

## FSAP EVOLUTION CHART

This list is based on measures listed in the **original Financial Services Action Plan**, i.e. in the Commission Communication "Financial Services: Implementing the Framework for Financial Markets: Action Plan" of 11 May 1999 [COM(1999)232].

### Strategic Objective 1: A single EU wholesale market.

#### 1.1. Raising capital on an EU-wide basis.

No	Measure planned	Measure taken	Remarks
1	Upgrade the Directives on Prospectuses through possible legislative amendment	Directive 2003/71/EC on "the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC" <b>(Prospectus Directive)</b>  Transposition Deadline: 1 July 2005	<i>Action Plan called for a legislative amendment, finally led to adoption of new directive.</i> The purpose of this Directive is to harmonise requirements for the drawing up, approval and distribution of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market situated or operating within a Member State.  Responsibility: DG MARKT
2	Update the Directive on Regular Reporting (82/121/EEC)	Directive 2004/109/EC on "the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC" <b>(Transparency Directive)</b>  Transposition Deadline: 20 January 2007	<i>Action Plan called for an update of the Directive on Regular Reporting, finally led to adoption of new directive.</i> The purpose of this directive is to establish requirements in relation to the disclosure of periodic and ongoing information about issuers whose securities are already admitted to trading on a regulated market situated or operating within a Member State. This directive sets out the rules governing the issue of annual and semi-annual financial reports for securities issuers.  Responsibility: DG MARKT

### Strategic Objective 1: A single EU wholesale market.

#### 1.2. Establishing a common legal framework for integrated securities and derivatives markets.

No	Measure planned	Measure taken	Remarks
3	Issue a Commission Communication on distinction between "sophisticated" investors and retail investors.	COM(2000)722 "The application of conduct of business rules under Article 11 of the investment services Directive (93/22/EEC)"	<i>Same outcome as envisaged in the FSAP.</i> 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 provision of services. Recommends that 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 and with respect to retail investors; since 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.  Responsibility: DG MARKT
4	Directive to address market manipulation.	Directive 2003/6/EC on "on insider dealing and market manipulation (market abuse)" <b>(MAD)</b>  Transposition Deadline: 12 October 2004	<i>Insider dealing added to the final scope of the directive.</i> The directive ensures that any person who possesses inside information from using that information by acquiring or disposing of, or by trying to acquire or dispose of, for his own account or for the account of a third party, either directly or indirectly, financial instruments to which that information relates. This directive also sets out measures to combat market manipulation.  Responsibility: DG MARKT
5	Green Paper on upgrading the ISD	Directive 2004/39/EC on "markets in financial instruments amending Directives 85/611/EEC, 93/6/EEC and 2000/12/EC and repealing Directive 93/22/EEC" <b>(MiFID)</b>  Transposition Deadline: 31 January 2006 To be applicable from 1 November 2007	<i>FSAP called for a Green Paper on updating the ISD. This eventually turned into a new directive.</i> The directive addresses investment firms and regulated markets whereby the home Member State shall ensure that the authorisation specifies the investment services or activities which the investment firm is authorised to provide. The authorisation shall be valid for the entire Community and shall allow an investment firm to provide the services or perform the activities, for which it has been authorised, throughout the Community, either through the establishment of a branch or the free provision of services.

**Strategic Objective 1: A single EU wholesale market.**

**1.3. Towards a single set of financial statements for listed companies**

(For the purpose of the Evaluation this subobjective will be considered together with Objective 4: Wider conditions for an optimal single financial market)

