

The Financial Services Action Plan (FSAP)

There are 42 original measures in the FSAP. Some are non-legislative, a few are regulations, and there are almost 30 directives. Over 20 of the original measures are likely to affect the financial sector. The most important measures are:

1. The Capital Requirements Directive

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 (recast)

DIRECTIVE 2006/49/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 June 2006 on the capital adequacy of investment firms and credit institutions (recast)

The Capital Requirements Directive (CRD) is the common framework for the implementation of Basel ii in EU. This directive is making significant changes to two existing directives that were implementing Basel I:

1. The Banking Consolidation Directive
2. The Capital Adequacy Directive

2. The 8th Company Law Directive

DIRECTIVE 2006/43/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 May 2006 on statutory audits of annual accounts and consolidated accounts

The 8th Company Law Directive is similar to the US Sarbanes Oxley Act. This directive together with the 4th and 7th directives is called the European Sarbanes Oxley (EuroSox). In fact, there are similarities and differences.

3. The Markets in Financial Instruments Directive (MiFID)

DIRECTIVE 2004/39/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 21 April 2004 on markets in financial instruments

The Investment Services Directive has been replaced by MiFID that reflects developments in financial services and markets and extends the scope of the passport to cover commodity derivatives, credit derivatives and financial contracts for differences for the first time.

4. Financial Conglomerates Directive

DIRECTIVE 2002/87/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate

The Financial Conglomerates Directive tries to introduce supplementary supervision of financial conglomerates on a group-wide basis, in addition to both the prudential supervision of regulated entities on a standalone basis and consolidated supervision on a sectorised basis.

5. Savings Tax Directive

COUNCIL DIRECTIVE 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments

The Savings Tax Directive is the effort of the European Union to stop taxpayers from fleeing to lower tax environments. The new environment is becoming very interesting, as, although not in the EU, many offshore financial centres' have voluntarily agreed to apply the same or equivalent measures.

For further information contact info@eurosox.dk or call +45 2121 0616