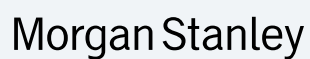
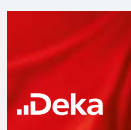


# Annual Report 2024

# Members



# **Bundesverband für strukturierte Wertpapiere**

ANNUAL REPORT 2024



*From left to right: Stephan Frerker, Markus Bärenfänger, Christian Vollmuth, Peter Bösenberg & Anton Hötzl*

## Foreword by the BSW Board of Directors

Investors will remember 2024 as an excellent year on the stock market – despite all the (geo)political crises and economic challenges, the most important share indices worldwide reached new highs. We also achieved successes as an association. The introduction of our new BSW product classification system, our commitment to financial literacy, and the positive feedback on our BSW Forum are examples of this.

In summer 2024, we presented our new BSW product classification system. In addition to a concise explanation of the key features, opportunities, and risks of our twelve most important product categories, we also graphically presented the position of the

products in terms of their security and expected returns. The new BSW product classification system is a key element of our product communication strategy and is also used by our members and sponsoring members. In this way, we ensure consistent communication of the added value that our products can provide.

In 2024, we continued to actively participate in the national Financial Literacy Initiative of the German Federal Ministry of Finance and the German Federal Ministry of Education and Research. We also presented the BSW Business Journalism Awards for the seventeenth time. High-quality and incisive journalism is important – an understanding of economic and

“ With the end of the previous coalition government, the goal of an efficient private pension system has unfortunately been postponed for the time being. In view of the demographic challenges, however, this issue will also have to be addressed by the incoming administration.

political contexts and a familiarity with capital markets and investment instruments are prerequisites for making investment decisions that help achieve financial goals and build up, maintain, and protect wealth. Journalists and media professionals thus make a decisive contribution to financial literacy – an important prerequisite for a strong securities culture.

Daring to embrace greater securities culture was the theme of our BSW Forum in Frankfurt in September. Together with representatives from government, academia, regulation, journalism, the banking sector, and other experts, we discussed which strategies can be used to bolster the acceptance of capital markets as the providers of solutions and how to promote a corresponding securities culture among broad segments of the population. Scandinavian countries, for example, have already successfully implemented this.

The German Federal Ministry of Finance's proposal for a reform of the German private pension system, which envisaged a private retirement custody account with corresponding state subsidies, would certainly

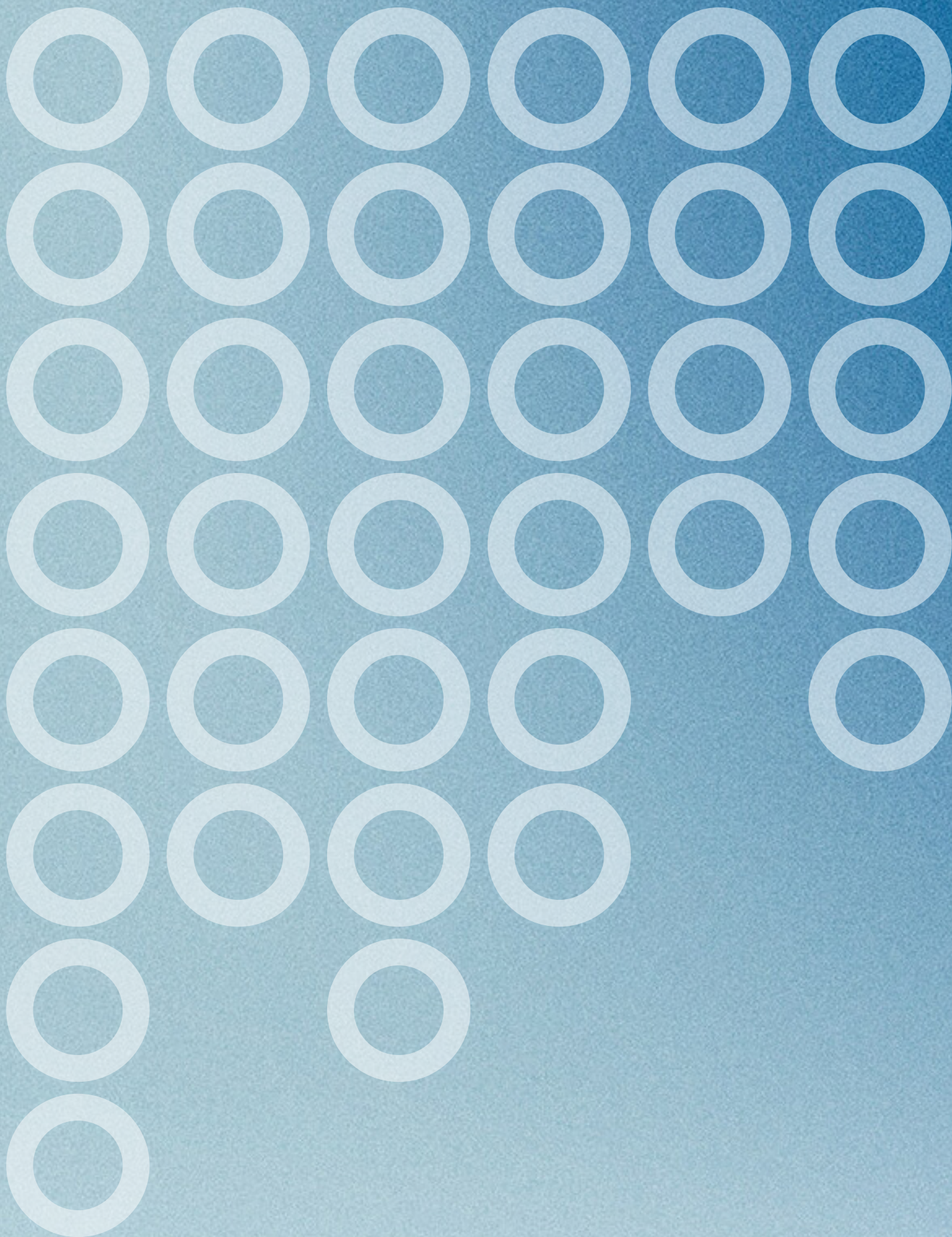
have been a first step in this direction. The fact that only public-sector bonds, equities, and equity funds were to be included here prompted us to hold in-depth discussions with policymakers. Structured securities can create considerable added value and stabilise assets, especially for investors with a medium risk appetite or in the payout phase, thanks to their largely risk-reducing characteristics.

With the end of the previous coalition government, the goal of an efficient private pension system has unfortunately been postponed for the time being. In view of the demographic challenges, however, this issue will also have to be addressed by the incoming administration. Our association will be a constructive point of contact on this topic for the newly elected representatives in the Bundestag and for other stakeholders in ministries and associations – as well as, of course, on all other securities-related issues.

Thank you for your interest in our association's work, which we provide selected examples of in this annual report. We hope you find the report an enjoyable read and look forward to hearing from you.

*The BSW Board of Directors*





# Table of contents

<b>04</b>	Foreword by the BSW Board of Directors
<b>08</b>	Interview with Christian Vollmuth
<b>12</b>	Report from Berlin
<b>16</b>	Retail Investment Strategy
<b>20</b>	Crypto securities 2024
<b>22</b>	Sustainable Finance
<b>24</b>	The EU Listing Act and the (light) reform of the Prospectus Regulation
<b>26</b>	Reform of the German private pension system – hopefully only on hold!
<b>30</b>	The new BSW product classification
<b>32</b>	BSW Forum 2024
<b>36</b>	BSW Business Journalism Awards
<b>38</b>	Study on Discount Certificates
<b>40</b>	The market for structured securities in Germany
<b>44</b>	Board of Directors
<b>45</b>	Academic Advisory Board
<b>46</b>	Committees
<b>48</b>	Team
<b>50</b>	Publishing information

# Reinforcing trust in our products and strengthening securities culture

Interview with Christian Vollmuth,  
CEO and Member of the Board of the BSW

**Mr Vollmuth, which projects did the BSW focus on in 2024?**

Our stable market volume of over 100 billion euros shows that many investors already trust in the advantages of our structured securities. Nevertheless, we are continuously working on communicating even better how our investment and leverage products work, as well as their opportunities and risks, and making structured securities accessible to a wider target group. We aim to create maximum transparency of our market, which is essential in order to further consolidate trust in our securities, raise the level of financial literacy in Germany, and thus strengthen securities culture.

In addition to a large number of regular discussions with journalists, politicians, and regulators, our involvement in the Financial Literacy Initiative of the German Federal Ministry of Finance and the German Federal Ministry of Education and Research, the presentation of the BSW Business Journalism Awards (for the 18th time in 2025), the Study on Discount Certificates (in its 5th year), and our annual BSW Forum event with high-profile guests from the spheres of politics, academia, regulation, journalism, and, of course, the financial sector, I would like to mention our new BSW product classification system, which we presented in summer 2024. This covers the twelve most important product categories of structured securities, and was our response to changes in the market environment, such as the sharp rise of fixed-rate and step-up bonds since the turnaround on interest rates. These investment solutions are easy-to-understand and transparent portfolio components for all investors with a high need for security. As such, we now present them separately

within the extensive product range and also in our statistics.

The new BSW product classification system includes a graphical representation of the relationship between product opportunities and risks that is easy to intuitively grasp. It also describes the key features of the products and explains how the most important products work and how they can be used from an investor's perspective. Discussions on the system with policymakers, regulators, and interested members of the public were both constructive and in-depth.

**»The new BSW product classification system describes the key features of the products and explains how the most important products work and how they can be used from an investor's perspective.«**





»Long-term investment strategies must adapt to market developments and life phases.«

*Christian Vollmuth,  
CEO and Member of the Board of the BSW*

With the new BSW product classification system, we have created an important tool for our product communication and are helping to ensure that investors can make the right investment decisions for themselves or when receiving investment advice – whether for wealth accumulation, wealth preservation, or retirement planning.

**On the topic of retirement planning, the dissolution of the German coalition government prevented the planned reform of the private pension system from taking place. What was the BSW's position on the draft legislation?**

We fundamentally welcomed the previous government's reform plan for tax-incentivised private pensions – from saving to investing, the path to better (private) pensions is undoubtedly through the capital markets. The proposed barrier-free, simple, and efficient establishment of a retirement custody account would have been a good opportunity. Not only could the foreseeable pension gap and poverty in old age have been countered, but

broad segments of the population could have been made aware of the opportunities that capital markets can offer, the securities culture in Germany could have been strengthened in the long term, and the level of financial literacy in the country could have been significantly improved. Sweden provides an impressive demonstration that this works, with a model that has been established for ten years and allows complete freedom of choice of investment instruments.

We also advocate broad freedom of choice in the selection of investment instruments for private pensions. Why is this important? Each individual has their specific financial resources, goals, restrictions, and risk tolerance. Bonds and equities can accomplish much in the form of direct investments or via funds/ETFs – but not everything. They offer investors either fixed interest income or the potential for capital appreciation in the event of price increases (in addition to any dividends). However, they are not suitable for all life or market phases. If, for example, you want to achieve returns above the rate of inflation

in sideways-trending markets, you cannot achieve this with public-sector bonds, equities, or funds alone. Historically, investments in equities can be worthwhile in the long term, but market weaknesses can be especially painful if they fall in the (individual) payout phase or if this is imminent. Particularly in view of an approaching payout phase, wealth preservation and protection become more important than growth opportunities and the associated risks during the wealth-building phase. We explained this in our statement on the draft legislation and called for the inclusion of our structured securities on the list of eligible securities for the retirement custody account.

