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The Social Business Initiative: Promoting Social Investment Funds

Danish Shareholders Association is the organisation representing private investors in Denmark.

Danish Shareholders Association finds the consultation paper on promoting social investment funds very interesting.

It is of utmost importance to finance social initiatives. The Association has no firm opinion about whether action at European Union level is necessary or action at national level is sufficient.

But we find it important that the consumer is not misguided when investing.

Most investments are made with the intention of earning money. A lot of legislation at European level and at Member State level has been made in order to create transparency in order to help consumers being well-informed when they make their investment decisions. MiFID, UCITS, AIFMD and PRIPs are important milestones in this area.

The main objective for an investment manager is under normal conditions to earn as much as possible to his clients.

Positive economic result for an investor investing in social investment funds is not the standard expectation.

This means that it is extremely important that the consumer considering placing her savings in social investment funds gets a very clear message: This investment is different from the standard type of investments. This activity is not intended to make the investor rich but to make a social activity possible.

The recommendation of the Danish Shareholders Association is that Social Investment Funds should follow the UCITS rules or the AIFM rules.

The setting up of a new rulebook in competition with the already existing rulebooks is not recommended.

It is possible that PRIPs could be a solution, but PRIPs is still an idea not a known set of rules.

Kind regards



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