

## TECHNICAL BOARD

### CEN/BT by correspondence

For vote in line with IR2, 6.2.3

Issue date: 2023-08-16

Deadline: 2023-11-07

### SUBJECT

**New CEN/TC on Finance**

### BACKGROUND

On 2023-07-19, DIN submitted a proposal to CCMC for the creation of a new Technical Committee in the field of Finance, including a New Work Item Proposal for a European Standard on Basic financial analysis for private households (see Annex 1).

The committee aims to standardize various topics related to finance, including:

- basic financial analysis for private customers;
- sustainable finance standardization in a European context;
- query methods, processes, evaluation of investor sustainability preferences;
- product declaration and labelling concerning sustainability topics;
- standardized financial and risk analysis for investors.

According to this proposal, a CEN Technical Committee on Finance is crucial to harmonize standards, integrate EU sustainability goals, inspire investor confidence, exert global influence, stimulate market development, and support effective regulation. By establishing common frameworks and practices, the committee ensures consistency, transparency, and comparability in finance practices across Europe. It fosters trust in sustainable investments, attracts capital to sustainable projects, and positions Europe as a leader in sustainability.

The current lack of standards in this field is particularly pronounced for the self-employed, freelancers, and SMEs. Standards already exist for large companies and their risk management, but their complexity and depth make them almost impossible to apply to medium-sized, small, and micro-enterprises.

A proposal for the initial work programme of the new CEN/TC is also presented in Annex 1.

CEN/BT is asked to approve the creation of a new CEN/TC as follows:

- Vote according to Internal Regulations Part 2, clause 6.2.3 (non-mandated work, weighted);  
*Note: Possible votes are 'Agrees', Disagrees with comments' and 'Abstains'. Any vote indicating 'Deferred decision' will be counted as 'Disagrees with comments'.*
- At least 5 Members express commitment to participate.

Consequently, BT members are requested to state explicitly, by means of the commenting field provided in the BT-balloting tool, whether or not they are committed to participate in the work.

## PROPOSAL(S)

BT,

- having considered the proposal for a new field of technical activity submitted by DIN as included in Annex 1;
- considering that the following Members have expressed commitment to participate: <Members>;
- decides to create a new CEN/TC xxx with the following preliminary title and scope:

Title: Finance

Scope:

Standardization in the field of finance.

The committee aims to standardize various topics related to finance, which include:

- basic financial analysis for private customers;
- sustainable finance standardization in a European context;
- query methods, processes, evaluation of investor sustainability preferences;
- product declaration and labelling concerning sustainability topics;
- standardized financial and risk analysis for investors.

2023-08-07 – CHT – CV



PROPOSAL for a NEW FIELD OF TECHNICAL ACTIVITY	
Date of circulation .....	<b>CEN/TC / SC N</b> ..... (where appropriate)
Secretariat .....	<b>CENELEC/TC / SC (Sec)</b> ..... (where appropriate)
Type of technical body proposed (TC / SC / BTF)	<b>CEN/TC</b> .....

**IMPORTANT NOTE: Incomplete proposals risk rejection or referral to originator.**

The proposer has considered the guidance given in Annexes 1 and 2 during the preparation

**Proposal** (to be completed by the proposer)

<p><b>Title of the proposed new subject</b> (The title shall indicate clearly and unambiguously, yet concisely, the new field of technical activity which the proposal is intended to cover.)</p> <p>Finance</p>
<p><b>Scope statement of the proposed new subject</b> (The scope shall precisely define the limits of the new field of technical activity. Scopes shall not repeat general aims and principles governing the work of the organization but shall indicate the specific area concerned.)</p> <p>Standardization in the field of finance.</p> <p>The committee aims to standardize various topics related to finance, which include:</p> <ul style="list-style-type: none"> <li>- Basic financial analysis for private customers;</li> <li>- Sustainable finance standardization in a European context;</li> <li>- Query methods, processes, evaluation of investor sustainability preferences;</li> <li>- Product declaration and labelling concerning sustainability topics;</li> <li>- Standardized financial and risk analysis for investors.</li> </ul>
<p><b>Purpose and justification for the proposal.</b></p> <p>The committee will focus on sustainable finance standardization in a European context, integrating relevant ISO standardization activities and complementing existing initiatives and regulations. By developing standards, the TC aims to enhance transparency, consistency, and trust in financial practices. This facilitates informed decision-making and sustainable investments, which ultimately contributes to the alignment of the financial system with global sustainability goals. Additionally, the TC will contribute to the advancement of financial and risk analysis for private customers, as well as product declaration practices.</p> <p>The CEN/TC Finance will develop standards for basic financial analysis and risk analysis specifically tailored to private customers. These standards will provide guidelines and methodologies for individuals to assess their financial health, understand investment risks, and make informed financial decisions by establishing common methodologies and frameworks. Financial institutions will be able to accurately assess and align their offers with investor values. This will strengthen investor confidence, enable personalized investment solutions, and promote consumer protection.</p> <p>The CEN/TC Finance will address needs for standardized practices in (sustainable) finance by developing standards specifically focused on finance in a European context. These standards will help harmonize sustainability factors and disclosure requirements, promoting transparency, comparability, and credibility in financial</p>

