

The European Federation of Financial Advisers and Financial Intermediaries (FECIF) was constituted in 1999 for the defence and promotion of the role of financial advisers and intermediaries in Europe.

In May 1999, the European Commission launched its Financial Services Action Plan, which identified no fewer than 42 legislative initiatives necessary to complete the single market in financial services.

FECIF, the only European body representing European financial advisers and intermediaries, is based in Brussels, the heart of Europe.

The European financial adviser and intermediary community includes approximately

- 250,000 private individuals exercising this profession as a main occupation (representing approximately 40,000 legal entities),
- About 150,000 are members of national professional associations (38 at today's count).

The professional activities of advice and mediation are today penalised by extremely constraining regulations, the soaring cost of compliance procedures, the development of new technologies, and the demands of a generally distressed and ill-informed clientele.

But, in 2004, financial advisers and financial intermediaries will collect worldwide more than US\$ 300 billion worth of fees on the "mass affluent" individual customer segment with liquid assets between € 100,000 and € 1 million.

The formulation of European legislation for financial services, whilst being done for the protection of consumer's interests must be applicable without pointless restraints for practitioners.

It remains a hard task for the European Commission in view of, amongst other things, the paltry enthusiasm of national civil servants, based on their narrow view of society, for anything that might represent the slightest change in their little practices or privileges.

However, the "time bomb", which in the very short term is constituted by the pensions problem, reinforces the political need to attack the ensuing problems sooner than later, even if the politicians are showing a certain reluctance for European harmonisation of legislation, that would take a more liberal direction, and be more genuinely concerned with consumer interests, than certain national administrations might wish.

The failure of the state pension systems will open unprecedented prospects for European financial advisers and intermediaries called upon to assist the anxious consumer in the right choice of options and alternatives for the sound management of his or her inheritance.

However, the lack of training and organisation of certain financial advisers and intermediaries can create problems and **FECIF** must tackle the provision of quality training courses and ensure assistance for adviser and intermediary integration, in close co-operation with its national member associations.

FECIF will continue to show determination in its representation of the fundamental interests of its members by advocating the principle of self-regulation of the profession in an environment that too often tends to be excessively regulated - to the detriment not only of consumers' interests, but also those of the economic players.

A non-profit-making association, **FECIF** is still an independent organisation at the exclusive service of its financial adviser and intermediary members from the 15 European Union countries, plus Switzerland and Norway.

Definitions of the Adviser and Intermediary Role

- An adviser acts as a service provider for his or her client
- Totally independent by nature, an adviser is required to offer absolutely impartial advice
- An adviser is remunerated exclusively by his or her client

For information, advisers account for only some 5% of the European financial adviser and intermediary community.

- An Intermediary can be independent (broker) and is likely to act either as a representative of his or her customer or as a supplier of a product and/or service
- An intermediary is remunerated by the supplier whose product or service is proposed
- The majority of European intermediaries (about 70%) represent from 3 to 5 product or service suppliers. They can hold several mandates (multi-tied agents)
- Although a multi-mandated intermediary does not give his or her customer totally impartial advice, the latter can however have access to a selection of products and services

An intermediary who is single-mandated (representing only one product and/or service supplier), is evidently not in a position to advise his or her customer since there is no choice to be offered.

Advisers and intermediaries have certain obligations in common:

- To ensure the adequacy of their working capital with the necessary infrastructures for providing quality assistance for their clients/customers
- To be covered by professional civil liability indemnity insurance
- To have the requisite experience, training and qualifications
- To be placed under the supervision of a public supervisory body

An independent adviser or intermediary is defined as an individual who, not being attached to any company is capable of examining with his or her customer - with complete freedom - the advisability of selecting a particular product or a service from the range of products and services available on the market.

FECIF has set itself the objective of supporting the development of the concept of independent financial advice and intermediation in the European Union, while seeking to serve the interests of the general public:

- *To unite and co-ordinate the operations of the various European professional associations (including Switzerland and Norway) representing the financial advice and intermediation sector, without any distinction.*
- *To represent its members in the context of negotiations with the various bodies of the European Union in order to protect their moral, professional and economic interests, and to play an active role in the development of proposals relating to the organisation and regulation of the professional activities of financial advisers and intermediaries within the European Union.*
- *To encourage the exchange of information between members and to facilitate the circulation of the recommendations and/or rules adopted by the competent regulatory bodies.*

- *To define, by basing itself on certain self-monitoring mechanisms, the necessary vocational training, the means of evaluating skills and the essential rules for guaranteeing the protection of the interests of this sector and its image with the public.*

FECIF examines and submits proposals relating to the development of the financial advice and intermediation sector.

FECIF studies the means of promoting the image of the financial advice and intermediation professions among European consumers as well as encouraging better organisation of these professions without compromising the association's non-profit-making character.

It encourages the development of a professional insurance system designed for its members and ensures the circulation of information intended for European financial advisers and intermediaries and their customers.

FECIF, which sees itself as a proposal organisation, would like to work in close co-operation with the European institutions, the consumer associations and the representatives of the product and service suppliers.

FECIF should be actively involved in the formulation of the legislation on advice and intermediation, as well as in the formulation of the regulations in respect of the marketing of financial products and services.

