

**THE LEGAL FRAMEWORK  
FOR A SINGLE  
EUROPEAN BANKING MARKET**

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## **A .The goals of Community action:**

- Implement the freedoms of free movements of capital, establishment and provision of services in the banking sector
- Preserve the stability of the banking system
- Prevent money laundering and financing of terrorist activities
- Create a single european payment area
- Contribute to the protection of consumers of banking services

## **B .Legal means to achieve these goals:**

- Regulations, Directives, Recommendations
- Mutual recognition of national rules
- Minimum harmonisation at a Community level of national regulations

## **C. Personal field of application of European banking law**

- Credit institutions (including electronic money institutions)
- Financial institutions (leasing companies, factoring companies, card schemes)

## **D. Freedom of establishment and freedom to provide services**

- Directive 2000/12/EC
- Mutual recognition of banking licenses issued by national supervisory authorities
- Treatment of third-country credit institutions

# **E. Safeguarding the stability of the European banking system**

1. Minimum harmonisation of:

- licensing requirements
- prudential supervision (capital adequacy requirements, large exposure requirements)
- deposit guarantee

2. Mutual recognition of:

- prudential regulations
- winding-up and reorganisation procedures for unviable credit institutions
- deposit guarantee schemes

## **F. A single european payments area (SEPA)**

- Cross-border credit transfers
- Settlement finality
- Cross-border payments in euro
- Collateral arrangements
- The work of the European Payments Council

## **G. Consumer protection in the banking sector**

- Consumer Credit
- Distance selling of financial services
- Pre-contractual information of mortgage credit



## **H. Other (horizontal) legislation affecting the operation of credit institutions**

- Monetary law
- Competition law
- Company law
- Accounting law
- Fiscal law
- Capital markets law
- Labour and social law

# **I. Banking sector influence on european legislation**

- European Banking Federation
- Federation of Savings banks
- Federation of Cooperative banks
- Federation of Mortgage banks
- Cooperation between the three ECSAs