



EUROPEAN COMMISSION

Brussels, 28.06.2016  
C(2016) 3885 final

Dear Chairman,

*The Commission would like to thank the Riksdag for its Opinion on the Green Paper on retail financial services {COM(2015) 630 final}.*

*The Commission's objective (in proposing this Green Paper) is to stimulate an EU-wide debate on retail financial services. The Green Paper sets out the situation of the retail financial services markets across Europe and invites all interested parties to identify possible obstacles to overcome the current fragmentation in the market. The Commission is analysing the responses to its consultation very carefully and will focus possible follow-up on areas which are most conducive to improving the everyday experience of retail financial services, both for consumers and for suppliers.*

*The Commission is encouraged that the Riksdag largely shares our preliminary analysis of the current state of retail financial services markets, which are characterised by high market concentration and a lack of easy access to products from other Member States. The Commission agrees with the Riksdag that a further deepening of the Single Market could therefore be beneficial and that digitalisation could constitute an important driver of change in this regard.*

*The Commission also took good note of the Riksdag's expectations and concerns in terms of possible follow-up to the Green Paper on retail financial services. The Commission understands the Riksdag's concerns to avoid the lowering of the Swedish consumer and investor protection rules. The Commission wishes to stress that the initiative is not aimed at lowering consumer or investor protection standards. The EU has adopted a number of consumer protection laws in the area of investor protection, mortgages, payment accounts, and insurance, which only recently entered into force.*

*The Riksdag wanted attention to be focused on small and medium-sized enterprises (SMEs). The Commission is very sensitive to the plight of SMEs, which form the backbone of the EU's economy. The newly created European Fund for Strategic Investments has proved helpful in channelling investment to European SMEs and, in the context of the Capital Markets Union*

Mr Urban AHLIN  
Speaker of the Riksdag  
SE – 100 12 STOCKHOLM

*(CMU) initiative, the Commission has developed targeted SME-related measures, such as the proposed revision of the Prospectus Directive, which aims to lower the reporting requirements for smaller issuers; the planned creation of a venture capital fund of funds to grant SMEs easier access to seed capital; and an initiative to provide SMEs with more targeted information about alternative financing opportunities.*

*The Commission is fully aware that many fin-tech companies are small and medium-sized businesses, and that their future development brings opportunities.*

*The Commission recognises that differences in regulation might only be one of several factors which determine why we see relatively little cross-border trade at present. For example, the Riksdag mentions the insurance business, which is also confronted with 'location of risk' and taxation issues. The Commission is aware of these complexities, and that some retail financial products might be more suitable to be traded across borders than others. The Commission has also noted the Riksdag's concern that free movement of capital rules should not be hampered and that the Anti-Money Laundering (AML) Directive has only been revised recently.*

*The Commission recognises that these points are pertinent observations, which we intend to consider in more detail.*

*The Commission is analysing the replies received from all interested parties. In total, more than 400 replies were received via the on-line questionnaire and a summary of them will be published closer to summer.*

*The Commission hopes that these clarifications address the questions and issues raised by the Riksdag and looks forward to continuing our political dialogue in the future.*

*Yours faithfully,*

*Frans Timmermans  
First Vice-President*

*Lord Hill  
Member of the Commission*