



CONVENTION OF INDEPENDENT FINANCIAL ADVISORS

A Non-Profit Swiss Foundation

A Non-Governmental Organization in special consultative status
with the Economic and Social Council of the United Nations

Press Release

8th International Forum of the CIFA in Madrid

INDEPENDENT FINANCIAL ADVISORS EMERGE STRONGER FROM THE FINANCIAL AND BANKING CRISIS

MADRID, APRIL 30, 2010 — The leading international forum of independent financial advisors gathered high-level speakers from Europe and the United States in Madrid to highlight the systemic failures of finance and regulation which caused the current crisis, and to outline future solutions. The eighth edition of the International Forum of the CIFA (Convention of Independent Financial Advisors), a Geneva-based NGO in special consultative status with the Economic and Social Council of the United Nations, was held in the Spanish capital from April 28 to 30 under the theme "Financial bubbles and regulatory bubbles". Panel discussions led by high-level international experts debated the respective roles and responsibilities of financial professionals, governments and investors. The forum brought together nearly 200 participants, including delegates of forty national associations representing more than 500,000 independent financial advisors in over 15 countries.

"The is not a financial crisis but a banking crisis," said Chris Cummings, Director General of the Association of Independent Financial Advisers (AIFA)in London. As a result, the monumental failure of the banking system and of the regulation supposed to ensure its proper functioning triggered an unprecedented crisis of confidence among investors, which seek more than ever the advice of independent financial consultants. "In Britain, the independent financial advisors (IFAs) now enjoy a level of confidence three times higher than the banks," said Chris Cummings, adding that for private funds in Britain the IFAs now accounted for 76 % of financial transactions by value.

This trend is also marked in Spain, host country of the 2010 CIFA Forum, noted Carlos Orduña, President of the Official Council for Financial Advisors of the Spanish Economists Association in Madrid. "This crisis has opened the eyes of customers. They realized that the products that banks had recommended them were often not in their best interest. Today, there is a clear demand for independent financial advice," said Carlos Orduña during a panel discussion on the theme of relationships between banks and independent financial advisors.

Other roundtables addressed the structural problems of the crisis with themes such as "Financial sphere and criminality: a challenge for the protection of the institutions and the investors", "Financial crises and their socioeconomic fallouts" or "Integrity, Ethics and Transparency: can these pillars of trust be secured by regulation?".

The debates were animated by distinguished speakers from the financial community, the academic world or government, coming from Europe and the United States, such as Eliot Spitzer, former Attorney General and Governor of the State of New York, known for his legal cases against Wall Street executives, or Professor William K. Black, criminologist, former regulator, professor at the University of Missouri-Kansas City and author of several books including "The best way to rob a bank is to own one." Both speakers denounced the high level of fraud in the financial community as prominent causes of this crisis, a reality that is only beginning to emerge with charges held against the Goldman Sachs bank for example. "After what I saw on Wall Street, I am convinced that only the government can impose a minimum level of integrity in financial markets. Left to themselves, they invariably tend to a race to the bottom of ethical standards," said M. Spitzer. But he noted that regulation is not sufficient and that the will to enforce rules is more important. "The Fed or the SEC had the means to do what should have been done, but they have not exercised their authority. If I had to choose, I would rather change the people in charge than change the laws."

The full written minutes of the debates of the Eighth International Forum of the CIFA will be available this summer.

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CIFA, a Swiss non-profit foundation, was created in 2001 to reinforce the role of independent financial intermediaries at the international level in order to better defend the interest of investors. Its international forum, which has become a must annual meeting for financial advisors in Europe and overseas, was held five times in Geneva (2003-2007), then in Prague (2008), Paris (2009) and Madrid (2010). CIFA is the first financial sector organization recognized as an NGO in special consultative status with the Economic and Social Council of the United Nations. It gathers more than forty national federations and associations of independent financial advisors, representing over 500,000 individual members.

Detailed information on the CIFA and its annual forums is available on its website **www.cifango.org**