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THE EUROPEAN UNION**

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ADDENDUM TO REPORT

from: Presidency
to: Permanent Representatives Committee (Part 2)
Subject: Proposal for a Regulation of the European Parliament and of the Council on key information documents for packaged retail investment products (PRIPs)
- *General approach (Declarations for the minutes)*

DECLARATION BY FRANCE

“Despite improvements brought by the Presidency, France cannot approve of the compromise text due to the fact that it still provides an option for Member States not to lay down rules for administrative sanctions where breaches to the proposed regulation are subject to criminal sanctions in their national law. In this Regulation and beyond, such an option would not be appropriate for legislation relating to rules of conduct or investor disclosure documents for which a strong, harmonised and effective regime of administrative sanctions is essential.

France expects these subjects to be revisited during the negotiations with the European Parliament to achieve a more effective and harmonised regime.”

DECLARATION BY GERMANY AND THE UNITED KINGDOM

“Germany and the UK support the Presidency in trying to move forward the discussion on key information documents for packaged retail investment products. Therefore we will not object the proposed compromise text of the regulation.

Nevertheless it is in our point of view necessary to improve the scope of the regulation in regard of effective investor’s protection and a European level playing field for investment products. The PRIPs initiative will only achieve its investor protection objective and rebuild consumer confidence with all substitutable and comparable products in scope. In the case of the exclusion of life insurance products which may provide a variable bonus or surplus yield from the scope we do not consider the exclusion of these products appropriate. Excluding these products invites arbitrage and undermines the main purpose of the regulation, which is to ensure that retail investors receive a uniform disclosure document regardless of the legal form of the investment. We expect that this issue will be revisited during the trilogues with the European Parliament.”

DECLARATION BY AUSTRIA

“The Austrian constitutional law presently does not allow for administrative pecuniary sanctions in the amount provided for in Article 19 para 2 lit f (i) (a) and (ii) (a). Therefore, we cannot currently commit to the implementation of this provision, as implementation would require an amendment to constitutional law. It is not predictable whether such an amendment to the Constitution will be adopted.”