**Demographic change necessitates urgent action on the private pension system, which is why the new government should not wait too long to reform it. What is your recommendation to the responsible policymakers and elected representatives?**

I hope that the new government will act decisively and quickly recognise the importance of reforming the private pension system. Our position is that, particularly with long-term investment goals such as retirement planning, the investment strategy needs to be adaptable to both market developments and the course of peoples' lives. Structured securities can provide flexibility here and offer added value. Their specific payout profiles make structured securities unique – their strengths lie in particular in achieving returns in sideways trending markets, risk reduction, and hedging. Investors who want complete capital protection can also obtain this.

We recommend limiting the selection to investment products that either offer 100 percent capital protection, have equity-like risks, or can reduce the risks of direct investment – all of which are offered by our investment products. We would exclude all categories of leverage products. A method already established by EU legislation can be used for differentiation and risk measurement – the Summary Risk Indicator (SRI) in accordance with the PRIIPs Regulation can serve as a decision-making parameter for selecting which financial products are suitable for the private pension system. The SRI has a

seven-level scale (1 = low risk to 7 = high risk) and is specified in all Key Information Documents for investors. It is based on the established mathematical value-at-risk approach and includes the creditworthiness of an issuer in addition to the market risks. Although the SRI is only prescribed for packaged products, it can also be calculated analogously for all other instruments such as equities and plain vanilla bonds. This allows the issuer or credit risk that exists for all bonds and debt securities, including government bonds, to be taken into account.

In view of the risks, we consider the German Federal Ministry of Finance's intention to limit the range of financial products available for selection to those with a maximum risk level of 5 to be reasonable. As a rule of thumb and to give some perspective, equities rank on average in classes 5 to 6 (rarely 4), while equity funds/ETFs are mostly classified between 4 and 5. In volume-weighted terms, the structured investment products of BSW issuers have a significantly lower risk. Everyone should thus be allowed to decide for themselves how to structure their own retirement planning in terms of expected returns and risk. As such, there is much to suggest that structured securities should be used to complement and fine-tune a portfolio as part of a personalised private pension plan.

**What are the BSW's plans for 2025?**

As mentioned, transparency and communication are always on our agenda. We will continue with our proven formula of publications and events in 2025, and we will also present a number of academic studies. Furthermore, we will add the dimension of risk to our quarterly statistics on market volume. Discussions with policymakers and journalists as part of the reform of the private pension system have shown that not everyone is yet aware of the largely risk-buffering effects of our investment products. Many still generally associate all structured securities with the risks of leverage products, even though these account for a much smaller share of the market volume. We are also currently developing a new format specifically for the political community in order to hone our communications more effectively and contribute our expertise in wealth accumulation,

preservation, and protection – for example with respect to a new draft on the reform of the private pension system.

We are also continuing to engage with the issue of sustainability. In February 2025, we presented the revised BSW Sustainable Finance Code of Conduct. As a market standard, this is intended to support issuers when issuing structured securities with sustainability characteristics. Furthermore, ongoing exchange with our European partner associations and with the European umbrella association EUSIPA remains important in order to represent the interests of our issuers and investors at the European level. The focus here is on the Savings and Investments Union (previously known as the Capital Markets Union) as well as on harmonised regulation. We are clearly in favour of this, but believe that European legislation needs to be recalibrated.

The European Parliament and the European Council are currently adopting the basic regulations and directives at Level 1. Building on this, the European Commission issues delegated acts based on proposals from the European Supervisory Authorities

(ESAs) such as ESMA, which specify the Level 1 requirements. If there is further need for harmonised interpretation, this is carried out by the ESAs. This is, in and of itself, a sensible division. However, as is often the case, theory and practice often diverge. In recent months, we have seen decisions being made by the supervisory authorities at Level 3 that at times have a significant impact on existing market structures and competition. This should not be allowed to happen. Such interventions should be decided on by the European Parliament and European Council.

The prime example of this is the current discussion on the intended value-for-money regulation within the framework of the Retail Investment Strategy. All the proposals on the table for the Level 1 requirements, be they for peer group comparisons or benchmarks, are formulated in such abstract terms that it is not clear what would have to be taken into account in future product approval processes. It should not be the case that the supervisory authorities end up having a free hand in the design and we suddenly find ourselves confronted with price regulation.

“

**»The new government  
must quickly recognise the  
importance of pension  
reform.«**

*Christian Vollmuth, CEO and Member of the Board of the BSW*

# Report from Berlin

## A tragedy fit for a film

Based on the number of filming days that take place in the city, Berlin is the film capital of Germany. The collapse of the German coalition government in late autumn 2024 made its own contribution to maintaining this status – some of the interviews and dramas were indeed film-worthy tragedies. The coalition started seemingly harmoniously, as captured in a selfie with Annalena Baerbock, Robert Habeck, Christian Lindner, and Volker Wissing at the end of 2021, but fell apart prematurely in November 2024, leading to new elections in February 2025. The reasons and motives behind this have been exhaustively explained and discussed. Russia's attack on Ukraine at the start of the coalition and the associated geopolitical shifts in the security and energy sectors were certainly extraordinary and shifted the focus of the work of the coalition that many of the public had hoped would be a fresh start. No comparisons with previous federal governments should be made here. However, it should be noted that the somewhat surprising end (even if, in retrospect, all the "experts" saw it long coming) meant that some important reform projects that the federal government wanted to tackle in their last year of office fell by the wayside.

### **The Growth Initiative – finally, a commitment to Germany as a financial centre**

As recently as summer 2024, for example, the government adopted a package of measures known as the Growth Initiative (Wachstumsinitiative), for which initial draft legislation was presented in autumn. The measures were intended to stimulate greater economic dynamism, substantially increase the long-term growth potential of the economy, and thus sustainably boost Germany's competitiveness and reputation as a place to do business. Measures to strengthen the banking sector and financial

markets were also planned. This was the first time in a long while that federal policy had focused on measures to promote Germany as a financial centre. In addition to the reform of the private pension system, the Growth Initiative included the following projects relevant to banks and BSW members, some of which would also have been pursued at the EU level:

- Repealing the ban on the tax deduction of the bank levy
- Revitalising the securitisation market
- Removing bureaucracy from financial market regulation
- Improving the convergence and efficiency of the supervision of capital markets throughout the EU
- Harmonisation of the relevant aspects of insolvency, contract, and tax law
- Making the capital market more attractive for retail investors
- Allowing an English-language prospectus together with a summary to facilitate the EU-wide sale of securities
- Shortening the prospectus approval process to six to eight weeks

The German Federal Ministry of Finance then proposed corresponding regulations for many of the points that could be regulated at a national level in a second Financing for the Future Act (Zukunftsförderungsgesetz). However, this act also shared the fate of the reform of the private pension system and was not passed. As many of



**Due to geopolitical shifts, the times where the EU was the frontrunner in regulation and enjoyed a certain confidence that non-EU jurisdictions would follow EU regulations are a thing of the past.**

these measures would have been very welcome, it is to be hoped that the draft will be taken up again without delay by the new federal government as soon as it takes office.

#### **Restriction on loss offsetting lifted**

As part of the 2024 Annual Tax Act, the Bundestag removed the restriction on offsetting losses from futures transactions. Since 2020, losses from futures transactions, particularly contracts for difference (CFDs), could only be offset against profits from such transactions. The loss deduction was also limited to 20,000 euros a year.

Structured securities and warrants were not affected by this according to an interpretation by the German Federal Ministry of Finance. Nevertheless, the purely national regulation was not only detrimental to Germany as a financial centre, but also gave rise to considerable uncertainty. Various fiscal courts have dealt with the issue in recent years; the German Federal Fiscal Court even ruled that the restriction was not compatible with the principle of equality provided in Article 3 (1) of the German Constitution.

In any event, before the matter went to the German Federal Constitutional Court in Karlsruhe, the legislator fortunately repealed the regulation as well as the ban on the tax deductibility of expenses from globally held, marketable debt securities in “tax havens”. The BSW and other banking industry associations had campaigned for this.

The background to this was that, in the case of such debt securities (and thus also structured securities), the issuers do not usually know their creditors or whether they are domiciled in countries or territories

that do not cooperate for tax purposes according to the relevant EU list. As a result, all interest from the issuance in question would not have been tax deductible. This would have harmed the attractiveness of Germany as an issuance location.

#### **Strengthening competitiveness nationally and internationally**

The list of measures also included numerous projects that would have been driven forward at the European level. As most of the regulations in the financial sector in particular are of European origin, we very much welcomed the fact that German politicians want to step up their efforts here.

In the past, they had advocated for the German market on securities issues such as payment for order flow or the impending ban on inducements in the non-advised business segment (Retail Investment Strategy), even if the positions of individual coalition parties sometimes diverged. A unified approach would certainly have achieved even more success here, and it would therefore be desirable for the new German government to focus on the aspect of international competitiveness when it comes to new regulation, in line with the election platforms of some parties.

Due to geopolitical shifts, the times where the EU was the frontrunner in regulation and enjoyed a certain confidence that non-EU jurisdictions would follow EU regulations are a thing of the past. The concept of the international harmonisation of regulations has not been heard from for a long time. The Draghi report on competitiveness is likely the latest serious analysis of the international competitiveness of European capital markets and their attractiveness for private investors.

We therefore welcome the European Commission's initiative, which it is now focusing on with its new push for a Savings and Investments Union. Bold steps are needed rather than approaches that inhibit innovation, such as those still being discussed with the Retail Investment Strategy. Considerations regarding a uniform EU investment product, as repeatedly raised by EU institutions including ESMA, should also be abandoned in favour of market-based approaches.

The Pan-European Personal Pension Product (PEPP), an EU-harmonised private pension product that has been on the market since 2022, clearly demonstrates where considerations of such a detailed regulated product with cost caps can lead. The product has been around for three years, yet is offered by a just single provider in the entire EU. That should give us pause for thought.

#### **Financial literacy needs to stay on the agenda**

Perhaps one of the factors behind the discussions to date may often be the (deficient) level of financial literacy in Germany. We would thus welcome measures by the new federal government to continue the efforts that have been made over the past two years to improve financial literacy.

At the end of September 2024, the OECD proposed a package of measures that is to be supplemented by the participation of broad segments of the public in the financial and capital markets, support for budget planning, handouts to prevent over-indebtedness and promote the responsible use of credit, and a strengthening of digital financial literacy.

The OECD based this on recommendations made by banks and insurance companies, consumer protection agencies, associations such as the BSW, debt counsellors, teachers, student representatives, and politicians at the federal and state levels, working together in close consultation. Various conferences

in recent months have been well received and have brought together many stakeholders who had previously maintained little contact, demonstrating a broad consensus among all stakeholders on the topic.

A new German federal government can and should build on this. All efforts to promote an improved securities culture, retirement planning, and wealth creation should start as early as possible. This will help ensure that, unlike today, the public and many politicians (who still refer to capital markets and the stock exchange as a casino) will gain experience and knowledge of the opportunities and risks that capital markets present as early as possible.

#### **Putting an improved securities culture on the agenda**

Overall, it is therefore to be hoped that the new German government will view the capital markets and Germany's financial industry as an opportunity to finance the upcoming transformation of the economy, to provide for old age, and to help the public create wealth.

“

**We would welcome measures  
by the new federal government to  
continue the efforts that have been  
made over the past two years to  
improve financial literacy.**

*Bundesverband für strukturierte Wertpapiere*

# Retail Investment Strategy

## Or: The never-ending story

### The story so far

The European Commission's Retail Investment Strategy (RIS) was also a priority on the BSW agenda for 2024. The corresponding draft legislation was presented by the Commission on 24 May 2023. The RIS provides for comprehensive amendments to the existing regulatory requirements by means of an Omnibus Directive (which includes MiFID II and the IDD) and a directive on the PRIIPs Regulation.

