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Amendments and repeals	Amending Directive 2009/138 2007/0143(COD) Amending Directive 2009/65 2008/0153(COD) Amending Directive 2011/61 2009/0064(COD) Amending Directive 2014/65 2011/0298(COD) Amending Directive 2016/97 2012/0175(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 062 Treaty on the Functioning of the European Union TFEU 053-p1

Stage reached in procedure	Awaiting Parliament's position in 1st reading
Committee dossier	ECON/10/00224

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A9-0162/2024	02/04/2024	Summary
European Commission				
Document type	Reference	Date	Summary	
Legislative proposal	COM(2023)0279 	24/05/2023	Summary	
Document attached to the procedure	SEC(2023)0330 	25/05/2023		
Document attached to the procedure	SWD(2023)0278 	25/05/2023		
Document attached to the procedure	SWD(2023)0279 	25/05/2023		
National parliaments				
Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	CZ_CHAMBER	COM(2023)0279	25/09/2023	
Other institutions and bodies				
Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES2682/2023	25/10/2023	

Additional information		
Source	Document	Date
EP Research Service	Briefing	22/04/2024
European Commission	EUR-Lex	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency				
Name	Role	Committee	Date	Interest representatives
YON-COURTIN Stéphanie	Rapporteur	ECON	16/04/2026	Association française des sociétés Financières
YON-COURTIN Stéphanie	Rapporteur	ECON	19/03/2026	Association Française de la Gestion financière
YON-COURTIN Stéphanie	Rapporteur	ECON	19/03/2026	Fédération bancaire française
YON-COURTIN Stéphanie	Rapporteur	ECON	17/03/2026	Insurance Europe
YON-COURTIN Stéphanie	Rapporteur	ECON	17/11/2025	Association Française de la Gestion financière
YON-COURTIN Stéphanie	Rapporteur	ECON	07/11/2025	Gesamtverband der Deutschen Versicherungswirtschaft e.V.
YON-COURTIN Stéphanie	Rapporteur	ECON	06/11/2025	AMUNDI AM
YON-COURTIN Stéphanie	Rapporteur	ECON	06/11/2025	Insurance Europe
YON-COURTIN Stéphanie	Rapporteur	ECON	06/11/2025	Swedish Securities Markets Association (Swedish: Föreningen Svensk Värdepappersmarknad)
SARAMO Jussi	Shadow rapporteur	ECON	06/11/2025	Finanssiala ry - Finance Finland
YON-COURTIN Stéphanie	Rapporteur	ECON	28/10/2025	Crédit Agricole S.A.
YON-COURTIN Stéphanie	Rapporteur	ECON	15/10/2025	Franklin Templeton
YON-COURTIN Stéphanie	Rapporteur	ECON	13/10/2025	CNP Assurances Holding La Banque Postale
YON-COURTIN Stéphanie	Rapporteur	ECON	13/10/2025	Finanssiala ry - Finance Finland
YON-COURTIN Stéphanie	Rapporteur	ECON	10/10/2025	Finance Denmark
YON-COURTIN Stéphanie	Rapporteur	ECON	09/10/2025	AMUNDI AM
YON-COURTIN Stéphanie	Rapporteur	ECON	07/10/2025	European Federation of Investors and Financial Services Users
YON-COURTIN Stéphanie	Rapporteur	ECON	02/10/2025	Association Française de la Gestion financière
YON-COURTIN Stéphanie	Rapporteur	ECON	02/10/2025	Allianz SE
YON-COURTIN Stéphanie	Rapporteur	ECON	26/09/2025	European Federation of Investors and Financial Services Users
YON-COURTIN Stéphanie	Rapporteur	ECON	15/09/2025	BlackRock
YON-COURTIN Stéphanie	Rapporteur	ECON	10/09/2025	Fédération bancaire française
YON-COURTIN Stéphanie	Rapporteur	ECON	05/09/2025	Insurance Europe
YON-COURTIN Stéphanie	Rapporteur	ECON	22/07/2025	ICI Global
YON-COURTIN Stéphanie	Rapporteur	ECON	22/07/2025	AMUNDI AM
YON-COURTIN Stéphanie	Rapporteur	ECON	18/07/2025	EURALIA
YON-COURTIN Stéphanie	Rapporteur	ECON	17/07/2025	Invest Europe
YON-COURTIN Stéphanie	Rapporteur	ECON	27/06/2025	Insurance Europe

