Supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate

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The committee adopted the report by Alain LIPIETZ (Greens/EFA, F) broadly supporting the Commission proposal under the codecision procedure (1st reading), subject to a number of amendments, a few of which modified some of the proposed definitions in the directive. The committee felt, for example, that the definition of "group" was too broad and would encompass investors holding a participation in a group even where they did not have control or a dominant influence. It also wanted to exclude small national or regional financial groups from the scope of the directive and therefore proposed that it should only apply to undertakings of a group in a given sector which had a market share of over 1% in a Member State. Furthermore, MEPs felt that the definition of a financial conglomerate should apply to groups where at least 40% of their assets were financial sector entities, rather than 50% as stipulated in the proposal. They argued that this lowering of the threshold would prevent financial conglomerates from "hiding" inside large non-financial groups. As for the method for calculating supplementary capital adequacy, the committee wanted the conglomerates themselves to be allowed to choose among the three possible methods. Lastly, as the proposal formed part of the financial services action plan, the report also included amendments that reflected Parliament's position with regard to the Lamfalussy procedure.