


Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	1998/0253(COD) Procedure completed
Credit institutions: taking up and pursuit of the business (amend. direct. 77/780/EEC)	
Subject 2.50.04 Banks and credit	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs, Industrial Policy		17/01/2000
		PPE-DE KAUPPI Pii-Noora	
	Former committee responsible		
	JURI Legal Affairs, Citizens' Rights		04/11/1998
		ELDR THORS Astrid	
European Parliament	Former committee for opinion		
	ECON Economic and Monetary Affairs, Industrial Policy		10/11/1998
		PSE TORRES MARQUES Helena	
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	2225	29/11/1999

Key events			
21/09/1998	Legislative proposal published	COM(1998)0461	Summary
09/10/1998	Committee referral announced in Parliament, 1st reading		
25/03/1999	Vote in committee, 1st reading		Summary
25/03/1999	Committee report tabled for plenary, 1st reading	A4-0156/1999	
15/04/1999	Debate in Parliament		
15/04/1999	Decision by Parliament, 1st reading	T4-0324/1999	Summary
29/11/1999	Council position published	12005/1/1999	Summary
20/01/2000	Committee referral announced in Parliament, 2nd reading		

22/03/2000	Vote in committee, 2nd reading		Summary
22/03/2000	Committee recommendation tabled for plenary, 2nd reading	A5-0080/2000	
11/04/2000	Decision by Parliament, 2nd reading	T5-0136/2000	Summary
18/09/2000	Final act signed		
18/09/2000	End of procedure in Parliament		
27/10/2000	Final act published in Official Journal		

Technical information

Procedure reference	1998/0253(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Rules of Procedure EP 050; EC Treaty (after Amsterdam) EC 047-p2-a1
Stage reached in procedure	Procedure completed
Committee dossier	ECON/5/12293

Documentation gateway

Legislative proposal	COM(1998)0461	21/09/1998	EC	Summary
Economic and Social Committee: opinion, report	CES0069/1999 OJ C 101 12.04.1999, p. 0064	27/01/1999	ESC	
Committee report tabled for plenary, 1st reading/single reading	A4-0156/1999 OJ C 219 30.07.1999, p. 0006	25/03/1999	EP	
Text adopted by Parliament, 1st reading/single reading	T4-0324/1999 OJ C 219 30.07.1999, p. 0369-0421	15/04/1999	EP	Summary
Council position	12005/1/1999 OJ C 026 28.01.2000, p. 0012	29/11/1999	CSL	Summary
Commission communication on Council's position	SEC(2000)0069	19/01/2000	EC	Summary
Committee recommendation tabled for plenary, 2nd reading	A5-0080/2000 OJ C 040 07.02.2001, p. 0007	22/03/2000	EP	
Text adopted by Parliament, 2nd reading	T5-0136/2000 OJ C 040 07.02.2001, p. 0019-0036	11/04/2000	EP	Summary
Commission opinion on Parliament's position at 2nd reading	COM(2000)0333	29/05/2000	EC	Summary

Additional information

European Commission	EUR-Lex
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Final act

[Directive 2000/28](#)
[OJ L 275 27.10.2000, p. 0037](#) Summary

Credit institutions: taking up and pursuit of the business (amend. direct. 77/780/EEC)

PURPOSE: to amend directive 77/780/EEC on the co-ordination of laws, regulations and administrative provisions relating to the taking up and pursuit of the business of credit institutions to cover electronic money institutions. **CONTENT:** the amendment redefines a "credit institution" as: a) an undertaking whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account; or b) an electronic money institution within the meaning of the proposed directive on the taking up, the pursuit and the prudential supervision of the business of electronic money institutions (which accompanies this proposal).?

Credit institutions: taking up and pursuit of the business (amend. direct. 77/780/EEC)

The Committee has approved two Commission proposals aimed at creating a European framework for the rapidly growing field of electronic money. Although a multitude of e-money systems - such as Proton in Belgium and Mondex in the UK - have developed in recent years, few rules have been adopted to govern e-money institutions. However, to ensure user confidence in these new means of payment it is necessary to set up a regulatory framework with solvency guarantees in order to prevent bankruptcies. The need for such rules was brutally demonstrated late last year when a major issuer of e-money applied for bankruptcy protection. While welcoming the Commission's initiative, the rapporteur, Ms. Astrid THORS (ELDR, FIN) considered that the proposals were too limited in scope as they only regulate the setting up, exercise and supervision of e-money institutions. To ensure greater user confidence in e-money systems the Committee therefore adopted a number of amendments aiming at introducing a degree of consumer protection in the directives. In particular, it adopted amendments which guarantee users of e-money the right to have eg. money stored on a smart card redeemed in coins and notes free of charge. To further promote the use of e-money, the Committee adopted an amendment stipulating that payments with e-money shall be free of charge. The Committee likewise called on the Commission to take measures to promote the interoperability of e-money systems so that payment instruments can be used in other countries or other systems.?