Since then – in addition to the numerous financial market stakeholders – both the responsible European Parliament Committee on Economic and Monetary Affairs (ECON) and the member states in the European Council have dealt intensively with the extensive dossier and have engaged in heated discussions regarding its contents. In March 2024, ECON voted on the ECON rapporteur's draft and over 1,000 amendment proposals. Contrary to the usual procedure, however, the European Parliament did not adopt this report in a first reading before its new elections in June 2024, but only gave the rapporteur the mandate to enter the trilogue negotiations with the Council and the Commission. Under the Belgian Council Presidency, the Council was able to agree on the general approach after numerous meetings in summer 2024, authorising the Council to enter into the trilogue negotiations.

However, the RIS is not at the top of the agenda for the current Council Presidency and the trilogue negotiations are not expected to conclude any time soon. It is even possible that new proposals on individual topics will be put on the table once again, as Brussels is currently taking a critical view of bureaucratic burdens – both new and existing.

Future regulations should be less complex and, ideally, bureaucracy will be reduced rather than created. It is noteworthy that the Commission has already launched a new consultation with a similar thrust to that of the RIS: The new European Commissioner for Financial Services and Savings and Investments, Maria Luís Albuquerque, is to make a success of the project formerly known as the Capital Markets Union, now known as the Savings and Investments Union (SIU). The aim of this is to channel the savings of European investors from savings accounts to the capital markets in order to finance the transformation of the European economy. It cannot be ruled out that new ideas will emerge here. At the moment, only one thing is certain: If an agreement is reached, there will be a transitional period for the application of the new law. According to the proposal of the Commission, this period should be 18 months after publication in the Official Journal of the European Union, according to ECON it should be a dynamic period of 18 months after publication of the delegated acts, and according to the Council it should be a period of 24 months after the respective regulations enter into force. This means that the legal acts will enter into force in 2027 at the earliest.







### Specific content of the RIS

The RIS provides for changes in the following areas in particular:

## 01 Ban on inducements

For over 20 years, inducements have only been permitted in the securities business under certain conditions. In addition to avoiding conflicts of interest and providing clients with appropriate transparency and information, the quality of investment services must be enhanced. Even if there have been no notable irregularities to date, the Commission would like to see a complete ban on inducements in the non-advised business segment in future. During the negotiations, however, both ECON and the Council spoke out against this ban in the non-advised business segment: ECON's rapporteur prevailed with the complete deletion of the new regulation on the ban on inducements; others, however, had advocated an extension of the complete ban even to the advised business segment. The Council remained undecided for a long time. Ultimately, however, almost all member states, as well as the German Federal Ministry of Finance, spoke out against a complete ban on inducements. It is therefore now likely that there will not be a complete ban on inducements in the non-advised securities business. Furthermore, it will presumably be permissible to grant or receive inducements in both the advised and non-advised business segments. Nevertheless, it is also likely

that the regime on inducements will be tightened further. What is certain is that it is currently not possible to make specific predictions on how a new inducements regime will be designed.

The BSW is keeping a close eye on the trilogue negotiations and the topic of inducements. This is being done both at the national level, via the German Federal Ministry of Finance and the supervisory authority, as well as at the European level through its own initiatives and working together with the EU umbrella organisation EUSIPA. The BSW is advocating for a practicable inducements regime that allows investors to partake in both the advised and non-advised business segments.

## 02

### Product governance – value for money

With the value for money concept, the Commission presented a new pricing process for the product governance framework of issuers and distributors in its RIS proposal. The background to this is the Commission's assumption that there are insurance products and securities on the market that provide retail investors little, if any, value for money. The proposal for a new regulatory approach to be integrated into MiFID II should therefore focus primarily on all costs and charges of each financial instrument, including distribution costs, but also take performance into account. Packaged investment products in accordance with the PRIIPs Regulation and therefore also most structured securities are to be in scope. In their resolutions, ECON and the Council have submitted proposals that differ considerably in terms of both approach and content (despite the proposals' lack of detail and very generic wording).

The Commission's proposal provided for cost and performance benchmarks to be uniformly developed and regularly published by ESMA across the EU for all packaged products and their distribution. In the event of deviations from these benchmarks, the relevant parties are to review whether the excess costs and charges are justified and proportionate. Where this is not the case, no distribution may take place.

ECON, on the other hand, is pursuing a proposal to introduce a peer group comparison for individual member states, according to which the costs, charges, and performance of the respective instru-

ment are to be measured against other financial instruments with comparable characteristics. Manufacturers should be able to define these peer groups themselves. The Council brings together the proposals of the Commission and ECON, proposing that manufacturers carry out peer grouping in the product approval process, which would be monitored by national supervisory authorities. However, member states should also be able to allow financial services companies based in their own country to use EU benchmarks for the value for money test, which ESMA would make available throughout the EU. The Council has also proposed simplifications for derivatives, although it is not yet clear whether this is also intended to be extended to leverage products.

Which approach to the value for money concept will prevail (if any) depends, among other things, on the trilogue negotiations. With regard to the negotiations, the BSW is continuing to call for the national protagonists to adopt a sensible design at the directive level in order to clarify ESMA's scope for interpretation and design. This is being done at the EU level via the European umbrella organisation EUSIPA. At the same time, the BSW is engaged in an internal working group on ways in which a peer group process and a procedure with EU benchmarks could be designed in practice.

**The BSW is keeping a close eye on the trilogue negotiations and is advocating for a practicable inducements regime that allows investors to partake in both the advised and non-advised business segments.**

## 04

### PRIIPs

The PRIIPs regime is also once again under scrutiny as a result of the amendments to the PRIIPs Regulation within the framework of the RIS.

In its draft regulation on PRIIPs, the Commission proposed some positive changes, such as giving priority to the electronic provision of Key Information Documents (KIDs) in line with MiFID II. Nevertheless, further suggestions for improvement would have been welcome. The Commission's proposals are not very specific and many details have been shifted to Level 2. The implementation of the required modifications to the KID would be technically demanding, such as the introduction of a dashboard to provide a summary overview of the most important information at the beginning of the KID, as well as the layering of information (multi-layered presentation and adaptation of the format for better readability on devices such as smartphones). Keeping to the page limit of three A4 pages could also prove difficult in view of the requirement to include additional sustainability information. A sceptical view should be taken of the proposal to personalise the presentation of information in the KID. The BSW has addressed this at the national level with the German Federal Ministry of Finance, among others.

The BSW will continue to contribute to the discussion on the RIS, and will also continue following the new consultation mentioned previously. There have been occasional discussions within the framework of the SIU on ideas such as a simple (often incorrectly perceived as low-risk) European investment product that is the same across all member states and for which there should also be tax incentives. The BSW advocates against such interventions in a free market economy by means of a public sector product. It should be noted that 2024 is the 20th anniversary of the first MiFID, which came into force in 2004. It would be nice if the Commission took this as an opportunity to take honest stock of what has been achieved and where bureaucracy is not preventing private investors from becoming active in the capital market. Introducing yet more regulatory hurdles is unlikely to lead to success.

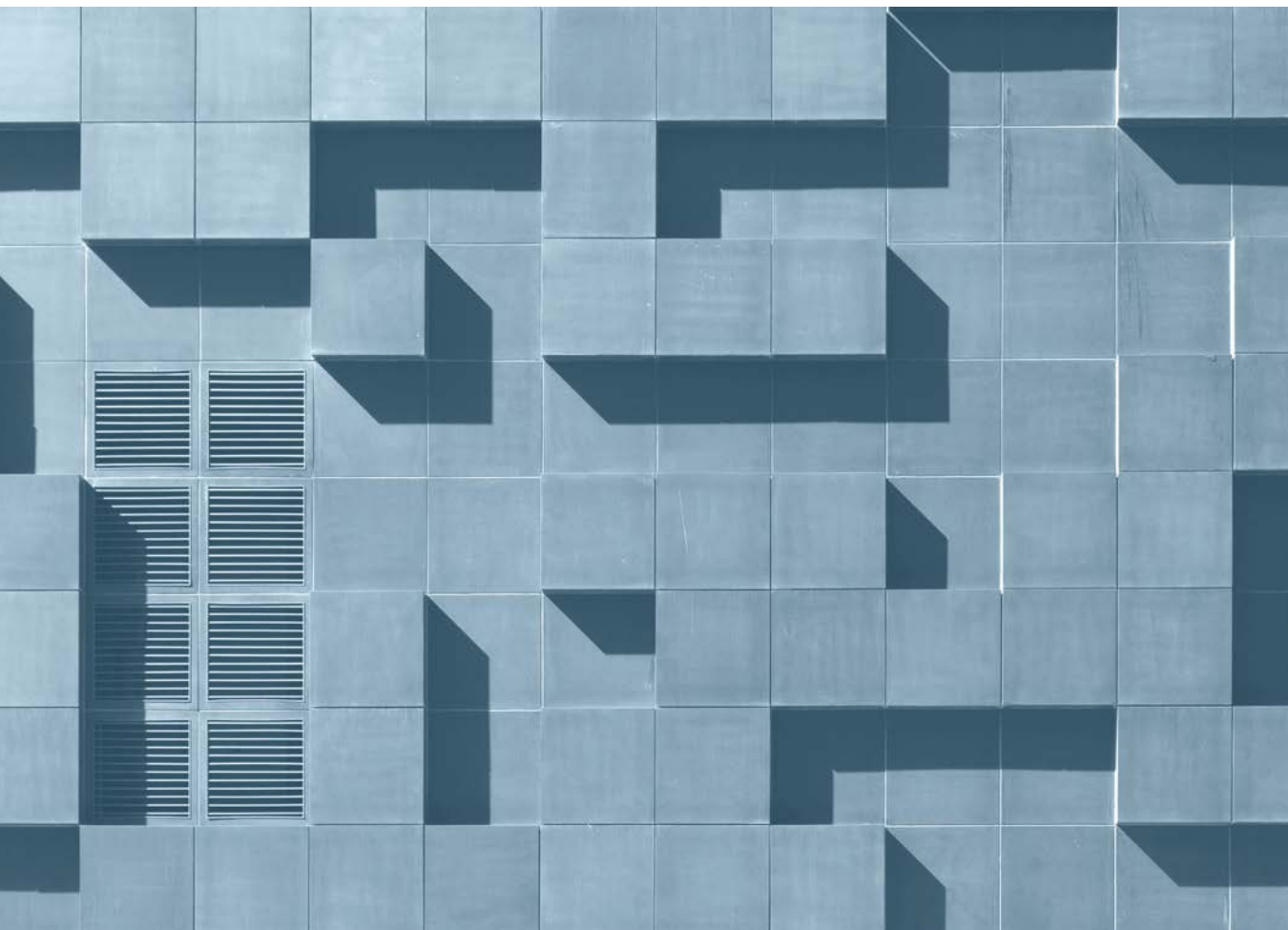
**It should be noted that 2024 is the 20th anniversary of the first MiFID, which came into force in 2004. It would be nice if the Commission took this as an opportunity to take honest stock of what has been achieved**

## 03

### Suitability and appropriateness assessment

Another Commission proposal concerns the suitability and appropriateness assessment. The introduction of a simplified "suitability-light regime" was proposed for independent advisors who provide advice on well-diversified, non-complex, and cost-efficient products. This is intended to supplement the existing suitability assessment and take into account an additional criterion for portfolio diversification. Aspects such as the investor's loss-bearing capacity and risk tolerance are to be given greater consideration in the suitability assessment. In addition, the obligations when advising on complex products are to be extended and the timing of the appropriateness assessment is to be specified.

