Basic information

2003/0263(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Directive	Procedure completed
New organisational structure for financial services committees Amending Directive 98/78/EC 1995/0245(COD) Amending Directive 2000/12/EC 1997/0357(COD) Amending Directive 2002/83/EC 2000/0162(COD) Amending Directive 2001/34/EC 2000/0174(COD) Amending Directive 2002/87/EC 2001/0095(COD) **Subject** 2.50.03 Securities and financial markets, stock exchange, CIUTS, investments 2.50.04 Banks and credit 2.50.10 Financial supervision	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	RANDZIO-PLATH Christa (PSE)	19/11/2003

Committee for opinion	Rapporteur for opinion	Appointed
AFCO Constitutional Affairs	INGLEWOOD The Lord null (PPE-DE)	19/01/2004

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2580	2004-05-11
Economic and Financial Affairs ECOFIN	2617	2004-11-16
Agriculture and Fisheries	2633	2004-12-21

European Commission

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

Key events

Date	Event	Reference	Summary
		COM(2003)0659	Summary

05/11/2003	Legislative proposal published		
17/11/2003	Committee referral announced in Parliament, 1st reading		
16/03/2004	Vote in committee, 1st reading		
16/03/2004	Committee report tabled for plenary, 1st reading	A5-0162/2004	
31/03/2004	Decision by Parliament, 1st reading	T5-0224/2004	Summary
31/03/2004	Results of vote in Parliament		
16/11/2004	Resolution/conclusions adopted by Council		
21/12/2004	Act adopted by Council after Parliament's 1st reading		
08/03/2005	Decision by Parliament, 1st reading	T6-0060/2005	Summary
09/03/2005	Final act signed		
09/03/2005	End of procedure in Parliament		
24/03/2005	Final act published in Official Journal		

Technical information	
Procedure reference	2003/0263(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Amendments and repeals	Amending Directive 98/78/EC 1995/0245(COD) Amending Directive 2000/12/EC 1997/0357(COD) Amending Directive 2002/83/EC 2000/0162(COD) Amending Directive 2001/34/EC 2000/0174(COD) Amending Directive 2002/87/EC 2001/0095(COD)
Legal basis	EC Treaty (after Amsterdam) EC 047-p2
Stage reached in procedure	Procedure completed
Committee dossier	ECON/5/20298

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Directive 2005/0001 OJ L 079 24.03.2005, p. 0009-0017	Summary

New organisational structure for financial services committees

2003/0263(COD) - 31/03/2004 - Text adopted by Parliament, 1st reading/single reading

The European Parliament backed the extension of the Lamfalussy process, currently applying just to the securities markets, to banking, insurance and collective investment undertakings. But the report by Christa RANDZIO-PLATH (PES, D) insists that the adoption of the new financial services legislation must respect the Parliament's role in the process. The Parliaments includes certain provisions such as: - democratic accountability and transparency must be inherent in the Lamfalussy process and its extension, which can only be sufficiently guaranteed by respecting the interinstitutional balance with regard to implementing measures; - this Directive amending Directives 73/239/EEC, 85/611/EEC, 91/675/EEC, 92/49 /EEC, 93/6/EEC, 94/19/EC, 98/78/EC, 2000/12/EC, 2002/83/EC, 2002/87/EC and 2001/34/EC only aims at certain changes in the organisational structure of committees. None of the modifications extends the powers to adopt implementing measures vested in the Commission in these directives, nor the powers vested in the Council in Directive 93/6/EEC; - the commitments made by the Commission regarding securities legislation via the declaration of President Prodi of 5 February 2002 and the letter from Commissioner Bolkestein of 2 October 2001 should be complemented by sufficient guarantees concerning a proper institutional balance; - safeguards with respect to the extension of the four-level approach are also required because the EU institutions do not yet benefit from an extensive practical experience of the four level Lamfalussy approach. Furthermore, the first and second Interim Reports of the Interinstitutional Monitoring Group monitoring the Lamfalussy process have pointed out certain remarks and criticisms concerning the functioning of the process; - the speed of adoption of legislation and the quality of legislation are fundamental objectives of the Lamfalussy process. The success of the Lamfalussy process depends more on the political will of the institutional partners to set up an appropriate framework for the adoption of the legislation than on an acceleration of the setting up of the related technical delegated provisions. In addition, an overemphasis on the speed of setting up of the delegated provisions can create significant problems with regard to the quality of those provisions; - the extension of the Lamfalussy procedure is without prejudice to possible decisions regarding the organisation of supervision at a European level; - the European Parliament should be given a period of 3 months from the first transmission of draft implementing measures to allow it to examine them and to give its opinion. In exercising its implementing powers, the Commission should respect the following principles: - the need to ensure confidence in financial markets among investors by promoting high standards of transparency in financial markets, - the need to provide investors with a wide range of competing investments and a level of disclosure and protection tailored to their circumstances, - the need to ensure that independent regulatory authorities enforce the rules consistently, especially as regards the fightagainst economic crime, - the need for high levels of transparency and consultation with all market participants and with the European Parliament and the Council, - the need to encourage innovation in financial markets if they are to be dynamic and efficient, - the need to ensure market integrity by close and reactive monitoring of financial innovation, - the importance of reducing the cost of, and increasing access to, capital, - the balance of costs and benefits to market participants on a long-term basis (including small and medium-sized businesses and small investors) in any implementing measures, - the need to foster the international competitiveness of EU financial markets without prejudice to a much-needed extension of international cooperation, - the need to achieve a level playing field for all market participants by establishing EU-wide regulations every time it is appropriate, - the need to respect differences in national markets where these do not unduly impinge on the coherence of the single market, - the need to ensure coherence with other Community legislation in this area, as imbalances in information and a lack of transparency may jeopardise the operation of the markets and above all harm consumers and small investors. In the occupational pensions field, the European Insurance and Occupational Pensions Committee should not address labour and social law aspects such as the organisation of occupational regimes, in particular compulsory membership and the results of collective bargaining agreements. The competent authorities of the Member States shall inform the Commission and the competent authorities of the other Member States: a) of any authorisation of a direct or indirect subsidiary one or more parent undertakings of which are governed by the laws of a third country; b) whenever such a parent undertaking acquires a holding in a Community assurance undertaking which would turn the latter into its subsidiary. When authorisation is granted to the direct or indirect subsidiary of one or more parent undertakings governed by the law of third countries, the structure of the group shall be specified in the notification which the competent authorities shall address to the Commission and to the other competent authorities.

