



MARKT/2511/04-EN
Orig.

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1. Solvency II

The IC Solvency II sub-committee met on 22nd April to discuss the Commission staff documents MARKT/2543/03 (carried forward from the meeting on 12 March- see previous Newsletter) and MARKT 2502/04. The paper MARKT 2502/04 examined topic relating to asset management, asset-liability management, minimum solvency requirements and other safety features, supervisory authorities' powers and solvency control levels.

Both these papers as well as copies of the comments received from Member States and interested parties are available on the [Commission Solvency Website](#).

At the meeting on 22nd April, the Groupe Consultatif of European Actuaries made a detailed presentation on their response to the paper, MARKT/2543/03, which was well received. As regards paper MARKT/2502/04, in general terms, Member States indicated a wide degree of consensus, although as identified in the response by the Groupe Consultatif, much detailed discussion and analysis remains to be completed. This work will be carried forward by the various Solvency II working groups established by CEIOPS.

In the light of the good progress achieved at the meeting on 22nd April, the Commission services have prepared a more detailed Road Map for the conduct of the Solvency II project, including a general framework for the consultation of CEIOPS and other stakeholders, as well as a number of detailed calls for advice from CEIOPS on specific subjects, and a schedule for the preparation of future calls for advice. Subject to satisfactory progress, the intention of the Commission services remains the preparation of a draft Framework Directive for Solvency II before the end of 2005. In accordance with the new committee architecture (extension of the Lamfalussy approach to banking and insurance), and provided the European Parliament and Council give their agreement, the detailed rules would then be developed and adopted under a comitology procedure, fully respecting the institutional framework.

2. Motor insurance

On 26th April 2004, the Council formally adopted its Common Position on the proposal for a Fifth Motor Insurance Directive. It is scheduled that such Common Position will be submitted to the enlarged European Parliament for a second reading by mid-September.

3. Reinsurance

After the last meeting of the IC Reinsurance Subcommittee on 31 October 2003, the Commission has presented its proposal for a Directive of the European Parliament and of the Council on reinsurance.

The proposed Directive provides for a regulatory framework based on the existing regime introduced by the Third Insurance Directives to establish the internal market in insurance. The proposal would extend to reinsurance companies the system for the authorisation and financial supervision of an insurance undertaking by the Member State in which it has its head office ('home country control'). Such authorisation would be for reinsurance companies, similar to direct insurers, a true "single passport" which would enable them to carry on their business anywhere in the European Union, either by establishing themselves in other Member States, or by providing services directly from their home or another Member State. The proposed Directive would thus contribute to reinforcing international financial stability, an issue over which there has been concern in major international fora. It would also fill a gap in current European insurance legislation which does not regulate specialised reinsurers, though reinsurance activities carried out by direct insurers are subject to regulation. The proposal is a "fast track" solution for reinsurance pending proposals covering the insurance industry as whole under the long-term "Solvency II" project. It will now go forward, under the procedure known as co-decision, for discussion and adoption by the European Parliament and Council.

The proposal as well as an extended impact assessment, are available at the [Commission reinsurance website](#).

Council has started the first reading of the proposal, within the ad hoc working group, last 7th June, under the Irish Presidency. The Dutch Presidency intends to pursue an in dept analysis of the file. Several meetings of the working group have been scheduled

4. CAD

The ad hoc Working Group has continued its high pace of meetings since February. It met for the last time on 1-2 June after having completed two full readings of the text (including annexes). The high quality of the preliminary technical work that has been carried-out by the BAC's Technical Sub-Group over the past three years contributed to the rapid progress in the Group.

The Group was in a position to reach agreement on a number of issues on the basis of the guidance offered by the BAC.

- The level of application of the directive has been settled;
- The waiver for capital requirements (both for parents and for subsidiaries) has been clarified and continues to be a Member State option;
- A requirement for supervisory authorities to disclose defined information for stakeholders in relation to adopted national texts, the use of options, etc. has been included in the draft directive;
- An appropriate treatment with lower capital requirements for venture capital exposures has been introduced in the directive (divergence from Basel Committee recommendations but reflects specific EU-requirements).

In spite of the remarkable progress in the Commission's Working Group of Member States' Experts, three broad policy issues were not able to be concluded with the unanimous support of the Group. (There are, of course, also specific and predominantly technical issues that are important to individual Members States). The three remaining issues are:

- the responsibilities of the consolidating supervisor;
- the treatment of low risk '730K' investment firms;
- the implementation date of the Directives.