Various parties have taken a critical view of the proposed amendments to the suitability and appropriateness assessment within the framework of the RIS. Although the intention of the reform is to protect investors, the proposed measures could make access to investments more difficult, lead to a withdrawal from advisory services, and reduce product diversity. Critics are therefore calling for a balanced solution that takes into account both investor protection and the international competitiveness of the European capital market. The BSW also takes the view that an extension of the criteria beyond the existing legal framework is not necessary, and expresses this view in its communications.



# Crypto-securities 2024

## Progress and unresolved issues in digital transformation

In the 2022 Annual Report, we reported on the digital transformation of the capital market. A lot has happened in Germany and Europe since then:

On 29 June 2024, EU Regulation 2023/1114 on markets in crypto-assets (MiCAR) entered into force. This regulation creates a comprehensive legal framework for primary and secondary markets for crypto-assets and aims to promote the introduction of transformative technologies in the financial sector. MiCAR has been directly applicable EU law since 30 December 2024.

In Germany, the German Electronic Securities Act (Gesetz über elektronische Wertpapiere, eWpG) has been extended to allow the issuance of registered

equities in electronic form. This facilitates the tokenisation of traditional assets as crypto-securities and supports the digital transformation of the capital market.

The EU's DLT Pilot Regime came into force on 23 March 2023 and has been fully applicable since 23 March 2024. The regime enables experimental market platforms based on distributed ledger technology (DLT). The aim is to test innovative applications, such as crypto-securities, within a controlled regulatory framework without jeopardising the integrity or stability of financial markets.

Specifically, the regime allows companies to apply for certain exemptions from EU financial market



**With the developing regulations and their practical applications, crypto-securities are expected to gain further importance in the coming years.**

regulations in order to test the trading, settlement, and custody of securities via blockchain technologies. It is primarily aimed at operators of trading and settlement platforms.

In Germany, the eWpG was amended once again, bringing it into line with the DLT Pilot Regime. The law now enables the use of blockchains for the registration of crypto-securities, which promotes the technical implementation of the DLT Pilot Regime. Various DLT pilot projects have been introduced on platforms on which crypto-securities can be traded. These projects focus primarily on improving the efficiency of trading and settlement.

In August 2024, KfW issued a digital bond in the form of a crypto-security in accordance with the eWpG and processed the transfer of central bank money using blockchains for the first time. This bond had a volume of 50 million euros, a fixed coupon of 3.46 per cent, and matured on 28 November 2024.

In August 2024, Berlin Hyp issued the first blockchain-based Pfandbrief. The crypto-security has a nominal value of 100 million euros and a term of three years.

At the end of 2024, some 155 crypto-security issuances were recorded in a list maintained by the German Federal Financial Supervisory Authority (BaFin) in accordance with Section 20 (3) of the eWpG.

These developments underscore the increasing acceptance and integration of crypto-securities in the financial market. With the developing regulations and their practical applications, crypto-securities are expected to gain further importance in the coming years.

Despite the progress made, challenges remain. For example, interoperability between DLT systems and traditional financial infrastructure remains a problem. This is as different technical standards and protocols make seamless integration and data exchange between the systems difficult.

Although the DLT Pilot Regime and MiCAR provide a framework, there are still some uncertainties regarding the long-term regulatory requirements and the adaptation of existing laws to new technologies. In addition, the licensing processes are dragging on. As at the end of January, no authorised DLT market infrastructure had been listed with the European Securities and Markets Authority (ESMA), infrastructure such as multilateral trading facilities (DLT MTF), DLT settlement systems (DLT SS), or DLT trading and settlement systems (DLT TSS).

The security of blockchain systems and protection against cyberattacks remain key challenges that also concern BaFin. The increasing complexity of the systems requires continuous investment in security measures.

Furthermore, crypto-securities are not yet fully accepted by traditional market participants and investors. Further education could help to build trust in the new technologies.

Ultimately, a decision for or against a DLT system is likely to be based on a cost-benefit analysis. The implementation and operation of DLT-based systems can incur high costs. It is therefore important that the efficiency gains justify the investment costs. This requires more than just the first steps. It is at least as important to increase transaction volumes in order to generate economies of scale and thus achieve the desired level of efficiency. In this context, it could be helpful if the volume restrictions currently in place in the DLT Pilot Regime were loosened and structured DLT securities were included in the regime.

# Sustainable Finance

## New requirements for structured securities with sustainability characteristics

### The new BSW Sustainable Finance Code of Conduct

In 2024, the time had finally come: The tried-and-tested BSW Sustainable Finance Code of Conduct (the “Code”), last amended in 2022, was comprehensively revised.

At the kick-off meeting at the end of December 2023, BSW members confirmed that the Code provided important assistance in issuing structured securities with sustainability characteristics, but lacked precision and ambition in a couple of areas. The comprehensive revision was also motivated by increasingly stringent requirements relating to sustainability and financial investment products, such as in the ESMA guidelines on fund names that use ESG or sustainability-related terms, and the EU Green Bond Standard, a voluntary standard containing strict requirements for green bonds.

The aim of the redesign of the Code was not only to tighten the requirements relating to exclusion criteria for underlyings, ESG commitments, and governance, but also to introduce a minimum number of sustainability indicators to be met for PAI products. In addition, the structure of the Code needed to be made clearer and the wording was to offer less room for interpretation.

Following the kick-off meeting, a questionnaire on the revision of the Code was sent to BSW members, and feedback from this was incorporated into the draft. The final draft was presented at the BSW Sustainable Finance Committee in September 2024 and subsequently submitted to BaFin and the German Federal Cartel Office. In January 2025, the new Code was adopted by BSW members and the BSW Board of Directors.

The requirements of the new Code need to be applied from 1 July 2025 at the latest. The table opposite compares the most important changes.

### Update of the ESG Target Market Concept

The ESG Target Market Concept was updated in 2024 by the DK, BSW, and BVI associations, and was published on 13 December 2024 after BaFin and the German Federal Cartel Office had been informed.

The content-related amendments are straightforward and essentially concern the removal of armaments from the list of minimum exclusions and the addition of the negative target market for non-sustainable products.

The change to the minimum exclusions takes into account the major changes in the security policy environment since the start of Russia’s war of aggression against Ukraine, as well as the new ESMA requirements for fund names.

In addition, a new field was added to the negative target market for non-sustainable products (“Not suitable for clients with sustainability preferences”), supplementing the previous specifications of “No data” and “Declared as non-sustainable” in accordance with the European Commission’s requirements. The addition was made in response to a new Q&A from the Commission to the effect that there can also be a negative target market for the target market criterion of sustainability. Previously, a different approach had been taken towards this legal issue in the German market.

#### Links

BSW Sustainable Finance Code of Conduct (English version at the bottom of the page): [www.derbsw.de/de/nachhaltigkeitskodex](https://www.derbsw.de/de/nachhaltigkeitskodex)

ESG Target Market Concept (in German only): [www.derbsw.de/de/zielmarktkonzept](https://www.derbsw.de/de/zielmarktkonzept)

	Previous BSW Sustainable Code of Conduct	New BSW Sustainable Code of Conduct
<b>Requirements for issuers</b>		
<b>Voluntary ESG commitments</b>	UN Global Compact PRB or PRI	UN Global Compact PRB or PRI as well as three other relevant voluntary ESG commitments
<b>Minimum number of sustainability indicators to be taken into account for PAI products</b>	No requirements	A minimum of six sustainability indicators at the issuer level (see page 5 of the Code for details)
<b>Exception to the minimum number of six sustainability indicators</b>	No requirements	Possible for products that take into consideration a green or social bond standard
<b>ESG rating</b>	Status as a sustainable company with at least one ratings agency	At least one meaningful, positive ESG rating from a recognised ESG ratings agency
<b>Requirements for the underlying</b>		
<b>Selection strategy</b>	Definition and application of one (or more) dedicated strategy(ies)	Pursuit of an explicit selection strategy (e.g., best-in-class or minimum ESG rating)
<b>Excluded commodities</b>	Agricultural commodities	Commodities of any kind
<b>Minimum exclusions for companies</b>	In accordance with the previous ESG target market concept: Armaments >10 per cent Tobacco production >5 per cent, Coal >30 per cent Serious violations of the UN Global Compact	Tightening of existing minimum exclusions and addition of new minimum exclusions (see page 6 of the Code for details)
<b>Minimum exclusions for sovereign issuers</b>	In accordance with the ESG target market concept: Serious violations of democratic and human rights	In accordance with the ESG target market concept: Serious violations of democratic and human rights
<b>Requirements for the product category, transparency, and designation</b>		
<b>Product category</b>	No leverage products No investment products that profit from a downwards movement of the underlying	No leverage products No investment products that profit from a downwards movement of the underlying
<b>Transparency</b>	Product policy is to contain compre- hensive information on the design of the products and the implementation of the requirements of the Code	Product policy is to contain compre- hensive information on the design of the products and the implementation of the requirements of the Code
<b>Designation</b>	No requirements	Product designation must not contra- dict or be misleading with respect to the sustainability criteria actually met by the product
<b>Governance</b>		
<b>Issuers to confirm the appli- cation of the requirements of the Code to the BSW</b>	No requirements	Annual
<b>Review of product policies by the BSW Sustainable Finance Code of Conduct Advisory Board</b>	Regular	Annual (possible at any time, depending on the circumstances)

# The EU Listing Act and the “light” reform of the Prospectus Regulation:

## New requirements and opportunities for issuers

The EU Listing Act is part of a comprehensive package of measures by the European Union aimed at increasing the attractiveness and competitiveness of European capital markets. A key concern is to facilitate access to public markets for small and

medium-sized enterprises (SMEs) in particular. The Listing Act was published on 14 November 2024, and some amendments to it came into force as early as 4 December 2024.

### The main amendments to the Prospectus Regulation include:



Standardisation of the prospectus format and the sequence of its contents



Establishment of the electronic format as the standard for prospectuses



Incorporation of financial information by reference and inclusion of future financial information



Prohibition of generic descriptions in disclosures of risk factors



Extension of the maximum page length of prospectus summaries when there is a guarantee attached to the securities



Standardisation and inclusion of ESG information in prospectuses\*



### ESMA activities

The European Securities and Markets Authority (ESMA) has also initiated several consultations as part of the implementation of the Listing Act. On 28 October 2024, ESMA published a consultation paper with proposals for standardising the format and sequence of information in prospectuses. The aim is to simplify the preparation and review of prospectuses and make them easier for investors to understand. Also on 28 October 2024, ESMA launched a call for evidence on civil liability pertaining to prospectuses with the aim of evaluating possible further steps to harmonise liability rules within the EU.

The deadline for feedback on both consultations was 31 December 2024. These consultations are

part of efforts to adapt the Prospectus Regulation to current market needs while maintaining high standards of transparency and protection.

As part of the recent ESMA consultations, the BSW participated in the consultation on amendments to the Prospectus Regulation with regard to the format and content of prospectuses, submitting a comprehensive commentary. The main focus here was on the newly introduced Annex 21. In the course of these consultations, the BSW made specific proposals regarding the wording of certain provisions, among other suggestions. In its statement on the call for evidence pertaining to prospectus liability, the BSW clearly indicated its reluctance towards a harmonisation of the liability regime.

