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18. Welcomes the announced systematic removal of restrictions on the free movement of services; notes however that the questionnaire already published makes no distinction between goods and services;
19. Recalls that the competitiveness of European services also depends on the capacity of European businesses to supply services and calls on the Commission and innovative Member States to promote innovation in Europe;
20. Stresses that the internal market in services represents a great opportunity for innovative businesses to find a niche on the market;
21. Draws attention to the opportunities which the internal market offers, in particular, to small and medium-sized undertakings, which can provide their services without having to set up costly bases in the target national market and without being subject to a multiplicity of regulatory systems;
22. Suspects that in many cases cultural, linguistic and knowledge-based factors will be among the reasons for the insufficient take-up on freedom to provide services;
23. Notes the advantages which the creation of the internal market offers consumers by providing them with a wide range of competitive and high-quality services together with rights which they can exercise directly;
24. Regrets that the Commission is not facing up to the risks of applying the principle of mutual recognition;
25. Calls on the Member States to engage themselves at political, legislative and administrative level in order to remove barriers to service exchanges detected by the Commission and recalls that without Member States' political will it is not feasible to create the Internal Market in Services;
26. Urges the Commission to step up the use of the option of bringing Treaty violation proceedings in cases of genuine infringements;
27. Calls on the Commission throughout the process launched by the strategy, without waiting for the second step of the strategy, to adopt a rigorous infringement policy *vis-à-vis* Member States which take measures incompatible with Articles 43 and 49 of the Treaty;
28. Instructs its President to forward this resolution to the Council, the Commission and the governments of the Member States.

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## 12. Pre-contractual information on home loans

**A5-0290/2001**

**European Parliament resolution on the Commission recommendation on pre-contractual information to be given to consumers by lenders offering home loans (C5-0256/2001 – 2001/2121(COS))**

*The European Parliament,*

- having regard to the Commission recommendation (C(2001) 477 – C5-0256/2001)<sup>(1)</sup>,
- having regard to the Financial Services Action Plan (COM(1999) 232),
- having regard to the Commission's third report on financial services priorities and progress (COM(2000) 692),
- having regard to the European agreement on a Voluntary Code of Conduct on pre-contractual information for home loans (the 'Code'),

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<sup>(1)</sup> OJ L 69, 10.3.2001, p. 25.

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- having regard to Rule 47(1) of its Rules of Procedure,
  - having regard to the report of the Committee on Economic and Monetary Affairs (A5-0290/2001),
- A. whereas the Code covers both domestic and cross-border loans, with the exception of credit agreements coming under Council Directive 87/102/EEC of 22 December 1986 for the approximation of the laws, regulations and administrative provisions of the Member States concerning consumer credit <sup>(1)</sup> as last amended by Directive 98/7/EC of the European Parliament and of the Council <sup>(2)</sup>,
- B. whereas the completion of the internal market for financial services is a Community priority for the next few years, and must be a matter both for business and for consumers,
- C. whereas consumer protection is structured very differently from one Member State to another,
- D. whereas market integration and an enhanced cross-border supply of financial products and services must not lead to a lesser degree of consumer protection,
- E. whereas the harmonisation of provisions, taking into account the different civil law systems, seems neither desirable nor realistic in the foreseeable future,
- F. whereas the legal position of consumers must therefore be improved by other means, in particular by means of greater product transparency and the introduction of obligations to provide pre-contractual information,
- G. whereas the market participants themselves are best placed to negotiate proper solutions to ensure an appropriate balance of interests between the contractual parties,
- H. whereas voluntary agreements between banks and consumers' associations have only limited options with regard to penalties, and whereas they must therefore be supplemented by effective monitoring mechanisms so as to ensure that they are complied with,
- I. whereas the Commission recommendation is of considerable significance in this context, in particular with regard to the establishment of a central register and ongoing monitoring of the implementation of the recommendation, including the possibility of binding legislation being adopted should the recommendation not be fully complied with,
1. Welcomes the fact that for the first time, at European level, an agreement has been reached between banking and consumers' associations on the standardisation of information which must be made available to consumers before a contract is concluded;
  2. Welcomes the fact that the first such agreement to be reached concerns home loans, since these are usually the most important financial commitments that consumers enter into;
  3. Stresses the constructive part played by the Commission, which has made a substantial contribution to the emergence of this voluntary, self-policing agreement;
  4. Asks the Commission to draw up a report on the experience gained in the negotiations on the Code;
  5. Criticises, however, the lack of transparency in the protracted negotiations leading up to the signing of the Code;
  6. Calls on the Commission, where future negotiations on voluntary agreements are concerned, to keep the European Parliament informed at regular intervals about the progress thereof;
  7. Stresses the example set by the Code in expressing the subsidiarity principle, as a voluntary agreement between market participants, by comparison with a legislative act at European level;

<sup>(1)</sup> OJ L 42, 12.2.1987, p. 48.

<sup>(2)</sup> OJ L 101, 1.4.1998, p. 17.

