

13 January 2012

Review of the Markets in Financial Instruments Directive

Questionnaire on MiFID/MiFIR 2 by Markus Ferber MEP

Response by Allianz SE

General Remark

Allianz SE welcomes the opportunity to comment on the MiFID/MiFIR 2 proposal. Subject to more detailed comments likely to be provided at a later stage of the legislative procedure, we appreciate the opportunity to provide the following comments on behalf of the Allianz Group.

Theme	Question	Answers
Investor protection	15) Are the new requirements in Directive Article 24 on independent advice and on portfolio management sufficient to protect investors from conflicts of interest in the provision of such services?	<p><u>As to independent advice</u></p> <p>Allianz fully supports the requirement for investment firms to inform about whether advice is provided on an independent basis. However, we are concerned about possible adverse effects a ban on commission might have in terms of access to financial products since many retail customers might not be willing to pay fees for advice.</p>
	16) How appropriate is the proposal in Directive Article 25 on which products are complex and which are non-complex products, and why?	<p>The proposal is not appropriate with regard to the definition of loans: Under the new provisions execution only transactions which are carried out by granting a loan will be prohibited (see para 1 Annex 1 section B of the MiFID II proposal). There is a risk that also overdraft facilities and overdrawings which are common to ordinary consumer accounts could unintendedly fall under the definition of a loan. Most customers, however, will not accept that their account cannot be used for a pursued transaction even if the overdraft line is not used. Moreover, if narrowly interpreted, customers could easily circumvent such a provision by obtaining credit by a different institution.</p> <p><u>Clarification is needed</u> that overdraft lines and overdrawings do not fall under the term "credit" or "loan" mentioned in para 1 Annex 1 section B of the MiFID II proposal.</p>

Detailed comments on specific articles of the draft Directive	
Article number	Comments
Art. 25 (3); Annex I, section B, para (1) :	<p>Under the new provisions execution only transactions which are carried out by granting a loan will be prohibited (see para 1 Annex 1 section B of the MiFID II proposal). There is a risk that also overdraft facilities and overdrawings which are common to ordinary consumer accounts could unintentionally fall under the definition of a loan. Most customers, however, will not accept that their account cannot be used for a pursued transaction even if the overdraft line is not used. Moreover, if narrowly interpreted customers could easily circumvent such a provision by obtaining credit by a different institution.</p> <p><u>Clarification is needed</u> that overdraft lines and overdrawings do not fall under the term “credit” or “loan” mentioned in para 1 Annex 1 section B of the MiFID II proposal.</p> <p><u>Proposal for an amendment</u> of Annex I section B para (1): “<i>Granting credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction. Overdraft facilities and overdrawings which are common to ordinary consumer accounts are not credits or loans for the purpose of this Directive.</i>”</p>

Contact:

Allianz SE European Affairs Office
Avenue des Arts 27
B-1040 Brussels

Burkhard Ober, Representative of Allianz Global Investors Europe
burkhard.ober@allianzgi.com; +32-(0)2-234.11.82

Anne Plöger, Regulatory Policy Advisor, Allianz SE European Affairs Office
anne.ploeger@allianz.com; +32-(0)2-234.11.83