products and services. By providing a unified approach and consistent methodologies, the committee will complement and align with existing frameworks, enhancing their effectiveness and coherence. This collaboration will foster coordination among different stakeholders and promote a cohesive financial ecosystem in Europe, benefiting consumers, investors, and organizations alike.

## **Background**

During the early 2000s, there was a reported rise in financial losses incurred by private customers due to various factors, including inadequate investment advisor training, unsuitable product design and recommendations, and a lack of transparency in advisory processes.

This has left consumers with a limited understanding of their financial objectives, risks, and priorities, making it difficult for consumers to make informed decisions about protecting themselves, making provisions, and building assets. Moreover, the lack of uniformity among financial advisors' analyses has led to significant consumer uncertainty and a lack of consistent guidance. Standardizing product design and reporting can increase transparency and mitigate greenwashing through comprehensive guidelines for analysis methods or KPIs.

Similarly, consumers face challenges in the field of residential real estate financing, with starkly rising interest rates highlighting the risks involved. Currently, there are no consistent standards for analysing construction financing volumes, resulting in potential consumer overburdening. Additionally, the query of sustainability preferences is still in its early stages, lacking uniformity. This lack of standardization makes it difficult to compare preferences and products, leading to frustration and rejection of the topic. Standardization is urgently required to provide clarity and facilitate informed decision-making for consumers and intermediaries.

The lack of standards is even more pronounced for the self-employed, freelancers and SMEs. Standards already exist for large companies and their risk management, but their complexity and depth make them almost impossible to apply to medium-sized, small and micro-enterprises.

## **Existing European regulatory framework**

The existing regulatory framework on finance in Europe includes several key components. Financial and insurance distribution in Europe essentially takes place on the legal basis of the Insurance Distribution Directive IDD and the Markets in Financial Instruments Directive MiFID.

These directives require that financial and insurance companies keep their distributors free from disincentives and conflicts of interest. They establish what advisors and intermediaries of varying degrees must disclose to consumers, but lack guidance on the assessment of needs, i.e. whether the respective consumer has a plausible demand for the offered products.

## **Need for standardization at European level**

A CEN Technical Committee on Finance is crucial to harmonize standards, integrate EU sustainability goals, inspire investor confidence, exert global influence, stimulate market development, and support effective regulation. By establishing common frameworks and practices, the committee ensures consistency, transparency, and comparability in finance practices across Europe. It fosters trust in sustainable investments, attracts capital to sustainable projects, and positions Europe as a leader in sustainability.

The committee's work drives innovation, promotes market growth, and contributes to the global transition towards a sustainable financial system. Its establishment aligns Europe's financial sector with sustainability objectives, benefiting the environment, society, and the economy. EU Commissioner Mairead McGuinness presented a retail investor strategy that does not immediately enforce a Europe-wide ban on commissions but hints at its possibility in three years, given certain conditions. This indicates that financial sales in Europe are characterized by misaligned

incentives and conflicts of interest. The strategy emphasizes the need for better product appropriateness examination, requiring advisors to consider consumers' risk tolerance, product knowledge, experience, ESG preferences, and most importantly, their needs. Similar concerns exist in the SME sector and private households' investments in real estate assets, highlighting the importance of standardized risk analysis for consumer protection.

Summarized, a European Technical Committee on Finance will provide an improvement of tools and solutions focussed platform for Europe to exert international influence and leadership in shaping (sustainable) finance standards and consumer protection practices globally. It will promote consumer protection and welfare, provide guidance to organizations on sustainable financing and investment decisions, as well as supporting European policy and legislation.

