Financial markets: the current state of integration in the European Union

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The committee adopted the own-initiative report by Ieke VAN DEN BURG (PES, NL) on the state of integration of EU financial markets.

The report noted that the Financial Services Action Plan (FSAP) had been a success in legislative procedural terms, with 39 out of 42 planned measures adopted, but that it was too early to pass a definitive judgement, since many of the implementing measures had yet to be adopted. It called for the Commission to conduct a full evaluation of the FSAP once transposition into national law had been completed, and emphasised that effective transposition and enforcement would be the key to the FSAP's ultimate success. The committee said that a proper assessment would have to wait until the various measures had been monitored in operation for a reasonable period. Given the challenges posed to market participants in adapting their systems to comply with the vast amount of FSAP legislation, it believed there should be a "legislative pause" to give them time to adapt to the changes required by these measures.

Despite reluctance in some areas, the report was broadly supportive of an "opt-in" pan-European scheme for cross-border retail financial services as well as a horizontal regulatory approach for asset management and the concept of the "lead" or "consolidated" supervisors with cross-border powers.

The report said that any future measures following the FSAP should be targeted at correcting specific market failures and should include a cost-benefit analysis of non-legislative options for addressing the failure.

Among other suggestions for action, the committee called for the Commission to provide a comprehensive study of retail banking services in the Member States and to organise a discussion about the fundamental structure of the EU financial services market, bearing in mind consumer and practitioner interests and European global competitiveness.

The report also urged the various committees of national financial authorities established under the Lamfalussy process to guarantee political control of their European and international work, while calling on the Commission to avoid a situation where regulatory activity ends up with democratic legitimacy neither at national or European level.