YON-COURTIN Stéphanie	Rapporteur	ECON	25/06/2025	BVI Bundesverband Investment und Asset Management e.V.
YON-COURTIN Stéphanie	Rapporteur	ECON	16/06/2025	EURALIA
YON-COURTIN Stéphanie	Rapporteur	ECON	06/06/2025	European Fund and Asset Management Association
YON-COURTIN Stéphanie	Rapporteur	ECON	05/06/2025	Boerse Stuttgart
YON-COURTIN Stéphanie	Rapporteur	ECON	04/06/2025	Insurance Ireland
YON-COURTIN Stéphanie	Rapporteur	ECON	15/05/2025	The Investment Association
YON-COURTIN Stéphanie	Rapporteur	ECON	13/05/2025	Bureau Européen des Unions de Consommateurs
YON-COURTIN Stéphanie	Rapporteur	ECON	13/05/2025	Finance Watch
YON-COURTIN Stéphanie	Rapporteur	ECON	09/04/2025	Robinhood Markets, Inc.
YON-COURTIN Stéphanie	Rapporteur	ECON	09/04/2025	Société Générale
YON-COURTIN Stéphanie	Rapporteur	ECON	09/04/2025	Allianz SE
YON-COURTIN Stéphanie	Rapporteur	ECON	09/04/2025	BIPAR - European Federation of Insurance Intermediaries
YON-COURTIN Stéphanie	Rapporteur	ECON	02/04/2025	Insurance Europe
YON-COURTIN Stéphanie	Rapporteur	ECON	02/04/2025	BlackRock
YON-COURTIN Stéphanie	Rapporteur	ECON	31/03/2025	Crédit Agricole S.A.
SEEKATZ Ralf	Shadow rapporteur	ECON	18/03/2025	Deutsche Kreditbank Aktiengesellschaft
YON-COURTIN Stéphanie	Rapporteur	ECON	20/02/2025	ICI Global
YON-COURTIN Stéphanie	Rapporteur	ECON	10/02/2025	allianz
YON-COURTIN Stéphanie	Rapporteur	ECON	07/02/2025	Association Luxembourgeoise des Fonds d'Investissement
YON-COURTIN Stéphanie	Rapporteur	ECON	06/02/2025	Finance Denmark
YON-COURTIN Stéphanie	Rapporteur	ECON	31/01/2025	FTI Consulting Belgium
YON-COURTIN Stéphanie	Rapporteur	ECON	28/01/2025	Gesamt-ver-band der Versicherer
YON-COURTIN Stéphanie	Rapporteur	ECON	21/01/2025	Assicurazioni Generali S.p.A
YON-COURTIN Stéphanie	Rapporteur	ECON	13/01/2025	Swiss Finance Council
YON-COURTIN Stéphanie	Rapporteur	ECON	12/12/2024	Association Française de la Gestion financière
YON-COURTIN Stéphanie	Rapporteur	ECON	12/12/2024	Association Luxembourgeoise des Fonds d'Investissement
YON-COURTIN Stéphanie	Rapporteur	ECON	09/12/2024	France Assureurs
YON-COURTIN Stéphanie	Rapporteur	ECON	03/12/2024	Fédération bancaire française
YON-COURTIN Stéphanie	Rapporteur	ECON	02/12/2024	Fédération nationale des syndicats d'agents généraux d'assurance
YON-COURTIN Stéphanie	Rapporteur	ECON	15/11/2024	Confédération Nationale du Crédit Mutuel
YON-COURTIN Stéphanie	Rapporteur	ECON	24/10/2024	European Fund and Asset Management Association

