

conferences, and has had input into various university research projects commissioned by the finance ministry. It has also been actively involved in discussions with the AFM and NBA on new regulations for the supervision of listed companies by external auditors. The VEB focused heavily on this in 2012. For the first time ever, the VEB sent every accountancy practice involved in controlling the financial statements of listed companies a letter outlining the questions and discussion topics it would raise during the 2013 AGM season. It is of great importance that auditors take a proactive role during the AGM of companies they work for.

Against this background, the VEB in July 2013 responded positively to the consultation process initiated by the International Integrated Reporting Council. The VEB sees the advantages in integrated reporting, but it is the job of lawmakers to ensure integrated reporting becomes the worldwide standard for listed companies over the next 10 years.

### 5.5 Financial service providers and duty of care

The VEB welcomes the introduction of a general duty of care requirement for financial service providers and has made its position clear to different MPs and political parties. Duty of care means financial consumers have been given an extra assurance that the regulators will act in cases where the law is being broken. The introduction of duty of care legislation does require the AFM to take a more proactive role with regard to consumers. However, it does mean financial consumers are no longer alone in matters of misleading or unbalanced information provision or unclear advice.

### 5.6 Ban on commission fees

The ban on commission fees was introduced in 2013. The VEB provided extensive information and support to both investors and other financial consumers during the change-over. This change-over has involved a sharp rise in charges for investing, investment advice and asset management and has changed the nature of service provision by financial institutions. The VEB has done its

own research into the impact of the ban on commission fees and alerted the finance ministry and AFM to some of its more undesirable effects. The VEB has been involved in trying to find solutions for problems that have emerged between investors on the one hand, and financial service providers on the other.

### 5.7 Total Cost of Ownership

The aim of the TCO project is to provide greater transparency on the costs of investment services and products. The AFM first said in 2012 that it would respond positively to the creation of a TCO framework. The VEB went to work and in the second half of 2012 produced the document Total Cost of Investment. In it, the VEB outlines very specifically how TCO or TKB should be established. The VEB has raised the issues in talks with the AFM and other market players. Mid-2013, the VEB shared its vision on an all-encompassing cost analysis with various MPs. This led to parliamentary questions, and the VEB was then asked by the finance ministry and AFM to expand on its position. The VEB has also placed the issue on the European agenda. Several members of the European Parliament and the regulators will pay specific attention to the introduction of TCO principles in Europe in 2014.

### 5.8 Consultation

The VEB has given its reaction to various other pieces of draft legislation from both the finance and justice ministries in 2013. The most important of these related to amendments to the Financial Securities Supervision Act and the Financial Markets Act.

The VEB has also reacted to consultation requests from the AFM and DNB with regard to policy guidelines on advice and independence, the need for client-centred services and the sale of risky products to retail investors.