

## **Acepi conference urges simplicity for Italy**

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Reducing product complexity, increased liquidity and better information about the risks involved in products is the way to grow the Italian certificates market, said participants at the first annual conference of the recently-formed Italian association of certificates and other investment product providers (Acepi).

Investment provider executives attending the conference entitled "Dynamics and potential for development of certificates in the Italian market," discussed ways to address the issues raised in findings of a survey conducted by Newfin, the Research Centre for Financial Innovation at Bocconi University.

The report, which interviewed 192 investors and 72 financial advisers, found that simplicity and the possibility of diversification are the two key drivers for the development of the certificates market.

"Investors have a natural orientation to invest in products that are simple and well-known: for this reason it becomes necessary to increase and spread the advantages that these products offer in terms of diversification," said a delegate from Acepi member and sponsor of the conference, Unicredit.

The survey also found that financial advisers look at the risk level, the costs and the advantages in comparison with other products, when evaluating certificate

In terms of structured certificates, it was suggested that products should be divided into four macro-categories: certificates with leverage, certificates with full capital protection, with partial capital protection and without any guaranteed return.

Acepi, which was launched in June this says its main target is to promote investment products (certificates, covered warrants and structured bonds) and contribute to providing information to help the sustainable development of the markets and by creating dialogue between market bodies (regulators, associations and other financial institutions).

Associates include ABN Amro, Unicredit, Banca IMI, Deutsche Bank, Sal. Oppenheim and Societe Generale. All members are committed to share and respect Acepi's "Ten Commandments": product documentation must be transparent, clear and complete; issuer information must be distributed without delay; product structures must be carefully and clearly explained; information about underlyings should be transparent and complete; product information should continue beyond the initial offer period; issuers must provide detailed pricing information after the strike date; product costs should be easily accessible; issuers should provide a secondary market; information regarding any conflict of interest must be offered and each associate must be committed to respecting the commandments.