Many improvements reflect some degree of divergence from the Basel Committee recommendations but are considered necessary to reflect specific EU-needs. The Banking Advisory Committee will also be expected to be involved in future discussions on a number of the points mentioned. For example, and in addition to its expanded formal 'comitology' powers, the BAC will need to be engaged in the reports on 'procyclicality' for the Council and the EP, decisions on commodities derivatives dealers, trading book solutions, monitoring the application and effects of supervisory disclosure etc.

The two directive proposals amending Directive 2000/12/EC and 93/6/EEC will be forwarded to the College of Commissioners for adoption in July.

5. Guarantee schemes

Since the previous Newsletter (MARKT/2503/04 of 27th April 2004) there have been no further developments on the file.

The Commission's Services will inform the IC on the 30th of June about the state of play for the file and the intended next steps. The Commission's Services intend to submit a first outline of possible legal provisions covering some of the main aspects of the insurance guarantee schemes subject to future harmonisation in the next meeting of the working group scheduled for the autumn.

6. Accounting

Status of the endorsement of IAS 32, IAS 39 and IFRS 4

The status of the endorsement for the different standards is briefly outlined below.

IAS 32

The IASB adopted the revised version of the standard IAS 32: "Financial Instruments: Disclosure and Presentation" in December 2003. In June 2004, EFRAG published a draft comment letter in which it recommended endorsement of the standard.

At the ECOFIN Council 2 June 2004 in Luxembourg, Commissioner Bolkestein indicated that the Commission favoured endorsing IAS 32, and this was supported by all Member States. The formal opinion by the Accounting Regulatory Committee will be delivered at the meeting of 28 September 2004 and adoption by the Commission is foreseen for end-November.

IAS 39

The IASB adopted a significantly revised version of IAS 39: "Financial Instruments: Recognition and Measurement" in December 2003. Further amendments concerning hedging were included in March 2004. The IASB Board has also started further work for future amendments concerning the so-called fair value option, the treatment of credit insurance and financial guarantees, as well as e.g. interest margin hedges.

EFRAG presented a draft comment letter on endorsement in the beginning of June 2004. This letter shows the significant differences in views among accounting specialists on certain provisions, particularly those relating to hedging. Out of the 11 members of the EFRAG Technical Expert Group, 5 support endorsement and 6 oppose. However, the letter still recommends endorsement, as the required EFRAG threshold of 75% of the members against endorsement was not reached. The final EFRAG endorsement advice letter will be issued in the beginning of July.

The Accounting Regulatory Committee discussed the endorsement of IAS 39 in its meeting on 14 June 2004. The Commission Services initiated a tour de table asking Member States whether they supported full adoption of the standard, full rejection or an intermediate solution whereby

controversial provisions concerning hedging were suspended. Four Member States declared that they were against endorsement of IAS 39 in its current form, but that they were ready to examine an intermediate solution. Fifteen Member States advocated full endorsement of the standard, and five were not able to give a position. Member States were asked for their written comments before 30 June 2005.

IFRS 4

IASB adopted the standard IFRS 4 "Insurance Contracts" in March 2004. On 4 June 2004 EFRAG recommended the endorsement of IFRS 4 in a letter to the Commission (8 TEG members voted in favour, 2 abstained).

IFRS 4 will be included in the package of IAS and IFRS standards that will be proposed for endorsement. The ARC will be asked for its formal opinion at the meeting on 28 September 2004 and adoption by the Commission is foreseen for mid-November.

Need for consequential changes to EU and national legislation and regulations due to endorsement of the standards IAS 32, IAS 39 and IFRS 4

This subject has been discussed at the meeting of the IC on 22 November 2003, as well as at the IC Accounting Subcommittee on 11 September 2003 and 17 May 2004. The Commission Services had prepared a discussion note for this purpose (MARKT 2527/03). The general view expressed at these discussions was that changes to the EU financial reporting and supervisory directives for the interim period 2005-2007/2008 should be kept to a minimum.

Consequential changes following the introduction of IAS 32, IAS 39 and IFRS 4 may be needed in financial reporting as well as in prudential rules. The substantial amount of options included in the EU Directives may reduce – but not eliminate - the need for changes at EU level, but adaptations are likely to be needed at national level.