PREBILIČ Vladimir	Shadow rapporteur	ECON	22/10/2024	Yago Hecht
YON-COURTIN Stéphanie	Rapporteur	ECON	18/10/2024	Citigroup Inc.
YON-COURTIN Stéphanie	Rapporteur	ECON	14/10/2024	Deutscher Sparkassen-und Giroverband
YON-COURTIN Stéphanie	Rapporteur	ECON	11/10/2024	European Association of Co-operative Banks
YON-COURTIN Stéphanie	Rapporteur	ECON	03/10/2024	AMUNDI AM
SEEKATZ Ralf	Shadow rapporteur	ECON	24/09/2024	Deutsche Schutzvereinigung für Wertpapierbesitz e.V. European Federation of Investors and Financial Services Users
YON-COURTIN Stéphanie	Rapporteur	ECON	24/09/2024	BPCE
YON-COURTIN Stéphanie	Rapporteur	ECON	13/09/2024	NASDAQ
YON-COURTIN Stéphanie	Rapporteur	ECON	13/09/2024	Euronext
YON-COURTIN Stéphanie	Rapporteur	ECON	12/09/2024	Finance Watch
YON-COURTIN Stéphanie	Rapporteur	ECON	12/09/2024	Association Française des Marchés Financiers
YON-COURTIN Stéphanie	Rapporteur	ECON	12/09/2024	France Assureurs
YON-COURTIN Stéphanie	Rapporteur	ECON	11/09/2024	Allianz SE
YON-COURTIN Stéphanie	Rapporteur	ECON	11/09/2024	Assicurazioni Generali S.p.A
YON-COURTIN Stéphanie	Rapporteur	ECON	11/09/2024	ICI Global
YON-COURTIN Stéphanie	Rapporteur	ECON	11/09/2024	Dutch Fund and Asset Management Association
YON-COURTIN Stéphanie	Rapporteur	ECON	11/09/2024	JPMorgan Chase & Co.
ZANNI Marco	Shadow rapporteur	ECON	04/03/2024	Unipol Gruppo
SEEKATZ Ralf	Shadow rapporteur	ECON	30/01/2024	Allianz SE
SEEKATZ Ralf	Shadow rapporteur	ECON	16/01/2024	Deutscher Unternehmenverband Vermögensberatung
SEEKATZ Ralf	Shadow rapporteur	ECON	16/01/2024	Assicurazioni Generali S.p.A
ZANNI Marco	Shadow rapporteur	ECON	15/01/2024	AMF Italia - Associazione Intermediari Mercati Finanziari
YON-COURTIN Stéphanie	Rapporteur	ECON	20/12/2023	Planète CSCA
YON-COURTIN Stéphanie	Rapporteur	ECON	20/12/2023	BIPAR - European Federation of Insurance Intermediaries
HEINÄLUOMA Eero	Shadow rapporteur	ECON	07/12/2023	Talous- ja sosiaalikomitea
POPTCHEVA Eva-Maria Alexandrova	Committee chair	ECON	29/11/2023	Österreichischer Sparkassenverband
SEEKATZ Ralf	Shadow rapporteur	ECON	28/11/2023	Insurance Europe
HEINÄLUOMA Eero	Shadow rapporteur	ECON	24/11/2023	AMAFI
	Shadow			

HEINÄLUOMA Eero	rapporteur	ECON	17/11/2023	French Assurers
HEINÄLUOMA Eero	Shadow rapporteur	ECON	17/11/2023	Österreichischer Sparkassenverband
YON-COURTIN Stéphanie	Rapporteur	ECON	15/11/2023	Cercle de réflexion des courtiers français en assurance
YON-COURTIN Stéphanie	Rapporteur	ECON	14/11/2023	European FinTech Association
YON-COURTIN Stéphanie	Rapporteur	ECON	14/11/2023	Association Française de la Gestion financière
HEINÄLUOMA Eero	Shadow rapporteur	ECON	13/11/2023	FESE
YON-COURTIN Stéphanie	Rapporteur	ECON	13/11/2023	CEPS
HEINÄLUOMA Eero	Shadow rapporteur	ECON	30/10/2023	German Derivatives Association (ddv)
HEINÄLUOMA Eero	Shadow rapporteur	ECON	27/10/2023	Italian Banking Association – ABI
ZANNI Marco	Shadow rapporteur	ECON	25/10/2023	Assoreti
HEINÄLUOMA Eero	Shadow rapporteur	ECON	25/10/2023	French Association of specialized finance companies (ASF)
SEEKATZ Ralf	Shadow rapporteur	ECON	24/10/2023	BlackRock
SEEKATZ Ralf	Shadow rapporteur	ECON	24/10/2023	Verbraucherzentrale Bundesverband
SEEKATZ Ralf	Shadow rapporteur	ECON	24/10/2023	Deutsche Börse AG
HEINÄLUOMA Eero	Shadow rapporteur	ECON	24/10/2023	European Insurance and Occupational Pensions Authority
HEINÄLUOMA Eero	Shadow rapporteur	ECON	24/10/2023	Vanguard Asset Management Limited
HEINÄLUOMA Eero	Shadow rapporteur	ECON	23/10/2023	Swiss Finance Council
HEINÄLUOMA Eero	Shadow rapporteur	ECON	23/10/2023	Deutsche Börse AG
HEINÄLUOMA Eero	Shadow rapporteur	ECON	23/10/2023	Association of Luxembourg insurers and reinsurers (ACA) The Luxembourg Bankers' Association (ABBL) Association of the Luxembourg Fund Industry (ALFI)
HEINÄLUOMA Eero	Shadow rapporteur	ECON	23/10/2023	AFG
HEINÄLUOMA Eero	Shadow rapporteur	ECON	17/10/2023	Nordic Financial Unions
HEINÄLUOMA Eero	Shadow rapporteur	ECON	13/10/2023	Fleishman-Hillard
YON-COURTIN Stéphanie	Rapporteur	ECON	12/10/2023	Association Française des Marchés Financiers
YON-COURTIN Stéphanie	Rapporteur	ECON	12/10/2023	International Capital Market Association
YON-COURTIN Stéphanie	Rapporteur	ECON	11/10/2023	European Fund and Asset Management Association
YON-COURTIN Stéphanie	Rapporteur	ECON	11/10/2023	Fédération nationale des syndicats d'agents généraux d'assurance AGEA

