

## press release

31 January 2011

### MiFID Review Consultation

**Gavin Oldham, chief executive of The Share Centre, gives his response to the European Union's proposals to change 'Execution Only' investment services and urges investors to take action.**

"The latest consultation on the European investment directive, MiFID, is due to end on Wednesday 2 February 2011 and it is important retail investors take note of how the proposed changes may affect them and take action.

"The two options set out by the European Union are to widen the definition of complex products to include AIM shares and a wide range of commodity traded funds or bonds, or to simply abolish the whole execution only basis of investing.

"What they are essentially saying is investors would have to seek investment guidance before being allowed to deal, involving an "appropriateness" test that could include details about a person's wealth and income. What business is it of ours to know how much an investor earns, unless they want advice on building a suitable investment portfolio?"

"There's a further proposal to ban the style of ad hoc advice on shares, which we currently provide at The Share Centre, without any additional charge. In essence, they're trying to push all personal investors into portfolio management services, which are only accessible to the wealthy, and seeking to outlaw do-it-yourself investment.

"I feel this undermines people's human rights to choose their own investments and challenges the very fabric of democratic capitalism under which Europe purports to operate. For if ordinary individuals are not able to own shares in the companies which they use as customers and work in as employees, the role of huge, faceless financial intermediaries and investment institutions will increase to alienate people from participation in the businesses which drive the economy.

"The proposals are also deeply patronising, as they suggest that people are incapable of making up their own minds on what to buy and sell.

"Time is against us. For more information on how the proposals may change investing for the retail investor you can visit [www.share.com/mifidreview](http://www.share.com/mifidreview) and email your comments to [markt-consultations-mifid@ec.europa.eu](mailto:markt-consultations-mifid@ec.europa.eu)."

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**Notes to editors:**

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**For further information please contact:**The Share Centre

Stephanie Reynolds

PR Executive

01296 439 256

[Stephanie.reynolds@share.co.uk](mailto:Stephanie.reynolds@share.co.uk)

Lansons Communications

Inez de Koning / Lucy Willatt / Lisa Grando

0207 294 3623 / 020 7566 9717/ 0207 294 3669

[Inezd@lansons.com](mailto:Inezd@lansons.com) / [lucyw@lansons.com](mailto:lucyw@lansons.com) / [Lisag@lansons.com](mailto:Lisag@lansons.com)

**Risk Warnings:**

Investing in general, and the products and services mentioned above may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment. Past performance is not a reliable indicator of future performance.

The bases and levels of taxation relating to ISAs, CTFs and SIPP are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

**About The Share Centre:**

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPPs are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on [www.share.com](http://www.share.com). Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#)

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

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