



Vereniging van Vermogensbeheerders & Adviseurs

European Banking Authority  
Tour Europlaza  
20 avenue André Prothin,  
92400 Courbevoie  
France

Amsterdam, September 2, 2024

Dear Sir or Madam,

The board of the Association of Wealth Managers & Advisors likes to take this opportunity to respond to the discussion paper on the potential review of the investment firms' prudential framework by EBA and ESMA.

We represent small independent investment firms in the Netherlands that do not provide banking services and do not conduct proprietary trading and are mostly owned by a few investors or individuals (majority of them works in the firm as well). Most of our members have less than 50 employees. However, they play an important role in innovation of investment services and they challenge traditional banks and give the end client more options in service models than the standardized proposals of the incumbent large banks.

We want to point out our concern that:

1. The current and proposed rules are **too detailed and too complicated** for small investment firms. Small firms have difficulties to truly understand how all these rules work and what they are required to do.
2. The current and proposed prudential framework is apparently based on a robust set of rules for banks. Investment firms not qualifying as a bank do not attract recallable monies or securities from their clients and/or the public and consequently, should not be subject to a prudential framework at all. The bankruptcy of a small investment firm does not have



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a financial impact on any client of the firm. Segregation of assets already protects our clients.

3. And if a prudential framework should apply to small investment firms, we would strongly advocate a fixed and clear amount. For instance € 50.000,-- Euro.
4. And finally, shareholders of small investment firms should under no condition be subject to prudential requirements.

We are worried by the fact that we are treated as if we are banks and that on the long term, investment services will only be offered by a few big firms and that clients have no alternative other than standardized portfolios. Proposed by there few big firms.

Yours sincerely,

Erik Bakker  
VV&A