ZANNI Marco	Shadow rapporteur	ECON	11/10/2023	AMF Italia - Associazione Intermediari Mercati Finanziari
HEINÄLUOMA Eero	Shadow rapporteur	ECON	09/10/2023	Finanssialary - Finance Finland
YON-COURTIN Stéphanie	Rapporteur	ECON	25/09/2023	Fédération bancaire française
YON-COURTIN Stéphanie	Rapporteur	ECON	25/09/2023	France assureurs
HEINÄLUOMA Eero	Shadow rapporteur	ECON	22/09/2023	Agéa
HEINÄLUOMA Eero	Shadow rapporteur	ECON	22/09/2023	BIPAR - European Federation of Insurance Intermediaries
ZANNI Marco	Shadow rapporteur	ECON	20/09/2023	Assogestioni - Italian Investment Management Association
HEINÄLUOMA Eero	Shadow rapporteur	ECON	19/09/2023	European Commission
SEEKATZ Ralf	Shadow rapporteur	ECON	19/09/2023	Union Asset Management Holding AG
HEINÄLUOMA Eero	Shadow rapporteur	ECON	15/09/2023	Association for Financial Markets in Europe
HEINÄLUOMA Eero	Shadow rapporteur	ECON	15/09/2023	WWF European Policy Programme
ZANNI Marco	Shadow rapporteur	ECON	15/09/2023	AMF Italia - Associazione Intermediari Mercati Finanziari
YON-COURTIN Stéphanie	Rapporteur	ECON	15/09/2023	Crédit Agricole S.A.
HEINÄLUOMA Eero	Shadow rapporteur	ECON	14/09/2023	ESMA
YON-COURTIN Stéphanie	Rapporteur	ECON	08/09/2023	Comisión Nacional del Mercado de Valores
HEINÄLUOMA Eero	Shadow rapporteur	ECON	07/09/2023	Société Générale
HEINÄLUOMA Eero	Shadow rapporteur	ECON	07/09/2023	Revolut Ltd
YON-COURTIN Stéphanie	Rapporteur	ECON	07/09/2023	Invest Europe
YON-COURTIN Stéphanie	Rapporteur	ECON	07/09/2023	UK Investment association
YON-COURTIN Stéphanie	Rapporteur	ECON	07/09/2023	Association Française de la Gestion financière
BENJUMEA BENJUMEA Isabel	Rapporteur	ECON	06/09/2023	Deutsche Bank AG
SEEKATZ Ralf	Shadow rapporteur	ECON	05/09/2023	Berbalk Communications
HEINÄLUOMA Eero	Shadow rapporteur	ECON	31/08/2023	ESMA
SEEKATZ Ralf	Shadow rapporteur	ECON	17/07/2023	Deutscher Sparkassen-und Giroverband
SEEKATZ Ralf	Shadow rapporteur	ECON	17/07/2023	Bundesverband der Deutschen Volksbanken und Raiffeisenbanken
YON-COURTIN Stéphanie	Rapporteur	ECON	06/07/2023	Crédit Mutuel
HEINÄLUOMA Eero	Shadow rapporteur	ECON	06/07/2023	BVR