### BSW activities

The BSW was involved at an early stage in the process of the development of the Listing Act, issuing commentaries and engaging in numerous discussions with BaFin. The association is also in direct contact with ESMA, taking part, for example, in an in-person meeting with ESMA representatives in November 2024.

\*On 11 July 2023, ESMA issued a public statement explaining which ESG information issuers need to include in their prospectuses. This statement applies in particular to prospectuses for equity securities and non-equity securities (such as green bonds). ESMA emphasised that material sustainability-related disclosures need to be included in prospectuses. A significant additional aspect of the reform to prospectus law is the introduction of Annex 21, which sets out specific requirements for the disclosure of ESG information in prospectuses. This Annex serves as a binding framework for the type and scope of ESG disclosures required in prospectuses. The precise contents of Annex 21 were developed to close the gaps in information previously identified by ESMA and to set clear standards for disclosure. ESMA's statement and Annex 21 of the Prospectus Regulation complement each other. The combination of the ESMA guidelines and the binding provisions of Annex 21 will ensure that issuers have clear guidelines for the disclosure of ESG information and that investors can make informed decisions based on consistent and transparent data.

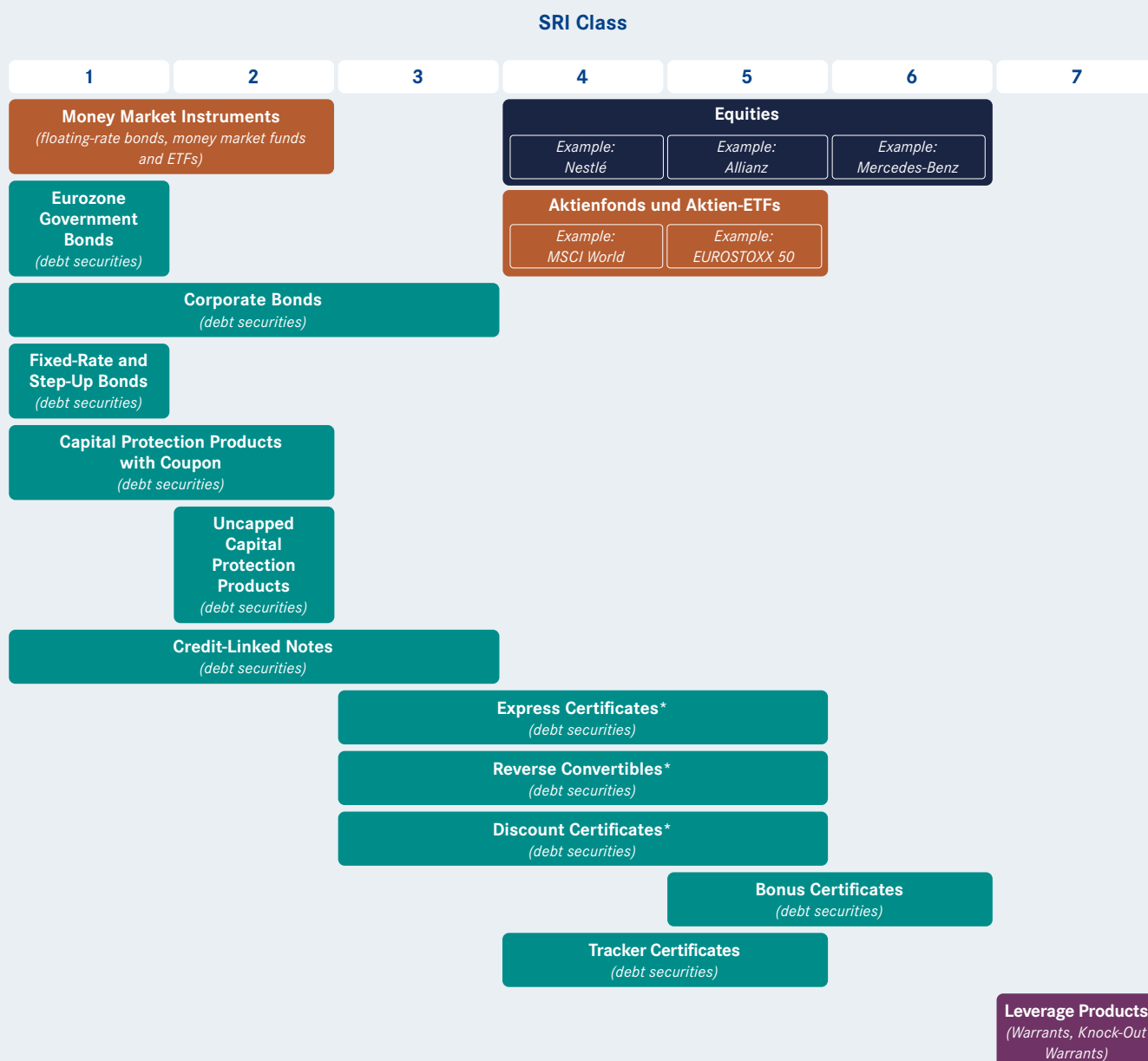
# Reform of the German private pension system – hopefully only on hold!

Since at least the start of the period of low interest rates, which has been for over ten years and thus several legislative periods, there has actually been broad agreement among policymakers in Berlin that the private pension system in Germany is in need of reform. This could also be seen in the (rare) widespread agreement between industry and investor advocates on the issue – although the specific reform solutions then quickly diverged again. It was therefore welcome news that the coalition government elected in 2021 included the reform of the private pension system in its coalition agreement. However, the geopolitical, security, and energy policy upheavals that followed shortly after the formation of the coalition may have been one (of several) causes of the German federal government only setting up an overarching focus group on private pensions (Fokusgruppe private Altersvorsorge) as late as November 2022. This presented its final report with numerous promising proposals within six months. Among other proposals, it was suggested that it should be possible to waive the guarantee requirements or annuitisation obligations and also to invest in asset classes that offer higher potential returns. Many good reform proposals on costs, transparency, advice, and certification were also put forward. If these proposals had been implemented, it would have created a solid basis for the private pension system to become significantly more attractive, and been a sensible complement to the other pillars of retirement planning in Germany, which will come under strain in future, not least due to demographic change.

However, things turned out differently. Unfortunately, the law that was to implement the focus group's proposals was more than a year away. At the end of September 2024, the German Federal Ministry of Finance published its proposal, which, in addition to a guarantee product for the insurance industry, included the retirement custody account as a new product for subsidised private pensions without capital guarantees. The subsidy was to amount to 20 cents for every euro of personal savings up to a maximum of 3,000 euros of savings (i.e., a total subsidy of 600 euros a year). There were to be further allowances for children, low earners, and people starting their careers. Providers (such as banks, insurance companies, and fund companies) were to have a pension account contract certified for the subsidies. Within the framework of this contract, individuals could either make their own investment decisions or opt for an investment advice or as well as a strategy from the provider, who would then implement this as part of financial portfolio management. Finally, the permissible assets in which investments could have been made were listed.

## These were:

- UCITS funds with a maximum Risk Class (SRI) of 5 in accordance with the PRIIPs Regulation
- Open-ended public AIFs with a maximum Risk Class (SRI) of 5 in accordance with the PRIIPs Regulation
- Debt securities issued by the public sector (e.g., the German federal government, German federal states, EU member states, or the EIB)
- Equities admitted to or included in a German or EU stock exchange.



\*For these structured securities, the information is based on the time of issuance. The risk/risk class is typically lower at maturity.

Structured securities and other debt securities such as corporate bonds were not included in this list. This was particularly surprising in view of the fact that, despite the focus on the Risk Classes in accordance with the PRIIPs Regulation, the German Federal Ministry of Finance did not include instruments that typically have a lower Risk Class than many of the instruments that ended up being included on the list. For example, many structured securities issued by BSW members, such as fixed-rate and step-up bonds, have Risk Classes ranging

from 1 to 3, while express and discount certificates often have Risk Classes of 3 to 5. Many funds and equities, on the other hand, often have Risk Classes of between 4 and 6.

In addition to the lack of such a consistent application of Risk Classes, the draft also failed to take into account the different phases of an effective private pension plan. It is well established that different instruments are suitable in the savings phase at the beginning of peoples' working lives as compared

to when they are approaching retirement and thus the payout phase. Experience has shown that in this late phase the focus is on securing and preserving savings, which can be best ensured by using interest rate instruments. Furthermore, questions of reallocation, the treatment of interest payments and other income from the invested securities, and the investment of subsidies were also unresolved in the German Federal Ministry of Finance's draft.

However, this draft legislation also suffered the fate of many other projects with the collapse of the coalition and the premature end of the legislative period. Comments were still in the process of being submitted. It was briefly rumoured that the German Federal Ministry of Finance would launch a cabinet draft under its new leadership. These plans were likely thwarted by a motion from the FDP parliamentary group, which introduced an almost identical draft into the Bundestag deliberations. There were still quite heated discussions there, but without result.

It is now up to the new federal government to continue the reform project. The parties' electoral programmes had taken up the issue, albeit with different emphases. The proposals ranged from the complete abolition of private pensions, to an early start pension plan (for children from the age of six), to a sovereign wealth fund, through to the draft originally presented by the FDP-led German Federal Ministry of Finance. Currently, it seems that the reform is on the agenda, but not prioritised. The new federal government's efforts will focus on reviving the economy and the numerous geopolitical shifts and crises. This is understandable; however, the need to reform the private pension system should not be ignored. Germany's demographic development and upcoming uncertainties, particularly with respect to the first pillar of the German pension system (the mandatory state pension insurance), make this a matter of urgency.

The BSW regards the draft law presented in September 2024 as a solid basis for making the private pension system in Germany more attractive again.

**Positive aspects of the draft included:**

- The private sector approach and emphasis on personal responsibility
- The open design (with or without guarantee, annuity yes/no, standard custody account/retirement custody account, asset management/investment advice/execution only)
- SRI Risk Classes as the basis for the product selection of securities
- The prospective allowances and subsidies
- The motivation to cut costs and bureaucracy in certification and allowance procedures

As previously mentioned, the inclusion of private sector debt securities, including structured securities with Risk Classes up to 5 (already provided for funds), would also have made sense. We would therefore welcome it if the previous draft, modified with our considerations, formed the basis for discussion for the new federal government. Furthermore, we believe it would also be a good idea not to wait until almost the end of the regular legislative period to reform the private pension system, despite all the other pressing political issues. This is because numerous questions will certainly arise during the legislative process and the subsequent implementation to which convincing answers will need to be found. Policymakers should avoid giving investors the impression that they are not investing in a credible and profitable solution for securing their finances in old age. Early disappointments and the resulting high cancellation rates, as happened with the Riester Pension contracts, should be avoided at all costs.