No	Measure planned	Measure taken	Remarks
6	Amend the 4th and 7th Company Law Directives to allow fair value accounting.	Directive 2001/65/EC "amending Directives 78/660/EEC, 83/349/EEC and 86/635/EEC as regards the valuation rules for the annual and consolidated accounts of certain types of companies as well as of banks and other financial institutions" <b>(4th &amp; 7th Company Law Directives)</b>  Transposition Deadline: 1 January 2004	<i>FSAP called for a legislative amendment, finally led to adoption of a new directive.</i> In order to maintain consistency between internationally recognised accounting standards and Directives 78/660/EEC, 83/349/EEC and 86/635/EEC, it was necessary to amend these Directives in order to allow for certain financial assets and liabilities to be valued at fair value. This will enable European companies to report in conformity with current international developments.  Responsibility: DG MARKT
7	Commission Communication on updating the EU accounting strategy	COM(2000)359 "EU Financial Reporting Strategy : the way forward" Regulation (EC)1606/2002 on the application of international accounting standards <b>(IAS Regulation)</b>  Regulation entry into force: 14 September 2002 Date of Effect: 1 January 2005	<i>Same outcome as envisaged in the FSAP.</i> The Commission proposed that all EU companies listed on a regulated market (estimated at around 6,700) should be required to prepare consolidated accounts in accordance with IAS. Finally, led to adoption of the IAS Regulation introducing the International Financial Reporting Standards (IAS/IFRS) for listed companies in the EU.  Responsibility: DG MARKT
8	Modernisation of the accounting provisions of the 4th and 7th Company Law Directives	Directive 2003/51/EC "amending Directives 78/660/EEC, 83/349/EEC, 86/635/EEC and 91/674/EEC on the annual and consolidated accounts of certain types of companies, banks and other financial institutions and insurance undertakings" <b>(4th &amp; 7th Company Law Directives)</b>  Transposition Deadline: 1 January 2005	<i>Same outcome as envisaged in the FSAP.</i> Allows modification of profit and loss to reflect IAS standards and to allow revaluation and/or fair value reporting in accordance with IASB standards.  Responsibility: DG MARKT
9	Commission Recommendation on EU auditing practices	Recommendation 2001/6942 (C(2002)1873) "Statutory Auditors' Independence in the EU: A Set of Fundamental Principles".  COM(2003)286 "Reinforcing the statutory audit in the EU", following Recommendation 2001/256 "on quality assurance for the statutory audit in the European Union: minimum requirements" of 15.11.2000 (C(2000)3304)	<i>Led to two Recommendations both narrower than the original FSAP where all auditing practices were to be covered by a single communication.</i> However, only Recommendation 2001/256 led to a Communication. Communication calls for updating the 8th Directive on statutory audits and for the creation of an audit regulatory committee. This is also to bring the auditing system in line with IAS standards. Consequently, the Communication led to adoption of the 8th Company Law Directive.  Responsibility: DG MARKT

**Strategic Objective 1: A single EU wholesale market.**

**1.4. Containing systematic risk in securities settlement.**

No	Measure planned	Measure taken	Remarks
10	Implementation of the Settlement Finality Directive	Directive 98/26/EC "on settlement finality in payment and securities settlement systems" <b>(Settlement Finality Directive)</b>  Transposition Deadline: 11 December 1999	<i>Same outcome as envisaged in the FSAP.</i> The Directive provides that the opening of insolvency proceedings against a participant shall not prevent funds or securities available on the settlement account of that participant from being used to fulfil that participant's obligations in the system on the day of the opening of the insolvency proceedings. Furthermore, Member States may also provide that such a participant's credit facility connected to the system be used against available, existing collateral security to fulfil that participant's obligations in the system. Insolvency proceedings shall not have retroactive effects on the rights and obligations of a participant arising from, or in connection with, its participation in a system earlier than the moment of opening of such proceedings  Responsibility: DG MARKT

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11	Commission Communication on Clearing and Settlement  (not part of the original FSAP)	COM(2004)312 "Clearing and Settlement in the European Union – The way forward" <b>(Communication on Clearing &amp; Settlement)</b>	<i>Measure not included in original FSAP; follows on from the previous measure.</i> The Communication aims to achieve the liberalisation and integration of existing Securities Clearing and Settlement Systems through the introduction of comprehensive access rights at all levels and the removal of existing barriers to cross-border clearing and settlement; the continued application of competition policy to address restrictive market practices and to monitor further industry consolidation; the adoption of a common regulatory and supervisory framework that ensures financial stability and investor protection, leading to the mutual recognition of systems; the implementation of appropriate governance arrangements.  Responsibility: DG MARKT
12	Directive on cross-border use of collateral	Directive 2002/47/EC "on financial collateral arrangements" <b>(Financial Collateral Directive)</b>  Transposition Deadline: 27 December 2003	<i>Same outcome as envisaged in the FSAP.</i> The Directive only covers arrangements where the collateral is either cash or financial instruments (mainly securities or interests in securities); it does not cover arrangements governing other types of collateral, for example commercial property, plant and machinery, or book debts (receivables). The purpose of the Directive is to promote the integration and cost-efficiency of financial markets. It requires Member States to make collateral arrangements easier to enter into and to enforce.  Responsibility: DG MARKT

