OECD/FinCoNet International Seminar on Financial Consumer Protection

European Commission

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Consumer Protection Lens

- 2 Aspects of Consumer protection
  - Rebalancing the asymmetry
  - Empowerment
- EU frawework
  - Specific legislation
  - Horizontal consumer protection legislation

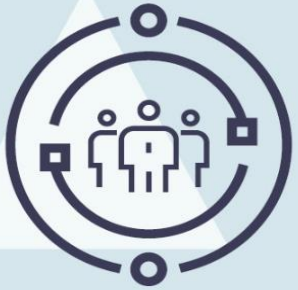
Consumer Protection Lens

- Unfair Commercial Practices Directive
  - Green claims – main requirements
  - Revised guidances
  - New legislative initiative on empowering consumer in the green transition
- Enforcement

Strategy for financing the transition to a sustainable economy – July 2021

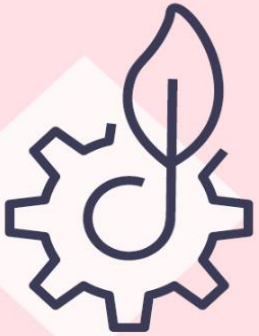
FINANCING THE TRANSITION TO SUSTAINABILITY

This strategy provides the tools and policies to enable economic actors across the economy to finance their transition plans and to reach climate and broader environmental goals, whatever their starting point.



INCLUSIVENESS

This strategy caters for the needs of, and provides opportunities to individuals and small and medium companies to have greater access to sustainable finance.



FINANCIAL SECTOR RESILIENCE AND CONTRIBUTION

This strategy sets out how the financial sector itself can contribute to meet Green Deal targets, while also becoming more resilient and combatting greenwashing.

GLOBAL AMBITION

This strategy sets out how to promote an international consensus for an ambitious global sustainable finance agenda.

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Empowering retail investors (and SMEs) to access sustainable finance opportunities – Action 2

- Encourage **green retail lending**
  - Mortgage Credit Directive review – public consultation from Nov 2021 to Feb 2022
  - Call for advice to the ESAs – results expected in Q2 2022
- **EU Retail Investment Strategy**
  - Qualification of financial advisors – also part of CMU Action Plan
  - Financial literacy – joint EU/OECD-INFE financial competence framework for adults published in Jan 2022

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The foundations of the EU sustainable finance framework

1. EU TAXONOMY

A common classification of economic activities substantially contributing to environmental objectives, using science-based criteria.

- Taxonomy Regulation: **adopted** on 18 June 2020

2. DISCLOSURES

Comprehensive disclosure regime for both non-financial and financial institutions to provide investors with the information necessary to make sustainable investment choices.

- Sustainable Finance Disclosure Regulation (SFDR) **applies** since March 2021
- Corporate Sustainibility Reporting Directive (CSRD) **proposed** by the Commission in April 2021
- Sustainability preferences: **adopted** by the Commission in April 2021

3. TOOLS

Broad toolbox for companies, market participants and financial intermediaries to develop sustainable investment solutions, while preventing green washing.

- EU Climate Benchmarks Regulation **applies** since April 2020
- Standard for European green bonds (EuGB), **proposed** by the Commission today

Monitor an orderly transition and ensure the integrity of the EU financial system – Action 5

- **Monitor greenwashing risks**
  - Assess and monitor greenwashing risks in the financial market and subsequently assess whether supervisory legal mandates, powers, capabilities and obligations are fit for purpose - based on the input of the ESAs
- Ensure a sufficient and consistent **level of supervision and enforcement** across the EU
  - Assess the current supervisory and enforcement toolkit available to competent authorities and consider the need for a stronger coordination and convergence role by the ESAs or other amendments to EU legislation.

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Thank you

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