

Brussels, 4 December 2007

Subject: 25TH ASSOCIATES' MEETING
- Brussels, 6 December 2007 -

ITEM 6: EBF Report on Integration of European Financial Services Markets

In May 2007, the EBF Board requested the EBF Executive Committee to produce a report on **Integration of European Financial Services Markets**. Since then, the EBF Secretariat has drafted the document in close collaboration with the Executive Committee and tonight it will be officially launched.

The report consists of three main parts:

- (a) **The Introduction** lays out the European Union's road towards integration, and the economic and strategic significance of the banking sector in the EU economy,
- (b) **The Key Challenges** outline the remaining obstacles that need to be addressed in order to complete the process of integration in the context of the EU Lisbon Agenda 2000-2010. The Key Challenges are:
 - 1. Removing barriers to cross-border banking consolidation
 - 2. Advancing towards an integrated EU retail banking market
 - 3. Achieving a level playing field among different market participants
 - 4. Making EU consolidated prudential supervision work
 - 5. Implementing SEPA successfully
 - 6. Reforming the VAT treatment of financial services
 - 7. Handling IFRS adequately
 - 8. Intensifying international cooperation.
- (c) **The Technical & Policy Background** provides an in-depth view of the EU policy and regulatory environment backed up by the technical analysis of the issue-specific measures.

The Executive Summary is designed to be a stand-alone document, summarising the main ideas of the Report.

The Integration Report presents the EBF's positions and recommendations on various aspects of integration of European financial services markets. This report will serve as a springboard for future, more specific EBF positions. *Inter alia*, the EBF is preparing a special report dedicated to the examination of a selected number of potential models for the framework of prudential supervision, which is expected to be released in spring 2008.