In the meeting of the IC Accounting Subgroup on 17 May 2004 it was agreed to avoid double work to the greatest extent possible. The Commission Services therefore intend to make extensive use of the work underway in the CEIOPS pillar III/accounting subgroup concerning the need for adaptation to prudential rules.

7. Insurance Mediation Directive (IMD)

In its communication of 11th December 2002 on better monitoring of the application of Community law (COM (2002) 725), the Commission recalls that prime responsibility for implementing Community law, both the Treaty and secondary legislation, lies with Member States, while stressing that cooperation between the Commission and Member States, notably when directives are being transposed, is a crucial element in the effective monitoring of Community law.

In accordance with the communication, the Commission is increasing cooperation before expiry of the transposition deadline for the Directives. In this framework, DG MARKT/F has considered the possibility of holding a working group meeting with Member States' experts to examine and analyse possible questions and difficulties encountered by Member States during their process of preparation of the national measures required to transpose the IMD into their domestic law. A first meeting of a Commission working party on the implementation of the IMD took place on 17th June.

The working party examined first the current state of the Member States' progress with the transposition of the IMD for which the deadline is 15 January 2005. The Commission services reported on the consequences of non-transposition or asymmetric transposition. In addition the working group considered questions tabled by the delegations with regard to the major difficulties encountered in the process of transposition. Member States considered this a very useful meeting and requested a second meeting in order to complete the analysis of the text of the IMD. The Commission representatives confirmed that a second meeting of the working party could take place before end October to analyse remaining issues (acquired rights, freedom of provision of services' procedures, competent authorities, exchange of information, complaints/out of court redress and information) as well as any new questions posed by Member States before end September.

8. New Committee Architecture- Package to improve regulation of banking, insurance, and investment funds.

The proposal to amend the existing committee structure was adopted at First Reading by the European Parliament on 31 March, and subsequently agreed by Ecofin on 11 May. The Directive (and the four accompanying Commission Decisions) will come into effect twenty days after its publication in the Official Journal later this year. Given the general pressure on translation resources, publication in all official Community languages is more likely to take place towards the year end

9. Enlargement

The position in the candidate countries is as follows:

- **Bulgaria**

All negotiating chapters have been provisionally closed. Accession is foreseen for 1 January 2007. The EU-Bulgaria association committee took place on 22 June. At this committee the Commission Services had the opportunity to point out more important shortcomings such as the delays in the transposition of the EU acquis on insurance sector. Bulgaria will be asked to speed up its efforts in order to fulfil its commitments. Recently monitoring tables were prepared. A Regular Report will be published in the second half of 2004. DG Market suggested a follow-up peer review for the financial services area to monitor the process in this area as well as the transposition of the recommendations of the previous peer-review.

- **Romania**

The accession is foreseen for 1 January 2007. Romania submitted a new Position Paper concerning chapter 3 (services and establishment). This paper updates Romania's commitments, in particular accelerating the transposition of missing elements of the insurance acquis from 2006 to 2005. The Commission must now submit an updated Draft Common Position to the Council. The Commission will soon submit a "to do list" to Romania requesting further progress, including on the transposition of the insurance acquis. Provided Romania makes progress on these issues, the chapter can be closed during the Dutch Presidency.

An internal market sub-committee with Romania will take place on 19-20 July. A follow-up peer review on financial services will take place in Romania on 21-23 July 2004.

- **Croatia**

On 20 April, the Commission adopted a positive opinion on Croatia's application for EU membership. On 17-18 June, the European Council declared that Croatia is a candidate country and called for accession negotiations to be opened in early 2005. In the meantime, the Commission will maintain contacts with the Croatian authorities in the context of sub-committees established under the Interim Agreement.

- **Cyprus**

Given that the Annan Plan was not endorsed by both the Greek and Turkish Cypriot communities, on 26 April the Council invited the Commission to bring forward comprehensive proposals to put an end to the isolation of the Turkish Cypriot community and to facilitate the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community.

On 29 April, the Council adopted the so-called green line Regulation, which allows *inter alia* duty-free access to the Republic of Cyprus for certain categories of goods produced in the north (other aspects of the Regulation, e.g. on the movement of persons across the green line, have no bearing on DG Internal Market's files). In relation to goods, this regulation deals mainly with customs-related and fiscal (VAT) matters. It will be complemented by some implementing measures foreseen in the Regulation. A proposal on direct trade links with northern Cyprus is also being examined.

