



EFFAS THE EUROPEAN FEDERATION
OF FINANCIAL ANALYSTS SOCIETIES



Developing Professional Organisations in Europe - The role of EFFAS

Jesús López Zaballos
EFFAS Chairman

Bucharest, November 2013

EFFAS: A standard setter for investment professionals' requirements

- ❑ EFFAS was set up in 1962, the 50th anniversary was recently celebrated in Brussels.
- ❑ EFFAS is the umbrella organisation of 26 national local societies of investment professionals in Europe.
- ❑ EFFAS represents more than 18.000 professionals in Equity/Bond Research, Asset/Portfolio Management and Investment Advice.
- ❑ EFFAS is a non-for-profit organisation
- ❑ Head Office: Frankfurt am Main



The Role of EFFAS

*Centre for
reflexion
and think tank*

*Working and
Discussion Forum*

*International
referent in Training
& Qualification*

- The overall aim is to set standards for investment professionals in communication, ethics and qualifications.
- EFFAS promotes the development and dissemination of an international Code of Ethics and professional conduct.
- EFFAS recognises and respects regional and local market characteristics.

EFFAS has five standing Commissions

- **EFFAS European Bond Commission (EBC)**
 - Fixed income and derivatives standards throughout Europe
- **EFFAS Commission on ESG (ESG)**
 - ESG reporting, measurement and valuation
- **EFFAS Financial Accounting Commission (FAC)**
 - Accounting standards, guidance on analytical methods
- **EFFAS Market Structure Commission (MSC)**
 - Comments on regulatory proposals / EFFAS position papers
- **EFFAS Training and Qualification Commission (TQC)**
 - Standards on education and examination



... Standards & Position papers for day-to-day work

March 2011

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EUROPEAN REGULATION OF FINANCIAL AND CAPITAL MARKETS
Prepared by Prof. Otto Lucius
Lecturer Dept. Banking & Finance, University Graz

Consultation Document
Green Paper
Long-Term Financing of the European Economy

Comments by the European Federation of Financial Analysts Societies (EFFAS) Market Structure Commission - MSC

Integrity
Qualification
Communication

EFFAS
PRINCIPLES OF ETHICAL CONDUCT

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Exposure Draft: Leases

Comments by the European Federation of Financial Analysts Societies (EFFAS) Financial Accounting Commission – FAC

Key Performance Indicators
for Environmental, Social &
Governance Issues

KPIs for ESG
A Guideline for the Integration of ESG into
Financial Analysis and Corporate Valuation,
Version 3.0

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 **DVFA**
Society of Investment Professionals in Germany

Further to these, EFFAS is continuously working on the development of additional standards that are instrumental in guaranteeing a high level of quality in the exercise of the investment profession.

EFFAS Activities – A platform of Independent Members

-  Austria
-  Belgium
-  Bosnia
-  Bulgaria
-  Croatia
-  Finland
-  France
-  Germany
-  Great Britain
-  Greece
-  Hungary
-  Italy
-  Kazakhstan
-  Latvia
-  Lithuania
-  Luxemburg
-  Netherlands
-  Norway
-  Poland
-  Portugal
-  Romania
-  Russia
-  Serbia
-  Spain
-  Sweden
-  Switzerland
-  Ukraine



EFFAS Summer School



EFFAS Summer School (ESS)

With the support of the Banco Santander, EFFAS has organised since 2008 the EFFAS Summer School in Madrid, in the Santander Financial City (Boadilla del Monte – Madrid).

The 6th Summer School took place on 11-13 July 2013.

The ESS enhances the networking between existing EFFAS designation holders, CIIA candidates and other investment professionals, in a truly international environment.

There are simultaneous plenary sessions and workshops, lectures on current topics of interest will be given by professors and experts from various industry sectors.

