

Comments Template on EBA, EIOPA and ESMA's Joint Consultation Paper on its proposed response to the European Commission Call for Advice on the Fundamental Review of the Financial Conglomerates Directive

**Deadline:
13.08.2012
cob**

Stakeholder:

EuroFinuse, the European Federation of Financial Services Users

Rue de Lombard, 76 B-1000 Brussels

The question numbers below correspond to Joint Consultation Paper JC CP 2012 01

Please follow the instructions for filling in the template:

- ⇒ Do not change the numbering in column "Question".
- ⇒ Please fill in your comment in the relevant row. If you have no comment on a question, keep the row empty.
- ⇒ There are in total 10 questions. Please restrict responses in the row "General comment" only to material which is not covered by these 10 questions.
 - If your comment refers to multiple questions, please insert your comment at the first relevant question and mention in your comment to which other questions this also applies.
 - If your comment refers to parts of a question, please indicate this in the comment itself.

Please send the completed template to joint-committee@eba.europa.eu, jointcommittee@eiopa.europa.eu, and joint.committee@esma.europa.eu, **in MSWord Format, (our IT tool does not allow processing of other formats).**

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CFA Questions	Comments
General Comments	<p>The European Federation of Financial Services Users (EuroFinuse) welcomes this Joint Consultation from EBA, ESMA and EIOPA. EuroFinuse counts more than fifty national and international member and sub-member organizations. In turn those count about four million individual members. EuroFinuse acts as an independent financial expertise center to the direct benefit of the European financial services users (shareholders, other investors, savers, pension fund participants, life insurance policy holders, borrowers, etc.) and other stakeholders of the European financial services who are independent from the financial industry. EuroFinuse has experts participating in the Securities & Markets, the Banking and the Pensions Stakeholder Groups of the European Supervisory Authorities, and in the EC Financial Services User Group. Its national members also participate in the national financial regulators and supervisors bodies when allowed. For further details please see our website: www.eurofinuse.org.</p>
1.	<p><i>What should be the parameter of supervision, where a financial conglomerate is supervised on a group wide basis? Should Institutions for Occupational Retirement Provision (IORPs) be included as part of a financial conglomerate?</i></p> <p>We support the First Recommendation of the ESAs to the Call for Advice from the European Commission regarding the inclusion of the Institutions for Occupational Retirement Provision (IORPs) into the scope of the Financial Conglomerates Directive.</p> <p>We believe such IORPs, whenever together with their parent undertakings have a relevant size, should be considered as financial conglomerates. In terms of systemic stability, they have not significant differences from banking, investment, or insurance firms. That is why IORPs fall, in our opinion, within the definition of "financial sector". And, as a matter of fact, it is necessary to consider the expected increase of its role in the economy, due to the shrinkage of welfare state-related benefits and the necessity to increase the Pillar II and Pillar III-type pension benefits that citizens receive.</p>

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We accept that risks can be differently assessed depending on the type of business (banking, insurance, pensions) and that IORPs' influence on systemic stability may not be as high as for banking business. However, such risks when combined in institutions dealing with many kinds of businesses are more difficult to assess. That would in practice multiply the risk associated with such activities, either for banking, insurance or pensions. Other institutions providing insurance ancillary services undertakings and all special purpose vehicles or entities; and mixed financial holding companies (MFHCs) should also be considered into the scope of the FICOD II.

And, finally, we understand as well that due to the current revision of the IORP Directive, there is no certainty about its future scope (whether it will consider large, systemically important institutions). However, in our view, it is important to ensure that large conglomerates containing at least an IORP will be effectively regulated for the next years, and this is the right moment to do it -when the two related pieces of legislation at the EU level are being reviewed-.

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**Annex H
Questions**

General
Comments

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