



## Asset Management & Investment Funds Update

May 2022

### New Retail Investor Regulation Proposed

On 3 May 2022, the Commission published a CMU-related call for evidence on measures to increase retail investment in the EU. This follows on from the publication of the Commission's Retail Investment Strategy in April last year and the subsequent industry consultation which focussed on:

1. comparability issues due different disclosure regimes applying to similar retail products
2. inducements
3. financial literacy
4. digitalisation
5. sustainable investing

The Commission call for evidence requests feedback on the following preliminary options for addressing the very low levels of retail participation in EU capital markets:

- implement '*targeted modifications*' to adapt rules for the digitalisation of the retail investment sector and streamline and ensure consistency across existing sectoral rules (MiFID, PRIIPs, IDD, PEPP, UCITS, AIFMD and Solvency II)
- implement '*a more substantial overhaul of the existing rules*' such as the suitability and appropriateness assessments
- non-legislative measures to enhance disclosures on the basis of Level 1 rules and promote further supervisory convergence across Member States

In terms of impact of the above options, the Commission notes that '*The introduction of new or better tailored rules orientated towards protection of investors is likely to increase administrative burdens on investment services providers and intermediaries. These impacts may be either temporarily or partially offset through the introduction of more streamlined and consistent rules across different sectoral legislation, as well as initiatives to adapt legislation to a digital environment (e.g., scrapping requirement for paper)*'.

#### Next Steps

Responses to the Commission call for evidence can be submitted up until 31 May 2022. Respondents' feedback will be used to inform a Retail Investment Strategy impact assessment which is scheduled to be finalised by the Commission in September 2022.

---

# WILLIAM FRY

---

DUBLIN | CORK | LONDON | NEW YORK | SAN FRANCISCO | SILICON VALLEY

William Fry LLP | T: +353 1 639 5000 | E: [info@williamfry.com](mailto:info@williamfry.com)

[williamfry.com](http://williamfry.com)

This briefing is provided for information only and does not constitute legal advice