Meeting with Deutscher Sparkassen-und Giroverband (DSGV)

Participants:
Commission: Valeria Miceli

Date and Format
20 April 2023 – Virtual meeting

Minutes
DSGV shared their concerns in relation to the following topics: 1) Retail Investment Strategy and in particular the ban on inducements 2) recently adopted CMDI proposal.

On RIS, they shared their concerns that a full ban of inducements would not deliver on empowering retail investors and increase their participation in financial markets, on the contrary it would be counterproductive as it would expose retail investors to a financial advice gap thus reducing their appetite to invest in financial markets. They provided their figures according to which currently in Germany the overwhelming majority of investments in financial markets are carried out with the help of financial advisors. They also pointed out to some specificities in the German market that would make a full ban of inducements highly disruptive for entire sectors and professions.

In order to tackle the issue of potential conflicts of interest, they suggested to increase transparency, enhancing quality of service and increase financial literacy. They pointed to the German example in this regard where Bafin checks whether inducements money is actually used to enhance customer experience and financial literacy.

On CMDI, they shared their concerns on the recently adopted proposal in relation to the impacts on the functioning of IPS in Germany.