Prudential supervision of credit institutions, life assurance and non-life insurance, UCITS: review of directives

1993/0468(COD) - 17/02/1994

The report by Mr van RAAY (NL, PPE) was adopted by the Committee on Legal Affairs. It aimed to prevent the abuses that were possible through the very liberal regime in force in the internal market, abuses that had been noted, for example, in the BCCI case. In fact, it had its registered office in Luxembourg, whilst operations were carried out from its branch in London, thus avoiding supervision by the Luxembourg authorities. The directive proposed that the head office of a financial enterprise should be located in the same Member State as its registered office and where authorisation was requested. This should prevent cases similar to that of BCCI, in which the authorities of the country of authorisation had practically no means of carrying out supervision. The only amendment tabled came from the rapporteur's desire to provide clarification by replacing the term "head office" of an enterprise with "directorate-general (headquarters of the main decision-making bodies)" of an enterprise.