Basic information

2001/2038(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Investment services: application of conduct of business rules (Directive 93/22/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
ECON Economic and Monetary Affairs	KAUPPI Piia-Noora (PPE-DE)	06/11/2000

Committee for opinion	Rapporteur for opinion	Appointed
JURI Legal Affairs and Internal Market	The committee decided not to give an opinion.	

Council of the European Union

European Commission

Commission DG	Commissioner
Financial Stability, Financial Services and Capital Markets Union	

Key events

Date	Event	Reference	Summary
14/11/2000	Non-legislative basic document published	COM(2000)0722	Summary
28/02/2001	Committee referral announced in Parliament		
22/03/2001	Vote in committee		Summary
22/03/2001	Committee report tabled for plenary	A5-0105/2001	
02/04/2001	Debate in Parliament		
03/04/2001	Decision by Parliament	T5-0170/2001	Summary
03/04/2001	End of procedure in Parliament		
24/01/2002	Final act published in Official Journal		

Technical information	
Procedure reference	2001/2038(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	ECON/5/14366

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0105/2001	22/03/2001	
Text adopted by Parliament, single reading		T5-0170/2001 OJ C 021 24.01.2002, p. 0025-0109 E	03/04/2001	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2000)0722	14/11/2000	Summary

Investment services: application of conduct of business rules (Directive 93/22/EEC)

2001/2038(COS) - 14/11/2000 - Non-legislative basic document

PURPOSE: to present a Communication from the Commission on the application of conduct of business rules under Article 11 of the Investment Services Directive (93/22/EEC). CONTENT: This Communication provides a survey of the way in which Article 11 has been implemented in Member States and provides orientations on how conduct of business rules could be applied so as to facilitate cross-border provisions of service. It suggests how conduct of business protection can be tailored to prevailing market reality and impending changes in the legal environment. The Communication also considers the application of conduct of business rules to branches of investment firms. For a number of reasons, cross-border provision of investment services is unnecessarily complicated and made more costly than necessary by legal uncertainty and overlapping regulatory requirements. Against this background, the Commission suggests that: - with regard to article 11(1), the obligation of Member States to take account of the professional nature of the investor should not be seen as conditional on the prior harmonisation of the content of business protection; - with regard to article 11(2), the general good requires that national supervisory bodies take account of the nature of the investor and their "need for protection" before deciding whether to impose local conduct of business rules. Account must also be taken of the fact that conduct of business regimes in all Member States already offer sufficient and comparable protection to professional investors. Therefore, investment services provided to professional investors could be governed exclusively by the conduct of business rules in force in the country of the service provider ("home country") without prior harmonisation. With respect to retail investors, differences persist between national conduct of business protection: host country authorities may thus impose local business rules for such investors in accordance with Treaty principles and secondary legislation.

Investment services: application of conduct of business rules (Directive 93/22/EEC)

2001/2038(COS) - 03/04/2001 - Text adopted by Parliament, single reading

Parliament adopted two resolutions calling for a revision of the 1993 Investment Services Directives with the new legislation relating to cross-border investments to be based on home country supervision. The resolution of Piia-Noora KAUPPI (EPP-ED, FIN) was approved by 406 to 62 with 35 abstentions. MEPs believe a light regulatory regime should apply to professional investors. There was also a call on the Commission to look at the possibility of extending the system to third countries where reciprocity could be available and, with Lamfalussy in mind, MEPs take the view that information to be provided to investors should be indicated in the Commission's legislative proposal. During the debate of the previous night, Commissioner Fritz BOLKESTEIN agreed with the criticisms in Parliament's resolutions and also made in the debate, in the sense that the aims of the single market in investment services had not been achieved by the current legislation which had produced legal uncertainty and not reduced bureaucracy in the sense that it was still necessary to respect different national rules. He agreed on the need to move towards home country supervision and a new approach to promote transparency, integrity and protection for investors. He warned however, that revised legislation would not in itself prevent turbulence on the markets. He promised to consider carefully Parliament's concerns over the defintion of 'professional investors', recognising that the proposed definition would exclude numerous groups, although he did say it was based on the consensus views of national regulators. He also agreed that the procedures of the Lamfalussy report could be applied to the new legislation.