



Malta-EU Steering & Action Committee

COMPETITIVENESS AND CONSUMER AFFAIRS

Sectoral Committee
Weekly Update
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COM (2010) 433 - Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directives 98/78/EC, 2002/87/EC and 2006/48/EC as regards the supplementary supervision of financial entities in a financial conglomerate

About 20 years ago, financial groups with business models that combine the provision of services and products in different sectors of financial markets began to develop. These became known as financial conglomerates. Conglomerates may include banks, insurance undertakings, investment firms and possibly asset management companies. For several years, different expert groups at international and European level discussed how to supervise such conglomerates appropriately. This resulted in the Joint Forum's 'Principles for the supervision of financial conglomerates' in 1999. Against this background, Directive 2002/87/EC introduced groupwide supplementary supervision ('FICOD').

Whilst the banking and insurance directives aim at calculating sufficient capital buffers for the protection of customers and policyholders, FICOD regulates the supplementary supervision of group risks. This implies that financial entities which have a mutual relationship that affects the risk profiles of both of them must be included in the supervisory scope. In this way, FICOD supplements the sectoral directives, the Banking Directive and various insurance directives.

The review of the FICOD effectively started in 2008 and formed the basis of this legislative proposal. Certain technical issues were included in the Commission's proposal for an Omnibus Directive in October 2009, accompanying the Regulations establishing the new European Supervisory Authorities.

In order to ensure that all necessary supervisory tools can be applied, this proposal introduces the term 'mixed financial holding company' into the relevant provisions on consolidated/group supervision in the sectoral directives.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0433:FIN:EN:PDF>



Malta-EU Steering & Action Committee

COM (2010) 429 - REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL On the application of Regulation (EC) No 1889/2005 of the European Parliament and of the Council of 26 October 2005 on controls of cash entering or leaving the Community pursuant to article 10 of this Regulation

Regulation 1889/2005 of the European Parliament and of the Council, which relates to controls of cash entering or leaving the Community (the Cash Control Regulation), entered into force on 15 December 2005. Article 10 of the Regulation requires the Commission to submit a report on its implementation to the European Parliament and the Council 4 years after its entry into force.

The Cash Control Regulation started being applicable from the 15 June 2007 and focus has been put, both by Member States and the Commission, on the creation of appropriate structures and the development of adequate procedures so as to allow for a harmonised implementation of the Regulation.

The Regulation establishes a uniform EU approach towards cash controls based on a mandatory declaration system for amounts of cash entering or leaving the EU with a value of €10,000 or more. Travellers have to submit information to the designated competent authority on declarant, owner and recipient as well as on the amount, nature, provenance, intended use and transport of the cash in the declaration.

The contributions received by Member States show that the recent implementation of the Cash Control Regulation is generally satisfactory. Member States have organised competent authorities to ensure that passengers comply with their obligation to declare, cash declarations are processed and controls are carried out on passengers, the luggage and the means of transport. They also have put in place a penalty system and/or cash detention system for cases of non-compliance with the cash declaration requirements. In a few Member States some shortcomings have been detected in the recording, processing and making available of control information and in the introduction of national penalties. This COM is taking the necessary action to ensure that the EU legislation on cash controls is appropriately implemented in all Member States.

This report was drawn up following feedback received by the Commission from questionnaires sent out to Member States

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0429:FIN:EN:PDF>