

II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DIRECTIVE 93/6/EEC

of 15 March 1993

on the capital adequacy of investment firms and credit institutions

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular the first and third sentences of Article 57 (2) thereof,

Having regard to the proposal from the Commission ⁽¹⁾,

In cooperation with the European Parliament ⁽²⁾,

Having regard to the opinion of the Economic and Social Committee ⁽³⁾,

Whereas the main objective of Council Directive 93/22/EEC of 10 May 1993 on investment services in the securities field ⁽⁴⁾ is to allow investment firms authorized by the competent authorities of their home Member States and supervised by the same authorities to establish branches and provide services freely in other Member States; whereas that Directive accordingly provides for the coordination of the rules governing the authorization and pursuit of the business of investment firms;

Whereas that Directive does not, however, establish common standards for the own funds of investment firms nor indeed does it establish the amounts of the initial capital of such firms; whereas it does not establish a common framework for monitoring the risks incurred by the same firms; whereas it refers, in several of its

provisions, to another Community initiative, the objective of which would be precisely to adopt coordinated measures in those fields;

Whereas the approach that has been adopted is to effect only the essential harmonization that is necessary and sufficient to secure the mutual recognition of authorization and of prudential supervision systems; whereas the adoption of measures to coordinate the definition of the own funds of investment firms, the establishment of the amounts of their initial capital and the establishment of a common framework for monitoring the risks incurred by investment firms are essential aspects of the harmonization necessary for the achievement of mutual recognition within the framework of the internal financial market;

Whereas it is appropriate to establish different amounts of initial capital depending on the range of activities that investment firms are authorized to undertake;

Whereas existing investment firms should be permitted, under certain conditions, to continue their business even if they do not comply with the minimum amount of initial capital fixed for new firms;

Whereas the Member States may also establish rules stricter than those provided for in this Directive;

Whereas this Directive forms part of the wider international effort to bring about approximation of the rules in force regarding the supervision of investment firms and credit institutions (hereinafter referred to collectively as 'institutions');

Whereas common basic standards for the own funds of institutions are a key feature in an internal market in the

⁽¹⁾ OJ No C 152, 21. 6. 1990, p. 6; and
OJ No C 50, 25. 2. 1992, p. 5.

⁽²⁾ OJ No C 326, 16. 12. 1991, p. 89; and
OJ No C 337, 21. 12. 1992, p. 114.

⁽³⁾ OJ No C 69, 18. 3. 1991, p. 1.

⁽⁴⁾ See page 27 of this Official Journal.