

E-4542/09EN

Answer given by Mr. McCreevy
on behalf of the Commission
(16.11.2009)

In reply to the written question of the Honourable Member, the Commission would like to point out that the provision of services in EU jurisdictions other than the "home" is at the very heart of the Single Market. A high degree of consumer / investor protection throughout the EU is equally important. In this respect, the *acquis communautaire* provides for a robust framework aimed at protecting consumers involved in the provision of services throughout the Community.

This framework includes the following types of measures:

- measures ensuring a high level of consumer / investor protection in the Directives containing passporting arrangements (i.e. in insurance: Directive 2002/83/EC,¹ Directive 92/49/EEC,² Directive 2005/68/EC³ and Directive 2002/92/EC⁴; in banking Directive 2006/48/EC⁵; in securities Directive 2004/39/EC (MiFID)⁶; in asset management: Directive 2009/65/EC⁷).
- measures allowing the involvement of host authorities as regards the supervision of branches when consumer / investor protection is at stake
- day-to-day cooperation between home and host authorities in the framework of the Colleges of Supervisors.

Whereas these measures have been instrumental for the adequate protection of consumers / investors, open consultations on recent Commission initiatives have sometimes put in evidence areas where improvements need to be made. Taking into account the outcome of these consultations, the Commission is further improving this framework and has planned the following additional measures:

- to ensure a consistent application and enforcement of rules at EU level – including of the authorisation criteria mentioned by the Honourable Member. To this end, the Commission adopted on 23 September 2009 a package of draft legislation to strengthen the supervision of the financial sector in Europe⁸.
- Review the adequacy of home/host provisions. In the light of the financial crisis, focus has been on reinforcing information sharing between home and host authorities for branches. Because the passporting arrangements are a key 'acquis' of the Internal Market it should be

¹ Directive 2002/83/EC of the European Parliament and of the Council of 5 November 2002 concerning life assurance.

² Council Directive 92/49/EEC of 18 June 1992 on the coordination of laws, regulations and administrative provisions relating to direct insurance other than life assurance and amending Directives 73/239/EEC and 88/357/EEC (third non-life insurance Directive).

³ Directive 2005/68/EC of the European Parliament and of the Council of 16 November 2005 on reinsurance and amending Council Directives 73/239/EEC, 92/49/EEC as well as Directives 98/78/EC and 2002/83/EC.

⁴ Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation.

⁵ Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions, OJ L 177, 30.6.2006, p. 1–200

⁶ OJ L 145, 30.4.2004, p. 1–44

⁷ Directive 2009/65/EC of the European Parliament and the Council of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS recast").

⁸ Proposal for a Regulation of the Parliament and of the Council on Community macro-prudential oversight of the financial system and establishing a European Systemic Board, COM (2009) 499 final, 23/09/2009; Proposal for a Council Decision entrusting the European central Bank with specific tasks concerning the functioning of the European systemic risk board, COM (2009) 500 final, 23/09/2009; Proposal for a Regulation of the Parliament and of the Council establishing a European Banking Authority; COM (2009) 501 final, 23/09/2009; Proposal for a Regulation of the Parliament and of the Council establishing a European Insurance and Occupational Pensions Authority, COM (2009) 502 final, 23/09/2009; Proposal for a Regulation of the Parliament and of the Council establishing a European Securities and Markets Authority, COM (2009) 503 final, 23/09/2009.

recognised that further convergence of supervisory practices is needed. Therefore, the Commission intends to suggest that the future European System of Financial Supervisors should develop draft technical standards regarding the information that home and host authorities shall exchange under the passporting arrangements.

- ensuring a consistent and high level of investor protection across a range of different investment products (collective investment schemes, unit-linked insurance products, structured products, etc.) . To this end, the Commission issued a Communication on packaged retail investment products on 29 April 2009⁹.
- Ensuring a high level of consumer protection as well as an effective cross-border provision of services in the insurance mediation market by revising the Insurance Mediation Directive¹⁰.

⁹ Communication from the Commission to the Parliament and the Council on packaged retail investment products, COM (2009) 204 final, 30/04/2009

¹⁰ Directive 2002/92/EC of the Parliament and of the Council of 9 December 2002 on insurance mediation, OJ L 9, 15.1.2003, p.3-10.