**Strategic Objective 1: A single EU wholesale market.**

**1.5. Towards a secure and transparent environment for cross-border restructuring.**

**(For the purpose of the Evaluation this subobjective will be considered together with Objective 4: Wider conditions for an optimal single financial market)**

No	Measure planned	Measure taken	Remarks
13	Political agreement on the proposed directive on Take Over Bids	Directive 2004/25/EC on takeover bids <b>(Takeover Bid Directive)</b>  Transposition Deadline: 20 May 2006	<i>FSAP called for a political agreement to be reached, finally led to a new directive.</i> The Directive sets minimum guidelines for the conduct of takeover bids involving the securities of companies admitted to trading on a regulated market. It also includes provisions to protect minority shareholders, by establishing a framework of common principles and general requirements which Member States are to implement through more detailed rules.  Responsibility: DG MARKT
14	Political agreement on the European Company Statute	Regulation(EC)2157/2001 "on the statute for a European company" <b>(SE Regulation)</b>  Directive 2001/86/EC on "the involvement of employees"  Regulation entry into force: 8 October 2004 Transposition Deadline for Directive: 8 October 2004	<i>FSAP called for a political agreement to be reached, finally led to a regulation and a directive.</i> The Regulation and the Directive should be applied concomitantly. The Regulation sets out the grounds on which a company can become a European Company (SE). The Directive governs the involvement of employees in the affairs of such European public limited-liability companies. It sets out the formulae for involvement in company negotiations and consultations.  Responsibility: DG MARKT
15	Review of EU corporate governance practices	See in the General Objective (Objective 4): Wider conditions for an optimal single financial market	See in the General Objective (Objective 4): Wider conditions for an optimal single financial market
16	Amend the 10th Company Law Directive	Directive 2005/56/EC "on cross-border mergers of limited liability companies" <b>(10th Company Law Directive on Cross-Border Mergers)</b>  Transposition Deadline: 15 December 2007	<i>Same outcome as envisaged in the FSAP.</i> The Directive includes all companies with share capital which, in the unanimous view of the Member States, may be typified as companies having legal personality and separate assets which alone serve to cover the company's debts. It is aimed primarily at companies which are not interested in forming an European Company. A company taking part in a cross-border merger shall be governed, as far as the merger formalities are concerned, by the provisions of national law to which it is subject that apply to mergers of this type of company with other companies with share capital subject to the same national law.  Responsibility: DG MARKT

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17	14th Company Law Directive on cross-border transfer of seat	None	
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**Strategic Objective 1: A single EU wholesale market.**

**1.6. A single market which works for investors.**

No	Measure planned	Measure taken	Remarks
18	Commission Communication on Funded pension Schemes	COM(1999)134 "Towards a single market on supplementary pensions"	<p><i>Same outcome as envisaged in the FSAP.</i> Communication sets out the framework for ensuring protection of beneficiaries, the use of any asset manager in the Union, equal treatment between occupational pension providers, and the mutual recognition of prudential regimes. Suggests a directive with rules on fundamental prudential rules: including the approval of a provider by the appropriate authorities; rules concerning the investment of contributions: within the bounds of the free movement of capital; and rules concerning the liabilities of pension funds: setting minimum financing levels.</p> <p>Responsibility: DG MARKT</p>
19	Political agreement on the proposed directives on UCITS	<p>Directive 2001/107/EC (amending Directive 85/611/EEC) "on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) with a view to regulating management companies and simplified prospectuses"; Directive 2001/108/EC (amending Directive 85/611/EEC) "on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), with regard to investments of UCITS" (UCITS III)</p> <p>Transposition Deadline: 13 August 2003</p>	<p><i>FSAP called for a political agreement to be reached, finally led to two new directives.</i> The first sets out the essential harmonisation necessary and sufficient to secure the mutual recognition of authorisation and of prudential supervision systems, making possible the grant of a single authorisation valid throughout the European Union and the application of the home Member State supervision. The second directive widens the scope of financial instruments in which UCITS can invest.</p> <p>Responsibility: DG MARKT</p>
20	Directive on the prudential supervision of pension funds	<p>Directive 2003/41/EC of 3 June 2003 "on the activities and supervision of institutions for occupational retirement provision" (IORP Directive)</p> <p>Transposition Deadline: 23 September 2005</p>	<p><i>Same outcome as envisaged in the FSAP.</i> The directive aims to optimise the conditions in which pension investors operate in order to increase security of returns for the pension scheme. It seeks to create prudential supervision of pension funds including a common approach to registration and authorisation. The directive includes rules on the covering of liabilities, the investment of such assets and rules governing how such institutions can operate on a cross-border basis.</p>