**Is the proposed new subject actively, or probably, in support of European legislation or established public policy?**

Yes     No

**If Yes, indicate if the proposal is**

▪ **in relation to EC mandate(s):** .....(which one(s))

▪ **in relation to EC Directive(s)/Regulation(s):** .....(which one(s))

- [Directive \(EU\) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution \(IDD\)](#)
- [DIRECTIVE 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU \(MiFID\)](#)
- [Directive \(EU\) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on Sustainable Finance Disclosure Regulation SFDR](#)
- [REGULATION \(EU\) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation \(EU\) 2019/2088 CSRD](#)
- [Decision \(EU\) 2022/591 of the European Parliament and of the Council of 6 April 2022 on a General Union Environment Action Programme to 2030](#)

▪ **in relation to other legislation or established public policy:** .....(give details)

- European Sustainability Reporting Standards
- ['Fit for 55': delivering the EU's 2030 Climate Target on the way to climate neutrality](#)

### **Proposed initial programme of work**

The proposed programme of work shall correspond to and clearly reflect the aims of the standardization activities and shall therefore show the relationship between the subject proposed.

Each item on the programme of work shall be defined by both the subject aspect(s) to be standardized (for products, for example, the items would be the types of products, terminology, characteristics, other requirements, data to be supplied, test methods, performance requirements, etc.). Supplementary justification may be combined with particular items in the programme of work (e.g. output from a research project).

The proposed programme of work shall also suggest priorities, target dates and the most appropriate type of deliverable (e.g. EN, TS) for each item

- See NWIP on "Basic financial analysis for private customers"
  - consideration of adopting International Standards on sustainable finance, already existing or under development in ISO/TC 322 "Sustainable Finance" and ISO/TC 207 "Environmental Management", including, but not limited to:
    - ISO 32210 "Sustainable finance – Guidance on the application of sustainability principles for organizations in the financial sector";
    - ISO 14030 "Environmental performance evaluation – Green debt instruments";
- or

- ISO 14100 "Guidance on environmental criteria for projects, assets and activities to support the development of green finance".

**A statement from the proposer as to how the proposed work may relate to or impact on existing work, especially existing CEN, CENELEC, ISO and IEC deliverables.**

The proposer should explain how the work differs from apparently similar work, or explain how duplication and conflict will be minimized. If seemingly similar or related work is already in the scope of other committees of the organization, or in other organizations, the proposed scope shall distinguish between the proposed work and the other work. The proposer shall indicate whether his or her proposal could be dealt with by widening the scope of an existing committee or by establishing a new committee.)

The purpose of the new technical committee is to develop standards in the field of finance.

The CEN/WS XFS extensions for Financial Services is not directly working on financial services within the meaning of the scope of the proposed new CEN/TC but its work and deliverables should be considered in the work of the proposed new CEN/TC.

Furthermore, the following committees relevant for finance sector activities and environmental, social and governance considerations exist on ISO level:

- ISO/TC 68 Financial Services
- ISO/TC 251 Asset Management
- ISO/TC 207 Environmental Management
- ISO/TC 222 Personal financial planning
- ISO/TC 307 Blockchain
- ISO/TC 309 Governance of organizations
- ISO/TC 322 Sustainable Finance
- ISO/TC 323 Circular economy

Any conflict with existing ISO standards shall be mitigated by collaboration and close cooperation with above-mentioned ISO committees through the establishment of liaisons. ISO standards can be adopted as EN after careful consultation with a broad range of European stakeholders, who can gauge the demand for their respective organizations and the need, as well as the potential of, EN standardization supporting existing regulatory European frameworks and providing guidance relating to finance to all organizations.

**A listing of relevant existing documents at the international, regional and national levels.**

Any known relevant documents (such as standards and regulations) shall be listed, regardless of their source, and should be accompanied by an indication of their significance.

See above: MiFID, IDD, SFDR, CSRD

All documents from the above-mentioned committees.

DIN 77230 - *Basic financial analysis for private households*

**Known patented items**

Yes     No    If "Yes", see CEN-CENELEC Guide 8 and provide full information in an annex

**A simple and concise statement identifying and describing relevant affected stakeholder categories (including small and medium sized enterprises) in particular those who are immediately affected from the proposal (see Annexes 1 and 2) and how they will each benefit from or be impacted by the proposed deliverable(s)**

**Consumers** are the ultimate end-user beneficiary of a harmonized system of financial analysis. Standardization in the finance sector will:

- empower consumers to make better-informed investment decisions (e.g. retail fund investments) and act as beneficiaries e.g. pension allocation.
- increase trust in financial sector and customer protection through transparency of financial products;
- improve alignment of interests with end consumers.

**Industry and commerce, SMEs** (i.e. banks, insurance companies, financial service companies, Asset managers, pension funds):

Standardization of financial services strengthens consumer confidence and enhances the reputation of the industry, thus facilitating business. It may define commonly agreed terminology and overcomes the gaps and inconsistency, providing common principles, rules, and transparency.

