

The Managing Director of EuroInvestors and Secretary General of Euroshareholders spoke at the Commission's Hearing on the Review of the MiFID Directive on 20 September 2010 about investor protection (Panel IV).

He expressed his disappointment as it seems that, in 2010, we are back to "business as usual" and back to the pre-crisis relationship between the regulators and the financial industry:

1. Out of about 50 panels participants to the Hearing: only one represented retail investors (and none at all for consumers).

This is contrary to the public commitments made by the Commission last year: *«The interests of European investors, consumers and SMEs, must be at the centre of the reform...The Commission will ... ensure that the voice of European investors is much more strongly heard on all financial issues. The Commission therefore proposes to provide direct funding to facilitate the capacity-building of investor stakeholders to represent their interests in financial services policies at EU level... A proposal will be presented by the end of 2009».*

(EC Communication "Driving recovery", 4 March 2009)

2. We believe the investor protection issues that the EC submitted to CESR for advice are secondary ones compared to the most critical and important ones which are in our view:

- a) the independence and quality of financial "advice";
- b) the poor actual enforcement of the MiFID provisions regarding conduct of business, fair and not misleading information, and conflicts of interests in the distribution;
- c) the significant MiFID - induced reduction of capital markets transparency for smaller investors without any real transaction costs reduction for them;
- d) the very narrow scope of MiFID regarding retail investment products: only about a fifth of them (only securities and investment funds are covered by MiFID, nothing else).