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*Financial Services*

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## Conclusions of the Financial Services Policy Group (19.10.99)

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The Financial Services Policy Group (FSPG), comprising personal representatives of EU Finance Ministers, met in Brussels on 19 October under the chairmanship of the European Commissioner for the Internal Market, Frits Bolkestein. The meeting considered progress on implementation of the [Financial Services Action Plan presented by the Commission in May 1999](#), agreed to assist in identifying potential policy areas where streamlined legislative procedures could be used, reviewed approaches to regulating occupational pension funds, discussed retail financial services and electronic commerce and urged rapid progress on supervision of financial services conglomerates and supervisory co-operation structures.

### ▲ Progress on implementation of Action Plan

Only 5 months after adoption of the action plan, the FSPG agreed that, in general, satisfactory progress is being made. The Council Presidency confirmed that the 29 November Council of Finance Ministers will consider a progress report from the FSPG. The Presidency will draw conclusions indicating areas of difficulty, and urging action in areas indicated as "lagging behind". The Group agreed that the second progress report would be presented next June. That report would contain more qualitative and quantitative assessment of the direction and results of our work. This report would link with the Cardiff process.

The FSPG requested the Commission to speed-up work in setting-up a securities committee and on accounting rules. The Commission agreed to try to work ahead of Action Plan timetables where they are perhaps too conservative.

The Commission will continue work on reviewing EU rules on capital adequacy with the urgency it deserves.

### ▲ Streamlined legislative procedures

The Group agreed that all efforts should be made to grasp the opportunity of a fast-track procedure for financial services legislation offered by the new co-decision procedure, as amended by the Amsterdam Treaty (Article 251 of the EC Treaty). The FSPG is prepared to assist the Commission in identifying potential policy areas that could be appropriate to propose adoption without a second reading in Parliament. The next meeting of the FSPG will consider a list of potential areas.

The FSPG supported Commission efforts towards early informal contacts with appropriate representatives of Parliament to inform them of imminent legislation and to exchange views on financial services policy.

#### ▲ Pension funds

The FSPG agreed on the need to ensure optimal protection of present and future pension fund investors and for a prudential framework that allows rigorous supervision, and not only rules on investment. Such prudential rules must, however, not go beyond what is objectively required to protect beneficiaries. The Commission recognised that further in-depth discussion will be needed. Some Members noted that in some Member States, so-called pension funds are close to life assurance companies. The forthcoming proposal will take this duly into account but will not be identical to the Insurance Directives. The Commission will take account of the view of the FSPG.

#### ▲ Retail financial services & e-commerce

The FSPG urged the Commission to progress on its work on a Green Paper in this field (for issue mid next year) on areas of concern to consumers in particular :

- redress procedures for consumers
- "pre-contract information" - there is an interest in the "single page information sheet"
- voluntary codes in the market.

#### ▲ Supervision and conglomerates

The Group urged as rapid progress as possible on a proposal for a conglomerates Directive. There was clear agreement in the Group on the need for an overview of existing supervisory structures in Europe. The Commission will consider the comments and analysis within the Group, and intends to clarify, together with the existing regulatory committees, which structures for financial regulation and supervision exist, assess whether more needs to be done to increase co-operation between supervisors and convergence of supervisory practice.



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