

Luxembourg, November 23, 2017 – Final Version

Response to European Commission Consultation Document

Legislative proposal for an EU framework on crowd and peer to peer finance

Introduction

The Association of the Luxembourg Fund Industry (ALFI) is the representative body of the Luxembourg investment fund community. Created in 1988, the Association today represents over 1300 Luxembourg domiciled investment funds, asset management companies and a wide range of service providers such as custodian banks, fund administrators, transfer agents, distributors, legal firms, consultants, tax experts, auditors and accountants, specialist IT providers and communication companies. The Luxembourg Fund Industry is the largest fund domicile in Europe and a worldwide leader in cross-border distribution of funds. Luxembourg-domiciled investment structures are distributed on a global basis in more than 70 countries with a particular focus on Europe, Asia, Latin America and the Middle East.

We thank the EU Commission for the opportunity to participate in this consultation on the Legislative proposal for an EU framework on crowd and peer to peer finance.

Response to the consultation

The Association of the Luxembourg Fund Industry (ALFI) welcomes the European Commission's intended initiative to launch an Inception Impact Assessment. ALFI has carefully analysed the various options the inception impact assessment document listed and concluded that:

- a pan European approach would be very helpful, so consequently, option 3 (a pan European regulation) would be a good start.
- When taking a closer look at option 4 (national level with an opt-in passport possibility on the EU level) ALFI concluded that this might be even more beneficial, as it provides a combination of option 3 and the current status on a need to have basis.

It was ALFI's understanding that under option 4, platforms which only operate on a local level (which is the majority of the platforms) could continue their business on the basis of national regulation and peculiarities. If they want to expand and operate on a cross border basis, they could opt in into an EU passportable regulation. This would give them the most flexibility and they wouldn't risk losing their license and current status quo because of a new regulation.

Appendix: Identification of the stakeholder

- Name and address of the respondent, relevant contact details (including e-mail address for contact):

Association of the Luxembourg Fund Industry

12, rue Erasme

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Contact person for this consultation: François Drazdik (francois.drazdik@alfi.lu)

- If you are registered with the Commission as an "interest representative" your identification number:
6182372280-83
- Are you a recognised European social partner organisation or a representative of a European (sectoral) social dialogue committee?
No.
- Field of activity of the respondent. Please specify your field of activity. Please indicate if you are directly affected by any of the measures and if so, which one and to what extent:
ALFI is the official representative body for the Luxembourg investment fund industry. Being a non-profit organisation, ALFI is not directly affected by any of the measures.
- If the respondent is an association of stakeholders, how many members do you represent and what is your membership structure?
ALFI represents 1300 investment funds, 247 service provider and 19 associate members.
- Do you object to publication of personal data on the grounds that such publication would harm your legitimate interests?
No.
- Do you agree to having your response to the consultation published along with other responses?
Yes.