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8. Welcomes the fact that the Code has resulted in two sets of harmonised pre-contractual information, including helpful definitions, being made available, namely general information and personalised information in the form of a European Standardised Information Sheet;
9. Suggests that, with the aim of improving the comparability of consumer information, a narrow definition of a common effective annual interest rate (including net interest, administrative costs, commission/fees) for home loans, together with the data needed to ensure comprehensibility, be included in the European Standardised Information Sheet, the calculation of which shall be uniform throughout the Community and which shall be based on the consumer credit Directive;
10. Points out that coordination of the substance of European legislative acts, irrespective of their legal form, is essential for the completion of the European internal market in financial services;
11. Calls on the Commission and the Council, therefore, bearing in mind this need for substantive consistency between European legislative acts, to ensure that the definition of home loan agreed in the Code is also applied in other agreements and legislative acts, in particular in the future Directive concerning the distance marketing of consumer financial services and in the forthcoming modification of the consumer credit Directive;
12. Welcomes the fact that by recommending the Code, including the planned establishment of a register showing all lenders offering home loans, together with the lenders adhering to the Code, the Commission has lastingly improved the preconditions for general acceptance of the Code;
13. Hopes that the agreement will result in an increased cross-border supply of lending and hence more competition, from which consumers can benefit through greater transparency and more comprehensive service provision, especially since different regulations under civil law mean that attempts to harmonise legislation have little prospect of success;
14. Calls on all financial service providers in the European Union who offer home loans, regardless of whether they are members of the associations which have signed the Code, to adhere to and implement the Code;
15. Calls, in addition, on all European lenders offering home loans located outside the European Union, and in particular those in the candidate countries, to adhere to and implement the Code;
16. Points out, in this connection, the potentially positive impact of adherence by lenders from the candidate countries with regard to future membership of the internal market in financial services;
17. Welcomes the establishment, agreed in the Code, of non-judicial mediation bodies, which are basically likely to strengthen consumer trust in the Code;
18. Calls on the associations which have signed the Code, however, to act jointly with the consumers' organisations to set up independent national mediation bodies – instead of purely internal mediation bodies within individual lenders – and to ensure that these have unbureaucratic consultation and working methods;
19. Calls on the European and national associations which have signed the Code to work actively towards ensuring that it is implemented before the agreed period of 12 months expires;
20. Calls on the Commission to work actively with the Member States towards ensuring that the recommendation is implemented as widely as possible in advance of 30 September 2002;
21. Calls on the signatory lenders, consumers' associations, the Commission and the media to ensure that the existence of the Code of Conduct is made known to the public at large;
22. Welcomes the Commission's intention to operate the register of lenders offering home loans, which will indicate whether or not those lenders have signed the Code, on line;
23. Asks the Commission to indicate in the register what information provides the basis for the establishment and updating of the register of lenders offering home loans;

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24. Points out that all on-line lenders offering home loans should also be included in the register;
25. Points out that in the case of home loans which are offered over the Internet, all the information in accordance with the European Standardised Information Sheet must be included, and all the other provisions of the Code must be complied with;
26. Calls on the Commission, in the interests of enhanced democratic legitimacy, to report to the European Parliament regularly on the application and practical effects of the recommendation;
27. Asks the Commission to forward its evaluation of the Code's effectiveness to the European Parliament at the earliest opportunity;
28. Points out that, should the implementation of and compliance with the Code prove unsatisfactory, the Commission must present a legislative act;
29. Calls on the Commission not to delay or jeopardise the implementation of the Code by parallel legislative plans;
30. Hopes, however, that the example of a voluntary agreement between the market operators and consumers' associations will prove its worth, so that it can also be applied in other areas of financial services (if the subject-matter makes it appropriate), and can thereby contribute to the early completion of the internal market in financial services;
31. Instructs its President to forward this resolution to the Council, the Commission and the parliaments of the Member States.

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### **13. Poverty reduction**

**A5-0263/2001**

**European Parliament resolution on the Commission communication to the Council and the European Parliament on accelerated action targeted at major communicable diseases within the context of poverty reduction (COM(2000) 585 – C5-0014/2001 – 2001/2006(COS)) and on the Commission communication to the Council and the European Parliament on a Programme for Action: accelerated action on HIV/AIDS, malaria and tuberculosis in the context of poverty reduction (COM(2001) 96 – C5-0112/2001 – 2001/2006(COS))**

*The European Parliament,*

- having regard to the Commission communication (COM(2000) 585 – C5-0014/2001),
- having regard to the Commission communication (COM(2001) 96 – C5-0112/2001),
- having regard to the Round Table on HIV/AIDS, malaria and tuberculosis (28 September 2000), convened by the Commission under the aegis of the French Presidency and co-sponsored by the World Health Organisation (WHO) and the Joint United Nations Programme on HIV/AIDS (UN/AIDS),
- having regard to the Council Resolution of 10 November 2000 on communicable diseases and poverty <sup>(1)</sup>,
- having regard to the Commission proposal for a Decision of the European Parliament and of the Council concerning the multiannual framework programme 2002-2006 of the European Community for research, technological development and demonstration activities aimed at contributing towards the creation of the European Research Area (COM(2001) 94 – 2001/0053(COD)) <sup>(2)</sup>,

<sup>(1)</sup> 2304th Council (Development) – Press 421 No 12929/00.

<sup>(2)</sup> OJ C 180 E 26.6.2001, p. 156.