**Strategic Objective 2: Open and secure retail markets**

No	Measure planned	Measure taken	Remarks
21	Political agreement on proposal for a Directive on the Distance Selling of Financial Services	<p>Directive 2002/65/EC "concerning the distance marketing of consumer financial services and amending Council Directive 90/619/EEC and Directives 97/7/EC and 98/27/EC" (Distance Marketing Directive)</p> <p>Transposition Deadline: 9 October 2004</p>	<p><i>FSAP called for a political agreement to be reached, finally led to new directive.</i> The object of this Directive is to approximate the laws, regulations and administrative provisions of the Member States concerning the distance marketing of consumer financial services. The Directive sets out the information which must be given to the consumer, the right of withdrawal from a contract, and the parameters for administrative and judicial redress.</p> <p>Responsibility moved from DG MARKT to DG SANCO</p>

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22	Commission communication codifying clear and comprehensible information for purchasers	COM(2001)66 "E-commerce and financial services" (FIN-NET)	<p><i>Final Communication much wider to include a communication on e-commerce policy for the financial services.</i> Sets a programme of convergence covering contractual and non-contractual rules to pave the way for a country of origin approach to work in practice covering all financial services sectors and distance trading modes. Includes targeted steps to encourage consumer confidence in cross-border redress and internet payments. A Community-wide network of financial services complaints bodies will be established to provide effective and rapid out of court redress on a cross-border basis. Led to the creation of FIN-NET.</p> <p>Responsibility: DG MARKT</p>
23	Commission green paper on an e-commerce policy for financial services.	COM(2001)66 "E-commerce and financial services"	<p><i>Combined as part of the Communication on clear and comprehensible information for purchasers.</i> (See above)</p> <p>Responsibility: DG MARKT</p>
24	Recommendation to support best practice in respect of information provision (mortgage credit).	Recommendation 2001/193 (C(2001)447) "on pre-contractual information to be given to consumers by lenders offering home loans"	<p><i>Same outcome as envisaged in the FSAP.</i> Recommends that the lender should supply to the consumer in the course of the pre-contractual phase: general information; personalised information to be presented in a European Standardised Information Sheet; and the lender should supply to the consumer information on the identification, address and telephone number of the competent body to which the consumer can refer in the event of difficulties in relation to the application of the Code on pre-contractual information for home loans.</p> <p>Responsibility: DG MARKT</p>
25	Commission report on substantive differences between national arrangements relating to consumer-business transactions	Published 20 March 2000 as "Retail financial services: overcoming remaining barriers - A legal analysis"	<p><i>Same outcome as envisaged in the FSAP.</i> The three areas of the report consisted of determining the existence of cross-border market for retail financial services; the harmonisation recommended to achieve a viable internal market in terms of marketing rules for financial services products; and barriers in contract law and the ways to remove them.</p> <p>Responsibility: DG MARKT</p>
26	Interpretative Communication on the freedom to provide services and general goods in insurance	C(1999)5046 "Interpretative Communication on the freedom to provide services and the general good in insurance."	<p><i>Same outcome as envisaged in the FSAP.</i> The Communication provides examples of how to deal with certain areas which an economic actor might be confronted with in the area of insurance and how the application of the principle of general interest applies to them. The Communication analyses 11 different areas and the ability to freely provide services in these areas.</p> <p>Responsibility: DG MARKT</p>
27	Proposal for amendment of Insurance Intermediaries Directive	Directive 2002/92/EC "on insurance mediation" (Insurance Mediation Directive)	<p><i>FSAP called for legislative amendment, eventually became new directive.</i> The Directive lays down rules for the taking-up and pursuit of the activities of insurance and reinsurance mediation by natural and legal persons which are established in a Member State or which wish to become established there. The Directive sets out the home member state requirements for registration, professional standards (including information) and the notification procedures for the host member state(s).</p> <p>Transposition Deadline: 15 January 2005</p> <p>Responsibility: DG MARKT</p>
28	Commission Communication on a single market for payments	COM(2000)36 on "Retail Payments in the Internal Market"  COM(2003)718 "concerning a New Legal Framework for Payments in the Internal Market" (New Legal Framework for Payments)	<p><i>Has led to a number of different Communications, the most recent being in 2005 laying out a proposal for a Directive on payment services (COM(2005)603).</i> The three main blocks of the proposal are: the harmonisation of market access requirements of non-credit institution payment service providers; the introduction of clear and succinct information requirements for payment services replacing 25 sets of national rules; and clarity and certainty on core rights and obligations of users and providers of payment services. However, the proposed Directive establishing New Legal Framework for payments (NLF) is not a part of the FSAP and should not be included in the Evaluation.</p> <p>Responsibility: DG MARKT</p>
29	Regulation on Cross-Border Payments in Euro  (not part of the original FSAP)	Regulation 2560/2001 "on cross-border payments in euro" (Regulation on Cross-border Payments)	<p><i>Not included in the original FSAP but is intertwined with the previous measure.</i> This Regulation lays down rules on cross-border payments in euro in order to ensure that charges for those payments are the same as those for payments in euro within a Member State (up to €50,000). The Regulation also sets out the obligation for transparency when charging its customers fees on cross-border payments and the obligation on Member States to remove balance of payment statistics (for payments up to €12,500) and obstacles to the automatic execution of transfers.</p> <p>Page 5 of 8 Regulation entry into force: 31 December 2001 Date of Effect: 1 July 2002</p> <p>Responsibility: DG MARKT</p>