EFFAS Diplomas & Certified Diplomas

CEFA

CIIA

- ❖ Risk Management
- ❖ ESG
- ❖ ICGN
- ❖ Credit Analyst

EFFAS e-Learning platform

Certified European Financial Analyst

CEFA

EFFAS e-learning

- Communications
- Library
- Participants
- Evaluation
- Course contents
- Accessories
- End session

CIIA
Certified International Investment Analyst

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Start/Home

Dimension of ACIIA



- Argentina
- Brazil
- China
- Chinese Taipei
- Hong Kong
- India
- Iran
- Japan
- Kenya
- Korea
- Mexico
- Morocco
- Nigeria
- Peru
- Tunisia



Global designation



www.aciia.org

CIIA Diploma

- **As a Founding member of the Association of Certified International Investment Analysts (ACIIA®), EFFAS offers the Certified International Investment Analyst (CIIA®) designation. ACIIA® represents over 30,000 investment professionals world-wide.**
- **The CIIA® ensures tailor-made professional qualification by offering global, as well as local market, knowledge within its examination structure.**
- **In the United Kingdom the ACIIA has an “awarding body status” and the CIIA is recognised by FSSC (Financial Services Skills Council, a part of FSA) as a “Key 2 qualification”.**

CISI announces membership and qualification deal for ACIIA members looking to offer retail investment advice in the UK

Thoughts on the process of European integration

- ❑ For the first time in years, there are positive signs that could drive the European financial integration process.
- ❑ Markets players will have to adapt if they want to compete successfully.
- ❑ Main topics for discussion:
 - ✓ European Financial Oversight
 - ✓ The Banking Union
 - ✓ Investor protection
 - ✓ SME Financing

*OBSERVATORY REPORT ON
FINANCIAL MARKET REFORM
IN THE EU (2013). IEAF (Spain)*

European Financial Oversight

- ❑ Financial supervision systems in the EU have not been effective enough to manage this type of situation.

- ❑ Is still much work to do by ESAs to achieve the objectives of its mission:
 - I. Build a common supervisory culture,
 - II. Contribute to financial stability,
 - III. Prevent regulatory arbitrage and enhance investor protection.

- ❑ Although the new regulatory agenda is designed to combat and prevent future crises globally, the initiatives to do so suffer from certain shortcomings:
 - Lack of coordination
 - Slowness
 - Abundance
 - Complexity
 - Lack of focus
 - Imbalance
 - Distortion

The Banking Union

- ❑ The monetary union has not helped to build a unified capital market.
- ❑ The financing costs borne by companies in Europe with similar business, levels of solvency, liquidity and debt differ vastly from country to country.
- ❑ The latest proposal by the Council of the EU would appear to be appropriate measures to reinforce market discipline.
 - I. Greater responsibility on the part of the entity.
 - II. Absorption of losses by shareholders and creditors.
- ❑ Capital reinforcement, control over debt, prudent lending are core tools for reducing the likelihood of a crisis.
- ❑ Banking groups need to rethink their business models and take a strategic look at their corporate and operational structures to identify where they can streamline.

Investor Protection

- Good governance of companies requires to improve a “risk culture” that extends to all levels of an organization.**
- Customer service is perceived as a key ingredient in the success of a business.**
- Industry must base growth on customer centric commercial models, focusing on transparency and supplying sufficient.**
- Regulation should be reviewed to achieve disclosure guidelines based on abridged models with relevant information alone.**

SME Financing

- ❑ **The biggest impact of the crisis on companies is the lack or higher cost of finance, preventing them from growing and threatening their very survival.**

- ❑ **Businesses need to find alternative sources of finance that enable them to carry out their activities.**
 - **Alternative Markets**
 - **Private Equity**
 - **Business Angels**

- ❑ **Business management must become more professional.**

- The completion of the planned reforms are key to restoring confidence in the markets and away from the risks of new crises that keep us from the European project.**

- Progress on fiscal integration and improved economic governance are the main factors to move towards the construction of the European single financial market.**





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