Basic information

1996/0003(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Directive	Procedure completed
Credit institutions: solvency ratio (amend. Directive 89/647/EEC) **Subject** 2.50.04 Banks and credit	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
JURI Legal Affairs, Citizens' Rights		

Former committee responsible	Former rapporteur	Appointed
JURI Legal Affairs, Citizens' Rights	MOSIEK-URBAHN Marlies (PPE)	19/03/1996

Former committee for opinion	Former rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs, Industrial Policy	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2072	1998-03-09
Economic and Financial Affairs ECOFIN	2044	1997-11-17
Economic and Financial Affairs ECOFIN	2095	1998-05-19

Key events

Date	Event	Reference	Summary
24/01/1996	Legislative proposal published	COM(1995)0709	Summary
27/03/1996	Committee referral announced in Parliament, 1st reading		
22/07/1996	Vote in committee, 1st reading		Summary
22/07/1996	Committee report tabled for plenary, 1st reading	A4-0260/1996	

09/03/1998	Council position published	12507/1/1997	Summary
02/04/1998	Committee referral announced in Parliament, 2nd reading		
16/04/1998	Vote in committee, 2nd reading		
19/05/1998	Act approved by Council, 2nd reading		
22/06/1998	Final act signed		
22/06/1998	End of procedure in Parliament		
21/07/1998	Final act published in Official Journal		

Technical information

Procedure reference	1996/0003(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Legal basis	Rules of Procedure EP 66_o-p4 EC Treaty (before Amsterdam) E 057-p2
Stage reached in procedure	Procedure completed
Committee dossier	JURI/4/09851

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A4-0260/1996 OJ C 277 23.09.1996, p. 0005	22/07/1996	
Text adopted by Parliament, 1st reading/single reading		T4-0447/1996 OJ C 320 28.10.1996, p. 0019-0026	17/09/1996	Summary
Text adopted by Parliament, 2nd reading		T4-0231/1998 OJ C 152 18.05.1998, p. 0015-0032	30/04/1998	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position	12507/1/1997 OJ C 135 30.04.1998, p. 0001	09/03/1998	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(1995)0709  OJ C 114 19.04.1996, p. 0009	24/01/1996	Summary

Commission communication on Council's position	SEC(1998)0511	26/03/1998	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES1092/1996 OJ C 030 30.01.1997, p. 0099	26/09/1996	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Directive 1998/0032 OJ L 204 21.07.1998, p. 0026	Summary

Credit institutions: solvency ratio (amend. Directive 89/647/EEC)

1996/0003(COD) - 22/06/1998 - Final act

OBJECTIVE: to amend certain provisions of Directive 89/647/EEC concerning the risk weighting of assets when calculating the solvency ratio of a credit institution. COMMUNITY MEASURE: Directive 98/32/EC of the European Parliament and the Council amending, as regards in particular mortgages, Council Directive 89/647/EEC on a solvency ratio for credit institutions. SUBSTANCE: the Directive makes it possible to treat mortgage-backed securities as cash loans, if the competent authorities consider that they are equivalent in the light of the credit risk. It also introduces certain optional provisions, which, until 31 December 2006: - give all Member States the option of applying, by two alternative methods, a 50% risk weighting to loans secured by mortgages on offices, under certain conditions; - allows the Member States' competent authorities to authorise their credit institutions to apply a 50% risk weighting to the part of loans guaranteed by mortgages on commercial premises which is secured by shares in Finnish housing companies; - gives Member States the option of maintaining a permanent derogation allowing them to apply a 50% risk weighting to certain property leasing transactions. ENTRY INTO FORCE: 21/07/1998 DEADLINE FOR TRANSPOSITION: 21/07/2000

Credit institutions: solvency ratio (amend. Directive 89/647/EEC)

1996/0003(COD) - 26/03/1998 - Commission communication on Council's position

The Commission considers that the Council's text retains the substance of the proposal and of Parliament's opinion, which had not requested any amendments at first reading. The Commission therefore proposes that Parliament approve this common position.

Credit institutions: solvency ratio (amend. Directive 89/647/EEC)

1996/0003(COD) - 09/03/1998 - Council position

The Common position follows the objectives and spirit of the Commission proposal. The amendments introduced by the Council primarily aim at increasing the level of security by introducing rigorous assessment and re-evaluation criteria for commercial mortgages in order to allow them to be weighted at 50%. Specifically, the Council defines the way in which property should be valued to enable this weighting to be applied on an amount calculated according to two alternative methods: (a) according to the first method the 50% weighting applies to 50% of the market value of the property, calculated by two independent valuers before the loan is made, and the market value of the property must be based on the lower of the two valuations; for loans over ECU 1 million the property must be revalued at least once a year by one valuer, for smaller loans at least every three years; b) according to the second method the 50% weighting applies to either 50% of the market value of the property or 60% of the mortgage lending value, whichever is lower. The common position extends the transitional period to 31 December 2006 (the Commission proposed 1 January 2001) and brings this period into line with property leasing transactions.

Credit institutions: solvency ratio (amend. Directive 89/647/EEC)

1996/0003(COD) - 24/01/1996 - Legislative proposal

OBJECTIVE: the purpose of the Commission proposal is to amend Directive 89/647/EEC on a solvency ratio for credit institutions. The aim is to reduce the risk weighting for loans applicable to certain assets whose risk does not correspond to the current weighting. SUBSTANCE: the proposal for a Directive: - makes it possible for mortgage-backed securities to be treated in the same way as the mortgage loans referred to in Articles 6 and 11 of the existing Directive from the point of view of risk; - extends the existing provision making it possible to weight certain commercial mortgage loans at 50% (instead of 100%), which is applicable to only four Member States (Denmark, Germany, Greece and Austria), and expires on 01/01/1996, to all Member States for an additional period of 5 years to 01/01/2001.

Credit institutions: solvency ratio (amend. Directive 89/647/EEC)

1996/0003(COD) - 30/04/1998 - Text adopted by Parliament, 2nd reading

The European Parliament approved the common position.

Credit institutions: solvency ratio (amend. Directive 89/647/EEC)

1996/0003(COD) - 17/09/1996 - Text adopted by Parliament, 1st reading/single reading

In adopting the report by Mrs MOSIEK-URBAHN (PPE, D), Parliament approved without amendment the Commission proposal amending Directive 89 /647/EEC on a solvency ratio for credit institutions.