

Ref.: BEUC-L-2016-072/MGO/sc

12 July 2016

**Re: Consumers should receive information related to the Prospectus Directive in own language**

Dear Members of the ECON Committee of the European Parliament,

We would like to bring your attention to an important issue for consumers concerning the pending Review of the Prospectus Directive. Ensuring that investors receive information about a company's operations in their **own language** is essential. This hinges on a vote in the ECON committee on Wednesday.

As we have made clear throughout the legislative process, ensuring the prospectus summary in the language of the consumer/investor is a basic requirement for making this kind of information relevant. Consumers need this information in their language to be able to make an informed choice.

This stance has also been shared by the opinion<sup>1</sup> of the IMCO committee, stating explicitly that "*the Rapporteur supports the idea that an investor should be able to read the summary of the prospectus in one of the official languages of their home member State and suggests that the prospectus summary **SHOULD** be translated where necessary, using the same language regime as agreed in the PRIIPS regulation.*"

Against this background we are very concerned that in the current compromise text of ECON this crucial issue of consumer protection has not been taken on board, with art 25 stating:

*The competent authority of each host Member State "may" require that the summary referred to in Article 7 be translated into its official language or languages or in one of the official languages, used in the part of the Member State where the investment product is distributed, but it shall not require the translation of any other part of the prospectus.*

→ It is crucial that "may" would change to a mandatory "**shall**". In practice we have seen that many consumers don't get access to basic information of a share or bond in their own language, which has led to consumers buying a product for which they don't understand the basic features and risks.

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<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-578.848+04+DOC+PDF+V0//EN&language=EN>

The Capital Markets Union is meant to work for people. This is a prime example of an EU directive which could really help consumers, but which is at risk of not doing so. If this is not achieved we fear that investor protection in the EU remains patchy and that consumers will get better information on packaged products under PRIIPS than on shares and bonds.

Therefore we would like to ask for your support, by backing the oral amendment that will be tabled on art 25(2) to address this important issue for consumers.

Kind regards,

Monique Goyens  
Director General