HEINÄLUOMA Eero	Shadow rapporteur	ECON	06/07/2023	Insurance Europe
SEEKATZ Ralf	Shadow rapporteur	ECON	04/07/2023	Deutsche Bank AG
ZANNI Marco	Shadow rapporteur	ECON	04/07/2023	Assogestioni - Italian Investment Management Association
SEEKATZ Ralf	Shadow rapporteur	ECON	29/06/2023	Gesamtverband der Deutschen Versicherungswirtschaft e.V.
HEINÄLUOMA Eero	Shadow rapporteur	ECON	27/06/2023	Zurich Insurance Company Ltd
YON-COURTIN Stéphanie	Rapporteur	ECON	13/06/2023	The Investment Association
YON-COURTIN Stéphanie	Rapporteur	ECON	01/06/2023	Better finance

Other Members

Transparency		
Name	Date	Interest representatives
FERBER Markus	09/06/2026	VOTUM Verband
FERBER Markus	24/03/2025	VOTUM Verband
FERBER Markus	03/12/2024	EUROPEAN FINANCIAL PLANNING ASSOCIATION
GOMART Christophe	19/11/2024	Fédération nationale des syndicats d'agents généraux d'assurance français
FERBER Markus	18/11/2024	Bundesverband Deutscher Versicherungskaufleute e.V. (BVK)
FERBER Markus	15/10/2024	Deutsche Vermögensberatung
FERBER Markus	19/06/2024	Berbalk Communications
SANT Alfred	05/03/2024	Insurance Ireland
LALUCQ Aurore	19/02/2024	Euronext
BENJUMEA BENJUMEA Isabel	15/02/2024	ALLFUNDS BANK, S.A.U.
SAILLIET Laurence	09/02/2024	Crédit Agricole S.A.
POLFJÄRD Jessica	25/01/2024	Swedish Securities Markets Association (Swedish: Föreningen Svensk Värdepappersmarknad)
KARAS Othmar	24/01/2024	Wirtschaftskammer Österreich
SAILLIET Laurence	23/01/2024	Planète CSCA
SAILLIET Laurence	18/12/2023	EURALIA Fédération nationale des syndicats d'agents généraux d'assurance
SAILLIET Laurence	07/12/2023	Association française des sociétés Financières EURALIA
BENJUMEA BENJUMEA Isabel	05/12/2023	AMUNDI AM
POLFJÄRD Jessica	05/12/2023	Insurance Europe
LALUCQ Aurore	01/12/2023	ACPR
KARAS Othmar	24/11/2023	Swiss Finance Council
KARAS Othmar	15/11/2023	DWS Group GmbH & Co. KGaA
FERBER Markus	09/11/2023	FESE

BENJUMEA BENJUMEA Isabel	25/10/2023	ICI Global
WINZIG Angelika	24/10/2023	Raiffeisen Bank International AG
POPTCHEVA Eva-Maria Alexandrova	19/10/2023	SIX GROUP LTD BME
POULSEN Erik	11/10/2023	Danske Bank A/S
LALUCQ Aurore	11/10/2023	AGEA
BENJUMEA BENJUMEA Isabel	22/09/2023	ADECOSE
BENJUMEA BENJUMEA Isabel	20/09/2023	Asociacion Banca Española
BOYER Gilles	15/09/2023	Natixis Investment Managers
BENJUMEA BENJUMEA Isabel	05/09/2023	ICI Global
SCHUSTER Joachim	29/08/2023	Bundesverband für strukturierte Wertpapiere
DE LANGE Esther	19/07/2023	Verbond van Verzekeraars / Dutch Association of Insurers
FITZGERALD Frances	03/07/2023	Bundesverband der Deutschen Volksbanken und Raiffeisenbanken
FITZGERALD Frances	30/06/2023	Insurance Ireland
BOYER Gilles	04/05/2023	Better Finance

Retail investor protection rules

2023/0167(COD) - 02/04/2024 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Stéphanie YON-COURTIN (Renew, FR) on the proposal for a directive of the European Parliament and of the Council amending Directives (EU) 2009/65/EC, 2009/138/EC, 2011/61/EU, 2014/65/EU and (EU) 2016/97 as regards the Union retail investor protection rules.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Better frame the current advice environment

Members underlined the need to introduce rules that better frame the current advice environment by ensuring that financial intermediaries provide **more transparent, understandable and tailored advice** to clients and consumers. This should ensure that clients and consumers are being offered products suitable to their needs and that they better understand the advice they receive.

