



Retail Investment Strategy (RIS)

The European Commission and the ESAs launched various consultations on the RIS in 2021 and 2022, all of which BIPAR responded to. At the end of April 2022, the 3 ESAs published their technical advice to the Commission ([EIOPA on IDD IBIPs](#), [ESMA on MiFID II](#) and the [joint ESAs on PRIIPs](#)).

The Commission also ordered an external study on inducements, investment advice and information disclosure. This “Kantar” [report](#) was published on 2 August 2022. BIPAR and other stakeholders criticised certain of its figures. The Commission published a corrigendum in February 2023.

In the run-up to the publication of the RIS, the Commissioner for Financial Services, Mairead McGuinness, made several public statements in which she indicated that she was in favour of a ban on inducements. This triggered a lot of reaction from stakeholders, including BIPAR, and from several Member States who are against bans on inducements. During a [speech](#) in April 2023, she nuanced this statement, saying a full ban on inducements would not be part of the RIS, however adding that even if they do not propose a ban on all inducements now, it does not mean a free pass for the financial sector.

BIPAR’s key messages

In the run-up to the RIS, BIPAR’s overarching key points with respect to the RIS were as follows:

- the existing legislative framework is sufficient;
- insurance is not investment;
- need for regulatory stability, choice regarding remuneration/inducements/advice;
- BIPAR supports improved financial literacy;
- need for a level playing field (open finance/digital innovation);
- need for a broad study of consumer behaviour and influence of disclosures on consumer decision-making;
- regarding sustainable investment, intermediaries are willing to assist retail investors but need information from manufacturers.

Publication of the RIS on 24 May 2023

The publication of the RIS was postponed several times. It was finally published on 24 May 2023 and consists of a [proposal for an Omnibus Directive](#) amending the IDD, MiFID II, Solvency II, AIFMD and UCITS; and a [proposal for Regulation amending the PRIIPs Regulation](#).

BIPAR published a [statement](#) following the publication of the RIS and is currently following the readings and amendments by the European Parliament and the Council.

European Commission’s consultation on its proposals to increase retail investors’ participation in capital markets

In its response sent to the Commission on 28 August 2023, BIPAR made the following points amongst others: BIPAR and its members welcome the objective of the RIS to increase retail investors’ participation in capital markets. Intermediaries can contribute towards that objective, advising on IBIPs (Insurance-Based Investment Products) and enabling consumers to invest with confidence in financial markets.

The proposed Omnibus Directive introduces significant changes to the IDD general chapters that apply to the distribution of all insurance products, including IBIPs but also non-life and life. These changes in the general chapters do not aim at improving citizens’ participation in capital markets. Their impact has not been assessed. They should be proposed and discussed during the upcoming general IDD revision.

While the RIS proposed Omnibus Directive does not introduce a total ban on inducements – which BIPAR welcomes - the proposed rules on remuneration of intermediaries, scattered across various articles, are so demanding and complex that they could ultimately lead to commission-based practices being abandoned to the detriment of all retail investors, particularly the smaller ones.

The proposed Directive proposes a ban on inducements paid by manufacturers to insurance distributors in relation to non-advised sales of IBIPs and in relation to independent advice on IBIPs. BIPAR believes that these measures could have important disruptive consequences for the sector and consumers’ access to investment and insurance protection.



BIPAR notes the excessive number of level II and III measures (delegated acts, technical regulatory standards, implementing standards, guidelines, etc.) introduced for the governance and distribution of IBIPs. It makes the regulatory framework more complex to the detriment of all retail investors and the industry and creates legal uncertainty.

The timeline for the implementation of the proposed requirements and their review is unrealistic. BIPAR believes that not enough consideration is given to the time needed by the industry to comply with the many level II measures and national provisions once published. They will trigger significant structural changes for the sector, in particular for SME intermediaries. At present, the transposition dates mentioned in the proposals are not realistic.

BIPAR's [contribution](#) to the Commission's consultation.

The RIS proposals have now been sent to the European Parliament and the Council for their amendments and adoption. Once the Parliament and Council have adopted their respective positions, the trilogue discussions can start. The whole procedure typically takes a minimum of 12 months before a final text is adopted.

BVK in Brussels in October 2023

In October 2023, the German Association of insurance agents (Bundesverband Deutscher Versicherungskaufleute (BVK) - BIPAR's member), together with BIPAR, lobbied for further clarification of the draft RIS for insurance agents in a meeting with MEP Markus Ferber in Brussels.

Watch the video [here](#).