



Investment firms face a future of accelerating change. A forward-thinking Investment Industry adaptive to change will be characterised by:

- Higher standards
- Proactivity and purpose
- Value addition
- Positive contributions to society



Capital Markets Union

Issues:

- Market fragmentation
- Alternatives to bank financing
- Small/Medium Enterprises financing
- Heterogeneity in taxation, ownership and a transfer of securities' regulations
- Securities lending can lead to unstable markets

Recommendations to EU institutions:

- Incentivise long-term investment solutions
- Policies to encourage research coverage of SME's
- Focus on investor protection through enhanced and standardised disclosure requirements
- Direct supervisory powers to ESMA for cross-border investment funds



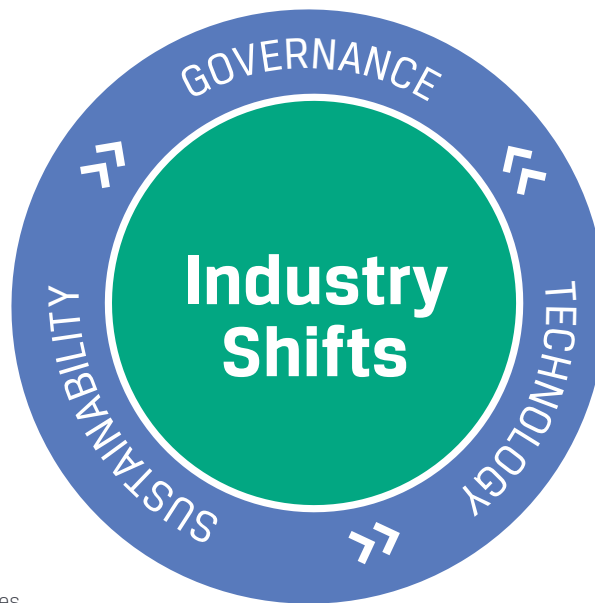
FinTech

Issues:

- Automated financial advice can lead to behavioral biases
- Regulation of crypto-assets

Recommendations to EU institutions:

- Crowdfunding and peer-to-peer lending frameworks
- Create advisory boards as intermediaries between start-ups and information channels
- Specific ad-hoc legislation on crypto-assets




Value for Money

Issues:

- Limited understanding of value of investments
- Exclusion of past performance information in the PRIIPs KID leaves investors uninformed
- Unclear scope of the PRIIPs regulation
- MiFID II may have negative consequences on research quality and coverage

Recommendations to EU institutions:

- Enhanced consistency of definitions across the regulatory framework
- A fair and reasonable explanation of fees
- Monitor unintended impact of MiFID II rules on investment research and competition in the industry
- Clarification of the scope of the PRIIPs regulation



Sustainable Finance

Issues:

- Definition of ESG or ESG integration and subsequent training
- Quality and comparability of ESG data
- Minority shareholders' voice on ESG
- Inconsistent legislative approach for ESG integration across EU

Recommendations to EU institutions:

- Integration of governance issues in the investment analysis and decision processes
- Board accountability for minority shareholders
- Flexible and harmonized taxonomy for sustainable activities