Credit institutions: taking up and pursuit of the business (amend. direct. 77/780/EEC)

The Parliament approved the proposal, subject to amendments which seek to strengthen consumer rights. The Rapporteur was Ms. Astrid Thors (ELDR, Finland).?

Credit institutions: taking up and pursuit of the business (amend. direct. 77/780/EEC)

The common position follows the Commission proposal and includes both amendments proposed by the European Parliament. These amendments relate to : - fully incorporating Amendment 25 proposed by the European Parliament where the Article concerning the redeemability of electronic money is made applicable to all credit institutions. However, it was felt that the best technical means of doing this was by inserting a new Article 13a into the First Banking Directive, Directive 77/780/EEC ; - the recitals which incorporate Amendment 24 proposed by the European Parliament and are for the rest unchanged compared to the Commission proposal.?

Credit institutions: taking up and pursuit of the business (amend. direct. 77/780/EEC)

The Council's common position is in line with the amendments suggested by the European Parliament and with the Commission's proposal. A number of clarifications, which have been included in the Council's common position, improve the text while a number of additional provisions accord with amendments proposed by the European Parliament.?

Credit institutions: taking up and pursuit of the business (amend. direct. 77/780/EEC)

The committee adopted a recommendation for second reading (codecision procedure) by Piia-Noora KAUPPI (EPP/ED, FIN) which did not follow the rapporteur's original text. The report as adopted in committee amended the Council's common position, whereas the rapporteur had not wished to propose any amendments, arguing that Parliament's amendments at first reading had been taken into account. The amendments adopted in committee broadly endorsed the view of the European Central Bank (ECB), in that they specified that electronic money should always be redeemable at par value, the aim being to give the ECB better control over the money supply. They also limited the right of Member States to waive the application of the directive in certain cases. The committee agreed with the ECB that the common position allowed too many exceptions, which might mean that electronic money would be issued by institutions not subject to financial supervision and could undermine the ECB's goal of ensuring monetary stability.?

Credit institutions: taking up and pursuit of the business (amend. direct. 77/780/EEC)

In adopting the report by Mrs. Piia-Noora KAUPPI (EPP-ED, Sw), the European Parliament approves the legislative resolution on the common position of the Council with a view to the adoption of a European Parliament and Council directive amending Council Directive 77/780/EEC on the co-ordination of laws, regulations and administrative provisions relating to the taking up and pursuit of the business credit institutions.?

Credit institutions: taking up and pursuit of the business (amend. direct. 77/780/EEC)

The 2 amendments involve no change of substance but merely clarify a point which was already included in the common position: electronic money not used by the bearer must be redeemed at par value, i.e. with no depreciation against the value expressed in the issuing currency. These 2 amendments concern in particular: - the addition of a new recital 9a to read: "Redeemability should always be understood at par value"; - amendment, to the same end, of Article 3(1) to read: A bearer of electronic money, may, during the period of validity, ask the issuer to redeem it at par value in coins and bank notes or by a transfer to an account free of charges other than those strictly necessary to carry out that operation". In conclusion, the amendments involve no change of substance, therefore, the Commission can accept them.?

Credit institutions: taking up and pursuit of the business (amend. direct. 77/780/EEC)

PURPOSE : to promote harmonious development of the activities of credit institutions throughout the Community, in particular as regards the issuance of electronic money. COMMUNITY MEASURE : Directive 2000/28/EC of the Council amending Directive 2000/12/EC relating to the taking up and pursuit of the business of credit institutions. CONTENT : given that certain institutions limit their activity primarily to the issuance of electronic money activity, the present Directive provides that these institutions, subject to suitable specific provisions taking into account their special characteristics, be brought within the scope of Directive 2000/12/EC concerning the access to credit institutions. ENTRY INTO FORCE : 27.04.2000. DEADLINE FIXED FOR THE TRANSPOSITION : 27.04.2002.?