Standardization will help financial organizations to provide funding to SMEs and enable access to capital for SMEs, for financial products and services.

Benefits can further include:

- increased innovation and efficiency of financial services through standardized infrastructure
- Standardization helps businesses comply with regulatory requirements and risk management practices. Standards provide guidelines for financial reporting, disclosure, internal controls, and risk assessment

**Government:** Standardization in the finance sector will:

- support financial regulators, central banks and government in assessing risks in the stability of the financial system; particularly for the insurance and banking sectors;
- help coordinate and enhance ongoing international policy formulation efforts by the global public and private sector finance to align the global financial sector with Paris Agreement and UN Sustainable Development Goals;
- enhance regulatory oversight, simplify compliance monitoring, and help ensure the stability and integrity of the financial system.

**Standards application businesses** such as certification bodies as well as valuation and verification.

Standards in financial services, especially in financial consulting, regularly and inevitably have a certain complexity. This makes ensuring the correct implementation of standards by independent third parties (i.e., certification bodies) highly relevant in this sector.

**Labour** (i.e. employers and employer organizations): Within financial organizations, standardization can:

- enhance credibility;
- attract and retain employees;
- ensure transparent way of working;
- improve compliance with labour and tax regulations.

Consideration of social impacts within investment discussion-making and asset management will:

- protect and enhance human rights;
- enable consideration and action on forced labor, child labor, and discrimination in the workplace;
- Support action on bribery and corruption.

**Academic and research bodies:** Standardization will advocate using best scientific practice for economic and social considerations. Standardization further promotes collaboration and knowledge sharing across academia and industry which enhances the practical relevance of academic research and promotes the adoption of research findings.

<p><b>Liaisons:</b>  <b>A listing of relevant external European or international organizations or internal parties (other CEN, CENELEC, ETSI, ISO and/or IEC committees) to which a liaison should be established (in the case of ISO and IEC committees via the Vienna or Dresden Agreements).</b></p> <ul style="list-style-type: none"> <li>- ANEC (The European consumer voice in standardisation)</li> <li>- European Financial Reporting Advisory Group (EFRAG)</li> <li>- ISO/TC 68 Financial Services</li> <li>- ISO/TC 251 Asset Management</li> <li>- ISO/TC 222 Personal financial planning</li> <li>- ISO/TC 307 Blockchain</li> <li>- ISO/TC 309 Governance of organizations</li> <li>- ISO/TC 322 Sustainable Finance</li> <li>- ISO/TC 323 Circular economy</li> <li>- new CEN/TC Circular economy if created</li> </ul>	<p><b>Joint/parallel work:</b>  <b>Possible joint/parallel work with:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> CEN (please specify committee ID)</li> <li><input type="checkbox"/> CENELEC (please specify committee ID)</li> <li><input checked="" type="checkbox"/> ISO (please specify committee ID) <b>ISO/TC 322</b></li> <li><input type="checkbox"/> IEC (please specify committee ID)</li> <li><input type="checkbox"/> Other (please specify)</li> </ul>
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**Name of the Proposer**  
*(include contact details)*

DIN Deutsches Institut für Normung e.V. Am DIN-Platz Burggrafenstr. 6 10787 Berlin Germany	Contact person: Josefine Sult E-Mail: <a href="mailto:Josefine.sult@din.de">Josefine.sult@din.de</a> Tel: +49 30 2601-2136
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**An expression of commitment from the proposer to provide the committee secretariat if the proposal succeeds.**

If the proposal is accepted, DIN is committed to provide the secretariat of the new CEN/TC and all resources necessary to successfully run the secretariat.

**Signature of the proposer**



German CEN/BT member

**Annex(es) are included with this proposal** (give details)

- NWIP on "Basic financial analysis for private households"



## **Informative Annex 1 "Principal categories of market needs"**

- Consumer protection and welfare
- Environment
- Innovation
- Support to:
  - public policy
  - European legislation/regulation
- Market access/barriers to trade, i.e. enhancing the free movement of:
  - services
  - goods
  - people
- Interoperability
- Health/Safety
- Terminology

## **Informative Annex 2 "Principal categories of stakeholders"**

- Industry and commerce,
  - where particularly appropriate, to be identified separately as
    - Large enterprises (those employing 250 staff or more)
    - Small and medium sized enterprises (SME), (those employing 250 staff or fewer)
- Government
- Consumers
  - including those organizations representing interests of specific societal groups, e.g. people with disabilities or those needing other particular consideration)
- Labour
- Academic and research bodies
- Non-governmental organisations (NGO),
  - including organizations representing broad or specific environmental interests
- Standards application business (e.g. testing laboratories, certification bodies)

Sometimes it is valuable also identify the immediate affected stakeholders from industry and commerce in terms of their position in a product value chain, as follows:

- Supplier
- Manufacturer
- Intermediary (e.g. warehousing, transport, sales)
- Service provider
- User of the product or service
- Maintenance / disposal

NOTE: 'Immediately affected stakeholders' are considered to be those who, within the context of the proposal, would be in a position to implement the provisions of the intended standard(s) into their products, services or management practices.