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30	Commission Action Plan to prevent fraud and counterfeiting in payment systems	COM(2001)11 on "Preventing fraud and counterfeiting of non-cash means of payment"	<p><i>Same outcome as envisaged in the FSAP.</i> The Fraud Prevention Action Plan has at its heart close cooperation between the relevant public authorities and private parties, exchange of experience and information, training, development and sharing of educational material. The Communication suggests that the Commission will co-ordinate action to enhance and promote preventive measures, including information gathering and awareness raising initiatives. It will also aim to attain a high level of fraud prevention through initiatives implemented evenly across the Member States of the European Union.</p> <p>Responsibility: DG MARKT</p>
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**Strategic Objective 3: State-of-the-art prudential rules and supervision**

No	Measure planned	Measure taken	Remarks
31	Adopt the proposed directive on the winding-up and liquidation of insurance undertakings	<p><b>Directive 2001/17/EC "on the reorganisation and winding-up of insurance undertakings"</b></p> <p>Transposition Deadline: 20 April 2003</p>	<p><i>Same outcome as envisaged in the FSAP.</i> Prescribes that only the competent authorities of the home Member State shall be entitled to decide on the reorganisation measures with respect to an insurance undertaking, including its branches in other Member States. The Directive sets out the applicable reorganisation measures and the framework process for winding-up undertakings.</p> <p>Responsibility: DG MARKT</p>
32	Adopt the proposed directive on the winding-up and liquidation of banks	<p><b>Directive 2001/24/EC "on the reorganisation and winding up of credit institutions"</b></p> <p>Transposition Deadline: 5 May 2004</p>	<p><i>Same outcome as envisaged in the FSAP.</i> Prescribes that only the competent authorities of the home Member State shall be entitled to decide on the reorganisation measures with respect to a banking undertaking, including its branches in other Member States. The Directive sets out the applicable reorganisation measures and the framework process for winding-up undertakings.</p> <p>Responsibility: DG MARKT</p>
33	Adopt the proposal for an Electronic Money directive	<p>Directive 2000/46/EC "on the taking up, pursuit of and prudential supervision of the business of electronic money institutions" <b>(E-Money Directive)</b></p> <p>Transposition Deadline: 27 April 2002</p>	<p><i>Same outcome as envisaged in the FSAP.</i> The Electronic Money Directive mandates the establishment of a new prudential supervisory regime for electronic money institutions (ELMIs). The main objectives of the Directive are: (a) to create a regulatory framework to ensure the stability and soundness of ELMIs, so as to increase business and consumer confidence in this new and developing means of payment; (b) to eliminate legal uncertainty created by the lack of harmonisation in this field; and (c) to facilitate access by ELMIs from one Member State into another.</p> <p>Responsibility: DG MARKT</p>
34	Amendment of the money laundering directive	<p>Directive 2001/97/EC amending Directive 91/308/EEC "on prevention of the use of the financial system for the purpose of money laundering - Commission Declaration" <b>(2nd Money Laundering Directive)</b></p> <p>Transposition Deadline: 15 June 2003</p>	<p><i>Same outcome as envisaged in the FSAP.</i> The Directive sets out identification requirements on transactions (and specific requirements for over €15,000). The Directive also makes amendments concerning casinos, when transactions should be suspended upon suspicion of money laundering and for the dissemination of information to financial institutions.</p> <p>The substantial revision of the FATF recommendations on money laundering and terrorist financing led to adoption of a 3rd Money Laundering Directive (Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing), which additionally covers terrorist financing. It also provides a definition of serious offences and states that money laundering should be regarded as a criminal offence. The 3rd ML Directive repealed the 2nd Directive. Its transposition deadline is 15 December 2007.</p> <p>Responsibility: DG MARKT</p>
35	Commission Recommendation on disclosure of financial instruments	<p>Recommendation 2000/408 "concerning disclosure of information on financial instruments and other items complementing the disclosure required according to Council Directive 86/635/EEC on the annual accounts and consolidated accounts of banks and other financial institutions" (C(2000)1372)</p>	<p><i>Same outcome as envisaged in the FSAP.</i> Information on financial instruments, commodities and commodity-related derivative instruments (hereinafter: "instruments") according to this recommendation should be disclosed by banks and financial institutions (hereinafter: "institutions") which are subject of Council Directive 86/635/EEC. Financial Instruments that are not material to the operation need not be disclosed. Qualitative and quantitative disclosure, including reporting on credit risk should be disclosed.</p> <p>Responsibility: DG MARKT</p>