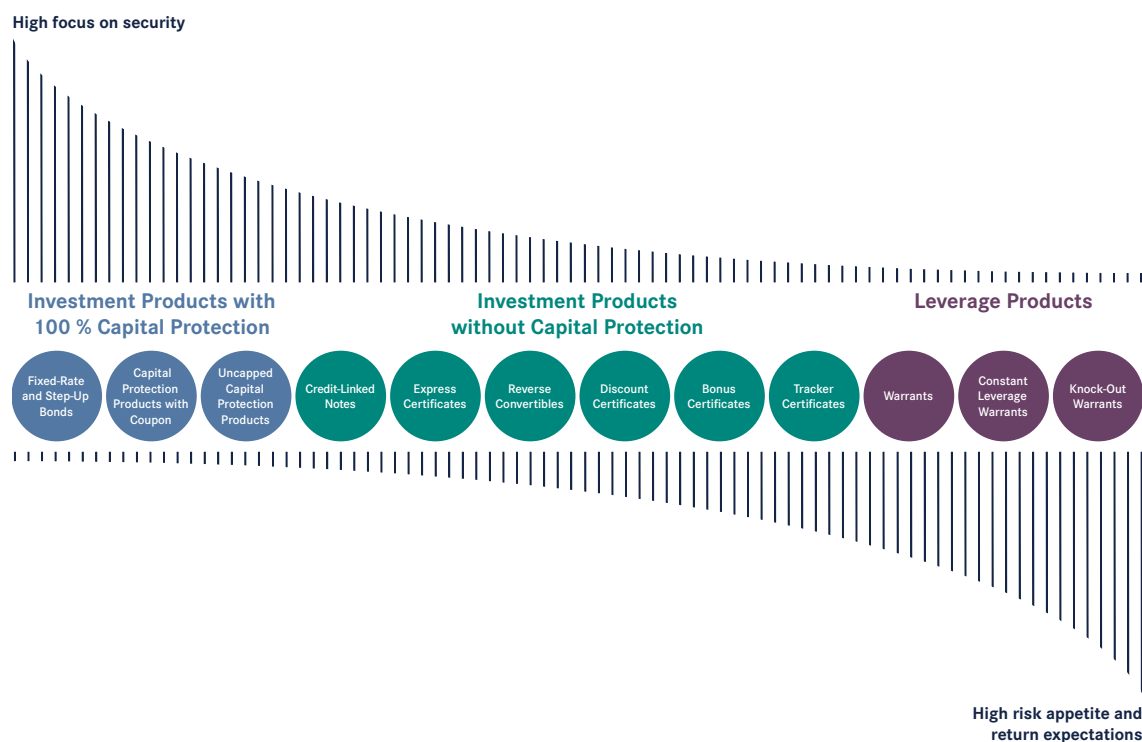


“

**A reform of the private pension schemes is essential. In this context, structured securities and other debt instruments such as corporate bonds must be included, as they often have a lower risk class than shares and funds.**



# The new BSW product classification



The BSW presented the new BSW product classification in July 2024. It covers the twelve most important product categories of structured securities. With the BSW product classification, the BSW and issuers are helping to ensure that investors can make the right

investment decision on their own or when receiving investment advice – whether for wealth accumulation, wealth preservation, or retirement planning.

## Investment Products with 100 % Capital Protection

### Fixed-Rate and Step-Up Bonds

are usually offered within a subscription phase. They have a defined term (which can end prematurely if the issuer has the right to call the product), pay coupons at a defined rate on specific dates, and are repaid in full on maturity. These products have no underlying asset and are not linked to a reference interest rate.

### Capital Protection Products with Coupon

pay coupons (the amount of which may depend on the performance of one or more **reference interest rates** or inflation indices) on predefined dates for

a defined maximum term (which can end prematurely if the issuer has the right to call the product), and are repaid in full on maturity.

### ↗ Uncapped Capital Protection Products

are linked to the performance of at least one **underlying asset** and reflect its positive performance at maturity based on a defined participation rate. Even if the underlying asset performs negatively, they repay at least the amount offered capital protection at maturity.

## Investment Products without Capital Protection

### Credit-Linked Notes

are based on the creditworthiness (credit rating) of a reference debtor and make coupon payments of a defined amount on specific dates for a defined maximum term, provided that **no credit event** (e.g., default, insolvency) occurs at the reference debtor.

### → Express Certificates

pay coupons and/or mature early if the price of their **underlying asset** reaches or exceeds a defined **termination level** or does not fall below a **barrier** on one of the observation dates or within a defined observation period. If there is no early maturity and the **barrier** has not been breached on the final observation date, the final coupon will be paid and the certificate will be repaid at par value. Otherwise, payment is made on maturity that is dependent on the closing price of the underlying asset (or there is physical delivery of shares).

### → Reverse Convertibles

pay a fixed coupon regardless of the performance of their **underlying asset**, however, the performance determines the type and amount of repayment: If the underlying asset is quoted above a defined **strike price**, repayment is made at 100 % of par value on the repayment date, otherwise the underlying asset is physically delivered in accordance with the subscription ratio or a corresponding payment is made.

### → Discount Certificates

allow investors to invest in an **underlying asset** at a discount on the current price. In this way, moderate price losses can be cushioned, but in return investors only participate in rising prices up to a defined **maximum amount** (the cap).

### → Bonus Certificates

pay a defined bonus amount at maturity, even if their **underlying asset** moves sideways or falls slightly. The prerequisite for this is that a specified **barrier** has not been breached within the observation period. If the barrier is breached, the bonus mechanism does not apply. In this case, on maturity, the underlying asset is physically delivered or a corresponding payment is made.

### ↗ Tracker Certificates

track the performance of an index, basket of shares, or commodity on an almost linear basis without leverage and enable diversified investments in regional markets, sectors, or global trends or commodities.

## Leverage Products

### ↗ Call Warrants

#### ↘ Put Warrants

provide leveraged exposure to rising (call) or falling (put) prices of an underlying asset. The price of the warrants is also influenced by other factors (volatility, residual term, etc.).

### ↗ Long Constant Leverage Warrants

#### ↘ Short Constant Leverage Warrants

provide leveraged exposure to price rises (long or call) or price falls (short or put) of an underlying asset, with a constant, predefined factor. This factor describes the leverage, which is kept constant on a daily basis.

### ↗ Long Knock-Out Warrants (Call)

#### ↘ Short Knock-Out Warrants (Put)

track the absolute price movements of an underlying asset on an almost linear basis and provide leveraged exposure to rising (call or long) or falling (put or short) prices through the lower capital investment. If a knock-out barrier is breached, the product matures immediately and generally expires worthless.

- Expectation of a sideways trending market
- ↗ Expectation of an upwards trending market
- ↘ Expectation of a downwards trending market

# BSW Forum

**9 September 2024**  
**at the Hotel Steigenberger Frankfurter Hof**

The theme of our BSW Forum on 9 September 2024 was “Dare to embrace greater securities culture!” At the invitation of the BSW, leading figures from the fields of politics, supervision, and business spent a day discussing with each other and the audience how progress can be made in this direction.





PANEL DISCUSSION  
»How do we (finally) improve the  
securities culture and private  
retirement planning in Germany?«



**Christian Vollmuth,**  
CEO and Member of the Board of the BSW



**Anja Schulz,** Member of the German Bundestag (FDP)



**Prof. Dr. Barbara Brandstetter,**  
Business, Finance, and Consumer Communication,  
Neu-Ulm University of Applied Sciences



**Thomas Richter,**  
CEO of the German Investment Fund Association BVI

#### KEYNOTE SPEECH

### »Who are the new world powers and what challenges do they pose to Germany?«

*Joschka Fischer, former German Federal Minister for Foreign Affairs (below) with Dr Christoph von Marschall from Tagesspiegel (right)*



#### KEYNOTE SPEECH

### »The race to the White House: From tactics to triumph«

*Julius van de Laar, U.S. campaign and strategy consultant*



“

Germany needs strong political leadership in this situation. It must recognise and accept realities, consistently take the right measures, and focus on a strong Europe.

*Joschka Fischer,  
former German Federal Minister for  
Foreign Affairs*



*Dr Jörg Kukies, SPD,  
Secretary of State of the Chancellery*



»The fact that the market for structured securities diverges so starkly between individual member states makes the starting point for a stronger investment culture more difficult.«

*Prof. Dr Steffen Kern, ESMA*

#### PANEL DISCUSSION with the regulators

*From left to right: Marco Traversa (EIOPA),  
Dr Oliver Wagner (BSW) & Prof. Dr Steffen Kern (ESMA)*



*Moderator Viola Grebe*



#### KEYNOTE SPEECH

»The EU after the elections –  
business as usual or new  
impetus for the European  
securities culture?«

*Thomas Wulf, Secretary General EUSIPA*

[Table of contents](#)

# BSW Business Journalism Awards



## Winners of the 2024 BSW Business Journalism Awards

**Meike Schreiber / Süddeutsche Zeitung**  
Journalist of the Year 2024

**Thomas Kehl / Finanzfluss**  
Finfluencer of the Year 2024

**Martin Greive, Moritz Koch, Catiana Krapp, Mareike Müller,  
Julian Olk, Klaus Stratmann / Handelsblatt**  
Article: "Russendisko" / Handelsblatt, 1 December 2023  
Category: General Economic and Financial Policy

**André Dér-Hörmeyer, Janne Knödler, Benedikt Dietsch,  
Mitsuo Iwamoto, Lea Utz / Bayerischer Rundfunk / ARD**  
Podcast: "Wild Wild Web – Geschichten aus dem Internet: Ich bin Millionär"  
Category: Financial Investments

**Frank Doll, Julia Groth, Anton Riedl, Jan-Lukas Schmitt / WirtschaftsWoche**  
Article: "Sicher in den Herbst: So bereiten sich Anleger auf Rücksetzer vor"  
Category: Structured Securities

**Birgit Wetjen, Heinz-Peter Arndt / courage**  
Article: "Grüne Strickmuster – Rendite mit Sinn"  
Category: Sustainable Finance

**Christiane von Hardenberg / Die Zeit**  
Article: "Rente für Frauen: Ich will Altersreichtum!"  
Category: Female Finance

## Special Jury Award

**Andrea Lueg / Südwestdeutscher Rundfunk**  
Podcast/Article: "Geld auf dem Lehrplan – Finanzbildung an Schulen"  
Category: Special Jury Award for Financial Literacy

*The BSW Business Journalism Awards were presented jointly with the **Frankfurt, Stuttgart, and gettex exchanges** in recognition of outstanding journalistic achievements.*





**Thomas Kehl**  
Influencer of the Year



**Meike Schreiber**, Journalist of the Year



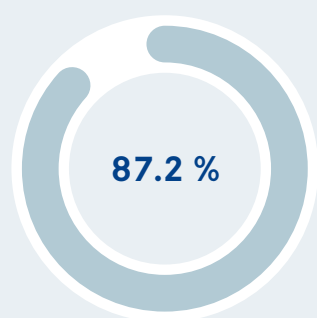
**Andrea Lueg**, Special Jury Award for Financial Literacy



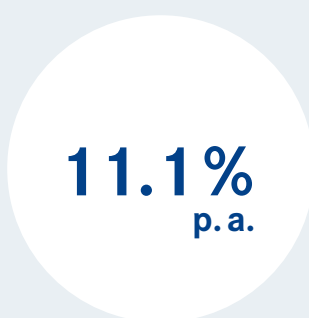
**All award winners present from left to right:** Jan-Lukas Schmitt, Mitsuo Iwamoto, André Dér-Hörmeyer, Meike Schreiber, Thomas Kehl, Birgit Wetjen, Heinz-Peter Arndt, Martin Greive & Andrea Lueg

# Study on Discount Certificates

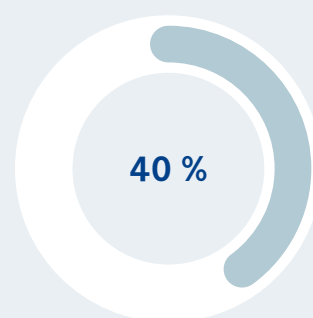
Reliable, high-return portfolio components (even) in bull markets



of the discount certificates analysed achieved positive returns in 2023



was the average return of a discount certificate in 2023.



of the discount certificates analysed outperformed their underlyings.

