Basic information

1996/0121(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Credit institutions, investment firms: solvency ratio (amend. Directives 77/780/EEC, 89/647/EEC, 93/6/EEC) **Subject** 2.50.03 Securities and financial markets, stock exchange, CIUTS, investments 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)	04/06/1996

Former committee for opinion	Former rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs, Industrial Policy	HARRISON Lyndon H.A. (PSE)	21/10/1996

Council of the European Union

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

Key events

Date	Event	Reference	Summary
29/04/1996	Legislative proposal published	COM(1996)0183	Summary
20/05/1996	Committee referral announced in Parliament, 1st reading		

25/02/1997	Vote in committee, 1st reading		Summary
25/02/1997	Committee report tabled for plenary, 1st reading	A4-0058/1997	
10/04/1997	Debate in Parliament		Summary
27/06/1997	Modified legislative proposal published	COM(1997)0285	Summary
09/03/1998	Council position published	12508/1/1997	Summary
02/04/1998	Committee referral announced in Parliament, 2nd reading		
16/04/1998	Vote in committee, 2nd reading		Summary
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	1996/0121(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
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/4/09852

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A4-0058/1997 OJ C 115 14.04.1997, p. 0004	25/02/1997	
Text adopted by Parliament, 1st reading/single reading		T4-0182/1997 OJ C 132 28.04.1997, p. 0133-0234	10/04/1997	Summary
Text adopted by Parliament, 2nd reading		T4-0230/1998 OJ C 152 18.05.1998, p. 0015-0032	30/04/1998	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position	12508/1/1997 OJ C 135 30.04.1998, p. 0032	09/03/1998	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(1996)0183 OJ C 208 19.07.1996, p. 0008	29/04/1996	Summary
Modified legislative proposal	COM(1997)0285 OJ C 259 26.08.1997, p. 0011	27/06/1997	Summary
Commission communication on Council's position	SEC(1998)0510	26/03/1998	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES1071/1996 OJ C 030 30.01.1997, p. 0013	25/09/1996	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Directive 1998/0033
OJ L 204 21.07.1998, p. 0029 Summary

Credit institutions, investment firms: solvency ratio (amend. Directives 77/780/EEC, 89/647/EEC, 93/6/EEC)

1996/0121(COD) - 25/09/1996 - Economic and Social Committee: opinion, report

The ESC endorses the Commission's proposal and hopes it will be adopted as soon as possible, so as to prevent credit institutions in the EU being exposed to distortion of competition vis-à-vis their partners in third countries.

Credit institutions, investment firms: solvency ratio (amend. Directives 77/780/EEC, 89/647/EEC, 93/6/EEC)

1996/0121(COD) - 29/04/1996 - Legislative proposal

OBJECTIVE: The proposal for a European Parliament and Council Directive seeks to amend Article 12 of Directive 77/780/EEC on the coordination of laws, regulations and administrative provisions relating to the business of credit institutions, Articles 2, 6, 7, 8 and Annexes II and III of Directive 89/647/EEC on a solvency ratio for credit institutions and Article 2 and Annex II of Directive 93/6/EEC on the capital adequacy of investment firms and credit institutions. SUBSTANCE: Following the most recent meetings of the Banking Advisory Committee, a proposal was made to introduce a number of amendments to the above directives, either to take account of recent developments (such as the creation of the European Investment Fund) or to

remedy the shortcomings of those directives (for example, the impossibility of exchanging information with non-banking authorities of third countries, the weighting of no-risk assets in regularization accounts, etc.). Further amendments reflect refinements of the supervisory treatment of over-the-counter derivative instruments as regulated by another international forum of banking supervisors.

Credit institutions, investment firms: solvency ratio (amend. Directives 77 /780/EEC, 89/647/EEC, 93/6/EEC)

1996/0121(COD) - 30/04/1998 - Text adopted by Parliament, 2nd reading

The European Parliament approved the common position.