<b>New Work Item Proposal</b>	
* to be attached to the CIB	
CEN/TC xxx – Finance	
Secretariat: DIN	Proposal documented in N xx
Date of circulation:	Closing date for voting:
Decision reference:	Decision date:

**Proposal**

<p><b>0. This proposal relates to</b></p> <p><input checked="" type="checkbox"/> the adoption of a New Work Item in the committee's work programme (stage 10.99)</p> <p><input type="checkbox"/> the adoption of a Preliminary Work Item in the committee's work programme (stage 00.60)</p> <p><input type="checkbox"/> the activation of a Preliminary Work Item in the committee's work programme (stage 10.99): PWI XXXXX</p>
<p><b>1. Deliverable</b></p> <p><input checked="" type="checkbox"/> European Standard (EN)</p> <p><input type="checkbox"/> Technical Specification (TS)</p> <p><input type="checkbox"/> Technical Report (TR)</p>
<p><b>2. This item corresponds to</b></p> <p><input checked="" type="checkbox"/> A new project</p> <p><input type="checkbox"/> An amendment to the EN XXX</p> <p><input type="checkbox"/> The revision of EN XXX</p> <p><input type="checkbox"/> The conversion of TS XXX into an EN XXX</p> <p><input type="checkbox"/> The revision of TS XXX</p> <p><input type="checkbox"/> The revision of TR XXX</p>
<p><b>2.1 - Only for WIs of CEN/TCs (not applicable to CEN-CLC/JTCs WIs): if this item corresponds to an amendment/revision of an EN indicate if:</b></p> <p><input type="checkbox"/> the scope will change (weighted vote required - select the right option in the CIB)</p> <p><input type="checkbox"/> the scope will not change (simple majority vote required - select the right option in the CIB)</p>
<p><b>3. Explain the purpose and give a justification for this proposal (max 4000 characters). This text should provide information on technical topics to be discussed.</b></p> <p>At the beginning of the 2000s, there was an increase in reports of financial losses incurred by private households as a result of financial consulting, among other things. The causes were manifold. They ranged from inadequate training of consultants (on both the insurance and banking sides) to the placement of products unsuitable for customers' needs to non-transparent consulting processes. The loss amounts under discussion and the ever louder calls for customers to make their own provisions for longevity risk, for example, as a result of declining benefits from state pension systems, necessitated greater efforts to protect consumers. Against the backdrop of this development, the legislature has taken a number of regulatory measures, although a holistic view of the financial situation of private households has been lacking to date. For this reason, a representative group of market participants, scientists and consumer advocates, as well as other interested parties, came together with the aim of addressing this complex subject area on a voluntary basis in a standardization process.</p> <p>The aim is to develop by consensus an objectifiable, reproducible and transparent analysis process that would enable a holistic view of the financial situation of private households within the framework of a basic financial analysis.</p>

A high-quality, standardized analysis process should be developed on the basis of scientific principles that is suitable for improving the quality of consulting in the long term as a process preceding of financial consulting in the interests of consumer protection.

The process defined in this document for the basic financial analysis and the analysis of topic clusters should be applicable to any private household. This document will serve as self-information as well as an orientation aid for consumers.

The basic financial analysis according to this new standard will provide an overview of the financial situation of the private household under investigation and a basis for decision-making.

The standard will separate the financial analysis from the subsequent financial consulting, as required by consumer protection. The approach enables private households to make informed and thus more conscious use of the financial consulting based on the analysis - a first step toward strengthening consumer knowledge in financial matters.

#### **4. Titles**

English title: Basic financial analysis for private households

French title: Analyse financière de base pour les ménages privés  
(*Optional*)

German title: Basis-Finanzanalyse für Privathaushalte  
(*Optional*)

#### **5. Scope of the proposed work item (max 4000 characters)**

This document sets out a procedure for the basic financial analysis for private households with regard to the topics of protection, provision and asset planning, as well as according to defined topic clusters. It is based on the data required for the implementation of the private household examined in each case and takes into account the risks and necessities as well as the financial needs of the private household. This document specifies which data must be collected as part of a basic financial analysis for private households. The basic financial analysis according to this document provides the private household with an overview of its financial situation as of a specific reporting date (at the time the basic financial analysis is prepared). It identifies the financial topics that can be dealt with in the context of a possible subsequent financial consultation. The aim here is also to identify impending over-indebtedness and/or impending illiquidity.