In autumn 2024, the BSW presented its annual Study on Discount Certificates, in which data from the previous year was analysed. In the consistently positive market environment of 2023, some 76.3 per cent of the underlyings recorded positive performance, and as many as 87.2 per cent of discount certificate products closed the year with gains.

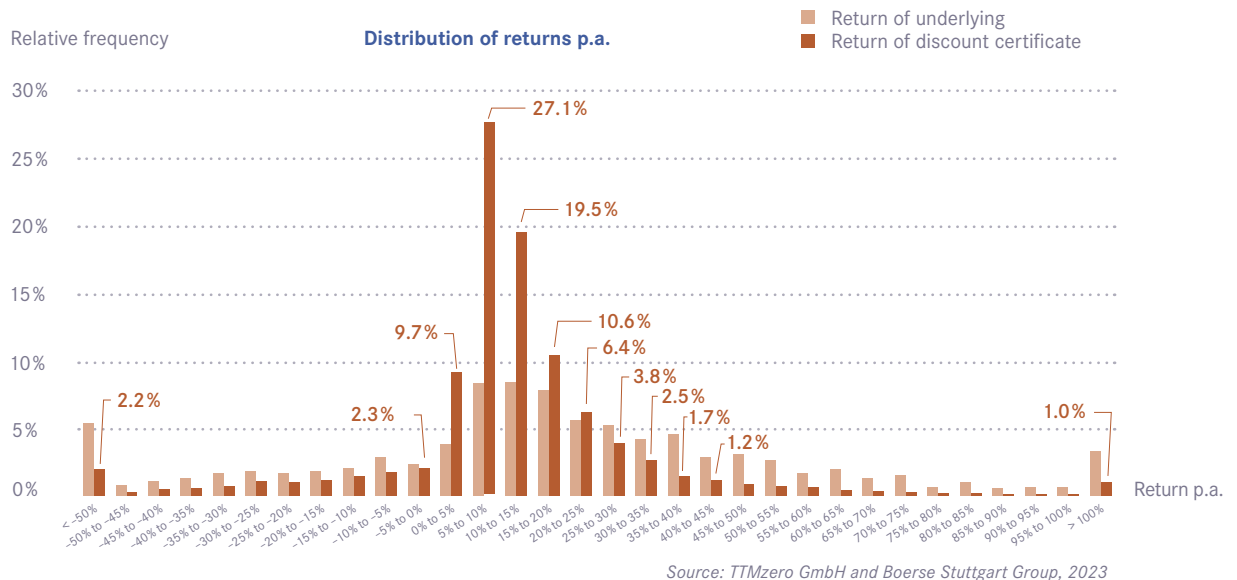
The average return of all discount certificates analysed was 11.1 per cent p.a. in 2023, while the underlying assets gained 23.4 per cent on average. Of the 58,486 discount certificates maturing in 2023 (34.2 per cent of the products analysed), a total of 77.6 per cent achieved their maximum return, which averaged 14.4 per cent p.a.

Some 40 percent of the discount certificates analysed even outperformed their underlyings in the

positive market environment of 2023. In addition, 12.9 per cent of the discount certificates delivered positive returns even though their underlying assets performed negatively. Both of these metrics are typically much higher in weak market phases, such as in 2022, where they were 67 per cent and 24.2 per cent respectively. The study analysed 170,823 discount certificates based on 70 top underlyings (5 indices and 65 equities) from Germany, Europe, and the United States. The performance of the discount certificates was analysed for the period of 1 January 2023 to 31 December 2023.

At the end of 2023, German retail investors held discount certificates with a market volume totalling just under 3.6 billion euros in their portfolios, corresponding to 3.6 per cent of the total market volume of structured securities in Germany. On the

## Comparison of the distribution of the returns of discount certificates and underlyings



Stuttgart, Frankfurt, and gettex exchanges, discount certificates are typically among the highest-turnover investment products. Discount certificates are currently available for over 560 underlyings in the asset classes of equities, indices, and commodities. Thanks to the wide range of caps and maturities, investors can pursue nuanced strategies specifically tailored to their individual risk profiles and investment horizons. By selecting a suitable cap, defensive, neutral, or more offensive investment strategies can be selected.

The success story of discount certificates is based on their simple and intuitive comprehensibility: Investors purchase a discount certificate at a price below that of the underlying asset (e.g., an equity). This discount reduces potential losses if the price of the underlying asset falls. In exchange for this

discount, investors accept that they will participate in the positive performance of the underlying asset only up to the level of the cap.

Discount certificates allow investors to structure an equity investment defensively and achieve attractive returns even in markets that are trending sideways or moderately downwards, and thereby stabilise their portfolio.

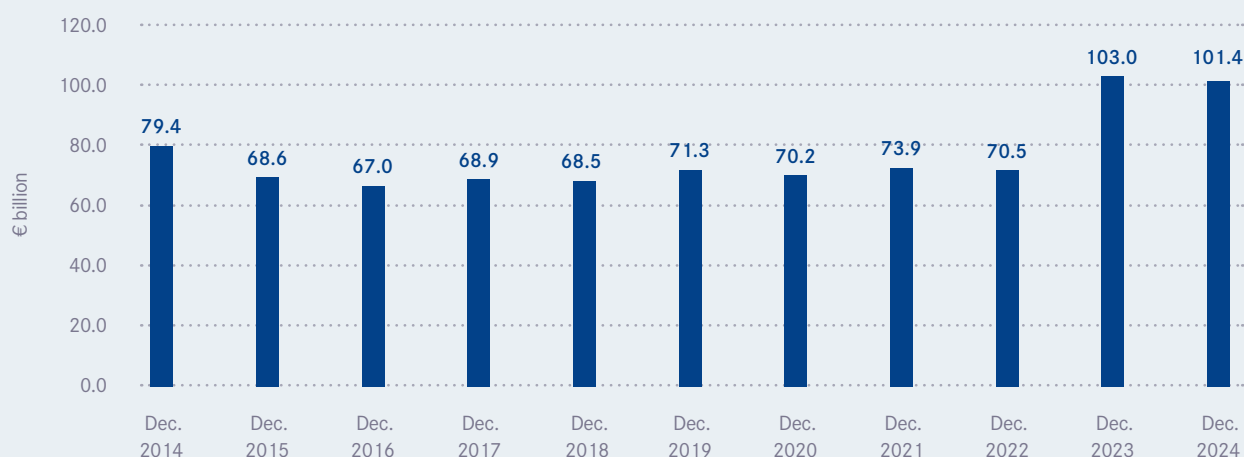


# The market for structured securities in Germany

In 2024, the German market for structured securities stabilised at the previous year's level. While it grew significantly from 2022 to 2023, the 101.4 billion euros at the end of 2024 represented a slight

decline of 1.6 % compared to the previous year. Investment products accounted for 96.4 % of the market volume, and leverage products for 3.6 %.

### Market volume of structured securities



Source: BSW

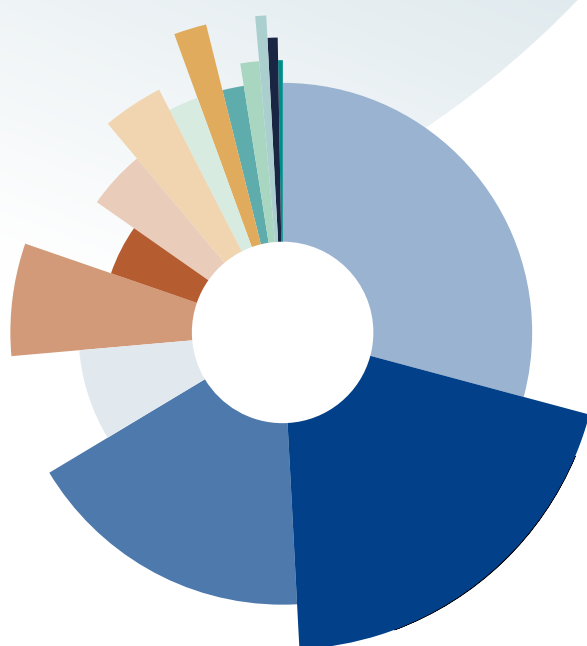
### Structured securities

Market share by market volume Q4 2024

28.5%	DZ BANK	2.0%	Vontobel
19.1%	LBBW	2.0%	UBS
16.5%	DekaBank	1.5%	Barclays
7.7%	Société Générale	1.1%	HSBC
6.5%	Deutsche Bank	1.1%	J.P. Morgan
4.6%	UniCredit	0.8%	Morgan Stanley
4.3%	BNP Paribas	0.6%	Citi
3.6%	Goldman Sachs		



In terms of issuer market share by market volume, DZ BANK took first place with 28.5 per cent (previous year: LBBW with 18.4 per cent), followed by LBBW with 19.1 per cent (previous year: DekaBank with 17.3 per cent), and DekaBank with 16.5 per cent (previous year: DZ BANK with 16.5 per cent).



### Investment products

Market share by market volume Q4 2024

29.4%	DZ BANK	1.9%	UBS
19.8%	LBBW	1.7%	Vontobel
17.1%	DekaBank	1.6%	Barclays
7.2%	Société Générale	1.0%	J.P. Morgan
6.7%	Deutsche Bank	0.6%	HSBC
4.6%	UniCredit	0.5%	Citi
4.1%	BNP Paribas	0.2%	Morgan Stanley
3.6%	Goldman Sachs		

For investment products, the ranking of the top three issuers reflected that of the market as a whole: DZ BANK took first place in terms of market share by market volume, followed by LBBW and DekaBank.



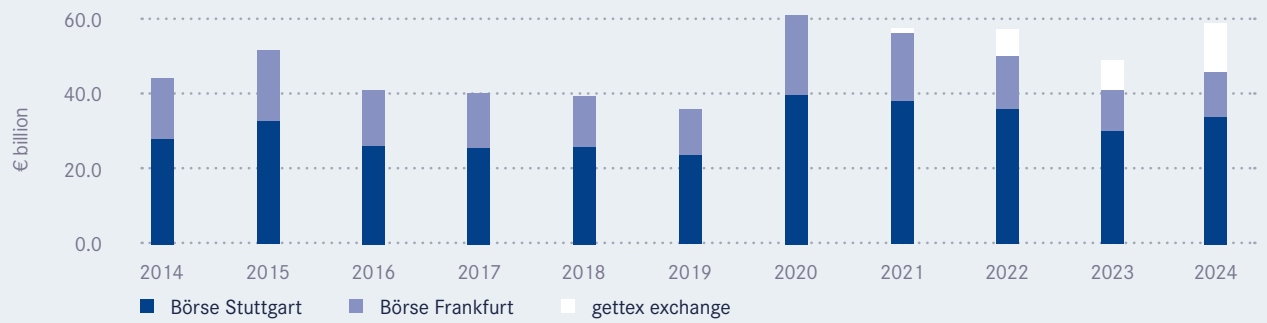
### Leverage products

Market share by market volume Q4 2024

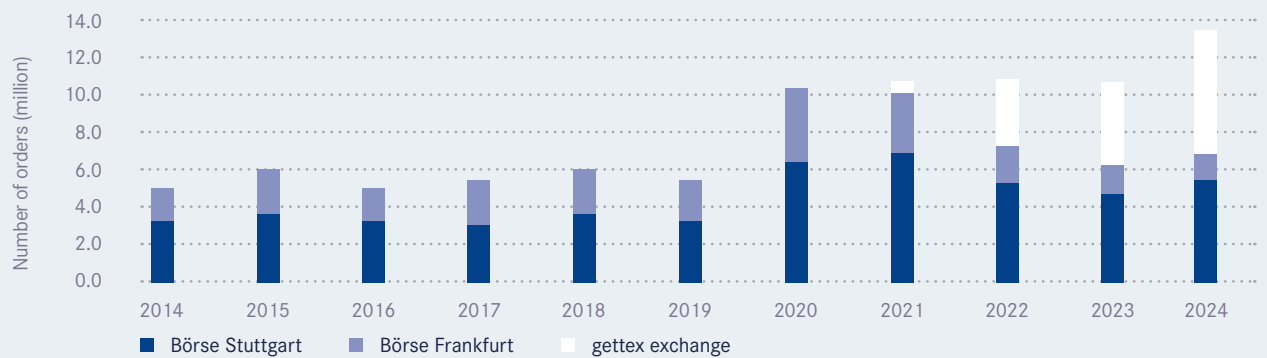
19.2%	Société Générale	5.3%	UBS
16.8%	Morgan Stanley	4.5%	Goldman Sachs
15.1%	HSBC	4.1%	J.P. Morgan
12.4%	Vontobel	3.9%	DZ BANK
9.1%	BNP Paribas	3.5%	Citi
5.5%	UniCredit	0.6%	Deutsche Bank

A completely different picture emerged for leverage products: Société Générale led the field here, ahead of Morgan Stanley (2nd place) and HSBC (3rd place). Vontobel took fourth place, while fifth place went to BNP Paribas.

