

PRESS RELEASE

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Coronavirus: time to work together

The world is obviously going through a tumultuous time, one that few have seen the like of before. We will all need to be adaptable, resolute, and particularly conscious of society and others, not just ourselves. Focusing on “us” and “we” rather than “I” and “me” is imperative.

The need to think of others and concentrate on their requirements is a skill generally shared by the financial advisory sector – putting the client at the centre of everything is now embedded in regulation and, therefore, increasingly the core of the ethos in our industry.

Society needs a functioning advisory sector

Of course, the key individuals during this terrible time will predominantly be those providing medical care and expertise. However, in addition to the huge health implications of Covid-19, we are also starting to see and understand the enormous economic consequences that are going to result from this pandemic. Advisers and financial intermediaries can, and will, play a very important part in mitigating some of the potential personal financial disasters that might otherwise occur. Helping and guiding people and their families through this time will be highly important in keeping society in some sort of working order, financially speaking.

Pragmatism not more regulation now required

In order to do this, there needs to be something of a moratorium on further or new regulations and requirements that affect the advisory community – and the financial services industry as a whole. The industry also needs to be given time to absorb the significant regulations and legislation that have arisen and been imposed over the last year or two, including with regards to reporting requirements.

FECIF therefore welcomes the recommendations issued by the European Insurance and Occupational Pensions Authority (EIOPA), which are addressed to national competent authorities and relate to supervisory flexibility regarding the deadlines of supervisory reporting and public disclosure, in light of the pandemic.

EIOPA has issued these recommendations so that the industry can concentrate its efforts on monitoring and assessing the impact of the Coronavirus situation as well as ensuring business continuity during these difficult times. This is extremely important as, whilst the advisers can assist clients in planning appropriately, this will only be effective if the “product providers” can work with them, effectively.

ESAs showing understanding

In addition, the industries’ ability to input to ongoing and future regulatory developments during this time is likely to be impaired by the crisis, and therefore needs to be appreciated in that light. We therefore welcome the recent decision by the ESAs (European Supervisory Authorities) to extend the response date for all ongoing consultations with a closing date on, or after, 16th March by four weeks. We also urge them to be flexible with regards to these delayed deadlines, if circumstances mean that not all relevant submissions are able to be submitted by the new dates. Some of these processes may need to be postponed further

and, in certain cases, perhaps even suspended until the world returns to some sort of normality.

FECIF's wishes

FECIF therefore hopes that regulators and legislators, and all relevant authorities, will now adopt emergency measures to support economies; unlike the global financial crisis this will mean huge provisions for the whole economy, not just the banking sector of course. At the same time, these institutions must think about how the economy can be given a fresh start, with regulatory relief once this crisis has been overcome. This necessary "economic miracle" must also be promoted by reducing bureaucracy. This has to now become the focus of work in the EU.

We remain at the disposal of our members and the regulators at this time. We are in the arguably fortunate position of being able to manage all key aspects of our day-to-day activities remotely, not least as we always operate this way for much of what we do. We continue to monitor the issues that impact our membership and report on relevant matters as and when appropriate, whilst communicating regularly with regulatory authorities and all other relevant entities.

For FECIF it is thus predominantly "business as usual". For the EU institutions this, however, cannot be the approach.

Ends

About FECIF

FECIF (The European Federation of Financial Intermediaries and Financial Advisers) is a Brussels-based non-profit organization, chartered in June 1999 for the support and promotion of the role of financial advisers and intermediaries in Europe. FECIF has subsequently also made the protection of consumers one of its main objectives.

FECIF represents in excess of 30 trade bodies or industry organisations; via these it acts on behalf of around 300,000 advisors and intermediaries in Europe - and around 640,000 individuals in total.

More Details

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