Best interest of customers

Member States should require that, when providing investment services or, where appropriate, ancillary services to consumers, an insurance undertaking or an insurance intermediary acts **honestly, fairly and professionally** in accordance with the best interests of its consumers.

Financial advisors should base their advice on an appropriate range of financial products suited to the client's or customer's needs. The range of financial products offered should take into account the business model of the firm and the investment objectives of the client or customer. The best interest of clients and customers is broader than costs. Therefore, financial advisors should, after having identified instruments **suited to their clients' or customers' needs**, recommend the most efficient product among products offering similar features to their clients and customers, taking into consideration its performance, level of risk, qualitative elements, costs and charges reported.

If advisors choose to recommend an equivalent product with higher costs to the client or customer, they should provide an objective justification for such recommendation and keep the record of that justification. Financial advisors **should not place the interest of their firm ahead of the interest of their clients and customers**. In the case of insurance-based investment products, advisors should also ensure that the insurance cover included in the product is consistent with the client's or customer's insurance demands and needs. In case that none of the products is in the best interest of the client or customer, financial advisors should refrain from giving advice or making a recommendation.

Assessment of the effectiveness of measures

The new rules strengthen the existing requirements on disclosure of inducements to ensure that retail investors understand the general concept of inducements, the potential for conflict of interest, as well as the impact of inducements on the overall costs and expected returns.

In order to assess the effectiveness of these measures, **five years** after the adoption of the regulatory technical standards and after having consulted the European Securities and Markets Authority ('ESMA') and European Insurance and Occupational Pensions Authority ('EIOPA'), the Commission should prepare a report assessing strengthened product governance requirements, the potential conflict of interests associated with inducements, the evolution of costs, the overall level of retail investment in capital markets, consumer protection, the relevance of distribution rules and the

implementation of financial literacy measures. If the Commission's assessment does not show that the new provisions have led to positive change for consumers, the Commission may propose amendments to this Directive, if necessary.

In addition, the Commission should be mandated to prepare a report five years after the entry into force of this Directive, after consulting ESMA and national competent authorities, to assess whether providers of financial and non-financial market data should be included in the scope of this Directive.

Common European benchmarks

Both ESMA and EIOPA should, after consulting the national competent authorities and on the basis of industry testing, develop common European benchmarks for products manufactured and distributed in more than one Member State. The benchmarks should be used solely by national competent authorities as a **supervisory tool** to perform the assessment of the qualitative and quantitative features of the products and to identify potential outliers on the market. As a supervisory tool, those benchmarks should not be disclosed publicly and should take into account the qualitative and quantitative features of financial instruments and insurance-based investment products.

If the product deviates from a relevant benchmark, national competent authorities should have the power to take the necessary corrective actions, including requiring the firm to provide a justification for such deviation, requiring the firm to correct its approach to comply with the product governance requirements and, as a last resort measure, requiring that the product be removed from the market, if necessary.

Finfluencers

Members introduced the term 'finfluencer' which means a natural or legal person carrying out a commercial influence activity by mobilising their popularity to communicate to the public, by electronic means and for any sort of remuneration, content aimed at promoting, directly or indirectly, financial products or contracts.

Investment firms, insurance undertakings and insurance intermediaries which make use of finfluencers to carry out their marketing communication should establish a **written agreement** with the finfluencers laying out the content of their contractual relationship, namely the scope and nature of the activities carried out. They should also provide the competent authority upon request with the identity and contact details of the finfluencers whose services they rely on, and should regularly operate controls over the activities carried out by the finfluencers to ensure the finfluencers' compliance with this Directive.

