

MARCH 2024

CONSULTATION AFG'S RESPONSE

ESMA – Discussion Paper on MIFID II investor protection topics linked to digitalisation



AFG



The AFG federates the asset management industry for 60 years, serving investors and the economy. It is the collective voice of its members, the asset management companies, whether they are entrepreneurs or subsidiaries of banking or insurance groups, French or foreigners. In France, the asset management industry comprises 700 management companies, with €4600 billion under management and 102,000 jobs, including 27,000 jobs in management companies.

The AFG commits to the growth of the asset management industry, brings out solutions that benefit all players in its ecosystem and makes the industry shine and develop in France, Europe and beyond, in the interests of all. The AFG is fully invested to the future.

AFG will not provide answers to each specific question of ESMA's discussion paper, but rather make the following general comments :

- ❖ Several topics covered in this discussion paper, including marketing communications, are currently discussed at the legislative level within the *Retail Investment Strategy*. It is therefore premature to work on level 2.
- ❖ Regarding the notion of “vital information”, it is important to notice that the information that should be considered as vital can differ depending on the type of product, on the complexity of the product, on the target market, etc.
- ❖ AFG recognizes the need to avoid excessive jargon when possible. However in some instances it remains necessary to use technical language. In the context of digital communication, AFG hence supports the use of glossaries accessible via hyperlinks or sidebars.
- ❖ At least in France, general rules related to the protection of investors are very strict and can already be applied to services or marketing through digital means. Hence it might not be necessary to create specific requirements for digital practices. Moreover, any very detailed requirement would probably become quite quickly outdated, due to technological innovation.
- ❖ Retail investors as well as retail financial advisors are demanding documents that are clearer and more client oriented than regulatory documents like the PRIIPs KID. It is therefore extremely important to maintain some flexibility for product manufacturers and distributors when developing marketing material. The possibility to create understandable marketing material is key in order to increase retail investor's participation in financial markets.

ESMA – Discussion Paper

AFG's response

