

DOCUMENTATIEBLAD

**INTEGRATIE VAN DE FINANCIËLE MARKTEN
IN DE EUROPESE UNIE****Luc Coosemans**

Adviseur-generaal van Financiën

Abstract

This article gives an overview of the ongoing process towards the integration of financial markets in the European Union.

The creation of an internal market for goods and services, labour and capital as the fundamental objective of the Treaty of Rome has been furthered with the adoption of the Single Market Programme in 1985 at which financial market integration was an important component.

The EMU, the introduction of the euro and the policy of the ECB have acted as the powerful catalyst for the acceleration of the integration of the financial markets. In 1999 the Financial Services Action Plan was adopted and in 2005 a White Paper on Financial Services was presented. Important legislative work was done harmonizing organization and regulations in several segments of the financial markets that needed integration.

The turmoil in financial markets last August provided a serious test of the new securities based global financial system. It proved that it was not distributing risk away from the banking sector as it appeared to do.

The financial crisis stimulated the need for a closer examination of the innovative financial products, the policy of private equity groups and the role and governance of hedgefunds. It also raised questions about the quality of the opinions of rating agencies. Quality control and supervision seem to become again important policy issues.

KEYWORDS: *Financial Markets, Financial integration, Euro Area, Financial Markets and Institutions.*

JEL CLASSIFICATION NUMBERS: *G10, F36, N24.*