Financial culture

Trust in Union financial markets is intrinsically linked to the level of participation in those markets by retail clients. Education and knowledge are tools to empower each citizen to make informed investment decisions. However, the level of financial literacy differs significantly across Member States. According to Members, the proposed Directive should lay the ground for increasing the level of financial education in each Member State. In view of the limited competences conferred upon the Union in that area, it is the responsibility of each Member State to ensure that proper adjustments are made, particularly in their education systems, to comply with this Directive.

Retail investor protection rules

2023/0167(COD) - 24/05/2023 - Legislative proposal

PURPOSE: to amend certain Directives as regards the Union retail investor protection rules.

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: investor protection rules are currently set out across sector specific legislative instruments, including the Markets in Financial Instruments Directive (MiFID II), the Insurance Distribution Directive (IDD), the Undertaking for Collective Investment in Transferable Securities (UCITS) Directive, the Alternative Investment Fund Managers Directive (AIFMD), and the taking-up and pursuit of the business of Insurance and Reinsurance Directive (Solvency II), as well as an amending Regulation, which revises the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation. The rules can differ from one financial instrument to another and may sometimes be inconsistent, making the cumulative requirements confusing for retail investors. At the same time, digitalisation has led to changes in distribution models and to new forms of marketing for financial instruments towards retail clients.

The legal framework governing retail investor protection is extensive and largely harmonised at EU level. Notwithstanding this extensive body of legislation at EU level, the evidence gathering exercises have identified a **number of significant shortcomings**, in particular with respect to the way retail investment products are distributed and the way information is provided to retail investors.

The Commission has identified a number of problems along the retail investor's journey that hinder their ability to take full advantage of capital markets:

- retail investors have difficulties accessing relevant, comparable and easily understandable investment product information to help them make informed investment choices;
- retail investors are exposed to a growing risk of being inappropriately influenced by unrealistic marketing information through digital channels and misleading marketing practices;

- there are shortcomings in the way products are manufactured and distributed, linked to conflicts of interest that may arise as a result of the payment of inducements between product manufacturers and distributors;

- some investment products incorporate unjustifiably high levels of costs and consequently do not always offer Value for Money to the retail investor.

To address the problems on the retail investments market, further efforts are required at EU level.

On 8 October 2020, the European Parliament adopted a [resolution](#) on the future development of the capital markets union, which broadly supports measures to increase retail investor participation in capital markets.

CONTENT: therefore, the proposed Omnibus amending Directive sets out the amendments to be made to the different abovementioned Directives. Overall, it aims to update the retail investor protection rules to bring greater coherence to the legislative framework whilst reinforcing investor protection rules.

Its general objectives are to strengthen the protection framework for retail investors to empower them when taking investment decisions and to ensure their fair treatment when using investment services in order to achieve better investment performance. The retail investment strategy also aims to improve the efficiency and integration of the internal market across all retail financial services.

The specific objectives of this proposal are as follows:

- **improving information provided to investors** and their ability to take well-informed investment decisions. The proposal aims to improve the legal framework by adapting disclosures to the digital environment, making disclosures more relevant for retail investors and ensuring retail investors receive marketing communications, also through online channels, that are relevant and not misleading. Moreover, the existing **record keeping** obligation to all marketing communications which are directly or indirectly made by the investment firms, insurance undertakings and insurance intermediaries should be extended;

- **better aligning interests between intermediaries and investors**. The improvements to the framework would ensure that the advice given to retail investors is not biased by monetary or non-monetary incentives provided by product manufacturers to intermediaries, is of good quality and adapted to their needs, preferences and objectives;

- **ensuring that retail investors are offered cost-effective products**. A strengthened approach in the legislative framework based around the value offered aims to help retail investors achieve better returns and easier access to more cost-efficient retail investment products. The proposal gives a **mandate to ESMA and EIOPA** to develop, make publicly available, and regularly update cost and performance benchmarks against which the manufacturers and distributors must compare their products prior to offering them on the market.

Budgetary implications

The proposal is expected to have budgetary implications as a consequence of a number of new tasks conferred to ESMA and EIOPA.

ESMA will require additional budget for operational expenditure of EUR 1.5 million for the first three years of implementation to cover IT costs and costs related to externally contracted consumer testing of new consumer-facing disclosure tools, as well as the setting up and administering of collaboration platforms and a budget of EUR 1.26 million will be required for EIOPA.