EFAMA
European Fund and Asset Management Association

OPEN LETTER

Brussels, 4 November 2026

Dear Members of the European Parliament,

The European Commission rightly identified that fostering broader retail participation is essential to financing the European Union's long-term priorities. Europe needs more citizens to invest for the long term and support economic growth while also preparing for retirement. Yet the final text of the Retail Investment Strategy (RIS) that has emerged from trilogues, after two years of painful negotiations, will achieve the exact opposite of that ambition. Instead, it adds complexity and legal uncertainty to an already extensive legal framework. **EFAMA, the trade body representing the European investment management industry, urges you to vote against the final text of the RIS in the Plenary session on 11 November.**

1. RIS falls short of its objectives

At a time when Europe must bridge the growth financing gap and foster a culture of retail investment, the RIS focuses on applying prescriptive requirements and value chain mechanics rather than looking at how investors actually access and use financial products. It fails to improve the investor journey in any way and creates new barriers where it should remove them.

2. RIS is largely still a black box

The RIS relies heavily on Level 2 measures in a futile attempt to address significant issues for which no definitive solutions could be found during the Level 1 discussions, and to resolve fundamental inconsistencies embedded in the Level 1 text. Voting in favour of the text means approving a framework whose substance has yet to be written, and whose practical consequences remain unknown.

3. RIS adds regulatory complexity instead of removing it

The RIS introduces new "Value for Money" assessments as well as an "Inducement Test" and additional reporting obligations. The result is a tangle of duplicative requirements, new compliance rules that are operationally difficult to implement, that absorb significant supervisory resources, and that deliver no benefit whatsoever to end investors.

4. RIS causes additional fragmentation of the Single Market and legal uncertainty for firms

By piling up "Value for Money" assessments at national and European levels rather than a harmonised EU framework, the RIS risks a proliferation of divergent national and product frameworks, the opposite of what the Savings & Investments Union is meant to deliver. Firms distributing cross-border will face as many *de facto* regimes as there are supervisors willing to legislate on top of an already ambiguous Level 1 text.

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EFAMA | European Fund and Asset Management Association
Rue Marie-Thérèse 11 | B-1000 Bruxelles | T +32 2 513 39 69 | info@efama.org | www.efama.org | EU transparency register: 3373670692-24

5. RIS will cause the European Union to fall further behind in global competitiveness

The RIS weakens the EU's global competitiveness because it adds compliance costs, administrative burdens, and regulatory complexity to an industry that already operates under one of the world's most comprehensive investor protection regimes. The concern is not merely about inconvenience, but about Europe becoming a less attractive place to manufacture, distribute, and manage investment products.

Yours sincerely,



Tanguy van de Werve

Director General, EFAMA

ABOUT EFAMA

EFAMA is the voice of the European investment management industry, which manages around EUR 34 trillion of assets on behalf of its clients in Europe and around the world. Its membership consists of 28 national associations, 46 global asset managers, and 29 associate members. We advocate for a regulatory environment that supports our industry's crucial role in steering capital towards investments for a sustainable future and providing long-term value for investors.

Besides fostering a Savings & Investments Union, consumer empowerment and sustainable finance in Europe, we also support open and well-functioning global capital markets and engage with international standard setters and relevant third-country authorities. EFAMA is a primary source of industry statistical data and issues regular publications, including Market Insights and the authoritative EFAMA Fact Book.

More information is available at www.efama.org