The basic financial analysis for private households is designed to take a broad view of relevant financial topics, but deliberately avoids a high level of detail in the individual financial topics. This document provides guidelines on the order of priority in which the defined financial topics of the private household under consideration are presented and provided with benchmarks. As a result, the private household receives a target/actual comparison with regard to the topics of protection, provision and asset planning.

The clustering of financial topics is intended to facilitate the step-by-step approach to the holistic analysis and the facilitated access of specialists to the implementation of the standard.

This document does not include qualitative analysis of the details of products already available in the private household under study, nor consulting services to interpret the results of the basic financial analysis. The basic financial analysis is thus limited to a purely quantitative, typified examination. In order to keep the complexity manageable, it is based on net values and takes tax effects into account on a flat-rate basis.

It does not take into account any powers of attorney that may be required (e.g., powers of attorney for care, bank powers of attorney, custody orders) and any dispositions made. Likewise, the present basic financial analysis does not take into account possible claims from basic benefits (e.g. unemployment benefit) when comparing the orientation figures with the actual values on the actual values side. In order to arrive at an individually suitable solution that makes economic sense for the private household, further consideration is indispensable.

This document does not apply to financial consulting. The basic financial analysis according to this document provides the basis for the possible subsequent financial consulting for the private household. The application of this document does not exempt from legal consulting obligations in case of a subsequent financial consulting.

## 6. Digital aspects

- The deliverable is intended to be developed using the Online Collaborative Authoring platform
- The deliverable is intended to include non-Word/PDF content, e.g. audio files, XML schemas, machine-readable formats or software.

Please provide details of the non-Word/PDF content:

- None of the above.

If yes to either of these questions, CCMC will contact you for feasibility and organizational aspects.

## 7. Stakeholder categories immediately affected by the proposal

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Industry and commerce        | <input type="checkbox"/> Societal consumer groups     | <input checked="" type="checkbox"/> Standards application      |
| <input type="checkbox"/> SMEs                         | <input type="checkbox"/> Labour                       | <input type="checkbox"/> Non-governmental organization (NGO)   |
| <input checked="" type="checkbox"/> Government        | <input type="checkbox"/> Academic and research bodies | <input checked="" type="checkbox"/> Environmental stakeholders |
| <input checked="" type="checkbox"/> Consumers         |   |  |
| <input type="checkbox"/> None of the above categories |   |  |

## 8. How will these Stakeholders benefit from or be impacted by the proposed deliverable?

See form of the new CEN/TC "Finance"

## 9. Document developed in drafting body

- Existing drafting body (*please give name and title*):
- New drafting body (*please give name and title*):

New WG 1 "Financial services for private households" under the new CEN/TC "Finance"

## 10. Proposed Project Leader (including contact details) - *Optional*

## 11. United Nations Sustainable Development Goals (SDGs)

Please select any United Nations Sustainable Development Goals (SDGs) that this document will support. For more information, please visit the SDG section of the CEN website (currently under development).

- GOAL 1:** No Poverty
- GOAL 2:** Zero Hunger
- GOAL 3:** Good Health and Well-being
- GOAL 4:** Quality Education
- GOAL 5:** Gender Equality
- GOAL 6:** Clean Water and Sanitation
- GOAL 7:** Affordable and Clean Energy
- GOAL 8:** Decent Work and Economic Growth
- GOAL 9:** Industry, Innovation and Infrastructure
- GOAL 10:** Reduced Inequality
- GOAL 11:** Sustainable Cities and Communities
- GOAL 12:** Responsible Consumption and Production
- GOAL 13:** Climate Action
- GOAL 14:** Life Below Water
- GOAL 15:** Life on Land
- GOAL 16:** Peace and Justice Strong Institutions
- (N/A **GOAL 17:** Partnerships to achieve the Goal)
- None of the above

Proposed rationale for the selected SDG(s)- (optional)

## 12. Accessibility aspects

See CEN-CENELEC Guide 6:2014 'Guide for addressing accessibility in standard'

Accessibility aspects are relevant for this NWI (please indicate which ones):

See the 'protocol' to help you decide when accessibility following a Design for All approach is relevant:  
<https://www.cencenelec.eu/areas-of-work/cen-cenelec-topics/accessibility/design-for-all/>