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36	Amend the directives governing the capital framework for banks and investment firms	Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions (recast) and Directive 2006/49/EC on the capital adequacy of investment firms and credit institutions (recast) <b>(CRD)</b>  Transposition Deadline: 31 December 2006 Date of Effect: 1 January 2007	<i>Same outcome as envisaged in the FSAP.</i> The proposed directives lay down the capital adequacy requirements applying to investment firms and credit institutions, the rules for their calculation and the rules for their prudential supervision.  Responsibility: DG MARKT
37	Amend the solvency margin requirements in the insurance directives	Directive 2002/83/EC "concerning life assurance";  Directive 2002/13/EC amending Council Directive 73/239/EEC "as regards the solvency margin requirements for non-life insurance undertakings" <b>(Solvency 1)</b>  Transposition Deadline: 19 June 2004 for Directive 2002/83/EC 20 September 2003 for Directive 2002/13/EC	<i>Same outcome as envisaged in the FSAP.</i> Directive 2002/83/EC concerns the rules governing establishment and conduct of life assurance including the provision of services in other Member States. Directive 2002/13/EC concerns non-life undertakings and adjusts the issue of solvency margins.  Responsibility: DG MARKT
38	Proposal to amend the insurance directives and the ISD to permit information exchange with third countries	Directive 2000/64/EC amending Council Directives 85/611/EEC, 92/49/EEC, 92/96/EEC and 93/22/EEC "as regards exchange of information with third countries"  Transposition Deadline: 17 November 2002	<i>Same outcome as envisaged in the FSAP.</i> Directive allows the sharing of information with third countries while providing safeguards that such information is not disclosed without consent.  Responsibility: DG MARKT
39	Development of prudential rules for financial conglomerates following the recommendations of the 'Joint Forum'	Directive 2002/87/EC "on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate" <b>(Financial Conglomerates Directive)</b>  Transposition Deadline: 11 August 2004	<i>FSAP called for prudential rules to be developed; finally resulted in a new directive.</i> The Directive represents the first full transposal in the world of the international recommendations on the supervision of conglomerates adopted by the Group of 10 (G10) under the aegis of the Bank for International Settlements. It provides for supervision of the conglomerate and promotes closer coordination between the supervisory authorities for the individual sectors and the exchange of information between them.  Responsibility: DG MARKT
40	Creation of a Securities Committee	Decision 2001/528/EC establishing the European Securities Committee  Decision 2001/527/EC establishing the Committee of European Securities Regulators <b>(Lamfalussy)</b>	<i>FSAP called for the creation of a Securities Committee; finally an entirely new committee structure established (to be used as part of the Lamfalussy process).</i> The first Decision establishes the European Securities Committee. The second Decision establishes the Committee of European Securities Regulators. The other committees (EBC, EIOPC, CEBS, CEIOPS) were created by separate decisions in 2003 and a new directive was passed (2005/1/EC) amending several directives to extend the Lamfalussy process on the new committees.  Responsibility: DG MARKT

