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NFU Response to the Consultation regarding the Review of the Financial Conglomerates Directive

About NFU

The Confederation of the Nordic Bank, Finance and Insurance Unions (NFU) is an organisation for co-operation between trade unions that organise employees in the banking, finance and insurance sectors in the five Nordic countries. At present, eight trade unions are affiliated to the NFU; two in Denmark, two in Finland, two in Sweden, and one in each Iceland and Norway. Through these trade unions, NFU represents 160 000 employees in the Nordic financial market.

General remarks

Most of the questions asked by the Commission in the consultation paper are dealing with matters that are largely oriented towards financial institutions, and hence not for NFU to comment specifically.

In our reply, we have focused on matters that will, from our perspective, have an impact on employees in the finance sector now and in the future.

Question 4:

In 2009, the Commission proposed some amendments to the Capital Requirements Directive, one of them dealing with the issue of remuneration. According to the proposal, the new CRD should enable supervisory authorities to impose capital 'sanctions' on financial institutions where remuneration policies are found to generate unacceptable risk. Prudential oversight in the course of the supervisory review would focus on whether the remuneration policies and practices are consistent with sound risk management given the nature of the firm's business.

The issue of the Commission regulating remuneration is of particular interest to the Nordic countries, since this regulation may impose restrictions on the right to free collective bargaining.



NFU is of the opinion that the matter of remuneration policies should be left to the social partners to decide upon, since pay is, according to art. 137.5 in the EC Treaty, not for the Commission to deal with. Regardless of how the future work on this issue is being conducted, it must be made clear that any provisions regarding remuneration policies in the Financial Conglomerates Directive does not apply to remuneration policies and provisions agreed in a collective agreement.

Yours faithfully

NORDISKA FINANSANSTÄLLDAS UNION (NFU)

The Confederation of Nordic Bank, Finance and Insurance trade unions

Christina J. Colclough

General Secretary