

FECIF writes to Euro Commission over burden of regulation on advisers

04 March 2011 by Simon Danaher

Fecif, which represents about 200,000 financial advisers working in Europe, has written to the European Commission raising concerns about the burden of regulation on its members.

The letter, addressed to Emil Paulis, the director of financial services policy and financial markets at the Commission, outlined the findings of a survey of more than 1,000 Fecif members which found that advisers spend on average 50% of their time and 20% of their costs on compliance related issues.

Fecif chairman Vincent Derudder said in his letter that there appears to be a “huge gap between the objectives of the Commission (consumer protection) and the results obtained through what seems to appear an excess of regulations”.

Derudder went on to highlight a number of comments made by interviewees during the survey which illustrate a conflict of interest between clients, providers and intermediaries created by the “excess regulation”.

The letter further outlined a series of technical concerns voiced by Fecif members during the survey in relation to the review of the MiFID regulation, on which Fecif has recently submitted a paper, and new rules expected to be implemented as a result of the review.

Many of the concerns raised were around the protection of client identity data which would be subject to automatic transmission in the event of a suspicious transaction. Derudder said that according to EU Directive 95/46/CE, and the European Convention on Human Rights, EU consumers/citizens have a right to privacy and the automatic transmission of their ID will “clearly violate this right”.

Derudder closed his letter with an invitation for the EC to engage with Fecif on the matter.

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