**General Objective (Objective 4): Wider conditions for an optimal single financial market**

No	Measure planned	Measure taken	Remarks
41	Adopt a Directive on Savings Tax	Directive 2003/48/EC on "taxation of savings income in the form of interest payments" <b>(Savings Tax Directive)</b>  Transposition Deadline: 1 January 2004	<i>Same outcome as envisaged in the FSAP.</i> The aim of the Directive is to enable savings income in the form of interest payments made in one Member State to beneficial owners who are individuals resident for tax purposes in another Member State to be made subject to effective taxation in accordance with the laws of the latter Member State.  Responsibility: DG TAXUD

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No	Measure planned	Measure taken	Remarks
42	Implementation of the December 1997 Code of Conduct on business taxation	Conclusions of ECOFIN Council 1 December 1997 (98/C 2/01) "Concerning Taxation Policy" <b>(Code of Conduct on business taxation)</b>	<p><i>Political agreement to implement measures reached at Ecofin Council.</i></p> <p>The Code of Conduct for business taxation is not a legally binding instrument but it has political force. The Member States have undertaken to roll back existing tax measures that constitute harmful tax competition and refrain from introducing any such measures in the future ("standstill"). The Code was specifically designed to detect only such measures which unduly affect the location of business activity in the Community by being targeted merely at non-residents and by providing them with a more favourable tax treatment.</p> <p>In 1998 the EU's Finance Ministers established the Code of Conduct Group (Business Taxation) to assess the tax measures that may fall within the scope of the Code. In a report of November 1999 the Group identified 66 tax measures with harmful features. Member States and their dependent and associated territories have now introduced or are in the process of introducing revised or replacement measures in substitution for the 66 measures. Since then, the Code of Conduct Group has been monitoring standstill and the implementation of rollback and reported regularly to the Council.</p> <p>Responsibility: DG TAXUD</p>
43	Review of taxation of financial service products	None	
44	Commission proposals for co-ordination of the tax arrangements governing supplementary pensions	COM(2001)214 on "the elimination of tax obstacles to the cross-border provision of occupational pensions"	<p>Delivered Communication concerning occupational pensions. The Communication believes that a fully functioning Single Market for occupational pensions is essential to ensure that citizens are able to exercise their rights to free movement enshrined in the EC Treaty and thus to enhance labour mobility. The Communication seeks a co-ordinated approach adapted to the diversity of Member States' rules rather than harmonisation; calls for the elimination of unduly restrictive or discriminatory tax rules; and presents measures to safeguard Member States' tax revenues.</p> <p>Responsibility: DG TAXUD</p>
45	Review of EU corporate governance practices	COM(2003)284 on "Modernising Company Law and Enhancing Corporate Governance in the European Union - A Plan to Move Forward" <b>(Corporate Governance Action Plan)</b>	<p><i>The final Communication included a number of other company law issues in its scope as well as governance practices.</i> Firstly that some new initiatives should be taken with a view to enhancing shareholder rights and clarifying management responsibilities; secondly the provisions related to the protection of creditors should be modernised with a view to maintaining a high quality framework; a proper distinction should be made between categories of companies; and a limited number of measures aimed at combating fraud and abuse of legal forms. The measures resulting from the 2003 Corporate Governance Action Plan include proposal for a Directive on Shareholders' Rights (COM(2005)685), proposal for modernisation of 2nd Company Law Directive on Capital Maintenance and Alternation (COM(2004)730), adoption of Recommendation on Independent Directors (2005/162/EC) and Recommendation on Directors' Pay (2004/913/EC) as well as establishment of European Corporate Governance Forum and Advisory Group on Company Law and Corporate Governance.</p> <p>In December 2005 the Commission launched a new consultation on the medium term of the Corporate Governance Action Plan.</p> <p>Responsibility: DG MARKT</p>

The FSAP has 42 measures. The number of measures listed above amounts to 45 because:

- \* Review of EU corporate governance practices is placed twice on the list (position 15 and 45)
- \* Communication on Clearing & Settlement (position 11) was not part of the original FSAP
- \* Regulation on Cross-border Payments (position 29) was not part of the original FSAP