Accessibility aspects are not relevant for this NWI

Please provide a written explanation detailing why accessibility aspects do not apply to the current proposed WI:

Not applicable

## 13. Environmental aspects

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Discharges to soil                            | <input type="checkbox"/> Discharges to water | <input type="checkbox"/> Emission to air               |
| <input type="checkbox"/> Heat  | <input type="checkbox"/> Noise/Vibration     | <input type="checkbox"/> Use of land                   |
| <input type="checkbox"/> Radiation                                     | <input type="checkbox"/> Use of energy       | <input type="checkbox"/> Other effects on biodiversity |
| <input type="checkbox"/> Use of material                               | <input type="checkbox"/> Use of water        | <input type="checkbox"/> Waste                         |
| <input type="checkbox"/> Risk to the environment from accidents/misuse |  | <input type="checkbox"/> Chemicals                     |

Other:

Standardization of Sustainable Finance supports the Green Deal by creating awareness and facilitating the redirection of financial flows to sustainable investments.

None of the above.

Please provide a written explanation detailing why these environmental aspects do not apply to the current proposed WI:

## 14. How do you plan to address these environmental aspects?

Bring in environmental expertise to the WG

Contact EHD for help/support (cen.ehd@cencenelec.eu) and/or use examples from Environmental Framework

<https://www.cencenelec.eu/areas-of-work/cen-cenelec-topics/environment-and-sustainability/environmental-helpdesk-and-trainings/>

Use of environmental checklist and guides (please visit the dedicated section in the CEN website

<https://boss.cen.eu/reference-material/guidancedoc/pages/environment/>

Other:

## 15. Vienna Agreement (parallel procedure)

No or Vienna Agreement with CEN lead proposed

Yes – Vienna Agreement Parallel with ISO Lead

ISO project reference:

ISO project ID:

ISO/TC:

## 16. The project is based on

No document from another organization

An ISO or ISO/IEC document (not covered by a parallel procedure)

Identical

Non-identical

ISO/IEC project reference:  
 ISO/IEC project ID:  
 Publication date:

A document from another organization than ISO or ISO /IEC:

Note: Please explain the purpose and give a justification for this proposal in Section 3.

DIN 77230, *Basic financial analysis for private households*

**17. Please indicate whether the proposed project is linked to a specific European Research and Innovation Project**

No

Yes

Research and/or Innovation project code:

Research and/or Innovation project acronym:

Research and/or Innovation project title:

**18. Track**

Enquiry + Formal Vote (for EN)

Vote on TS or TR by correspondence

**19. Please provide the target dates for the below key stages.**

**19.1 – For ENs**

This section applies only to WIs for homegrown CEN standards (excluding ISO adoptions), WIs under VA with CEN lead only and homegrown standards developed by a CEN-CLC/JTC (with CEN lead). This section does not apply to the adoption of PWIs. For JTCs also add the durations in week.

<b><u>Project start date (10.99)</u></b>	<b><u>Dispatch of 1<sup>st</sup> WD (20.60)</u></b>	<b><u>Dispatch of ENQ (30.99)</u></b>	<b><u>Dispatch of FV draft (45.99)</u></b>
yyyy-mm-dd	It is half the number of weeks planned for ENQ (30.99) For CEN/TC: automatically calculated via Working Area For JTC: date will be added by CCMC	yyyy-mm-dd For JTC only: to indicate the duration in weeks from 10.99 10.99 + X weeks	yyyy/mm/dd For JTC only: to indicate the duration in weeks from 40.60 40.60 + X weeks

→ Depending on the creation of the new CEN/TC “Finance”

**19.2 – For TSs and TRs**

<b><u>Project start date (10.99)</u></b>	<b><u>Dispatch of 1<sup>st</sup> WD (20.60)</u></b>	<b><u>Dispatch of draft for Vote (30.99)</u></b>
yyyy-mm-dd	yyyy-mm-dd	yyyy/mm/dd

**20. Related standardization request(s) (formerly mandate):**

No

Yes (please specify):