New organisational structure for financial services committees

2003/0263(COD) - 05/11/2003 - Legislative proposal

PURPOSE : to amend directives relating to the banking, insurance and occupational pensions, and securities sector and financial conglomerates in order to establish a new financial services committee organisational structure. PROPOSED ACT : The Commission proposes a restructuring of the committee structures for these sectors for the following reasons: On the one hand: - financial markets and services are now developing at a much faster pace than ever before, as they exploit new technology and innovate; - the introduction of the Euro, and the Lisbon economic reform agenda have accelerated the pace of European integration in this area. For the first time, an integrated capital and financial services market is within sight. On the other hand: - European legislators and regulators in the banking, insurance and mutual fund industry are saddled with a legislative and "comitology" organisation that is ill-suited to an enlarged EU of 25 Member States. Even if this process were to be maintained, the present committee structure would still need to be adapted to new developments, with, for instance, the scope of the Insurance Committee extended to occupational pensions; - legislators and regulators in these areas need the ability to respond quickly and effectively to technological change and market developments, by adopting implementing rules on a much faster and more flexible basis; - there would be huge benefits to the EU in having an even more efficient, transparent and clear regulatory structure in this area; - above all, as European financial services and markets integrate, there will be a much greater need for effective supervisory co-operation and convergence. A four-level regulatory framework was established in the securities sector (see Decision 2001/527/EC and 2001/528/EC) in order to make the regulatory process for Community securities legislation more flexible, effective and transparent. The Stockholm European Council called for certain aspects of the four-level approach to be extended to the banking and insurance sectors subject to a clear commitment on the part of the Council to guarantee a proper institutional balance. The main provisions of the proposals are therefore the following: As regards the banking sector, the role of the Banking Advisory Committee (BAC) set up by Directive 2000/12/EC is adapted. The BAC is renamed "the European Banking Committee". Since the measures necessary for the implementation of Directive 2000/12/EC are measures of general scope within the meaning of Council Decision 1999/468/EC, they will be adopted by use of the comitology procedure. Furthermore, certain existing provisions for technical amendments to Directive 2000/12/EC need to be brought in line with Council Decision 1999/468/EC. References to the advisory functions of the BAC in Directive 2000/12/EC are deleted. With regard to the monitoring of observation ratios for the solvency and liquidity of credit institutions, the competencies of the BAC are no longer needed in view of the harmonisation of capital adequacy rules and of developments in the techniques used by credit institutions to measure and manage their liquidity risk. As regards the insurance sector, the role of the Insurance Committee is adapted, and this Committee is renamed "the European Insurance and Occupational Pensions Committee. Implementing measures will be adopted by use of the comitology procedure. References to the advisory functions of the IC in Directive 91/675/EEC are deleted. Similar changes are proposed for the UCITS Contact Committee. It may also act as a "comitology" Committee. The provisions setting up, under Article 53 of Directive 85

/611/EEC, the organisation and functions of the present UCITS Contact Committee outside its "comitology" capacity are deleted. The competences of the ESC are extended beyond those already conferred upon it by Directive 2003/6/EC, to cover the functions currently laid down in Directive 85/611 /EEC.

New organisational structure for financial services committees

2003/0263(COD) - 09/03/2005 - Final act

PURPOSE: to establish a new organisational structure for financial services committees.

LEGISLATIVE ACT: Directive 2005/1/EC of the European Parliament and the Council.

CONTENT: The Council adopted a Directive establishing a new organisational structure for financial services committees with the aim of helping legislators and regulators to respond more rapidly and effectively to technological change and market developments.

The Directive is one of a battery of measures introduced to extend the structure of EU committees used since 2002 in the areas of banking, insurance and investment funds. It seeks to facilitate greater cooperation between regulators.

Four new committees have been established. Two of them, the European Banking Committee (EBC) and the European Insurance and Occupational Pensions Committee (EIOPC), will assist the Commission in the adoption of application measures stemming from Directives concerning financial services, in the same manner as the European Securities Committee (ESC) deals with securities matters.

The two others, the Committee of European Banking Supervisors (CEBS) and the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS), have already been set up, and are composed of the national supervisors. Their role is to implement EU legislation in the Member States in their respective fields.

The Directive amends the following Directives:

- 93/6/EEC, 94/19/EC and 2000/12/EC concerning the banking sector;

- 73/239/EEC, 91/675/EEC, 92/49/EEC, 98/78/EC and 2002/83/EC concerning the insurance and occupational pensions sector;

- 85/611/EEC and 2001/34/EC concerning the securities sector;

- 2002/87/EEC concerning financial conglomerates.

ENTRY INTO FORCE: 13/04/2005.

TRANSPOSITION: 13/05/2005.

New organisational structure for financial services committees

2003/0263(COD) - 08/03/2005 - Text adopted by Parliament, 1st reading/single reading

The corrigendum was adopted.