

BRAKE ON FINANCIAL ASSETS

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The Ministry of Economy has decided to put a stop to the sale of financial assets that are difficult to understand and what better way to do it than with traffic lights. Starting in 2016, banks will have to assign a color, 5 on a scale from green to red, to warn buyers of the danger of buying something without being clear about how it works.

For the award of the degree of difficulty of understanding, aspects such as the total guaranteed capital, the return term

and the credit quality of the product and issuing entity will be taken into account and must be communicated prior to the sale. The dark green color will identify lower risk assets such as bank deposits, going through light green, yellow, orange and ending with red, with which the highest risk ones will be identified, such as issues for more than ten years.

Even so, this system and measure does not include all financial assets on hand in the market, some such as insurance, collective pension funds and derivatives are left out.

There are no comments yet.