<b>21. Related directive(s)/regulation(s)</b>		
<input type="checkbox"/> No		
	Directive/ Regulation reference	Candidate for citation in Official Journal?
	- Directive (EU) 2016/97 ( <b>IDD</b> )	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
<input checked="" type="checkbox"/> Yes	- Directive (EU) 2014/65 ( <b>MiFID</b> )	
	- Directive (EU) 2019/2088 ( <b>SFDR</b> )	
	- Regulation (EU) 2020/852 ( <b>CSRD</b> )	
		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
<b>22. Relation to other legislation or established public policy.</b>		
<input checked="" type="checkbox"/> No		
<input type="checkbox"/> Yes		
<i>Please specify which legislation or established public policy is/are in relation with the proposed project:</i>		
<b>23. Is the proposed project covered by Intellectual Property Rights (IPR)?</b>		
<i>Please indicate whether there is any knowledge of items covered by IPR(s), for instance patents, copyright, trademark, etc.</i>		
<input checked="" type="checkbox"/> No		
<input type="checkbox"/> Yes		
<i>Please provide full information about these items and the identified IPR(s):</i>		
<b>24. Commitment This section applies only to CEN-CLC/JTC To be completed for NWI request to be approved by CEN and CENELEC BTs.</b>		
The following members ( <u>at least five</u> ) are committed to participate in the development of the project:		

**Annex(es) are included with this proposal** (give details)

- Structure on "Basic financial analysis for private households"

## **Proposed structure for an EN on “Basic financial analysis for private households”**

### **1 Scope**

### **2 Normative references**

### **3 Terms**

### **4 Methodological approach of the basic financial analysis for private households**

- 4.1 Typification
- 4.2 Holistic approach and analysis by clusters
- 4.3 Levels of need
- 4.4 Orientation variables
- 4.5 Derivation of ranking of financial topics
- 4.6 Financial topics of the typified private household
- 4.7 Grouping of financial topics into clusters

### **5 Framework Parameters, Methods and Assumptions**

- 5.1 Explanation
- 5.2 Framework parameters
- 5.3 Income types and their use in the detailed rules
- 5.4 Extrapolation of cash assets, investments and pension entitlements

### **6 Performing the Basic Financial Analysis for Private Households**

- 6.1 Introduction
- 6.2 Recording the necessary household data and preparing the income-expenditure account and the balance sheet (process step 1)
  - 6.2.1 Recording the necessary household data
  - 6.2.2 Preparation of the income and expenditure account
  - 6.2.3 Preparation of the balance sheet
- 6.3 Checking the relevance of all financial topics from the overview (process step 2)
- 6.4 Calculation and/or adoption of the orientation figures for all relevant financial topics at the respective requirement level (process step 3)
- 6.5 Assignment and/or calculation of actual values for all relevant financial topics at the respective requirement level (process step 4)
- 6.6 Comparison of actual values and orientation values for all relevant financial topics (process step 5)

### **7 Presentation of results**

#### **Annex A (normative) Detailed rules and explanations for the financial topics of the basic financial analysis for private households**

- A.1 Cost risk of illness
- A.2 Liability risks
- A.3 Risk of loss of working capacity due to incapacity to work, occupation and/or service
- A.4 Risk of loss of working capacity due to inability to work
- A.5 Cost risk of need for long-term care
- A.6 Risk of financial loss in the event of death
- A.7 Risk of lack of liquidity



- A.8 Debt risk from overdraft facilities and consumer loans
- A.9 Risk of old-age provision
- A.10 Risk of loss/damage to property
- A.11 Disability/inability to work/incapacity of children
- A.12 Risk of interest rate changes on real estate loans
- A.13 Risk of loss/damage to household effects
- A.14 Maintenance of real estate
- A.15 Risk of uncovered follow-up costs following accident and illness
- A.16 Cost risk from legal enforcement
- A.17 Creation of capital for children's education
- A.18 Significant replacement investments in tangible assets (excluding real estate)
- A.19 Risk of loss/damage to vehicles
- A.20 Creation of equity to purchase owner-occupied residential property
- A.21 Other individual goal

**Annex B (normative) "Query sustainability preferences" subanalysis.**

- B.1 Requirements for the query of sustainability preferences
- B.2 Process steps
  - B.2.1 General
  - B.2.2 F 0: Introduce/question the investor's knowledge of sustainability.
  - B.2.3 F 1: Establish general interest in sustainability.
  - B.2.4 F 2: Inquire about possible content focus (prioritize positive impact on sustainability factors)
  - B.2.5 F 4: Query intensity (expression) of sustainability in financial products, each for E and S
  - B.2.6 Q 5: Inquiry of the desired minimum shares of sustainability in the financial products, in each case for E and S
  - B.2.7 F 6: Query transformation
  - B.2.8 F 7: Query exclusion topics
- B.3 Presentation of results
- B.4 Explanations
  - B.4.1 General explanation of sustainability based, among other things, on the SDGs
  - B.4.2 Explanation of taxonomy regulation, disclosure regulation and PAIs
  - B.4.3 Explanation of sustainability preferences
  - B.4.4 Explanation of transformation

**Annex C (informative) Example of results presentation "House and apartment" topic cluster**

- C.1 Leader from results presentation