Basic information

2001/2039(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Investment services: upgrading 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	KATIFORIS Giorgos (PSE)	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
15/11/2000	Non-legislative basic document published	COM(2000)0729	Summary
28/02/2001	Committee referral announced in Parliament		
22/03/2001	Vote in committee		
22/03/2001	Committee report tabled for plenary	A5-0106/2001	
02/04/2001	Debate in Parliament		
03/04/2001	Decision by Parliament	T5-0169/2001	Summary
03/04/2001	End of procedure in Parliament		
24/01/2002	Final act published in Official Journal		

Technical information	
Procedure reference	2001/2039(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/5/14367

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0106/2001	22/03/2001	
Text adopted by Parliament, single reading		T5-0169/2001 OJ C 021 24.01.2002, p. 0025-0106 E	03/04/2001	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2000)0729	15/11/2000	Summary

Investment services: upgrading Directive 93/22/EEC

2001/2039(COS) - 15/11/2000 - Non-legislative basic document

PURPOSE : to open an extensive consultation on the possible upgrading of the Investment Services Directive (ISD:93/22/EEC). CONTENT : the Lisbon European Council has underlined the strategic importance of sustaining the greater reliance on market-based financing as a critical element for strengthened economic prosperity in the EU. The present Communication, foreseen by the Financial Services Action Plan, defines orientations and seeks public comments for a substantive overhaul of the Investment Services Directive (ISD:93/22/EEC). The ISD is the cornerstone of the EU legislative framework for investment firms and securities markets. In the five years since its entry into force, it has eliminated a first set of legal obstacles to the single market for securities. The single passport conferred on authorised investment firms is widely used. Access to "regulated markets" and exchanges has been liberalised. Pan-European dealing in nationally-listed securities has been facilitated. The ISD nevertheless needs modernisation to meet the demands of the new securities trading environment. Market forces, amplified by the single currency, are driving demand for an integrated financial market. Information technology is revolutionising business practices and paving the way for the emergence of a new generation of service providers. The drive to enhance performance, reduce costs and establish a pan-European presence is stimulating profound restructuring of the securities trading infrastructure. Proposals for mergers and alliances between exchanges are the most visible manifestation of these profound changes. Consolidation of clearing and settlement, which can substanially improve efficiency of European securities trading - is gathering pace. The four key priorities for the ISD upgrading include: 1) an effective passport for investment firms; 2) new forms of service provision; 3) effective competition between exchanges and trading platforms; 4) the growing cross-border dimension of clearing and settlement. Europe needs financial services legislation that will stand the test of time. Prescriptive, inflexible rules which are quickly overtaken by financial innovation or market developments must be avoided. Framework legislation that enshrines high-level principles could provide the legal bed-rock for a dynamic, orderly and stable single financial market. Such high level principles must be accompanied by mechanisms which provide supplementary guidance and ensure uniform interpretation. Without this, framework rules will remain a dead-letter. An updated ISD must provide a common legal basis for "straight-through" supervision and enforcement. Regulatory and supervisory cooperation through Forum of European Securities Commissions (FESCO) is already paying dividends but must be stepped up. The Commission, acting within the Treaty provisions and the Union's institutional framework, and guided by the analysis of the Committee of Wise Men on securities markets will consider how best to respond to these needs in developing legislative proposals to update the ISD.

Investment services: upgrading Directive 93/22/EEC

2001/2039(COS) - 03/04/2001 - Text adopted by Parliament, single reading

In adopting the report by Giorgios KATIFORIS (PES, GR), the European Parliament adopted two resolutions calling for a revision of the 1993 Investment Services Directive 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 is 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, 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 definition of "professional" investors, recognising that the proposed definition would exclude numerous groups, although he did say that it was based on the consensus view of national regulators. He also agreed that the procedures of the Lamfalussy report could be applied to the new legislation.