

# New organisational structure for financial services committees

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The European Parliament backed the extension of the Lamfalussy process, currently applying just to the securities markets, to banking, insurance and collective investment undertakings. But the report by Christa RANDZIO-PLATH (PES, D) insists that the adoption of the new financial services legislation must respect the Parliament's role in the process. The Parliament includes certain provisions such as: - democratic accountability and transparency must be inherent in the Lamfalussy process and its extension, which can only be sufficiently guaranteed by respecting the interinstitutional balance with regard to implementing measures; - this Directive amending Directives 73/239/EEC, 85/611/EEC, 91/675/EEC, 92/49/EEC, 93/6/EEC, 94/19/EC, 98/78/EC, 2000/12/EC, 2002/83/EC, 2002/87/EC and 2001/34/EC only aims at certain changes in the organisational structure of committees. None of the modifications extends the powers to adopt implementing measures vested in the Commission in these directives, nor the powers vested in the Council in Directive 93/6/EEC; - the commitments made by the Commission regarding securities legislation via the declaration of President Prodi of 5 February 2002 and the letter from Commissioner Bolkestein of 2 October 2001 should be complemented by sufficient guarantees concerning a proper institutional balance; - safeguards with respect to the extension of the four-level approach are also required because the EU institutions do not yet benefit from an extensive practical experience of the four level Lamfalussy approach. Furthermore, the first and second Interim Reports of the Interinstitutional Monitoring Group monitoring the Lamfalussy process have pointed out certain remarks and criticisms concerning the functioning of the process; - the speed of adoption of legislation and the quality of legislation are fundamental objectives of the Lamfalussy process. The success of the Lamfalussy process depends more on the political will of the institutional partners to set up an appropriate framework for the adoption of the legislation than on an acceleration of the setting up of the related technical delegated provisions. In addition, an overemphasis on the speed of setting up of the delegated provisions can create significant problems with regard to the quality of those provisions; - the extension of the Lamfalussy procedure is without prejudice to possible decisions regarding the organisation of supervision at a European level; - the European Parliament should be given a period of 3 months from the first transmission of draft implementing measures to allow it to examine them and to give its opinion. In exercising its implementing powers, the Commission should respect the following principles: - the need to ensure confidence in financial markets among investors by promoting high standards of transparency in financial markets, - the need to provide investors with a wide range of competing investments and a level of disclosure and protection tailored to their circumstances, - the need to ensure that independent regulatory authorities enforce the rules consistently, especially as regards the fight against economic crime, - the need for high levels of transparency and consultation with all market participants and with the European Parliament and the Council, - the need to encourage innovation in financial markets if they are to be dynamic and efficient, - the need to ensure market integrity by close and reactive monitoring of financial innovation, - the importance of reducing the cost of, and increasing access to, capital, - the balance of costs and benefits to market participants on a long-term basis (including small and medium-sized businesses and small investors) in any implementing measures, - the need to foster the international competitiveness of EU financial markets without prejudice to a much-needed extension of international cooperation, - the need to achieve a level playing field for all market participants by establishing EU-wide regulations every time it is appropriate, - the need to respect differences in national markets where these do not unduly impinge on the coherence of the single market, - the need to ensure coherence with other Community legislation in this area, as imbalances in information and a lack of transparency may jeopardise the operation of the markets and above all harm consumers and small investors. In the occupational pensions field, the European Insurance and Occupational Pensions Committee should not address labour and social law aspects such as the organisation of occupational regimes, in particular compulsory membership and the results of collective bargaining agreements. The competent authorities of

the Member States shall inform the Commission and the competent authorities of the other Member States: a) of any authorisation of a direct or indirect subsidiary one or more parent undertakings of which are governed by the laws of a third country; b) whenever such a parent undertaking acquires a holding in a Community assurance undertaking which would turn the latter into its subsidiary. When authorisation is granted to the direct or indirect subsidiary of one or more parent undertakings governed by the law of third countries, the structure of the group shall be specified in the notification which the competent authorities shall address to the Commission and to the other competent authorities.