


# Procedure file

| Basic information   |                                |                     |
|---|--------------------------------|---------------------|
| COS - Procedure on a strategy paper (historic)                                    | <a href="#">2001/2119(COS)</a> | Procedure completed |
| E-commerce and financial services   |                                |                     |
| Subject   |                                |                     |
| 2.50.04.02 Electronic money and payments, cross-border credit transfers           |                                |                     |
| 3.45.05 Business policy, e-commerce, after-sales service, commercial distribution |                                |                     |
| 4.60.06 Consumers' economic and legal interests                                   |                                |                     |

| Key players                   |   |   |            |  |
|-------------------------------|---|---|------------|--|
| European Parliament           | Committee responsible   | Rapporteur                                    | Appointed  |  |
|                               | <b>ECON</b> Economic and Monetary Affairs   |   | 06/11/2000 |  |
|                               |   | ELDR <a href="#">HUHNE Christopher</a>        |            |  |
|                               | Committee for opinion   | Rapporteur for opinion                        | Appointed  |  |
|                               | <b>JURI</b> Legal Affairs and Internal Market                                     |   | 10/07/2001 |  |
|                               | <b>PPE-DE</b> <a href="#">HARBOUR Malcolm</a>                                     |   |            |  |
|                               | <b>ITRE</b> Industry, External Trade, Research, Energy                            | The committee decided not to give an opinion. |            |  |
|                               | <b>ENVI</b> Environment, Public Health, Consumer Policy                           | The committee decided not to give an opinion. |            |  |
| Council of the European Union | Council configuration   | Meeting                                       | Date       |  |
|                               | <a href="#">Economic and Financial Affairs ECOFIN</a>                             | <a href="#">2345</a>                          | 07/05/2001 |  |
| European Commission           | Commission DG   | Commissioner                                  |            |  |
|                               | <a href="#">Financial Stability, Financial Services and Capital Markets Union</a> |   |            |  |

| Key events |  |   |         |
|------------|--|---|---------|
| 07/02/2001 | Non-legislative basic document published   | COM(2001)0066   | Summary |
| 07/05/2001 | Resolution/conclusions adopted by Council  |   |         |
| 02/07/2001 | Committee referral announced in Parliament |   |         |
| 13/09/2001 | Vote in committee                          |   | Summary |
| 13/09/2001 | Committee report tabled for plenary        | <a href="#">A5-0301/2001</a>  |         |
| 03/10/2001 | Debate in Parliament                       |  |         |
| 04/10/2001 | Decision by Parliament                     | <a href="#">T5-0510/2001</a>  | Summary |

|            |   |  |  |
|------------|---|--|--|
| 04/10/2001 | End of procedure in Parliament          |  |  |
| 11/04/2002 | Final act published in Official Journal |  |  |

### Technical information

|                            |  |
|----------------------------|--|
| Procedure reference        | 2001/2119(COS)                                       |
| Procedure type             | COS - Procedure on a strategy paper (historic)       |
| Procedure subtype          | Commission strategy paper                            |
| Legal basis                | Rules of Procedure EP 142; Rules of Procedure EP 050 |
| Stage reached in procedure | Procedure completed                                  |
| Committee dossier          | ECON/5/14865   |

### Documentation gateway

|   |  |            |    |         |
|---|--|------------|----|---------|
| Non-legislative basic document                      | COM(2001)0066  | 07/02/2001 | EC | Summary |
| Committee report tabled for plenary, single reading | <a href="#">A5-0301/2001</a>   | 13/09/2001 | EP |         |
| Text adopted by Parliament, single reading          | <a href="#">T5-0510/2001</a><br>OJ C 087 11.04.2002, p.<br>0158-0235 E | 04/10/2001 | EP | Summary |

## E-commerce and financial services

**PURPOSE:** to present a Commission Communication on e-commerce and financial services. **CONTENT:** The Lisbon European Council's deadline of 2005 to establish an integrated European market in financial services is central to the Community's employment and growth agenda. How the e-commerce Directive interacts with existing financial services legislation is of central significance to the development of a clear and coherent policy for cross-border trade in financial services. Against this background, the Commission calls for building on the approach set out in the directive to establish a fully functioning internal market for retail financial services; secure coherence between financial services legislation and the e-commerce Directive; secure coherence also between on-line and more traditional provision of financial services; and examine how the internal market clause will apply in areas where national rules significantly diverge, to avoid exposing consumers and investors to legal regimes that may differ substantially from their own. To assist Member States and service providers, and to ensure compliance with the e-commerce Directive, the Commission will conduct an analysis, in the course of this year (for review in 2003), indicating certain types of national provisions that Member States may apply to incoming services. To prepare this analysis, the Commission will undertake a review, paying particular attention to the way the derogations in the directive will be applied to on-line financial services offered from another Member State. Any restriction to the free provision of services, which can be justified under the derogations by the need to protect consumers and investors, must not be disproportionate with regard to the Union's objective of free movement of information society services. Against this background, a new policy framework will be developed, covering three policy areas: - a programme of convergence covering contractual and non-contractual rules; - targeted steps to encourage consumer confidence in cross-border redress and internet payments; - enhanced supervisory co-operation.?

## E-commerce and financial services

The committee adopted the report drawn up by Christopher HUHNE (ELDR, UK) in response to the Commission communication. The report pointed out that there were a number of issues relating to financial services, such as the rules affecting insurance, the advertising of unit trusts and electronic money, which needed to be reviewed and updated. Furthermore, there was concern that some Member States wanted to undermine the "country of origin" principle and introduce new national rules to restrict competition. The report therefore emphasised the importance of the country of origin principle applying to financial services as a means of ensuring high standards of consumer protection. At the same time, the committee was anxious to see some form of uniform protection, wherever possible, in order to avoid distortions of the market. The Commission was urged to lay down a clear timetable for the removal of derogations relating to consumer contracts and insurance as well as the advertising of unit trusts. There was also concern that recent moves by the Commission regarding the dispute procedure for consumer contracts could undermine the country of origin principle. While the committee welcomed the establishment of a Financial Services Ombudsman to rule in cross-border disputes, it felt that more measures were needed to facilitate the use of electronic money across the EU and to guard against fraud and money-laundering, for example, by developing new identification and authentication techniques. Consumers should be allowed the right to a refund in the event of non-authorised transactions. ?

## E-commerce and financial services

The European Parliament adopted the resolution by Mr Christopher HUHNE (ELDR, UK). It was approved by 396 to 63 with 27 abstentions.

(Please refer to the previous text). Moreover, the Parliaemnt believes that a genuine single market in financial services, whether on or off-line, cannot be achieved without consistent and timely implementation and enforcement of legislation. Therefore, it calls on the Commission to enforce the e-commerce directive proactively and vigorously and calls on the financial service regulators in different Member States to work closely together to ensure consistent implementation and interpretation of all legislation relating to e-commerce and financial services. ?