







Procedure file

Basic information	
<p>COD - Ordinary legislative procedure (ex-codecision procedure) Directive</p> <p>2023/0167(COD)</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 2.50.03 Securities and financial markets, stock exchange, CIUTS, investments 2.50.05 Insurance, pension funds</p> <p>Legislative priorities Joint Declaration 2023-24</p>	

Key players				
European Parliament	Committee responsible	Rapporteur	Appointed	
	ECON Economic and Monetary Affairs	 YON-COURTIN Stéphanie Shadow rapporteur  SEEKATZ Ralf  HEINÄLUOMA Eero  GRUFFAT Claude  ZANNI Marco  NESCI Denis		30/05/2023
	Committee for opinion	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 Financial Stability, Financial Services and Capital	Commissioner MCGUINNESS Mairead		

Key events

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		
20/03/2024	Committee decision to open interinstitutional negotiations with report adopted in committee		
02/04/2024	Committee report tabled for plenary, 1st reading	A9-0162/2024	
10/04/2024	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 71)		
23/04/2024	Decision by Parliament, 1st reading		
23/04/2024	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 71 - vote)		

Technical information

Procedure reference	2023/0167(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
	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 EU TFEU 053-p1; Treaty on the Functioning of the EU TFEU 062
Stage reached in procedure	Awaiting Parliament's position in 1st reading
Committee dossier	ECON/9/12124

Documentation gateway

Legislative proposal	COM(2023)0279	24/05/2023	EC	Summary
Document attached to the procedure	SEC(2023)0330	25/05/2023	EC	
Document attached to the procedure	SWD(2023)0278	25/05/2023	EC	
Document attached to the procedure	SWD(2023)0279	25/05/2023	EC	
Committee draft report	PE753.711	09/10/2023	EP	
Amendments tabled in committee	PE754.651	09/11/2023	EP	
Amendments tabled in committee	PE755.007	09/11/2023	EP	

Amendments tabled in committee	PE755.009	09/11/2023	EP
Committee report tabled for plenary, 1st reading/single reading	A9-0162/2024	02/04/2024	EP

Additional information

Research document	Briefing	22/04/2024
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Retail investor protection rules

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.

Transparency				
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	Assicurazioni Generali S.p.A
SEEKATZ Ralf	Shadow rapporteur	ECON	16/01/2024	Deutscher Unternehmenverband Vermögensberatung
ZANNI Marco	Shadow rapporteur	ECON	15/01/2024	AMF Italia - Associazione Intermediari Mercati Finanziari
YON-COURTIN Stéphanie	Rapporteur	ECON	20/12/2023	BIPAR - European Federation of Insurance Intermediaries
YON-COURTIN Stéphanie	Rapporteur	ECON	20/12/2023	Planète CSCA
HEINÄLUOMA Eero	Shadow rapporteur	ECON	07/12/2023	Talous- ja sosiaalikomitea
POPTCHEVA Eva Maria	Committee chair	ECON	29/11/2023	Österreichischer Sparkassenverband
SEEKATZ Ralf	Shadow rapporteur	ECON	28/11/2023	Insurance Europe
SANT Alfred	Member	05/03/2024	Insurance Ireland	
LALUCQ Aurore	Member	19/02/2024	Euronext	
BENJUMEA BENJUMEA Isabel	Member	15/02/2024	ALLFUNDS BANK, S.A.U.	
	Member	09/02/2024	Crédit Agricole S.A.	
POLFJÄRD Jessica	Member	25/01/2024	Swedish Securities Markets Association (Swedish: Föreningen Svensk Värdepappersmarknad)	
KARAS Othmar	Member	24/01/2024	Wirtschaftskammer Österreich	
	Member	23/01/2024	Planète CSCA	
	Member	18/12/2023	EURALIA Fédération nationale des syndicats d'agents généraux d'assurance	
	Member	07/12/2023	Association française des sociétés Financières EURALIA	

BENJUMEA BENJUMEA Isabel	Member	05/12/2023	AMUNDI AM	
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