



## BIPAR Statement on the RIS package

24 May 2023

Today the European Commission published its two proposals for the Retail Investment Strategy (RIS):

1. A proposal for an **Omnibus Directive** amending the IDD, MiFID II, Solvency II, AIFMD and UCITS;
2. A proposal for a Regulation amending the **PRIPs** Regulation.

BIPAR and its members support the Capital Market Union (CMU) that aims to ensure that retail investors can take full advantage of the capital markets and to put capital markets at the service of people, offering them both increased investment opportunities and strong investor protection. Intermediaries, close to consumers, are key in realising these objectives. The 800,000 insurance and investment intermediaries in all corners of the EU that BIPAR represents, are mainly small locally operating entities. They are highly regulated and supervised. Intermediaries “nudge” people and families to think about their risks related to their patrimonium, retirement and longevity. These intermediaries are remunerated for their services via either a fee or a commission system. This remuneration is regulated and transparent.

After a first analysis of **the proposed Omnibus Directive**, BIPAR would like to highlight the following points:

- The proposal does not introduce an outright ban on inducements for the distribution of IBIPs (insurance-based investment products).
- The proposal introduces specific training and knowledge requirements for intermediaries distributing IBIPs and aims to improve the quality of information for pre-contractual and contractual requirements.
- The proposal includes complex provisions regarding product governance requirements for IBIPs (pricing process, EIOPA benchmark, value for money controlled by the supervisor).
- The very important number of Level II measures (delegated Acts and RTS) may complexify the regulatory framework applicable to the distribution of IBIPs in Europe.

According to a BIPAR spokesperson: *“Together with our national associations we are now studying the proposals in detail and assessing their impact on our sector. The proposals are complex, and it is too early to evaluate what they mean in practice. It would be regrettable if the RIS were to become an obstacle to its own objective: to stimulate investment by European citizens”.*

*“We have trust in the existing recent and modern system. Although some problems have been identified in some Member States and for some products, the identification of a problem should not be the excuse to introduce new rules all over Europe. Rather than introducing a complex, expensive, revolutionary new set of rules, we are of the opinion that it would be more efficient, in terms of cost and legal certainty for all market parties, to use the existing regulatory/supervisory tools to address these issues”.*

The RIS proposals will in the coming weeks and months be discussed and amended by the European Parliament and the Member States in the Council (\*). Together with its 47 national associations, BIPAR will continue to explain its position to national and EU lawmakers and politicians. It will also continue to explain the added value of the hundreds of thousands of smaller and medium-sized intermediaries working in all corners of the EU, for the market, the economy, consumers and providers.

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*(\*) The Commission's proposals will only be the starting point of the legislative process. Once the Parliament and Council have adopted their respective positions, the trilogue discussions will start. Here, the Commission, Parliament and Council discuss and look for a compromise between the 3 versions of the texts. The before mentioned procedure typically takes at minimum 12 months before a final text is adopted.*