



European Banking Industry Committee

European Banking Federation (EBF) • European Savings Banks Group (ESBG) • European Association of Cooperative Banks (EACB)
European Mortgage Federation (EMF) • European Federation of Building Societies (EFBS)
European Federation of Finance House Associations (Eurofinas)/European Federation of Leasing Company Associations (Leaseurope)
European Association of Public Banks (EAPB)

Brussels, 26th April 2005

FOR THE ATTENTION OF THE MEMBERS OF THE EUROPEAN PARLIAMENT

Open Letter with EBIC comments on the new version of MEP I. Van den Burg's report entitled "On current state of integration of EU financial markets", dated 5th April 2005

On the back of the first draft of the above document, which was dated the 18th of January 2005, EBIC sent Ms Van den Burg and MEPs on the EMAC Committee a letter, dated the 15th of February 2005, in which it commented on the contents of paragraph 30 of this EMAC draft.

The original version of this paragraph explicitly refers to the European financial services industry and highlights that it is this industry's view to use **minimum harmonization with mutual recognition**.

However as *the representative organ of the whole of the European banking industry*, EBIC's view on harmonization is that of *targeted harmonization, which amounts to full harmonization of key provisions which would facilitate further integration* (see amendment to paragraph 30 included in annex 1).

In spite of EBIC having provided the above clarification in the letter dated the 15th of February 2005, the Plenary draft of the Van den Burg report (dated the 5th of April 2005) now contains the following amendment to paragraph 30 (new paragraph 38): "notes that the predominant call from the financial services industry is for minimum harmonisation, whereas certain practitioners, notably the multi-national financial institutions, advocate maximum harmonisation in order to achieve a true level playing field".

The seven federations that make up the European Banking Industry Committee would be very obliged to see the Van den Burg report reflect a true representation of their commonly held view on harmonization at the forthcoming Plenary meeting on the 27th of April at which the report and new changes to it will be further discussed. In light of this EBIC supports the amendment to the above paragraph 38 provided by MEP Gauzès for discussion at Plenary (see annex 2).

Yours Sincerely,

Hein Blocks
EBIC Chairman

Dominique Monneron
Chairman EBIC Working Group
Integration

ANNEX 1: Amendment to paragraph 30 of the EMAC draft of the Van den Burg report on integration

Paragraph 30

Original

Amendment

<p>Considers that Member States have long and diverse traditions in consumer protection; notes that the financial services industry is pushing for minimum harmonisation with mutual recognition; recognises the continued risk associated with legal uncertainty for both providers and consumers; sees the potential economies of scale associated with harmonisation; urges the Commission to organise a fundamental discussion on consumer protection in financial services and to clarify the way towards harmonisation;</p>	<p>Considers that Member States have long and diverse traditions in consumer protection; notes that the financial services industry is pushing for targeted harmonization, i.e. full harmonization of those key provisions which would facilitate further integration (e.g. definition of consumer, pre-contractual information, Annual Percentage Rate of Charge, etc.); recognises the continued risk associated with legal uncertainty for both providers and consumers; sees the potential economies of scale associated with harmonisation; urges the Commission to organise a fundamental discussion on consumer protection in financial services and to clarify the way towards harmonisation;</p>
<p style="text-align: center;">Justification</p> <p>The European Banking Industry Committee (EBIC), which is the common platform of the European banking industry, has expressed a unanimous preference for targeted harmonization, i.e. full harmonization of those key provisions which would facilitate further integration (e.g. definition of consumer, pre-contractual information, Annual Percentage Rate of Charge, etc.)</p>	

ANNEX 2: Amendment to paragraph 38 of the Plenary draft of the Van den Burg report on integration. Amendment submitted by Mr Gauzès

Paragraph 38

Original

38. Considère que les Etats membres ont des traditions longues et diverses en matière de protection des consommateurs ; note que le secteur des services financiers préconise une harmonisation minimale tandis que certains acteurs financiers, notamment les institutions financières multinationales préconisent une harmonisation maximale afin de réaliser des conditions équitables ; par conséquent, invite instamment la Commission à organiser une discussion sur la structure fondamentale du marché européen des services financiers en ne perdant pas de vue les intérêts des consommateurs et des acteurs financiers et la compétitivité européenne mondiale.

Amendment

38. Considère que les Etats membres ont des traditions longues et diverses en matière de protection des consommateurs ; note que le secteur des services financiers préconise une *(supprimé) pleine harmonisation ciblée, c'est-à-dire une pleine harmonisation des dispositions-clefs qui faciliteraient l'offre transfrontière et donc la poursuite de l'intégration (définition du consommateur, information précontractuelle, taux effectif global, droit de rétractation, etc.)*; invite instamment la Commission à organiser une discussion sur la structure fondamentale du marché européen des services financiers en ne perdant pas de vue les intérêts des consommateurs et des acteurs financiers et la compétitivité européenne mondiale.

Justification

Cet amendement vise à rectifier une erreur manifeste du rapport adopté par la commission des Affaires économiques et monétaires le 30 mars dernier.



ANNEX 3: Introduction of EBIC

EBIC is a co-operation of banking associations with a mandate to provide advice, assure a comprehensive consultation of market participants and ensure a representative industry view throughout the process of drafting, adopting, implementing and enforcing EU-financial legislation and thereby provide input for the European institutions and their relevant sectoral committees. It is amongst the declared aims of EBIC to advise the Commission on relevant legislative banking and cross-sectoral initiatives and any developments at Community level affecting the banking and financial services activities associated with the establishment of a European Single Market for financial services.

EBIC has been established by the main banking industry federations: the European Banking Federation (EBF), the European Savings Banks Group (ESBG), the European Association of Cooperative banks (EACB), the European Mortgage Federation (EMF), the European Federation of Building Societies (EFBS), the European Federation of Finance House Associations (Eurofinas) / the European Federation of Leasing Company Associations (Leaseurope), and the European Association of Public Banks (EAPB).