Credit institutions, investment firms: solvency ratio (amend. Directives 77 /780/EEC, 89/647/EEC, 93/6/EEC)

1996/0121(COD) - 09/03/1998 - Council position

The common position incorporates the two amendments proposed by Parliament and includes other changes, in particular: - a definition of the term 'recognized exchanges'; - introducing the same safeguards regarding exchange of information with third countries as apply within the Community; the information exchanged must be for the purpose of performing the supervisory task of the competent authorities and disclosure of this information is governed by professional secrecy; - enhancing prudential supervision by introducing certain restrictions concerning the weighting of assets items constituting claims on churches and religious communities; the reference to non-profit-making bodies and undertakings controlled by the churches and religious communities in question has been deleted, it has been made clear that churches and religious communities must raise taxes in order to be covered by the 20% risk weighting and finally it has been stipulated that the option to apply a 0% risk weighting set out in Directive 89/647/EEC shall not apply to the churches and communities covered by the provision; - introducing a provision allowing the competent authorities until 31 December 2006 to exempt over the counter contracts cleared by a clearing house from the credit risk capital requirements set out in Annex II of the directive. Strict criteria are laid down in order to ensure that the overall level of protection against credit risk provided by the clearing mechanism justifies cleared OTC contracts being treated in the same way as contracts traded on recognized exchanges.

Credit institutions, investment firms: solvency ratio (amend. Directives 77 /780/EEC, 89/647/EEC, 93/6/EEC)

1996/0121(COD) - 22/06/1998 - Final act

OBJECTIVE: to amend Directive 77/780/EEC (business of credit institutions), Directive 89/647/EEC (solvency ratio for credit institutions) and Directive 93/6/EEC on the capital adequacy of investment firms and credit institutions. COMMUNITY MEASURE: Directive 98/33/EEC of the European Parliament and the Council. SUBSTANCE: The Directive makes certain changes to the above directives. It widens the possibilities for exchanging information between the banking supervision authorities in the European Union and non-banking supervision authorities in third countries. It introduces more detailed rules on prudential supervision with regard to the risk capital of loans made by credit institutions, in the light of the experience gained from application of the present rules. It takes account of recent developments in prudential regulations at the wider international level, by supplementing the existing rules on capital requirements of credit institutions with regard to credit risks linked to over-the- counter derivative instruments. ENTRY INTO FORCE: 21/07/1998 DEADLINE FOR TRANSPOSITION: 21/07/2000

Credit institutions, investment firms: solvency ratio (amend. Directives 77 /780/EEC, 89/647/EEC, 93/6/EEC)

1996/0121(COD) - 27/06/1997 - Modified legislative proposal

The Commission's amended proposal incorporated the two amendments adopted by the European Parliament at first reading: - the first amendment merely rectified a shortcoming in the initial proposal, aligning Article 5(3) of Directive 89/647/EEC with the proposed text by stipulating that it applies to all the items listed in the new Annexe III; - the second had the aim of specifying that the Member States continue to have the option of applying a weighting of 20% to collateral in the form of securities issued by Zone A regional governments or local authorities.

Credit institutions, investment firms: solvency ratio (amend. Directives 77 /780/EEC, 89/647/EEC, 93/6/EEC)

1996/0121(COD) - 10/04/1997 - Text adopted by Parliament, 1st reading/single reading

By adopting the report by Mrs Marlies MOSIEK-URBAIN (EPP, All), the European Parliament approved the Commission proposal, while emphasizing the need to guarantee banking secrecy and establish equal conditions of competition among the various institutions. Parliament adopted only two amendments with a view to making technical clarifications and improving the quality of the text.

Credit institutions, investment firms: solvency ratio (amend. Directives 77/780/EEC, 89/647/EEC, 93/6/EEC)

1996/0121(COD) - 26/03/1998 - Commission communication on Council's position

The Commission considers the common position fully acceptable.