E-commerce and financial services

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PURPOSE: to present a Commission Communication on e-commerce and financial services. CONTENT: The Lisbon European Council's deadline of 2005 to establish an integrated European market in financial services is central to the Community's employment and growth agenda. How the e-commerce Directive interacts with existing financial services legislation is of central significance to the development of a clear and coherent policy for cross-border trade in financial services. Against this background, the Commission calls for building on the approach set out in the directive to establish a fully functioning internal market for retail financial services; secure coherence between financial services legislation and the e-commerce Directive; secure coherence also between on-line and more traditional provision of financial services; and examine how the internal market clause will apply in areas where national rules significantly diverge, to avoid exposing consumers and investors to legal regimes that may differ substantially from their own. To assist Member States and service providers, and to ensure compliance with the e-commerce Directive, the Commission will conduct an analysis, in the course of this year (for review in 2003), indicating certain types of national provisions that Member States may apply to incoming services. To prepare this analysis, the Commission will undertake a review, paying particular attention to the way the derogations in the directive will be applied to on-line financial services offered from another Member State. Any restriction to the free provision of services, which can be justified under the derogations by the need to protect consumers and investors, must not be disproportionate with regard to the Union's objective of free movement of information society services. Against this background, a new policy framework will be developed, covering three policy areas: - a programme of convergence covering contractual and non-contractual rules; - targeted steps to encourage consumer confidence in cross-border redress and internet payments; - enhanced supervisory co-operation.