



World Federation of Insurance Intermediaries

To the Joint Forum

Brussels, 10 October 2013

Dear Madam, dear Sir,

Subject: The Joint Forum's Consultative document on the Point of Sale disclosure in the insurance, banking and securities sectors

WFII appreciates the opportunity to comment on the Consultative document on the Point of Sale disclosure in the insurance, banking and securities sectors drafted by the Joint Forum.

WFII welcomes initiatives that are undertaken to enhance financial consumer protection. We believe that informing the consumer of key features of a financial product with an investment risk, in a clear way and before the conclusion of the contract, can contribute to the understanding of the characteristics and risks of such a product.

WFII takes note of the view of the Joint Forum that there is a need for a cross-sectoral approach to the POS disclosure in relation to investment or saving products.

We are of the opinion that POS disclosure regulation based on such a cross-sectoral approach should not imply that the application of the regulation in itself is cross-sectoral or copy pasted.

The insurance sector with its insurance investment products and the securities sector with its own investment products are completely different markets and can, in our view, not be captured in one regulation nor can the securities sector be the benchmark for requirements for the insurance (distribution) sector. Each sector requires its own regulation, only then is it possible to take full account of the legitimate specificities of each sector with its own products, producers and distributors.

We are pleased to see that the Joint Forum recognises in its report this need for adaptation of POS disclosure requirements to the specificities of the sector by providing *recommendations that are intended to allow for a wide range of application and adaptation in different jurisdictions*.

We would however appreciate if the report would also recommend to regulators and supervisors that the specificities of a sector are best taken into account when regulation is specifically designed for a specific sector and stands on its own.

Therefore, we believe that **Recommendation 1** should be written as follows:

Jurisdictions should consider implementing a concise written or electronic POS disclosure document for the product sample identified in this report, taking into account the jurisdiction's regulatory regime and taking into account that the specificities of a product are best reflected when regulation is specifically designed for this product and stands on its own.

With regard to **Recommendation 3** we suggest adding the word total costs of a product as this is a key message that is clear and easy to compare for the consumer.

We believe that from a legal perspective, the word *fair* in **Recommendation 4** could lead to legal uncertainty. We therefore suggest deleting this word.

With regard to **Recommendation 5**, WFII believes that POS disclosure requirements should be adapted to and proportionate with the specificities of the product. This should be reflected in this Recommendation, as follows:

The POS disclosures should include the same type of information, with room for adaptation to and proportionate with the specificities of the product, to facilitate comparison of competing products.

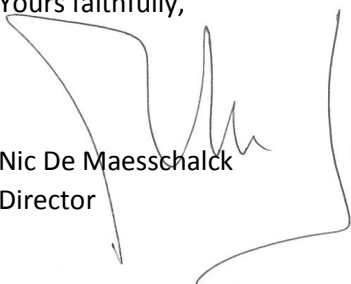
Recommendation 7 in our view should be more specific as to which party is responsible for the content of the POS disclosure document. Indeed, it should be clear that the producer of the product is responsible for the content of the POS disclosure document as it is a document that is relating only to the product. The distributor of the product can never be responsible for the content of this document. They have to rely on the product producer for this. The distributor can potentially have only responsibility for handing over the document to the consumer.

Furthermore, the POS disclosure document is a document about the disclosure of the features of a particular product. This means that there is no place in the document for disclosure of distribution charges. We suggest making this clear in the third bullet point of explanation to Recommendation 7 (page 22).

To conclude, WFII appreciates that the Joint Forum recognizes that supervisors must consider the costs and benefits of any potential disclosure requirements. We believe this important reference should be included in the text of the Recommendations themselves or at least be included in the paragraph "Implementation" on page 4.

We would appreciate very much if you could take the above into consideration.

Yours faithfully,



Nic De Maesschalck
Director