The role of **FECIF** is also to facilitate, throughout the European Union, Switzerland and Norway, the coming together of financial advisers and intermediaries wanting to work together in order to offer a more high-powered service to their customers.

All the national and European associations of financial advisers and intermediaries have been invited to become members of **FECIF**. The great majority have accepted this invitation, conscious of the importance of being able to speak with one voice during dialogue with the institutions.

Certain financial groups (banks, insurance companies, etc.) that have shown true commitment alongside the advisers and intermediaries for the development of independent intermediation, became members of **FECIF** as associate members on the same footing as those advisers and intermediaries that are not already members of a national association.

FECIF co-ordinates all of its activities from its head office in Brussels, which is a reception centre for the European institutions and an ideal base.

FECIF has seen a considerable increase in its influence since its creation in 1999, when it represented only 10,000 professionals as against more than 100,000 in 2003!

FECIF's electronic database abounds today with more than 30,000 references of European financial advisers and intermediaries that have taken part in the various surveys organised by **FECIF** since 1999 in co-operation with banks, insurance companies or the specialist press, relating to multiple subjects of general interest to European financial advisers and intermediaries.

FECIF has taken part in the various working meetings organised by the European Commission and in 2003 attended more than 50 seminars organised by local associations, and also conference exhibitions such as PIMS, CIFA, Financial One, Shorex, Fidroit, etc.

The first "Convention of Independent Financial Advisers" (CIFA), organised in Geneva in April 2003, was a great success attracting European advisers and intermediaries to discuss subjects of common interest in open forum. This convention provided an opportunity for evoking the setting up of reinforced co-operation between **FECIF** and the *European Financial Planning Association*, with CIFA offering a permanent forum of study and proposal for the financial adviser and intermediary professions in Europe.

FCI Network Services SA

Founded in July 2000, the "Service" division of **FECIF**, "**FCI Network Services SA**", is not a commercial organisation seeking to distribute products and/or services but has a calling to offer to the members of association and the general public assistance in keeping with **FECIF**'s objectives.

FCI Network Services has set itself the objective of helping **FECIF** members to develop their marketing activities, and to play an active partner role by fulfilling its mission of being a source of information and contacts:

- Documentation (legal, fiscal, etc.) and general et information
- Financial expertise and search/study for and of products and/or services
- Sales and acquisitions of financial advisers and intermediaries – mergers and associations

It is important to note that it is thanks to the activities proposed by **FCI Network Services SA** and to the income that it derives from them (whilst invoicing its services almost at cost price), that **FECIF** can finance the budget for its activities of lobbying, provision of information, etc and its development, without having to increase contributions, which remain fixed at a symbolic rate.

Appendix 1:

Table1 - Adviser and intermediary share (%) of the savings fund collected in Europe

Country	% of Savings Fund
Great Britain	56%
Belgium/Netherlands	51%
Germany	36%
Scandinavian Countries	35%
Italy	34%
Spain	30%
Luxembourg	20%
France	6%

Table 2 – Estimated number of Advisers/Intermediaries per country/group of countries

Country	Number (Private individuals)
Germany	100,000
Great Britain	40,000
Italy	35,000
Spain	20,000
Switzerland	6,000
France	3,000
Luxembourg	3,000
Greece	3,000
Baltic states	3,000
Netherlands	3,000
Belgium	3,000
Scandinavian Countries	2,500
Austria	1,800
Ireland	1,000
Portugal	500

Table 3 – Number of advisers and intermediaries belonging to Professional Associations

Country	Professional Association List with Numbers of Members (Private Individuals)
Germany	Regional Associations/30,000 DGF-€FPA/15,000 FIFA/6,420
Great Britain	LIA/23,000 AIFA/17,000 SOFA/8,000 IFP/2,000
Italy	ANASF/12,000
Spain	AIF/5,000 ANAF/1,300
Switzerland	ASG/750 GSCGGI/750 Regional Associations/1,000
France	APECI/1,400 ANCDGP/800 CNCEF/700 CCEF/500 AFCGP/26
Luxembourg	ALPP/1,180
Greece	HIBA/250 PhAIA/750 ChP/2,500
Baltic states	BAFI/under formation
Netherlands	NIBE-SVV/1,800
Belgium	BzB/1,000 FinPlan/750 APAFI/200
Scandinavian Countries	UUJHsv/650
Ireland	IBA/300
Austria	OCF/300
Portugal	APS/250

Appendix 2:

EUROPEAN FEDERATION OF FINANCIAL ADVISERS AND FINANCIAL INTERMEDIARIES

General Information

Board of Directors:

José Soriano i Ribera – Honorary Chairman

Jean-Pierre Duverney-Guichard – Chairman

Jacques Potdevin – Deputy Chairman

Vincent J.Derudder – General Secretary

Jean Fuchs – Treasurer

Prof. Dr. Henry Schäfer – DGF/Germany

Sergio Boido – ANASF/Italy

Rainer Juretzek – EFPP/Germany

David Martin – Independent/Great Britain

Andrew Peat – Independent/Great Britain

Alberto Romagosa-Danes – AIFC/Spain

Aldo Varenna – ANASF/Italy

For any further information, please contact:

Vincent J.Derudder – General Secretary

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