

Call for expression of interest: Consultative Working Group for Investor Protection Standing Committee

Background

- ESMA is today launching the process to establish a Consultative Working Group (CWG) for Investor Protection Standing Committee (IPSC). ESMA is therefore calling for expressions of interest from stakeholders by 5 July 2024 to become a member of the CWG.
- 2. ESMA has established the CWG to benefit from the expertise of stakeholders who are specialised in topics concerning investor protection within ESMA's remit and all relevant aspects of distribution of financial products by intermediaries to investors, including policy and convergence aspects of financial innovation in the retail space (such as dealing with innovative products and distribution channels) and sustainability aspects with direct impact on retail investors, and financial education.
- 3. Consultative Working Groups (CWGs) are an important part of ESMA's stakeholder outreach formed under the terms of ESMA's Public Statement on Consultation Practices (ESMA34-39-969)¹. Members of such groups are to be selected following an open call for candidates published on the ESMA website and are currently appointed for a period of three years. Upon completion of the selection process, ESMA will inform the applicants of the outcome and publish the composition of the 2024/2027CWG on its website.

ESMA's Investor Protection Standing Committee (IPSC)

- 4. In order to fulfil its mission, the Board of Supervisors has established the Investor Protection Standing Committee (thereafter IPSC) pursuant to Article 41 of ESMAR as a permanent internal committee.
- 5. IPSC undertakes ESMA's work relating to the provision of investment services and activities to different categories of clients by investment firms and credit institutions² as well as the provision of crowdfunding services by crowdfunding service providers. Special attention is given to investor protection, including the distribution of investment products and, more in general, authorisation of investment firms, conduct of business and

¹ ESMA34-39-969 Public Statement of Consultation Practices, available at www.esma.europa.eu

² General information on the activities of Standing Committees at ESMA, including IPSC, are available on ESMA's website (here).



organisational requirements regulated by the Markets in Financial Instruments framework (MiFID, MiFID II³) as well as by the European Crowdfunding Service Providers Regulation (ECSPR⁴).

6. In line with the ESMA Strategy 2023-2028⁵, IPSC will consider in all its activities how to contribute to retail investor protection, effective financial markets and financial stability, supervision and supervisory convergence, sustainable finance as well as to technological innovation and increased use of data.

Description of main CWG tasks

- 7. ESMA expects members of the CWG group to provide expert advice to the IPSC in the field of their expertise.
- 8. In order to do this, the CWG may be called upon to provide input at all stages of the IPSC work such as, *inter alia*:
 - a) Matters of retail investor protection within ESMA's remit and all relevant aspects of distribution of financial products by intermediaries to retail investors, including financial education activities and the use of behavioural finance.
 - b) Policy and convergence aspects of sustainability and of financial innovation (such as dealing with innovative products, distribution channels and the use of digitalisation and technological innovation in the provision of financial services) that have a direct impact on retail investors.
 - c) Other regulatory issues related to the provision of investment services and activities and crowdfunding services, notably with regards to authorisation, organisational requirements, conduct of business rules, distribution of investment products and investment advice.

Terms of Appointment

- 9. CWG members are selected for a renewable term of three years.
- 10. CWG members are appointed on a personal basis and are bound by confidentiality requirements in relation to all non-public information they are provided with while performing their tasks.
- 11. CWG members are expected to attend all meetings and to take an active part in discussions.

³ <u>Directive 2004/39/EC, Directive 2014/65/EU</u> and <u>Regulation (EU) 600/2014</u>.

⁴ Regulation <u>2020/1503/EU</u> .

⁵ ESMA22-439-1076 ESMA Strategy 2023-2028, available at



- 12. At the start of each meeting, any member whose participation in the group's deliberations would raise a conflict of interest on a specific item on the agenda, other than the fact of their current positions with organisations, shall inform the Chairperson and disclose the conflict to the group in a transparent manner.
- 13. ESMA reserves the right to exclude at any time from the CWG those members who breach the code of conduct set out in the application form, particularly when it comes to a minimum level of attendance, breaches of confidentiality or misrepresentation of their status of CWG member.

Selection criteria

- 14. This call for expressions of interest is open to any person with expertise in the areas identified in paragraph 7 that represents the categories listed in paragraph 16 and that also complies with the eligibility requirements in paragraph 18.
- 15. The CWG will be composed of a maximum of 20 individuals representing a balanced proportion of relevant areas of expertise.
- 16. Whilst primarily focusing on the qualifications of the members in terms of knowledge and experience, the selection of CWG members will aim to ensure, to the extent possible, an appropriate geographical and gender balance, and representation of all relevant stakeholders across the EU affected by the work of ESMA in the area of investor protection. In particular, ESMA will be seeking to ensure a balanced representation of the following types of stakeholders:
 - representatives of retail investors and users of financial services,
 - · financial market participants, and
 - academics.
- 17. ESMA will also take into account the potential for any conflicts of interest in its selection of CWG members.
- 18. Assessment of eligibility will be based on the following criteria:
 - a) A minimum of 10 years of relevant professional experience in the financial services sector related to retail investment services will be required for the financial market participants,
 - b) A minimum of 5 years of experience relevant to the investor protection field (including financial education/literacy, behavioural finance, sustainability and digitalisation of retail investment services) will be required for the stakeholders from the other categories.

Selection process



- 19. Applications will be accepted from natural persons only. Only the natural person selected will be admitted to the CWG. No substitution (alternates) of natural persons will be permitted throughout the full duration of the appointment, or during possible renewals.
- 20. Applicants not selected may be included on a list of experts, with the possibility of being invited to become a CWG member at a later stage.
- 21. ESMA's Executive Director, in consultation with the Head of the Investor Protection and Sustainable Finance Department and the Chair of the IPSC will make the final selection of CWG members.

Place of provision of services

22. The CWG will meet at least twice a year and meetings, organised by ESMA, will normally take place virtually or at ESMA's premises in Paris. CWG members are expected to attend all meetings organised by ESMA.

Compensation, travel expenses

- 23. There is no compensation for being a member of a CWG.
- 24. CWG members are expected to meet their own travel expenses. However, members representing retail investors/customers, trade unions, non-governmental organisations (NGOs), non-profit organisations, shareholder associations and academics may be eligible for reimbursement of travel expenses and a daily allowance in accordance with ESMA policy (ESMA63-46-7106).

Application procedure, closing date

- 25. Relevant stakeholders meeting the required selection criteria and wishing to apply for a position on the CWG are invited to submit, in **English**:
 - a. A completed, signed <u>application form on ESMA website</u>, https://www.esma.europa.eu/form/ipsc-cwg-call
 - b. A motivation letter (maximum two pages); and
 - c. A detailed curriculum vitae (CV), preferably in the EU CV format please find a link to the relevant template: https://europa.eu/europass/en
- 26. Unclear or incomplete applications will not be considered.

⁶ ESMA63-46-710 ESMA Policy on the Reimbursement of travel and subsistence expenses for external persons, available at: www.esma.europa.eu



- 27. Applications must be submitted by no later than 5 July 2024 through ESMA website https://www.esma.europa.eu/form/ipsc-cwg-call.
- 28. Applicants will be informed in due course following the conclusion of the application process.
- 29. ESMA will publish the composition of the CWG on its website.
- 30. Applicants must keep ESMA informed of any change in their situation or address, so that their application may be kept up to date.