

| Comments Template on EIOPA-CP 13/016 Consultation Paper on a Draft Report on Good Supervisory Practices regarding knowledge and ability requirements for distributors of insurance products | | Deadline 23 September 2013 12:00 CET |
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| Company name: | European Federation of Financial Advisers and Financial Intermediaries (FECIF) | |
| Disclosure of comments: | EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential. <i>Please indicate if your comments on this CP should be treated as confidential, by deleting the word Public in the column to the right and by inserting the word Confidential.</i> | Public |
| <p>Please follow the instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ <u>Do not change the numbering in column "Reference", or any other formatting in the file.</u> ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph, keep the row <u>empty</u>. Please do not delete rows in the table. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific paragraph numbers below. <ul style="list-style-type: none"> ○ If your comment refers to multiple paragraphs, please insert your comment at the first relevant paragraph and mention in your comment to which other paragraphs this also applies. ○ If your comment refers to sub-bullets/sub-paragraphs, please indicate this in the comment relating to the corresponding paragraph. <p>Please send the completed template to CP-13-016@eiopa.europa.eu, in MS Word Format, (our IT tool does not allow processing of any other formats).</p> <p>For your convenience, the complete list of questions is outlined below:</p> <ol style="list-style-type: none"> 1. <i>Does this Report address the most relevant issues? If not, what other aspects should EIOPA consider?</i> 2. <i>Is this Report helpful in informing the debate over appropriate knowledge and ability requirements for distributors of insurance products (particularly, in the light of the current</i> | | |

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negotiation of the IMD2 proposal)?

3. *Do you consider that the high-level principles cover the right aspects of knowledge and ability?*
4. *Does the section on continuous professional development (CPD) cover the most relevant issues?*
5. *What do you think of EIOPA's suggestion, as an example of a minimum level of CPD, of 30 hours study activities within a period of 3 years (or an equivalent amount on an annual basis)?*

| Reference | Comment |
|-----------------|---|
| General Comment | |
| Q1. | The report addresses the most relevant issues. In addition, EIOPA should consider the aspect of staffing. For intermediaries, it becomes more and more difficult to attract new salespersons. Our members need a legal "rookie" facility for their beginners in order to offer them extra occupational training and education. So far, only certified advisers who already own the licence of their home country are allowed to sell to clients. Financial advice is not only a matter of theory, but also of social competence which can be only achieved by learning on the job. It must be possible for intermediaries to cooperate with novices for a certain time while supervising their activities during the period of education. |
| Q2. | Yes, especially as it covers not only professional knowledge, but also ability and ethics. Currently education and training for any financial business focuses on knowledge (know-how) and neglects abilities (hands-on) - especially on how to communicate effectively with customers. Only a combination of both knowledge and ability enables a distributor to really understand and comprehend the demands and needs of a customer. |
| Q3. | Yes. But the modus of defining "knowledge" and "abilities" by EIOPA does not comply with the European Qualifications Framework (EQF), the common standard for any kind of education and training throughout Europe since 2008. For instance, IMD-2 and MiFID-2 refer to one of the 8 EQF-levels each differentiating KNOWLEDGE, SKILLS and COMPETENCES. In order to ensure an easy application of the forthcoming EIOPA guideline in the Member States, we recommend to stick to the |

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| | terminology of the EQF framework. | |
| Q4. | <p>Bodies representing distributors should not be excluded from becoming a supervisory authority for CPD, since this would run counter the idea of having those knowing their business contributing to their own professional education and training. This, in fact, is impossible. For instance, a car mechanic can (and should) only be trained by professional foremen who themselves are skilled mechanics. Where else could a novice get the necessary know-how? What needs to be secured is that adequate standards for CDP are put in place and effective supervision is tasked to an independent authority, while at the same time professional associations should be actively invited to contribute to the ongoing operative implementation of CDP for their members.</p> <p>Example 1: The Austrian Association of Financial Advisers in the Chamber of Commerce enrolled a masterplan for 40 hours of CDP within 3 years. Vocational training institutes complying with the content and standards are entitled to offer training courses which are certified by the chamber.</p> <p>Example 2: The Austrian Association of Insurance Broker in the Chamber of Commerce offers Credits for vocational training and education subject that the training institutions reveal the curriculum of their individual seminars which then are assessed by an advisory committee.</p> <p>Example 3: The organisers of conferences/courses for IFAs and brokers in Austria hold a register of attendance, mentioning a number of study points collected by each distributor and the date of the conference, course or workshop.</p> | |
| Q5. | This is a reasonable proposal. | |