

EUROPEAN PARLIAMENT

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2009

Committee on Economic and Monetary Affairs

**PROVISIONAL
2007/2010(INI)**

18.4.2007

DRAFT OPINION

of the Committee on Economic and Monetary Affairs

for the Committee on the Internal Market and Consumer Protection

on Green Paper on the Review of the Consumer Acquis
(2007/2010(INI))

Draftsman: Olle Schmidt

SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on the Internal Market and Consumer Protection, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Recalls that this opinion regards mainly the consumer aspects of financial services sector;
2. Stresses that in line with the Green Paper¹ the legislative follow-up in the financial services sector may be excluded given the sector specific rules; hence supports a principle-based, rather than a prescriptive or case-oriented approach;
3. Welcomes the Commission's ambition to simplify and modernize the existing legislative framework thus facilitating cross-border trade and strengthening consumer confidence;
4. Considers that the financial services suffer from legislatively fragmented state of the existing rules, which allows excessive leverage for the Member States to diverge in implementation, thus adding costs to business and consumers alike. It supports full harmonization through a mixed approach, where horizontal instruments are granted, but vertical actions may apply only when needed. Any proposal for revision of consumer protection rules needs a cost-benefit analysis;
5. Recalls the discussion on collective redress and believes it deserves further consideration, despite national differences in the conduct of business rules; asks the Commission to appoint a working group to draft recommendations;
6. Believes that to increase consumers' confidence, the focus should remain on the ability of the consumer to make informed decisions and not on limiting the choice of financial products according to their risk levels; such limitation may reduce profits and lead to a suboptimal return for the consumer; a particularly unwelcome outcome for pension funds;
7. Encourages the industry to agree upon and follow a set of principles on disclosure, thus providing relevant information for the retail investor on any retail financial product.

¹ COM(2006)0744.