### Development of exchange turnover (volume) from 2014 to 2024



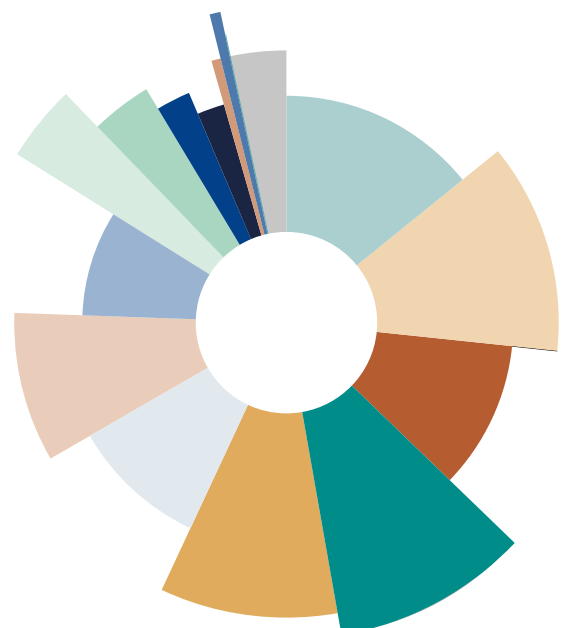
### Development of client orders from 2014 to 2024



In 2024, both the trading volume (59.3 billion euros) and the number of orders executed increased significantly compared to the previous year.

### Market share by exchange turnover as at the end of the year

14.3%	HSBC	3.9%	UBS Investment Bank
12.5%	Goldman Sachs	3.7%	J.P. Morgan
10.5%	UniCredit	2.2%	LBBW
10.2%	Morgan Stanley	2.0%	Citi
9.7%	Vontobel	0.5%	Deutsche Bank
9.5%	Société Générale	0.4%	DekaBank
8.9%	BNP Paribas	0.0%	Barclays
8.4%	DZ DANK	3.2%	other



Exchange trading was heavily dominated by leverage products. HSBC took the top position in 2024, followed by Goldman Sachs and UniCredit in second and third place.

# Board of Directors



**Markus Bärenfänger**  
DZ BANK AG  
Head of Customer and Sales Management in  
the capital markets business with private clients  
division



**Peter Bösenberg**  
Société Generale  
Deputy Head of Public Distribution Europe



**Stephan Frerker**  
DekaBank  
Head of the Structuring & Derivatives Trading unit



**Anton Hötzl**  
Vontobel Europe AG  
Chief Operating Officer



**Christian Vollmuth**  
Bundesverband für strukturierte Wertpapiere  
CEO and Member of the Board



# Academic Advisory Board



**Prof. Dr Christian Koziol**  
(Chairperson)  
Eberhard Karls University of Tübingen  
Chair of Finance



**Prof. Dr Lutz Johanning**  
WHU – Otto Beisheim School of Management  
Chair of Empirical Capital Market Research



**Prof. Dr Britta Hachenberg**  
Cologne University of Applied Sciences  
Professor of Finance

# Committees

## Regulation and Investor Protection Committee

**Helmut Höfer**  
(Chairperson)

Société Générale S.A.  
Managing Director  
Head of Legal SGCIB Germany & Austria



## Issuance Business Committee



**Janos Hennig**  
(Deputy)  
Deutsche Bank AG  
Managing Director  
Legal PB Investment Solutions



**Daniel Ständer**  
(Deputy)  
LBBW  
Director  
Product Management Equity Markets



**Georg Krull**  
(Chairperson)  
HSBC  
Head of Derivatives Public Issuance



**Sandra Lorscheid**  
(Deputy)  
Société Générale S.A.  
Director, Legal Head of Structured Products



**Dr Holger Martin**  
(Deputy)  
Bank Vontobel Europe AG  
Head Legal & Global Head Legal Structured  
Solutions, Treasury & Transaction Banking



## Tax Committee

**Thomas Wagner**  
(Chairperson)  
UniCredit Bank AG  
Syndikus, Tax Counsel



**Dr Bettina Maaß**  
(Deputy)  
DZ BANK AG  
Group Head Product Taxation Advisory  
(Group Finance)



**Markus Taubel**  
(Deputy)  
DekaBank  
Head of Tax

## Sustainable Finance Committee



**Ruben Seebaß**  
(Chairperson)  
DZ BANK AG  
Issuance Process & Product Regulation



**Sebastian Römer**  
(Deputy)  
DekaBank  
Product Management Certificates



**Dr Bernd Spendig**  
(Deputy)  
UniCredit Bank AG  
Head of ESG – Client Risk Management

# Team



**Annette Abel**  
**Communication I Digital Media**

Bundesverband für strukturierte Wertpapiere  
Feldbergstraße 38 | 60323 Frankfurt

Phone: +49 69 244 3303 66  
Mobile: +49 162 274 4742  
Email: abel@derbsw.de



**Sayma Dröge**  
**Project and Office Management**

Bundesverband für strukturierte Wertpapiere  
Pariser Platz 3 | 10117 Berlin

Phone: +49 30 4000 475 40  
Mobile: +49 152 553 426 98  
Email: droege@derbsw.de



**Saskia Graumüller**  
**Financial Controlling**

Bundesverband für strukturierte Wertpapiere  
Pariser Platz 3 | 10117 Berlin

Phone: +49 30 4000 475 15  
Mobile: +49 172 197 4077  
Email: graumueller@derbsw.de



**Annekatriin Kutzbach**  
**Senior Legal Counsel Capital Markets & Prospectus Law**

Bundesverband für strukturierte Wertpapiere  
Feldbergstraße 38 | 60323 Frankfurt

Phone: +49 69 244 3303 50  
Mobile: +49 172 656 2212  
Email: kutzbach@derbsw.de



**Christian Stadler**  
**Senior Political Advisor**

Bundesverband für strukturierte Wertpapiere  
Pariser Platz 3 | 10117 Berlin

Phone: +49 30 4000 475 30  
Mobile: +49 172 383 05 17  
Email: stadler@derbsw.de



**Christian Vollmuth**  
**CEO and Member of the Board**

Bundesverband für strukturierte Wertpapiere  
Feldbergstraße 38 | 60323 Frankfurt

Phone: +49 69 244 3303 33  
Mobile: +49 172 450 9897  
Email: vollmuth@derbsw.de



**Carsten Heise**  
**Senior Legal Counsel Financial Services & Market Infrastructure**

Bundesverband für strukturierte Wertpapiere  
Feldbergstraße 38 | 60323 Frankfurt

Phone: +49 69 244 3303 80  
Mobile: +49 172 365 6738  
Email: heise@derbsw.de



**Juliane Holl**  
**Senior Legal Counsel Sustainable Finance & Capital Markets**

Bundesverband für strukturierte Wertpapiere  
Feldbergstraße 38 | 60323 Frankfurt

Phone: +49 69 244 3303 70  
Mobile: +49 172 868 6015  
Email: holl@derbsw.de



**Carsten Kipper**  
**Press Spokesman**

Bundesverband für strukturierte Wertpapiere  
Feldbergstraße 38 | 60323 Frankfurt

Phone: +49 69 244 3303 75  
Mobile: +49 174 271 5959  
E-Mail: kipper@derbsw.de



**Dr. Oliver Wagner**  
**Head of Berlin Office**

Bundesverband für strukturierte Wertpapiere  
Pariser Platz 3 | 10117 Berlin

Phone: +49 30 4000 475 50  
Mobile: +49 151 624 848 66  
Email: wagner@derbsw.de



**Judith Watzinger**  
**Assistant to the CEO | Office Management**

Bundesverband für strukturierte Wertpapiere  
Feldbergstraße 38 | 60323 Frankfurt

Phone: +49 69 244 3303 60  
Mobile: +49 172 529 4692  
Email: watzinger@derbsw.de

# Publishing information

**Published by:**

Bundesverband für strukturierte Wertpapiere e. V.  
Association registration number: VR 13943

**Editors:**

Carsten Heise, Juliane Holl, Carsten Kipper,  
Annekatriin Kutzbach, Christian Stadler & Dr Oliver Wagner

**Sub-editing:**

Apostroph Group

**Translation:**

James Bray

**Design:**

Jungrad.Design

**Printed by:**

DCM Druck Center Meckenheim

**Photo credits:**

Michael Fahrig: *p. 4, p. 32, p. 33, p. 34, p. 35, p. 44, p. 48, p. 49*

Fabienne Karmann: *p. 9, p. 44, p. 46, p. 47, p. 48, p. 49*

Saschau Baumann: *p. 31*

Stefan Wildhirt: *p. 44, p. 46, p. 47, p. 48, p. 49*

Peter Himself: *p. 46, p. 47*

Unsplash: *p. 16, p. 20*



[www.derbsw.de](http://www.derbsw.de)



BSW – Bundesverband für  
strukturierte Wertpapiere



# Sponsoring Members

**adesso** | business.  
people.  
technology.

/ BAADER /

**BÖRSE  
FRANKFURT**

**Boerse Stuttgart  
Group**

**comdirect**

**Consort  
bank !**  
by BNP PARIBAS

**deriserv** DERIVATIVES DATA SERVICE

Deutsche Bank  
**maxblue**

 **DEUTSCHE BÖRSE  
COMMODITIES**

**DKB**  
Deutsche Kreditbank AG

**FACTSET**

**finanzen.net**

**flat**  **DEGIRO  
BANK**

frontmark®

**gettex**   
exchange

**ICF BANK** 

 **Infront**

**ING** 

**lpa\_**

**onvista  
media**

 **broker**

 **SPECTRUM\***  
Lighting up the market

**TRADE**   
**REPUBLIC**

**wsd** 

**Berlin Office**

Pariser Platz 3

10117 Berlin, Germany

Phone: +49 30 4000 475 0

Email: [info@derbsw.de](mailto:info@derbsw.de)

**Frankfurt Office**

Feldbergstraße 38

60323 Frankfurt am Main, Germany

Phone: +49 69 244 33 03 60

Email: [info@derbsw.de](mailto:info@derbsw.de)

**Brussels Office**

Place Schuman 2-4 / Level 6

1040 Brussels, Belgium