

Nordic Financial Unions

Olof Palmes gata 17 | 101 34 Stockholm

Contact: Magnus Lundberg | Deputy General Secretary

+46 70 392 03 04 | mlu@nordicfinancialunions.org



NFU response to ESMA's guidelines on certain aspects of the MiFID suitability requirements

General remarks

NFU welcomes ESMA's commitment to enhance clarity and foster convergence in the implementation of certain aspects of the MiFID suitability requirements.

Most of the questions asked by ESMA in the guidelines are dealing with matters that are largely oriented towards the industry, and hence not for NFU to comment specifically.

In our reply, we have focused on the issue of skills and expertise for finance sector staff, since this is a very important question for the trade unions and employees in the finance sector.

Question 3: Do you agree that investment firms should ensure that staff involved in material aspects of the suitability process have the skills and the expertise to discharge their responsibilities? Please also state the reasons for your answer.

Yes. Skills and expertise in both product understanding and in the interaction between client and advisor is vital in order to identify customer needs and wishes, and in order to be able to provide various investment proposals that can match the customer's situation. This enables the advisor to advise the client in a way that allows the customer to make the right choice based on his/her own priorities.

It is essential that the company allows for sufficient time and resources for staff training. This concerns both adequate training and opportunities for maintaining and expanding employees' competences in relation to the still larger and more complex demands for financial advice. Time for training must be included in working hours.

Sales targets for specific products should - if used - ALWAYS be designed in dialogue with each employee based on his/her customer portfolio, and should not be decisive for the individual employee's salary.

Furthermore, it is important that the customer can make his/her choice on an informed basis. Transparency is key. The customers is well advised if he/she is informed about any company



provisions and incentive structures, if any, and likewise the employees are better protected if there is full transparency about prices and provisions/commission and bonuses.

About NFU

Nordic Financial Unions (NFU) is the voice of the employees in the Nordic financial sectors. We are an organisation for co-operation between trade unions in the banking, finance and insurance sectors of the Nordic countries. Through our eight affiliated unions in Denmark, Sweden, Norway, Finland and Iceland we represent 160 000 members – a vast majority of the employees in the Nordic financial sectors.

Yours faithfully,

NORDIC FINANCIAL UNIONS (NFU)

Jorunn Berland
President

Christina J. Colclough
General Secretary