As regards financial institutions, the Superintendent of Insurance of the Republic of Cyprus has pointed out that insurance undertakings located in the north of Cyprus are not subject to their supervision.

- **FYROM (Former Yugoslavian Republic of Macedonia)**

On 22 March in Dublin, the Macedonian Prime Minister submitted the application for EU membership to the President of the European Council. Following a request from the General Affairs Council on 22 May, the Commission has started preparatory work leading towards an Opinion on Macedonia's application. This is expected to be adopted in Spring 2005.

- **Turkey**

The European Council (Copenhagen, December 2002) requested to submit a recommendation concerning the possible opening of accession negotiations. This recommendation, accompanied by a preliminary impact study, should be adopted by the Commission in the Autumn. The opening of accession negotiations with Turkey is conditional on Turkey's full compliance with the Copenhagen criteria. A decision by the European Council is expected in December 2004.

10. Gender Equality

On 6 November 2003 the Commission presented to the Council and the European Parliament a Proposal for a Council Directive implementing the principle of equal treatment between women and men in the access to and supply of goods and services, [COM\(2003\)657 final](#).

The proposal applies also to the insurance sector as well as all other financial sectors. With respect to insurance, the proposal provides for the prohibition of sex as a factor in the calculation of premiums and benefits for insurance and related financial services (Art. 4). However, in order to avoid a sudden readjustment of the market, the prohibition of such factors should apply only to new contracts concluded after the date of transposition of the Directive. In addition the proposal allows Member States to postpone the application of such prohibition for a further six years after the date of transposition. In this case the Member States concerned shall compile, publish and regularly update comprehensive tables of mortality for the guidance of insurance undertakings.

The Council has started discussion at technical working group level. A meeting has already been devoted to the analysis of insurance issues, with the assistance of Member States insurance experts.

On 30 March 2004 the European Parliament has also issued its opinion, on the basis of a report prepared by Mrs. Prets. Although there was a substantial minority opposed, the report supports the Commission proposal, in particular in respect of the abolition of gender discrimination in insurance.

On 1 June 2004 a debate took place at the Council on Employment and Social Affairs. As far as the abolition of the uses of actuarial factors based on sex for setting insurance premiums is concerned, a majority of Member States were not able to support the current Commission's proposal. The incoming Dutch Presidency will continue work in order to table new compromise proposals which may secure the agreement of Member States so that the proposal may be adopted under the Dutch Presidency.

11. Financial Services Action Plan

[Financial Services Action Plan: Commission seeks views on new expert reports on state of financial integration](#)

The European Commission has published on 6th May for open consultation reports by four independent groups of experts on the state of financial integration in the banking, insurance, securities and asset management sectors. The reports, which reflect the consensus view of the group members and not necessarily that of the Commission, provide a comprehensive assessment of the extent to which different types of financial business can be undertaken on a pan-European basis. They also outline the main expectations and concerns of the different sectors regarding the implementation and enforcement of Financial Services Action Plan (FSAP) legislation. They set out recommendations for harnessing the full potential of FSAP measures, and identify specific areas where the single financial market can be further enhanced through a combination of self-regulation, supervisory cooperation and - in some limited cases additional EU-level policy intervention. Based on these reports and reactions to them, the new Commission will be in a position to consider, early in its mandate, how to ensure the effective implementation and enforcement of the measures agreed under the FSAP and how best to build on those measures to complete the integration of EU financial markets. The Commission is also publishing a working document on indicators of economic benefits from financial integration (see [IP/04/601](#)) resulting from an extensive analysis of the EU financial system. The deadline for comments on the expert reports is 10th September 2004. The [full texts](#) are available at the Commission Financial Services Website.

Further details are available at [IP/04/600](#) and [MEMO/04/106](#).

[The Financial Integration Monitor: Commission report shows progress in integrating European markets](#)

The integration of EU financial markets is progressing across the board, albeit at a very different pace depending on the product, the end-user and the market. That is the main conclusion of a first comprehensive report (The Financial Integration Monitor or FIM) published by the European Commission on 6th May and setting out indicators on the state of integration in all areas of European financial business. Along with reports on the practical effects of integration by four sectoral expert groups, published for consultation simultaneously with it (see [IP/04/600](#) and [MEMO/04/106](#)), the FIM report provides input for

the future policy debate on financial services. It measures not only integration but also looks at its associated impacts in terms of competitiveness, efficiency and stability.

