Financial services: action plan. Progress report

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This third report on the progress in implementing the Financial Services action Plan (FSAP) confirms that, across the board, the situation remains satisfactory but with important qualifications. There is yet to be the quantum leap needed to achieve the 2005 deadline set by the Heads of State and Government at the Lisbon European Council. The Commission cannot allow any significant slippage in bring forward the many initiatives, legislative and non-legislative, promised in the FSAP. Given the urgency of implementing the FSAP, the Commission, in this report, at the request of the Ecofin Council has reviewed the priorities indicating for each the critical path must be achieved if the 2005 deadline is to be met. The ten measures that are prioritised for an integrated wholesale market will vastly improve the climate for investing and raising capital on an EU basis and creating a transparent environment for cross-border restructuring. These measures concern in particular the European Company Statute, the Directive on Take over bids, the Directive on the Prudential supervision of Supplementary Pension Funds, the two UCITS Directives, the Directive on Cross-border use of Collateral and the Directive on Market Manipulation. Moreover, a priority legal framework is required to equip EU consumers with the necessary information and safeguards to allow new distribution channels and marketing technologies to be put to work on a pan-European scale. Priorities are suggested for sound prudential rules to meet the challenges of industry consolidation and financial market developments and maintain financial stability in the Union. Lastly, in order to improve the coordination between the Commission, the Council and the European Parliament, a high-level group, the "2005 Group" has been set up to help improve institutional co-ordination.