Further details are available at [IP/04/601](#). The full text of the [FIM report](#) is available at Commission Financial Services Website.

The Tenth Progress Report on the Financial Services Action Plan

Financial Services Action Plan: good progress but real impact depends on good implementation. The completion on schedule of nearly all (93%) of the legislative measures in the Financial Services Action Plan (FSAP) has been a major success for the EU according to the European Commission's latest Progress Report on the FSAP, which will be presented to the 2 June Council of Economics and Finance Ministers. This progress has been made possible by a clearly defined objective and timetable, a carefully planned strategy, high quality resources, systematic monitoring, and the goodwill of Member States, the European Parliament and market participants. The FSAP is already a powerful vector for change. However, it is much too early to evaluate whether the FSAP has achieved its stated objectives: that will depend on the correct and timely implementation and enforcement of all FSAP measures. Future priorities, in addition to implementing successfully what has already been agreed, include the rapid adoption by the Parliament and Council of the 8th Company Law Directive on Statutory Audit and of forthcoming Commission proposals for a Third Money Laundering Directive and for a Directive on Capital Adequacy.

Further details are available at [IP/04/696](#). The [full text](#) of the current report is available at the Commission Financial Services Website.

Results of Commission conference on financial integration, Brussels 22nd and 23rd June

Over 250 senior officials, leading business personalities and consumer representatives gathered at the Palais d'Egmont in Brussels on 22-23 June for an intensive round of discussion on progress towards and prospects for financial integration. The conference, convened by Internal Market Commissioner Frits Bolkestein, comes as European legislators conclude the law-making phase of the Financial Services Action Plan (FSAP). The conference drew the lessons of this law-making phase and sought to identify key policy challenges for the next phase. The conference was an important staging-post in the Commission's stock-taking exercise on the FSAP which was launched on 7th May 2004 with the publication of four expert group reports ([IP/04/600](#)). Reactions to these reports are invited from all interested parties and stakeholders before September 10th 2004.

Further details are available at [MEMO/04/160](#).

12. IAIS

Details of recent IAIS activities are described in their second quarter Newsletter which can be downloaded from the [IAIS website](#).

13. Outgoing Council Presidency - Ireland

The Lamfalussy Framework Directive, which provides for the extension of the Lamfalussy process to the banking, insurance and UCITS sectors, was approved by Council on 31 March 2004.

A proposed directive, under Articles 47(2) and 55 of the European Community Treaty, was published by the Commission in April 2004 to harmonise reinsurance supervision rules in the EU. The first meeting of the working party on financial services (reinsurance) to clarify the Commission proposal and have a preliminary exchange of views on other issues took place on 7th June 2004. The next meeting will be on 2nd July 2004.

There is political agreement at Council on the text of the 5th Motor Insurance Directive which has been referred to the new European Parliament for a second reading under the framework of the co-decision procedure.

A proposed Directive, under Article 13 of European Community Treaty, was published by the Commission in November 2003 implementing the principle of equal treatment between women and men in the access to and supply of goods and services, including housing. The Presidency brought forward a policy paper (9426/1/04) to the Council meeting on 1st June seeking the guidance of Ministers on how to make progress on the insurance issue but was unable to secure agreement. The Social Questions Working Group will continue to try to progress the Directive.

14. Incoming Council Presidency - Netherlands

On April 21st 2004 the European Commission published its proposal for a Directive on Reinsurance. The Irish Presidency started discussions on this file in the Council Financial Services Working Group. The Dutch Presidency wants to continue the work started and make significant progress in the coming months. If sufficient progress is made the Dutch Presidency intends to reach a political orientation or a political agreement (depending on the progress in the EP) in the Ecofin Council by the end of this year.

The Third Money Laundering directive will implement the revised forty recommendations of the Financial Action Task Force. The main changes as compared to the Second Money Laundering directive are expected in the field of Customer Due Diligence requirements and the introduction of the fight against terrorist financing as one of the objectives of the provisions in the directive. The Dutch Presidency will try to reach a political orientation on the Third Money Laundering Directive in the Ecofin Council by the end of this year.

15. CEIOPS

CEIOPS has progressed the establishment of its permanent structures in accordance with the decisions taken by the Ecofin Council and the conclusions of CEIOPS plenary meeting of 4 February. Consequently, the Secretariat General of CEIOPS should be operational in Frankfurt on 1st July 2004 as planned. In this context, Mr. Alberto Corinti, head of the International Department of the ISVAP (Italian Insurance supervisory authority) has been appointed as Secretary General of CEIOPS. Furthermore, CEIOPS has put its web site online ([CEIOPS](#)), which should be an important element in the consultation policy of the Committee, as well as a useful tool to make its different documents available to the public.

CEIOPS has also worked on the issues related to the entrance of the new EU members, and has, in particular, decided to apply a so-called grandfathering procedure to the branches that have been exercising their activity in or from the new EU Member States prior to the adhesion date (1 May).

In the meantime, the CEIOPS working groups have continued their activity:

- The five working groups on Solvency II and accounting standard issues (life and non-life, supervisory review, disclosure/accounting and Group/Cross-sectoral issues) have held their first meetings and should present interim reports to CEIOPS for the end of 2004:

- The working group on IORPS has started working on a future co-operation protocol on pension issues and should present first drafts to CEIOPS at the end of 2004.

- The working group on insurance group supervision (former Helsinki Protocol working group) has continued its work to promote co-operation and a coherent application of the so-called Insurance Groups Directive, in particular, it has been requested by CEIOPS to draft a report on any need for changes in the Directive in order to achieve further harmonisation and has drafted guidelines for the co-ordination committees set up

by the supervisory authority to exchange information in accordance with the provisions of the Directive. It has also participated in providing the EFC and FSC with information on the implementation of the so called Brouwer recommendations, for instance by performing a survey on the use of stress-testing in European insurance groups.

- The working party on financial stability has actively continued its work. In particular, the group participates in the writing of a common CEIOPS-CESR-BSC report on credit risk transfer which will be sent to the EFC and FSC. An interim report was presented to these institutions in March, and should be followed by a final report in autumn 2004. The working party should also present a progress report to CEIOPS in October regarding the setting up of a monitoring tool for the situation of the insurance and occupational pensions sector.

CEIOPS is now preparing for both the first meeting of its Consultative Panel and its next plenary meeting, to be held respectively on 28 and 29 June in Brussels.

The first meeting of the Consultative panel should be mainly an introductory meeting with a discussion on the organisation of the Panel's activities, as well as the examination of CEIOPS' work program. The discussion during this meeting should initiate the setting up of proper work procedures. An oral summary of the debates will be presented at the plenary meeting.

The plenary meeting of 29 June will be devoted to several organisational issues in particular the choice of the Deputy Secretary General and additional staff for the Secretariat General, and the final stages of the creation of the legal entity of CEIOPS under German law.

The Committee will also review the activities of its working groups, and, in particular, examine their terms of reference and the work programs. It will also examine a public statement on its consultation practices, and discuss different issues of interest for the insurance and occupational pensions supervisors, such as E-Notification.

16. FSC – Financial Services Committee

The sixth meeting of the Financial Services Committee (FSC) took place on 14 May 2004.

One of the main issues on the agenda was financial integration. In the FSC of 16 March there already was broad agreement on the preliminary FSC report on financial integration. Furthermore, this report had already been presented to the Finance Ministers at the Informal Ecofin in Puchestown on 3 April. Therefore, the discussion now focused on the draft Council Conclusions for the Ecofin that took place yesterday.

The general consensus was that the FSC report is going in the same direction as what the Commission heard from the expert groups involved in the post-FSAP stock-taking exercise.

On the call from both the FSC and the expert groups for more evidence-based policy making and objective prioritisation, the Commission said it could agree. However, the rules applied in prioritising must not become a new source of administrative burden or a blocking system. ‘We should not blind ourselves with science: there is only so much that theory or number-crunching exercises can tell us.’

On the basis of two non-papers, the FSC also discussed the issue of financial stability. The Vice-Chairman of the FSC, Peter Nyberg, was selected to become rapporteur with the task to prepare necessary proposals to improve the current EU arrangements for crisis management. A first report will be presented to the informal Ecofin in September.

Furthermore were discussed: the EU-US Regulatory Dialogue and the risk capital action plan. The latter discussion was based on a paper prepared by the FSC secretariat. The FSC secretariat will prepare a new paper for the next meeting.

The next meeting will be held on 9 July 2004; and a last meeting this year is foreseen for 28 October 2004.

Annexes:

ESC – European Securities Committee

Summary records of meetings available at the [Commission ESC Website](#).

ARC – Accounting Regulatory Committee

Summary record of meetings available at the [Commission ARC Website](#).